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DECISION AND ORDER

EB-2025-0207

ONTARIO POWER GENERATION INC.

Application to Amend Licence EG-2023-0231

BY DELEGATION, BEFORE: Brian Hewson
Vice President,
Consumer Protection & Industry Performance

August 28, 2025

DECISION AND ORDER

INTRODUCTION

On June 26, 2025, Ontario Power Generation Inc. (OPG) applied to the Ontario Energy Board (OEB) under section 74 of the *Ontario Energy Board Act, 1998* (OEB Act) for an amendment to its electricity generation licence (EG-2023-0231) that would provide for a limited scope exemption from the ring-fencing provisions in Part 7 of the licence.

The amendment would allow OPG to share non-public information about planned outages at its Sir Adam Beck II Generating Station (SAB) with an affiliated entity that is constructing a hydrogen production facility next to SAB. The proposed exemption is limited to outage information that is necessary for connection, commissioning, or testing of the hydrogen facility or outage information that is required by OPG to perform work on the units that are directly involved in the supply and delivery of electricity from OPG to the hydrogen facility.

For the reasons that follow, the OEB finds that the narrow exemption is in the public interest and therefore approves OPG's request. The OEB accepts OPG's proposed wording for the licence amendment subject to one modification: the exemption will expire after five years; if the exemption is needed beyond that, OPG may apply for an extension at the appropriate time.

This Decision and Order is being issued under delegated authority without a hearing pursuant to section 6 of the OEB Act.

BACKGROUND

In April 2020, ring-fencing conditions were added to the electricity generation licences of OPG and Portlands Energy Centre Inc. on behalf of Portlands Energy Centre L.P.'s (PEC LP).¹ These conditions were prompted by PEC LP's acquisition of two natural gas power plants formerly run by TransCanada Energy Limited: the Halton Hills Generating Station and the Napanee Generating Station. NV LP is the sole limited partner in PEC LP, and NV LP is a wholly owned subsidiary of OPG. NV LP and PEC LP carry on business as "Atura Power."

The purpose of the ring-fencing conditions is to ensure a degree of separation between OPG and NV LP and subsidiaries of NV LP, including PEC LP, so that they continue to compete with each other in the wholesale electricity market. The ring-fence conditions include restrictions on the disclosure of competitively sensitive information (CSI) between OPG and NV LP or its affiliates. CSI includes non-public information about planned outages.

In its application, OPG stated that both OPG and NV LP support the Government's low-carbon hydrogen strategy through a plan to produce hydrogen gas through an innovative demonstration project. As such, NV LP is developing the Niagara Hydrogen Centre (NHC) hydrogen production facility through its subsidiary Atura H2 L.P. (Atura H2). The NHC will be located adjacent to SAB, and the SAB will directly supply electricity to the NHC facility.

OPG stated that to safely complete construction of the facilities that are necessary to supply electricity from SAB to NHC, an outage is required at certain units at SAB. OPG also stated that both OPG and Atura H2 will likely require additional outages for commissioning from time to time over the life of the NHC to support the operation and maintenance of the facilities that are necessary to supply electricity from SAB to NHC. Such forward-looking information about future outages would fall within the meaning of a CSI, and the sharing of such information between OPG and Atura H2 (a subsidiary of NV LP) is currently prohibited by the ring-fencing conditions under OPG's generation licence.

As such, OPG requests an amendment to Part 7 of its electricity generation licence to allow it to share non-public information about outages with Atura H2 to support the connection, commissioning or testing of the NHC or for OPG to perform work on the

¹ Decision and Order dated April 9, 2020 (revised April 20, 2020) (EB-2019-0258 / EB-2020-0110).

units and associated facilities at SAB that will be involved in the supply and delivery of electricity from OPG to the NHC.

OPG stated that the proposed exemption does not detract from the protections established by the ring-fencing provisions, and that PEC LP's ring-fencing conditions are sufficient to mitigate any risk to the electricity market and customers as, among other things, they prevent employees of PEC LP who are directly involved in the offer to supply electricity or ancillary services into any of the IESO-administered markets from obtaining or having access to CSI pertaining to OPG and ensure that no CSI pertaining to OPG that may be in the possession of PEC LP is used by PEC LP for any purpose relating to the offer to supply electricity or ancillary services into any of the IESO-administered markets.

OPG attached a letter from PEC LP to its application, where PEC LP confirmed that it is aware that OPG has requested a limited scope exemption from the requirements under Part 7 of OPG's licence. Also, PEC LP confirmed that the exemption requested by OPG will not impact the ongoing implementation of PEC LP's ring-fencing conditions under Part 5A of its electricity generation licence (EG-2004-0540). Further, PEC LP's letter confirms that its ring-fencing plan will ensure that "i) employees of PEC LP that are directly involved in the offer to supply electricity or ancillary services into any of the IESO-administered markets do not obtain or have access to CSI (as defined in the licence) pertaining to OPG, including if shared in relation to Atura H2 under OPG's proposed exemption; and ii) that no CSI pertaining to OPG that may be in the possession of PEC LP, including if shared in relation to Atura H2 under OPG's proposed exemption, will be used by PEC LP for any purpose relating to the offer to supply electricity and ancillary services into any of the IESO-administered markets, as required by items (ii) and (iii) under section 5A.2 of its licence."

DECISION

The OEB approves the licence amendment requested by OPG. The OEB agrees that the requested limited scope exemption is necessary to support the connection, commissioning and ongoing operation of the NHC. The OEB notes that the development of the NHC supports the Government's low-carbon hydrogen strategy.

The exemption for OPG will not change PEC LP's ring-fencing requirements under its own licence. PEC LP will still need to ensure that its employees who are directly involved in the offer to supply electricity or ancillary services into any of the IESO-administered markets do not have access to CSI related to OPG and that any CSI pertaining to OPG that is in PEC LP's possession is not used for any purpose related to offering to sell electricity or ancillary services into any of the IESO-administered markets. Considering that the ring-fencing provisions in PEC LP's licence remain in full force, the OEB is satisfied that the narrow exemption provided to OPG will not undermine the purpose of the ring-fence.

As to the term of the exemption, the OEB is not convinced that an open-ended exemption is appropriate given the importance of the ring-fencing provisions in OPG licence. The OEB will therefore include a five-year sunset clause. If OPG wants to continue the exemption beyond then, it may apply for another licence amendment at the appropriate time.

IT IS ORDERED THAT:

1. Part 7 (Ring-Fencing of Affiliate Market Functions) of Ontario Power Generation Inc.'s Electricity Generation Licence EG-2023-0231 is amended by adding the following paragraph after paragraph 3:
 4. Notwithstanding the requirements in paragraphs 2 and 3 of this Part 7, the Licensee shall not be prohibited from sharing CSI with NV LP's subsidiary Atura H2 LP to the extent the CSI consists of information related to forward-looking outage plans that are not in the public domain (a) where the outage plans are necessary for the connection, commissioning or testing of Atura H2 LP facilities associated with its hydrogen production facility known as the "Niagara Hydrogen Centre", or (b) where OPG requires the outage to perform work on units and associated facilities at its Sir Adam Beck II Generating Station that are directly involved in the supply and delivery of electricity to the Niagara Hydrogen Centre. This exemption shall expire on August 27, 2030.

DATED at Toronto August 28, 2025

ONTARIO ENERGY BOARD

Brian Hewson
Vice President, Consumer Protection & Industry Performance