ONTARIO POWER GENERATION | Electrifying life

News
from Ontario Power Generation

700 University Ave, Toronto ON, M5G 1X6

416-592-4008 or 1-877-592-4008
www.opg.com

March 4, 2025

OPG reports 2024 financial results

Strong progress continues on nuclear and hydroelectric refurbishments, and small modular reactors; new nuclear exploration launched at Wesleyville site

Toronto – Ontario Power Generation (OPG) is on track to deliver the Darlington Refurbishment Project on time and within the $12.8 billion budget. This significant accomplishment was part of OPG's reporting on its financial and operating results for 2024.

The electricity generator also reported a net income attributable to the Shareholder of $988 million, compared to $1,741 million for 2023. The decrease was expected and reflects the planned cyclical outage activities on Unit 2 of the Darlington nuclear generating station (Darlington GS) in 2024.

Darlington Nuclear Generating Station's Unit 1 Reactor Returned to Service from Refurbishment; Overall Project is on Time and Budget

Last fall, OPG returned the Darlington GS Unit 1 to full power after refurbishment, approximately five months ahead of schedule. The refurbishment team is now rebuilding the station's Unit 4, the final refurbishment unit, which is on track for completion in 2026, as scheduled.

"Though we faced unprecedented and unforeseeable external forces related to COVID-19 and inflation, our team was able to manage those costs through innovation and efficiency," said Nicolle Butcher, OPG President and CEO. "Now, in the ninth year of this 10-year execution phase, we are on time and on budget, clearly demonstrating our ability to responsibly execute large low-carbon energy projects, working with Ontario and Canada's robust domestic nuclear supply chains."

In addition, modifications made to Unit 1 during the refurbishment outage mean it is now capable of producing life-saving Cobalt-60 (Co-60) medical isotopes. The medical community uses this product to sterilize 30 percent of the world's single-use medical devices, including syringes, gloves and implants. The food industry also uses Co-60 to treat some foods against harmful bacteria and insects. The team will similarly modify the other three units of the Darlington GS to help produce Co-60.

Pickering Nuclear Generating Station Refurbishment Progressed to Definition Phase

OPG completed the initiation phase of Units 5 to 8 refurbishment at the Pickering nuclear generating station (Pickering GS) in the fourth quarter of 2024. Now, the team embarks on the project definition phase, during which OPG will complete a high-quality cost estimate and schedule for the project, progress detailed engineering, further procurement and contracting work, optimize project scope as well as develop a robust project execution plan.

As part of this work, OPG has entered into a number of contracts, including with Aecon Group Inc., AtkinsRéalis and BWXT Canada, for early engineering and procurement on the retube feeder and boiler replacement program.

“Working with trusted partners, including many who have helped us achieve project excellence on Darlington’s refurbishment, will assist in meeting our goals on Pickering’s refurbishment,” said Butcher. “The extensive planning and preparation underway will help ensure the final project, if approved by the Province and the Canadian Nuclear Safety Commission, is completed safely and with quality, on time and on budget.”

Darlington New Nuclear Project Update

OPG continues to advance the Darlington New Nuclear Project, with site preparation underway for four approximately 300-megawatt (MW) BWRX-300 small modular reactors (SMR). The Canadian Nuclear Safety Commission (CNSC) concluded its two-part Licence to Construct hearing for the first SMR in January 2025.

“Pending a regulatory decision from the CNSC and final approval from the Province, we are prepared to begin constructing the first reactor with the goal of deploying Canada’s first grid-scale SMR by the end of the decade,” said Butcher. “As first movers on the SMR technology, we hope to build a foundation for further growing Ontario and Canada’s nuclear supply chains.”

Strategic Sites for New Generation Update, Highlighting New Nuclear Potential at Wesleyville

In November 2024, the Province of Ontario (Province) asked OPG to begin discussions with Indigenous and municipal leaders to gauge community support for potential electricity generation at three OPG-owned sites: Wesleyville, Nanticoke and Lambton. All three sites are already zoned for electricity generation, are near transmission, and located in areas of Ontario experiencing significant growth.

In January 2025, with the First Nations’ willingness to enter discussions and following a formal expression of interest from Town of Port Hope, the Province has asked OPG to explore opportunities for new nuclear generation at the Wesleyville site. OPG also continues discussions with Indigenous rightsholders, local elected leaders and municipalities in the Nanticoke and Lambton areas.

“With electricity demand projected to grow by as much as 75% between now and 2050 we know there will be a need for new generation,” said Butcher. “Building and maintaining strong relationships with host communities and the Indigenous Nations on whose traditional territory and treaty territory we operate is key to the siting process. We

look forward to expanded conversations with Nations and municipalities to understand their perspectives and aspirations for their communities."

