

BY RESS

Ms. Christine E. Long
Registrar
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON
M4P 1E4

May 11th, 2021

Dear Ms. Long:

**Re: EB-2020-0290 Application by Ontario Power Generation Inc.
For 2022-2026 Payment Amounts (the “Application”)
OPG’s Response to Letters of Comment**

Two public comments have been filed to date with the Ontario Energy Board (“OEB”) in response to OPG’s Application. These comments express concern over OPG’s request for an increase to its payment amounts. I would like to briefly respond to those comments.

OPG understands customers’ concerns about high electricity prices. We continue to actively control our costs to limit our contribution to future price increases. Our sole shareholder, the Province of Ontario, has taken specific actions recently to further control costs including freezing the rate that OPG receives for hydroelectric production for five years, continuing the freeze on executive salaries that started in late 2018, and limiting the compensation increases that all other employees receive to one percent per year over a three year period.

Balanced against these cost controls is the continuing need to invest in our facilities. These investments are necessary for us to continue producing electricity and maintain these valuable public assets for future generations of Ontarians. The Application represents the balance between cost controls and continued safe and reliable electricity generation.

OPG remains the lowest cost generator in Ontario. We continue to look for ways to control our costs, improve our generating performance and increase the value we deliver to electricity customers. Finding efficiencies is an ongoing goal for OPG. If this Application is approved as filed, it would increase a typical residential customer’s bill by an annual average increase of about 41 cents (or 0.4%) a month from 2022 through 2026. These figures represent the combined result of the increase that OPG is requesting and its proposal to smooth out collection of increases over the next ten years.

OPG produces electricity from its portfolio of regulated hydroelectric and nuclear generating stations. These stations are the major reason why Ontario is among the world leaders in having the lowest carbon emissions per unit of electricity produced.

OPG's nuclear costs are relatively flat over the first three years of the five-year period covered by this application before beginning to decrease as OPG begins shutting down the Pickering Nuclear Generating Station at the end of 2024. OPG's commitment to efficiency improvement is reflected in its business plan. In addition, OPG's nuclear rate-setting proposal includes a stretch factor, which will reduce costs further.

The company's regulated hydroelectric facilities, such as the generating plants at Niagara Falls, will receive the same price for their output over the next five years as they receive today.

Altogether, OPG produces about half of the electricity Ontarians use every day. We are committed to producing this electricity safely, reliably, and using technologies that are environmentally sustainable. We are also committed to being good corporate citizens and being a positive presence in the communities where we operate.

Like all Ontarians and people all over the world, OPG's employees have been impacted by the global pandemic. Those whose jobs permitted working from home transitioned to doing so. But as an essential service, those whose jobs required their continued presence in generating stations and other facilities around the Province continued to come to work and keep producing electricity. The amounts that OPG seeks through this application are what is necessary to allow the company to continue producing the electricity to meet the needs of homes, businesses, schools and other institutions.

In closing, I want to thank those who took the time to write. The feedback that OPG received is helpful in developing this Application.

Best Regards,

A handwritten signature in black ink, appearing to read 'Evelyn Wong', with a stylized, flowing script.

Evelyn Wong

cc:

Aimee Collier (OPG) via e-mail

Charles Keizer (Torys LLP) via e-mail

Crawford Smith (Lax O'Sullivan Lisus Gottlieb LLP) via email