

Market Renewal Program Quarterly Project Status Report

Quarterly Report on the Market Renewal Program Status

As of March 31, 2024 (Q1 2024)

This report provides a quarterly update on the Market Renewal Program (MRP) schedule and cost, covering:

1. Schedule Performance Indexⁱ and Cost Performance Indexⁱⁱ relative to the in-effect baseline schedule and budget.
2. Schedule against baseline 4ⁱⁱⁱ and the in-effect baseline schedule^{iv}.
3. Year-to-date actual spend vs annual budget, and total actual spend vs total budget, using the cost categories from Table 2 of the MRP Cost Report for baseline 4 and the in-effect baseline budget.
4. Any changes to cost forecast, schedule forecast, or changes to project scope.
5. An up-to-date public version of the MRP Strategic Risk Review.
6. A report on the IESO's MRP milestone progress at the end of each quarter.

ⁱThe Schedule Performance Index (SPI) is a measure of the conformance of actual (earned) progress to the planned progress and is calculated as: $SPI = \text{earned value} / \text{planned value}$.

ⁱⁱThe Cost Performance Index (CPI) calculates the cost efficiency of the project through the following formula: $CPI = \text{earned value} / \text{actual cost}$.

ⁱⁱⁱPrevious baseline (BL4) is the MRP project schedule which estimated a go-live date of November 2023. As 2023 was the last year of the program the BL4 annual budget column is no longer being reported.

^{iv}The in-effect baseline schedule, also referred to as current baseline 5 (BL5), estimates a May 2025 go-live date.

#1, #2: As of March 31, 2024: project performance

	Schedule Performance Index (Current BL5)	Cost Performance Index (Current BL5)	Actual Progress (Calculated as earned value/total value)	Planned Progress (Current BL5) (Calculated as planned value/total value)	Planned Progress (Previous BL4) (Calculated as planned value/total value)
Q1 2024	1.00	1.094	84%	84%	100%

#3: As of March 31, 2024: project spend

Q1 2024 - for Current BL5 (In \$ Millions)	Year-To-Date Actual ^v Spend	Annual Budget (Current BL5)	Total Actual ^{vi} Spend	Total Budget (Current BL5)	Total Budget (Previous BL4)
Operating: Compensation & Benefits	1.2	3.1	22.3	25.7	19.6
Operating: Professional & Consulting	0.1	1.2	7.3	10.3	8.6
Operating: Operating & Administration	0.0	0.1	1.1	1.4	1.2
Total Operating Expenses	1.3	4.4	30.7	37.4	29.4
Capital: Compensation & Benefits	3.1	14.6	56.2	79.2	57.1

^v Year-to-date actual spend values are unlikely to change, but may be subject to year-end auditing and financial procedures.

^{vi} Total actual spend values are unlikely to change, but may be subject to year-end auditing and financial procedures.

Q1 2024 - for Current BL5 (In \$ Millions)	Year-To-Date Actual ^v Spend	Annual Budget (Current BL5)	Total Actual ^{vi} Spend	Total Budget (Current BL5)	Total Budget (Previous BL4)
Capital: Professional & Consulting	1.0	1.5	11.5	15.6	18.7
Capital: Operating & Administration	6.0	9.7	71.5	78.0	55.5
Capital: Interest	1.7	2.4	7.1	8.1	7.0
Capital: Contingency	-	-	-	15.0	10.0
Total Capital Expenses	11.8	28.2	146.3	195.9	148.3
Total MRP Expenses	13.1	32.6	177.0	233.3	177.7

#4: Update – March 2024

No changes to cost forecast, schedule forecast, or changes to project scope this quarter.

#5: Top MRP Program Risks

In January 2024, IESO reviewed the top risks impacting successful delivery of MRP. Previously, the program reported on six top program risks. Following the review, the program is reporting on four top program risks which includes one new, one unchanged risk and two risks restated with additional context. The other two previously reported risks have been mitigated to target levels and will continue to be monitored.

	Risk Event		Impact	Likelihood	Risk Score	Trend
R1	Market Participants are, or perceive themselves, as unprepared for go-live <i>Formerly: Market participants are unprepared for go-live</i>	Residual	Significant [4]	Possible [3]	High [12]	-
		Target	Minor [2]	Possible [3]	Low [6]	
R2	Challenges to MRP market rule amendments have material impact on project benefits or schedule	Residual	Significant [4]	Possible [3]	High [12]	-
		Target	Significant [4]	Possible [3]	High [12]	
R3	Non-discretionary change requests and defects to be resolved cannot be completed within current schedule and/or budget	Residual	Significant [4]	Possible [3]	High [12]	-
		Target	Minor [2]	Possible [3]	Low [6]	
R4	Impacted lines of business are unprepared for renewed market operations <i>Formerly: Internal IESO is unprepared to use technology solutions and operate the market</i>	Residual	Moderate [3]	Likely [4]	High [12]	-
		Target	Minor [2]	Possible [3]	Low [6]	

Risk #	Next Risk Assessment
R1	Q2 2024 lessons learned from Connectivity Testing and results of next MP Readiness Assessment Q4 2024 test results from Market Trials and results of next MP Readiness Assessment
R2	Q3 2024 Following Technical Panel Vote to Provisionally Recommend the Market System & Operations Market Rules
R3	Q2 2024 Test Results from Business Process Integration Testing of Operational Tools and findings of DSO review Q3 2024 Test Results from MP Connectivity Testing, System Integration Testing of MRP Settlements Q4 2024 Test Results from User Acceptance Testing of Operational Tools, Market Trials and Control Room training
R4	Q2 2024 Lesson learned from Business Process Integration Testing – Operational Tools Q4 2024 Post-UAT Readiness Assessment

Residual Risk Score Scale:



#6: Quarterly MRP Milestones Progress

In December 2023, the IESO performed a comprehensive review of the key project milestones for 2024 and 2025 informed by experiences and lessons learned over the previous 15 months of implementation since the Board approved the revised schedule and budget in August 2022. As a result, the remaining project milestones have been revised to emphasize key market participant facing activities while maintaining critical path milestones and incorporating learnings for schedule optimization to neutralize risks to the MRP schedule and budget. The updated list of key milestones includes 20 milestones planned for 2024 and seven milestones planned for 2025.

