



2020-2021 BUSINESS PLAN

Introduction & Executive Summary

Introduction and Executive Summary

The Ontario Energy Board (OEB) is in a transitional phase pending the coming into force and implementation of the new governance structure set out in legislation that was passed in the spring of 2019. An important step in that transition is the appointment of Mr. Richard Dicerni as Special Advisor to the OEB in early February 2020, working within the existing governance structure until the new structure comes into force. Mr. Dicerni's appointment as Chair of the new OEB Board of Directors has been approved effective on proclamation of the legislative provisions that create the new governance structure.

In the 2020-2021 fiscal year, the OEB will shift to that new governance structure, and we expect to refresh our strategic vision and direction and align our operational priorities to the performance expectations that we anticipate will be articulated in a Ministerial Mandate Letter to be sent to the Chair of the OEB's new Board of Directors. The OEB has therefore prepared a one-year business plan, to respect the time needed for completion of that work.

While covering only a single fiscal year, the 2020-2021 Business Plan provides continuity on a number of initiatives that are carried forward from the previous planning cycle as well as integrating new ones. All of the key programs and activities are aligned with three priority areas of focus that underscore the importance of the initiatives for the sector and energy consumers:

- Improving regulatory processes and OEB performance;
- Consumer protection; and
- Industry efficiency.

Many of the key programs and activities are designed to enhance our work in areas that have been identified by the Minister of Energy, Northern Development and Mines and the Deputy Minister of Energy, Northern Development and Mines as critically important: adjudication of applications and consumer protection. Others focus on industry efficiency, which plays a key role in delivering value to energy consumers. A number reflect our appreciation for the OEB Modernization Review Panel's emphasis on achieving the highest standard of regulatory excellence, and by extension, our own commitment to implement process improvements and demonstrate the effectiveness of our work through robust and transparent performance measurement.

This Business Plan provides for the resources the OEB will need over the 2020-2021 planning period. The budget set out in this Business Plan incorporates a one per cent reduction when compared to the budget for this fiscal year that was presented in last year's Business Plan.

Stakeholders and intervenors make a significant contribution to the work of the OEB through our ongoing adjudicative and policy consultation processes and through advisory committees we have in place. In a letter issued to regulated entities and stakeholders in June 2019, the OEB confirmed our commitment to clear, open and transparent stakeholder processes. That commitment will continue to guide our approach to policy consultations in the 2020-2021 fiscal year. The OEB has continued to receive feedback from consumers and industry suggesting further opportunities for improvement, and we are listening and reflecting that feedback in our planning.

The OEB has adopted a range of measures to address and mitigate the risks we may encounter in carrying out the key programs and activities identified in this Business Plan. Relative to the last fiscal year, there has been an increase in residual risk identified for two of the categories of risk in our Enterprise Risk Register (see Appendix A): Organizational Capability/Capacity and Financial

Management. This Business Plan outlines the controls that we will use to mitigate these and other identified risks.

We are also implementing our outcomes-based Performance Measurement Framework. This initiative and its supporting elements, which will be refined over time, will equip the OEB and others to gauge whether the intended and desired outcomes in the Ontario energy sector are being achieved.

Mandate, Vision, Mission & Values

The OEB's Vision, Mission and Values, established in 2017, complement our mandate and support our role in ensuring that regulated entities deliver value for all Ontario energy consumers.

The OEB's Mandate

The OEB has regulated the natural gas sector since 1960 and the electricity sector since 1999. Our objectives, responsibilities and powers are set out in legislation, regulations and directives.

For industry, we:

- Set the rates and prices that electricity and natural gas utilities can charge
- Monitor the financial and operational performance of utilities
- Approve major new electricity transmission lines and natural gas pipelines that serve the public interest
- Approve mergers, acquisitions and dispositions by electricity and natural gas transmitters and distributors
- Set the payments to be received by Ontario Power Generation in respect of its regulated nuclear and hydroelectric generation facilities
- Establish and enforce codes and rules to govern the conduct of utilities and other industry participants
- License entities in the electricity sector and natural gas marketers

For consumers, we:

- Protect their interests with respect to the rates and performance of their utilities
- Provide them with the information they need to better understand their rights and responsibilities
- Protect their interests in retail electricity and natural gas markets
- Address the particular needs of low-income consumers in the context of utility customer service rules and assistance programs

In addition, we play an important role as an independent and expert advisor to government regarding energy policy matters.

These broad responsibilities and powers underlie our Vision, Mission and Values.

The Vision sets out where the OEB wants our organization and the sector we regulate to be in the coming years.

The Mission sets out how we aim to achieve that Vision.

The Values express our commitment about how we will conduct ourselves – both within our own organization and in our engagement with others.

Vision

The OEB supports and guides the continuing evolution of the Ontario energy sector by promoting outcomes and facilitating innovation that deliver value for all Ontario energy consumers.

Mission

We will pursue this Vision by:

- Strengthening the focus on demonstrable consumer value during a period of sector evolution
- Incenting and enabling innovation in a way that enhances consumer choice, control and value
- Strengthening and sustaining the confidence of consumers during a period of accelerating change
- Equipping our own organization to meet the challenges presented by sector evolution

Values

Effective – We hold ourselves to a high standard regarding the quality and efficiency of our work

Independent – We are objective and bring an open mind to all we do

Engaged – We learn from our dialogue with consumers, utilities and other industry participants

Expert – We are experts in our field and share our knowledge with others

Forward-looking – We support innovative solutions both within our own organization and by those we regulate

Respectful – We serve the public interest and treat everyone with respect

Environmental Scan

The 2019-2020 fiscal year saw significant changes in public policy and new legislation affecting the OEB. These key developments have informed the development of the 2020-2021 Business Plan and are summarized below.

On May 9, 2019, amendments to the *Ontario Energy Board Act, 1998*, were passed that will materially change the OEB's governance structure in line with recommendations contained in the OEB Modernization Review Panel's final report to the government released on March 15, 2019. When proclaimed into force, these amendments will, among other things:

- Create a new board of directors, led by a Chair who will be accountable to the Minister of Energy, Northern Development and Mines for the effective delivery of the OEB's mandate and for the independence of the OEB's adjudicators, who will be called Commissioners.
- Provide for a Chief Executive Officer separate from the Chair, who will be accountable for the efficient and effective management of the operations of the OEB and responsible for making rules and codes that govern the sector.
- Create the role of Chief Commissioner, who will be responsible for assigning casework and accountable to the CEO for the efficient and timely performance of the OEB's adjudicative work.
- Revise the OEB's objectives by replacing the objective of promoting the education of consumers with an objective of informing consumers embedded within the consumer protection objective.

Other developments of note in the broader public policy environment within which the OEB and the entities it regulates operate include:

Electricity Pricing

- In addition to the changes to the OEB's governance structure noted above, the *Fixing the Hydro Mess Act, 2019*, enabled new electricity bill relief in the form of an expanded rebate, to replace the Global Adjustment refinancing.
- The government consulted on industrial electricity prices and has indicated that it will move to the development and consideration of options for reform.

Expansion of Access to Natural Gas

- Amendments to the *Ontario Energy Board Act, 1998*, made by the *Access to Natural Gas Act, 2018*, came into force, implementing a new framework for the recovery of costs incurred in respect of eligible system expansion projects.
- On December 12, 2019, the Minister of Energy, Northern Development and Mines issued a letter to the OEB under section 35 of the *Ontario Energy Board Act, 1998*, requesting the preparation of a report on potential new projects as an input to assist the government in making a determination on future expansion projects.

Federal Carbon Pricing Program

- The federal *Greenhouse Gas Pollution Pricing Act* came into force and imposes obligations on Ontario's rate-regulated natural gas distributors, the costs of which are being recovered through rates.

Conservation and Demand Management (CDM)

- The government's 2015-2020 Conservation First Framework was discontinued and a centralized, streamlined 2019-2020 Interim Framework was launched. The OEB

understands that the government is currently planning for CDM beyond the Interim Framework to ensure continuity of programming.

Unit Sub-metering

- Provisions of the *Ontario Energy Board Act, 1998*, that gave the OEB authority to set what unit sub-meter providers can charge for their services were repealed.

Programs & Activities – Overview & Implementation Plan

Introduction

On March 21, 2019, the OEB received letters from the Minister of Energy, Northern Development and Mines and the Deputy Minister of Energy, Northern Development and Mines, setting out their expectations for the OEB during the transition to the new governance structure. These letters emphasized the critical importance of continuity of the OEB’s day-to-day regulation of the energy sector, and in particular our adjudicative and consumer protection work. Accordingly, the 2020-2021 Business Plan is organized around these two priorities, as well as a third priority that reflects our focus on outcomes that deliver value for energy consumers:

- Improving regulatory processes and OEB performance;
- Consumer protection; and
- Industry efficiency.

Below is a summary of the key programs the OEB will undertake in the 2020-2021 planning period and the key activities associated with each key program. The key programs are categorized according to the three priorities noted above. Programs and activities identified under each priority area include both key programs that are continued from the previous three-year planning cycle and others that are new.

