Ontario Power Generation

Fourth Quarter 2017
Shareholder Briefing

March 9, 2017

ONTARIO POWER GENERATION

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GENERAL

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Words such as “anticipate”, “believe”, “foresee”, “forecast”, “estimate”, “expect”, “schedule”, “intend”, “plan”, “project”, “seek”, “target”, “goal”, “strategy”, “may”, “will”, “should”, “could”, and other similar words and expressions are used to indicate forward-looking statements. The absence of any such word or expression does not indicate that a statement is not forward-looking. The forward-looking information contained in this presentation are not guarantees of future performance and involve inherent assumptions and risks and uncertainties that are difficult to predict. All forward-looking information could be inaccurate to a material degree. In particular, forward-looking statements may contain assumptions such as those relating to OPG’s generating station performance and availability, fuel costs, surplus baseload generation, cost of fixed asset removal and nuclear waste management, performance and earnings of investment funds, refurbishment of existing facilities, development and construction of new facilities, pension and other post-employment benefit obligations and funds, income taxes, proposed new legislation, the ongoing evolution of Ontario’s electricity industry, environmental and other regulatory requirements, operating licence applications to the Canadian Nuclear Safety Commission, health, safety and environmental developments, business continuity events, the weather, financing and liquidity, applications to the Ontario Energy Board (OEB) for regulatory prices, the impact of regulatory decisions by the OEB, Ontario’s Fair Hydro Plan and forecasts of earnings, cash flows, Funds from Operations Adjusted Interest Coverage, Return on Common Equity Excluding Accumulated Other Comprehensive Income, Total Generating Cost, OM&A expenditures, retention of critical talent, supplier and third party performance, and project expenditures. Actual outcomes and results may differ materially from what is expressed, implied or forecasted in this forward-looking information. While the Company does not know what impact any of these differences may have, the Company’s business, results of operations, financial condition and credit stability may be materially adversely affected. Factors that could cause actual results or outcomes to differ materially from the results expressed or implied by forward-looking information are discussed in the prospectus. Potential investors should carefully consider these and other factors and not place undue reliance on forward-looking information. The forward-looking information included in this presentation represent OPG’s views as of the date of this presentation and should not be relied upon as representing OPG’s views as of any subsequent date.

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This presentation also contains reference to certain financial measures (non-GAAP measures) that do not have any standardized meaning prescribed by United States generally accepted accounting principles (“US GAAP”) and, therefore, may not be comparable to similar measures presented by other issuers. The Company believes that these indicators are important since they provide additional information about OPG’s performance, facilitate comparison of results over different periods, and present measures consistent with the Company’s strategies to provide value to the Province of Ontario as its sole shareholder, improve cost performance, and ensure availability of cost effective funding. These non-GAAP financial measures have not been presented as an alternative to net income, cash flow provided by operating activities, or any other measure in accordance with US GAAP, but as indicators of operating performance. The definitions and calculations of Enterprise Total Generation Cost per MWh and Return On Equity Excluding Accumulated Other Comprehensive Income, are found in the in the section, *Supplementary Non-GAAP Financial Measures* of the Company’s quarterly Management’s Discussion and Analysis, which is available on SEDAR at www.sedar.com or on the Company’s website at www.opg.com.

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Annual Highlights

- Darlington's Unit 2 refurbishment recently passed the halfway point based on work performed; remains on time and on budget
- Pickering performance continues to be strong; increased generation of 1.5 TWh from 2016
- Peter Sutherland Sr. hydroelectric station completed in 2017 on budget and ahead of schedule in close partnership with Indigenous communities
- Fair Hydro Trust established in December 2017; purchased first tranche of financing receivable assets of approximately $1.2 billion from the IESO
- Net Income Attributable to Shareholder up 97% from 2016, driven by OEB Decision issued in December 2017 and sale of Head Office
- Over the past five years, OPG has repeatedly stood in the top quartile of its comparator Canadian electrical utilities in various safety performance metrics
- In the past nine years, OPG has consistently shown a Construction Contractor All Injury Rate (AIR) that is markedly better than the Infrastructure Health and Safety Association Contractor AIR, a metric of construction contractor safety performance across Ontario

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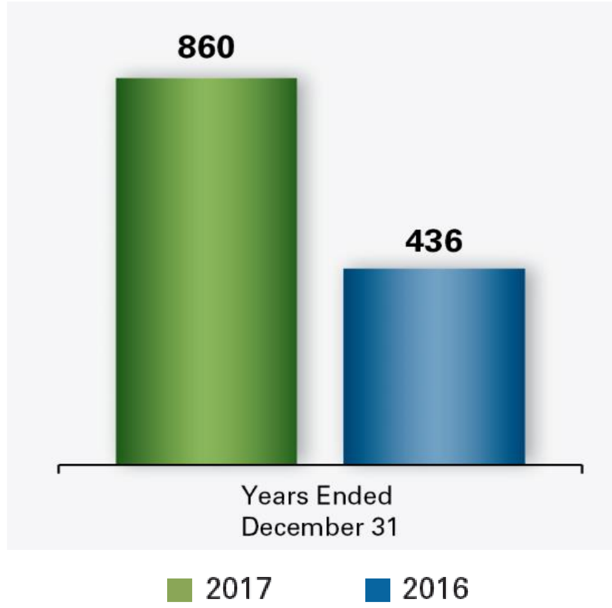
Net Income Attributable to Shareholder



