

Ontario Power Generation Board of Directors Retreat Conversation Topics

1. Ontario's Fair Hydro Plan

- Ontario Fair Hydro Plan was announced in March and then implemented on bills in July. But for a dedicated team – the work had just begun. Inside Government Ministries of Finance, Energy & Treasury Board Secretariat, as well as the Ontario Financing Authority, IESO and OPG the work has continued since our Government's announcement back in late winter.
- As you well know, OPG's team helped guide our conversations and internal decision making regarding the regulatory framework that will establish the Fair Allocation Plan and I'm pleased that we were able to send over just last week the Fair Allocation Amount for your Board consideration
- Your staff's engagement, led by Jeff and Ken has been exceptional.
- It also provided great confidence to Cabinet that your Board of Directors had established a Special Committee to oversee the implementation of the fair hydro plan.
- We have relied on your advice and wisdom as we have move forward with implementation and I want to express my gratitude.
- In the months, and years ahead, OPG will continue to play a key role in the smoothing of rates for Ontario ratepayers.
- At EMMC – Newfoundland colleagues asked about "debt smoothing" (make a joke) This could be a whole new line of business for OPG!

2. Long Term Energy Plan:

- The theme of the plan will be “Delivering Fairness & Choice”, designed specifically to put the customer at the very core of our thinking
- Release date is still confidential and subject to some internal confirmations; but looking to Thursday 26 October, 2017
- With regards to nuclear refurbishment; we view LTEP as a “renewal of our vows” towards 10 units refurbished to continue to provide clean, safe, reliable and affordable baseload electricity for Ontario for the next generation.
- Regarding new procurements, we are going to be “technology agnostic” = this means that Government will need to take a step back from picking specific technologies, winners and losers, to allow for a more dynamic, competitive and outcome-based approach
- ***Discussion Topic*** : *We want to work together to create the conditions to bring to Cabinet for approval the Unit 3 refurbishment before the end of Calendar 2017. Jeff came to brief Caucus on Unit 2; as a first step. And we are exceptionally pleased with how it is going. But how do we create the conditions for success on Unit 3?*

3. Ontario's Nuclear Advantage

- Leadership and excellence in nuclear has become one of our domestic mottos.
- Local operators, Bruce Power and Ontario Power Generation, are recognized and praised the world over for their record in safety, reliability and performance. The broader supply chain, of small and medium-sized innovators, represent a winning team of global players and support thousands of jobs in Ontario.
- About three months ago, Jeff and OPG hosted a meeting of supply chain / nuclear operators and stakeholders and we discussed a broader campaign of industry awareness around the nuclear sector in Ontario.
- I'm pleased with the progress so far and want to recognize the leadership of your team, especially Jennifer Rowe [OPG VP Communications] for helping shepherd this important project along.

Background:

The Ontario Power Generation Board of Directors meets for a special off-site retreat once a year. Minister Thibeault attended last year in Niagara Falls, Ontario.

The Board will be spending first half of the day (Wednesday) on major files for the year ahead:

- Refurbishment of 4 units of Darlington, execution of Unit 2 and planning for Unit 3
- Pickering 10 year licence, running Pickering to 2024, then closure of 3000 MW and pulling costs out of the company long before closure
- Low & Intermediate Level Waste - Deep Geological Repository Environmental Assessment approval and responding to increase in regulatory uncertainty; the Board would be interested in knowing what the Province is willing to accept as an alternative if the EA is not approved,
- Ontario Fair Hydro Plan - closing Board's conditions for OPG participation, and implementation

On Wednesday afternoon the Board will be discussing the long term future of OPG post Pickering closure and Darlington refurbishment:

- OPG's role in innovation, how we may use to lower cost and increase production, investment in new technologies; how much can it realistically fill the loss of 3000MW; the Board would be interested in knowing if the Province sees OPG playing a significant role in the electrification of transportation or promoting the adoption of electric vehicles.
- Given OPG's current mitigating effect on prices as a result of scale, what role should OPG play in Ontario post PGS closure and loss of 3000MW? Is OPG going to be able to maintain scale or grow?