Each key program in the plan is also linked to outcomes identified in the OEB’s Performance Measurement Framework.

Linking priorities and programs to outcomes in the Business Plan helps connect near-term efforts to broader longer-term goals and OEB-supported sector changes that may span across more than one planning cycle. The OEB’s Performance Measurement Framework is set out in Appendix B and discussed later in this Business Plan under “Performance Measures.”

The following table demonstrates the linkages among the priorities and outcomes that each key program in the upcoming planning period is intended to support.

Table: Key Programs, Priorities and Outcomes

<p>Priority: <i>Improving regulatory processes and OEB performance</i></p> <p>Ultimate Outcome: <i>OEB is a high performing regulatory tribunal</i></p>	<p>Priority: <i>Consumer protection</i></p> <p>Ultimate Outcome: <i>Consumers have confidence in the oversight of the sector</i></p>	<p>Priority: <i>Industry efficiency</i></p> <p>Ultimate Outcome: <i>Utilities are delivering value to consumers</i></p>
<p>Key Programs:</p> <ul style="list-style-type: none"> ▪ Proportionate Cost-of-Service Rate Applications ▪ Evaluation of Policy on Utility Consolidations (MAADs) ▪ Review of Reporting & Record-keeping Requirements (RRRs) ▪ Measure OEB Outcomes ▪ Enhancing OEB Performance ▪ Human Resources Strategy ▪ Review of Service Commitment Metrics 	<p>Key Programs:</p> <ul style="list-style-type: none"> ▪ Consumer Outreach ▪ Review of Customer Service Rules and Charges ▪ Strengthening Utility Accountability to Customers ▪ Affiliate Relationships Code 	<p>Key Programs:</p> <ul style="list-style-type: none"> ▪ Natural Gas Demand Side Management (DSM) ▪ “Smarter” Electricity Prices ▪ Utility Benchmarking ▪ Updating the Electricity Distributor Scorecard ▪ Regional Planning Review ▪ “Smarter” Electricity Delivery Rates ▪ Utility Remuneration ▪ Responding to Distributed Energy Resources (DERs) ▪ Distribution System Code (DSC) Connections Review to Facilitate Distributed Energy Resources

Summary of Programs & Activities

A. Priority: Improving Regulatory Processes and OEB Performance

KEY PROGRAMS & ACTIVITIES

Proportionate Cost-of-Service Rate Applications: We will further develop our approach to ensuring that our assessment of electricity cost-of-service rate applications is proportionate and aligned with performance-based regulation, having regard to utility performance and the magnitude of the requested rate change.

Key Activities in FY 2020-2021: Consult with stakeholders to confirm the scope, principles and objectives of the proportionate approach, including near-term opportunities to enhance regulatory efficiency.

Implementation tools: research, analysis, stakeholder consultation, consumer engagement, guidance to utilities and adjudicative proceedings

Evaluation of Policy on Utility Consolidations (MAADs)¹: The OEB has issued more than a dozen decisions under the current MAADs policy since 2015. We will review the MAADs policy with a view to assessing how well it has met its stated objectives and to identifying and implementing any modifications as appropriate, including any opportunities for enhancing regulatory efficiency.

Key Activities in FY 2020-2021: Complete the evaluation and development of any modifications.

Implementation tools: research, analysis, stakeholder consultation, consumer engagement, guidance to utilities and adjudicative proceedings

Review of Reporting & Record-keeping Requirements (RRRs): We will assess the current RRRs in light of the objective of effective and efficient regulation, with a view to ensuring that reporting requirements meet the OEB's and the sector's needs for transparency in relation to performance while minimizing regulatory burden on utilities.

Key Activities in FY 2020-2021: Initiate a review of the RRRs through a broad-based stakeholder consultation to identify improvements in utility reporting. Refine the RRRs as appropriate based on the review.

Implementation tools: analysis, stakeholder consultation, guidance to utilities and reporting

Measure OEB Outcomes: We will continue the definition and refinement of our outcomes-based Performance Measurement Framework that enables the OEB to assess the cumulative effects of the full array of policy, operational and strategic activities that the organization undertakes from year to year.

Key Activities in FY 2020-2021: Assess 2019 performance under the outcomes-based Performance Measurement Framework. Further refine the Framework and indicators as appropriate and to align with the evolution of the OEB's strategic vision and otherwise.

Implementation tools: research, surveys, communications and reporting

Enhancing OEB Performance: To ensure our organization has the expertise, resources and processes appropriate for the changing environment, we will identify the attributes of high-performing tribunals and establish a framework through which continuous improvement will be encouraged, achieved and measured.

¹ MAADs refers to merger, acquisition, amalgamation and divestiture transactions undertaken by regulated utilities.

Key Activities in FY 2020-2021: Implement changes as appropriate to address issues identified in the 2020 performance survey. Develop performance measurement tool specific to the OEB.

Implementation tools: research, surveys, stakeholder consultation, communications and reporting

Human Resources Strategy: The Human Resources Strategy outlines a multi-year plan of programs and objectives to support tribunal excellence and align with the OEB's business plans, priorities and corporate objectives.

Key Activities in FY 2020-2021: Assess talent requirements against potential gaps and develop solutions to (i) ensure that staff skills reflect the evolving needs of the OEB, and (ii) mitigate people risk through the development and implementation of succession plans for critical skills and key talent.

Implementation tools: research, analysis, consultation, internal communications and internal reporting

Review of Service Commitment Metrics: In keeping with the recommendations in the OEB Modernization Review Panel's final report, we will review the service commitment metrics that govern the OEB's engagement with consumers and regulated entities in order to assess their continued relevance and alignment with stakeholder expectations of a responsive regulator.

Key Activities in FY 2020-2021: Conduct a review of existing service commitment metrics and implement changes, as appropriate.

Implementation tools: research, analysis, stakeholder consultation and consumer engagement

B. Priority: Consumer Protection

KEY PROGRAMS & ACTIVITIES

Consumer Outreach: To increase consumers' confidence in the oversight of the sector and in their ability to make choices about products and services, we will continue with our five-year communications strategy to engage with consumers about the energy sector, consumers' rights and choices, and the work of the OEB.

Key Activities in FY 2020-2021: Continue our five-year program of public outreach, and implement a range of communications programs that inform consumers about issues of importance to them. Monitor and assess the effectiveness of these activities.

Implementation tools: research, consumer engagement and communications

Review of Customer Service Rules and Charges: We will monitor the implementation of the OEB's enhanced customer service rules by natural gas and electricity distributors and unit sub-meter providers. The new rules were developed by the OEB over the last two years to ensure that they maintain an appropriate balance between consumer protection and the ongoing operational needs of energy utilities.

Key Activities in FY 2020-2021: Develop and implement a program for monitoring and enforcing regulated entity compliance with the OEB's new customer service rules.

Implementation tools: consumer surveys, stakeholder consultation, consumer engagement and reporting

Strengthening Utility Accountability to Customers: To ensure that electricity distributors and transmitters continue to deliver value to consumers in a changing environment, we will improve the reporting by utilities regarding the quality of the service they provide their customers.

Key Activities in FY 2020-2021: Consult on improvements to reliability reporting by distributors and transmitters.

Implementation tools: research, analysis, stakeholder consultation, consumer engagement, guidance to utilities, code amendments and reporting

Affiliate Relationships Code: We will undertake a review of the regulatory requirements for affiliate relationships for both electricity and natural gas utilities to ensure the requirements maintain an appropriate balance between protecting the interests of consumers, efficiency in regulation and the role of utilities in an evolving energy sector.

Key Activities in FY 2020-2021: Consult and prepare a report on issues and challenges regarding utility affiliate relationships and potential options for changes to the Affiliate Relationships Code.

Implementation tools: research, analysis, stakeholder consultation, consumer engagement, code and rule amendments and reporting

C. Priority: Industry Efficiency

KEY PROGRAMS & ACTIVITIES

Natural Gas Demand Side Management (DSM): As part of the 2015-2020 DSM framework established by the OEB in 2014, the OEB took on a central role in the evaluation of DSM program results. DSM programs are evaluated on an annual basis, with results issued by the OEB to be used by the gas utilities when they file applications for recovery of amounts related to DSM activities. We will complete the Evaluation, Measurement & Verification (EM&V) of DSM programs for the 2015-2020 period. The current DSM framework expires at the end of 2020. We will establish a new DSM framework for the post-2020 period that facilitates continuous improvement in the design and delivery of energy efficiency programs to ensure they are optimized and provide the best value to customers.

Key Activities in FY 2020-2021: Complete the EM&V of the 2019 DSM results and complete a draft of a new framework for the post-2020 period.