- *Higher revenues of approximately $480 million in Q4 2017, reflecting OEB decision on new regulated rates for nuclear and majority of hydroelectric generation, with an effective date of June 1, 2017*
- *Recognized one-time gain from sale of OPG's head office building ($283 million net of tax) in Q2 2017.*
- *Increase in net income partly offset by reduction in nuclear electricity generation as expected, primarily due to the Darlington Refurbishment; not reflected in regulated prices from January through May 2017.*

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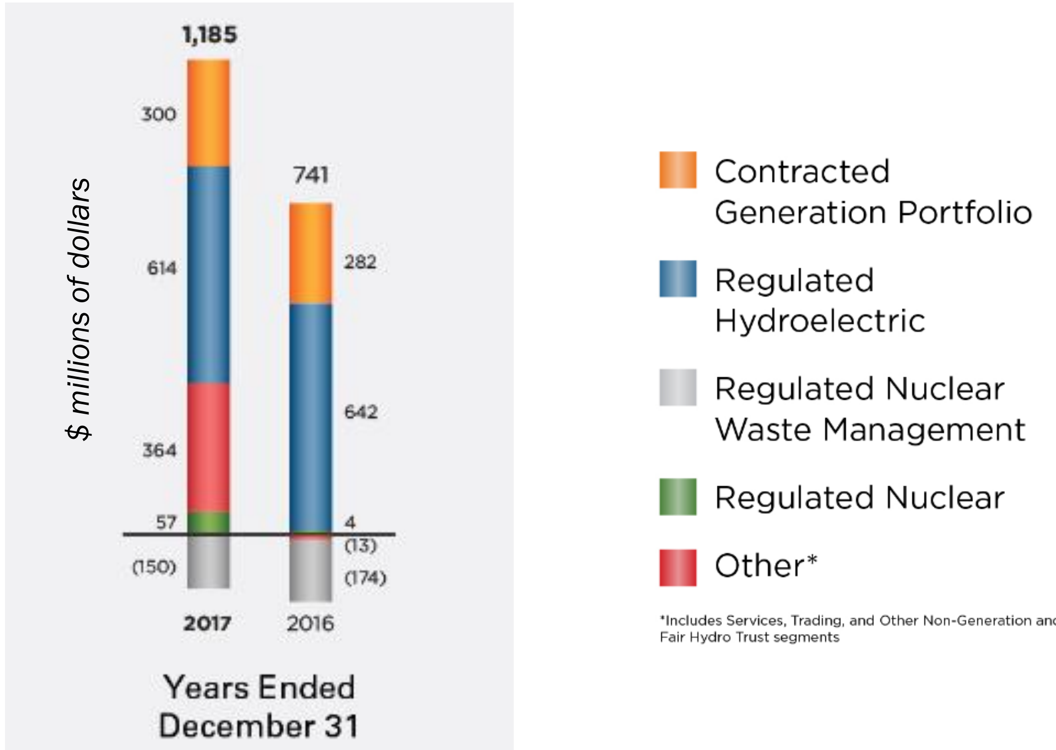
Segment Earnings Before Interest & Tax



- *Higher earnings were driven by the Regulated – Nuclear segment as a result of OEB's decision on new regulated rates, and the Services, Trading and Other Non-Generation segment due to the gain on sale of head office premises.*

- *Earnings were reduced by the planned reduction in nuclear electricity generation, primarily due to the Darlington Refurbishment*

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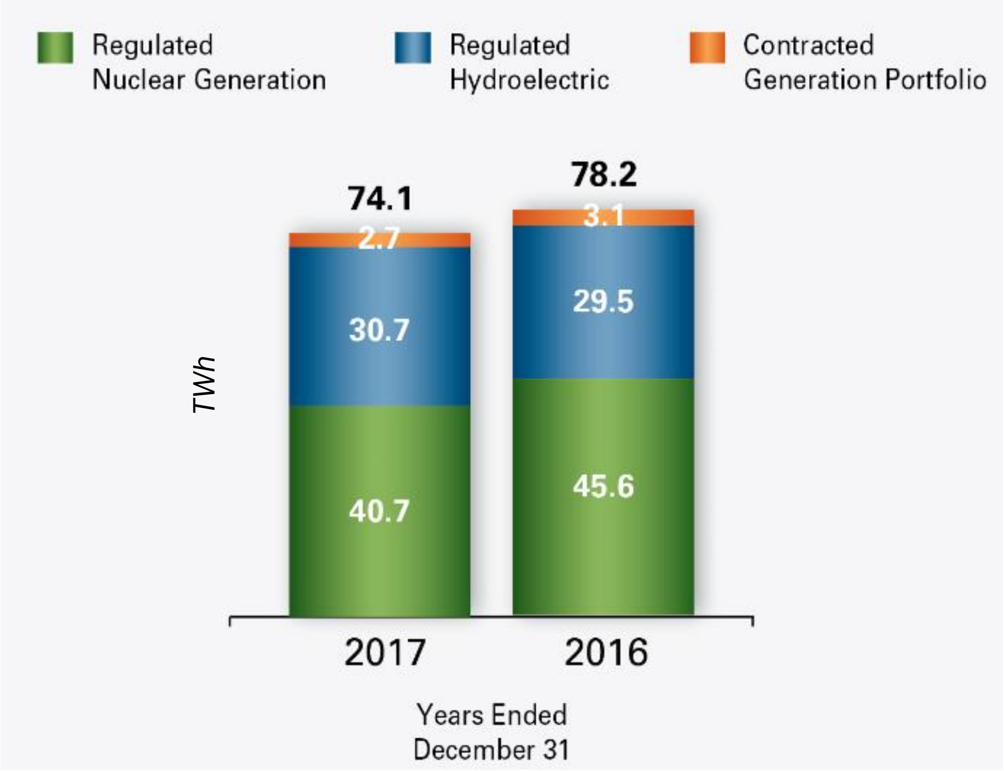
Electricity Generation



