ONTARIO POWER GENERATION

Guideline

Internal Use Only	
Document Number: N-GUID-00120-10016	Usage Classification: Information
Sheet Number: N/A	Revision: R000

Title:
TERMS OF REFERENCE - ASSET INVESTMENT SCREENING COMMITTEE

© Ontario Power Generation Inc., 2016. This document has been produced and distributed for Ontario Power Generation Inc. purposes only. No part of this document may be reproduced, published, converted, or stored in any data retrieval system, or transmitted in any form or by any means (electronic, mechanical, photocopying, recording, or otherwise) without the prior written permission of Ontario Power Generation Inc.

Terms of Reference - Asset Investment Screening Committee

N-GUID-00120-10016-R000
2016-04-19

Order Number: N/A
Other Reference Number:

Internal Use Only

Prepared By: 19 Apr 16
Dwight Zerkee — Date
Senior Manager
Investment Management

Approved By: 25APR2016
W.S. Woods — Date
Senior Vice-President - Nuclear Engineering
& Chief Nuclear Engineer

Table of Contents

Page

Revision Summary 3
Purpose 4

1.0 DIRECTION 5

1.1 Structure and Membership 6
1.2 Quorum 6
1.3 Meeting Frequency 7
1.4 Agenda and Meeting Materials 7
1.5 Outputs and Deliverables 7
1.6 Dispute Resolution 8

2.0 DEFINITIONS AND ACRONYMS 8

2.1 Definitions 8
2.2 Abbreviations and Acronyms 8

3.0 RECORDS AND REFERENCES 9

3.1 Records 9
3.2 References 9
3.2.1 Performance References 9
3.2.2 Developmental References 9

Appendix A: Sample AISC Agenda 10

Guideline

Internal Use Only		
Document Number: N-GUID-00120-10016		Usage Classification: Information
Sheet Number: N/A	Revision Number: R000	Page: 3 of 10

Title:
TERMS OF REFERENCE - ASSET INVESTMENT SCREENING COMMITTEE

Revision Summary

Revision Number	Date	Comments
R000	2016-04-19	Initial issue.

Purpose

This document provides the terms of reference for the Asset Investment Screening Committee, which assists the Chief Nuclear Engineer in managing the *Nuclear Operations OM&A, Capital, Intermediate & Low Level Waste Provision, and Used Fuel Storage Provision Project Portfolios.* The process for review and approval of individual projects and changes to the portfolios is described. Adherence to this procedure shall ensure expenditures are validated with respect to business objectives, *project* priority ranking and feasibility of success.

This procedure does not apply to Darlington Refurbishment *project portfolios*

1.0 DIRECTION

The management of the *Nuclear Operations OM&A, Capital, Intermediate & Low Level Waste Provision, and Used Fuel Storage Provision Project Portfolios* at the fleet level is the responsibility of the President, OPG Nuclear and Chief Nuclear Officer (CNO), who has delegated day-to-day management to the Chief Nuclear Engineer (CNE).

The CNE relies on the assistance the Asset Investment Screening Committee (AISC) in decision making as related to the *Nuclear Operations Project Portfolios.*

The *Asset Investment Screening Committee* (AISC) is a senior management committee with representation from the generating stations and supporting business units. The AISC provides a forum to review the project approval packages and project change approval requests in order to:

- Challenge the proposed solution and feasibility.
- Challenge the proposed cost and schedule of the proposal.
- Challenge readiness to proceed to the next project phase.
- Determine the overall fleet priority and schedule for proposals.
- Approve a recommended schedule for investments.
- Recommend approval of business cases to the appropriate approval authority.

In conducting challenges to project solutions, feasibility, cost, schedule and readiness to proceed, the committee fulfills the role of Gate Review Board as documented in N-MAN-00120-10001 Sheet GRB Nuclear Project Gated Process.