Implementation tools: research, analysis, stakeholder consultation, consumer engagement, guidance to gas utilities, rate orders and reporting

“Smarter” Electricity Prices: We are exploring new ways of setting commodity prices for low-volume and other Class B electricity customers to provide incentives and opportunities to reduce bills while also improving the efficiency of the electricity system. This includes alternative price designs for the recovery of Global Adjustment costs from Class B consumers, as laid out in the OEB’s Regulated Price Plan (RPP) Roadmap.

Key Activities in FY 2020-2021: Based on results of RPP pilots and subsequent evaluation, engage with consumers and stakeholders and identify preferred pricing options.

Implementation tools: RPP pilot program results, analysis, stakeholder consultation and consumer engagement

Utility Benchmarking: We will continue our work to expand the scope of electricity distributor benchmarking with the objective of improving regulatory efficiency and to drive greater cost discipline and efficiency among utilities, ultimately reducing costs for consumers.

Key Activities in FY 2020-2021: Develop first report on electricity distributor activity- and program-based benchmarking.

Implementation tools: research, stakeholder consultation, consumer engagement, guidance to utilities and reporting

Updating the Electricity Distributor Scorecard: The OEB’s electricity distributor scorecards have been in place for over five years. To ensure they continue to provide value to consumers in a changing environment and support effective regulation of the sector, we are reviewing the scorecard and evaluating options for improvement such as streamlined reporting processes for distributors.

Key Activities in FY 2020-2021: Consultation on the scorecard to develop changes as appropriate.

Implementation tools: research, analysis, stakeholder consultation, consumer engagement and guidance to electricity utilities

Regional Planning Review: We will undertake a review of the Regional Planning Process to assess its effectiveness in delivering value to consumers through improved investment planning across the electricity sector and with the objective of increased efficiency in the regulatory review of investments. This review will consider the results of the IESO’s regional planning review, when completed.

Key Activities in FY 2020-2021: Consultation on the Regional Planning Process.

Implementation tools: research, analysis and stakeholder consultation

“Smarter” Electricity Delivery Rates: To support the evolution of the energy sector through encouraging efficient use of electricity infrastructure and enabling greater customer choice and control, we are developing a new rate design policy for commercial and industrial customers.

Key Activities in FY 2020-2021: Develop a final commercial and industrial customer rate design and related implementation plan. Undertake an analysis of transmission billing issues related to gross load billing.

Implementation tools: research, analysis, stakeholder consultation, consumer engagement, guidance to utilities and consumer communications

Utility Remuneration: To support the evolution of the sector, we are taking steps toward evaluating options for a regulatory framework that remunerates utilities in ways that make them equally open to traditional or alternative solutions, better supports their pursuit of least-cost solutions, strengthens their focus on long-term value and requires them to reflect the impact of sector evolution in their system planning and operations.

Key Activities in FY 2020-2021: Develop a project plan based on confirmed scope that reflects stakeholder input and carry out initial activities.

Implementation tools: research, analysis and stakeholder consultation

Responding to Distributed Energy Resources (DERs): In light of the emergence of new DERs, we will identify and consider regulatory reforms that would facilitate investment in DERs on the basis of the value to consumers.

Key Activities in FY 2020-2021: Develop a project plan based on confirmed scope that reflects stakeholder input and carry out initial activities.

Implementation tools: research, analysis and stakeholder consultation

Distribution System Code (DSC) Connections Review to Facilitate Distributed Energy Resources: We will evaluate the current provisions of the DSC governing the connection of loads, generators, storage and similar facilities and consider appropriate modifications to facilitate customer adoption of new technologies.

Key Activities in FY 2020-2021: Implement changes to the DSC and reporting requirements as appropriate to support customer adoption of new technologies.

Implementation tools: research, analysis, stakeholder consultation, guidance to utilities, reporting requirements and code amendments

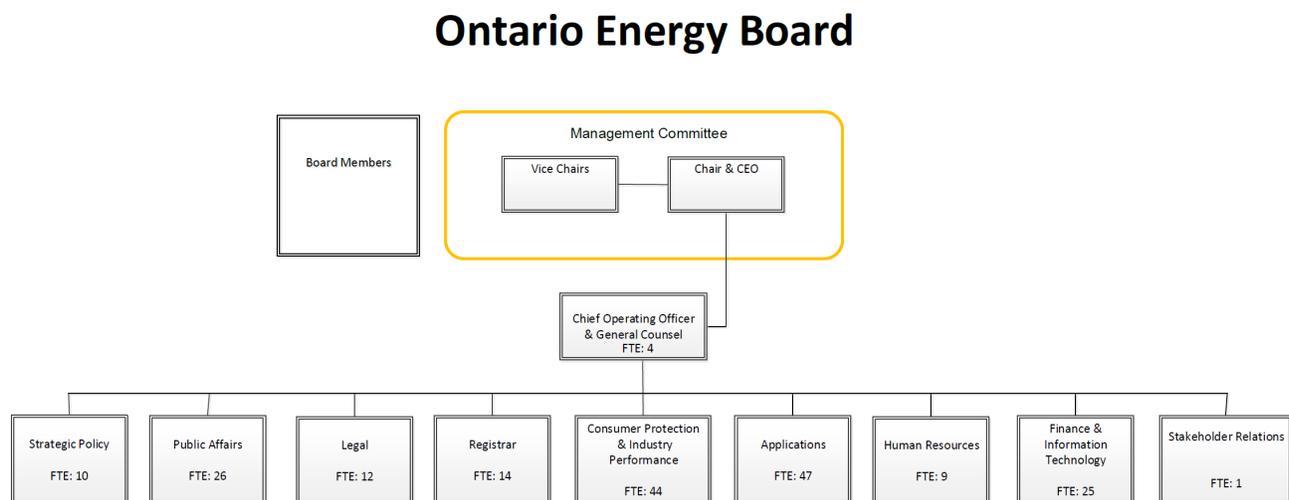
Resources Needed To Meet Goals & Objectives

The OEB employs the resources needed to undertake the programs and activities described above.

The budgeted headcount over the planning period is 192 full-time equivalents for staff and 11 Appointees under the new governance structure (CEO, Chair of the Board of Directors, Chief Commissioner and Commissioners). This headcount is needed in order to deliver on the OEB's mandate and execute the programs and activities set out in this Business Plan.

While not included in the above headcount, the budget has assumed the recruitment of up to four other members of the Board of Directors.

The following organizational chart represents the OEB's current structure. This will change when the transition to the new governance structure is completed.



Human Resources Assumptions

Staff headcount over the planning period is budgeted at 192 full-time equivalents. The majority of staff are directly involved in the OEB's adjudicative, consumer protection and compliance activities. These resources are consistent with our previous Business Plan.

The budgeted headcount also includes 11 Appointees, and we have also budgeted for additional members of the Board of Directors (detailed above). The number of Appointees ensures the ability to cover projected caseloads and alignment with the new governance structure.

Approximately three-quarters of staff positions are unionized. The current three-year Collective Agreement with the Society of United Professionals expires on March 31, 2022.

For non-represented staff, the OEB's compensation philosophy is targeted to the 50th percentile of our market comparator group. That group comprises public and private sector comparators including comparators from the energy sector and other regulators. Benefits for non-represented employees are based on a benefit plan that is similar to the bargaining unit and reflects corporate policies.

The OEB participates in the Ontario Public Service Pension Plan with matching employee and employer contributions.

Incentive pay for eligible bargaining unit and non-represented staff, including full-time Appointees, has been budgeted in accordance with the Collective Agreement, approved Incentive Plans and the Broader Public Sector Executive Compensation (BPSEC) framework, as applicable.

In support of the OEB as a high performing tribunal, staff development continues to be a priority to ensure that (i) the OEB is a knowledgeable, capable and responsive regulatory tribunal, and (ii) the OEB can promote internal staff, where appropriate, to take on new responsibilities. With a greater focus on stakeholder engagement and an evolving adjudicative framework, new and different skills sets may be required.

Knowledge transfer and recruitment strategies are important to maintaining organizational capacity and capability due to the aging demographics of our workforce and the emerging need for new skill sets within the organization.

Strategic human resource priorities also include a focus on effective communication, supporting organization performance to achieve desired outcomes, and enhancing employee wellness and resiliency, given the rapid pace of change in the energy sector.

Risk Assessment & Mitigation – 2020 to 2021

We have made a comprehensive assessment of corporate risk and continue to identify and implement appropriate controls to minimize risk. Our formal risk assessment process has been developed with the assistance of MNP, a leading management consulting firm. It involves the following steps:

1. Confirming existing and identifying new or emerging risks having regard to key business objectives (as set out in the Programs and Activities above);
2. Assessing those risks and their implications;
3. Determining the appropriate approach to risk response and mitigation; and
4. Implementing appropriate risk mitigation measures and controls, and monitoring both their effectiveness and the residual risk to the organization.

The risk categories, controls and mitigation measures, and residual risk are set out in the OEB Enterprise Risk Register attached as Appendix A. That Enterprise Risk Register has been reviewed by both the OEB’s Management Committee and our Executive Team.