- *Reduction in generation due primarily to refurbishment of Darlington Unit 2 as expected*
- *Increase in generation from Pickering and strong Hydroelectric generation from increased water flows*

In-Service Generating Capacity

In-service generating capacity by business segment was as follows:

(MW)	December 31, 2017	December 31, 2016
Regulated – Nuclear Generation [1]	5,728	5,728
Regulated - Hydroelectric	6,426	6,421
Contracted Generation Portfolio [2]	4,056	4,028
Total	**16,210**	**16,177**

1. In-service generating capacity as of December 31, 2017 and 2016 excludes Unit 2 of the Darlington GS. The unit, which has a generating capacity of 878 MW, was taken offline in mid-October 2016 and is currently undergoing refurbishment.
2. Includes OPG's share of in-service generating capacity of 275 MW for Portlands Energy Centre and 280 MW for Brighton Beach.

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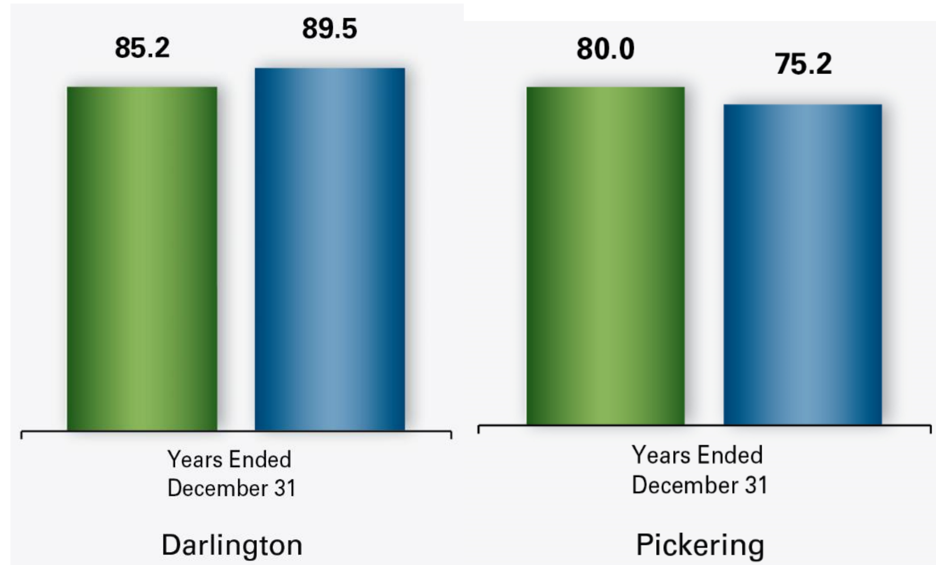
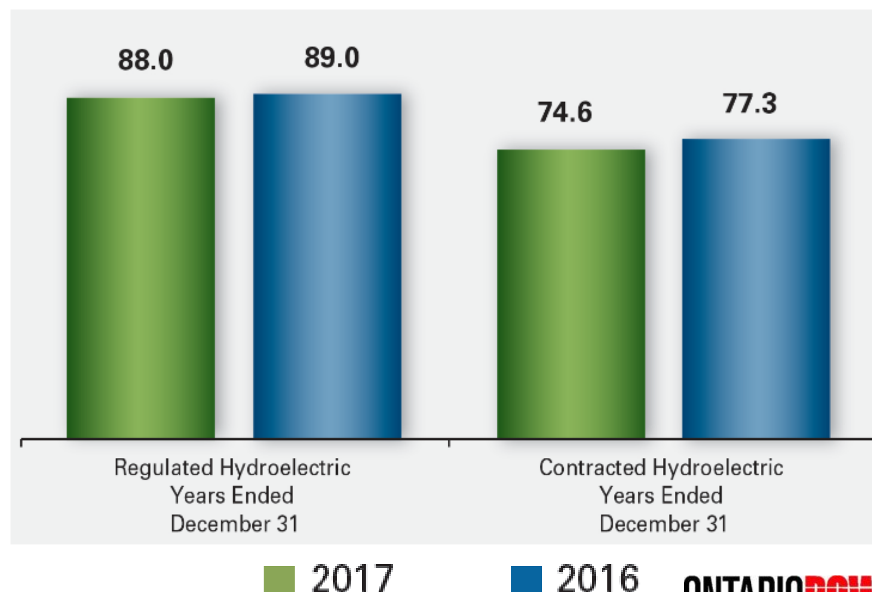
Generation Performance (%)

Nuclear Unit Capability Factor* 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.



