

March 15, 2007

ONTARIO POWER GENERATION - EMISSIONS IN PERSPECTIVE

Ontario Power Generation, as the major supplier of electricity to the Ontario consumer, relies on a mix of nuclear, fossil and hydroelectric facilities to generate the power needed to run the province. In 2006, almost 70 per cent of Ontario's electricity came from OPG stations.

OPG's fossil fuelled plants provide the flexibility required to meet hour to hour, day to day, and year to year changes in electricity demand. Production and emissions will vary with changes in demand and supply from other sources

In 2006, Ontario Power Generation's C0₂ emissions were actually below 1990 levels – the year chosen as the base year for Kyoto reductions. We are not aware of any other major Canadian sector/industry achieving a similar performance improvement.

In context:

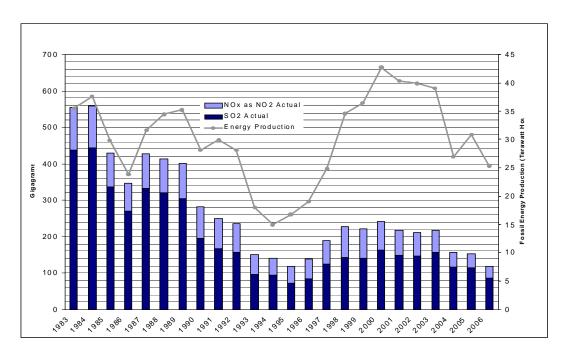
- Last year, OPG's coal fuelled stations provided 16 per cent of Ontario's electricity while accounting for about 15 per cent of the carbon dioxide equivalent emissions produced in Ontario.
- Nanticoke's level of emissions is high because it is a large station. However, its rate of emissions compares favourably with the 470 coal-fuelled units in North America on NOx and SO₂.
- Lambton Units 3 and 4 have been identified as two of the 10 cleanest coalfuelled units in North America.
- In 2006, OPG's fossil-fuelled stations had the lowest volume and rate of acid gas and smog related emissions in its history – going back to the 1980s
- Total emissions were down due to lower production and environmental improvements.



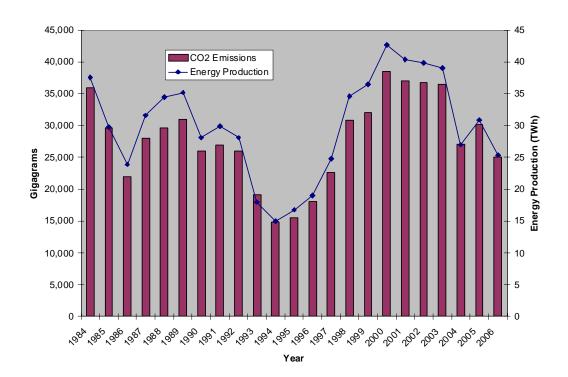
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HISTORIC PRODUCTION AND ACID GAS EMISSIONS



HISTORIC PRODUCTION AND CARBON DIOXIDE EMISSIONS





- OPG complies with all environmental regulations set by our regulators.
- OPG has taken action to reduce acid gas and smog related emissions by installing SO₂ scrubbers and Selective Catalytic Reduction units to reduce NOx on some of our units.
- OPG burns mixtures of coal that produce fewer emissions.
- According to the Ministry of Environment:
 - o 50 per cent of smog causing emissions comes from the U.S.
 - o 32 per cent comes from the Ontario transportation sector
 - o 7 per cent comes from electricity generation in Ontario
- OPG is making efficiency improvements and testing Biomass both of which contribute to lower greenhouse gas emissions for unit of energy produced.
- According to a CIBC World Markets report¹ Ontario is second only to Quebec when comparing lowest carbon emission intensity amongst the provinces.

Ontario Power Generation will continue to operate and maintain our coal fueled generating fleet to the same standard they are today until it is determined that they are no longer needed.

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¹ Globe and Mail – Global warming: Province against province? Pg. B7 – March 14-07