Over the last year, there has been an increase in residual risk identified for two risk categories in the OEB Enterprise Risk Register. Details of the changes in respect of those two risk categories are set out below.

Enterprise Risk Register: Summary of Changes

#9 Organizational Capability / Capacity				
Inherent Risk	Limited pool of qualified candidates to recruit from and/or ability to retain qualified personnel could result in the OEB not having the required organizational capabilities and/or capacity to deliver on our mandate.			
Evolution of Risk and Controls	Adjustment to the ‘Inherent Risk’ description to eliminate duplication. Increase in likelihood score due to ongoing organizational transition of OEB.			
Risk Rating	2019-2020		2020-2021	
	Likelihood	Impact	Likelihood	Impact
	3	4	 4	4

#13 Financial Management				
Inherent Risk	Financial budget may not be aligned to the strategic plan, which could reduce the OEB's ability to effectively allocate resources to deliver on our mandate.			
Evolution of Risk and Controls	An adjustment was made to the 'Inherent Risk' description for clarity. The likelihood score increased to reflect the Ministry's expectations for cost savings and operational efficiencies.			
Risk Rating	2019-2020		2020-2021	
	Likelihood	Impact	Likelihood	Impact
	2	2	 4	2

Initiatives Involving Third Parties

The OEB has engaged third parties to assist with the delivery of the Ontario Electricity Support Program (OESP). Further details about the OESP and its delivery are set out below.

Background

The OESP is administered by the OEB and provides on-bill rate assistance to eligible low-income electricity customers. A central service provider manages application intake and processing. Applications involve sensitive information such as household income, social insurance numbers and dates of birth.

ICF Canada

The OEB has contracted ICF Canada to carry out the delivery of the OESP. ICF provides, among other services, the central IT system that enables consumers to apply for the OESP through a web portal, and that connects with electricity distributors, the Ministry of Finance and the Ministry of Children, Community and Social Services as part of the application processing and determination of eligibility processes.

The contract for services is for five years (with a three-year extension option) on a fixed-price basis, as well as certain per-application fees once planned numbers are exceeded.

ICF was selected through a competitive procurement process. The OEB reviews and monitors ICF's performance on an ongoing basis. All payments to ICF are reviewed and approved by a member of the OEB's Executive Team, and may be subject to audit at the OEB's discretion.

OESP Intake Agencies

The OEB has also entered into agreements with more than 125 community (intake) agencies to assist with the delivery of the OESP. The involvement of intake agencies helps ensure that the OESP reaches the broadest population of low-income households.

Intake agencies are compensated monthly per application submitted. All amounts paid to agencies are reconciled against the application data that ICF has received from the agencies. The total amounts are confirmed by OEB staff and approved by a member of the Executive Team before payments are authorized. Audit trails for all payments to agencies are maintained in the ICF database in accordance with the standards stipulated in the ICF contract.

Performance Measures

Outcomes-Based Performance Measurement Framework

The OEB is continuing to implement a new Performance Measurement Framework in order to measure whether the outcomes desired for Ontario's energy sector are being achieved.

Historically, we have tracked our performance through the achievement of specific project milestones over a given period. While this practice will continue, we are now also measuring progress on broader organizational goals and outcomes to allow us to assess the cumulative effects of the full array of policy, operational and strategic activities that the organization undertakes from year to year.

The Performance Measurement Framework consists of two elements: a logic model, which lays out how areas of the OEB work together to deliver on key objectives for the organization as a whole, and a set of outcomes and indicators. The indicators measure progress towards the outcomes identified in the logic model.

The Framework itself consists of two types of outcomes: *sector outcomes*, which are end-states in the sector to which the OEB's work contributes, and *ultimate outcomes*. These latter outcomes tend to be conditions or states in the energy sector, the achievement of which is intrinsic to the delivery of our mandate.

While the sector and ultimate outcomes are not exclusively differentiated by duration or timescale, ultimate outcomes are generally those realized and sustained over several years and planning cycles; progress is measured over years and business cycles. Sector outcomes, by contrast, may be achieved more immediately, measured more frequently and compared over less time. They also tend to be significant or even necessary conditions required to achieve an ultimate outcome or outcomes. The Performance Measurement Framework, including the logic model, is attached as Appendix B.

Since the development of the Framework in 2018-2019, OEB staff have developed a suite of performance indicators, which collectively cover each of the nine outcomes identified in the Performance Measurement Framework. These indicators, which gauge the amount or rate of change in a particular state, cost or level of activity over time, enable progress towards certain outcomes to be assessed and quantified.

Work over the last year focused on testing and refining the initial indicators that were developed for inclusion in the 2019-2022 Business Plan; a major element of this work was the development of baselines and initial results based on 2018 data. These activities allowed us to confirm or refine the definition of indicators, as well as to create new ones and replace others. Most indicators are still in the initial or defined stage of maturity, suggesting that they may require refinement and adjustment over time.

A focus on continuous improvement will enable objectives to become more refined and for new measures to be introduced. The next planned step will be to assess results from 2019. This activity will allow us not only to assess our progress towards our sector and ultimate outcomes, but also to test further the operation of the Performance Measurement Framework itself. A review of the way it is working will also provide an opportunity to confirm, refine or update performance indicators as a result of changes that may arise in the course of the OEB's transition to a new governance structure.

Service Commitment Metrics

The OEB has established a set of service commitment metrics that govern our engagement with consumers and regulated entities. We will track our performance against these metrics in the upcoming year. We will also review our existing metrics in order to assess their continued relevance and alignment with stakeholder expectations of a responsive regulator.

Metrics for Engagement with Consumers & Regulated Entities

OEB Activity	Objective	2020-2021 Metrics (%)
Consumer calls	Answer incoming calls within 20 seconds	90
Consumer correspondence	Respond to general correspondence within 10 business days	85
Consumer voicemail messages	Respond to voicemail received by 12:30pm within the same day	80
Consumer voicemail messages	Respond to voicemail received after 12:30pm by the next business day before 12:30pm	80
Consumer satisfaction	Overall satisfaction survey score	80
Consumer complaint letters	Mail complaint follow-up letters to consumer within two business days	80
Consumer complaint letters	Mail a follow-up letter to consumers after receiving a response from the licensee within two business days	80
Consumer enquiry letters	Mail enquiry response letters within two days	80
Industry Relations enquiries	Respond to Industry Relations enquiries within 10 days	90
Regulatory applications	Issue final decisions in accordance with metrics established by Management Committee (see table below)	80
Innovation Sandbox Process	Meet with parties within 20 days of an initial request to do so	100
Innovation Sandbox Process	Issue decision, where required, on Sandbox proposal in accordance with metrics	100

The metric regarding regulatory applications employs the performance standards for the issuance of final decisions for certain types of applications as set out in the table below. The OEB will continue to work on performance standards for adjudication as part of our work on service commitment metrics. Certain performance standards set out below may be revised during the 2020-2021 fiscal year.

Total Period Elapsed to OEB Decision (Calendar Days) by Application Type

Application Type	Written Hearing	Oral Hearing
Facilities		
Municipal Franchise or Certificate	90	205
Leave to Construct / Gas Storage Designation	130	210
Well Drilling	130	210
Licensing		
Licence	90	210
Mergers, Acquisitions, Amalgamations and Divestitures		
A review of a section 80 or 81 notice of proposal under section 82 (generation, transmission, distribution ownership prohibited without prior notice)	170	220
Section 86 (change of ownership or control of utilities and assets)	130	180
Quarterly Rate Adjustment (QRAM)		
QRAM Filing	21	n/a
Other		
General Application (Motion to Review)	120	170
Sandbox Decision (if required)	185	n/a
Rates *		
Cost Based: >\$500 Million Annual Revenue Requirement	355	
Cost Based: <\$500 Million Annual Revenue Requirement	230	
Complex Incentive Rate-setting Mechanism (or other stand-alone request)	165	
Accounting Order (or other stand-alone request)	125	

*Effective April 1, 2019, the OEB adopted new performance standards for processing rate applications that reflect the size of revenue requirement rather than the hearing type (i.e. oral or written).

2020-2021 Budget

Section 26 Budget and Results

This Business Plan provides the resources needed over the 2020-2021 planning period for the OEB to deliver on our mandate and execute key programs and activities described above, as the OEB transitions to a new governance structure. The section 26 budget incorporates a one per cent reduction for this fiscal year when compared to the budget that was presented in last year's Business Plan.

For the 2020-2021 fiscal year, the OEB has included the same headcount as in the 2019-2022 Budget. The headcount is 192 full-time equivalents for staff and 11 Appointees under the new governance structure (CEO, Chair of the Board of Directors, Chief Commissioner and Commissioners), as outlined in the Resources Needed to Meet Goals & Objectives section above. While not included in headcount, the budget assumes the recruitment of up to four other members of the Board of Directors.

