



YEAR IN REVIEW FACT SHEET

OUR COMPANY

Ontario Power Generation Inc. (OPG) is an electricity generating company whose principal business is the generation and sale of electricity in Ontario. As Ontario's largest clean energy generator, OPG operates a diverse generation portfolio consisting of 2 nuclear, 66 hydroelectric and 3 thermal generating stations, and 1 wind power turbine. OPG also leases two other nuclear stations to Bruce Power and co-owns the Portlands Energy Centre generating station (GS) and the Brighton Beach GS. As at Dec. 31, 2016, OPG had an in-service generating capacity of 16,177 MW.

STRATEGIC PRIORITIES

OPG's mission is to provide low cost power in a safe, clean, reliable and sustainable manner for the benefit of customers and the Shareholder, the Province of Ontario. OPG seeks to pursue, on a commercial basis, generation development projects and other growth opportunities. OPG is focused on the following four key strategic imperatives:

- **Performance Excellence** in workplace and public safety, electricity generation, cost effectiveness, and environmental stewardship.
- **Project Excellence** through investment in asset performance, refurbishment and new construction.
- **Financial Strength** by increasing revenue, reducing costs, achieving appropriate shareholder's return, and pursuing growth opportunities.
- **Social Licence** by maintaining public trust through high standards of safety and corporate citizenship, including community engagement and Indigenous relations.

OPERATIONAL & FINANCIAL HIGHLIGHTS

- Total electricity generated increased in 2016 to 78.2 TWh from 78.0 TWh in 2015. The increase was primarily a result of higher nuclear generation, mainly due to a lower number of planned outage days during 2016.
- Net income in 2016 was \$453 M, compared to \$417 M in 2015. The increase was primarily due to higher generation from the nuclear fleet and higher earnings from the Contracted Generation Portfolio.
- In 2016, OPG made significant progress on several generation development projects, including:
 - The \$12.8 B Darlington Refurbishment project will extend the station's operating life by approximately 30 years. In 2016, OPG commenced the refurbishment of the first unit, Unit 2, as planned. The unit was taken offline in October 2016, and de-fuelling of the reactor was safely completed in January 2017. The physical separation of Unit 2 from the three operating units was completed in April 2017, signifying the completion of the first major segment of the project, on time and on budget. Unit 2 is scheduled to be returned to service in the first quarter of 2020. The overall project continues to track on schedule and budget.
 - A new 28 MW hydroelectric generating station, the Peter Sutherland Sr. GS, near the Abitibi River, was placed in service in March 2017, ahead of schedule. The project, a partnership between OPG and the Taykwa Tagamou Nation, is expected to close below the approved budget of \$300 M.
 - The refurbishment of the Sir Adam Beck Pump GS reservoir began in April 2016 and was completed in February 2017. The project will add

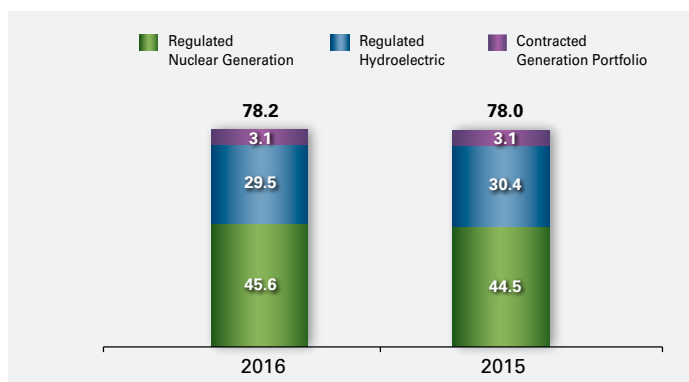
approximately 50 more years to the reservoir's life, allowing water to continue to be stored during periods of low electricity demand, to be used to generate up to 600 MW of electricity during periods of high demand. The project was completed ahead of schedule and below the approved budget of \$58 M.

- The construction of a 44 MW solar facility at OPG's Nanticoke GS site in partnership with Six Nations of the Grand River, under a contract awarded in 2016, is planned to commence as early as in the fourth quarter of 2017. The project is OPG's fourth generation-related development in partnership with an Indigenous community. The facility is expected to be completed in the first quarter of 2019.

