Energy Probe Interrogatory #54

Interrogatory

Reference:
Exhibit F2, Tab 1, Schedule 1, 2019 Nuclear Benchmarking Report

a) Please provide a schedule, similar to Pages 70/71 in the 2019 report, showing 2020 Costs and 3 year averages.

b) Update the EUCG Benchmarking Charts for the 2020 Total Generating cost per MWh normalized and non-normalised.

c) Why are Capital costs per MW DER for Darlington (Page 78 of 2019 Report) so high? Please provide the 2020 Capital Costs per DER and comment on the changes.

Response

a) Exhibit F2-1-1, Attachment 2, pp. 70-71 does not appear to show a schedule. Darlington's 2020 three-year rolling average total generating cost per megawatt-hour ("TGC/MWh") was $36.37/MWh on a normalized basis ($62.06/MWh on a non-normalized basis). Pickering's 2020 three-year rolling average TGC/MWh was $44.64/MWh on a normalized basis ($62.84/MWh on a non-normalized basis).

b) OPG is unable to provide the benchmarking charts for 2020 normalized and non-normalized total generating cost per megawatt-hour TGC/MWh as the peer results are not available until later this year. In accordance with the OEB's EB-2016-0152 Decision (p. 151), OPG will submit this information to the OEB by November 30, 2021. See OPG's response to part a) for OPG's 2020 three-year rolling average normalized and non-normalized TGC/MWh results.

c) The 2020 three-year rolling average normalized capital cost per megawatt design electrical rating ("MW DER") for Darlington was $93.18k/MW DER ($118.54 on a non-normalized basis.

Once the decision to refurbish Darlington and extend end its life was made, OPG began an extensive program to replace obsolete and/or life-expired plant equipment. Prior to beginning the extensive replacement program, benchmarking of OPG's capital expenditures against industry peers showed that Darlington's capital cost per MW DER was lower than that of the comparators, which placed OPG at or below first quartile (Ex. F2-1-1, Attachment 2, p. 78). Darlington's current capital cost per MW DER is now higher than most comparators such that

OPG currently places in the fourth quartile. This change in benchmarking results reflects the impact of the higher project-related investments to replace obsolete and/or life-expired plant equipment that are necessary to prepare for 'second-life' operations (Ex. D2-1-2, pp. 3-4).