

Project Title: Ontario Fair Hydro Plan

Document ID:	CLOS-##	Preparer:	Gordon Drake
Issue:	##	Owner/Approver:	Jeannette Briggs
Effective Date:	Month dd, yyyy	Project ID:	381

1. Introduction

1.1 Document purpose

This *Project Closure Document* signals the completion and formal closure of the Ontario Fair Hydro Plan project.

1.2 Document Scope

This *Project Closure Document* provides information relating to achievements of the project, performance against planned targets, approved changes and lessons learnt for the [enter project name].

Who Should Use This Document

This document is meant for, but not limited to, use by the following:

- The project manager and project team – who should use it as a guideline to ensure that what has been delivered matches the expectations set out (and agreed) in the project plans and the lessons learnt for future improvements on similar projects;
- The project sponsor and the steering committee – who should use it to ensure that the project has met the expectations and that they can measure the success of the project.
- The project approver – to learn about the success of the project and the achievement of the business objectives.

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2.1. Performance against Planned – Scope, Schedule and Cost

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The Ontario Fair Hydro Act was legislation passed to provide residential consumers with a 25 per cent reduction in their electricity bills through refinancing the Global Adjustment (GA) over a 30-year period for Regulated Price Plan (RPP) eligible consumers, including families, farms and small businesses—similar to Ontario Rebate for Electricity Consumers (8% rebate); enhancement of enhancing the existing Ontario Electricity Rebate Support program (OESP) and Rural and Remote Electricity Rate Plan Protection (RRRP), elimination of the eliminating delivery charges for on-reserve First Nations households and removal of removing the monthly service charge for customers of licensed distributors which charge a bundled rate.

The IESO was required to facilitate the settlement of the Ontario Fair Hydro Plan (OFHP) with local distribution companies (LDC) and unit sub-meter providers (USMP) as well as to create a regulatory asset for purchase by a financing entity designated by the government. The LDCs are required to submit, on a monthly basis, differences in payments for invoiced Market commodity charges and payments received from RPP eligible consumers, request for OESP payment and reimbursement of First Nation on-reserve delivery charge credit (FNDC) and discount provided to customers on monthly service charge under Distribution Rate Protection (DRP) program. The OESP, FNDC and DRP programs need to be funded by provincial tax revenue and the existing OESP rate which is collected through the Ontario market needs to be discontinued. Due to these changes enforced by the Ontario Fair Hydro Plan, this project was initiated to create two additional Online settlement forms to collect FNDC and DRP data; and modify the existing OESP Online Settlement form and RPP forms as well as create a new invoicing process for the financing entity through existing online settlement and finance systems forms for OESP and the Regulated Price Plan (RPP).

The original scope of the project was delivered on schedule and within approved budget for settlement trade date of July 1, 2017. However, due to changing requirements due to regulation and interpretation by the Ontario Energy Board, as well as changed reporting requirements from the Ministry of Energy after the projection online settlement forms went in-service, additional changes to the forms were identified as necessary to be made to the online forms. In addition, the variance between amounts collected under the OFHP and the costs incurred to purchase power from the wholesale market by LDCs, as well as the financing and administration costs associated with these amounts, were to be passed to the regulatory asset and invoiced to the financing entity by the IESO. In order to allow IESO to invoice the financing entity on a timeline that is different than the physical and financial markets, a new “market type” that followed a distinct calendar, had to be created in the Commercial Reconciliation System (CRS) in order to meet the timelines agreed with the financing entity, the Fair Hydro Trust. These changes were implemented 6 months beyond the project approved end date in January 2018 and the project incurred an over- spend a budget overage of \$83K.

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An exception report to request additional OM&A funding and extend the duration of the project ~~could~~was not be submitted. An exception report would also have identified some of the planned additional expenditures as thereeligible for capital funding. The requirements for the additional work were not well understood until after the anticipated project closure date and the IESO experienced significant delays in getting the Vendor Change Requests (VCRs) estimated by the ~~Vendor~~vendor. Implementation activities had to be started as soon as the estimates were received from the ~~Vendor~~vendor to meet the regulatory requirements. Due to the time constraint driven by the regulatory nature of the project and the ~~Project Manager Resource~~project management resource constraint, the Project Management Office (PMO) recommended documenting the impact of the two additional changes in the closure report.

