OVERVIEW OF OPG

1.0 PURPOSE

This evidence provides an overview of OPG, including a summary of its mandate, objectives, key assets, corporate governance and organization. OPG's nuclear and regulated hydroelectric businesses are described in Ex. A1-4-2 and Ex. A1-4-3, respectively.

2.0 CORPORATE OVERVIEW

OPG is an electricity generation company whose principal business is the generation and sale of electricity. As the province's largest electricity producer, OPG is focused on the effective stewardship of generation assets owned by the people of Ontario. This is achieved by focusing on: (i) the safe, reliable operation of its facilities including the avoidance of harm to employees, contractors, and the public at large, (ii) the management of these facilities by maintaining a strong focus on delivering value for money, and (iii) adhering to the highest standards of corporate citizenship, including a commitment to climate change action, workplace diversity, equity and inclusion, and other environmental and social objectives.

As part of its business, OPG owns and operates both regulated and unregulated generation facilities. OPG's regulated generation facilities in Ontario consists of two nuclear generating stations, the Darlington Nuclear Generating Station and the Pickering Nuclear Generating Station, with a total generation capacity of 6,606 MW and 54 regulated hydroelectric generating stations with a total generation capacity of 6,420 MW, for a combined regulated generation capacity of 13,026 MW.[1]

While not regulated facilities, the Bruce A and B Nuclear Generating Stations in Ontario have an impact on the calculation of the payment amounts. These stations are owned by OPG and leased on a long-term basis to Bruce Power L.P.

[1] Nuclear generation capacity includes any units of the Darlington Nuclear Generating Station undergoing refurbishment.

The locations of both the regulated facilities and other OPG facilities are illustrated on the map provided as Attachment 1.

In 2019, OPG's regulated facilities generated a total of 74 TWh. The nuclear facilities generated 43.5 TWh and the regulated hydroelectric facilities generated 30.5 TWh, or approximately 59% and 41% of OPG's total regulated energy production, respectively.

3.0 OPG GOVERNANCE AND ORGANIZATION

OPG's Board of Directors ("OPG Board") is appointed by Her Majesty the Queen in right of Ontario as represented by the Minister of Energy, Northern Development and Mines (the "Shareholder"). All of OPG's directors are independent of the company except for the OPG President and Chief Executive Officer ("CEO"). The directors bring substantial expertise in: managing large businesses; financial, investment, legal, human resources, information technology and corporate governance matters; managing and operating nuclear stations; managing capital-intensive companies; managing large nuclear infrastructure projects; mergers and acquisitions; and overseeing regulatory, government and public relations. The OPG Board has established the following committees to focus on areas critical to OPG's success:

- **Audit and Risk Committee:** The Audit and Risk Committee is responsible for the integrity, quality and transparency of OPG's financial information, the adequacy of the financial reporting process, the systems of internal controls, and OPG's related principles, policies and procedures which management has established. The Committee is responsible for the oversight of the Company's regulatory filings including financial statements and Management's Discussion & Analysis and other disclosures. The Committee also provides oversight of the performance of the OPG Pension Fund, the Used Fuel Segregated Fund, and the Decommissioning Segregated Fund. Additionally, the Committee is responsible for the oversight of enterprise-wide risk and associated risk management activities, including the review of management's assessment of the principal risks to achieving the Company's objectives. The Committee is also responsible for ensuring that an effective Code of Conduct is in place at OPG and monitors compliance with this code.

- **Compensation, Leadership and Governance Committee:** The Compensation, Leadership and Governance Committee provides oversight of OPG's human resources and compensation policies and practices, including CEO objectives and compensation, disclosure on compensation and human resources matters, leadership talent review, succession planning, labour negotiations and human resources policies. The Committee also oversees the OPG Board's governance program and practices to ensure alignment with high standards of corporate governance, including annually reviewing and assessing the OPG Board's system of corporate governance.
- **Generation Oversight Committee:** The Generation Oversight Committee is responsible for the oversight of safe, secure and efficient operations of OPG's generating facilities. Additionally, the Committee oversees the development, risk management, financing and execution of OPG's major generation projects, other than the Darlington Refurbishment Program, and is responsible for providing oversight for matters relating to business development and business acquisitions. The Committee is also responsible for the oversight of OPG's environmental and dam safety management systems and OPG's Indigenous relations. The Committee also reviews the results of assessments in respect of OPG's generation operations by advisors and/or independent oversight organizations. The Committee provides oversight to ensure that OPG's generating facilities comply with nuclear safety, industrial and occupational health and safety, and environmental laws and regulations.
- **Darlington Refurbishment Committee:** The Darlington Refurbishment Committee is responsible for the oversight of the execution of the Darlington Refurbishment Program, and monitors the progress of the refurbishment program against the approved budget and schedule. The Committee has the authority to retain independent oversight advisors and review results from internal and external assessments and management's proposed remediation programs and plans where needed.

