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News from Ontario Power Generation

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May 13, 2025

OPG reports 2025 first quarter financial results

Secures Darlington SMR construction approval; explores Indigenous community-led Northern Ontario hydro opportunities; completes $1 billion green bond issuance

Toronto – Ontario Power Generation Inc. (OPG or Company) today reported its financial and operating results for the first quarter of 2025, with net income attributable to the Shareholder of $505 million, compared to $221 million for the same period last year.

Darlington New Nuclear Project Licence to Construct Approval

With the recent approval of the Darlington New Nuclear Project (DNNP) Licence to Construct by the Canadian Nuclear Safety Commission for one small modular reactor (SMR), OPG will now start the execution phase of Canada's first grid-scale SMR using the BWRX-300 technology, expecting to complete the construction by the end of the decade and connect the facility to the electricity grid by the end of 2030.

"Our success to date in delivering on the $12.8 billion Darlington Refurbishment Project has paved the way for new opportunities, including the DNNP," said Nicolle Butcher, OPG President and CEO. "A first for North America, this made-in-Ontario project showcases our domestic expertise to the world, and will drive economic growth while helping meet increasing energy demand."

As the first mover on SMRs, this project will create jobs for Ontario workers and contracts for Ontario's supply chains and will demonstrate their capabilities to the world while strengthening Canada's energy security. Over 80 per cent of the DNNP will be procured domestically, with a further 15 per cent sourced through Europe and Japan.

The total cost of the four-unit DNNP, including interest, cost escalation, and contingency, is currently estimated at approximately $20.9 billion. The first unit SMR is expected to cost $6.1 billion, along with systems and services that would be common to all four SMRs planned as part of the project of $1.6 billion. The total budget of $7.7 billion represents the release-quality estimate for both the first SMR and shared infrastructure. OPG and its project partners will continue to refine the total estimated project cost during the definition phase of the remaining three units, incorporating lessons learned from the construction of the first SMR and the Darlington Refurbishment Project.

As a rate regulated project, the recovery of the costs of the DNNP will be reviewed by the Ontario Energy Board in a future proceeding for OPG's regulated prices. The Province has also indicated that it is exploring potential financial policy tools that would benefit ratepayers. In parallel, OPG continues to explore optimal financing arrangements in support of funding requirements for the planned capital investments.

Greenfield Hydroelectric Development

OPG recently signed letters of intent with Taykwa Tagamou Nation (TTN) and Moose Cree First Nation (MCFN) to work together on preliminary planning activities to inform an Indigenous community-led decision-making process on new hydroelectric development in the Moose River Basin.

This includes the proposed Nine Mile Rapids hydroelectric generating station and the Grand Rapids hydroelectric generating station, which would have a combined generating capacity of up to 430 megawatts (MW).

"We look forward to working in meaningful partnership with TTN and MCFN toward the next generation of hydroelectric in Northern Ontario," said Butcher. "These potential new waterpower projects would provide decades of affordable, reliable, domestically produced electricity to meet growing demand and deliver lasting economic benefits to local and Indigenous communities."

Green Bond Issuance

OPG issued $1 billion in green bonds in the first quarter, furthering its leadership in sustainable financing. In all, since 2018, OPG has issued green bonds totalling approximately $5.6 billion, including offerings by its subsidiaries.

Cedar Leaf Capital, Inc. (Cedar Leaf), Canada's first majority Indigenous-owned investment dealer, joined OPG's syndicate of dealers and served as co-manager on the most recent issuance.

"OPG remains the largest Canadian corporate issuer of green bonds and will use proceeds of this issuance to fund a range of low-carbon energy projects," said Butcher. "The opportunity to work with Cedar Leaf is in keeping with our Reconciliation Action Plan commitment to partner with Indigenous communities and businesses to advance meaningful and tangible economic reconciliation."

Strong Canadian Supply Chain

With more than 90 per cent of its goods and services procured from Canadian suppliers for OPG's nuclear and Ontario hydroelectric business, OPG is a major contributor to Ontario's supply chain and economy. OPG continues to strengthen local procurements and identify alternate supplier relationships to mitigate the supply chain risks and broader potential economic impacts associated with changing trade conditions.

First quarter highlights include:

Net income attributable to the Shareholder

Net income attributable to the Shareholder increased by $284 million for the first quarter of 2025, compared to the same period in 2024. The increase was primarily attributable to higher earnings from the Regulated – Nuclear Generation business segment as a result of higher electricity generation, and lower operating, maintenance and administration expenses due to fewer planned cyclical outage activities.

Generating and Operating Performance

Electricity generated in the first quarter of 2025 was 23.5 terawatt hours (TWh), compared to 21.1 TWh for the same period in 2024.

Regulated – Nuclear Generation Segment

Electricity generation from the Regulated – Nuclear Generation business segment increased by 1.9 TWh during the first quarter of 2025 compared to the same quarter in 2024, primarily due to electricity generation from Unit 1 of the Darlington nuclear generating station (Darlington GS) following its return to service from refurbishment in November 2024 and fewer outage days at the Darlington GS and Pickering nuclear generating station (Pickering GS), partially offset by the cessation of commercial operation of Unit 1 and Unit 4 of the Pickering GS in the fourth quarter of 2024.

The unit capability factor at the Darlington GS and Pickering GS increased to 98.5 per cent and 96.6 per cent, respectively, for the first quarter of 2025, compared to 68.1 per cent and 80.3 per cent for the same quarter in 2024, due to fewer planned and unplanned outage days at each station.

Regulated – Hydroelectric Generation Segment

Electricity generation from the Regulated – Hydroelectric Generation business segment for the first quarter of 2025 was comparable to the same quarter in 2024.

Availability at the regulated hydroelectric stations decreased to 85.7 per cent for the first quarter of 2025, compared to 87.9 per cent for the same quarter in 2024. The decrease was primarily due to higher unplanned outages across the regulated hydroelectric fleet in Ontario.

Contracted Hydroelectric and Other Generation Segment

Electricity generation from the Contracted Hydroelectric and Other Generation business segment decreased by 0.2 TWh in the first quarter of 2025, compared to the same quarter in 2024, primarily due to lower water flows across the hydroelectric facilities in the United States.

Availability of the hydroelectric stations in the business segment increased to 88.1 per cent for the first quarter of 2025, compared to 84.0 per cent for the same quarter in 2024, primarily due to fewer planned outages at the Lower Mattagami hydroelectric generating stations in Ontario.

Atura Power Segment

Electricity generation from the Atura Power business segment increased by 0.7 TWh during the first quarter of 2025, compared to the same quarter in 2024, primarily due to higher demand for electricity generation from the combined cycle plants.

Thermal Availability of the generating stations in the segment decreased to 87.3 per cent as at March 31, 2025, compared to 89.6 per cent for the same quarter in 2024, primarily due to a planned outage at the Halton Hills generating station.

Generation Development

The company 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.

The Unit 4 refurbishment is currently in the third major segment, Reassembly, which includes installation and reassembly of reactor components, and continues to progress on schedule. 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.

Further details on OPG's major projects can be found in Management's Discussion and Analysis as at and for the three months ended March 31, 2025, section, *Core Business and Outlook* under the heading, *Project Excellence*.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

(millions of dollars – except where noted)	Three Months Ended March 31 2025	2024
Revenue	2,157	1,767
Fuel expense	372	253
Operations, maintenance and administration expenses	711	870
Depreciation and amortization expenses	355	300
Accretion on fixed asset removal and nuclear waste management liabilities	313	306
Earnings on nuclear fixed asset removal and nuclear waste management funds	(284)	(271)
Other net (gains) expenses	(3)	9
Earnings before interest and income taxes	693	300
Net interest expense	56	45
Income tax expense	128	30
Net Income	509	225
Net income attributable to the Shareholder	505	221
Net income attributable to non-controlling interest [1]	4	4
Earnings (loss) before interest and income taxes		
Electricity generating business segments	690	318
Regulated – Nuclear Sustainability Services	(26)	(32)
Other	29	14
Earnings before interest and income taxes	693	300
Cash flow provided by operating activities	754	564
Capital expenditures [2]	1,342	726
Electricity generation (TWh)		
Regulated – Nuclear Generation	9.9	8.0
Regulated – Hydroelectric Generation	8.5	8.5
Contracted Hydroelectric and Other Generation [3]	1.2	1.4
Atura Power	3.9	3.2
Total OPG electricity generation	23.5	21.1
Nuclear unit capability factor (per cent)		
Darlington Nuclear GS [4]	98.5	68.1
Pickering Nuclear GS	96.6	80.3
Availability (per cent)		
Regulated – Hydroelectric Generation	85.7	87.9
Contracted Hydroelectric and Other Generation – hydroelectric stations	88.1	84.0
Atura Power [5]	87.3	89.6

[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.

[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 1 of the Darlington GS was excluded from the reported planned and unplanned outage days during its refurbishment period of February 15, 2022 to November 27, 2024 and 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 period 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.

Ontario Power Generation Inc.'s unaudited interim consolidated financial statements and Management's Discussion and Analysis as at and for the three months ended March 31, 2025, 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:

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ONTARIO POWER GENERATION INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

2025 FIRST QUARTER REPORT

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ONTARIO POWER GENERATION INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis (MD&A) should be read in conjunction with the unaudited interim consolidated financial statements and accompanying notes of Ontario Power Generation Inc. and its subsidiaries (OPG or Company) as at and for the three months ended March 31, 2025. OPG's unaudited interim consolidated financial statements are prepared in accordance with United States generally accepted accounting principles (US GAAP) and are presented in Canadian dollars, unless otherwise noted.

For a complete description of OPG's corporate strategies, risk management, corporate governance, and the effect of critical accounting policies and estimates on OPG's results of operations and financial condition, this MD&A should also be read in conjunction with OPG's audited consolidated financial statements, Annual Information Form, and MD&A as at and for the year ended December 31, 2024.

As required by *Ontario Regulation 395/11*, as amended, a regulation under the *Financial Administration Act* (Ontario), OPG adopted US GAAP for the presentation of its consolidated financial statements, effective January 1, 2012. Since January 1, 2012, OPG has also received exemptive relief from the Ontario Securities Commission (OSC) that allows OPG to apply US GAAP instead of International Financial Reporting Standards (IFRS). In September 2022, the OSC approved an exemption which allows the Company to continue to apply US GAAP up to January 1, 2027. The term of the exemption is subject to certain conditions, which may result in the expiry of the exemption prior to January 1, 2027. For details, refer to the section, *Critical Accounting Policies and Estimates* under the heading, *Exemptive Relief for Reporting under US GAAP*, in OPG's 2024 annual MD&A. This MD&A is dated May 13, 2025.

Additional information about OPG, including the Company's Annual Information Form, is available on SEDAR+ at www.sedarplus.com and the Company's website at www.opg.com.

FORWARD-LOOKING STATEMENTS

The MD&A contains forward-looking statements that reflect OPG's current views regarding certain future events and circumstances. Any statement contained in this document that is not current or historical is a forward-looking statement. OPG generally uses words such as "anticipate", "believe", "budget", "foresee", "forecast", "estimate", "expect", "schedule", "intend", "plan", "project", "seek", "target", "goal", "strategy", "may", "will", "should", "could" and other similar words and expressions to indicate forward-looking statements. The absence of any such word or expression does not indicate that a statement is not forward-looking.

All forward-looking statements involve inherent assumptions, risks and uncertainties, including those set out in the section, *Risk Management*, and forecasts discussed in the section, *Core Business and Outlook*. All forward-looking statements could be inaccurate to a material degree. In particular, forward-looking statements may contain assumptions such as those relating to OPG's generating station (GS) performance, availability and operating lives, fuel costs, surplus baseload generation (SBG), fixed asset removal and nuclear waste management obligations and costs, availability of facilities for the permanent disposal of used nuclear fuel and other nuclear waste, performance and earnings of segregated nuclear and OPG pension funds, refurbishment of existing facilities, development and construction of new facilities, acquisition transactions and other business expansion opportunities, performance of acquired businesses, divestiture transactions, defined benefit pension and other post-employment benefit (OPEB) obligations and costs, income taxes, proposed new legislation, government policy including tariffs and the trade environment, the ongoing evolution and growth of electricity industries and markets in Ontario, Canada and the United States of America (United States or US), the continued application and renewal of energy supply agreements (ESAs) with the Independent Electricity System Operator (IESO) and other contracts for non-regulated facilities, inflation, interest rates, foreign currency exchange rates, commodity prices, wholesale electricity market prices, environmental and other regulatory requirements, operating licence applications to the Canadian Nuclear Safety Commission (CNSC) and the Federal Energy Regulatory Commission (FERC), health, safety and environmental developments, changes in the Company's workforce, renewal of union collective agreements, business continuity events, the weather, climate change, technological change, geopolitical events, financing requirements and liquidity, funding sources, applications to the Ontario Energy Board (OEB) for regulated prices, the impact of regulatory decisions by the OEB, clean energy investment government programs, forecasts of earnings, cash flow, earnings before interest, income taxes, depreciation and amortization, gross margin, operations, maintenance and administration (OM&A) expenses and project and other expenditures, retention of critical talent, supply chain availability and capacity, and supplier and third party performance. Accordingly, undue reliance should not be placed on any forward-looking statement. The forward-looking statements included in this MD&A are made only as of the date of this MD&A. Except as required by applicable securities laws, OPG does not undertake to publicly update these forward-looking statements to reflect new information, future events or otherwise.

Use of Non-GAAP Financial Measures

The Company uses the following non-GAAP financial performance measures in the MD&A:

- "Earnings before Interest, Income Taxes, Depreciation and Amortization"; and
- "Gross Margin".

For a detailed description of each of the non-GAAP measures used in this MD&A, refer to the section, *Key Operating Performance Indicators and Non-GAAP Financial Measures*. The non-GAAP financial performance measures set out in this MD&A are intended to provide additional information to investors and do not have any standardized meaning under US GAAP, and therefore may not be comparable to other issuers, and should not be considered in isolation or as a substitute for measures of performance prepared under US GAAP.

THE COMPANY

OPG is an Ontario-based electricity generation company whose principal business is the generation and sale of electricity. OPG was established under the *Business Corporations Act* (Ontario) and is wholly owned by the Province of Ontario (Province or Shareholder).

As at March 31, 2025, OPG owned and operated two nuclear generating stations, 66 hydroelectric generating stations, two thermal generating stations, one solar facility and four combined-cycle gas turbine (combined cycle) plants in Ontario, Canada. The combined cycle plants are natural gas-fired facilities owned and operated through the Company's wholly-owned subsidiary operating as Atura Power. Through its US-based wholly-owned subsidiary, OPG Eagle Creek Holdings LLC (Eagle Creek), OPG also wholly or jointly owned and operated 85 hydroelectric generating stations and held minority interests in 14 hydroelectric and two solar facilities in the US as at March 31, 2025. In addition, OPG owned two nuclear generating stations in Ontario, the Bruce A GS and the Bruce B GS, which are leased on a long-term basis to, and operated by, Bruce Power L.P. (Bruce Power).

Reporting Structure

The composition of OPG's reportable business segments effective as at March 31, 2025 was as follows:

- Regulated – Nuclear Generation;
- Regulated – Nuclear Sustainability Services;
- Regulated – Hydroelectric Generation;
- Contracted Hydroelectric and Other Generation; and
- Atura Power.

Income from the generating stations leased to Bruce Power is included in revenue under the Regulated – Nuclear Generation business segment. The leased stations are not included in the Company's electricity generation and other operating statistics set out in this MD&A.

