PROJECT CATEGORIZATION AND REVIEW PROCESSES

1.0 PROJECT CATEGORIZATION

Investments must be categorized according to the type of benefit they are expected to produce. Investments fall within the following three categories established by OPG:

- **Value Enhancing** – Discretionary investments that promise value creation or strategic opportunities, such as added revenues, reduced costs, increased efficiencies, or new business opportunities.
- **Regulatory** – Expenditures required to satisfy environmental, safety or other requirements in law or regulation to allow the continued operation of existing facilities.
- **Sustaining** – Required to maintain existing infrastructure and facilities at their current performance level.

2.0 BUSINESS CASE REQUIREMENTS FOR PROJECT RELEASE

Approval is required for the release of funds to undertake project work. The documentation for seeking approval is a business case summary ("BCS"), which provides an explanation of the need and the business opportunity, along with an analysis of feasible alternatives for meeting this need and the rationale for the recommended alternative.

Requests for releases of funds are approved in accordance with the OPG Organizational Authority Register ("OAR"). The OAR sets out delegated authorities within OPG, and defines approval limits for decisions made on behalf of the corporation. Approval requirements are based on the cumulative amount of funds being released, with more restrictive requirements for projects of a strategic nature or unplanned work (projects not identified in the project portfolio during business planning). The OAR also specifies authorities for approval of over-variances for previously released projects, and for superseding releases where projects must be reconsidered due to significant scope, schedule or cost changes.

OPG carries out functional reviews of BCSs to ensure that they meet the criteria for the quality and completeness of the information required to enable an informed decision on approval of

the project release. The functional review is required where there is a significant impact on the function or its deliverables. For example:

- Projects with substantial IT requirements are reviewed by the relevant IT Department.
- Projects with significant legal or contractual issues are reviewed by Law Division.
- Projects involving real estate transactions or leasing of office spaces are reviewed by Real Estate Services.
- Projects with significant labour relations or health and safety issues are reviewed by Human Resources.
- Projects involving nuclear operations are reviewed as part of the Nuclear project portfolio management process.

3.0 POST IMPLEMENTATION REVIEW PROCESS

The post implementation review ("PIR") process is used by OPG to assess achievements following completion of projects. Specifically, a PIR is an appraisal process designed to evaluate whether planned results of a given investment have been met following project completion. The two main objectives of the PIR process are to verify whether the benefits stated in the project business case were realized, and to capture the lessons learned from each project so that they can be applied to improve future projects and investment decisions.

Post implementation reviews follow a simplified or comprehensive format depending on the size and scope of the investment involved. All projects must have a PIR completed as specified in the PIR plan, ideally within twelve months of the project being completed.

OPG selects a number of complex or high value projects to undergo a comprehensive PIR within each business planning period. A comprehensive PIR is an independent and broad review of a completed project. It is an intensive exercise requiring a multi-disciplinary team, ideally independent from the project team, to review all phases of a project. It provides detailed feedback on how the project was developed, planned, and executed to help gather lessons for future investments. It is only performed on a small number of projects due to the high resource requirements.