



May 13, 2022

Ms. Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street
P.O. Box 2319
Toronto, ON M4P 1E4

Re: Independent Electricity System Operator (IESO) 2022 Revenue Requirement, Expenditures and Fees
AMPCO Interrogatories
Board File No. EB-2022-0002

Dear Ms. Marconi:

Attached please find AMPCO's interrogatories in the above proceeding.

Please do not hesitate to contact me if you have any questions or require further information.

Best Regards,

A handwritten signature in blue ink, appearing to read 'Colin Anderson'.

Colin Anderson
President

Copy to: IESO

EB-2022-0002
Independent Electricity System Operator
Application for Approval of 2022 Expenditures, Revenue Requirement and Fees
AMPCO Interrogatories May 13, 2022

1.0-AMPCO-1

Ref: EB-2020-0230 Exhibit I Tab 1.0 Schedule 2 – 1.0 AMPCO 2 Attachment 1

Attachment 1 summarizes the IESI's Strategy, Business Plan and 2021 Priorities.

- a) Please provide an updated summary of the IESO's strategy for 2022.
- b) Slide 12 provides an overview of 2021 Enterprise Priorities. Please provide the Top 10 priorities for 2022.

1.1-AMPCO-2

Two Summit-Lite events were also held in 2021 to bring together thought leaders and support in-depth conversations with stakeholders on key sector topics. In June, the event focused on innovation, ranging from the advancement of distributed energy resource markets in Ontario and globally, as well as the ongoing role of innovation in providing solutions to meet system needs.

- a) Please provide the agenda, attendee list, presentations, meeting notes, recommendations and outcomes from the innovation event.
- b) Please provide any other relevant information or materials related to the event.

1.1-AMPCO-3

Ref: A-2-2 Attachment 1 Page 2

With respect to Performance Measures and Targets, Measure 3 is Operational Efficiency- Percentage of Strategic Initiatives that are completed within only 50% of schedule contingency. The 5-year strategic target is 90% of Strategic Initiatives are completed on time. The 2021 result is 50%.

- a) Please explain the meaning and impact of the results in 2021.
- b) Please provide the Strategic Initiatives included in the 2021 results.

- c) Please provide the calculation that underpins the 2021 result.
- d) Please discuss if 2021 results have resulted in a backlog of work. If yes, please discuss the impact on work in 2022.

1.2-AMPCO-4

Ref: D-1-2 P1

Table 1 provides a Summary of OM&A for Business Units.

Ref: D-1-3 P1

Table 1 provides the Staffing and Operating Compensation Expenses.

Please map the total FTEs for 2021 (forecast and actual) and 2022 (forecast) to each Business Unit.

1.2-AMPCO-5

Ref: D-1-2 P1

- a) With respect to the Corporate Relations, Stakeholder Engagement and Innovation Business Unit, please provide the budget and FTEs for Innovation, Research and Development.
- b) With respect to the organizational changes implemented in Q4-2021, please provide a schedule that tracks the impact on each Business Unit in terms of the change in \$ and FTEs.

1.2-AMPCO-6

c) Ref: D-1-2 P5

Please provide the internal audit plan for 2022-2024.

1.3-AMPCO-7

Ref: EB-2020-0230 Exhibit I Tab 1.0 Schedule 2 – 1.0 AMPCO 5

Please provide the schedule and cost performance of projects closed in 2021.

1.3-AMPCO-8

Ref: E-2-1 P2

Please provide the number and percentage of projects completed within 90% of the 2021 budget.

1.3-AMPCO-9

Ref: Appendix 2-AA

Please add the following columns to Appendix 2-AA.

- a) Actual Spend Previous Years.
- b) Forecast Spend Beyond 2022.
- c) Provide an excel version of Appendix 2-AA.