Trends

OPG's quarterly electricity generation and the financial results of the Regulated – Nuclear Generation business segment are primarily impacted by maintenance outage cycles, unplanned outage activities and timing of refurbishment activities at the nuclear generating stations, which may result in period-over-period variability in OPG's financial results. The maintenance outage cycle at each of OPG's nuclear generating stations determines the number of planned outages in a particular year. Outage cycles are designed to ensure continued safe and reliable long-term operations of the stations and their compliance with the CNSC's regulatory requirements.

The Darlington and Pickering nuclear generating stations have been designed to operate at full power as baseload generating facilities and therefore their electricity production does not vary with changes in grid-supplied electricity demand.

OPG's quarterly electricity generation from the Regulated – Hydroelectric Generation, Contracted Hydroelectric and Other Generation, and Atura Power business segments is affected by changes in grid-supplied electricity demand. Changes in grid-supplied electricity demand are primarily caused by variations in seasonal weather conditions, changes in economic conditions, the impact of small-scale generation embedded in distribution networks, and the impact of conservation efforts. Historically, there has been greater electricity demand in Ontario during the winter and summer months due to heating and air conditioning demands. The financial impact of forgone hydroelectric electricity generation from the Regulated – Hydroelectric Generation business segment due to SBG conditions is mitigated by a regulatory variance account authorized by the OEB.

OPG's quarterly electricity generation from hydroelectric facilities is impacted by weather conditions that affect water flows. Historically, there have been higher water flows in the second quarter as a result of snow and ice melt entering the river systems. The financial impact of variability in water flows on the Regulated – Hydroelectric Generation business segment is mitigated by regulatory variance accounts authorized by the OEB.

The financial impact of variability in electricity generation from the Contracted Hydroelectric and Other Generation business segment and the Atura Power business segment is mitigated by the terms of the applicable ESAs with the IESO for the contracted generating facilities in Ontario.

In-Service Generating Capacity

OPG's in-service generating capacity by business segment as at March 31, 2025 and December 31, 2024 was as follows:

	As At	
(MW)	**March 31 2025**	**December 31 2024**
Regulated – Nuclear Generation [1]	**4,698**	4,698
Regulated – Hydroelectric Generation [4]	**6,566**	6,566
Contracted Hydroelectric and Other Generation [2, 4]	**4,080**	4,080
Atura Power	**2,750**	2,715
Total [3]	**18,094**	18,059

[1] The in-service generating capacity as at March 31, 2025 and December 31, 2024 excludes Unit 4 of the Darlington GS. Unit 4 was taken offline for refurbishment in July 2023 and has a generating capacity of 878 MW. As at March 31, 2025, the Darlington GS had three units in service and the Pickering GS had four units in service.
[2] Includes OPG's proportionate share of in-service generating capacity from co-owned and minority shareholdings in electricity generating facilities.
[3] In-service generating capacity represents the portion of installed capacity (the highest level of MW output which a generating unit can maintain indefinitely under reference conditions, without damage to the unit) that has not been removed from service. The Bruce Power leased stations are excluded from electricity generation and operating statistics set out in this MD&A.
[4] In-service generating capacity is initially based on estimates at the time of asset in-service. The final capacity may differ once required engineering assessments have been completed and verified.

During the three months ended March 31, 2025, the total in-service generating capacity increased by 35 megawatts (MW). The increase was due to the completion of the contractual generating capacity upgrades at the Halton Hills GS reported under the Atura Power business segment, which were previously awarded by the IESO in 2023.

HIGHLIGHTS

Overview of Results

This section provides an overview of OPG's unaudited interim consolidated operating results for the three months ended March 31, 2025, compared to the same period in 2024. A discussion of OPG's performance by business segment can be found in the section, *Discussion of Operating Results by Business Segment*.

(millions of dollars – except where noted)	**Three Months Ended March 31** **2025**	**2024**
Revenue	**2,157**	1,767
Fuel expense	**372**	253
Operations, maintenance and administration expenses	**711**	870
Depreciation and amortization expenses	**355**	300
Accretion on fixed asset removal and nuclear waste management liabilities	**313**	306
Earnings on nuclear fixed asset removal and nuclear waste management funds	**(284)**	(271)
Other net (gains) expenses	**(3)**	9
Earnings before interest and income taxes	**693**	300
Net interest expense	**56**	45
Income tax expense	**128**	30
Net income	**509**	225
Net income attributable to the Shareholder	**505**	221
Net income attributable to non-controlling interest [1]	**4**	4
Electricity generation (TWh) [2]	**23.5**	21.1
Cash flow provided by operating activities	**754**	564
Capital expenditures [3]	**1,342**	726
Earnings (loss) before interest and income taxes by segment		
Regulated – Nuclear Generation	**348**	(5)
Regulated – Hydroelectric Generation	**169**	167
Contracted Hydroelectric and Other Generation [4]	**81**	78
Atura Power	**92**	78
Total electricity generating business segments	**690**	318
Regulated – Nuclear Sustainability Services	**(26)**	(32)
Other	**29**	14
Earnings before interest and income taxes	**693**	300

1 Relates to the following: 25 percent interest of Amisk-oo-Skow Finance Corporation, a corporation wholly owned by the Moose Cree First Nation, in Lower Mattagami Limited Partnership; 33 percent interest of Coral Rapids Power Corporation, a corporation wholly owned by the Taykwa Tagamou Nation, in PSS Generating Station Limited Partnership; 15 percent interest and 5 percent interest 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 OPG's proportionate share of electricity generation from co-owned and minority-held facilities.

3 Includes net changes in accruals.

4 Includes contracted revenue from hydroelectric generating stations in Ontario operating under ESAs, with expiration dates ranging from 2059 to 2067.

Net income attributable to the Shareholder was $505 million for the first quarter of 2025, representing an increase of $284 million compared to the same period in 2024.

Earnings before interest and income taxes (EBIT) were $693 million for the first quarter of 2025, representing an increase of $393 million compared to the same period in 2024.

Significant factors that increased EBIT:

- Increase in revenue of $191 million from the Regulated – Nuclear Generation business segment due to higher electricity generation of 1.9 terawatt hours (TWh). The higher electricity generation was primarily driven by the return to service of Unit 1 of the Darlington nuclear generating station (Darlington GS) following refurbishment in November 2024 and fewer outage days at both the Darlington GS and the Pickering nuclear generating station (Pickering GS); and
- Lower OM&A expenses of $168 million from the Regulated – Nuclear Generation business segment, primarily due to lower expenditures related to the cyclical maintenance activities as a result of fewer planned outage days at the Darlington GS and Pickering GS.

Net interest expense increased by $11 million in the first quarter of 2025, compared to the same period in 2024. The increase was primarily due to higher interest expense on the Company's long-term debt due to bond issuances during 2024 and the first quarter of 2025, partially offset by a higher amount of interest recorded as recoverable from customers through regulatory accounts.

Income tax expense increased by $98 million in the first quarter of 2025, compared to the same period in 2024. The increase was primarily due to the impact of higher earnings before income taxes.

Electricity Generation

Electricity generation for the three months ended March 31 was as follows:

	Three Months Ended March 31	
(TWh)	**2025**	**2024**
Regulated – Nuclear Generation	**9.9**	8.0
Regulated – Hydroelectric Generation	**8.5**	8.5
Contracted Hydroelectric and Other Generation [1]	**1.2**	1.4
Atura Power	**3.9**	3.2
Total OPG electricity generation	**23.5**	21.1

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

Total OPG electricity generation increased by 2.4 TWh for the three months ended March 31, 2025, compared to the same period in 2024, primarily due to higher electricity generation from the Regulated – Nuclear Generation business segment.

Electricity generation from the Regulated – Nuclear Generation business segment increased by 1.9 TWh for the three months ended March 31, 2025, compared to the same period in 2024. The increase was primarily due to electricity generation from Unit 1 of the Darlington GS following its return to service from refurbishment in November 2024 and fewer outage days at the Darlington and Pickering nuclear generating stations. The increase was partially offset by the cessation of commercial operation of Unit 1 and Unit 4 of the Pickering GS in the fourth quarter of 2024.

Electricity generation from the Contracted Hydroelectric and Other Generation business segment decreased by 0.2 TWh for the three months ended March 31, 2025, compared to the same period in 2024, primarily due to lower water flows across the hydroelectric facilities in the United States.

Electricity generation from the Atura Power business segment increased by 0.7 TWh for the three months ended March 31, 2025, compared to the same period in 2024, primarily due to higher demand for electricity generation from the combined cycle plants.

Ontario's electricity demand as reported by the IESO was 37.7 TWh for the three months ended March 31, 2025, compared to 35.9 TWh for the same period in 2024, excluding electricity exports out of the province.

Power that is surplus to the Ontario market is managed by the IESO, mainly through generation reductions at hydroelectric and certain nuclear generating stations, and other grid-connected renewable resources. Baseload generation surplus in Ontario was higher in the three months ended March 31, 2025, compared to the same period in 2024. Production forgone at OPG's regulated hydroelectric stations due to SBG conditions was 0.1 TWh for the three months ended March 31, 2025 and nil for the same period in 2024. The gross margin impact of production forgone at OPG's regulated hydroelectric stations due to SBG conditions was offset by the impact of a regulatory variance account authorized by the OEB. OPG did not forgo any electricity production at its nuclear generating stations due to SBG conditions.

Cash Flow from Operations

Cash flow provided by operating activities was $754 million for the three months ended March 31, 2025, compared to $564 million for the same period in 2024. The increase was primarily due to higher revenue receipts from the Regulated – Nuclear Generation business segment, lower income tax installment payments and lower OM&A expenditures.

Capital Expenditures

Capital expenditures were as follows:

	Three Months Ended March 31	
(millions of dollars)	**2025**	**2024**
Regulated – Nuclear Generation – Darlington Refurbishment Project	**229**	231
Regulated – Nuclear Generation – Pickering Refurbishment and DNNP	**605**	131
Regulated – Nuclear Generation – Excluding Darlington Refurbishment Project, Pickering Refurbishment Project and DNNP	**106**	139
Regulated – Hydroelectric Generation	**124**	73
Contracted Hydroelectric and Other Generation	**34**	53
Atura Power	**167**	74
Other	**77**	25
Total capital expenditures [1]	**1,342**	726

[1] Includes net changes in accruals.

Total capital expenditures for the three months ended March 31, 2025 increased by $616 million, compared to the same period in 2024, primarily due to higher expenditures for the Regulated – Nuclear Generation business segment.

Capital expenditures for the Darlington Refurbishment project for the first quarter of 2025 were comparable to the same period in 2024.

Capital expenditures for the Pickering Refurbishment project and the Darlington New Nuclear Project (DNNP) increased by $474 million for the first quarter of 2025, compared to the same period in 2024. The increase was due to higher expenditures on pre-execution refurbishment activities for Units 5 to 8 of the Pickering GS reflecting the project's transition to the definition phase, and higher expenditures for site preparation, procurement and other ongoing development activities for small modular reactors (SMRs) at the DNNP site.

Excluding the Darlington Refurbishment project, Pickering Refurbishment project and DNNP, capital expenditures for the Regulated – Nuclear Generation business segment decreased by $33 million for the first quarter of 2025, compared to the same period in 2024. The decrease was primarily driven by lower expenditures for the replacement of primary moisture separators, a component of steam generators, and other sustaining projects at the Darlington GS.

Capital expenditures for the Regulated – Hydroelectric Generation business segment increased by $51 million for the first quarter of 2025, compared to the same period in 2024. The increase was primarily due to higher expenditures on redevelopments of the Kakabeka Falls, Coniston and Stinson hydroelectric generating stations as well as the ongoing refurbishment program across the hydroelectric fleet.

Capital expenditures for the Contracted Hydroelectric and Other Generation business segment decreased by $19 million for the first quarter of 2025, compared to the same period in 2024. The decrease was primarily due to lower expenditures on the Smoky Falls Dam Safety project, with the two new sluicegates placed in service in the first quarter of 2024.

Capital expenditures for the Atura Power business segment increased by $93 million for the first quarter of 2025, compared to the same period in 2024. The increase was primarily due to higher expenditures for the expansion of the combined cycle plant at the Napanee GS and higher expenditures on the development of a battery energy storage system at the Napanee GS site (Napanee BESS), both under long-term agreements with the IESO.

Capital expenditures within the Other category increased by $52 million for the first quarter of 2025, compared to the same period in 2024. The increase was largely due to higher expenditures related to the retrofitting and renovation of the new corporate headquarters building in Oshawa, Ontario prior to the planned occupancy in summer 2025.

Further details on the Company's major projects can be found in sections, *Core Business and Outlook* under the heading, *Project Excellence,* and *Significant Developments* under the heading, *Project Excellence.*

SIGNIFICANT DEVELOPMENTS

Project Excellence

Darlington New Nuclear Project

OPG continues to advance the DNNP and expects to complete the construction of Canada's first grid-scale SMR by the end of the decade and connect it to the electricity grid by the end of 2030, using the BWRX-300 reactor plant technology.

On April 4, 2025, the CNSC announced its decision to issue a power reactor construction licence to OPG, authorizing the construction of one SMR at the DNNP site. The licence is valid until March 31, 2035 and includes standard licence conditions as well as three Regulatory Hold Points (RHPs) at key project milestones during the licence to construct phase. The removal of the RHPs is tied to completion of design and safety analysis and will allow for the progression of the detailed design and phased construction. Overall, the licence conditions and hold points will enable effective regulatory oversight of the licensed activities.

In May 2025, the Province announced its support of OPG to proceed with the execution phase of the first SMR at the DNNP site. The total cost of the four-unit DNNP, including interest, cost escalation, and contingency, is currently estimated at approximately $20.9 billion. The first unit SMR is expected to cost $6.1 billion along with systems and services that would be common to all four SMRs planned as part of the project of $1.6 billion. The total budget of $7.7 billion represents the release-quality estimate for both the first SMR and shared infrastructure, and was approved by the OPG Board of Directors (Board). OPG and its project partners will continue to refine the total estimated project cost during the definition phase of the remaining three units, incorporating lessons learned from the construction of the first SMR and the Darlington Refurbishment project.

OPG is advancing planning and licensing activities for three additional SMRs at the DNNP site. On March 5, 2025, the Ministry of Environment and Climate Change announced $55 million in funding from the Environment and Climate Change Canada's Future Electricity Fund to support the development of these SMRs. Pending the Province and regulatory approvals for the construction of these additional SMRs, the DNNP's total generating capacity is expected to reach approximately 1,200 MW.

The SMRs at the DNNP site are prescribed for rate regulation by the OEB. As a rate regulated project, the recovery of the costs of the DNNP will be reviewed by the OEB in a future proceeding for OPG's regulated prices. The Province has also indicated that it is exploring potential financial policy tools that would benefit ratepayers. In parallel, OPG continues to explore optimal financing arrangements in support of funding requirements for the planned capital investments.

Pickering Refurbishment Project

In January 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. The 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 is expecting to 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 baseload generating capacity, 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 the continued operation plan for the Pickering GS can be found in the section, *Core Business and Outlook* under the heading, *Operational Excellence – Electricity Generation Production and Reliability*.

Redevelopment of Matabitchuan Hydroelectric Generating Station

In March 2025, OPG initiated the execution phase of a project to redevelop the 114-year-old Matabitchuan hydroelectric generating station (Matabitchuan GS), located along the Matabitchuan River in northeastern Ontario. The redeveloped station is expected to have a generating capacity of approximately 12 MW and will ensure continued safe and reliable operations for approximately an additional 90 years. The project's expected in-service date is in 2028, with an approved budget of $190 million. The Matabitchuan GS is reported in the Regulated – Hydroelectric Generation business segment.