OPG is led by the Enterprise Leadership Team comprising senior management members from across the organization and the President and CEO, who is also a member of the OPG Board.

In the second half of 2020, OPG implemented an organizational realignment that combined nuclear and renewable generation business units and centralized operations support groups under the leadership of a single Enterprise Operations organization reporting to the President and CEO. In addition to Darlington, Pickering and Renewable Generation & Power Marketing operations, Enterprise Operations includes operations support groups that service all of OPG's core generating assets. OPG also integrated major project planning and execution responsibilities across the company under a single Enterprise Projects Organization, and amalgamated business development and other strategic activities under an Enterprise Strategy organization. Enterprise Operations and Enterprise Projects report directly to the President and CEO. Renewable Generation & Power Marketing includes regulated and unregulated hydroelectric operations, and other non-nuclear unregulated operations.

The organization and management of the nuclear and the regulated hydroelectric facilities and associated operations support functions are described in greater detail in Ex. A1-4-2 and Ex. A1-4-3, respectively.

Also reporting directly to the President and CEO are the various functions that provide support to Enterprise Operations, Enterprise Projects and Enterprise Strategy. These include the Chief Administrative Office (which includes Human Resources, Supply Chain, Environment, Health & Safety, Chief Information Office, Real Estate and Regulatory Affairs), Finance, Corporate Affairs, and Law and Ethics. These functions are described in greater detail in Ex. F3-1-1.

Certain of OPG's unregulated businesses are owned and operated through separate subsidiaries, including Atura Power and Eagle Creek Renewable Energy. These subsidiaries have their own management teams, which are overseen by certain of OPG's senior executives in their roles as corporate directors of the subsidiaries.

A summarized overview of OPG's organizational chart is provided in Ex. A1-5-1. The context and goals of the organizational realignment are discussed in Ex. A2-2-1.

4.0 OPG's MANDATE AND OBJECTIVES

OPG is party to a Memorandum of Agreement with the Shareholder, dated July 17, 2015, and reaffirmed on October 9, 2019 (the "Memorandum of Agreement"), which serves as the basis of agreement between OPG and its Shareholder, the Province of Ontario, on the mandate, governance, performance, and communications of OPG. The purposes of the Memorandum of Agreement include the promotion of a positive and co-operative working relationship between OPG and its Shareholder. The Memorandum of Agreement also provides that in its discretion, the Shareholder may waive or deem compliance of OPG's obligations as appropriate in the circumstances.

The Memorandum of Agreement confirms that OPG will operate as a business enterprise with a commercial mandate, governed in principle and at first instance by an independent Board of Directors which directors are charged with the fiduciary duty to act honestly and in good faith with a view to the best interests of OPG. The OPG Board is responsible for appointing the OPG President and CEO who, along with OPG management, is responsible for the day-to-day operations of OPG.

The Memorandum of Agreement further states that the Shareholder may at times direct OPG to undertake special initiatives, which will be communicated as written declarations by way of a Unanimous Shareholder Agreement, or Declaration, in accordance with Section 108 of the *Business Corporations Act* (Ontario) and made public. Copies of the Shareholder directives that OPG has received are posted on OPG's website at: http://www.opg.com/about/management/open-and-accountable/Pages/shareholder-directives.aspx.

The Memorandum of Agreement is provided as Attachment 2 and the reaffirmation is provided as Attachment 3.

LIST OF ATTACHMENTS

Attachment 1:	Map showing locations of OPG facilities
Attachment 2:	Memorandum of Agreement between the Shareholder and OPG
Attachment 3:	Statement of Affirmation regarding Memorandum of Agreement