

P.O. Box 756
Toronto, ON
M5C 2K1



APPRO
ASSOCIATION OF
POWER PRODUCERS
OF ONTARIO

Ministry of Energy and Mines,
99 Wellesley St W
Toronto, ON
M7A 1W3
Canada
Attn: garima.sodhi@ontario.ca

June 24, 2025

Via email

**RE: (ERO 025-0501) Regulatory amendments to support financing for
Ontario Power Generation's major nuclear projects**

This submission is made by the Association of Power Producers of Ontario (APPRO) in response to a request for comments posted on the Environmental Registry of Ontario website on May 12, 2025, in relation to the above-referenced topic.

APPRO appreciates the opportunity to provide such feedback.

Best Regards,

A handwritten signature in blue ink, appearing to read 'Colin Anderson', written over a light blue horizontal line.

Colin Anderson
President and CEO, APPRO

(ERO 025-0501) Regulatory amendments to support financing for Ontario Power Generation's major nuclear projects

Submission of the Association of Power Producers of Ontario (APPrO)

INTRODUCTION

APPrO represents generators operating in the province of Ontario, and a variety of organizations and individuals concerned with generation. APPrO members include developers, suppliers and consultants to power enterprises, both public and private, with an emphasis on implementing responsible and sustainable energy systems in Canada and around the world.

The Ministry of Energy and Mines is proposing to establish a Concurrent Cost Recovery mechanism to allow Ontario Power Generation (OPG) to recover financing costs during the construction period of the Darlington New Nuclear Project (DNNP) and Pickering Refurbishment Project, in the form of debt interest, and enable equity partnerships for DNNP. If an amendment to *O.Reg. 53/05* is carried out, it will enable OPG to recover debt interest costs from ratepayers through OEB-approved rates during the construction phase of DNNP and Pickering Refurbishment Project. This submission is in response to that request for public comments, as posted on the Environmental Registry of Ontario website.

APPrO's members are committed to a reliable, affordable and sustainable energy supply in the province of Ontario, which is why APPrO has an interest in this matter.

APPrO appreciates the opportunity to provide feedback.

DETAILED COMMENTS

APPrO supports Government's proposed actions in this consultation.

1. Concurrent Cost Recovery (CCR) Amendments

Amending *O.Reg 53/05* by establishing a Concurrent Cost Recovery (CCR) approach will enable OPG to recover debt interest costs from ratepayers through OEB-approved rates during the construction phase of two projects that are critical to the expansion/refurbishment of Ontario's electricity system - the Darlington New Nuclear Project (DNNP) and the Pickering Refurbishment Project. The proposed CCR mechanism would support OPG's cash flow needs while the project construction is underway, which will lower OPG's borrowing requirements and associated costs.

This change in recovery is in the interest of ratepayers. Because of the reduced borrowing requirements, the long-term project costs to be recovered will be less than they otherwise would be, which generates significant ratepayer savings over the life of the projects. Providing OPG with cash flow during this capital investment period should also be helpful to its ability to secure cost effective financing for these important projects, which will contribute to ratepayer savings.

Finally, it should be noted that this treatment is being applied strategically. It will not apply to all capital projects - just the two that are referenced above due to their size and the impact associated with their financing requirements.

2. Equity Partnerships Amendments

Amending *O.Reg 53/05* will allow for new partnerships for the Darlington Small Modular Reactor (SMR) project as a rate-regulated generator and will

comprehensively set out its applicable rate-setting framework. This would ensure that the SMRs that are constructed as part of the DNNP remain subject to oversight by the Ontario Energy Board (OEB) through its public and transparent rate-setting processes.

This is important since it will permit OPG to establish new commercial partnerships for the Darlington SMRs, allowing for the infusion of capital from external sources. Such partnerships will allow for equity investments from public, private or Indigenous investors, while maintaining the generating facility as a prescribed asset, which would continue to be subject to OEB regulatory oversight under *O.Reg. 53/05*. An amendment to the Regulation is necessary since any new equity partner(s) would not otherwise be eligible as “prescribed” generators.