Northern Ontario Hydroelectric Opportunities

In April 2025, the Province announced that it is working in partnership with the Taykwa Tagamou Nation (TTN) and Moose Cree First Nation (MCFN) to explore and advance opportunities for two new hydroelectric generating stations in Northeast Ontario, with combined generating capacity of up to 430 MW. This includes the proposed Nine Mile Rapids hydroelectric generating station on the Abitibi River and the proposed Grand Rapids hydroelectric generating station on the Mattagami River. The TTN and MCFN, having named OPG as the partner-in-principle, have signed letters of intent with OPG and will jointly lead a co-planning process to determine a potential path forward for the development of these potential sites, contingent on community support.

Financial Strength

Green Bonds

On March 13, 2025, OPG issued $1 billion of green bonds under its Sustainable Finance Framework, through its Medium Term Note Program. The issuance consisted of $500 million of senior notes maturing in March 2035, with a coupon interest rate of 4.32 percent, and $500 million of senior notes maturing in March 2055, with a coupon interest rate of 4.87 percent. The net proceeds from the issuance were used to finance or re-finance Eligible Green Projects as defined under the Sustainable Finance Framework.

CORE BUSINESS AND OUTLOOK

The discussion in this section is qualified in its entirety by the cautionary statements included in the section, *Forward-Looking Statements* at the beginning of the MD&A.

The following sections provide an update to OPG's disclosures in the 2024 annual MD&A related to its four business imperatives – operational excellence, project excellence, financial strength, and social licence. A detailed discussion of these imperatives as part of OPG's corporate strategy is included in the 2024 annual MD&A in the sections, *The Company* and *Core Business and Outlook*.

Operational Excellence

Electricity Generation Production and Reliability

Nuclear Operations

OPG's plan to optimize the end of operations dates for the Pickering GS includes operating Units 5 to 8 until the end of September 2026, prior to the planned refurbishment. In the first quarter of 2025, OPG submitted a notification letter to the CNSC regarding Pickering site projects, including activities in support of refurbishing Units 5 to 8, to be conducted under the existing CNSC power reactor operating licence for the Pickering GS, which is valid until August 31, 2028. The CNSC's questions on the notification have been addressed and no further action is required. OPG expects to submit an application to the CNSC to renew the operating licence for the Pickering GS in the third quarter of 2025 and will include the planned refurbishment activities.

In May 2024, OPG submitted an application to renew the power reactor operating licence for the Darlington GS, valid until November 30, 2025, for a period of 30 years. The first part of the two-part public hearing on the application was completed in March 2025, with the second part of the hearing scheduled to be held by the CNSC in June 2025.

Renewable Generation Operations

OPG continues to progress on an ongoing refurbishment program for its hydroelectric generating units across Ontario. In April 2025, OPG completed the refurbishment of Unit 2 at the Barrett Chute GS, located on the Madawaska River in eastern Ontario, marking the completion of the refurbishment of all four units at the generating station.

Collective Agreements

Construction work in Ontario is performed through craft unions with established bargaining rights at OPG facilities. These bargaining rights are established either through the Electrical Power Systems Construction Association (EPSCA) or directly with OPG or its wholly-owned subsidiaries. The associated collective agreements are negotiated either directly between the parties or through the EPSCA, as applicable. Most of these collective agreements currently have multi-year terms that expire on April 30, 2025. Negotiations for the renewal of the EPSCA collective agreements are ongoing, with 18 agreements finalized and two agreements pending negotiations. All renewal agreements are expected to have five-year terms covering the period from May 1, 2025 to April 30, 2030. EPSCA is a voluntary association of owners and contractors who perform work in Ontario's electrical power systems sector.

Project Excellence

Darlington Refurbishment

The Darlington GS Unit 4 refurbishment activities are currently in the Reassembly segment and are progressing as planned. As part of the segment, the calandria tube, and upper and middle feeder installation series were completed in the first quarter of 2025. The total project costs, including the impacts of the COVID-19 pandemic, are on track to meet the $12.8 billion budget.

OPG's major projects in the execution phase as at March 31, 2025 are outlined below:

Project *(millions of dollars)*	Capital Expenditures Year-to-date	Capital Expenditures Life-to-date	Approved Budget	Expected In-service Date	Current Status
Darlington Refurbishment Project	229	11,419	12,800 [1]	Unit 4 – 2026	The Unit 4 refurbishment is progressing on schedule and is currently in the Reassembly segment. The project is tracking on budget.
Redevelopment of Kakabeka Falls Hydroelectric GS	29	68	519	2028	Remaining design and site preparation activities are progressing on schedule, and the prime contractor was mobilized to the site in March 2025. The removal of original equipment is also underway. The project is tracking on schedule and on budget.
Atura Power Development Projects	128	416	1,500 [2]	Niagara Hydrogen Centre – 2026 Napanee BESS – 2026 Napanee Combined Cycle GS Expansion Project – 2028	The Niagara Hydrogen Centre project has secured the full building permit. The civil construction activities are in the final stages of completion. The Napanee BESS project continues to progress civil and foundation construction work. The delivery of critical equipment has commenced. Engineering, design and permitting activities for the Napanee Combined Cycle GS Expansion project continue to progress on schedule. These projects are tracking within the total approved budget.

1 The total project budget of $12.8 billion is for the refurbishment of all four units at the Darlington GS. The refurbishments of Units 1 to 3 have been completed. Refurbishment of the four generating units is expected to extend the operating life of the station by at least 30 years.
2 The total project budget of approximately $1.5 billion is for the Niagara Hydrogen Centre, the Napanee BESS and the Napanee Combined Cycle GS Expansion projects.

Financial Strength

Increasing Revenue, Reducing Costs and Achieving Appropriate Return

In line with its commercial mandate, OPG is focused on increasing revenue and net income, and achieving an appropriate return on the Shareholder's investment, while seeking to minimize the impact on electricity customers through continuous improvement in the Company's cost structure.

For regulated operations, achievement of the above objectives is largely dependent on outcomes of OPG's applications for regulated prices to the OEB and prudent growth of rate base earning a return. Rate base for OPG represents the average net level of investment in regulated fixed and intangible assets in service and an allowance for working capital.

The following table presents the OEB-authorized regulated prices for electricity generated from OPG's regulated facilities in Ontario for the period from January 1, 2024 to December 31, 2026 in effect as of the date of this MD&A:

($/MWh)	**2024**	**2025**	**2026**
Regulated – Nuclear Generation			
Base regulated price [1]	103.48	**102.85**	111.33
Deferral and variance account rate riders [2]	4.28	**8.76**	12.43
Total regulated price	107.76	**111.61**	123.76
Regulated – Hydroelectric Generation			
Base regulated price	43.88	**43.88**	43.88
Deferral and variance account rate riders [2]	3.64	**3.30**	3.30
Total regulated price	47.52	**47.18**	47.18

[1] Base regulated prices for the nuclear facilities were established using a rate smoothing approach that defers a portion of each year's approved nuclear revenue requirement for future collection in the Rate Smoothing Deferral Account. Base regulated prices for the nuclear facilities do not include amounts deferred in the Rate Smoothing Deferral Account.

[2] Deferral and variance account (regulatory account) riders reflect the OEB's January 2022 payment amounts order that authorized recovery and repayment of balances recorded in regulatory accounts as at December 31, 2019, and, effective July 2024, the OEB's June 2024 decision and order that authorized recovery and repayment of balances recorded in regulatory accounts as at December 31, 2022.

The base regulated prices for OPG's nuclear electricity generation in effect for the period from January 1, 2022 to December 31, 2026 were established by the payment amounts order issued by the OEB in January 2022 reflecting the OEB's decisions on OPG's 2022-2026 rate application issued during the second half of 2021.

Pursuant to *Ontario Regulation 53/05*, the base regulated price for OPG's hydroelectric electricity generation (hydroelectric base regulated price) for the period from January 1, 2022 to December 31, 2026 has been set equal to the 2021 hydroelectric base regulated price.

In 2024, the OEB initiated a generic cost of capital proceeding to review the methodology for determining the cost of capital parameters and deemed capital structure used for setting utility rates. As part of its decision issued in March 2025, the OEB updated the cost of capital parameters including the prescribed rate of return on deemed equity applicable to all electricity transmitters, electricity distributors, natural gas utilities, and rate-regulated electricity generators. As a result, the interim prescribed return on a deemed equity portion (ROE) of 9.25 percent applicable to 2025 cost-based rate applications was updated to 9.0 percent on a final basis, effective January 1, 2025. The prescribed ROE will continue to be updated annually through the OEB's ROE adjustment formula. These changes do not affect the prescribed ROE levels or other cost of capital parameters reflected in OPG's previously authorized regulated prices for the period through December 31, 2026. While the OEB did not make changes to deemed capital structures in this proceeding, it stated that it would consider, on its merits, a proposal by OPG to modify its deemed capital structure, should OPG submit one in its next application for new regulated prices. For information on OEB-approved cost of capital parameters and rate base levels reflected in OPG's authorized regulated prices through December 31, 2026, refer to OPG's 2024 annual MD&A in the section, *Revenue Mechanisms for Regulated and Non-Regulated Generation.*

In January 2025, the Province released a proposal for potential amendments to *Ontario Regulation 53/05* intended to clarify the scope of the Pickering B Extension Variance Account to ensure that OPG can record costs incurred beginning in 2024 to retain the capacity and readiness to operate Units 5 to 8 of the Pickering GS upon refurbishment, subject to the requisite approvals. The comment period for the proposal ended on March 14, 2025.

In April 2025, the Province released a proposal for potential amendments to *Ontario Regulation 53/05* to allow for the creation of a new variance account to record pre-development expenses for proposed hydroelectric projects by OPG. The comment period for the proposal ends on June 13, 2025.

Under the current OEB rate-setting framework, OPG begins recovering costs through regulated prices once projects are placed in-service. In May 2025, the Province proposed potential changes in regulations that would establish a new mechanism for concurrent cost recovery to allow OPG to recover debt interest during the construction period of the DNNP and also the Pickering Refurbishment project (if the project is approved to proceed). The proposed change would also prescribe a new OEB-regulated generator and establish the applicable rate-setting framework to enable OPG to enter into commercial partnerships for the DNNP. The comment period for the proposal ends on June 26, 2025.

For generation assets that do not form part of the rate regulated operations, OPG generally seeks to secure long-term revenue arrangements that support an appropriate return on the investment. In line with this strategy, all of OPG's non-regulated facilities in Ontario are subject to ESAs with the IESO. These contracts are generally designed to provide for recovery of operating costs and capital investment in the underlying facilities and a return on invested capital, subject to the facilities continuing to meet their contractual obligations.

<u>Ensuring Availability of Cost Effective Funding</u>

OPG actively monitors its funding requirements and forecasts availability of funds to ensure that it can meet the Company's operational needs, project and other commitments, and long-term obligations. In addition to funds generated from operations, OPG utilizes the following primary funding sources: commercial paper; letters of credit; credit facilities; public debt offerings; debt sourced from the Ontario Electricity Financial Corporation (OEFC) and Ontario Financing Authority (OFA), agencies of the Province; and private placement and other project financing arrangements.

Credit Ratings

Maintaining an investment grade credit rating supports OPG's ability to access cost effective financing. As at March 31, 2025, the Company's credit ratings were as follows:

Type of Rating	DBRS Limited (DBRS) [1]	S&P Global Ratings (S&P) [2]	Moody's Investors Service (Moody's) [3]
Issuer rating	A (low)	BBB+	A3
Senior unsecured debt	A (low)	BBB+	A3
Trend/Outlook	Stable	Stable	Stable
Commercial paper program – Canada	R-1 (low)	A-1 (low)	NR [4]
Commercial paper program – US	NR [4]	A-2	P-2

[1] In April 2025, DBRS confirmed OPG's A (low) issuer rating, A (low) senior unsecured debt rating and R-1 (low) Canadian commercial paper rating, all with Stable trends.
[2] In August 2024, S&P confirmed OPG's ratings including BBB+ issuer rating with stable outlook, BBB+ senior unsecured debt rating and A-1 (low) Canada commercial paper rating.
[3] In May 2024, Moody's confirmed OPG's A3 issuer rating with stable outlook, A3 senior unsecured debt rating and P-2 US commercial paper rating.
[4] NR indicates no rating assigned.

Additional discussion of the Company's credit facilities and liquidity can be found in the section, *Liquidity and Capital Resources*.

Social Licence

OPG is committed to maintaining high standards of public health and safety and corporate citizenship, including environmental stewardship, transparency, community engagement and Indigenous relations. The Company also strives to be a leader in climate change action, equity, diversity and inclusion (ED&I) practices, and in advancing reconciliation with Indigenous peoples.

Further details on social licence activities and initiatives can be found in the section, *Environmental, Social, Governance and Sustainability*.

Outlook

OPG's net income and capital expenditures outlook for 2025 remains consistent with the outlook provided in the 2024 annual MD&A.

The Company's operating results in 2025 may be impacted by macro-economic factors and geopolitical events, including tariffs and the trade environment, as discussed further in the section, *Risk Management.*

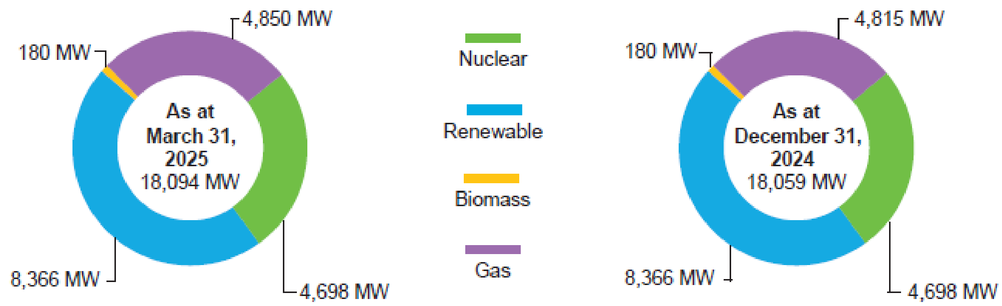
Further details on OPG's outlook, including capital expenditures and financing and liquidity, can be found in OPG's 2024 annual MD&A in the section, *Core Business and Outlook* under the heading, *Outlook*.

ENVIRONMENTAL, SOCIAL, GOVERNANCE AND SUSTAINABILITY

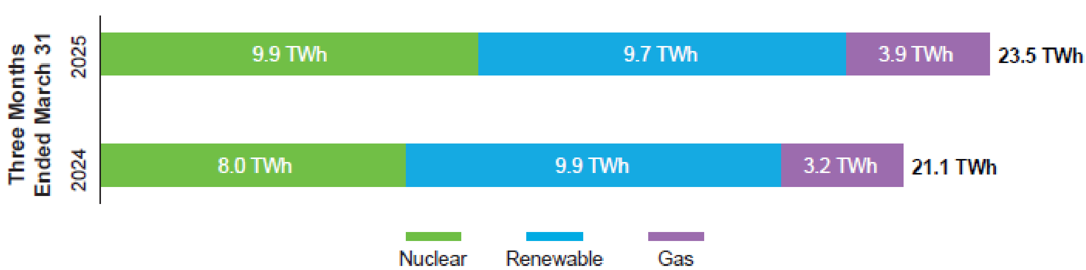
The following sections provide an update to disclosures in the 2024 annual MD&A, related to OPG's social licence activities, sustainability and environmental, social, governance (ESG) and sustainability metrics.

