

Market Renewal Program Quarterly Project Status Report

Quarterly Report on the Market Renewal Program Status

As of March 31, 2025 (Q1 2025)

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, 2025: 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 2025 | 1.00 | 1.04 | 99% | 99% | 100% |

#3: As of March 31, 2025: project spend

| Q4 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 | 0.9 | 3.1 | 27.2 | 25.7 | 19.6 |
| Operating: Professional & Consulting | 0.1 | 1.2 | 7.6 | 10.3 | 8.6 |
| Operating: Operating & Administration | 0.0 | 0.1 | 1.1 | 1.4 | 1.2 |
| Total Operating Expenses | 1.0 | 4.4 | 35.9 | 37.4 | 29.4 |
| Capital: Compensation & Benefits | 3.0 | 14.6 | 68.5 | 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.

| Q4 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+191.9 | 0.6 | 1.5 | 15.0 | 15.3 | 18.7 |
| Capital: Operating & Administration | 0.9 | 9.7 | 89.6 | 78.0 | 55.5 |
| *Capital: Interest | 1.7 | 2.4 | 14.3 | 15.1 | 7.0 |
| Capital: Contingency | 1.6 | - | 4.5 | 15.0 | 10.0 |
| Total Capital Expenses | 7.9 | 28.2 | 191.9 | 202.6 | 148.3 |
| Total MRP Expenses | 8.9 | 32.6 | 227.8 | 240.0 | 177.7 |

*On March 7th, 2025, the IESO board approved a \$7M budget increase for the unbudgeted interest expense.

#4: Update – March 2025

No changes to schedule forecast or changes to project scope this quarter. There was an increase to cost forecast as per note above.

#5: Top MRP Program Risks

In March 2025, IESO reviewed the top risks impacting successful delivery of MRP. R1, R3 and R4 risks have been mitigating, meeting their target risk scores; residual risk scores were updated from Medium to Low following successful completion of End-to-End Market Participant Testing, Go-Live Cutover Exercises, favourable results from the March readiness assessment surveys completed by Market Participants and IESO staff, and a limited number of defects with plans in place to address ahead of go-live.

| | Risk Event | | Impact | Likelihood | Risk Score | Trend |
|---|--|----------|-----------|--------------|------------|-------|
| R1 | Market Participants are, or perceive themselves, as unprepared for go-live | Residual | Minor [2] | Possible [3] | Low [6] | ↓ |
| | | Target | Minor [2] | Possible [3] | Low [6] | |
| R3 | Non-discretionary change requests and defects to be resolved cannot be completed within current schedule and/or budget | Residual | Minor [2] | Possible [3] | Low [6] | ↓ |
| | | Target | Minor [2] | Possible [3] | Low [6] | |
| R4 | Impacted lines of business are unprepared for renewed market operations | Residual | Minor [2] | Possible [3] | Low [6] | ↓ |
| | | Target | Minor [2] | Possible [3] | Low [6] | |
| Risk # | Next Risk Assessment | | | | | |
| MRP Go-Live is May 1 st , 2025. All program top risks are in the status of mitigating and monitoring given all risks have met their target risk score. | | | | | | |

Residual Risk Score Scale:

| | | | | |
|---------------|-----|--------|------|----------|
| Insignificant | Low | Medium | High | Critical |
|---------------|-----|--------|------|----------|

#6: Quarterly MRP Milestones Progress

MRP key milestones includes 20 milestones planned for 2024 and seven milestones planned for 2025.

| Key Milestones Completed as of Q1 2025 | 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 | |
| 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 | |

| Key Milestones Completed as of Q1 2025 | Status | |
|--|---------------------|--|
| 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 | 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 | |
| Business Process Integration Testing - Operational Tools | Completed 30-Apr-24 | |
| Market Participant Testing - Market Participant Test Connectivity | Completed 24-May-24 | |
| Solution Development - MRP Settlements | Completed 7-Jun-24 | |
| Market Rules & Market Manuals - Market & Systems Operations [Provisional Approval] | Completed 7-Jun-24 | |
| Solution Development - External Reports | Completed 28-Jun-24 | |
| Go-live Readiness Assessment Criteria & Schedule | Completed 28-Jun-24 | |
| System Integration Testing: Operational Tools & Settlements | Completed 30-Aug-24 | |
| User Acceptance Testing: Operational & Settlement Tools | Completed 6-Sep-24 | |
| MRP Go-Live Plan | Completed 30-Sep-24 | |

| Key Milestones Completed as of Q1 2025 | Status | |
|--|---------------------|--|
| Market Participant Testing - Market Trials | Completed 23-Oct-24 | |
| Market Rules & Market Manuals - Final Alignment [All Batch Final Approval] | Completed 18-Oct-24 | |
| Registration Launch | Completed 11-Nov-24 | |
| Go-live Activities - Go-live Communications Plan | Completed 25-Mar-25 | |
| Market Participant Testing - End-to-End | Completed 31-Mar-25 | |

| Key Milestones Forecast | Status | Expected Completion Date |
|--|-----------------|---------------------------------|
| Training - Internal Training Delivery for Market Go-live | On Track | 1-Apr-25 |
| Final Cutover Exercise | Starts Apr 2025 | 4-Apr-25 |
| MRP Go-live (In Production) | - | May-25 |