Hydroelectric Refurbishments

With the Province's announced support, OPG is moving forward with plans to refurbish and expand a number of hydroelectric generating stations across Northern Ontario over the next decade. When complete, this work will secure up to 830 MW of electricity in the North, enough to power approximately 830,000 homes.

This is part of OPG's plan to refurbish and redevelop hydroelectric generating stations across the province to maintain reliable and efficient operations and increase production of renewable energy for decades into the future.

"Many of our hydroelectric stations have been in service, generating the electricity Ontarians need, for decades and, in some cases, more than a century," said Butcher. "The work we are doing now and over the next number of years to renew our hydroelectric fleet will ensure those same stations reliably produce power for future generations to come."

Net Income Attributable to the Shareholder

Net income attributable to the Shareholder for 2024 was $988 million, a decrease of $753 million compared to 2023. The decrease was primarily attributable to expected lower earnings from the Regulated – Nuclear Generation business segment, driven by lower electricity generation and a lower base regulated price for OPG's nuclear electricity generation in effect during 2024 as previously approved by the Ontario Energy Board, higher operations, maintenance and administration expenses, and higher depreciation and amortization expenses.

The lower electricity generation was expected and primarily due to a planned cyclical maintenance outage on Unit 2 of the Darlington GS in the first half of 2024 and the end of commercial operation of Unit 1 of the Pickering GS on October 1, 2024, as planned, partially offset by fewer planned outage days at the Pickering GS.

Generating and Operating Performance

Electricity generated in 2024 was 82.1 terawatt hours (TWh) compared to 80.9 TWh in 2023.

Regulated – Nuclear Generation Segment

Electricity generation from the Regulated – Nuclear Generation business segment decreased by 3.1 TWh in 2024 compared to 2023, primarily due to higher planned and unplanned outage days at the Darlington GS and the end of commercial operation of Unit 1 of the Pickering GS, partially offset by higher electricity generation at the Pickering GS due to fewer planned outage days. Unit 4 of the Pickering GS ended commercial operation and was permanently taken offline on December 31, 2024, as planned.

The unit capability factor at the Darlington GS decreased from 97.0 per cent for 2023 to 74.6 per cent for 2024, primarily due to higher planned and unplanned outage days. The unit capability factor at the Pickering GS increased from 80.7 per cent for 2023 to 83.3 per cent for 2024, due to fewer planned outage days.

Regulated – Hydroelectric Generation Segment

Electricity generation from the Regulated – Hydroelectric Generation business segment increased by 1.1 TWh during 2024, compared to 2023, mainly due to higher electricity generation at the hydroelectric facilities in the Niagara region reflecting higher electricity demand, and higher water flows across most of Ontario.

Availability at the regulated hydroelectric stations for 2024 was comparable to 2023.

Contracted Hydroelectric and Other Generation Segment

Electricity generation from the Contracted Hydroelectric and Other Generation business segment in 2024 was comparable to 2023.

Availability of the hydroelectric stations in the segment for 2024 was 80.8 per cent, compared to 85.9 per cent for 2023. The decrease was primarily due to higher planned outages at the Lower Mattagami hydroelectric generating stations.

Atura Power Segment

Electricity generation from the Atura Power business segment increased by 3.4 TWh in 2024, compared to 2023, primarily due to higher demand for electricity generation from the combined cycle plants.

Thermal Availability of the generating stations in the segment decreased to 86.4 per cent as at December 31, 2024, compared to 89.5 per cent as at December 31, 2023, primarily due to a planned outage at the Halton Hills generating station.

Generation Development

OPG is undertaking a number of generation development and other projects to maximize the value of and expand its generating fleet in support of Ontario's electricity system.

Darlington Refurbishment

The Darlington Refurbishment Project will extend the operating life of the four-unit Darlington GS by at least 30 years.

On November 27, 2024, following the successful completion of start-up activities, the refurbished Unit 1 was reconnected to the electricity grid, ahead of the original schedule. Unit 1 provides 878 MW of electricity to the province, enough to power approximately 875,000 homes.

The Unit 4 refurbishment is executing the third major segment, Reassembly, which includes the installation and reassembly of reactor components. The installation of calandria tubes was successfully completed in January 2025, and the installation of fuel channels and lower feeders is in progress. Unit 4 is the last Darlington GS unit to undergo refurbishment and is scheduled to be returned to service in 2026.

The total project costs, including the impacts of the COVID-19 pandemic and inflation, are on track to meet the $12.8 billion budget.

Pickering Refurbishment

On January 23, 2025, the Province announced its approval of OPG's plan to proceed with the project definition phase as the next step toward refurbishing Units 5 to 8 of the Pickering GS. OPG Board of Directors' (Board) approved budget for this work is $4.1 billion, bringing the total Board-approved budget for the project to date to $6.2 billion. During the definition phase, OPG will complete a high-quality cost estimate and schedule for the project, progress detailed engineering, further procurement and contracting work, continue to optimize project scope, and develop the project execution plan. The definition phase is expected to last through 2026.