As a self-financing entity, the OEB has established an operating reserve. The primary purpose of this reserve is to fund our operations in the event of revenue shortfalls or unanticipated expenditures. It is also used to manage cash flows and to support working capital requirements. The operating reserve can be up to 20 per cent of our current annual funding requirement and adjustments of the operating reserve can be included within the section 26 budget. The operating reserve is expected to be 18.7 per cent during the 2020-2021 fiscal year. An interest rate of 1.9 per cent has been assumed for the operating reserve. The OEB has not included an adjustment to the operating reserve in the 2020-2021 budget. The 2019-2022 Business Plan included a reduction to the operating reserve to fund a renovation project which has since been postponed.

Below are the 2020-2021 Budget; 2019-2020 Forecast Summary; and 2018-2019 Financial Summary.

2020-2021 OEB Budget (sections 26 & 12.1 only)

<i>Units in thousand dollars</i>	2020-2021 Budget	2020-2021 Previous Business Plan	Change (\$)	Change (%)
Revenues:				
General cost recovery	43,821	44,636	(815)	(2%)
Licence fees (12.1)	429	430	(1)	0%
Interest income	253	289	(36)	(12%)
Miscellaneous income	7	7	0	0%
Amortization of deferred revenue related to capital assets	976	1,154	(178)	(15%)
Total Revenues	45,486	46,516	(1,030)	(2%)
Expenses:				
Salaries and benefits	33,694	34,524	(830)	(2%)
Premises	3,525	3,697	(172)	(5%)
Consulting and professional	2,990	2,890	100	3%
Publications, media and advertising	1,515	1,552	(37)	(2%)
Information technology	1,290	1,092	198	18%
Meetings, training and travel	1,075	1,098	(23)	(2%)
Office and administration	421	509	(88)	(17%)
Amortization of capital assets paid by OEB	976	1,154	(178)	(15%)
Total Expenses	45,486	46,516	(1,030)	(2%)
Capital Expenditures:				
Computer software	1,000	1,080	(80)	(7%)
Computer equipment	400	400	0	0%
Audio visual equipment	300	300	0	0%
Leasehold improvements	0	1,760	(1,760)	(100%)
Office furniture and equipment	0	150	(150)	(100%)
Total Capital Expenditures	1,700	3,690	(1,990)	(54%)
Total Assessment before Adjustments	45,521	48,326	(2,805)	(6%)
Operating Reserve Adjustment	0	(2,345)	2,345	(100%)
Total Assessment	45,521	45,981	(460)	(1%)

The section 26 budget includes a one per cent reduction based on the following changes:

- Decreases to salaries and benefits costs mainly due to new compensation assumptions.
- Decreases in the OEB's premises budget as a result of lower lease rates than previously assumed, along with a reduction in the OEB's overall space requirement.
- Decreases in the amortization expenses of deferred revenue associated with capital assets as a result of a reduction in capital expenditures in the 2019-2020 fiscal year. There is no impact to the budget as it is offset by lower amortization revenue.

- The renovation project, previously reflected in the 2019-2022 budget, is postponed. If required, any future capital requirements would be funded by a reduction to the OEB's operating reserve balance.
- Increases in Information Technology expense are offset by savings in IT-related consulting costs and computer software capital expenditures. The 2020-2021 budget includes capital expenditures of approximately \$1.7 million on computer equipment, computer software and audio visual equipment, as outlined below in the discussion of the Information Technology Assumptions.

2019-2020 Forecast Summary

The total forecast assessment for 2019-2020 as of November reflects a savings of \$3.9 million (approximately 9 per cent).

2019-2020 Forecast (sections 26 and 12.1 only)

Units in thousand dollars	2019-2020 Forecast	2019-2020 Budget	Variance (\$)	Variance (%)
Revenues:				
General cost recovery	38,686	43,012	(4,326)	(10%)
Licence fees	423	430	(7)	(2%)
Interest income	291	313	(22)	(7%)
Miscellaneous income	1,025	7	1,018	14,543%
Amortization of deferred revenue related to capital assets	1,305	1,365	(60)	(4%)
Total Revenues	41,730	45,127	(3,397)	(8%)
Expenses:				
Salaries and benefits	32,921	33,392	(471)	(1%)
Consulting and professional	1,966	3,060	(1,094)	(36%)
Meetings, training and travel	690	1,069	(379)	(35%)
Publications, media and advertising	426	1,535	(1,109)	(72%)
Premises	2,881	3,135	(254)	(8%)
Information technology	1,144	1,061	83	8%
Office and administration	397	510	(113)	(22%)
Amortization of capital assets paid by OEB	1,305	1,365	(60)	(4%)
Total Expenses	41,730	45,127	(3,397)	(8%)
Capital Expenditures:				
Leasehold improvements	191	790	(599)	(76%)
Office furniture and equipment	1	50	(49)	(98%)
Computer equipment	375	300	75	25%
Computer software	955	1,110	(155)	(14%)
Audio visual equipment	165	300	(135)	(45%)
Total Capital Expenditures	1,687	2,550	(863)	(34%)
Total Assessment before Adjustments	40,373	45,562	(5,189)	(11%)
Operating Reserve Adjustment	0	(1,265)	1,265	(100%)
Total Assessment	40,373	44,297	(3,924)	(9%)

The section 26 forecast savings are as a result of the following:

- Savings from revised compensation assumptions.
- Savings from higher levels of unfilled vacancies than budgeted.
- The budgeted redesign of the OEB's space, including hearing rooms and office space renovations, has been deferred indefinitely. Expense savings throughout the budget as certain projects were put on hold while the OEB transitions to a new governance structure.
- Premises savings mainly due to unanticipated prior year lease credit.

The majority of the variance relates to one-time savings as a result of the OEB's transition to our new governance structure.

2018-2019 Financial Summary (sections 26 and 12.1 only)

The total assessment for 2018-19 reflects a savings of \$2.3 million (approximately 5 per cent).

Units in thousand dollars	2018-2019 Actual	2018-2019 Budget	Variance (\$)	Variance (%)
Revenues:				
General cost recovery	39,067	41,086	(2,019)	(5%)
Licence fees (12.1)	404	402	2	0%
Interest income	299	125	174	139%
Miscellaneous income	7	5	2	40%
Amortization of deferred revenue related to capital assets	1,367	1,480	(113)	(8%)
Total Revenues	41,144	43,098	(1,954)	(5%)
Expenses:				
Salaries and benefits	31,753	31,346	407	1%
Consulting and professional	2,031	3,165	(1,134)	(36%)
Meetings, training and travel	797	1,161	(364)	(31%)
Publications, media and advertising	559	1,414	(855)	(60%)
Premises	3,060	3,091	(31)	(1%)
Information technology	1,084	957	127	13%
Office and administration	493	484	9	2%
Amortization of capital assets paid by OEB	1,367	1,480	(113)	(8%)
Total Expenses	41,144	43,098	(1,954)	(5%)
Capital Expenditures:				
Leasehold improvements	20	184	(164)	(89%)
Office furniture and equipment	31	101	(70)	(69%)
Computer equipment	147	398	(251)	(63%)
Computer software	875	1,110	(235)	(21%)
Audio visual equipment	19	150	(131)	(87%)
Total Capital Expenditures	1,092	1,943	(851)	(44%)
Total Assessment before Adjustments	40,159	43,029	(2,870)	(7%)
Operating Reserve Adjustment	114	(459)	573	(125%)
Total Assessment	40,273	42,570	(2,297)	(5%)

The key reasons for the underspending are: The OEB deferred the renovation project to future fiscal years; a decision to defer the advertising campaign budget, which impacted publications, media & advertising and related consulting & research costs; and a reduction in out-of-province travel costs for staff and a decision to use internal meeting space for stakeholder meetings. The budgets for IT capital and Facilities were underspent due to the hearing room renovations being deferred. Also, certain IT costs were reclassified from capital expenditures to operating expenses.

Section 30 Budget and Results

Section 30 costs are excluded from the 2020-2021 budget set out above. Section 30 costs are regulatory process costs incurred in relation to specific proceedings and consultation processes. They are recovered from regulated entities through the cost award decisions made by the OEB in respect of those proceedings and processes. The section 30 budget presented below is \$5.4 million for the 2020-2021 fiscal year.

<i>Units in thousand dollars</i>	2020-2021 Revised Budget	2020-2021 Previous Business Plan	2019-2020 Forecast	2018-2019 Actual
Section 30	5,394	5,000	5,036	4,665

The section 30 budget has increased due to additional costs associated with the next major Ontario Power Generation payments amounts application, which is now anticipated in the 2020-2021 fiscal year.

Some proceedings and consultation processes span several fiscal years. The OEB funds such proceedings and consultations through our operating reserve until the costs are recovered under section 30 of the *Ontario Energy Board Act, 1998*.

Section 79.2 Budget and Results

Section 79.2 costs are costs related to the administration of the OESP. The OEB has developed our budget for section 79.2 costs on the assumption that we will continue to be responsible for administration of the OESP during the 2020-2021 fiscal year.

