

August 6, 2020

Re: Written Submission to the House of Commons Standing Committee on Finance

Dear Members of Parliament,

Please accept our appreciation for all the efforts you, the parliamentarians, have undertaken during this extraordinary public health and economic crisis. We fully support the efforts taken to date as we seek to contain the virus and sustain the livelihood of all Canadians.

I am writing to you today to share information on Ontario Power Generation (OPG) and its view on economic recovery efforts that could be included in the next federal budget or economic stimulus initiatives. OPG believes that the outlined initiatives will not only benefit Canadians by contributing to economic recovery, but also assist the country in meeting its long-term goals such as the net zero-emissions target by 2050.

Similar to many other companies across Canada, OPG's focus has been on the health and safety of our people and ensuring that our critical electricity generating stations are operating safely and reliably. We know that our primary job is to continue providing the vital electricity that is required for hospitals, health care facilities, senior residences, grocery stores, pharmacies, water treatment plants, and other essential services that are engaged in the fight against COVID-19.

OPG has also been doing its part to help meet the critical health care needs of Ontario in efforts to combat COVID-19. These include donations such as:

- 1,000,000 surgical masks
- 75,000 N95 masks
- 17,500 Tyvek protective suits
- 10 Power Assisted Air Purification Respirators
- \$500k to Feed Ontario to help launch their province-wide emergency food box program
- \$250k to the Regional Food Distribution Association of Northwestern Ontario to distribute food support to First Nations
- \$150k to Feed the Need to buy and distribute food to organizations across the Durham Region in Ontario

OPG is proud to support our province and our communities and we will continue to look for opportunities to support during this challenging time.

Who We Are

OPG is Ontario's largest clean power generator, a diversified company with generating assets across North America and a climate change leader who lead the phase out of coal-fired generation in Ontario.

Within the province of Ontario, OPG owns and operates 66 hydroelectric, two nuclear, and three thermal generating stations, one of which is biomass, as well as one solar facility and four natural gas-fired stations through our subsidiary Atura Power. OPG also owns two additional nuclear generating stations in Tiverton, Ontario which are leased on a long-term basis to Bruce Power L.P. In addition to its Canadian assets, OPG owns and operates 85 hydroelectric stations in the United States.

To support clean electricity production, OPG has been undertaking a \$12.8 billion refurbishment program at the Darlington Nuclear Generating station which will secure 30 more years of GHG-free electricity production for the province of Ontario.

On June 6th, the first of four units was successfully returned to service. Due to COVID-19 implications, the refurbishment of the next unit, Unit 3, was paused. However, work has now started to prepare for the breaker open in the fall. Restarting the refurbishment project will help restart the Canadian economy. The refurbishment program represents 14,200 jobs per year that will extend the life of the Darlington Nuclear Generating Station, avoiding significant emissions equivalent to two million cars off Ontario's roads per year. This has a direct benefit to Ontario and Canada's efforts to reduce emissions.

Along with supplying power, OPG produces Cobalt-60, a critical medical isotope that serves a vital safety function. The isotope is used to irradiate and sterilize about 40 per cent of the world's single-use medical devices, such as syringes, gloves, and surgical instruments. We are proud of our role in helping frontline health-care workers have access to sterilized devices as they care for our friends and loved ones. This added benefit of nuclear power has been critical in protecting our health-care workers during the COVID-19 pandemic.

Having delivered the world's single largest climate change action to-date by closing our coal stations, OPG now looks to the future. The company is investing in technologies that will drive clean economic renewal – from transportation electrification to small modular reactors, energy storage, clean generation, and micro-grids.

OPG believes that a multi-technology generation approach, along with the electrification of key sectors such as transportation, will enable the transition to a low carbon and clean energy future. OPG also believes that only by working with local and Indigenous communities can projects move forward in a manner that it brings benefits for all Canadians.

This includes equity partnerships with Indigenous nations that enable capacity building, long-term social and economic development, and traditional cultural systems to co-exist with modern economic systems. Only in developing substantive partnerships with Indigenous communities will there be an opportunity to link energy, social, and economic development goals with national reconciliation goals.

The Current Challenge and the Opportunity for the Future

As the Federal Government begins to consider the next steps in stimulating the economy, OPG believes there is an opportunity to make investments to not only meet the short term needs related to the COVID-19 economic disruption but also to enable long term goals.