Climate-Related Performance and Key Metrics

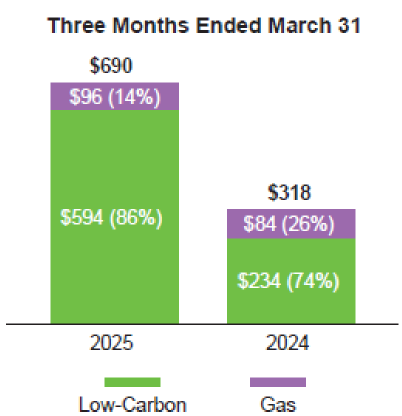
In-service generating capacity by generation type (MW) [1]



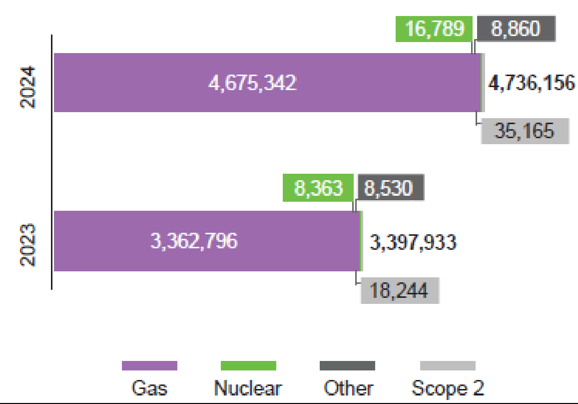
Electricity generation by generation type (TWh) [1,2]



EBIT from generating stations by facility category (millions of dollars); Climate-related transition risk [1]



Scope 1 and Scope 2 GHG emissions (tonnes CO_2 e) [3]



[1] Includes OPG's proportionate share of in-service generating capacity and electricity generation from co-owned and minority-held facilities. Nuclear generating units undergoing refurbishment are excluded. Gas category includes the dual-fueled Lennox GS and the Company's combined cycle plants operated through Atura Power.

[2] Electricity generated from the Biomass category for the three months ended March 31, 2025 represents 0.03 TWh (March 31, 2024 – 0.04 TWh).

[3] OPG continues to evaluate and enhance its Scope 1 and 2 GHG emission sources and quantification processes.

Climate Change Metrics	
In-service generating capacity by generation type [1]	In-service generating capacity from low-carbon emitting and gas generation sources increased as at March 31, 2025, compared to December 31, 2024, due to the completion of the contractual generating capacity upgrades at the Halton Hills GS. Low-carbon sources continue to account for the majority of OPG's total in-service generating capacity.
Electricity generation by generation type [1]	Low-carbon sources, which comprise nuclear, renewable and biomass generation, accounted for approximately 83 percent of OPG's total electricity generation during the first quarter of 2025, compared to 85 percent during the same period in 2024. The percentage decrease was primarily due to an increase in electricity generation from the Atura Power business segment, due to higher demand for electricity generation from the combined cycle plants.
EBIT from generating stations by facility category; Climate-related transition risk	The portion of EBIT from low-carbon electricity generation increased during the three months ended March 31, 2025, compared to the same period in 2024, primarily due to higher electricity generation and lower OM&A expenses as a result of fewer planned outage days at the Darlington GS and Pickering GS. For further details, refer to the section, *Discussion of Operating Results by Business Segment* under the heading, *Regulated – Nuclear Generation Segment*.
Scope 1 GHG emissions – Direct and Emission Rate [2]	The Scope 1 GHG emissions metric identifies direct CO_2e emissions from OPG's thermal and nuclear operations and other facilities. For the year ended December 31, 2024, 4,675,342 tonnes of CO_2e (2023 – 3,362,796 tonnes of CO_2e) were emitted by thermal operations, representing over 99 percent of OPG's total CO_2e emissions, with the remainder emitted by nuclear operations and other facilities. The increase in CO_2e emissions in 2024 was primarily due to increased electricity generation from Atura Power's combined cycle plants. For the year ended December 31, 2024, OPG emitted CO_2e at an average rate of 57.2 grams per kilowatt-hour (kWh) of its total electricity generation (2023 – 41.7 grams per kWh).
Scope 2 GHG emissions – Indirect [2]	The Scope 2 GHG emissions metric identifies indirect CO_2e emissions from the purchase of energy from utility providers. For the year ended December 31, 2024, an estimated 35,165 tonnes of CO_2e (2023 – 18,244 tonnes of CO_2e) were emitted based on purchases of energy. The increase in CO_2e emissions in 2024 was primarily due to ongoing efforts to improve the GHG emissions inventory for this category as well as overall increased emissions from the electricity system.

1 Identifies capacity available from OPG's different generation sources and tracks low-carbon energy capacity relative to other sources. Nuclear, Renewable (which includes hydroelectric and solar) and Biomass (which uses wood pellets from sustainably managed forests) generation are considered to be low-carbon emitting generation sources.

2 Scope 1 GHG emissions, Emission Rate and Scope 2 GHG emissions are reported annually. Scope 1 GHG emissions for OPG's Lennox and Atura Power generating stations are third-party verified annually. The verification for 2024 emissions has not been completed as of the date of this MD&A. The verified 2024 data will be reported in OPG's 2025 annual MD&A.

Health and Safety

OPG continues to maintain a strong focus on the nuclear safety program and to invest in nuclear safety systems. To ensure continued public safety, radiation exposure to members of the public resulting from the operation of OPG's nuclear generating stations is estimated on an annual basis for individuals living or working near the stations. The annual dose to the public resulting from operations of each nuclear facility is expressed in microsieverts (μSv), which is an international unit of radiation dose measurement.

The doses to the public resulting from OPG's nuclear operations were as follows:

Annual public dose	**2024**		**2023**	
	μSv	**% of annual legal limit** [1]	**μSv**	**% of annual legal limit** [1]
Darlington GS	**0.9**	**<0.1%**	0.7	<0.1%
Pickering GS	**1.4**	**0.1%**	1.5	0.2%

1 The annual legal limit is 1,000 μSv for each nuclear generating station.

DISCUSSION OF OPERATING RESULTS BY BUSINESS SEGMENT

Regulated – Nuclear Generation Segment

(millions of dollars – except where noted)	Three Months Ended March 31 2025	2024
Electricity generation (TWh)	**9.9**	8.0
Revenue	**1,139**	900
Fuel expense	**82**	65
Gross margin	**1,057**	835
Operations, maintenance and administration expenses	**505**	673
Property taxes	**7**	6
Other losses	**3**	-
Earnings before interest, income taxes, depreciation and amortization	**542**	156
Depreciation and amortization expenses	**194**	161
Earnings (loss) before interest and income taxes	**348**	(5)

Earnings before interest and income taxes from the segment increased by $353 million for the three months ended March 31, 2025, compared to the same period in 2024.

The increase in earnings was largely due to higher revenue of $191 million from higher electricity generation of 1.9 TWh.

The increase in earnings was also driven by lower OM&A expenses of $168 million, primarily due to lower expenditures related to the cyclical maintenance activities as a result of fewer planned outage days at the Darlington GS and Pickering GS.

The lower depreciation and amortization expenses of $20 million, excluding amortization expense related to the recovery and repayment of OEB-authorized regulatory account balances, were primarily due to the cessation of commercial operation of Unit 1 and Unit 4 of the Pickering GS in 2024. The decrease was partially offset by higher depreciation expense recognized from placing capital in service, including the return to service of Unit 1 of the Darlington GS following refurbishment in November 2024, and lower amounts of depreciation expense recorded as recoverable from customers through regulatory accounts.

An increase in revenue for the three months ended March 31, 2025 reflecting the impact of the new rate riders for disposition of regulatory accounts under the OEB's June 2024 decision and order on OPG's application for such disposition, effective July 1, 2024, was largely offset by a corresponding increase in the amortization expense of regulatory assets and regulatory liabilities recorded for regulatory account balances.

The planned and unplanned outage days at the Darlington and Pickering nuclear generating stations were as follows:

	Three Months Ended March 31	
	2025	**2024**
Planned Outage Days		
Darlington GS [1]	**1.1**	42.4
Pickering GS	**7.2**	97.9
Unplanned Outage Days		
Darlington GS [1]	**3.2**	16.0
Pickering GS	**5.3**	9.6

[1] The planned and unplanned outage days exclude unit(s) during the period in which they are undergoing refurbishment. Accordingly, Unit 1 of the Darlington GS was excluded from the reported planned and unplanned outage days during its refurbishment period of February 15, 2022 to November 27, 2024 and Unit 4 of the Darlington GS has been excluded from the measure since commencing refurbishment on July 19, 2023.

The lower planned outage days at the Darlington GS for the three months ended March 31, 2025, compared to the same period in 2024, were driven by the impact of the station's cyclical maintenance outage on the station's Unit 2 during the first quarter of 2024.

The lower planned outage days at the Pickering GS for the three months ended March 31, 2025, compared to the same period in 2024, were driven by the impact of the station's cyclical maintenance schedule and other planned maintenance and repair work executed at the station during the first quarter of 2024.

The lower unplanned outages days at the Darlington GS for the three months ended March 31, 2025, compared to the same period in 2024, were primarily driven by steam generators repair activities on the station's Unit 3 during the first quarter of 2024.

The Unit Capability Factors for the Darlington and Pickering nuclear generating stations were as follows:

	Three Months Ended March 31	
	2025	**2024**
Unit Capability Factor *(%)* [1, 2]		
Darlington GS	**98.5**	68.1
Pickering GS	**96.6**	80.3

[1] Nuclear Unit Capability Factor excludes unit(s) during the period in which they are undergoing refurbishment.
[2] Nuclear Unit Capability Factor is defined in the section, *Key Operating Performance Indicators and Non-GAAP Financial Measures.*

The Unit Capability Factor at both the Darlington GS and the Pickering GS increased for the three months ended March 31, 2025, compared to the same period in 2024, due to fewer planned and unplanned outage days at each station, respectively.

Regulated – Nuclear Sustainability Services Segment

(millions of dollars)	Three Months Ended March 31 2025	2024
Revenue	**36**	36
Operations, maintenance and administration expenses	**36**	36
Accretion on nuclear fixed asset removal and nuclear waste management liabilities	**310**	303
Earnings on nuclear fixed asset removal and nuclear waste management funds	**(284)**	(271)
Loss before interest and income taxes	**(26)**	(32)

The segment loss before interest and income taxes decreased by $6 million for the three months ended March 31, 2025, compared to the same period in 2024. The decrease was primarily due to higher earnings on the nuclear fixed asset removal and nuclear waste management segregated funds (Nuclear Segregated Funds), largely offset by higher accretion expense on the nuclear fixed asset removal and nuclear waste management liabilities (Nuclear Liabilities). The higher accretion expense on the Nuclear Liabilities was due to the increase in the present value of the underlying obligation to reflect the passage of time.

The higher earnings from the Nuclear Segregated Funds were primarily due to the growth in the present value of the underlying funding liabilities per the approved Ontario Nuclear Funds Agreement (ONFA) reference plan in effect. As both the Decommissioning Segregated Fund and the Used Fuel Segregated Fund were in an overfunded position during the three months ended March 31, 2025, and during the same period in 2024, they were not impacted by market returns or the rate of return guarantee provided by the Province for a portion of the Used Fuel Segregated Fund. When both funds are in an overfunded position, OPG limits the amount of Nuclear Segregated Funds assets reported on the consolidated balance sheet to the present value of the underlying funding liabilities per the approved ONFA reference plan in effect.

Further details on the accounting for the Nuclear Segregated Funds can be found in OPG's 2024 annual MD&A in the section, *Critical Accounting Policies and Estimates* under the heading, *Nuclear Fixed Asset Removal and Nuclear Waste Management Funds.*

Regulated – Hydroelectric Generation Segment

	Three Months Ended March 31	
(millions of dollars – except where noted)	**2025**	**2024**
Electricity generation (TWh)	**8.5**	8.5
Revenue [1]	**408**	384
Fuel expense	**72**	70
Gross margin	**336**	314
Operations, maintenance and administration expenses	**101**	101
Earnings before interest, income taxes, depreciation and amortization	**235**	213
Depreciation and amortization expenses	**66**	46
Earnings before interest and income taxes	**169**	167

[1] During the three months ended March 31, 2025 and 2024, the Regulated – Hydroelectric Generation business segment revenue included incentive payments of $5 million and $2 million, respectively, related to the OEB-approved hydroelectric incentive mechanism. The mechanism provides a pricing incentive to OPG to shift hydroelectric production from lower market price periods to higher market price periods, reducing the overall costs to customers. The incentive payments are reduced to remove incentive revenues arising in connection with SBG conditions.

Earnings before interest and income taxes from the segment for the three months ended March 31, 2025 were comparable to the same period in 2024.

An increase in revenue for the three months ended March 31, 2025 reflecting the impact of the new rate riders for disposition of regulatory accounts under the OEB's June 2024 decision and order on OPG's application for such disposition, effective July 1, 2024, was largely offset by a corresponding increase in the amortization expense of regulatory assets and regulatory liabilities recorded for regulatory account balances.

The Hydroelectric Availability for the generating stations reported in the Regulated – Hydroelectric Generation business segment was as follows:

	Three Months Ended March 31	
	2025	**2024**
Hydroelectric Availability *(%)* [1]	**85.7**	87.9

[1] Hydroelectric Availability is defined in the section, *Key Operating Performance Indicators and Non-GAAP Financial Measures*.

The Hydroelectric Availability decreased for the three months ended March 31, 2025, compared to the same period in 2024, primarily due to higher unplanned outages across the regulated hydroelectric fleet.

Contracted Hydroelectric and Other Generation Segment

(millions of dollars – except where noted)	Three Months Ended March 31 2025	2024
Electricity generation (TWh)	**1.2**	1.4
Revenue	**230**	210
Fuel expense	**23**	13
Gross margin	**207**	197
Operations, maintenance and administration expenses	**78**	72
Accretion on fixed asset removal liabilities	**2**	2
Property taxes	**5**	5
Other gains	**-**	(3)
Earnings before interest, income taxes, depreciation and amortization	**122**	121
Depreciation and amortization expenses	**41**	43
Earnings before interest and income taxes	**81**	78

Earnings before interest and income taxes from the segment increased by $3 million for the three months ended March 31, 2025, compared to the same period in 2024. The increase was mainly due to higher earnings from the Ontario-based hydroelectric facilities, driven by higher revenue from the Lower Mattagami generating stations.

The Hydroelectric Availability and the Thermal Equivalent Forced Outage Rate (EFOR) within the Contracted Hydroelectric and Other Generation segment were as follows:

	Three Months Ended March 31 2025	2024
Hydroelectric Availability *(%)* [1, 2]	**88.1**	84.0
Thermal EFOR *(%)* [2]	**20.2**	-

1 Hydroelectric Availability reflects the Company's hydroelectric generating stations in Ontario and the United States.

2 Hydroelectric Availability and Thermal EFOR are defined in the section, *Key Operating Performance Indicators and Non-GAAP Financial Measures*.

The Hydroelectric Availability increased for the three months ended March 31, 2025, compared to the same period in 2024, primarily due to fewer planned outages at the Lower Mattagami hydroelectric generating stations.

The Thermal EFOR increased for the three months ended March 31, 2025, compared to the same period in 2024, due to higher unplanned outages at the Lennox GS.