<i>Units in thousand dollars</i>	2020-2021 Revised Budget	2020-2021 Previous Business Plan	2019-2020 Forecast	2018-2019 Actual
Section 79.2	15	0	7	52

In the 2018-2019 fiscal year, \$52,000 was incurred mainly for OESP printing and consulting costs. These costs are expected to be minimal going forward.

Section 112.5 Administrative Penalties

Revenue from administrative penalties, assessed against individual regulated entities under section 112.5 of the *Ontario Energy Board Act, 1998*, are not used to reduce the costs assessed under section 26 and are not included in our budget. The administrative penalty funds are internally restricted to support only those activities relating to consumer information, outreach and other activities in the public interest. No costs to reduce the administrative penalties balance have been assumed for the 2020-2021 fiscal year.

Information Technology (IT) Assumptions

The Information Technology (IT) plan sets out programs and activities that support the OEB's work. This plan leverages strengths, addresses challenges and ensures we have the IT capabilities and capacity to fulfill our mandate effectively and efficiently, at a cost that reflects the prudent use of funding.

Key IT initiatives for the 2020-2021 fiscal year include cybersecurity enhancements, improved analytics and reporting, enabling Cloud Services, improved eServices functionality, website enhancements and process automation.

IT investments over the fiscal year are focused on delivering value at a reasonable cost. Those proposed investments are summarized in the table below.

OEB Budgeted IT Capital Project Spending by Category

Category	FY 2020-2021
	Capex
Business Systems (computer software in Budget presentation)	\$1,300,000
End User Computing (computer equipment in Budget presentation)	\$150,000
Infrastructure (computer equipment & AV equipment in Budget presentation)	\$250,000
Total	\$1,700,000

Business Systems are defined as initiatives related to the upgrading or replacement of technology systems that are used by OEB employees, Appointees and external stakeholders such as regulated entities and consumers. These systems include our website, eServices for regulatory filings, financial systems, HR systems, as well as the Pivotal Contact Resource Management System (CRM) and the HP Enterprise Content Management System (CMS). These two Systems make up the core of our back office systems, which we use to manage our regulatory records and processes.

End User Computing is defined as initiatives related to the upgrading or replacement of end user hardware such as laptops, desktops, printers, mobile phones, office phones and internal-only applications like MS Office and Adobe.

Infrastructure is defined as initiatives related to the upgrading or replacement of the underlying technology that supports the OEB’s business systems. This includes servers, networks, cabling, telecom equipment, server room equipment, storage, databases, server operating systems, hearing room technology and technology management systems.

Communications Plan

Background

This Business Plan builds on the work and accomplishments of the past number of years.

We remain focused on supporting and guiding the continuing evolution of the Ontario energy sector in a way that delivers value for all Ontario energy consumers. In the 2020-2021 fiscal year, our communications efforts will also support the OEB's transition to a new governance structure.

Target Audiences

Our communications in the 2020-2021 fiscal year will be directed towards both internal and external audiences.

Internal audiences include Appointees and OEB employees.

External audiences include consumers (residential, commercial, institutional and industrial), the entities we regulate, other public agencies in the energy sector, industry associations, consumer advocates, social service agencies, local communities, opinion leaders, the media and the Ministry of Energy, Northern Development & Mines and Ministry staff.

Key Themes

Several key themes will underlie our communications:

- Enhance consumers' trust and confidence in the regulator and sector by demonstrating that we are a knowledgeable, capable and responsive regulator and that we hold utilities accountable, align the interests of utilities and consumers and protect consumers, including those who are most vulnerable.
- Demonstrate to consumers and the sector that OEB is ensuring an integrated and consumer-centric approach to adjudication and policy work.
- Show our commitment to ensuring our approach to regulation keeps pace with an evolving energy sector and changing consumer expectations.

Planned Activities

We plan to undertake a range of communications activities in the 2020-2021 fiscal year. These activities are designed to demonstrate the impact of our work as an economic regulator and in protecting consumers.

These communications activities will include:

- Continuing with communications and outreach activities to enhance residential and business consumers' trust and confidence in the OEB and sector. Progress will be measured against the benchmark established in 2017 and updated in 2018.
- Implementing integrated communications programs to inform consumers about our work to protect and empower them.
- Designing and implementing an internal communications strategy to support internal changes.

Appendix A – OEB Enterprise Risk Register

#	Risk Name	Inherent Risk	Risk Category	Risk Sub-Category	Nature of Risk	Strategic Link	Mitigating Controls	Likelihood	Impact	Score
1	Government Policy & Oversight	Volume, complexity or organizational impact of new initiatives from government, including changes to the OEB's mandate, may limit the OEB's ability to effectively deliver on its mandate.	Regulatory	People	Capacity	Mandate	<ul style="list-style-type: none"> Regular discussions with Ministry of Energy, Northern Development, and Mines staff and with staff within the Minister's office as required. Executive Policy Committee - bi-weekly updates to the Chair, Vice Chairs and the Executive Team on progress of policy initiatives and on matters of strategic significance. Periodic risk assessments and updates to the Enterprise Risk Register. Annual Business Plan development. Bi-weekly Executive Team meetings. Quarterly Management Committee meetings. Monthly Board Member meetings. Monthly Adjudicative Committee meetings. Standing Committees for industry liaison (Regulatory Affairs Standing Committee and Industry Affairs Standing Committee). 	5	5	25

#	Risk Name	Inherent Risk	Risk Category	Risk Sub-Category	Nature of Risk	Strategic Link	Mitigating Controls	Likelihood	Impact	Score
2	Legislative Changes Affecting Administration	Legislative and other changes (directives, etc.) applicable to the business administration of the OEB may not be appropriately accommodated within the OEB's operations, leading to non-compliance by the OEB or sub-optimal business outcomes.	Operational	Process	Capacity	Mandate	<ul style="list-style-type: none"> Annual Certificate of Assurance attestation reporting. Annual Report submitted to the Minister of Energy, Northern Development and Mines. Annual financial statement audit by the Auditor General of Ontario. Documented procurement processes and annual procurement reporting to the Ministry of Energy, Northern Development and Mines. 	4	4	16
3	Industry Evolution	Evolving energy industry and emerging technologies require the creation of new - or changes to existing - OEB priorities, policies, and procedures.	Strategic	Process / Technology	Capability	Regulatory	<ul style="list-style-type: none"> Executive Policy Committee - bi-weekly updates to the Chair, Vice Chairs and the Executive Team on progress of policy initiatives and on matters of strategic significance. Periodic Policy Review. Issuance of reports etc. for consultation. Annual Business Plan development. Industry Affairs Standing Committee. 	3	3	9

4	Cybersecurity	Highly sophisticated cybersecurity attack could lead to disclosure or loss of sensitive or confidential data, or shut down of critical OEB Information Management Systems.	Operational	Technology	Capability	Mandate	<ul style="list-style-type: none"> • Application of Ontario Public Services (OPS) IT Security directives. • Anti-virus measures have been installed on all corporate devices and infrastructure and are kept up to date. • All Employees receive cybersecurity training at least annually. All new employees must take cybersecurity training as part of their on-boarding. Ad hoc training and alerts occur as needed and based on new or emerging threats. Training materials are developed based on OPS directives and policies as applicable. • Email gateway filtering is in place to protect against malicious email. • Internet gateway is in place to protect against malicious internet traffic. • Monitoring and alerting solutions are in place to proactively monitor and issue alerts as needed to respond to potential cybersecurity incidents. • Two Factor Authentication implemented on all remote access and Wi-Fi connections to and within the OEB environment. • OEB users are restricted from using non-secured external Wi-Fi. 	3	5	15
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#	Risk Name	Inherent Risk	Risk Category	Risk Sub-Category	Nature of Risk	Strategic Link	Mitigating Controls	Likelihood	Impact	Score
							<ul style="list-style-type: none"> OEB users are restricted from using USB drives on OEB devices. Privacy by Design principles are incorporated into our technology solutions. 			
5	Information Management	Records management processes (physical and digital) may not be sufficient to ensure the accuracy, integrity, confidentiality, reliability or accessibility of data.	Operational	Process	Capacity	Mandate	<ul style="list-style-type: none"> OEB Records Management Policy. Electronic records are backed up regularly. Disaster Recovery Plan includes replication of data and critical infrastructure at a secondary location in case of an issue at our primary data centre location. OEB primary records systems are off-the-shelf software programs that enable appropriate security to ensure confidentiality of data and mitigate against unauthorized use. All OEB users must have authorized credentials to access OEB data. 	2	4	8