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



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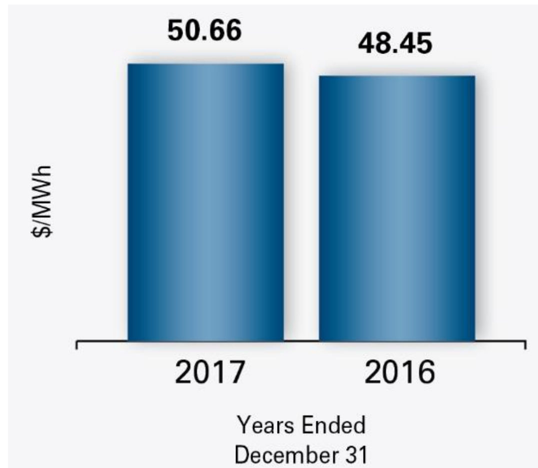
* Excludes unit(s) during the period in which they are undergoing refurbishment

Enterprise Total Generation Cost (TGC)

"A measure of how productive our expenditures are in relation to energy generation"



- *Increase in TGC result of lower electricity generation due to the Unit 2 refurbishment outage at Darlington and higher sustaining capital expenditures; partially offset by higher surplus baseload generation-adjusted hydroelectric electricity generation reflecting higher water flows*
- *Impact of Unit 2 refurbishment on Enterprise TGC estimated at $4 to $5 per MWh in 2017*

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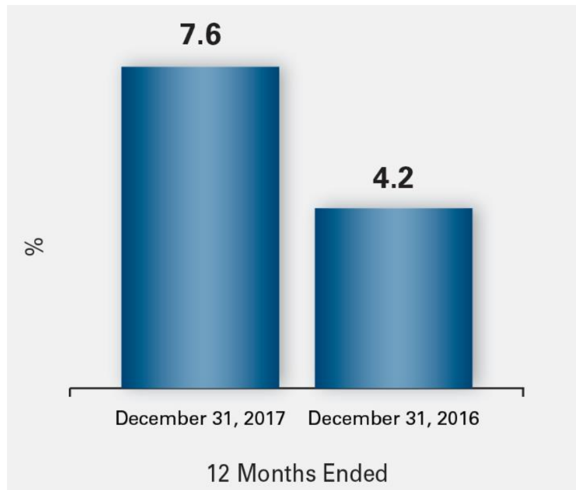
Return on Equity (ROE) excluding Accumulated Other Comprehensive Income (AOCI)

"An indicator of OPG's performance consistent with the Company's strategy"



- *Increase from 2016 primarily due to higher net income resulting from gain on sale of head office premises, and increase in revenue from June to December 2017 to reflect the OEB's decision on new regulated rates*
- *Partially offset by reduction in nuclear electricity generation reflecting the Unit 2 refurbishment outage at the Darlington GS not reflected in regulated rates in effect through May 2017*

OEB's Decision on OPG's Rate Application

- OEB's decision on OPG's May 2016 five-year application for new regulated prices for nuclear and regulated hydroelectric generation issued on December 28, 2017
- The OEB set an effective date for the new regulated prices of June 1, 2017
- New prices result in $15.9 billion of revenue requirements over the next five years as calculated by OPG
- OEB’s decision included:
  - $5.5B Darlington Refurbishment into rate base by 2020,
  - recovery of $292M Pickering extension enabling costs,
  - reduction in OPG-submitted five-year nuclear revenue requirement by $600M including $100M reduction in nuclear OM&A costs per year,
  - maintaining existing deemed capital structure,
  - continuing recovery methodology for nuclear waste liabilities and Bruce variance account,
  - recovery of $305M of regulatory balances,
  - endorsement of OPG’s proposed nuclear rate smoothing principles, and
  - hydroelectric rate increases of 1.2% effective June 1, 2017; 0.9% effective January 1, 2018

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Investment Priorities – 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[1]**	**First Unit - 2020** **Last Unit - 2026**
Peter Sutherland Sr. GS *(contracted asset)*	**41**	**277**	**300**	**2017**
Ranney Falls Hydroelectric GS *(regulated asset)*	**25**	**28**	**77**	**2019**
Nanticoke Solar Facility *(contracted asset)*	**2**	**3**	**107**	**2019**

[1]The total project budget of $12.8 billion is for the refurbishment of the four units at the Darlington GS.

Our goal is to deliver all projects safely, on time, on budget, and with high quality

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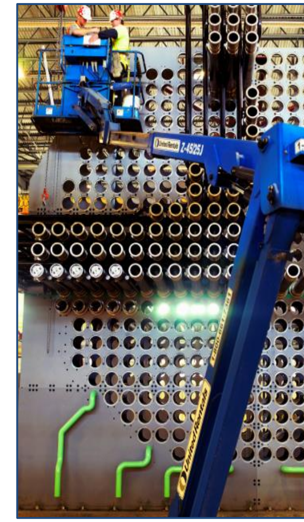
Darlington Refurbishment



- The Darlington Refurbishment project will extend the station's operating life by approximately 30 years. The refurbishment of the first unit, Unit 2, commenced in October 2016 as planned; the unit is scheduled to be returned to service in the first quarter of 2020. The approved budget for the four-unit refurbishment is $12.8 billion.

