



# Record of Decision

DEC 22-H103

In the Matter of

Applicant Ontario Power Generation

Subject Application for Acceptance of the Revised  
Financial Guarantee Proposed by Ontario  
Power Generation for its Darlington New  
Nuclear Project

Date of  
Decision June 7, 2022

**RECORD OF DECISION – DEC 22-H103**

Applicant: Ontario Power Generation

Address/Location: 700 University Avenue, Toronto, Ontario, M5G 1X6

Purpose: Application for Acceptance of the Revised Financial Guarantee Proposed by Ontario Power Generation for its Darlington New Nuclear Project

Application received: November 12, 2021

Hearing: Public Hearing in Writing – Notice of Hearing in Writing published on March 28, 2022

Date of decision: June 7, 2022

Panel of Commission: Dr. M. Lacroix Presiding Member

**Revised Financial Guarantee: Accepted**

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## 1.0 INTRODUCTION

1. On November 12, 2021, Ontario Power Generation (OPG) submitted a revised financial guarantee for the future decommissioning associated with the site preparation phase of its Darlington New Nuclear Project (DNNP). The DNNP site is located on OPG's Darlington Nuclear Generating Station site on the traditional territory of the Wendat, Anishinabek Nation, and the territory covered by the Williams Treaties with the Michi Saagiig and Chippewa Nations, in the Municipality of Clarington, Ontario, approximately 65 km east of Toronto. The current licence, PRSL 18.00/2031, is valid until October 11, 2031. OPG currently maintains a [zero-dollar financial guarantee](#)<sup>1</sup> for the DNNP. OPG is proposing to incrementally increase the financial guarantee value from \$0 for 2022 and 2023 to \$451,000 for 2024.
2. OPG's licence authorizes the following site preparation activities:
  - a) construction of site access control measures
  - b) clearing and grubbing of vegetation
  - c) excavation and grading of the site to a finished elevation of approximately +78 metres above sea level
  - d) installation of services and utilities (domestic water, fire water, sewage, electrical, communications, natural gas) to service the future nuclear facility
  - e) construction of administrative and support buildings inside the future protected area
  - f) construction of environmental monitoring and mitigation systems
  - g) construction of flood protection and erosion control measures

In accordance with the licence, OPG is not permitted to undertake any site preparation activities until the Commission, or a person authorized by the Commission, accepts specific documents that are required for site preparation. To date, OPG has not commenced any site preparation activities.

3. Under subsection 24(5) of the [the Nuclear Safety and Control Act](#)<sup>2</sup> (NSCA), the Commission may require that licensees establish and maintain financial guarantees for the decommissioning of their facilities. Licence condition G.5 of OPG's licence, requires OPG to maintain a financial guarantee for future decommissioning that is acceptable to the Commission. The CNSC document [G-206, Financial Guarantees for the Decommissioning of Licensed Activities](#) provides guidance on the attributes of an acceptable financial guarantee in terms of liquidity, certainty, adequacy of value and continuity.

### Issue

4. Licence condition G.5 requires OPG to maintain a financial guarantee for decommissioning. The amount of OPG's proposed financial guarantee must be sufficient to cover the future decommissioning costs of the DNNP. The proposed guarantee must also be in a form that is acceptable to the Commission.

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<sup>1</sup> Refer to the *Record of Decision in the Matter of the Application to Renew the Power Reactor Site Preparation Licence for the Darlington New Nuclear Project*, hearing date June 10-11, 2021.

Panel

5. Pursuant to section 22 of the NSCA, the President established a panel of the Commission consisting of Dr. Marcel Lacroix to consider the application. A [notice of hearing in writing](#) was published on March 28, 2022. The Commission, in conducting a public hearing based on written materials, considered written submissions from OPG ([CMD 22-H103.1](#)) and CNSC staff ([CMD 22-H103](#)). The Commission also considered written submissions from 2 intervenors (see appendix A), both of which are in support of the application.

**2.0 DECISION**

6. Based on its consideration of this matter, as described in more detail in the following sections of this Record of Decision, the Commission is satisfied with the updated cost estimate and the proposed financial guarantee amount and instrument for the future decommissioning associated with the site preparation phase OPG's DNNP. Therefore,

the Commission accepts the revised financial guarantee proposed by Ontario Power Generation for its Darlington New Nuclear Project located in in the Municipality of Clarington, Ontario.

7. With this decision, the Commission accepts the \$0 financial guarantee for 2022 and 2023, and accepts OPG's proposed financial guarantee in the form of a letter of credit for the amount of \$451,000 for 2024. The Commission directs OPG to provide an original financial guarantee instrument that conforms with [G-206 Financial Guarantees for the Decommissioning of Licensed Activities](#), no later than December 31, 2023.