#	Risk Name	Inherent Risk	Risk Category	Risk Sub-Category	Nature of Risk	Strategic Link	Mitigating Controls	Likelihood	Impact	Score
6	Technology	Infrastructure may not be sufficient to adapt to changes in technology requirements or accommodate implementation of new projects and programs.	Operational	Technology	Capacity	Mandate	<ul style="list-style-type: none"> The 3-year IT plan is updated annually. This plan is aligned with the OEB Business Plan to ensure the ability to accommodate new OEB initiatives. The IT Plan uses a risk-based asset management approach to ensure assets are kept up to date and can keep pace with the changing nature of technology. The OEB has developed a 5-year Cloud Strategy that will help us keep the technology that we use up to date. Also, the use of Cloud resources will allow OEB IT staff to focus more on valued-added business systems and less on infrastructure updates. 	1	3	3
7	Vendor Management	Vendors may not comply with the OEB's Service Level Agreements, meet performance standards or adequately protect sensitive or confidential information.	Operational	Process	Capacity	Mandate	<ul style="list-style-type: none"> Procurement Management Framework (from procurement planning to contract management). Code of Conduct for contractors. Confidentiality Agreement for contractors. Consultants' on- and off-boarding process. Escalation clause development. Vendor of Record Agreements. 	1	3	3

#	Risk Name	Inherent Risk	Risk Category	Risk Sub-Category	Nature of Risk	Strategic Link	Mitigating Controls	Likelihood	Impact	Score
8	Regulated Entity Compliance	Non-compliance by regulated entities with legal and regulatory requirements could go undetected or be inadequately addressed.	Operational	Process	Capacity	Utility Performance Competition	<ul style="list-style-type: none"> Public Information policies. Complaints Management process. Compliance Review Committee. Annual Inspection Plan based on risk-based Compliance Assessment Framework. Quarterly OEB Compliance Reporting. 	2	4	8
9	Organizational Capability / Capacity	Limited pool of qualified candidates to recruit from and/or ability to retain qualified personnel could result in the OEB not having the required organizational capabilities and/or capacity to deliver on our mandate.	Operational	People / Process	Capability / Capacity	Mandate	<ul style="list-style-type: none"> Employee feedback. HR policies - confidential exit interviews; internal promotion priority; competitive/attractive compensation & benefit plans; annual performance appraisals (for internal vacancy selection); behavioural assessments; job descriptions (including skill and competency requirements). Tracking vacancies and recruitment activity. Workforce and succession planning (supply/demand and gap analysis). Operational planning (by business unit). Use of consultants to augment workforce. Annual individual learning & development plans. Annual Business Plan development. 	4	4	16

#	Risk Name	Inherent Risk	Risk Category	Risk Sub-Category	Nature of Risk	Strategic Link	Mitigating Controls	Likelihood	Impact	Score
10	External Communications	The quality or sufficiency of information communicated to consumers and stakeholders could result in consumers not being adequately or appropriately informed, impacting their ability to effectively understand energy matters.	Reputation	Process	Capacity	Mandate	<ul style="list-style-type: none"> • Consumer Panel. • Consumer Engagement Framework. • Public Affairs function. • Strategic Communications Plan. • Media relations protocol. • OEB consumer outreach programs. • Public Information Complaints Management Process. • Ongoing website updates (including focus on plain language communications). 	4	3	12
11	Business Continuity	Unexpected adverse event causes a significant interruption to OEB operations.	Operational	Process	Capability	Mandate	<ul style="list-style-type: none"> • Emergency Response Plan. • Departmental Business Continuity Plans. • IT Disaster Recovery Plan. • Periodic simulation testing of the above Plan. • Annual review of acceptable rate of recovery of OEB operations. • Business interruption insurance. 	1	4	4

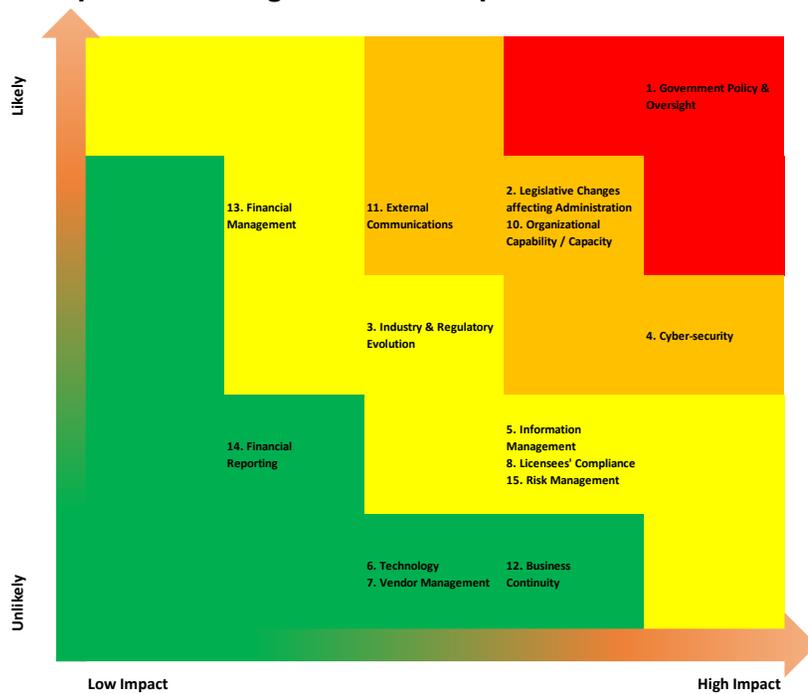
#	Risk Name	Inherent Risk	Risk Category	Risk Sub-Category	Nature of Risk	Strategic Link	Mitigating Controls	Likelihood	Impact	Score
12	Financial Management	Financial budget may not be aligned to the business plan, reducing the OEB's ability to effectively allocate resources to deliver on our mandate.	Financial	Process	Capacity	Mandate	<ul style="list-style-type: none"> • Documented internal controls in the form of financial policies, processes and procedures. • Annual financial budget and forecast process. • Monthly financial reporting and reconciliations. • Quarterly financial reporting and reconciliations. • Quarterly financial checklist. • Quarterly Management Committee review of financial results and forecasts. • Annual Business Plan development. 	4	2	8

#	Risk Name	Inherent Risk	Risk Category	Risk Sub-Category	Nature of Risk	Strategic Link	Mitigating Controls	Likelihood	Impact	Score
13	Financial Reporting	Given the increasingly heightened expectations and requirements for financial transparency and reporting, there is added complexity to ensuring internal controls over financial reporting are adequately designed or operating effectively to provide reasonable assurance that the financial reporting is accurate, reliable and timely.	Financial	Process	Capability	Mandate	<ul style="list-style-type: none"> • Annual financial statement audit by the Office of the Auditor General of Ontario. • Active management oversight, including by the Management Committee. • Internal monthly dashboard reporting for financial & procurement. • Quarterly financial reporting against budget to the Ministry of Energy, Northern Development and Mines. • Consolidated financial reports are presented to the Ministry of Energy, Northern Development and Mines twice a year. • Annual procurement reporting to the Ministry of Energy, Northern Development and Mines. • Annual Report. • Internal audit function reporting to the Management Committee. 	2	2	4
14	Risk Management	Processes to effectively and efficiently identify, assess, manage and govern risk may not adapt quickly enough to respond to evolving industry and public policy reducing the OEB's ability to achieve strategic and operational objectives.	Operational	Process	Capability	Mandate	<ul style="list-style-type: none"> • Periodic risk assessments and updates to the Enterprise Risk Register. • Annual Business Plan audit. • Annual Internal Audit Plan. • Documented internal controls in the form of procurement policies, processes and procedures. 	2	4	8