- Second Major Segment - The disassembly of reactor components began in August 2017, with the removal of all 960 feeder tubes completed in September 2017. The removal of fuel channel assemblies is in progress. The removal of all reactor components is expected to be completed by mid-2018.

- Most of the pre-requisite projects, including construction of facilities, infrastructure upgrades and installation of safety enhancements, have been completed. Re-tube Waste Processing Building (RWPB) was completed in November 2017.

- In February 2018, Province confirmed commitment to proceed with Unit 3 refurbishment; OPG continues planning and procurement activities for Unit 3.

- The overall project continues to track on schedule and budget.

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Capital Projects

- **Ranney Falls Hydroelectric Station** - began construction work for a 10 MW single-unit powerhouse on the existing Ranney Falls GS site. The project's expected in-service date is in the fourth quarter of 2019, with a budget of $77 million. This will form part of OPG's regulated assets.

- **Nanticoke Solar Facility** - project to construct 44 MW solar facility at OPG's Nanticoke site is planned to commence in March 2018. The project is OPG's fourth generation-related development in partnership with an Indigenous community. Project budget has been approved at $107 million and the facility is expected to be completed in the first quarter of 2019. Will operate under a contract with the IESO.

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Continued Operations at Pickering GS

- Continuing to execute on plan to extend safe and reliable operation of Pickering to 2024

- In Q4 2017, OPG confirmed that technical assessments completed to date provide sufficient confidence to assure fitness-for-service of fuel channel components in line with the planned continued operation period

- Final major component of Periodic Safety Review completed and submitted to Canadian Nuclear Safety Commission (CNSC) in November 2017 in support of operating licence renewal

- Current operating licence expires August 2018; renewal application with CNSC through 2028 in progress

Ontario’s Fair Hydro Plan

- The Province announced Ontario’s Fair Hydro Plan in March 2017 aimed at reducing electricity bills for specified consumers by 25 percent on average by refinancing a portion of the Global Adjustment costs over a longer period of time.
- Fair Hydro Trust was established as the financing entity contemplated by the Fair Hydro Act in December 2017.
- In December 2017, the Fair Hydro Trust purchased its first tranche of Investment Interest from the IESO for $1.18 billion, classified as a financing receivable on OPG’s balance sheet. 51% of the funding being sourced from the revolving warehouse facility, 44% through an equity injection from the Province (OPG issued $519 million of Class A shares), and 5% from OPG.
- Trust’s investment will attract carrying costs (financing amounts and other related fees), payable by the IESO until 2021.
- From 2021, Specified Consumers will be invoiced by their local distribution company for the Clean Energy Adjustment for debt principal repayment and to pay the carrying costs.
- In March 2018, the Trust is expected to acquire another tranche of Investment Interest from the IESO.

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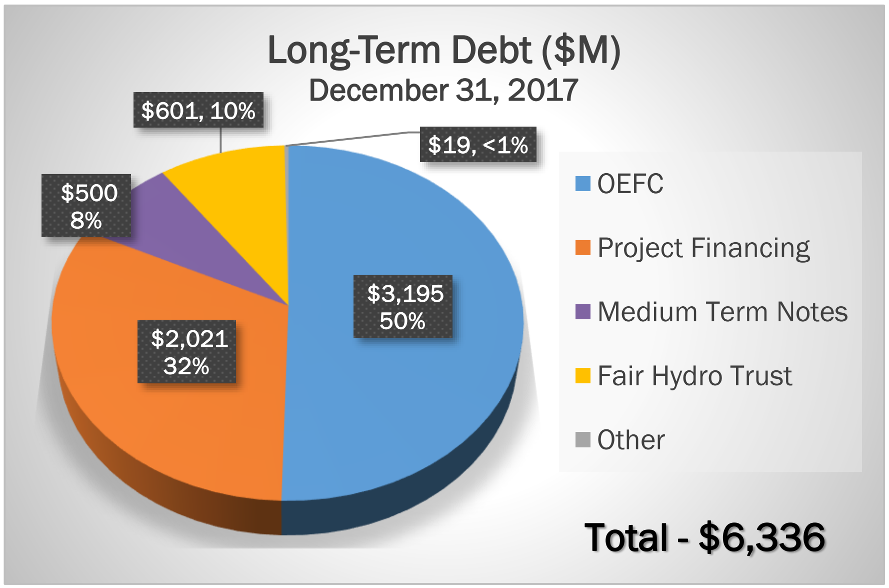
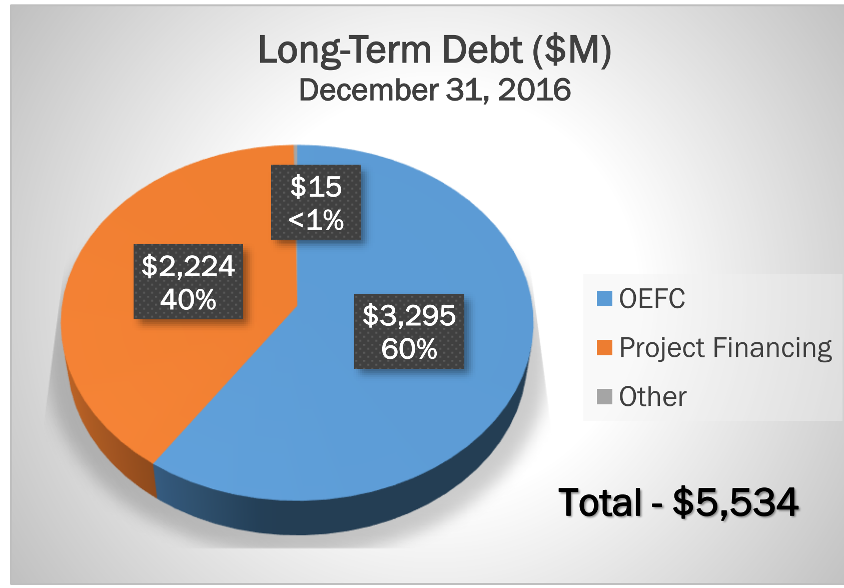
Long-Term Debt Profile





