



Year In Review Fact Sheet

2017 Ontario Power Generation

OUR COMPANY

Ontario Power Generation Inc. (OPG) is an electricity generating company whose principal business is the generation and sale of electricity in Ontario. As Ontario's largest clean energy generator, OPG operates a diverse generation portfolio consisting of 2 nuclear, 66 hydroelectric and 3 thermal generating stations, and 1 wind power turbine. OPG also leases 2 other nuclear stations to Bruce Power and co-owns the Portlands Energy Centre generating station (GS) and the Brighton Beach GS. Most of OPG's generating assets are subject to rate regulation or energy supply agreements. As at December 31, 2017, OPG had an in-service generating capacity of 16,210 MW.

STRATEGIC PRIORITIES

OPG's mission is to provide low cost power in a safe, clean, reliable and sustainable manner for the benefit of customers and its Shareholder, the Province of Ontario. OPG seeks to pursue, on a commercial basis, generation development projects and other growth opportunities. OPG is focused on the following four key strategic imperatives:

- **OPERATIONAL EXCELLENCE** in workplace and public safety, electricity generation, cost effectiveness, and environmental stewardship.
- **PROJECT EXCELLENCE** through investment in asset performance, refurbishment and new construction.
- **FINANCIAL STRENGTH** by increasing revenue, reducing costs, achieving appropriate shareholder's return, and pursuing growth opportunities.
- **SOCIAL LICENCE** by maintaining public trust through high standards of corporate citizenship, including transparency, community engagement and Indigenous relations.

OPERATIONAL & FINANCIAL HIGHLIGHTS

- Total electricity generated decreased in 2017 to 74.1 TWh from 78.2 TWh in 2016. The decrease reflected the expected lower generation from the Darlington GS as Unit 2 undergoes refurbishment.
- Net income in 2017 was \$881 M, compared to \$453 M in 2016. The increase was primarily due to revenue recorded to reflect Ontario Energy Board's 2017 decision that established OPG's new regulated nuclear and hydroelectric rates effective June 1, 2017, and the gain on sale of OPG's head office premises.
- OPG has made significant progress on several generation development projects, including:
 - The \$12.8 B Darlington Refurbishment project that will extend the station's operating life by approximately 30 years. The de-fuelling and islanding of the first unit, Unit 2, were completed in the first half of 2017. The disassembly of reactor components began in August 2017 and is expected to be completed in mid-2018. Unit 2 is scheduled to be returned to service in the first quarter of 2020. The overall project continues to track on schedule and budget.
 - OPG is continuing planning activities for the refurbishment of the second Darlington GS unit, Unit 3. In February 2018, the Government of Ontario confirmed its commitment to proceed with the refurbishment of Unit 3.
 - The construction of a 10 MW single-unit powerhouse on the existing Ranney Falls hydroelectric GS site, which began in 2017. The project's expected in-service date is in the fourth quarter of 2019, with a budget of \$77 M. The project is tracking on schedule and on budget.
 - The construction of a 44 MW solar facility at OPG's former Nanticoke GS site in partnership with Six Nations of the

Grand River that commenced with site preparation in March 2018. The project is OPG's fourth generation-related development in partnership with an Indigenous community. The facility is expected to be completed in the first quarter of 2019, with a budget of \$107 M.

- A new 28 MW hydroelectric generating station, the Peter Sutherland Sr. GS, near the Abitibi River, was placed in service in March 2017, ahead of schedule. The project, a partnership between OPG and the Taykwa Tagamou Nation, closed below the approved budget of \$300 M.
- OPG has been appointed the Financial Services Manager under the *Ontario Fair Hydro Plan Act, 2017* (the Act) and in December 2017, the Fair Hydro Trust (the Trust) was established. In December 2017, the Trust purchased an Investment Interest from the Independent Electricity System Operator totalling \$1.179 B. In February 2018, the Trust issued \$500 M of senior notes payable at 3.36%, maturing in May 2033.

FINANCIAL RESULTS

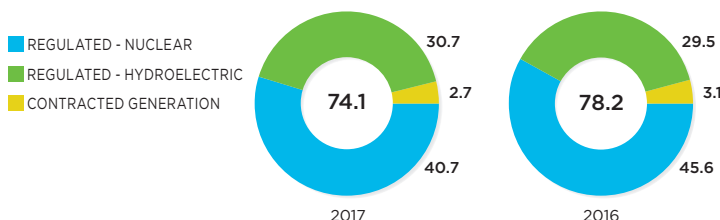
For the year ended December 31

(\$ millions unless otherwise noted)	2017	2016
Revenue	5,158	5,653
Fuel Expense	689	727
Gross Margin	4,469	4,926
OM&A	2,824	2,747
Other Net Expenses	839	1,455
Other Gains	(379)	(17)
Income before Interest and Income Taxes	1,185	741
Net Interest Expense & Income Taxes	304	288
Net Income	881	453

Net Income attributable to the Shareholder	860	436
Cash Flow provided by Operating Activities	944	1,817
Capital Expenditures	1,926	1,704
Total Assets	48,822	44,372
Total Liabilities	36,911	33,864
Total Equity	11,911	10,508
Return on Equity Excluding Accumulated Other Comprehensive Income ¹ (%) 12-month rolling average	7.6	4.2

¹ Refer to the 2017 Management's Discussion & Analysis (MD&A) for details on this non-GAAP financial measure.