2.1 Scope

Original scope of work listed in the short form business case BC-114 and the two changes described in section 3 have been successfully delivered.

2.2 Schedule

Project Start Date	Completion date per original Business Case	Actual completion	Comments
April 27, 2017	July 31, 2017	May 31, 2018	Forms that were part of the original scope of the project went in-service on July 1st. Changes described in section 3 went in-service on December 11 and 13, 2017 for the changes to CRS and Lawson and on January 30, 2018 for the final versions of the online settlement forms. <u>The completion date reflects additional time to perform project closure activities following the implementation of all changes.</u>

2.3 Cost

Project overspent \$82,708 due to the additional scope (see section 3 for details) that was added to meet the project business objectives.

2.3.1 Cost Summary

Category	Item	Approved Budget \$ (Including contingency)	Actual \$	Variance \$
OM&A	IESO Labour	\$54,670	\$137,378	\$82,708
OM&A Total		\$54,670	\$137,378	\$82,708

3. Project Changes

The following project changes were approved by the Project Sponsor but a Project Exception Report was not drafted.

1. CRS to Lawson ETL Enhancement
Enhance CRS to Lawson ETL to transfer OFHP billing data from CRS to Lawson Market for the new market types and settlement timelines
2. CRS and Related Modifications
As part of the implementation of Ontario Fair Hydro Plan, make necessary changes to SDR, CRS and ADCS to support a new market type called "V", which denotes the "VariableVariance" market type.
3. New Online Forms Requirements
Modify forms to capture new reporting requirements from the Ministry of Energy, reflect regulatory decisions made by the Ontario Energy Board, and align with the Master Service and Trust Agreement with the financing entity.

3.1 Effects on Original Scope of Work

These additional changes added to the original scope of work.

3.2 Effects on Schedule

Project had to be extended by 6 months due to these changes.

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3.3 Effects on Cost

Project overspent \$82,708 due to these changes as it required 416 hours of IT Vendor effort and 379 hours of IESO Labour effort. The original business case did not include any budget for capital expenditures. However, given the nature of the work necessary to make the additional changes to CRS, some of this overspending could have been deemed as a capital expenditure. Without an approved exception report authorizing the use of capital dollars, this work was all charged as OM&A.

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3.4 Other Impacts, if any

As a result of implementing these changes, IESO was able to meet the timelines agreed with the Ministry of Energy and with the financing entity.

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4. Measurements of Business Objectives

4.1 Business Objectives achieved

To provide residential consumers with a 25 per cent reduction in their electricity bills by refinancing the GA over a longer period for eligible consumers, making enhancements to the existing Ontario Electricity Rebate program (OESP) and Rural Remote Rate Plan Protection (RRRP) and implementing a process to eliminate delivery charges for on-reserve First Nations customers and removing monthly charges for customers who are eligible for Distribution Rate Protection (DRP)

Ref#	Measure	Assessor	Status
1	Deliver the changes to the OESP form and RPP forms by June 1, 2017, the submission date for claims for the month of May.	Project Sponsor	Complete
2	Deliver two additional Settlement Online forms by August 1, 2017, the submission date for claims for the month of July.	Project Sponsor	Complete
3	Establish an automated process to export LDCs and USMPs claims as manual line items to minimize the manual effort required to create manual lines for the programs under Ontario Fair Hydro Plan.	Project Sponsor	Complete
4	Remove the OESP rate from the settlement system by June 1, 2017 and update the market manuals	Project Sponsor	Complete
5	Create new charges to implement FNDRP and DRP programs.	Project Sponsor	Complete

4.2 Business Objectives not achieved

4.3 Business Objectives to be measured Post Closure

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5. Lessons Learned

Lessons learned from this project are available in the PMO Lessons Learned tool.

Document Control

Authors

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Project Management Adherence Review

Reviewed By	Role
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Approvals

Approver(s) of Original Business Case:

Approved By	Role
Jeannette Briggs	Director, Settlements and Project Sponsor

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Distribution List

Name	Organization
Citadel	IESO
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Document Change History

Issue	Reason for Issue	Date
1.0	Initial Release	

References

Document Title	Document ID
Ontario Fair Hydro Plan Business Case	BC-114

Related Documents

Document Title	Document ID

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