Atura Power Segment

	Three Months Ended March 31	
(millions of dollars - except where noted)	**2025**	**2024**
Electricity Generation (TWh)	**3.9**	3.2
Revenue	**344**	235
Fuel expense	**195**	105
Gross margin	**149**	130
Operations, maintenance and administration expenses	**23**	20
Accretion on fixed asset removal liabilities	**1**	1
Property taxes	**-**	1
Earnings before interest, income taxes, depreciation and amortization	**125**	108
Depreciation and amortization expenses	**33**	30
Earnings before interest and income taxes	**92**	78

Earnings before interest and income taxes from the segment increased by $14 million for the three months ended March 31, 2025, compared to the same period in 2024. The increase in earnings was primarily due to higher gross margin as a result of higher demand for electricity generation from the combined cycle plants.

The Thermal Availability for the assets within the Atura Power business segment was as follows:

	As at March 31	
	2025	**2024**
Thermal Availability *(%)* [1]	**87.3**	89.6

[1] Thermal Availability is defined in the section, *Key Operating Performance Indicators and Non-GAAP Financial Measures*. The measure reflects the availability of the combined cycle plants as at the period end date, calculated on a three-year rolling average basis.

The Thermal Availability for the combined cycle plants decreased as at March 31, 2025, compared to March 31, 2024, primarily due to a planned outage at the Halton Hills GS.

LIQUIDITY AND CAPITAL RESOURCES

OPG maintains a range of funding sources to ensure sufficient liquidity and meet financing requirements. These sources are used for multiple purposes including: to invest in plants and technologies, undertake major projects and business acquisitions, fund long-term obligations such as contributions to the pension fund, make payments under the OPEB plans, fund expenditures on Nuclear Liabilities not eligible for reimbursement from the Nuclear Segregated Funds, service and repay long-term debt, and provide general working capital. Highlights of OPG's interim consolidated cash flow position are noted below.

Changes in cash and cash equivalents were as follows:

	Three Months Ended March 31	
(millions of dollars)	**2025**	**2024**
Cash, cash equivalents and restricted cash, beginning of period	**1,363**	1,481
Cash flow provided by operating activities	**754**	564
Cash flow used in investing activities	**(1,071)**	(811)
Cash flow provided by (used in) financing activities	**1,566**	(312)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	**-**	4
Net increase (decrease) in cash, cash equivalents and restricted cash	**1,249**	(555)
Cash and cash equivalents and restricted cash, end of period	**2,612**	926

For a discussion of cash flow provided by operating activities, refer to the details in the section, *Highlights* under the heading, *Overview of Results*.

Investing Activities

Cash flow used in investing activities for the three months ended March 31, 2025 increased by $260 million, compared to the same period in 2024. The increase was due to higher capital expenditures, primarily within the Regulated – Nuclear Generation business segment, partially offset by the acquisition of Lightstar Renewables LLC and Lightstar Operations One LLC in the same period in 2024.

Financing Activities

Cash flow used in financing activities for the three months ended March 31, 2025 increased by $1,878 million, compared to the same period in 2024. The increase was primarily due to the issuance of $1 billion of green bonds and higher net issuance of corporate commercial paper in the first quarter of 2025, and the repayment of long-term debt in the same period in 2024.

Committed credit facilities and maturity dates as at March 31, 2025 were as follows:

(millions of dollars)		**Amount**
Bank facilities:		
Corporate [1, 2, 3]		**1,211**
Corporate [1]	US Dollars	**750**
Lower Mattagami Energy Limited Partnership [4]		**460**
OPG Eagle Creek Holdings LLC and subsidiaries	US Dollars	**20**
Ontario Financing Authority facility [3]		**1,250**
Ontario Electricity Financial Corporation facility [3]		**750**

1 Certain corporate credit facilities contain a sustainability-linked feature that allows reduced pricing if the Company meets certain sustainability targets.
2 On April 2, 2025, OPG issued $172 million of senior notes under the corporate credit facility.
3 Represents amounts available under the facility net of debt issuances.
4 Letter of credit of $60 million was outstanding under this facility as at March 31, 2025.

Short-term debt, letters of credit and guarantees were as follows:

	As At	
(millions of dollars)	**March 31 2025**	**December 31 2024**
Lower Mattagami Energy Limited Partnership	**200**	215
Corporate commercial paper	**591**	-
Total short-term debt	**791**	215
Letters of credit	**510**	504
Guarantees	**-**	30

As of March 31, 2025, a total of $510 million of letters of credit had been issued. This included $314 million for the supplementary pension plans, $60 million for Lower Mattagami Energy Limited Partnership, $58 million for general corporate purposes, $43 million for Atura Power, $19 million for Eagle Creek and its subsidiaries, $14 million for UMH Energy Partnership, $1 million for PSS Generating Station Limited Partnership and $1 million for PowerON Energy Solutions LP.

On April 23, 2025, OPG issued $217 million of letters of credit for general corporate purposes to support the DNNP.

Long-term debt balances were as follows:

	As At	
(millions of dollars)	**March 31 2025**	**December 31 2024**
Medium Term Notes payable [1]	**6,950**	5,950
Senior notes payable under corporate credit facilities [2]	**2,859**	2,859
Project financing	**2,916**	2,916
Other	**25**	25
Total long-term debt [3]	**12,750**	11,750

1 On April 8, 2025, $400 million in notes matured under the Company's Medium Term Note Program.
2 On April 2, 2025, $172 million senior notes were issued under the Company's corporate credit facilities.
3 Excludes the impact of fair value premium or discount and unamortized bond issuance fees.

BALANCE SHEET HIGHLIGHTS

Highlights of OPG's interim consolidated financial position are noted below:

(millions of dollars)	As at March 31 2025	 December 2024
Property, Plant and equipment - net The increase was primarily due to capital expenditures during the quarter, partially offset by depreciation expense. Further details on capital expenditures can be found in the section, *Highlights* under the heading, *Capital Expenditures.*	**37,198**	36,131
Nuclear fixed asset removal and nuclear waste management funds *(current and non-current portions)* The increase was primarily due to earnings recognized on the Nuclear Segregated Funds, partially offset by reimbursement of eligible expenditures on nuclear fixed asset removal and nuclear waste management activities from the Nuclear Segregated Funds.	**22,633**	22,412
Short-term debt The increase was primarily due to higher net issuances of corporate commercial paper, partially offset by net repayment of commercial paper issued by Lower Mattagami Energy Limited Partnership.	**791**	215
Long-term debt *(current and non-current portions)* The increase was due to issuances under the Company's Medium Term Note Program.	**12,701**	11,707
Fixed asset removal and nuclear waste management liabilities The increase was primarily a result of accretion expense, partially offset by expenditures on fixed asset removal and nuclear waste management activities.	**26,202**	26,042

Off-Balance Sheet Arrangements

In the normal course of operations, OPG engages in a variety of transactions that, under US GAAP, are either not recorded in the Company's consolidated financial statements or are recorded in the Company's consolidated financial statements using amounts that differ from the full contract amounts. Principal off-balance sheet activities for OPG include guarantees and long-term contracts.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

OPG's significant accounting policies are outlined in Note 3 to OPG's audited consolidated financial statements as at and for the year ended December 31, 2024. OPG's critical accounting policies are consistent with those noted in OPG's 2024 annual MD&A.

RISK MANAGEMENT

The discussion in this section is qualified in its entirety by the cautionary statements included in the section, *Forward-Looking Statements* at the beginning of the MD&A. The following section provides an update to the discussion of the Company's risks and risk management activities included in OPG's 2024 annual MD&A in the section, *Risk Management*.

Risks to Achieving Operational Excellence

Tariffs and Trade Environment

Given the highly interconnected nature of the Canadian and US economies, trade and other impacts of tariffs between the two countries could disproportionately impact the Canadian economy. These impacts are expected to increase procurement costs of certain materials for OPG's projects and operations, and may result in supply chain disruptions if there are further restrictions placed on international trade. The economic impacts of the trade disputes could also ultimately impact demand for electricity in Ontario. The Company continues to actively identify procurements or supplier relationships that are now subject to tariffs, and pursuing alternate suppliers to reduce exposure to tariffs. Work is also continuing to identify, evaluate, and mitigate the impact of the changing trade and geopolitical landscape.

Risks to Achieving Project Excellence

Small Modular Reactors

Following the CNSC's decision in April 2025 to issue a power reactor construction licence to OPG to construct the first SMR at its DNNP site, the project risk profile has shifted from initial planning to the construction of a first-of-a-kind grid-scale small modular reactor. OPG continues to identify and address key risks to delivering the project on schedule and budget, and with quality.

Risks to Maintaining Financial Strength

Credit

The Company's credit risk exposure is a function of its electricity sales, trading and hedging activities, and treasury activities including investing and commercial transactions with various suppliers of goods and services. OPG's credit risk exposure relating to energy market transactions as at March 31, 2025 was $677 million, including $605 million with the IESO. OPG continues to consider overall credit risk exposure relating to electricity sales to be low, as the majority of sales are through the IESO-administered market in Ontario.

Commodity Markets

Changes in the market prices of fuels used to produce electricity can adversely impact OPG's earnings and cash flow provided by operating activities. To manage the risk of unpredictable increases in the price of fuels, the Company has fuel hedging programs, which include using fixed price and indexed contracts. The percentages hedged of OPG's fuel requirements are shown in the following table. These amounts are based on yearly forecasts of electricity generation and supply mix and, as such, are subject to change as these forecasts are updated.

	2025 [1]	**2026**	**2027**
Estimated fuel requirements hedged *(%)* [2]	100	78	89

[1] Based on actual fuel requirements hedged for the three months ended March 31, 2025 and forecast for the remainder of the year.
[2] Represents the approximate portion of megawatt-hour (MWh) of expected electricity generation (and year-end inventory targets) from each type of OPG-operated facility (nuclear, hydroelectric and thermal) for which the price of fuel is fixed, or for which the Company has entered into contractual arrangements to secure the price of fuel or secure the recovery of fuel costs. In the case of regulated and contracted hydroelectric electricity generation in Ontario, this represents the gross revenue charge and water rental charges. Excess fuel inventories (nuclear and thermal) in a given year are attributed to the next year for the purpose of measuring hedge ratios.

RELATED PARTY TRANSACTIONS

Given that the Province owns all of the shares of OPG, related parties include the Province and other entities controlled by the Province.

The related party transactions summarized below include transactions with the Province and the principal successors to the former Ontario Hydro's integrated electricity business, including Hydro One Limited (Hydro One), the IESO and the OEFC. Transactions between OPG and related parties are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. As one of several wholly owned government business enterprises of the Province, OPG also has transactions in the normal course of business with various government ministries and organizations in Ontario that fall under the purview of the Province.

The related party transactions were as follows:

	Three Months Ended March 31			
	2025		2024	
(millions of dollars)	Income	Expense	Income	Expense
Hydro One				
Electricity sales	**10**	**-**	6	-
Services	**-**	**6**	-	2
Dividends	**1**	**-**	1	-
Province of Ontario				
Change in Decommissioning Segregated Fund amount due to Province [1]	**-**	**35**	-	413
Change in Used Fuel Segregated Fund amount due to Province [1]	**-**	**42**	-	551
Hydroelectric gross revenue charge	**-**	**30**	-	30
OEFC				
Hydroelectric gross revenue charge	**-**	**37**	-	41
Interest expense on long-term notes	**-**	**21**	-	23
Income taxes	**-**	**173**	-	70
Property taxes	**-**	**3**	-	3
IESO				
Electricity related revenue	**2,043**	**-**	1,582	-
Fair Hydro Trust				
Interest income	**8**	**-**	8	-
	2,062	**347**	1,597	1,133

[1] The Nuclear Segregated Funds are reported on the consolidated balance sheets net of amounts recognized as due to the Province in respect of any excess funding and, for the Used Fuel Segregated Fund, the Province's rate of return guarantee. As at March 31, 2025 and December 31, 2024, the Nuclear Segregated Funds were reported net of amounts due to the Province of $10,313 million and $10,236 million, respectively.

Balances between OPG and its related parties are summarized below:

	As at	
(millions of dollars)	**March 31 2025**	**December 31 2024**
Receivables from related parties		
Hydro One	**3**	3
IESO – Electricity related receivables	**605**	608
Fair Hydro Trust	**12**	4
OEFC	**7**	-
Province of Ontario	**7**	1
Loan receivable		
Fair Hydro Trust	**901**	902
Equity securities		
Hydro One shares	**167**	159
Accounts payable, accrued charges and other payables		
Hydro One	**1**	3
OEFC	**73**	85
Province of Ontario	**8**	10
IESO − Electricity related payables	**-**	-
Long-term debt (including current portion)		
Notes payable to OEFC	**2,100**	2,100

OPG may hold Province of Ontario bonds and treasury bills in the Nuclear Segregated Funds and the OPG registered pension plan. As at March 31, 2025, the Nuclear Segregated Funds held $1,840 million of Province of Ontario bonds (December 31, 2024 – $1,740 million) and $3 million of Province of Ontario treasury bills (December 31, 2024 – $8 million). As of March 31, 2025, the OPG registered pension plan held $328 million of Province of Ontario bonds (December 31, 2024 − $327 million) and $4 million of Province of Ontario treasury bills (December 31, 2024 – $9 million). These Province of Ontario bonds and treasury bills are publicly traded securities and are measured at fair value. OPG jointly oversees the investment management of the Nuclear Segregated Funds with the Province.

INTERNAL CONTROL OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS

The Company maintains a comprehensive system of policies, procedures, and processes that represents its framework for Internal Control over Financial Reporting (ICOFR) and for its Disclosure Controls and Procedures (DC&P). There were no changes in the Company's internal control system during the current interim period that has or is reasonably likely to have a material impact on the financial statements.

QUARTERLY FINANCIAL HIGHLIGHTS

The following tables set out selected financial information for each of the eight most recently completed quarters. This information is derived from OPG's unaudited interim consolidated financial statements and the audited annual consolidated financial statements, and has been prepared in accordance with US GAAP.

(millions of dollars – except where noted) *(unaudited)*	**March 31 2025**	**December 31 2024**	**September 30 2024**	**June 30 2024**
Electricity generation (*TWh*)	**23.5**	20.4	21.7	18.9
Revenue	**2,157**	1,838	1,891	1,691
Net income	**509**	232	383	166
Less: Net income attributable to non-controlling interest	**4**	4	4	6
Net income attributable to the Shareholder	**505**	228	379	160
Earnings per share, attributable to the Shareholder *(dollars)* [1]	**$1.84**	$0.83	$1.38	$0.58

(millions of dollars – except where noted) *(unaudited)*	**March 31 2024**	**December 31 2023**	**September 30 2023**	**June 30 2023**
Electricity generation (*TWh*)	21.1	20.8	20.9	19.5
Revenue	1,767	1,894	1,882	1,828
Net income	225	454	449	423
Less: Net income attributable to non-controlling interest	4	4	5	5
Net income attributable to the Shareholder	221	450	444	418
Earnings per share, attributable to the Shareholder *(dollars)* [1]	$0.80	$1.64	$1.62	$1.52

[1] Earnings per share was calculated using the weighted average number of shares outstanding of 274.6 million for all periods presented. There were no dilutive securities during any of the periods presented.

KEY OPERATING PERFORMANCE INDICATORS AND NON-GAAP FINANCIAL MEASURES

Key Operating Performance Measures

OPG evaluates the performance of its generating stations using a number of key indicators. Key operating performance indicators aligned with corporate business imperatives include measures of production reliability, cost effectiveness, environmental performance and safety performance. Certain of the measures used vary depending on the generating technology.