ELECTRICITY SOLD (TWh)





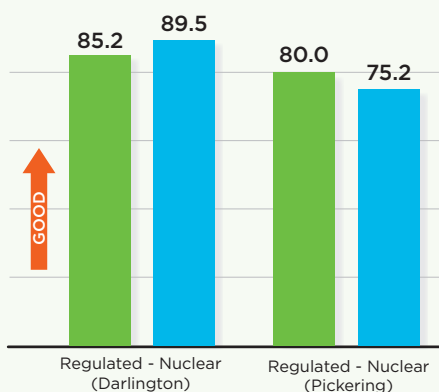
Year In Review Fact Sheet

2017 Ontario Power Generation

OPERATING PERFORMANCE

Nuclear Unit Capability Factor (%) ¹

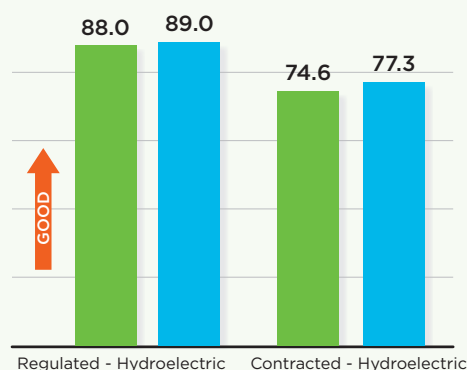
represents actual energy generated, adjusted for external constraints such as transmission or demand limitations, as a percentage of potential maximum generation over a specified period.



¹ Excludes unit(s) during the period in which they are undergoing refurbishment

Hydroelectric Availability (%) represents

the amount of time that units are capable of producing electricity as a percentage of the total time for a respective period.



Enterprise Total Generating Cost (TGC) per MWh ^{2,3}

represents OPG's overall organizational cost performance (excluding generation development project costs) divided by total electricity generation from OPG-operated generation stations.



² Had Unit 2 at Darlington GS not been undergoing refurbishment, the Enterprise TGC would have been approximately \$4 to \$5 per MWh lower for 2017

³ Refer to the 2017 MD&A for details on this non-GAAP financial measure.

IN-SERVICE GENERATION CAPACITY

As at December 31, 2017 (MW)

Regulated - Nuclear Generation	
Darlington GS ⁴	2,634
Pickering GS	3,094
Total Regulated - Nuclear	5,728
Regulated - Hydroelectric	
Niagara	2,319
Eastern Ontario	2,612
Northeastern Ontario	837
Northwestern Ontario	658
Total Regulated - Hydroelectric	6,426
Contracted Generation Portfolio	
Northeastern Ontario	995
Northwestern Ontario	29
Eastern Ontario	18
Total Contracted - Hydroelectric	1,042
Lennox GS	2,100
Thunder Bay GS	153
Atikokan GS	205
Portlands Energy Centre ⁵	275
Brighton Beach ⁵	280
Wind	1
Total Contracted - Thermal	3,014
Total Contracted Generation Portfolio	4,056
Total	16,210

⁴ Excludes Unit 2 which has a generating capacity of 878 MW

⁵ Represents OPG's 50% share of generating capacity

MAJOR PROJECTS

Project (\$ Millions)	Capital Expenditures as of December 31, 2017		Approved Budget	In-service Date
	Year-To-Date	Life-To-Date		
Darlington Refurbishment (Regulated Asset)	1,249	4,434	12,800 ⁶	First Unit - 2020 Last Unit - 2026
Peter Sutherland Sr. GS (Contracted Asset)	41	277	300	2017
Ranney Falls GS (Regulated Asset)	25	28	77	2019
Nanticoke Solar Facility (Contracted Asset)	2	3	107	2019

⁶ The total project budget of \$12.8 billion is for the refurbishment of the four units at the Darlington GS.

CREDIT RATINGS

	Long-Term Debt	Commercial Paper	Outlook
S&P	BBB+	A-1 (low) Cdn	Stable
DBRS	A (low)	R-1 (low)	Stable