

June 22, 2018

## OPG RAISES \$450 MILLION IN GREEN FINANCING FOR HYDROELECTRIC PROJECTS

*First Canadian utility to use green bonds to finance clean, low-cost power*

**Toronto, ON** – Ontario Power Generation (OPG) today closed a \$450 million green bond issuance, a first-of-its-kind financing for the Canadian energy sector. Proceeds will be used to finance hydroelectric projects that produce low-cost power free of carbon emissions.

“Today’s bond offering is the first in the Canadian energy sector where a utility has issued green bonds to finance renewable and clean power projects that produce electricity free of carbon emissions,” said Ken Hartwick, OPG’s Chief Financial Officer. “OPG is Ontario’s low-cost generator, producing power 99 per cent free of smog and carbon and priced 40 per cent lower than other generators.”

For more than a century, OPG’s publically owned hydroelectric generation stations have contributed to Ontario’s prosperity by delivering low-cost, clean, reliable, and renewable energy. OPG continues to expand and invest in these valuable public assets to provide electricity for generations to come. OPG operates 66 hydroelectric stations on 24 river systems throughout Ontario. The smallest station has a generating capacity of 800 kilowatts, the largest more than 1,500 megawatts.

Specific potential projects identified by OPG for green financing include:

- [Peter Sutherland Sr. Generating Station](#) - 28 MW hydroelectric station on New Post Creek in Northeastern Ontario. Completed in March 2017 and a partnership between OPG and Taykwa Tagamou Nation.
- [Ranney Falls Generating Station refurbishment](#) – adding an additional 10 MW unit at Ranney Falls on the Trent River. Expected to be complete in Q4 of 2019.

OPG will update investors annually on the use of proceeds and developments with respect to OPG’s green bond program. The reports will include a complete list of eligible projects to which green bond proceeds have been allocated, a brief description of the projects, amounts allocated and the remaining balance of funds.

OPG has established a green bond framework that allows for the use of proceeds to finance projects that offer tangible environmental benefits. Sustainalytics, a leading provider of corporate environmental, social and governance research, ratings and analysis, completed a second-party opinion stating that OPG’s green bond framework is “credible and impactful, and it aligns with the four core components of the Green Bond Principles 2017.”

Transaction details:

- Amount: \$450 million
- Rating: DBRS A (low), S&P BBB+
- Term: 30 years
- Coupon: 3.838%

OPG generates safe, clean, reliable, low-cost power for Ontario. More than 99 per cent of this power is free of smog and carbon emissions. OPG's power is priced 40 per cent lower than other generators, which helps moderate customer bills.

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