SEC Interrogatory #50

Interrogatory

Reference: D2

With respect to nuclear capital:

a. Please provide a list of specific productivity initiatives that have or will be been implemented between 2017 and 2021 and quantify the annual capital savings achieved. Please provide details regarding how the savings were calculated.

b. Please provide a list of specific productivity initiatives that OPG is planning to undertake between 2022 and 2026 and quantify the annual capital savings forecasted. Please provide details regarding how the savings were calculated.

Response

a) For the implementation status of improvement initiatives associated with Project Management that were identified in EB-2016-0152, see Ex. L-D2-01-AMPCO-23. In addition, Ex. D2-1-1, Section 3.5, pp. 11-15, outlines the enterprise-wide project excellence initiative, which expands upon OPG's Nuclear Project Excellence Initiative, to further enhance OPG's project management controls, incorporate industry best practices, and facilitate continuous improvement across all OPG business units.

b) Over the 2022-2026 period, the Enterprise Project Organization and the Project Centre of Excellence, established to strengthen staff proficiency, leverage expertise, facilitate consistent application of project-related processes and achieve predictability in project outcomes, will continue to leverage the improvement initiatives identified in EB-2016-0152 and the evolution of those initiatives as defined in Ex. D2-1-1. Expected benefits include:

- Reduce Administrative Efforts – existing processes for project planning and execution are continuously being evaluated in an effort to improve effectiveness and reduce administrative burden. In 2021, OPG is piloting an improved change control process that is expected to reduce processing times by 50%. For example, the approvals processes for three key functional areas, Commercial Management, Project Management and Supply Chain have been amalgamated into one streamlined process.

- Replace Manual Processes – existing processes are being updated with electronic templates, documents and forms to enable automated workflow approvals and improved data integration. In 2020, the Project Management Office and Finance combined efforts to implement electronic Business Case Summaries (BCS) forms.

- Implement Automated Reporting and Improve Data Integrity – a comprehensive reporting system has been implemented for all project reporting in order to reduce manual reporting and ensure data integrity. In 2020/2021, a new Risk Reporting tool and a Lessons Learned tool have been integrated into existing platforms to improve reporting capability and simplify the collection of critical project information.

- Enhance Project Planning – OPG is continuously improving its front end planning process and the inputs required to satisfy the "phase gaiting" process including the quality of estimating practices to deliver projects on time, on budget, safely and with quality.

- Improve Staff Proficiency – in 2020, OPG streamlined the existing Project Management training program specifically to reduce training effort by nearly 75%, thereby optimizing trainee time.

- Performance Results – The expansion of the Enterprise Project Organization to include all project execution organizations, as a result of the 2020 organizational re-alignment, will continue to improve overall alignment on objectives and leverage internal capability leading to improved performance results.

The benefits described above are expected to result in improvements in the execution of the project portfolio as planned. Given the size, scale and complexity of a portfolio of projects is unique and different on a year over year basis, it is difficult to quantify overall savings when the baseline is always changing. In addition, there are external factors that can impact on a project's performance (capital expenditures and related in-service amounts) such as shifts in project timing, resequencing of dependent activities, changing system conditions or unit reliability, changes in scope and or discovery issues, new regulatory requirements or new operational priorities.