UNDERTAKING JT3.13

Undertaking

TO ADVISE THE COSTS PREVIOUSLY INCLUDED PREVIOUSLY IN THE NUCLEAR DEVELOPMENT VARIANCE ACCOUNT.

Response

This undertaking response is with reference to Tr. Tech. Conf., May 7, 2021, p. 57, lines 13-21.

OPG has undertaken various planning and preparation activities for New Nuclear for which variances between actual and forecast costs have been recorded in the Nuclear Development Variance Account ("NDVA") and recovered in prior applications. These activities and the associated costs recorded in the NDVA have extended beyond site licensing and environmental assessment ("EA") costs and are similar in nature to the costs OPG has or will incur for SMRs as set out in Ex. F2-8-1 in this Application.

Below is a summary of the OM&A costs and associated work activities for New Nuclear development included in prior applications, EB-2010-0008 and EB-2013-0321.

EB-2010-0008

In EB-2010-0008, the OEB approved recovery of balances as of December 31, 2010, of various nuclear variance and deferral accounts (EB-2010-0008, Payment Amounts Order, Appendix F). The December 2010 balances included $110.8M in the NDVA (Table F-2) representing variances between actual and budgeted costs for activities undertaken by OPG over the period 2007-2010 in support of New Nuclear Build as outlined in EB-2010-0008, Ex. D2-2-1, p. 15 and summarized as follows:

- Activities for carrying out an EA under the *Canadian Environmental Assessment Act* and obtaining required governmental licences, authorizations, permits or other approvals, including the Licence to Prepare Site from the federal authorities;
- Activities for evaluating and reviewing the available nuclear plant technology options in support of selecting the technology to be deployed in Ontario;
- Activities in support of the Provincial procurement process being conducted by Infrastructure Ontario, and
- Preparatory activities in support of entering the project definition phase for the project including the eventual procurement of the nuclear power plant and related components and preparing the site for turnover to the successful vendor.

EB-2013-0321

In EB-2013-0321, the OEB approved recovery of balances as of December 31, 2013, of various nuclear variance and deferral accounts (EB-2013-0321, Payment Amounts Order, Appendix G). The December 2013 balances included $56.5M in the NDVA (Chart G-1) representing variances between actual and budgeted costs for activities undertaken by OPG over the period 2011-2013 in support of New Nuclear Build as discussed in EB-2013-0321, Ex. F2-8-1, and summarized as follows:

- Regulatory hearing costs for the preparation for and participation in a Joint Review Panel public hearing regarding the EA and application for "Licence to Prepare Site", and costs to ensure compliance with commitments made under that process.
- Various site readiness activities including completion of archeological investigations that were started as part of the application for the Licence to Prepare the Site and the EA.
- Vendor Analysis/Project Planning: Providing support for the Province's ongoing evaluation of nuclear energy in Ontario including supporting the preparation and analysis of construction plans, schedules and cost estimates as prepared by two potential vendors
- Stakeholder Consultation: Maintaining community and stakeholder involvement.