FINANCIAL RESULTS

(\$ millions unless otherwise noted)	For the year ended December 31	
	2016	2015
Revenue	5,653	5,476
Fuel Expense	727	687
Gross Margin	4,926	4,789
OM&A	2,747	2,783
Other Expenses	1,438	1,317
Income before interest and income taxes	741	689
Net Interest Expense & income taxes	288	272
Net Income	453	417
Net Income attributable to the Shareholder	436	402
Capital Expenditures	1,704	1,376
Total Assets	44,372	44,250
Total Liabilities	33,864	34,205
Shareholder's Equity	10,508	10,045
Return On Common Equity Excluding Accumulated Other Comprehensive Income (%) 12-month rolling average	4.2	4.0

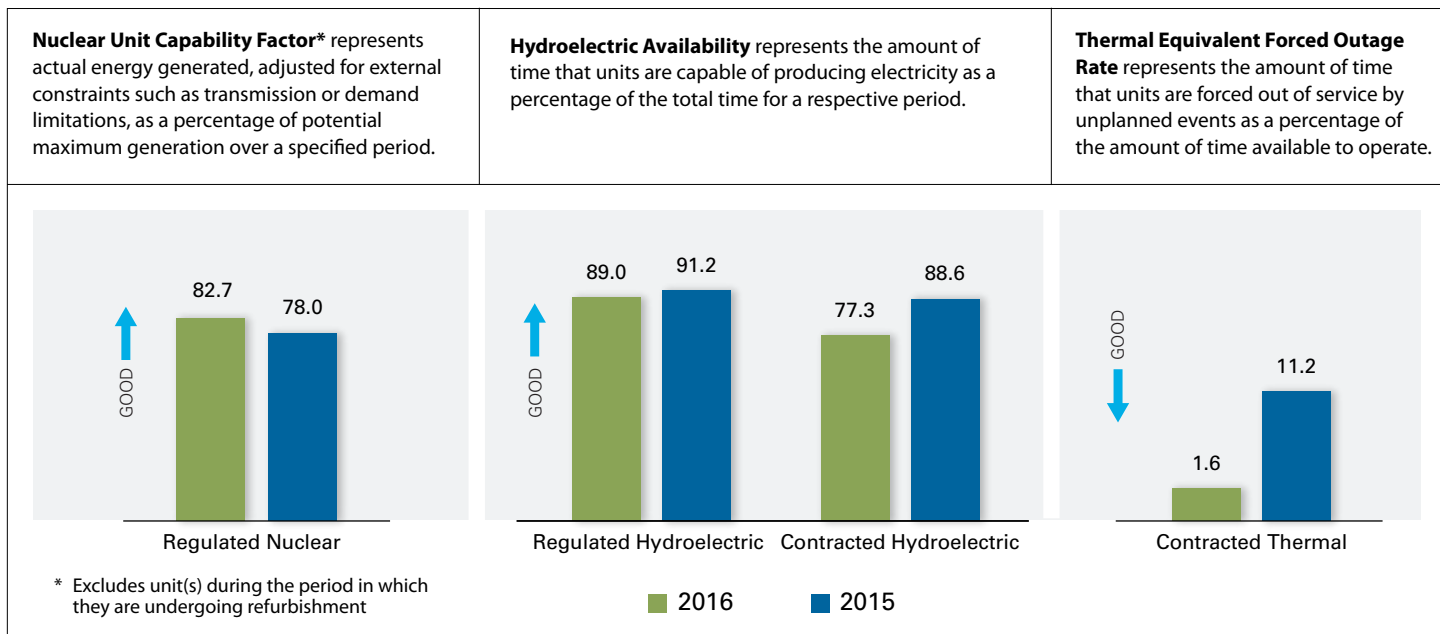
ELECTRICITY SOLD (TWh)





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GENERATION PERFORMANCE (%)



IN-SERVICE GENERATING CAPACITY

As of Dec 31, 2016
Capacity (MW)

Regulated - Nuclear Generation	
Darlington GS**	2,634
Pickering GS	3,094
Total Regulated - Nuclear	5,728
Regulated - Hydroelectric	
Niagara	2,272
Eastern Ontario	2,571
Northeastern Ontario	814
Northwestern Ontario	658
Central Ontario	106
Total Regulated - Hydroelectric	6,421
Contracted Generation Portfolio	
Northeastern Ontario	967
Northwestern Ontario	29
Central Ontario	18
Total Contracted - Hydroelectric	1,014
Lennox GS	2,100
Thunder Bay GS	153
Atikokan GS	205
Portlands Energy Centre***	275
Brighton Beach***	280
Wind	1
Total Contracted - Thermal	3,014
Total Contracted Generation Portfolio	4,028
Total	16,177

** Excludes Unit 2 which has a generating capacity of 878 MW and is currently undergoing refurbishment

*** Represents OPG's 50% share of generating capacity

MAJOR PROJECTS

Project (\$millions)	Capital Expenditures as of Dec 31, 2016		Approved budget	In-service date
	Year-to-date	Life-to-date		
Darlington Refurbishment	1,019	3,185	12,800 ¹	First Unit - 2020 Last Unit - 2026
Peter Sutherland Sr. GS	141	236	300	2017
Sir Adam Beck Pump GS Reservoir Refurbishment	39	46	58	2017
Nanticoke Solar Facility	1	1	To be approved	2019

¹ The total project budget of \$12.8 billion is for the refurbishment of the four units at the Darlington GS.

CREDIT RATINGS

	Long Term Debt	Commercial Paper	Outlook
S&P	BBB+	A-1 (low) Cdn	Stable
DBRS	A (low)	R-1 (low)	Stable