Environmental Defence Interrogatory #12

Interrogatory

Reference:
Reference: Exhibit F2, Tab 1, Schedule 1, Page 24-25

Preamble:

> "In EB-2016-0152, OPG presented the Pickering Extended Operations initiative aimed at operating Pickering Units 1 and 4 to 2022 and Pickering Units 5-8 to 2024 (EB-2016-0152, Ex. F2-2-3). OPG expects this initiative will be completed by 2021 at a total cost of $307M, consistent with the forecast presented in EB-2016-0152.
>
> This application reflects OPG's plans to safely optimize the shutdown 1 of Pickering by operating all six units until September 2024, five of the six units through 2024 and the remaining four units until December 2025, as per the 2020-2026 Business Plan ("Optimization"). OPG will require CNSC approval to operate the remaining four units past 2024 until December 2025."

Questions:

(a) Please provide the total cost per MWh forecast for Pickering for each year until the end of its life, excluding any sunk capital costs. Please provide this for the station as a whole and broken out by unit (which is necessary as some units are being shut down earlier).
(b) Please provide all assumptions underlying these figures in (c), including the assumed generation for each year and the forecast days out-of-service. Please compare those assumptions in a table to the 5-year after generation amount and days out-of-service. Please provide this for the station as a whole and broken out by unit (which is necessary as some units are being shut down earlier).
(c) With respect to (a), please indicate if any costs relating to Pickering or that could be allocated to Pickering have not been included, itemize those, and provide values for each.

Response

(a) The forecast Total Generating Costs ("TGC") per MWh for Pickering over the period 2020-2025 are set out in Ex. L-F2-01-Staff-196. The derivation of TGC/MWh excludes sunk costs. OPG does not derive TGC/MWh per unit.

(b) The request in this question is unclear. OPG's generation forecast for Pickering, including generation, FLR and planned outage days is described in Ex. E2-1-1 and Ex. E2-1-2, Table 1. Details on OPG's OM&A forecast (base, outage and project OM&A) are found at Ex. F2-1-2, Ex. F2-3-1 and Ex. F2-4-1.

(c) OPG does not allocate the excluded costs as TGC/MWh is reported in compliance with the Electric Utility Cost Group Benchmarking Governance. In order to comply with this industry standard and benchmark against other utility companies, OPG does not include the following OM&A and spent fuel costs in its calculation of TGC:

- Centrally held pension and OPEB costs
- Asset service fees
- Used fuel disposal & storage expenses
- IESO non-energy charges