Nuclear Unit Capability Factor

The nuclear Unit Capability Factor is a key measure of nuclear station performance. It measures the amount of energy that the unit(s) generated over a period of time, adjusted for externally imposed constraints such as transmission or demand limitations, as a percentage of the amount of energy that would have been produced over the same period had the unit(s) produced maximum generation. Capability factors are primarily affected by planned and unplanned outages. An outage day represents a single unit being offline or derated for an amount of time equivalent to one day. By industry definition, capability factors exclude production losses beyond plant management's control, such as grid-related unavailability. The nuclear Unit Capability Factor also excludes unit(s) during the period in which they are undergoing refurbishment.

Hydroelectric Availability

Hydroelectric Availability represents the percentage of time the generating unit is capable of providing service, whether or not it is actually generating electricity, compared to the total time for the respective period, weighted by unit capacity.

Thermal Equivalent Forced Outage Rate

Equivalent forced outage rate is an index of the reliability of a generating unit at OPG's wholly-owned thermal stations. It is measured by the ratio of time a generating unit is forced out of service by unplanned events, including any forced deratings, compared to the amount of time the generating unit was available to operate.

Thermal Availability

Thermal Availability represents the percentage of time a generating unit at Atura Power's combined cycle plants is capable of providing service, whether or not it is actually generating electricity, compared to the total time for the respective period, averaged by the number of facilities owned and operated through Atura Power. The measure is calculated on a three-year rolling average basis.

Other Key Indicators

OPG has also identified certain environmental and safety performance measures, which are discussed in the section, *Environmental, Social, Governance and Sustainability*.

Non-GAAP Financial Performance Measures

In addition to net income and other financial information in accordance with US GAAP, certain non-GAAP financial measures are also presented in this MD&A. These non-GAAP measures do not have any standardized meaning prescribed by US GAAP and, therefore, may not be comparable to similar measures presented by other issuers. OPG utilizes these measures to make operating decisions and assess performance. Readers of the MD&A would utilize these measures in assessing the Company's financial performance from ongoing operations. The Company believes that these indicators are important since they provide additional information about OPG's performance, facilitate comparison of results over different periods and present measures consistent with the Company's strategies to provide value to the Shareholder, improve cost performance and ensure availability of cost-effective funding.

These non-GAAP financial measures have not been presented as an alternative to net income or any other measure in accordance with US GAAP, but as indicators of operating performance.

The definitions of the non-GAAP financial measures are as follows:

(1) Earnings before interest, income taxes, depreciation and amortization is defined as net income before net interest expense, income tax expense and depreciation and amortization expenses.

(2) Gross margin is defined as revenue less fuel expense.

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ONTARIO POWER GENERATION INC.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)
MARCH 31, 2025

INTERIM CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

Three Months Ended March 31 *(millions of dollars except where noted)*	**2025**	**2024**
Revenue	**2,157**	1,767
Fuel expense	**372**	253
Gross margin	**1,785**	1,514
Operations, maintenance and administration expenses	**711**	870
Depreciation and amortization expenses	**355**	300
Accretion on fixed asset removal and nuclear waste management liabilities	**313**	306
Earnings on nuclear fixed asset removal and nuclear waste management funds	**(284)**	(271)
Property taxes	**13**	12
	1,108	1,217
Income before other gains, interest and income taxes	**677**	297
Other gains	**(16)**	(3)
Income before interest and income taxes	**693**	300
Net interest expense *(Note 4)*	**56**	45
Income before income taxes	**637**	255
Income tax expense	**128**	30
Net income	**509**	225
Net income attributable to the Shareholder	**505**	221
Net income attributable to non-controlling interest	**4**	4
Basic and diluted earnings per share *(dollars)* [1]	**1.84**	0.80

[1] The weighted average number of shares outstanding as at March 31, 2025 and 2024 was 274.6 million. There were no dilutive securities during the three months ended March 31, 2025 and 2024.

See accompanying notes to the interim consolidated financial statements

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

Three Months Ended March 31 *(millions of dollars)*	**2025**	**2024**
Net income	**509**	225
Other comprehensive income, net of income taxes *(Note 7)*		
Reclassification to income of amounts related to pension and other post-employment benefits [1]	**-**	(1)
Reclassification to income of amount related to derivatives designated as cash flow hedges [2]	**-**	(1)
Net loss on derivatives designated as cash flow hedges [3]	**(6)**	(7)
Currency translation adjustment	**(3)**	49
Other comprehensive income for the period	**(9)**	40
Comprehensive income	**500**	265
Comprehensive income attributable to the Shareholder	**496**	261
Comprehensive income attributable to non-controlling interest	**4**	4

[1] Net of income tax recovery of nil for each of the three months ended March 31, 2025 and 2024.
[2] Net of income tax recovery of nil for each of the three months ended March 31, 2025 and 2024.
[3] Net of income tax recovery of $2 million for each of the three months ended March 31, 2025 and 2024.

See accompanying notes to the interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

Three Months Ended March 31 *(millions of dollars)*	**2025**	**2024**
Operating activities		
Net income	**509**	225
Adjust for non-cash items:		
Depreciation and amortization expenses	**355**	300
Accretion on fixed asset removal and nuclear waste management liabilities	**313**	306
Earnings on nuclear fixed asset removal and nuclear waste management funds	**(284)**	(271)
Pension and other post-employment benefit costs *(Note 8)*	**78**	91
Deferred income tax (recovery) expense	**(21)**	1
Regulatory assets and regulatory liabilities	**44**	(2)
Other	**(14)**	(1)
Expenditures on fixed asset removal and nuclear waste management	**(178)**	(103)
Reimbursement of eligible expenditures on nuclear fixed asset removal and nuclear waste management	**64**	35
Contributions to pension funds and expenditures on other post-employment benefits and supplementary pension plans	**(74)**	(67)
Net changes to other long-term assets and long-term liabilities	**65**	29
Net changes in non-cash working capital balances *(Note 13)*	**(103)**	21
Cash flow provided by operating activities	**754**	564
Investing activities		
Investment in property, plant and equipment and intangible assets	**(1,082)**	(680)
Acquisition of Lightstar Renewables and Lightstar Operations One	**-**	(131)
Proceeds from sale of interest in joint venture	**11**	-
Cash flow used in investing activities	**(1,071)**	(811)
Financing activities		
Issuance of long-term debt *(Note 4)*	**994**	77
Repayment of long-term debt *(Note 4)*	**-**	(400)
Issuance of short-term debt *(Note 5)*	**1,241**	415
Repayment of short-term debt *(Note 5)*	**(665)**	(400)
Distribution to non-controlling interest	**(4)**	(5)
Equity investment from non-controlling interest	**-**	1
Cash flow provided by (used in) financing activities	**1,566**	(312)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	**-**	4
Net increase (decrease) in cash, cash equivalents and restricted cash	**1,249**	(555)
Cash, cash equivalents and restricted cash, beginning of period	**1,363**	1,481
Cash, cash equivalents and restricted cash, end of period	**2,612**	926

See accompanying notes to the interim consolidated financial statements

INTERIM CONSOLIDATED BALANCE SHEETS (UNAUDITED)

As at *(millions of dollars)*	**March 31 2025**	**December 31 2024**
Assets		
Current assets		
Cash, cash equivalents and restricted cash	**2,612**	1,363
Equity securities	**167**	159
Receivables from related parties	**634**	616
Nuclear fixed asset removal and nuclear waste management funds	**349**	283
Fuel inventory	**424**	297
Materials and supplies	**178**	145
Regulatory assets *(Note 3)*	**540**	540
Prepaid expenses	**252**	292
Other current assets	**209**	388
	5,365	4,083
Property, plant and equipment	**52,616**	51,290
Less: accumulated depreciation	**15,418**	15,159
	37,198	36,131
Intangible assets	**1,041**	1,029
Less: accumulated amortization	**463**	439
	578	590
Goodwill	**230**	230
Other assets		
Nuclear fixed asset removal and nuclear waste management funds	**22,284**	22,129
Loan receivable from related party	**901**	902
Long-term materials and supplies	**319**	355
Regulatory assets *(Note 3)*	**4,328**	4,367
Investments subject to significant influence	**43**	52
Other long-term assets	**143**	137
	28,018	27,942
	71,389	68,976

See accompanying notes to the interim consolidated financial statements

INTERIM CONSOLIDATED BALANCE SHEETS (UNAUDITED)

As at *(millions of dollars)*	**March 31 2025**	**December 31 2024**
Liabilities		
Current liabilities		
Accounts payable, accrued charges and other payables	**2,174**	2,068
Short-term debt *(Note 5)*	**791**	215
Long-term debt due within one year *(Note 4)*	**604**	604
Regulatory liabilities *(Note 3)*	**246**	246
	3,815	3,133
Long-term debt *(Note 4)*	**12,097**	11,103
Other liabilities		
Fixed asset removal and nuclear waste management liabilities *(Note 6)*	**26,202**	26,042
Pension liabilities	**1**	46
Other post-employment benefit liabilities	**2,749**	2,716
Long-term accounts payable and accrued charges	**402**	382
Deferred revenue	**353**	355
Deferred income taxes	**2,481**	2,461
Regulatory liabilities *(Note 3)*	**995**	939
	33,183	32,941
Equity		
Common shares [1]	**5,126**	5,126
Class A shares [2]	**787**	787
Contributed surplus	**27**	28
Retained earnings	**15,974**	15,469
Accumulated other comprehensive income *(Note 7)*	**184**	193
Equity attributable to the Shareholder	**22,098**	21,603
Equity attributable to non-controlling interest	**196**	196
Total equity	**22,294**	21,799
	71,389	68,976

[1] 256,300,010 Common shares outstanding at a stated value of $5,126 million as at March 31, 2025 and December 31, 2024.

[2] 18,343,815 Class A shares outstanding at a stated value of $787 million as at March 31, 2025 and December 31, 2024.

Commitments and Contingencies *(Notes 4, 5, 8 and 11)*

See accompanying notes to the interim consolidated financial statements

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY (UNAUDITED)

Three Months Ended March 31 *(millions of dollars)*	**2025**	**2024**
Common shares	**5,126**	5,126
Class A shares	**787**	787
Contributed surplus		
Balance at beginning of period	**28**	30
Reclassification to income of amounts related to gain on deconsolidation of Fair Hydro Trust	**(1)**	(1)
Balance at end of period	**27**	29
Retained earnings		
Balance at beginning of period	**15,469**	14,481
Net income attributable to the Shareholder	**505**	221
Balance at end of period	**15,974**	14,702
Accumulated other comprehensive income, net of income taxes *(Note 7)*		
Balance at beginning of period	**193**	(15)
Other comprehensive (loss) income	**(9)**	40
Balance at end of period	**184**	25
Equity attributable to the Shareholder	**22,098**	20,669
Equity attributable to non-controlling interest		
Balance at beginning of period	**196**	182
Equity investment from non-controlling interest	**-**	6
Income attributable to non-controlling interest	**4**	4
Distribution to non-controlling interest	**(4)**	(5)
Balance at end of period	**196**	187
Total equity	**22,294**	20,856

See accompanying notes to the interim consolidated financial statements

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. BASIS OF PRESENTATION

These interim consolidated financial statements for the three months ended March 31, 2025 and 2024 include the accounts of Ontario Power Generation Inc. (OPG or the Company) and its subsidiaries. The Company consolidates its interest in entities over which it is able to exercise control and attributes the results to its sole shareholder, the Province of Ontario (the Province or the Shareholder). These interim consolidated financial statements have been prepared and presented in accordance with United States generally accepted accounting principles (US GAAP). These interim consolidated financial statements do not contain all of the disclosures required by US GAAP for annual financial statements. Accordingly, they should be read in conjunction with the annual consolidated financial statements of the Company as at and for the year ended December 31, 2024.

All dollar amounts are presented in Canadian dollars, unless otherwise noted. Certain 2024 comparative amounts have been reclassified from consolidated financial statements previously presented to conform to the 2025 interim consolidated financial statement presentation.

Seasonal Variations

OPG's quarterly electricity generation from the Regulated – Hydroelectric Generation, Contracted Hydroelectric and Other Generation, and Atura Power business segments is affected by changes in grid-supplied electricity demand. Changes in grid-supplied electricity demand are primarily caused by variations in seasonal weather conditions, changes in economic conditions, the impact of small-scale generation embedded in distribution networks, and the impact of conservation efforts. Historically, there has been greater electricity demand in Ontario during the winter and summer months due to heating and air conditioning demands.

OPG's quarterly electricity generation from hydroelectric facilities is impacted by weather conditions that affect water flows. Historically, there have been higher water flows in the second quarter as a result of snow and ice melt entering the river systems. The financial impact of variability in water flows on the Regulated – Hydroelectric Generation business segment is mitigated by regulatory deferral and variance accounts (regulatory accounts) authorized by the Ontario Energy Board (OEB).

The financial impact of variability in electricity generation from the Contracted Hydroelectric and Other Generation business segment and the Atura Power business segment is mitigated by the terms of the applicable Energy Supply Agreements with the Independent Electricity System Operator (IESO) for the contracted generating facilities in Ontario.

2. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The accounting policies followed in the presentation of these interim consolidated financial statements are consistent with those of the previous fiscal year.

Recent Accounting Pronouncements Not Yet Adopted

Improvements to Income Tax Disclosures

In December 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) 2023-09, *Improvements to Income Tax Disclosures* (ASU 2023-09), an update to Topic 740, *Income Taxes*. The purpose of ASU 2023-09 is to enhance the transparency and decision usefulness of income tax disclosures through increasing disclosure requirements related to the rate reconciliation and income taxes paid information. The update requires specific categories to be disclosed in the rate reconciliation and additional information for reconciling items that meet a quantitative threshold. The update also requires that entities disclose income taxes paid disaggregated by federal, provincial and foreign taxes and by individual jurisdiction in which income tax paid exceeds five percent of total income taxes paid. The update is effective for annual periods beginning after December 15, 2024. Based on OPG's assessment as at December 31, 2024, this update is not expected to have a material impact on the disclosures contained in the Company's consolidated financial statements.

Disaggregation of Income Statement Expenses

In November 2024, the FASB issued ASU 2024-03, *Disaggregation of Income Statement Expenses*, an update to Subtopic 220-40, *Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures*. The purpose of the standard update is to improve the disclosures about a public business entity's expenses by requiring more detailed information about the types of expenses (including purchases of inventory and employee compensation) included within consolidated income statement expense captions. The update is effective for fiscal years beginning after December 15, 2026 and interim periods beginning after December 15, 2027. Early adoption is permitted. The standard update is to be applied prospectively with the option for retrospective application. The Company is currently evaluating the impact of adoption of the standard update on the disclosures contained within the Company's annual and interim consolidated financial statements.

