Board Staff Interrogatory #186

Interrogatory

Reference:
Exhibit E2 / Tab 1 / Schedule 2 / p. 8
Exhibit E2 / Tab 1 / Schedule 2 / Tables 1a and 1b

Preamble:

OPG stated that the 2020 Budget reflects a 3.5% FLR target at Pickering NGS, whereas the 2019 actual FLR was 1.6%.

Based on the data presented in Table 1a at Exhibit E2 / Tab 1 / Schedule 2, OEB staff calculates that between 2016 and 2020, Pickering NGS's actual cumulative FLR days equivalent was approximately 16.3% lower (96 days equivalent) than approved / budgeted (including the 2020 budgeted value).

Question(s):

a) Please explain why OPG proposed a 3.5% Pickering NGS FLR in its production forecast for the 2022-2026 Custom IR term given that 3.5% would represent a near doubling of the 2019 actual FLR and given that OPG has generally tended to over forecast the Pickering NGS FLR in recent years.

Response

Pickering's actual cumulative FLR days using the methodology described above is 16.3% lower than forecast, however this represents 69.1 days equivalent, not 96.0 days equivalent.

OPG's generation plan methodology forecasts FLR targets that reflect the risk of forced production losses at Darlington and Pickering. The FLR targets are based on the plants historical performance, any known improvements or component condition issues and initiatives to improve equipment reliability (Ex. E2-1-1, p. 12). Reliance on a single year of exceptional performance as the basis for the 2022-2026 generation plan forecast of FLR would be inappropriate.

Based on historical performance, the average FLR for Pickering is 5.0% over 2014-2019, as shown in Ex. E2-1-1, p. 12, Chart 3. For the period 2016-2020 actuals, the average is 3.8%.

In setting the FLR targets, OPG additionally reviewed known improvements, component condition issues and initiatives to improve equipment reliability. As such, the target FLR in the 2020-2026 generation plan takes into account the 2015-2019 equipment reliability initiatives at both Pickering and Darlington that successfully:

- improved component life cycle management plan execution,
- improved preventative maintenance program,
- developed effective equipment reliability tools, and
- developed a leading system health program (Ex. F2-1-1, Attachment 6).

These initiatives have allowed OPG to lower its forecast of FLR to 3.5% at Pickering over the period 2022-2026.