**3.0 ISSUES AND COMMISSION FINDINGS**

8. The Commission assessed the evidence submitted on the record for this hearing and considered the acceptability of OPG's proposed revised financial guarantee, including the incremental approach. The Commission considered whether the revised preliminary decommissioning plan (PDP) and the proposed financial guarantee, submitted to the CNSC for review on November 12, 2021, met the expectations of G-206, [G-219, Decommissioning Planning for Licensed Activities](#), and CSA N294-09, *Decommissioning of facilities containing nuclear substances*<sup>3</sup>, and whether OPG is meeting the requirements of licence condition G.5, which states that "*The licensee shall maintain a financial guarantee for decommissioning that is acceptable to the Commission.*"
9. In accordance with licence condition G.5, OPG submitted a revised PDP, decommissioning cost estimate, and financial guarantee to the CNSC. The revised financial guarantee amount is estimated as \$0 for 2022 and 2023, and \$451,000 for 2024. OPG explained that the cost estimate is based on a "Prompt Decommissioning Strategy", as outlined in CSA N294-09.
10. CNSC staff reported that OPG currently maintains a zero-dollar financial guarantee as, in

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<sup>3</sup> N294-09, *Decommissioning of facilities containing nuclear substances*, CSA group, 2009.

accordance with the licensing basis, no licensed activities have taken place to date and therefore there are no associated decommissioning costs. CNSC staff also reported that OPG is required to re-evaluate both the PDP and financial guarantee prior to commencing site preparation work, and that OPG is planning to commence licensed activities in 2022.

11. Based on its planned schedule, OPG proposed a financial guarantee value of \$0 for 2022 and 2023, and of \$451,000 for 2024. OPG submitted that limited decommissioning work would be required for work that might be done during the site preparation phase of licensing. OPG explained that the decommissioning work would involve re-spreading topsoil from an onsite stockpile and re-seeding the area to restore the site to an industrial site. OPG noted that any buildings and infrastructure present on the prepared site would be maintained for OPG uses.
12. CNSC staff reported that its assessment of OPG's revised PDP, cost estimate, and proposed financial guarantee found the following:
  - the PDP meets the specifications of CSA N294-09 and G-219
  - the revised cost estimate for the financial guarantee, in the amount of \$0 for 2022 and 2023, and \$451,000 for 2024, is acceptable
  - OPG's proposed financial guarantee instrument of a letter of credit, to be in effect by year-end 2023, meets the criteria for financial instruments of G-206

CNSC staff noted that, should OPG's work schedule proceed more quickly than expected, OPG will reassess the financial guarantee requirement and advance the timing of the final letter of credit accordingly.

13. CNSC staff further reported that OPG will provide its next updated financial guarantee assessment to CNSC staff in 2024 or as part of an application for a licence to construct a reactor for the DNNP, whichever is earlier.
14. Following the Commission's analysis of the evidence submitted on the record for this hearing, the Commission concludes that OPG's proposed financial guarantee instrument and proposed financial guarantee amount of \$451,000 for its DNNP for 2024 are acceptable. The Commission is satisfied that OPG's revised PDP and preliminary decommissioning cost estimate submitted to the CNSC for review in November 2021 meets the expectations of G-206, G-219 and CSA N294-09. The Commission is satisfied that OPG has met the requirements of licence condition G.5 of PRSL 18.00/2031. The Commission comes to this conclusion on the basis that:
  - The Commission agrees with CNSC staff's assessment that OPG's revised PDP and cost estimate meets the requirements of meets the expectations of G-219 and CSA N294-09
  - The Commission agrees with CNSC staff's assessment that OPG's proposed cost estimate is credible
  - The Commission agrees with CNSC staff's assessment that OPG's proposed financial guarantee is adequate and meets the requirements of G-206

#### 4.0 CONCLUSION

15. The Commission concludes that OPG's revised PDP provides a credible cost estimate for the future decommissioning associated with the site preparation phase of the DNNP, and that the financial guarantee instrument consisting of a letter of credit is acceptable. Therefore, the Commission accepts OPG's proposed revised financial guarantee in the amount of \$451,000 for its DNNP for 2024. The Commission directs OPG to provide an original financial guarantee instrument no later than December 31, 2023. The Commission expects that OPG will provide its next updated financial guarantee assessment to CNSC staff in 2024 or as part of an application for a licence to construct a reactor for the DNNP, whichever is earlier.



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Dr. Marcel Lacroix  
Presiding Member,  
Canadian Nuclear Safety Commission

Le 7 juin 2022

Date

## Appendix A – Intervenors

Intervenor	Document Number
Society of United Professionals	<a href="#">CMD 22-H103.2</a>
North American Young Generation in Nuclear	<a href="#">CMD 22-H103.3</a>