Fundamental to meeting the long-term goals is to enable the development of clean energy generation (in all its forms, nuclear, hydro, and renewables).

This could form the basis of a new inclusive electrification strategy that would enable meeting net-zero targets by reducing emissions in key sectors such as transportation, resource development and provide access to clean energy for northern, rural and Indigenous communities.

With these goals in mind, OPG recommends the following key initiatives that could be included within the next federal budget or economic stimulus efforts. In all recommendations the importance of working with local communities and indigenous partnerships to maximize the economic and social benefits for all Canadians. OPG's recommendations include:

1. Acceleration of federal investments of electrification and clean initiatives

There is an opportunity to accelerate the federal initiatives that have been announced as part of economic stimulus efforts. This could include augmenting clean energy and electrification funding programs to create new jobs and to meet net zero emissions. By investing in clean energy technologies (renewables, hydro, Small Modular Reactors) jobs will be created and will enable Canada to meet its net zero- emissions target by 2050.

Also accelerating federal electrification investments will compliment efforts being undertaken by various provinces and energy companies that would accelerate the clean energy transformation that would link economic, environmental, and social development opportunities for all Canadians. This would include accelerating the electrification of the various sectors (transportation and resource development) that would enable transforming the Canadian economy and reducing emissions.

2. Investing in new Clean Electricity Generation Technologies

There is a unique opportunity to invest not only in renewable technologies but also in Small Modular Reactors (SMRs), pumped storage, and other technologies to ensure Canada meets its net zero emissions target by 2050. Nuclear needs to be included in the clean energy and infrastructure initiatives to ensure that emissions targets are met. Indeed, without nuclear technology it would not be possible to reach the net zero goals.

SMR technologies represent a significant potential for Canadian leadership. These technologies could enable the emissions reductions of the resource development sector as well as creating opportunities for rural/remote and Indigenous communities.

Canada is seen as a leader in clean energy development. This is especially the case with the Small Modular Reactor Road map initiative which identified key opportunities to develop the next generation of nuclear technologies that could be used in reducing emissions on grids or in the natural resource development sectors and northern, rural and indigenous communities.

However, if Canada does not invest in the development and deployment of SMRs, Canada's leadership will be overtaken by other countries such as the United States of America (USA). The US Government has recently made regulatory and financial investment announcements in the development and deployment of SMR technologies that could overtake Canada's leadership.

3. The Centre for Canadian Nuclear Sustainability

On July 22nd, OPG launched an initiative to take advantage of growing global opportunities associated with nuclear decommissioning as well as address the need for an interconnected waste and decommissioning plan.

The Centre's mandate is to advance collaboration and research in the fields of nuclear material management and CANDU reactor dismantlement to identify new and innovative solutions. This will be achieved by bringing together other key industry partners, post-secondary research institutions, and private sector entities from across the world.

The Centre will operate as a hub that will:

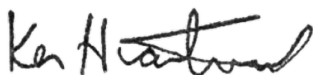
- Lead the safe, cost-effective environmentally and socially responsible decommissioning of OPG's nuclear legacy
- Focus on strategic and innovative solutions for decontamination, dismantling, site remediation and nuclear material management
- Mobilize research and development efforts across post-secondary institutions
- Align the nuclear supply chain to prepare and advance technologies on processes and tooling required for nuclear decommissioning and nuclear material solutions, with a focus on economic stimulus for Ontario and Canada that will include supporting groups severely affected by the current pandemic
- Collaborate with industry stakeholders and agencies for the advancement of comprehensive solutions and the creation of best practices for CANDU decommissioning

Federal participation in this initiative would enable private and public partnerships to form that will create jobs, and innovation opportunities associated with the nuclear industry, and decommissioning efforts.

Again, thank you for the opportunity to share these concepts and initiatives with you. I hope this information is useful to your deliberations on the next federal budget and or economic stimulus initiatives.

I would be honoured to appear in any proceeding that the House of Commons Finance Committee undertakes to discuss such important matters. In the meantime, if you have any questions please feel free to reach out to George Christidis (George.Christidis@opg.com or 613.293.5242) who will be able to follow-up on inquiries or set up any meeting opportunity.

Sincerely,



Ken Hartwick
President & CEO
Ontario Power Generation