

March 29th, 2023

Hon. Todd Smith
Minister of Energy
77 Grenville Street, 10th Floor
Toronto, ON M7A 2C1
Tel.: 416-327-6758

Dear Minister:

OPG welcomes the opportunity to work with the Ministry of Energy to invest and grow Ontario's world-class clean electricity grid by developing a voluntary Clean Energy Credit (CEC) Registry to boost Ontario's international competitiveness, attract jobs, support future clean energy generation and benefit ratepayers.

OPG currently reports on its CEC transfers in its Sustainability Performance Data Reporting found on OPG's website. The Ontario CEC Registry will further strengthen CEC reporting by tracking CEC transfers from all generation in Ontario providing greater accuracy and transparency. To support this, OPG is pleased to share reporting of its CEC transfers from 2013 up to and including 2022. OPG will continue to report on CEC transfers and meet any additional reporting requirements necessitated by the launch of the Ontario CEC registry.

OPG looks forward to the launch of the Ontario CEC registry and values the opportunity to work with the province to further decarbonize the grid and provide value to Ontario.

Sincerely,



Ken Hartwick
President & CEO, OPG

Report on OPG's CEC Transfers from 2013 to 2022

This report provides an overview of the volume of environmental credits (now Clean Energy Credits) transferred from January 2013 to March 15, 2023 from OPG's clean generation portfolio to customers by vintage¹ year and generation source.

OPG offers three Clean Energy Credits (CEC) products: Ecologo[®] certified small hydro, large hydro and nuclear CECs. These products are priced at competitive market rates.

OPG has sold Ecologo[®] certified small hydro credits at least since 2013. Over the years OPG has seen an increase in demand for CECs as a result of the global drive towards climate targets and Environmental, Social, and Governance (ESG) goals. In 2021, OPG began selling CECs from its Sir Adam Beck and nuclear facilities in response to market demand for these products.

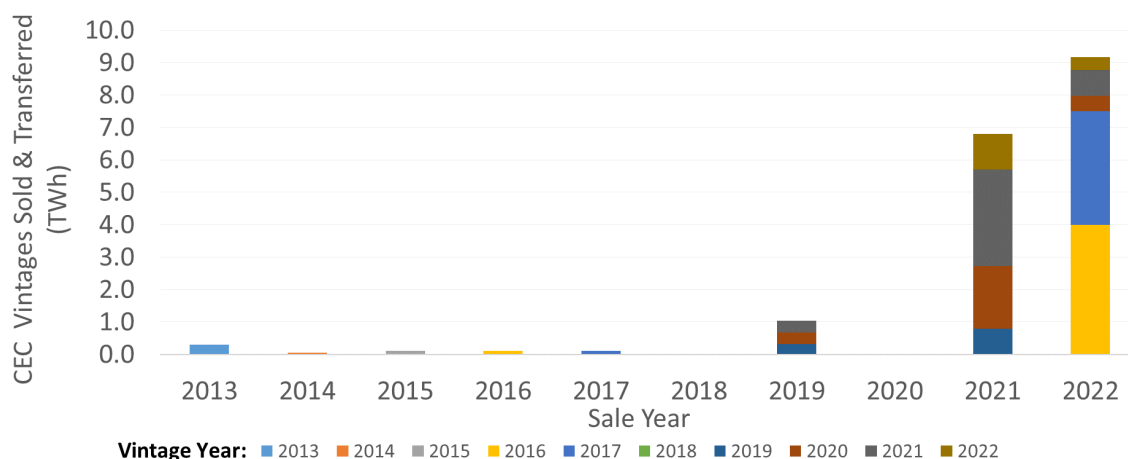


Figure 1: CEC volumes sold each year broken by vintage volumes transferred that year

Figure 1 shows total CEC volumes sold in each year broken down by vintages transferred in that year. For example, in 2022, CECs were sold and transferred for vintages from across the 2016 – 2022 period.

Revenues (\$M)										
Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total	\$1.1	\$0.2	\$0.3	\$0.4	\$0.3	\$0.0	\$0.3	\$0.3	\$5.5	\$4.8

Figure 2²: Gross revenue earned after transfers by year of sale in CAD

¹ The year in which the CEC was generated.

² Gross revenue is not inclusive of costs associated with administering OPG's CEC program such as, but not limited to, staffing costs, M-RETS subscription and administration costs, and broker fees.

Vintages Transferred (MWh)										
Vintage Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Ecologo Hydro	300,000	54,000	100,000	100,000	100,000	-	319,000	354,050	372,800	30,000
Large Hydro	-	-	-	4,000,000	3,500,000	-	800,000	2,403,023	3,761,770	1,461,227
Nuclear	-	-	-	-	-	-	-	-	-	10,000
Total	300,000	54,000	100,000	4,100,000	3,600,000	-	1,119,000	2,757,073	4,134,570	1,501,227

Figure 3: CECs Transferred by Vintage and Generation Source in units of MWh

OPG is awaiting further direction from the government on the use of revenues from CEC sales in order to benefit the Ontario ratepayer. As a result, OPG is unable to determine how benefits from CEC sales will flow back to ratepayers, including whether the mechanism would apply to revenues earned to date.

OPG includes net revenues from CEC sales in its financial reports under Revenue, see [Our reporting > Financial reports - OPG](#). OPG reports its CEC sales volume for previous years in its Sustainability Performance Data report found [Our reporting > Sustainability reporting - OPG](#) and reports on sales activities in its ESG report located at [ESG report - OPG](#).