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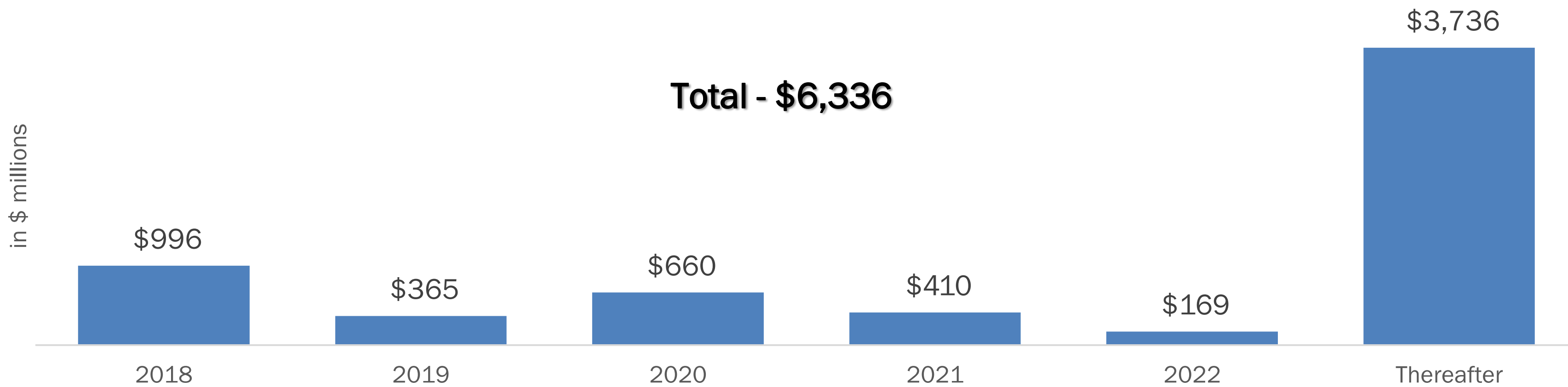
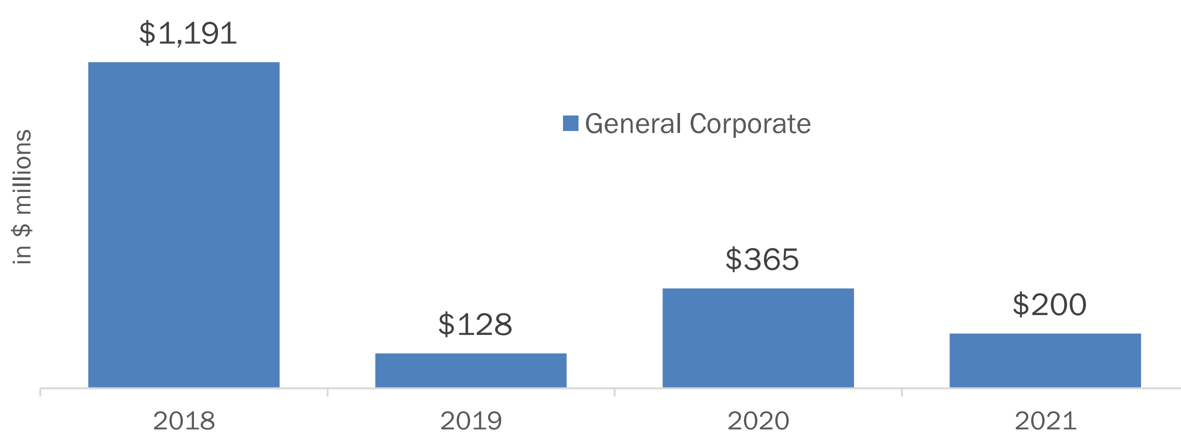
Financing Outlook