3. REGULATORY ASSETS AND REGULATORY LIABILITIES

The regulatory assets and regulatory liabilities consist of the following:

As at *(millions of dollars)*	**March 31 2025**	**December 31 2024**
Regulatory assets		
Deferral and variance accounts authorized by the OEB		
Rate Smoothing Deferral Account	**684**	677
Nuclear Liability Deferral Account	**502**	520
Capacity Refurbishment Variance Account	**460**	460
Pension & OPEB Cash Versus Accrual Differential Deferral Account	**322**	376
Hydroelectric Surplus Baseload Generation Variance Account	**281**	307
Pickering B Extension Variance Account	**138**	131
Nuclear Development Variance Account	**81**	85
Other deferral and variance accounts [1]	**173**	174
	2,641	2,730
Deferred income taxes	**2,192**	2,151
Other	**35**	26
Total regulatory assets	**4,868**	4,907
Less: current portion	**540**	540
Non-current regulatory assets	**4,328**	4,367
Regulatory liabilities		
Deferral and variance accounts authorized by the OEB		
Pension and OPEB Cost Variance Account	**415**	411
Pension & OPEB Cash Payment Variance Account	**295**	321
Hydroelectric Water Conditions Variance Account	**184**	173
Nuclear Deferral and Variance Over/Under Recovery Variance Account	**76**	61
Pension & OPEB Forecast Accrual versus Actual Cash Payment Differential Carrying Charges Variance Account	**55**	51
Other deferral and variance accounts [2]	**205**	152
	1,230	1,169
Pension and OPEB Regulatory Liability *(Note 8)*	**11**	16
Total regulatory liabilities	**1,241**	1,185
Less: current portion	**246**	246
Non-current regulatory liabilities	**995**	939

[1] Represents amounts for the Hydroelectric Deferral and Variance Over/Under Recovery Variance Account, Clarington Corporate Campus Deferral Account, Fitness for Duty Deferral Account, Pickering Closure Costs Deferral Account, Niagara Tunnel Project Pre-December 2008 Disallowance Variance Account, Impact Resulting from Optimization of Pickering Station End-of-Life Dates Deferral Account and Impact Resulting from Changes to Pickering Station End-of-Life Dates Deferral Account (December 31, 2017).

[2] Represents amounts for the Income and Other Taxes Variance Account, SR&ED ITC Variance Account, Ancillary Services Net Revenue Variance Account, Sale of Unprescribed Kipling Site Deferral Account and Bruce Lease Net Revenues Variance Account.

In January 2025, the Province released a proposal for potential amendments to *Ontario Regulation 53/05* intended to clarify the scope of the Pickering B Extension Variance Account to ensure that OPG can record costs incurred beginning in 2024 to retain the capacity and readiness to operate Units 5 to 8 of the Pickering nuclear generating station upon refurbishment, subject to the requisite approvals. The comment period for the proposal ended on March 14, 2025.

In April 2025, the Province released a proposal for potential amendments to *Ontario Regulation 53/05* to allow for the creation of a new variance account to record pre-development expenses for proposed hydroelectric projects by OPG. The comment period for the proposal ends on June 13, 2025.

Under the current OEB rate-setting framework, OPG begins recovering costs through regulated prices once projects are placed in-service. In May 2025, the Province proposed potential changes in regulations that would establish a new mechanism for concurrent cost recovery to allow OPG to recover debt interest during the construction period of the Darlington New Nuclear Project (DNNP) and also the Pickering Refurbishment project (if the project is approved to proceed). The proposed change would also prescribe a new OEB-regulated generator and establish the applicable rate-setting framework to enable OPG to enter into commercial partnerships for the DNNP. The comment period for the proposal ends on June 26, 2025.

4. LONG-TERM DEBT AND NET INTEREST EXPENSE

Long-term debt consists of the following:

As at *(millions of dollars)*	**March 31 2025**	**December 31 2024**
Medium Term Note Program senior notes	**6,950**	5,950
Senior notes payable under corporate credit facilities	**2,859**	2,859
Lower Mattagami Energy Limited Partnership senior notes	**1,995**	1,995
PSS Generating Station Limited Partnership senior notes	**245**	245
UMH Energy Partnership senior notes	**160**	160
OPG Eagle Creek Holdings LLC and subsidiaries senior notes	**516**	516
Other	**25**	25
	12,750	11,750
Less: unamortized bond issuance fees	**(49)**	(43)
Less: amounts due within one year	**(604)**	(604)
Long-term debt	**12,097**	11,103

For the three months ended March 31, 2025, net issuance of long-term debt under the Company's corporate credit facilities was nil (March 31, 2024 – net repayment of $323 million), which comprised nil repayments (March 31, 2024 – $400 million) and nil issuances (March 31, 2024 – $77 million). On April 2, 2025, OPG issued $172 million of senior notes under the Company's corporate credit facilities.

On March 13, 2025, OPG issued $1 billion of green bonds under its Sustainable Finance Framework, through its Medium Term Note Program. The issuance consisted of $500 million of senior notes maturing in March 2035, with a coupon interest rate of 4.32 percent, and $500 million of senior notes maturing in March 2055, with a coupon interest rate of 4.87 percent. The net proceeds from the issuance were used to finance or re-finance Eligible Green Projects as defined under the Sustainable Finance Framework.

Proceeds from OPG's green bond issuances are restricted in purpose and are to be used to finance or re-finance Eligible Green Projects as defined under OPG's Sustainable Finance Framework and are held in a segregated account. As of March 31, 2025, restricted cash was $4 million, of which $4 million is from green bond issuance proceeds. In March 2025, approximately $992 million were released from the segregated account, representing funds invested in the eligible projects.

On April 8, 2025, long-term debt of $400 million matured under the Company's Medium Term Note Program.

Net Interest Expense

The following table summarizes the net interest expense:

(millions of dollars)	Three Months Ended March 31 2025	2024
Interest on long-term debt	**108**	92
Interest on short-term debt	**6**	4
Interest income	**(20)**	(23)
Interest capitalized to property, plant and equipment and intangible assets	**(30)**	(28)
Interest related to regulatory assets and regulatory liabilities [1]	**(8)**	-
Net interest expense	**56**	45

[1] Includes interest to recognize the cost of financing regulatory account balances as authorized by the OEB, and interest costs deferred in certain regulatory accounts.

5. SHORT-TERM DEBT

Committed credit facilities and maturity dates as at March 31, 2025 were as follows:

(millions of dollars)		Amount	Maturity
Bank facilities:			
Corporate		**1,211**	September 2027 and May 2029 [1]
Corporate	US Dollars	**750**	November 2025 [2]
Lower Mattagami Energy Limited Partnership		**460**	June 2029 [3]
OPG Eagle Creek Holdings LLC and subsidiaries	US Dollars	**20**	October 2028
Ontario Financing Authority facility		**1,250**	December 2029 [1]
Ontario Electricity Financial Corporation facility		**750**	December 2026 [1]

[1] Represents amounts available under the facility net of debt issuances. Of the total credit facilities, $211 million matures by September 2027 and is available to finance certain expenditures of the DNNP, subject to certain conditions, and $1,000 million matures in May 2029.
[2] The facility has a one-year extension option beyond the maturity date of November 2025.
[3] A letter of credit of $60 million was outstanding under this facility as at March 31, 2025.

Short-term debt consists of the following:

As at *(millions of dollars)*	March 31 2025	December 31 2024
Lower Mattagami Energy Limited Partnership	**200**	215
Corporate commercial paper	**591**	-
Total short-term debt	**791**	215

As of March 31, 2025, a total of $510 million of letters of credit had been issued (December 31, 2024 – $504 million). As of March 31, 2025, this included $314 million for the supplementary pension plans, $60 million for Lower Mattagami Energy Limited Partnership, $58 million for general corporate purposes, $43 million for Atura Power, $19 million for OPG Eagle Creek Holdings LLC and its subsidiaries, $14 million for UMH Energy Partnership, $1 million for PSS Generating Station Limited Partnership and $1 million for PowerON Energy Solutions LP.

On April 23, 2025, OPG issued $217 million of letters of credit for general corporate purposes to support the DNNP.

The weighted average interest rate on the short-term debt as at March 31, 2025 is 3.02 percent (December 31, 2024 – 3.71 percent).

6. FIXED ASSET REMOVAL AND NUCLEAR WASTE MANAGEMENT LIABILITIES

Liabilities for fixed asset removal and nuclear waste management on a present value basis consist of the following:

As at *(millions of dollars)*	**March 31 2025**	**December 31 2024**
Liability for used nuclear fuel management	**16,112**	15,991
Liability for nuclear decommissioning and nuclear low and intermediate level waste management	**9,816**	9,782
Liability for non-nuclear fixed asset removal	**274**	269
Fixed asset removal and nuclear waste management liabilities	**26,202**	26,042

7. ACCUMULATED OTHER COMPREHENSIVE INCOME

The changes in the balance of each component of accumulated other comprehensive income (loss) (AOCI), net of income taxes were as follows:

	Three Months Ended March 31, 2025			
(millions of dollars)	**Unrealized Gains and Losses on Cash Flow Hedges**	**Pension and OPEB**	**Currency Translation Adjustment**	**Total**
Balance, beginning of period	**5**	**6**	**182**	**193**
Net loss on cash flow hedges	**(6)**	**-**	**-**	**(6)**
Translation of foreign operations	**-**	**-**	**(3)**	**(3)**
Other comprehensive loss for the period	**(6)**	**-**	**(3)**	**(9)**
Balance, end of period	**(1)**	**6**	**179**	**184**

	Three Months Ended March 31, 2024			
(millions of dollars)	**Unrealized Gains and Losses on Cash Flow Hedges**	**Pension and OPEB**	**Currency Translation Adjustment**	**Total**
Balance, beginning of period	9	(33)	9	(15)
Net loss on cash flow hedges	(7)	-	-	(7)
Amounts reclassified from AOCI	(1)	(1)	-	(2)
Translation of foreign operations	-	-	49	49
Other comprehensive (loss) income for the period	(8)	(1)	49	40
Balance, end of period	1	(34)	58	25

The significant amounts reclassified out of each component of AOCI, net of income taxes, were as follows:

(millions of dollars)	**Amount Reclassified from AOCI for the Three Months Ended March 31** 2025	2024	**Statement of Income Line Item**
Amortization of amounts related to cash flow hedges			
Gains	**-**	(1)	Revenue and Net interest expense
	-	(1)	
Amortization of amounts related to pension and OPEB			
Net actuarial gains, net of past service costs	**-**	(1)	See (1) below
	-	(1)	
Total reclassifications for the period	**-**	(2)	

1 These AOCI components are included in the computation of pension and OPEB costs (see Note 8 for additional details).

Existing pre-tax net losses for derivatives of nil deferred in AOCI as at March 31, 2025 are expected to be reclassified to net income within the next 12 months.

8. PENSION AND OTHER POST-EMPLOYMENT BENEFITS

OPG's pension and other post-employment benefit (OPEB) costs for the three months ended March 31, 2025 and 2024 were as follows:

(millions of dollars)	**Registered Pension Plans** 2025	2024	**Supplementary Pension Plans** 2025	2024	**Other Post-Employment Benefits** 2025	2024
Components of Cost Recognized for the period						
Current service costs	**74**	76	**2**	2	**26**	25
Interest on projected benefit obligation	**192**	198	**5**	4	**32**	33
Expected return on plan assets, net of expenses	**(269)**	(258)	**-**	-	**-**	-
Amortization of past service costs [1]	**-**	-	**-**	-	**1**	1
Amortization of net actuarial loss (gain)[1]	**-**	-	**1**	1	**(7)**	(8)
Costs recognized [2]	**(3)**	16	**8**	7	**52**	51

1 The net impact of amortization of past service costs and net actuarial loss (gain) is recognized as an increase (a decrease) to other comprehensive income. This decrease in the first quarter of 2025 was partially offset by a decrease in the Pension and OPEB Regulatory Liability of $5 million (three months ended March 31, 2024 – increase in the Pension and OPEB Regulatory Asset of $5 million).

2 These pension and OPEB costs for the three months ended March 31, 2025, exclude the net addition of costs of $21 million resulting from the recognition of changes in the regulatory liabilities for the Pension & OPEB Cost Variance Account, the Pension & OPEB Cash Versus Accrual Differential Deferral Account and the Pension & OPEB Cash Payment Variance Account (three months ended March 31, 2024 – net addition of costs of $17 million).

9. RISK MANAGEMENT AND DERIVATIVES

OPG is exposed to risks related to changes in market interest rates on debt, movements in foreign currency that affect the Company's assets, liabilities and forecasted transactions, and fluctuations in commodity prices. Select derivative instruments are used to manage such risks. Derivatives are used as hedging instruments, as well as for trading purposes.

Interest Rates

Interest rate risk is the risk that the value of assets and liabilities can change due to movements in interest rates. Interest rate risk for OPG arises with the need to refinance existing debt or undertake new financing. The management of these risks includes using derivatives to hedge the exposure in accordance with corporate risk management policies. OPG periodically uses interest rate swap agreements to mitigate elements of interest rate risk exposure associated with anticipated financing.

Foreign Exchange

OPG's financial results are exposed to volatility in the Canadian/US foreign exchange rate as certain materials, services and fuels purchased for generating stations and major development projects, as well as debt issuances, may be denominated in, or tied to, US dollars. To manage this risk, the Company employs various financial instruments such as forwards and other derivative contracts, in accordance with approved corporate risk management policies. Additionally, volatility in the Canadian/US foreign exchange rate also impacts OPG's financial results from certain of its subsidiaries, whose operations are based exclusively in the US.

Commodity Prices

OPG is exposed to fluctuations in commodity prices. Changes in the market prices of nuclear fuels, oil, gas and biomass used to produce electricity can adversely impact OPG's earnings and cash flow provided by operating activities. To manage the risk of unpredictable increases in the price of fuels, the Company has fuel hedging programs, which include using fixed price and indexed contracts.

A number of OPG's hydroelectric facilities in the US are exposed to the wholesale electricity market and, therefore, are subject to volatility of wholesale electricity market pricing. Although revenue from these facilities represents a small portion of OPG's overall revenue, the Company may enter into derivative instruments from time to time to further mitigate this risk.

Credit

The Company's credit risk exposure is primarily a function of its electricity and other sales. The majority of OPG's revenue is derived from electricity sales through the IESO administered market. Market participants in the IESO market provide collateral in accordance with the IESO prudential support requirements to cover funds that they might owe to the market. Although the credit exposure to the IESO represents a significant portion of OPG's accounts receivable, the risk is considered acceptable due to the IESO's primary role in the Ontario electricity market. The remaining receivables exposure is to a diverse group of generally high quality counterparties. OPG's allowance for doubtful accounts was $1 million as at March 31, 2025 (December 31, 2024 – less than $1 million).

The fair value of the derivative instruments totalled a net liability of $24 million as at March 31, 2025 (December 31, 2024 − $17 million).

10. FAIR VALUE MEASUREMENTS

OPG is required to classify fair value measurements using a fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels, based on the inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: Valuation of inputs is based on unadjusted quoted market prices observed in active markets for identical assets or liabilities.
- Level 2: Valuation is based on inputs other than quoted prices under Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Valuation is based on inputs for the asset or liability that are not based on observable market data.

The fair value of financial instruments traded in active markets is based on quoted market prices as at the interim consolidated balance sheet dates. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's-length basis. The quoted market price used for financial assets held by OPG is the current bid price. These instruments are included in Level 1 and consist primarily of equity investments and fund investments.

For financial instruments for which quoted market prices are not directly available, fair values are estimated using forward price curves developed from observable market prices or rates. The estimation of fair value may include the use of valuation techniques or models, based wherever possible on assumptions supported by observable market prices or rates prevailing as at the interim consolidated balance sheet dates. This is the case for over-the-counter derivatives and securities, which include energy commodity derivatives, foreign exchange derivatives, interest rate swap derivatives and fund investments. Various other fund investments are valued at the unit values supplied by the fund administrators. The unit values represent the underlying net assets at fair values, determined using closing market prices. Valuation models use general assumptions and market data and, therefore, do not reflect the specific risks and other factors that would affect a particular instrument's fair value. The methodologies used for calculating the fair value adjustments are reviewed on an ongoing basis to ensure that they remain appropriate. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. Specific valuation techniques are used to value these instruments. Significant Level 3 inputs include: recent comparable transactions, comparable benchmark information, bid/ask spread of similar transactions and other relevant factors.