Once refurbished, the Pickering GS would continue to provide over 2,000 MW of electricity, equivalent to powering approximately two million homes, to help meet Ontario's demand for electricity. The refurbishment is anticipated to be completed by the mid-2030s.

Further details on OPG's major projects can be found in Management's Discussion and Analysis as at and for the year ended December 31, 2024, section, *Core Business and Outlook* under the heading, *Project Excellence*.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

(millions of dollars – except where noted)	**2024**	**2023**
Revenue	7,187	7,434
Fuel expense	1,049	974
Operations, maintenance and administration expenses	3,318	3,136
Depreciation and amortization expenses	1,270	1,071
Accretion on fixed asset removal and nuclear waste management liabilities	1,221	1,178
Earnings on nuclear fixed asset removal and nuclear waste management funds	(1,102)	(1,057)
Other net expenses (gains)	69	(66)
Earnings before interest and income taxes	1,362	2,198
Net interest expense	186	103
Income tax expense	170	336
Net Income	1,006	1,759
Net income attributable to the Shareholder	988	1,741
Net income attributable to non-controlling interest [1]	18	18
Earnings (loss) before interest and income taxes		
Electricity generating business segments	1,439	2,266
Regulated – Nuclear Sustainability Services	(108)	(110)
Other	31	42
Earnings before interest and income taxes	1,362	2,198
Cash flow provided by operating activities	2,211	2,538
Capital expenditures [2]	3,725	2,829
Electricity generation (TWh)		
Regulated – Nuclear Generation	33.0	36.1
Regulated – Hydroelectric Generation	32.5	31.4
Contracted Hydroelectric and Other Generation [3]	5.0	5.2
Atura Power	11.6	8.2
Total OPG electricity generation	82.1	80.9
Nuclear unit capability factor (per cent)		
Darlington Nuclear GS [4]	74.6	97.0
Pickering Nuclear GS	83.3	80.7
Availability (per cent)		
Regulated – Hydroelectric Generation	85.8	85.4
Contracted Hydroelectric and Other Generation – hydroelectric stations	80.8	85.9
Atura Power [5]	86.4	89.5
Equivalent forced outage rate		
Contracted Hydroelectric and Other Generation – thermal stations	3.8	1.8

[1] Relates to the following: 25 per cent interest of Amisk-oo-Skow Finance Corporation, a corporation wholly owned by the Moose Cree First Nation, in Lower Mattagami Limited Partnership; 33 per cent interest of Coral Rapids Power Corporation, a corporation wholly owned by the Taykwa Tagamou Nation, in PSS Generating Station Limited Partnership; 15 per cent and 5 per cent interests of corporations wholly owned by Six Nations of Grand River Development Corporation and the Mississaugas of the Credit First Nation, respectively, in Nanticoke Solar LP; and non-controlling interests in certain electricity generating facilities in the United States.

[2] Includes net changes in accruals; excludes the acquisition of the new corporate headquarters building and surrounding lands at 1908 Colonel Sam Drive in Oshawa, Ontario in February 2023.

[3] Includes OPG's proportionate share of electricity generation from co-owned and minority shareholdings in electricity generating facilities.

[4] Excludes nuclear unit(s) during the period in which they are undergoing refurbishment. Accordingly, Unit 3 and Unit 1 of the Darlington GS were excluded from the reported planned and unplanned outage days during their refurbishment period of September 3, 2020 to July 17, 2023, and February 15, 2022 to November 27, 2024, respectively. Unit 4 of the Darlington GS has been excluded from the measure since commencing refurbishment on July 19, 2023.

[5] Reflects the thermal availability of combined cycle plants as at the year-end date, calculated on a three-year rolling average basis.

About OPG

As one of North America's largest, most diverse electricity generators, OPG invests in local economies and employs thousands of people across Ontario. OPG and its family of companies are advancing the development of new low-carbon technologies, refurbishment projects, and electrification initiatives to power the growing demands of a clean economy. Learn more about how the company is delivering these initiatives while prioritizing people, partnerships, and strong communities by reading OPG's Integrated ESG Annual Report.

Ontario Power Generation Inc.'s audited consolidated financial statements and Management's Discussion and Analysis as at and for the year ended December 31, 2024, can be accessed on OPG's web site (www.opg.com), the Canadian Securities Administrators' web site (www.sedarplus.com), or can be requested from the Company.

For further information, please contact:

Ontario Power Generation
416-592-4008 or 1-877-592-4008
Follow us **@opg**

- 30 -