EXISTING DEBT MATURITIES AS AT DECEMBER 31, 2017



GROSS BORROWING REQUIREMENT EXCLUDING FAIR HYDRO PLAN



Outlook

- **Regulated – Nuclear**
  - Pickering GS to continue to perform well against expectations and execute planned maintenance effectively and efficiently
  - Continue to execute Darlington GS Unit 2 refurbishment safely, on schedule and on budget
- **Regulated – Hydroelectric and Contracted Generation**
  - Continue to generate a relatively stable level of earnings and cash flow
  - Unit availability to remain high, particularly during times of high commercial value
- **Other**
  - Subject to the OEB's issuance of the final payment amounts order expected in the first half of 2018, OEB's December 2017 decision provides substantial price certainty for regulated segments for 2017 to 2021
  - Fair Hydro Trust is expected to increase OPG's earnings and cash flows, primarily related to interest income from OPG's investment in subordinated debt of the Trust.
  - **ROE** – ↑ due to full-year effect of new regulated prices in 2018; ↓ due to issuance of equity by the Trust
  - Nuclear Segregated Funds to continue to be fully funded – return capped to match growth in liability
  - Continue investment in asset operating performance including IT infrastructure upgrades

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2017 Financial Results

($ millions unless otherwise noted)	For the years ended December 31 2017	2016
Revenue	5,158	5,653
Fuel Expense	689	727
Gross Margin	4,469	4,926
OM&A	2,824	2,747
Other Expenses *	460	1,438
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**
Capital Expenditures	1,926	1,704
Total Assets	48,822	44,372
Total Liabilities	29,012	27,043
Shareholder's Equity	11,911	10,508
Return On Equity Excluding Accumulated Other Comprehensive Income (%) 12-month rolling average	7.6	4.2

* Includes the one-time gain from sale of OPG's head office building

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APPENDICES

Strategic Characteristics

- ✓ Operating expertise (hydro, nuclear, gas, biomass)
- ✓ Competitive cost of capital
- ✓ Low cost of debt with significant additional leverage capacity
- ✓ Ability to fund project construction costs on balance sheet
- ✓ Ability to redeploy cash flow from existing operations without need to raise equity
- ✓ Preference for long investment hold period
- ✓ Stable current revenue base offers flexibility to invest in merchant assets
- ✓ Flexibility on ownership positions (minority, equal or majority)
- ✓ Extensive power project development expertise leads to ability to consider investments in various stages of development
- ✓ In depth knowledge markets proximate to Ontario

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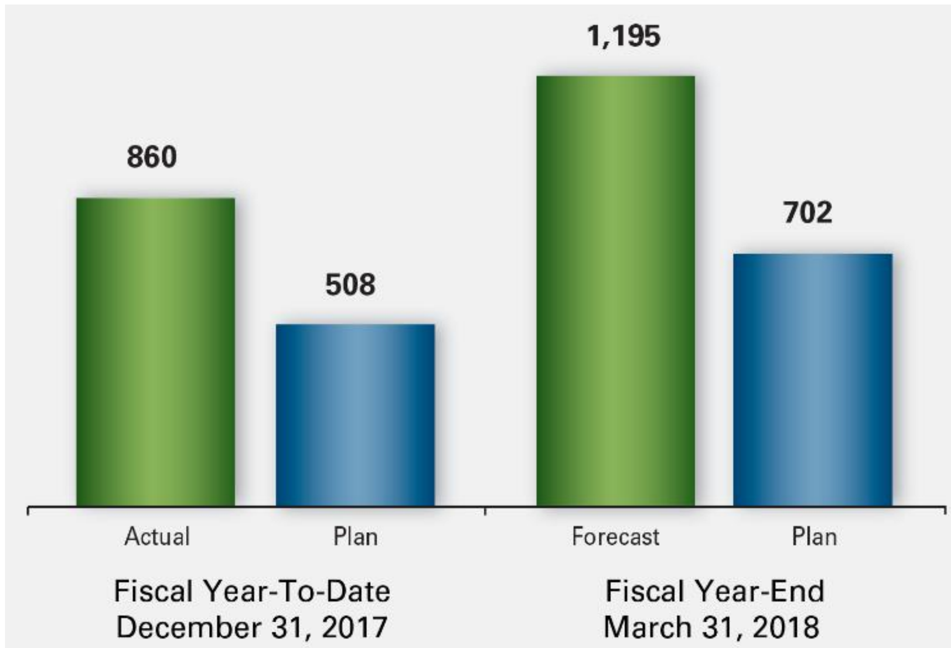
Net Income Attributable to Shareholder – Province Fiscal Basis

Millions of dollars (US GAAP basis)



Fiscal year-to-date and fiscal year-end forecast income is higher than plan due to higher nuclear generation and lower outage expenses, higher gain on sale of the head office premises, lower OM&A expenses from cost control initiatives, and higher regulated hydroelectric production.

