Board Staff Interrogatory #200

Interrogatory

Reference:
Exhibit F2 / Tab 1 / Schedule 1 / Attachment 2 / pp. 84, 88-89

Preamble:

OPG provided a comparison of its performance on three key metrics (WANO Nuclear Performance Index, Unit Capability Factor, TGC / MWh) relative to certain peers at the major operator level.

Question(s):

a) Please reference which peer group(s) are used for each of the above noted metrics. Please provide specific references to the "panel" tables provided starting at p. 96 of Exhibit F2 / Tab 1 / Schedule 1 / Attachment 2.

b) Please provide a detailed discussion of OPG's performance (11 out of 13 on a normalized basis and 13 out of 13 on a non-normalized basis) at the major operator level.

c) Please provide a discussion of the decline in performance relative to the peer group from 12 out of 13 to 13 out of 13 between 2017 and 2019.

Response

a) The peer group for the WANO Nuclear Performance Index and Unit Capability Factor metrics at the major operator level is listed in Table 7 at Ex. F2-1-1, Attachment 2, p. 96. The peer group for total generating cost per megawatt-hour ("TGC/MWh") at the major operator level is listed in Table 8 at Ex. F2-1-1, Attachment 2, p. 97.

b) Operator level summary results are the average of the results across all plants managed by a given operator. While the operator level summary can be informative, it is more appropriate to look at OPG's two nuclear facilities individually given that they are at different stages of their lifecycle, have different sized units and reflect different generations of CANDU technology (Ex. F2-1-1, Attachment 2, p. 7). This view is consistent with ScottMadden's Evaluation of 2019 OPG Nuclear Benchmarking, in which ScottMadden recommended that OPG focus on site-level comparisons of performance for Pickering and Darlington rather than operator-level comparisons (Ex. F2-1-1, Attachment 3, p. 3).

An explanation of Darlington and Pickering's 2019 normalized TGC/MWh performance is provided at Ex. L-F2-01-Staff-199, part b). The explanation for Pickering's 2019 normalized TGC/MWh performance also applies to its 2019 non-normalized performance.

Darlington's 2019 non-normalized TGC/MWh performance was driven largely by significant capital expenditures, which are necessary for reliable post-refurbishment operation and by reduced generation during Darlington refurbishment (Ex. F2-1-1, pp. 13-14).

c) Consistent with OPG's response to part b), Darlington's non-normalized TGC/MWh performance during the 2017 to 2019 period was impacted by increased capital spending supporting continued preparation for Darlington second life operations as well as by reduced generation as a result of ongoing refurbishment activities.