Key Milestones Completed as of Q1 2024	Status
Factory Acceptance Testing: Dispatch Scheduling & Optimization	Completed 7-Dec-22
Site Acceptance Testing: Economic Operating Site	Completed 5-Jan-23
System Integration Testing: Demand Forecast & Weather Provider	Completed 15-Mar-23
Business Requirement Documents - Market Power Mitigation	Completed 22-Mar-23
Go-live Activities - Change Impact Assessments (Internal & External)	Completed 31-Mar-23
User Acceptance Testing: Market Registration Process (Online IESO)	Completed 27-Apr-23
Solution Development - Market Information Management Infrastructure - Release 1	Completed 4-May-23
Solution Development - Dispatch Data Management System	Completed 26-May-23
Site Acceptance Testing: Dispatch Scheduling & Optimization - Release 1	Completed 29-May-23
Market Rules & Market Manuals - Interim Alignment	Completed 28-Jun-23
Solution Development - Energy Market Administration Tool	Completed 30-Jun-23
Solution Development - Energy Market Interface	Completed 30-Jun-23
Solution Development - Market Power Information System - Phase 1 - Vendor	Completed 30-Jun-23
Factory Acceptance Testing: Market Information Management Infrastructure - Release 1	Completed 30-Jun-23
Site Acceptance Testing: Dispatch Data Management System	Completed 26-Jul-23
Market Rules & Market Manuals - Settlements, Metering & Billing	Completed 17-Aug-23
Internal Manuals - Series 4: Finance/Prudentials	Completed 13-Sep-23

Key Milestones Completed as of Q1 2024	Status
Site Acceptance Testing: Market Power Information System	Completed 10-Oct-23
Site Acceptance Testing: Market Information Management + Energy Market Administrative Tool - Release 1	Completed 20-Oct-23
Site Acceptance Testing: Market Information Management + Energy Market Interface - Release 1	Completed 20-Oct-23
Solution Development - Market Information Management Infrastructure - Release 2	Completed 24-Oct-23
System Integration Testing: Operational Tools - Part 1	Completed 30-Oct-23
Business Requirement Documents - External Reports	Completed 30-Nov-23
Factory Acceptance Testing: Market Information Management - Release 2	Completed 21-Dec-23
Market Participant Testing - Market Trials Communications & Support Plan	Completed 29-Dec-23
Solution Development - Market Power Information System - Phase 2 - IESO	Completed 14-Feb-24
Market Participant Testing - Market Participant Connectivity Testing & Data Preparation	Completed 22-Feb-24
User Acceptance Testing: Demand Forecast	Completed 11-Mar-24
Site Acceptance Testing: Market Information Management + Energy Market Administrative Tool & Energy Market Interface - Release 2 (merged milestones)	Completed 13-Mar-24
System Integration Testing: Operational Tools - Part 2	Completed 13-Mar-24
Solution Development - Centralized Alarm Management System	Completed 21-Mar-24

Key Milestones Forecast	Status	Expected Completion Date
Business Process Integration Testing - Operational Tools	Added – in progress	30-Apr-24
Market Participant Testing - Market Participant Test Connectivity	In progress	24-May-24
Solution Development - MRP Settlements	Added – in progress	7-Jun-24
Market Rules & Market Manuals - Market & Systems Operations [Provisional Approval]	-	7-Jun-24

Solution Development - External Reports	In progress, New Completion Date	28-Jun-24
Go-live Readiness Assessment Criteria & Schedule (previously listed as Go-live Acceptance Criteria)	In progress, New Completion Date	28-Jun-24
System Integration Testing: Operational Tools & Settlements	Starts Jun 2024	30-Aug-24
User Acceptance Testing: Operational & Settlement Tools (previously listed as User Acceptance Testing: Operational Tools)	Starts May 2024	6-Sep-24
MRP Go-Live Plan [previously listed as Go-live Activities - Go-live Support Plan (Internal & External)]	Starts April 2024	30-Sep-24
Market Participant Testing - Market Trials + merged milestones (previously listed as Market Participant Testing – Registration)	Starts July 2024	4-Oct-24
Market Rules & Market Manuals - Final Alignment [All Batch Final Approval]	-	16-Oct-24
Registration Launch (previously listed as Registration Go-Live)	-	31-Oct-24
Market Participant Testing - End-to-End	Starts Jan 2025	31-Mar-25
Go-live Activities - Go-live Communications Plan (Internal & External)	Starts Oct 2024	25-Mar-25
Training - Internal Training Delivery for Market Go-live	On Track	1-Apr-25
Final Cutover Exercise	Starts Mar 2025	4-Apr-25
MRP Go-live (In Production)	-	May-25