VECC Interrogatory #22

Interrogatory

Reference:
Exhibit E2-01-02

a) OPG systemically under forecast its nuclear production in EB-2016-0152. The under forecast ranges from approximately 6% to over 12% in any given year. In no year did OPG produce less than its forecast. What changes has OPG made to its forecasting methodology which would argue against making a reduction in the proposed nuclear forecast in this proceeding?

Response

OPG rejects the notion that it systemically under forecasts its nuclear production. In the eight year period 2008-2016, OPG produced less power than it had forecasted (see Ex. L-E5-01-CCC-042).

As discussed in EB-2016-0152, OPG's production forecast methodology is well developed and appropriate. OPG provided its best forecast of production in its last application which was thoroughly examined by all parties to the proceeding and which the OEB ultimately approved.

The positive variance in production during the 2017-2021 period is because OPG successfully implemented a number of outage-related improvement initiatives and efficiencies. OPG provided detailed explanations for these positive variances against forecast in Ex. E2-1-1, pp. 2-4 and Ex. E2-1-2, pp. 9-12. These outage improvements have been incorporated into the 2022-2026 forecast, and OPG does not anticipate any further change in this regard that would result in either a material decrease or increase in production.

A major contributor to the positive variance between actual and forecast nuclear production in 2018-2020 is the extension of the cyclical maintenance outage schedule at Pickering from 24 to 30 months (Ex. E2-1-1, Section 3.2.1). In addition, OPG also experienced a positive variance in 2020 largely driven by the impact of the company's response to the COVID-19 pandemic on the Darlington Refurbishment schedule (i.e. delaying the start of Unit 3 refurbishment), which is not expected to be repeated, and which was partially offset by associated changes in the station's cyclical maintenance outage schedule over 2020 and 2021, as discussed in Ex. E2-1-2.

As OPG's production forecast methodology continues to be rigorous, OPG did not make any major changes to its nuclear production forecast methodology in preparing the 2022-2026 nuclear production forecast.