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OPG's Deep Geologic Repository (DGR) for Low & Intermediate Level nuclear waste (L&ILW)

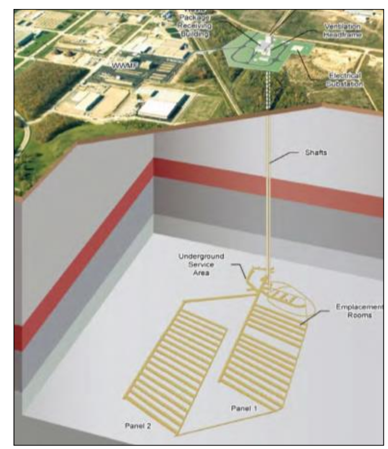
Timeline

- Following its review of OPG's submission and a period of public comment, the CEAA requested further information that OPG subsequently provided in May 2017.
- In June 2017, the CEAA notified OPG that it had sufficient and adequate information to proceed with the next step of the environmental assessment process and advised that a draft report and updated terms and conditions will be prepared for public review.
- On August 21, 2017, the federal Minister of Environment and Climate Change requested OPG to update its analysis of potential cumulative effects of the project on the Saugeen Ojibway Nations' (SON) physical and cultural heritage.

Status

- OPG is assessing the request and will notify the CEAA when it has determined the timeline for developing a response.-
- L&ILW DGR at the Bruce site remains OPG's preferred solution for the safe long-term management of the L&ILW.
- OPG is working closely with the SON to formulate a response to the information request.
- The in-service date of the L&ILW DGR is expected to be approximately six to seven years from the start of construction.

Bruce and DGR site



Shafts would be mined 680m below Bruce site. Rock is stable – has survived continental shifts and multiple glaciers.

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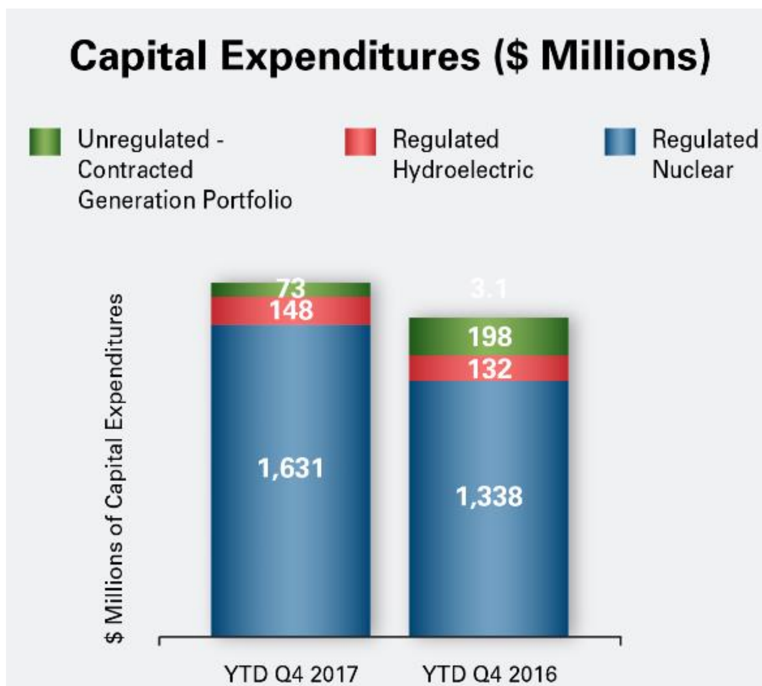
Investment in Physical Plant

- OPG’s total forecast capital expenditures for the 2018 year are approximately $2.1 billion. This includes amounts for major programs and developments such as Darlington Refurbishment, the Ranney Falls GS redevelopment, and construction of the Nanticoke solar facility.
- In 2017, OPG launched a strategy to accelerate the pace of digital transformation across the enterprise. The goal of the strategy is increase operational efficiency, reduce operating costs and help to enable optimization initiatives in support of OPG25.



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Sale of Non-Core Assets

- **Head office building and parking facility**
- Solid commercial return on assets - gain on sale of $283 million, net of tax effects of $95 million, was recognized in net income upon completion of the transaction in the second quarter of 2017.
- The amount of designated proceeds to be transferred into the Consolidated Revenue Fund will be equal to the after-tax gain on sale. The transfer is expected to take place as early as in the first quarter of 2018, through a special dividend authorized by OPG's Board of Directors in March 2018.

- **Lakeview GS site**
- OPG entered into a purchase and sale agreement with a purchaser, with the sale scheduled to close in March 2018.
- An estimated after-tax gain on sale of approximately $200 million will be recognized in net income upon completion of the transaction in the first quarter of 2018.

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Definitions

- **Enterprise TGC per MWh** is defined as OM&A expenses, fuel expense and capital expenditures incurred during the period, divided by total electricity generation plus electricity generation forgone due to surplus baseload generation conditions during the period. Excludes costs of the Darlington Refurbishment project and other generation development projects and the impact of regulatory variance and deferral accounts.

- **ROE Excluding AOCI** is an indicator of OPG's financial performance consistent with its objective to deliver value to the Shareholder. ROE Excluding AOCI is defined as net income attributable to the Shareholder for the period divided by average equity attributable to the Shareholder excluding AOCI for that period, and is measured over a period of 12 months.

- **Nuclear Unit Capability Factor** 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.

- **Hydroelectric Availability** represents amount of time that units are capable of producing electricity as a percentage of the total time for a respective period.