A summary of OPG's financial instruments and their fair value as at March 31, 2025 and December 31, 2024 was as follows:

	Fair Value		Carrying Value [1]		
(millions of dollars)	**2025**	**2024**	**2025**	**2024**	**Balance Sheet Line Item**
Nuclear Segregated Funds (includes current portion) [2]	**22,633**	22,412	**22,633**	22,412	Nuclear fixed asset removal and nuclear waste management funds
Loan receivable - from Fair Hydro Trust	**839**	828	**901**	902	Loan receivable from related party
Investment in Hydro One Limited Shares	**167**	159	**167**	159	Equity securities
Long-term debt (includes current portion)	**(12,273)**	(11,204)	**(12,701)**	(11,707)	Long-term debt
Other financial instruments	**121**	129	**121**	129	Various

[1] The carrying values of other financial instruments included in cash and cash equivalents, receivables from related parties, other current assets, short-term debt, and accounts payable, accrued charges and other payables approximate their fair values due to the immediate or short-term maturity of these financial instruments.

[2] The Nuclear Segregated Funds are comprised of the Decommissioning Segregated Fund and the Used Fuel Segregated Fund. OPG's fair value of the Nuclear Segregated Funds is set not to exceed an amount equal to the funding liability pursuant to the Ontario Nuclear Funds Agreement when the Nuclear Segregated Funds are in a surplus position.

The fair value of OPG's long-term debt issued under the Medium Term Note Program is based on indicative pricing from the market. The fair value of these debt instruments is based on Level 2 inputs. The fair value of all other long-term debt instruments is determined based on a conventional pricing model, which is a function of future cash flows, the current market yield curve and term to maturity. These inputs are considered Level 2 inputs.

The following tables present financial assets and financial liabilities measured at fair value in accordance with the fair value hierarchy:

As at *(millions of dollars)*	**March 31, 2025** Level 1	Level 2	Level 3	Total
Assets				
Used Fuel Segregated Fund				
Investments measured at fair value, excluding investments measured at NAV	**6,453**	**7,322**	**-**	**13,775**
Investments measured at NAV [1]				**4,829**
				18,604
Due to Province				**(5,733)**
Used Fuel Segregated Fund, net				**12,871**
Decommissioning Segregated Fund				
Investments measured at fair value, excluding investments measured at NAV	**4,946**	**5,615**	**-**	**10,561**
Investments measured at NAV [1]				**3,781**
				14,342
Due to Province				**(4,580)**
Decommissioning Segregated Fund, net				**9,762**
Equity securities	**167**	**-**	**-**	**167**
Other financial assets	**60**	**-**	**102**	**162**
Liabilities				
Other financial liabilities	**(41)**	**-**	**-**	**(41)**

As at *(millions of dollars)*	**December 31, 2024** Level 1	Level 2	Level 3	Total
Assets				
Used Fuel Segregated Fund				
Investments measured at fair value, excluding investments measured at NAV	7,030	6,676	-	13,706
Investments measured at NAV [1]				4,722
				18,428
Due to Province				(5,691)
Used Fuel Segregated Fund, net				12,737
Decommissioning Segregated Fund				
Investments measured at fair value, excluding investments measured at NAV	5,362	5,156	-	10,518
Investments measured at NAV [1]				3,702
				14,220
Due to Province				(4,545)
Decommissioning Segregated Fund, net				9,675
Equity securities	159	-	-	159
Other financial assets	73	-	97	170
Liabilities				
Other financial liabilities	(41)	-	-	(41)

[1] Represents investments measured at fair value using NAV as a practical expedient, which have not been classified in the fair value hierarchy. The fair value amounts for these investments presented in this table are intended to permit the reconciliation of the fair value hierarchy to amounts presented on the interim consolidated balance sheets.

During the three months ended March 31, 2025, there were no transfers between Level 1 and Level 2 and into or out of Level 3.

The changes in the net assets measured at fair value that are classified as Level 3 financial instruments for the three months ended March 31, 2025 were as follows:

(millions of dollars)	**Other financial instruments**
Opening balance, January 1, 2025	**97**
Realized losses included in revenue	**(1)**
Purchases	**6**
Closing balance, March 31, 2025	**102**

Investments Measured at Net Asset Value

Nuclear Segregated Funds

Nuclear Segregated Funds' investments classified as Level 3 consist of real estate, infrastructure, other real assets and private debt investments. The fair value of these investments is determined using financial information as provided by the general partners of the limited partnership funds in which the Nuclear Segregated Funds are invested. Direct investments are valued using appropriate valuation techniques, such as recent arm's-length market transactions, references to current fair values of other instruments that are substantially the same, discounted cash flow analyses, third-party independent appraisals, valuation multiples, or other valuation methods. Any control, size, liquidity or other discount premiums on the investments are considered in the determination of fair value.

The process of valuing investments for which no published market price exists is based on inherent uncertainties and the resulting values may differ from values that would have been used had a ready market existed for these investments. The values may also differ from the prices at which the investments may be sold.

The classes of investments within the Nuclear Segregated Funds that are reported on the basis of Net Asset Value (NAV) as at March 31, 2025 were as follows:

(millions of dollars except where noted)	**Fair Value**	**Unfunded Commitments**	**Redemption Frequency**	**Redemption Notice**
Real Assets				
Infrastructure	**4,697**	**1,639**	**n/a**	**n/a**
Real Estate	**3,280**	**1,272**	**n/a**	**n/a**
Private Debt	**207**	**800**	**n/a**	**n/a**
Other	**426**	**16**	**n/a**	**n/a**
Pooled Funds				
Fixed Income	**2,432**	**n/a**	**Daily**	**1-5 days**
Equity	**956**	**n/a**	**Daily**	**1-5 days**
Total	**11,998**	**3,727**		

The fair value of the pooled funds is classified as Level 2. Infrastructure, real estate, other real assets and private debt investments are measured using NAV as a practical expedient for determining their fair value.

11. COMMITMENTS AND CONTINGENCIES

Litigation

Various legal proceedings are pending against OPG or its subsidiaries covering a wide range of matters that arise in the ordinary course of business activities. Each of these matters are subject to various uncertainties. Some of these matters may be resolved unfavourably. While it is not possible to determine the ultimate outcome of the various pending actions, it is the Company's belief that their resolution is not likely to have a material adverse impact on its interim consolidated financial position.

Guarantees

As at March 31, 2025, the total amount of guarantees provided by OPG was nil (December 31, 2024 – $30 million).

Contractual Obligations

OPG's contractual obligations as at March 31, 2025 were as follows:

(millions of dollars)	**2025** [1]	**2026**	**2027**	**2028**	**2029**	**Thereafter**	**Total**
Fuel supply agreements	67	211	207	142	136	321	1,084
Contributions to the OPG registered pension plan [2]	94	128	-	-	-	-	222
Long-term debt repayment	604	674	530	269	505	10,168	12,750
Interest on long-term debt	364	466	456	436	425	5,893	8,040
Short-term debt repayment	795	-	-	-	-	-	795
Commitments related to Darlington Refurbishment project [3]	149	-	-	-	-	-	149
Commitments related to Atura Power development projects [3]	505	111	5	17	-	-	638
Commitments related to Pickering Refurbishment project and DNNP [3]	695	-	-	-	-	-	695
Operating licences	42	61	63	61	62	179	468
Operating lease obligations	14	15	11	4	3	37	84
Accounts payable, accrued charges and other payables	1,768	9	10	9	10	284	2,090
Other	43	88	48	34	22	92	327
Total	5,140	1,763	1,330	972	1,163	16,974	27,342

[1] Represents amounts for the remainder of the year.

[2] The pension contributions include ongoing funding requirements in accordance with the actuarial valuation of the OPG registered pension plan as at January 1, 2024. The next actuarial valuation of the OPG registered pension plan must have an effective date no later than January 1, 2027. The pension contributions are affected by various factors including market performance, changes in actuarial assumptions, plan experience, changes in the pension regulatory environment and the timing of funding valuations. Funding requirements after January 1, 2027 are excluded due to significant variability in the assumptions required to project the timing of future cash flows. The amount of OPG's additional, voluntary contribution, if any, is revisited from time to time.

[3] Represents estimated currently committed costs to close the projects, including accruals for completed work, demobilization of project staff and cancellation of existing contracts and material orders.

Contractual and commercial commitments as noted exclude certain purchase orders, as they represent purchase authorizations rather than legally binding contracts, and are subject to change without significant penalties.

12. BUSINESS SEGMENTS

For a detailed description of each reportable business segment, measure of profit and loss and the Company's Chief Operating Decision Maker, refer to OPG's annual consolidated financial statements as at and for the year ended December 31, 2024.

Segment Income (Loss) For the Three Months Ended March 31, 2025 *(millions of dollars)*	**Regulated** Nuclear Generation	**Regulated** Nuclear Sustainability Services	**Regulated** Hydroelectric Generation	**Unregulated** Contracted Hydroelectric and Other Generation	**Unregulated** Atura Power	**Unregulated** Other	Elimination	Total
Revenue	1,132	-	408	231	344	12	-	2,127
Leasing revenue	7	-	-	-	-	1	-	8
Other revenue	-	36	-	(1)	-	48	(61)	22
Total revenue	1,139	36	408	230	344	61	(61)	2,157
Fuel expense	82	-	72	23	195	-	-	372
Gross margin	1,057	36	336	207	149	61	(61)	1,785
Operations, maintenance and administration expenses	505	36	101	78	23	29	(61)	711
Depreciation and amortization expenses	194	-	66	41	33	21	-	355
Accretion on fixed asset removal and nuclear waste management liabilities	-	310	-	2	1	-	-	313
Earnings on nuclear fixed asset removal and nuclear waste management funds	-	(284)	-	-	-	-	-	(284)
Property taxes	7	-	-	5	-	1	-	13
Other losses (gains)	3	-	-	-	-	(19)	-	(16)
Income (loss) before interest and income taxes	348	(26)	169	81	92	29	-	693
Net interest expense								56
Income before income taxes								637
Income tax expense								128
Net income								509

Segment Income (Loss) **For the Three Months Ended** **March 31, 2024** *(millions of dollars)*	**Regulated** **Nuclear Generation**	**Regulated** **Nuclear Sustainability Services**	**Regulated** **Hydroelectric Generation**	**Unregulated** **Contracted Hydroelectric and Other Generation**	**Unregulated** **Atura Power**	**Unregulated** **Other**	**Elimination**	**Total**
Revenue	893	-	384	204	235	9	-	1,725
Leasing revenue	7	-	-	-	-	1	-	8
Other revenue	-	36	-	6	-	51	(59)	34
Total revenue	900	36	384	210	235	61	(59)	1,767
Fuel expense	65	-	70	13	105	-	-	253
Gross margin	835	36	314	197	130	61	(59)	1,514
Operations, maintenance and administration expenses	673	36	101	72	20	27	(59)	870
Depreciation and amortization expenses	161	-	46	43	30	20	-	300
Accretion on fixed asset removal and nuclear waste management liabilities	-	303	-	2	1	-	-	306
Earnings on nuclear fixed asset removal and nuclear waste management funds	-	(271)	-	-	-	-	-	(271)
Property taxes	6	-	-	5	1	-	-	12
Other gains	-	-	-	(3)	-	-	-	(3)
(Loss) income before interest and income taxes	(5)	(32)	167	78	78	14	-	300
Net interest expense								45
Income before income taxes								255
Income tax expense								30
Net income								225

Selected Interim Consolidated Balance Sheets information as at March 31, 2025 *(millions of dollars)*	**Regulated**			**Unregulated**			
	Nuclear Generation	**Nuclear Sustainability Services**	**Hydroelectric Generation**	**Contracted Hydroelectric and Other Generation**	**Atura Power**	**Other**	**Total**
Segment property, plant and equipment in-service, net	**13,990**	**-**	**8,157**	**6,313**	**3,004**	**237**	**31,701**
Segment construction in progress	**3,993**	**-**	**511**	**134**	**591**	**268**	**5,497**
Segment property, plant and equipment, net	**17,983**	**-**	**8,668**	**6,447**	**3,595**	**505**	**37,198**
Segment intangible assets in-service, net	**45**	**-**	**2**	**244**	**93**	**142**	**526**
Segment development in progress	**16**	**-**	**-**	**1**	**-**	**35**	**52**
Segment intangible assets, net	**61**	**-**	**2**	**245**	**93**	**177**	**578**
Segment goodwill	**-**	**-**	**-**	**230**	**-**	**-**	**230**
Segment fuel inventory	**364**	**-**	**-**	**32**	**28**	**-**	**424**
Segment materials and supplies inventory							
Current	**175**	**-**	**-**	**3**	**-**	**-**	**178**
Long-term	**317**	**-**	**1**	**1**	**-**	**-**	**319**
Nuclear fixed asset removal and nuclear waste management funds (current and non-current portions)	**-**	**22,633**	**-**	**-**	**-**	**-**	**22,633**
Loan receivable	**-**	**-**	**-**	**-**	**-**	**901**	**901**
Fixed asset removal and nuclear waste management liabilities	**-**	**(25,928)**	**-**	**(164)**	**(55)**	**(55)**	**(26,202)**

Selected Consolidated Balance Sheets information as at December 31, 2024 *(millions of dollars)*	**Regulated**			**Unregulated**			
	Nuclear Generation	**Nuclear Sustainability Services**	**Hydroelectric Generation**	**Contracted Hydroelectric and Other Generation**	**Atura Power**	**Other**	**Total**
Segment property, plant and equipment in-service, net	14,046	-	8,189	6,322	3,033	224	31,814
Segment construction in progress	3,139	-	398	140	426	214	4,317
Segment property, plant and equipment, net	17,185	-	8,587	6,462	3,459	438	36,131
Segment intangible assets in-service, net	48	-	2	244	95	145	534
Segment development in progress	18	-	-	1	-	37	56
Segment intangible assets, net	66	-	2	245	95	182	590
Segment goodwill	-	-	-	230	-	-	230
Segment fuel inventory	231	-	-	39	27	-	297
Segment materials and supplies inventory							
Current	142	-	-	3	-	-	145
Long-term	352	-	-	3	-	-	355
Nuclear fixed asset removal and nuclear waste management funds (current and non-current portions)	-	22,412	-	-	-	-	22,412
Loan receivable	-	-	-	-	-	902	902
Fixed asset removal and nuclear waste management liabilities	-	(25,773)	-	(161)	(54)	(54)	(26,042)

Segment Capital Expenditure	**Regulated**			**Unregulated**			
(millions of dollars)	**Nuclear Generation**	**Nuclear Sustainability Services**	**Hydroelectric Generation**	**Contracted Hydroelectric and Other Generation**	**Atura Power**	**Other**	**Total**
Three months ended March 31, 2025							
Investment in property, plant and equipment and intangible assets	**940**	**-**	**124**	**34**	**167**	**77**	**1,342**
Net change in accruals and other non-cash items							**(260)**
Investment in property, plant and equipment and intangible assets - cash flow							**1,082**
Three months ended March 31, 2024							
Investment in property, plant and equipment and intangible assets	501	-	73	53	74	25	726
Net change in accruals and other non-cash items							(46)
Investment in property, plant and equipment and intangible assets - cash flow							680

13. NET CHANGES IN NON-CASH WORKING CAPITAL BALANCES

	Three Months Ended March 31	
(millions of dollars)	**2025**	**2024**
Receivables from related parties	**(18)**	142
Fuel Inventory	**(126)**	(76)
Materials and supplies	**(31)**	7
Prepaid expenses	**8**	(5)
Other current assets	**33**	15
Accounts payable, accrued charges and other payables	**31**	(62)
Net changes to non-cash working capital balances	**(103)**	21