The AISC manages the *Nuclear Operations Project Portfolios* through:

- Approval of additions, including new project starts and emergent projects, for the upcoming business planning period.
- Approval of requested changes in project budgets and milestones.
- Approval of release of project contingency.
- Recommendation of project deferrals and cancellations to maintain spending within approved limits.
- Monitoring the completion of Project Closure Reports and Post-Implementation Reviews.
- Recommendation of improvements to the Project Portfolio management and processes.

Collectively, this committee shall provide the senior management review of business risk to the fleet and prioritize the project portfolio to minimize that risk.

1.1 Structure and Membership

The Senior Management sponsor for the AISC is the President, OPG Nuclear and Chief Nuclear Officer (CNO). The Senior Management representative and Chair of the committee is the Chief Nuclear Engineer (CNE). The committee membership is:

- CNE (VF)
- Vice President, Nuclear Finance (V)
- Vice President, Engineering Strategy (V)
- Vice President, Projects and Modifications (V)
- Vice President, Planning & Controls (V)
- Director Station Engineering, Pickering (V)
- Director Station Engineering, Darlington (V)
- Director Design Engineering (V)
- Director Engineering. Inspection and Maintenance Services (V)
- Director, Nuclear Waste Engineering (V)
- Director, Components Engineering (V)
- Director, Equipment Reliability (V)
- Senior Manager, Investment Management

(V) Indicates a voting member of the committee

(VF) Indicates a voting member and final decision making authority

Representatives from other organizations may be invited to participate in AISC meetings in order to address Project Portfolio additions pertinent to their organization or provide advice as needed.

1.2 Quorum

Quorum for the committee is 10 of 12 voting members or delegates being present. Delegates should be at the Band G level or if at a lower level empowered to make decisions on behalf of the representing organization. The voting committee members shall review the proposed project approval packages and recommend to the Chair the disposition of the business case (approve, approve with actions, defer or return for further development).

1.3 Meeting Frequency

Routine AISC meetings are held monthly and will be scheduled for at least three hours in duration. Additional meetings may be scheduled to address issues or higher numbers of BCS than can be handled in the regularly scheduled meetings.

A tentative schedule of meetings for the year will be published on the AISC SharePoint site. Meeting dates will be finalized three months before their scheduled dates; however, these are subject to change depending on CNE availability.

1.4 Agenda and Meeting Materials

The agenda for the routine AISC meetings will follow a standard format:

- Review of Minutes and Actions from previous meeting
- Review of AISC Operational & Financial Metrics
- Review of Project Change Requests
- Review of Project Approval Packages
- Any other business

Additionally, selected Post-Implementation Reviews will be presented to communicate important lessons-learned from completed projects.

An example of the standard agenda is found in Appendix A.

The agenda will be prepared and published on the AISC SharePoint site no later than the Friday preceding the scheduled date of the meeting. An email with a link to the SharePoint site will be sent to the Voting Members to notify them that the agenda has been published.

Meeting materials are to be submitted to Investment Management no later than Noon of the Wednesday preceding the scheduled date of the meeting.

1.5 Outputs and Deliverables

The AISC shall provide the following outputs and deliverables:

- Recommend approval of the BCS to the appropriate OAR authority. This recommendation is communicated by the CNE signing the AISC Part B: Decision Record N-FORM-10994 accompanying the BCS.
- Prioritize the OPG Nuclear Operations Project Portfolio consistent with the additions and budgetary envelope over a rolling 5 year period
- Assign the portfolio additions to the accountable execution organization
- Approve an implementation schedule for the proposal
- Approve Project Change Requests requesting changes in budget, schedule or release of contingency.

- Maintain minutes of meeting that describe the rationale of why a particular proposal was approved, approved with action(s), rejected, deferred, or returned for further development
- Provide feedback to the submitting organizations to allow continuous improvement on the quality of their submissions
- Recommend improvements to the Project Portfolio management and processes.