4.0-AMPCO-10

Ref 1: G-2-1 P5 Table 2

- a) Please add the forecast and actual spending on MRP for all previous years to the table.
- b) Please confirm the following:
 - Total MRP program costs are estimated at \$177.7 million
 - Total MRP capital costs are estimated at \$148.3 million
 - Total MRP operating costs are estimated at \$29.4 million
 - The new go live date is November 2023 with six months of contingency

4.0-AMPCO-11

Ref 1: G-2-1 P4

Ref 2: Market Renewal Program Energy Stream Business Case October 22, 2019 P55

- a) Please provide a breakdown of the expected MRP Costs per phase:

MRP Approved Costs Per Phase	\$ M	%
High Level Design		
Detailed Design		
Implementation		
Contingency		
Total		100

- b) Please provide the start date of the implementation phase and how many months it will take to complete.

4.0-AMPCO-12

Ref: EB-2020-0230 Exhibit I Tab 4.5 Schedule 2 – 4.5 AMPCO 32

The response states “To date, the IESO has used \$6 million of the contingency by allocating this amount to the program budget. Through the schedule and budget update exercise, the IESO expanded the program budget envelope from \$170M (\$154M + \$16M contingency) to \$177.7M (\$167.7M + \$10M contingency).”

- a) Please provide the allocation of the \$10 M contingency.
- b) Please discuss how the \$10 M contingency has been used to date.

4.0-AMPCO-13

Ref 1: G-2-1 P4

Ref 2: Market Renewal Program Energy Stream Business Case October 22, 2019 P56

- a) Please provide a breakdown of the expected MRP Costs per Program Cost Category Components:

MRP Costs Per Cost Category	\$ M	%
IESO Labour		
IT (Hardware & Software)		
Professional & Consulting		
Other (Interest & Rent)		
Contingency		
Total		100

4.1-AMPCO-14

Ref: G-2-1 P6

The IESO reports on CPI and SPI, against the MRP baseline budget and schedule.

- a) Please confirm the MRP baseline budget and schedule used to calculate CPI and SPI in 2020 and 2021.
- b) Please provide the calculations that underpin the CPI and SPI amounts in Table 5.
- c) Please discuss the variation in CPI results.
- d) Please confirm the MRP baseline budget and schedule used for CPI and SPI in 2022.
- e) Please discuss the anticipated CPI and SPI results for 2022 and 2023.

4.1-AMPCO-15

Ref: G-2-1 P6

MRP has a Schedule Performance Index (SPI) which is below target, as the project had to reprioritize some work to vendor requirements gathering, which impacted dependency tasks.

- a) Please provide further details on the work that was reprioritized.
- b) Please provide further details on the impacted dependency tasks.
- c) Please discuss any other drivers to explain the MRP SPI below target.

4.3-AMPCO-16

Ref 1: G-2-1 P6

The IESO indicates 2021 capital expenses were \$12.0 million lower than budgeted due to a set of variances, including:

- Delays in gathering business and vendor requirements, which has resulted in the deferral of internal and external IT implementation costs;
- Reduced contractor costs;
- Lower corporate financing rates resulting in lower interest expense; and
- Unused contingency.

- a) Please provide a breakdown of the \$12.0 M variance based on the above categories.
- b) Please explain the nature of the delays in gathering business and vendor requirements. Please discuss if this issue continues to persist in 2022 (and beyond) and the potential impact on cost and schedule in 2022 and beyond.
- c) Please explain the reason for reduced contractor costs and discuss the impact on the workplan schedule.

4.4-AMPCO-17

Ref: G-2-1 P7

The IESO expects that adjustments to timelines will be needed as the project moves closer to in-service. The IESO is working to finalize the delivery schedule informed by our vendors, stakeholder input, and consideration of the impact on other dependent initiatives, and will re-engage with stakeholders in a timely manner when further information is available.

- a) Please discuss the work activities and timelines impacted.

- b) Please provide and discuss the key issues impacting the delivery schedule.
- c) Please provide the IESO's plan to finalize the delivery schedule.
- d) Please provide the IESO's plan to engage stakeholders and the timing.
- e) Please discuss how an extension of the go live date will affect the estimated \$800 million in net system benefits.
- f) Please update the MRP schedule at G-2-1 Attachment 1.

5.1-AMPCO-18

The IESO updated the IESO Grid Innovation Fund, Conservation Fund and Technology Development Fund Project Portfolio spreadsheet in response to the EB-2020-0230 Settlement Agreement.

Please provide the IESO's proposed schedule to update the spreadsheet publicly.