



Independent practitioner's assurance report

To the Management of Ontario Power Generation Inc.

Scope

We have been engaged by Ontario Power Generation Inc. ("OPG") to perform a 'reasonable assurance engagement' as defined by Canadian Standard on Assurance Engagements, here after referred to as the engagement, to report on OPG's allocation of net proceeds for the \$250M 4.854% Senior Secured Bonds, Series 2022-1, issued by Lower Mattagami Energy Limited Partnership on October 31, 2022 and maturing October 31, 2033 and the allocation of net proceeds of the \$300 million 4.922% Medium Term Notes (Series 10) issued July 18, 2022 and due July 19, 2032 (collectively, the "Subject Matter") as of December 31, 2022 contained in OPG's Schedule of Use of Green Bond Proceeds (the "Report").

Criteria applied by OPG

In preparing the Subject Matter, OPG applied Section 1. Eligible Projects of the Ontario Power Generation Green Bond Framework dated November 2021 (the "Criteria"). The Criteria was specifically designed to determine the eligible projects to which net proceeds for the Subject Matter have been allocated. As a result, the Subject Matter information may not be suitable for another purpose.

OPG's responsibilities

OPG's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express an opinion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the Canadian Standard on Assurance Engagements, *Attestation Engagements Other than Audits or Reviews of Historical Financial Information* ("CSAE 3000"). This standard requires that we plan and perform our engagement to obtain reasonable assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our independence and quality control

We have complied with the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and have the required competencies and experience to conduct this assurance engagement.

EY applies Canadian Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Our procedures included:

- ▶ Conducting interviews with relevant personnel to obtain an understanding of the reporting process and internal controls relevant to the Subject Matter;
- ▶ Inspecting relevant documentation of the systems and processes for compiling, assessing, and reporting on the Subject Matter;
- ▶ Testing the Subject Matter for conformity with the Criteria by comparing to underlying source information where relevant and on a sample basis; and
- ▶ Reviewing presentation and disclosure of the Subject Matter in the Report.

We also performed such other procedures as we considered necessary in the circumstances.

Opinion

In our opinion, the Subject Matter as of December 31, 2022 is presented, in all material respects, in accordance with the Criteria.



Chartered Professional Accountants
Licensed Public Accountants

May 1, 2023
Toronto, Canada

Ontario Power Generation
Schedule of Use of Green Bond Proceeds
As of December 31, 2022
(million of dollars)

	Ontario Power Generation	Lower Mattagami Energy Limited Partnership
Balance as of December 31, 2021	-	-
Add: Net proceeds from 2022-1 Green Bonds	297.9	248.3
Net proceeds available for allocation	297.9	248.3
Proceeds used for the allocation to Eligible Projects:		
Darlington Refurbishment Project	297.9	-
Little Long Dam Safety Project	-	248.3
Total allocated proceeds	297.9	248.3
Remaining unallocated proceeds	-	-

Notes to the Schedule of Use of Green Bond Proceeds

1. Background

In July 2022, OPG issued \$300 million of green bonds under its Medium Term Note Program. The issuance consisted of senior notes maturing in July 2032, with a coupon interest rate of 4.92 percent. The bond proceeds net of \$2 million issuance costs were used to finance the Darlington Refurbishment Project.

In October 2022, Lower Mattagami Energy Limited Partnership, a wholly-owned subsidiary of OPG, completed a private placement offering with the issuance of \$250 million of green bonds based on OPG's Green Bond Framework. The offering consisted of a \$250 million 11-year tranche with a coupon interest rate of 4.85 percent. The bond proceeds net of \$2 million issuance costs were used to finance the Little Long Dam Safety Project.

As at December 31, 2022, the net proceeds from both green bond offerings were fully allocated to Eligible Projects.

2. Basis of Accounting

Proceeds from OPG and its subsidiaries' Green Bond issuance are restricted in purpose and will only be used to finance Eligible Projects, a group of selected projects that offer tangible environmental benefits, as defined in the OPG Green Bond Framework. The Schedule of Use of Green Bond Proceeds was prepared to track on a cash basis the allocation of proceeds to the Eligible Projects that were approved under the OPG Green Bond Framework.

The Green Bond Principles, 2021: Voluntary Process Guidelines for Issuing Green Bonds as well as OPG's Green Bond Framework most recently updated in November 2021 describe the basis of allocating the use of proceeds and other relevant information for the green bond. This Schedule of Use of Green Bond Proceeds was prepared to assist OPG in disclosing its use of proceeds allocation activities related to the bond. As a result, it may not be suitable for another purpose.