Assessment Criteria

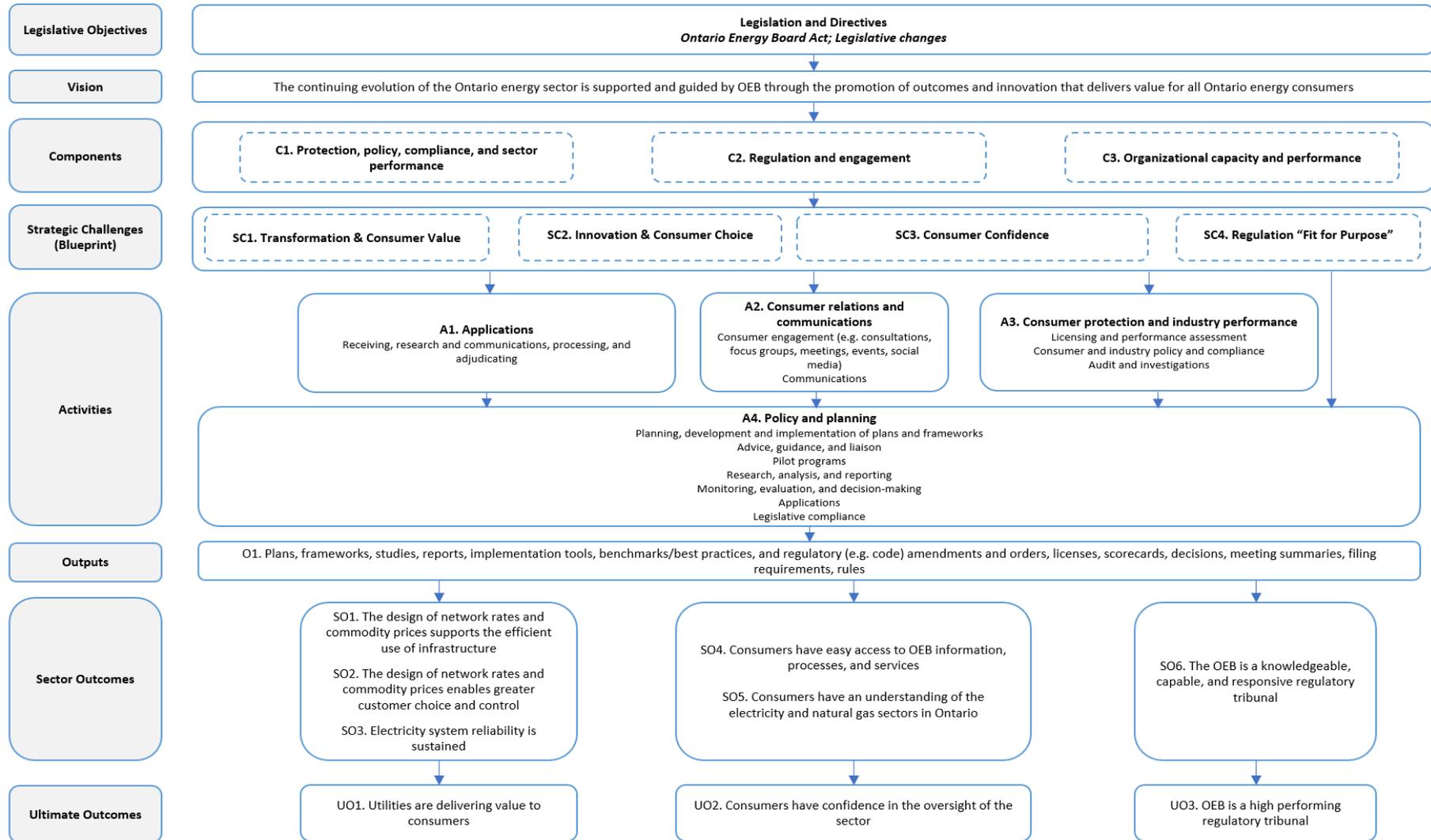
Likelihood - the probability of the risk occurring, after considering mitigating controls.	
1	There is very little chance of the risk occurring.
2	There is little chance of the risk occurring.
3	There is a moderate chance of the risk occurring.
4	There is high chance of the risk occurring.
5	There is very high chance of the risk occurring.
Impact - the extent to which this risk could adversely affect the OEB's ability to satisfy their mandate.	
1	Occurrence of the risk will not have a material impact on the OEB's ability to satisfy their mandate.
2	Occurrence of the risk may have some impact on the OEB's ability to satisfy their mandate.
3	Occurrence of the risk may impair the OEB's ability to satisfy their mandate.
4	Occurrence of the risk will impair the OEB's ability to satisfy their mandate.
5	Occurrence of the risk will inhibit the OEB from satisfying their mandate.
Score - the product of likelihood and impact.	
1 - 4	This risk poses little-to-no chance of impacting the OEB's ability to satisfy their mandate.
5 - 10	This risk poses a small chance of impacting the OEB's ability to satisfy their mandate.
11 - 18	This risk poses a moderate chance of impacting the OEB's ability to satisfy their mandate.
19 - 25	This risk poses a high chance of impacting the OEB's ability to satisfy their mandate.

Enterprise Risk Register: Heat Map



Appendix B – Performance Measurement Framework

Performance Measurement Framework – Logic Model



Performance Measurement Framework

Outcomes	Indicators	Maturity	Data source	Measurement Frequency	Target/ target direction	Explanation
Sector outcomes						
SO1. The design of network rates and commodity prices supports the efficient use of infrastructure	I1. Trend in load factor among utilities	Initial	RRR data	Annually	Stable. A result is stable if it falls within the upper and lower bound load factors that capture the middle 50% of all distributors. Measured over the last 5 years	The stability of the trend in load factor facilitates an understanding of infrastructure use
SO2. The design of network rates and commodity prices enables greater customer choice and control	I2. Change in cumulative generating capacity of net-metered generators	Defined	RRR data	Annually	N/A. Change measured over time will reflect customer choice, but market conditions and product options will also be a factor in uptake of self-supply options	An increase in the adoption of self-supply options indicates greater customer choice and control
SO3. Electricity system reliability is sustained	I3. Proportion of utilities meeting their Scorecard reliability (SAIDI and SAIFI) target	Defined	RRR data/Scorecards	Annually	Increase	Direct measure
SO4. Consumers have easy access to OEB information, processes and services	I4. Website hits	Optimized	Public Affairs Dashboard	Annually	Increase	Measures access to OEB information
	I5. Community meeting attendance	Optimized	Public Affairs Dashboard	Annually	Increase in attendance per 1,000 customers	Measures participation in OEB processes. NB: Community meetings are not taking place

	16. Call centre volume	Defined	Public Affairs Dashboard	Annually	Steady volume of calls per 100,000 customers. Steady is defined as within 2% of the baseline	Measures access to OEB information and services
	17. Call centre customer satisfaction	Defined	Public Affairs Dashboard	Annually	Increase	Measures the efficiency of service provision
SO5. Consumers have an understanding of the electricity and natural gas sectors in Ontario	18. Change in energy literacy	Operational	RepuBrand Survey	Biennially	Improved score as measured by the Energy Literacy Index	Measures consumers' understanding of the electricity and natural gas sectors in Ontario
SO6. The OEB is a knowledgeable, capable and responsive regulatory tribunal	19. Maintain spending on training per OEB staff FTE at or above \$1,000 benchmark	Initial	HR	Annually	At or above minimum threshold (\$1000/employee/year)	Measures OEB investment in training for staff
	110. Proportion of OEB staff who have completed training in defined areas (writing, critical thinking, analytical skills, industry/sector knowledge) in the last 3 years	Initial	HR	N/A	N/A	Measures OEB staff who have upgraded skills (rolling 3 year average).
	111. Proportion of skills among Board Members relative to target skills (as listed in the Competency Framework)	Initial	HR	N/A	N/A	Measures the difference between actual skills and target skills will gauge the extent to which Commissioners have the required expertise

	I12. Proportion of decisions issued within established performance standards for processing applications	Defined	Applications	Annually	Meet or exceed annual target (80%)	Demonstrates ability to meet established timelines
	I13. Qualitative assessment. To be captured in accompanying narrative	Initial	Varies	Annually	Qualitative response	Evidence of flexibility may vary from year to year
Ultimate Outcomes						
UO1. Utilities are delivering value to consumers	I14. Trend in average total real electricity distribution and transmission cost per kWh served	Defined	RRR data	Annually	4 year average less than 7 year average	Decline in cost trend (4 vs 7 year averages) should be indicative of greater value to consumers
	I15. Trend in average total real electricity distribution and transmission cost per customer	Defined	RRR data	Annually	4 year average less than 7 year average	Decline in cost trend (4 vs 7 year averages) should be indicative of greater value to consumers
	I16. Trend in average total real gas distribution cost per m ³ served	Initial	RRR data	Annually	4 year average less than 7 year average	Decline in cost trend (4 vs 7 year averages) should be indicative of greater value to consumers

	I17. Trend in average total real gas distribution cost per customer	Initial	RRR data	Annually	4 year average less than 7 year average	Decline in cost trend (4 vs 7 year averages) should be indicative of greater value to consumers
	I18. Proportion of electricity distributors with improving performance trend	Initial	Comprehensive Performance Assessment Model (CPAM) model	Annually	Increase	Better performance is an indicator of electricity distributors delivering value to consumers
UO2. Consumers have confidence in the oversight of the sector	I19. Proportion of consumers that trust the OEB's consumer protection role	Operational	RepuBrand Survey	Biennially	Increase	A direct measure
	I20. Proportion of consumers that trust the OEB to make and enforce decisions about rates that are in the best interests of Ontarians	Operational	RepuBrand Survey	Biennially	Increase	A direct measure
UO3. OEB is a high performing regulatory tribunal	I21. OEB performs in the top quartile when benchmarked against characteristics of high performing regulatory tribunals	Initial	TBD	Annually	Top quartile performance	A direct measure

*References to OEB personnel use existing nomenclature, and will be updated as required to reflect the nomenclature used in the governance-related amendments to the *Ontario Energy Board Act, 1998*, when those have been proclaimed into force

Maturity of Indicators

Initial	These indicators are in the initial stage of development and may require refinement or adjustment to their specification. These indicators may undergo a high degree of change over time.
Defined	These indicators have been specified and data is currently being collected. Measurement or calculation of these indicators has not yet been performed routinely or on an on-going basis. These indicators may undergo a moderate degree of change over time.
Operational	These indicators are fully defined and data is currently being collected and measured. Adjustments to these indicators are expected to occur over time.
Optimized	The indicators are well defined and are already routinely measured. These indicators are not expected to undergo much change over time.