1.6 Dispute Resolution

If the Sponsoring Business Unit disputes the decision made by the AISC, the Business Unit may request a review by the CNO. Upon review of rationale for the decision, the CNO may overturn a decision made by the AISC by directing the CNE in writing to accept or modify the priority/schedule of the proposal including the rationale for the reversal of the decision.

2.0 DEFINITIONS AND ACRONYMS

2.1 Definitions

Business Case Summary is a summary document that provides sufficient information for decision-makers to evaluate, rank and approve or reject an investment.

Nuclear Operations Project Portfolio describes a collection of OM&A, Capital, and Provision projects that have been approved for implementation by the AISC as well as potential projects under review for cost estimating and approval. Selection criteria include consideration of current business drivers, priority, availability of resources and feasibility (in terms of time, skills and access).

Project is defined as a temporary endeavor undertaken to create a unique product or service where,

- Incremental cost per unit is greater than $200k.
- Execution duration is limited, with defined start and finish dates.
- Work is clearly incremental to ongoing work, non-repetitive in nature, recurring at an interval of less than every 6 years.
- Sponsorship and management accountabilities can be clearly defined.

Project Approval Package is defined as a collection of documents, including the Business Case Summary, which provides assurance that the project is ready to proceed to the next project phase.

2.2 Abbreviations and Acronyms

AISC - Asset Investment Screening Committee
BCS - Business Case Summary
CNE - Chief Nuclear Engineer
CNO - Chief Nuclear Officer

OAR - Organizational Authority Register
OM&A - Operation, Maintenance and Administration
OPG - Ontario Power Generation
SVP - Senior Vice President
VP - Vice President

3.0 RECORDS AND REFERENCES

3.1 Records

Record Created	Associated Form Number	QA Record? Y/N	Filing Information/Retention (PASSPORT Type/Sub-Type)
AISC Part A: Issues Characterization	N-FORM-10765	No	RRA 2005006
AISC Part B: Decision Record	N-FORM-10994	No	RRA 2005006
Project Change Request Authorization	N-FORM-10607	No	RRA 2005006
Type 1 Business Case Summary	OPG-FORM-0074	No	RRA 2005006
Type 2 Business Case Summary	OPG-FORM-0075	No	RRA 2005006
Type 3 Business Case Summary	OPG-FORM-0076	No	RRA 2005006
Forecast Over-Variance Approval	OPG-FORM-0074	No	RRA 2005006

3.2 References

3.2.1 Performance References

- N-STD-AS-0028 Project Management Standard
- N-MAN-00120-10001 Sheet GRB Nuclear Projects Gated Process
- OPG-STD-0076 Developing and Documenting Business Cases

3.2.2 Developmental References

Project Prioritization for Nuclear Plant Investments: Lessons Learned from Other Industries. EPRI, Palo Alto, CA: 2008. 1016733

Appendix A: Sample AISC Agenda

ASSET INVESTMENT SCREENING COMMITTEE			
CHAIR	CNE		
ATTENDEES	VP Engineering Strategy Director , PN Engineering Director, DN Engineering	VP Nuclear Finance Director IMS Engineering Director NWM Engineering	VP Projects & Modifications Director Components Eng Director Design Engineering
	Director Equipment Reliability	Senior Manager, Investment Management	
PURPOSE	To review the Nuclear Project Portfolio status and requested changes.		

AGENDA

Item	Topic	Duration	Lead
1.	**Review of Minutes and Actions**		CNE
2.	**AISC Operational & Financial Metrics** **a) Portfolio Health** **b) Portfolio Status** **c) PCRAF Summary**		Finance
3.	**PCRAF Review**		Finance
4.	**Project Approval Package Review**		
	DN Project		Director DN Eng
	DN Project		Director DN Eng
	PN Project		Director PN Eng
	PN Project		Director PN Eng
	Nuclear Engineering Project		VP Components Eng
	IMS Project		Director IMS Eng
5.	Any Other Business		Finance
6.	Review New Actions		Finance

DURATION	3.0 hours	TBD	08:00 – 11:00
LOCATION			