



Case & Project Experience

NERA Economic Consulting's Opinion as to the Fairness of the Amended and Restated Bruce Power Refurbishment Implementation Agreement for the Province of Ontario

The Situation

The Bruce Power Generating Station is the largest operating nuclear station in the world. Located on Lake Huron in Tiverton Ontario, at full capacity its eight generating units produce 50 terawatt hours of baseload generation per year, which is one-third of Ontario's electricity demand.

In December 2013, the Ontario Long Term Energy Plan (LTEP) was released, representing the official policy of the province with respect to the future of the electricity sector. A key element of the LTEP is the refurbishment of the six nuclear units at the Bruce site that are yet to be refurbished, and securing the operation of the Bruce site for the long term. To implement this plan, the Independent Electricity System Operator (IESO) was charged with negotiating an agreement with Bruce Power that would enable the refurbishment and continued operation of the Bruce site in a way that is consistent with the principles established by the LTEP.

NERA's Role

In May 2014, the IESO issued an RFP for qualified entities to provide a Fairness Opinion regarding the terms of the transaction for refurbishing and operating the Bruce site units as envisioned by the LTEP. In August 2014, NERA was engaged to provide a Fairness Opinion regarding the transaction for the refurbishment and long-term operation of the Bruce site units. The NERA team was led by Special Consultants Eugene Meehan and Edward Kee and Vice President Kurt Strunk.

The Result

NERA conducted a thorough review of the Agreement and the IESO's associated due diligence to arrive at its Opinion.

NERA's experts found that the Agreement is fair to the IESO and satisfies the principles set forth in the LTEP. The Agreement enables the IESO to efficiently achieve the nuclear mandate set forth in the 2013 LTEP, secures the operation of Bruce Power for the long term without exposing the IESO to operating risk and open-ended cost risk. Please contact NERA Vice President Kurt Strunk for a copy of the Fairness Opinion.

About NERA

NERA Economic Consulting (www.nera.com) is a global firm of experts dedicated to applying economic, finance, and quantitative principles to complex business and legal challenges. For over half a century, NERA's economists have been creating strategies, studies, reports, expert testimony, and policy recommendations for government authorities and the world's leading law firms and corporations. With its main office in New York City, NERA serves clients from more than 25 offices across North America, Europe, and Asia Pacific.

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