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BUSINESS PLAN 2021-2024

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JOINT MESSAGE FROM OEB CHAIR AND CEO



Prudent regulation of the energy sector is not merely about setting fair rates or authorizing capital investments. It is about supporting a growing economy and helping Ontarians maintain a high quality of life. In furthering the adequacy, reliability, and quality of energy service, the work of the Ontario Energy Board supports Ontario's economic, social, and environmental development.

OEB Modernization Review Panel, Final Report

To ensure a growing economy and improved quality of life for all Ontarians, the OEB must have the trust of the regulated community, the people it serves and the public representatives to which it is accountable. This Business Plan (Plan) marks the beginning of a process to modernize the OEB with a strategic focus on accountability, certainty, effectiveness, efficiency, independence, and innovation.

Our goal is to be respected as a top quartile regulator. Not based on our own self-assessment, but rather, on the independent and objective assessments of others. To earn that respect, we will protect the public interest with best-in-class regulation of Ontario's energy industry and deliver value for money while maintaining the integrity of the independent adjudicative process.

Ontario's energy sector is poised for significant change. New, disruptive technologies are being introduced that will redefine the marketplace and transform traditional methods of generating, transmitting, and consuming energy. Consumer expectations are growing and changing and there is no doubt that the pandemic has underscored the increasing interconnection between energy, the broader economy and the people of Ontario.

This Plan incorporates the recommendations of the OEB Modernization Review Panel. It implements the provisions of Bill 87, passed on October 1, 2020 and the mandate letters of the Minister and Deputy Minister of Energy, Northern Development and Mines. It reflects a new governance framework and a commitment to leadership, partnership and accountability.

Meaningful change is not random or coincidental. It is deliberate and disciplined, well planned and well executed. That is the commitment that is made within this Plan. We will begin by making sure our own house is in order, ensuring our expenditures are appropriate relative to our mandate and assessing our priorities. We will drive towards the development of new key performance indicators that focus on outcomes, not outputs, organizational excellence and stakeholder engagement.

We know there is much to be done and the expectations we face are high. We accept those challenges and present this Plan as the starting point for a three-year journey from which a markedly different OEB will emerge.

Richard Dicerni
Chair

Susanna Zagar
Chief Executive Officer

Section 1:

INTRODUCTION

Ontario has one of the largest and most complex energy sectors in North America. As the independent, economic regulator, the OEB protects the interests of millions of electricity and natural gas consumers and provides oversight to the entities that generate, transmit and distribute energy across the province. As Ontario embarks upon its post-pandemic economic recovery, the OEB's role in supporting renewed growth of our economy may be the most crucial in its 60-year history.

With our new Board of Directors, Chief Executive Officer and Chief Commissioner now in place, the OEB is well positioned to meet the challenges ahead and deliver on the expectations and priorities set for us by the mandate letters issued October 1, 2020 by the Minister and Deputy Minister of Energy, Northern Development and Mines to the OEB Chair and the Chief Executive Officer respectively.

Informed by the mandate letters and the Modernization Review Panel (MRP) Final Report, this Business Plan highlights OEB's core activities and priority initiatives for 2021-22 and into 2023-24.

This plan is a starting point on the OEB's path to modernization as we strive to be recognized as a trusted regulator by the regulated community, the public we serve and the public representatives to whom we are accountable.

Mandate

The OEB's mandate is to regulate Ontario's energy sector as required under provincial legislation. We have regulated the natural gas sector since 1960 and the electricity sector since 1999. As a government agency, the OEB is financially responsible and acts in the public interest. In moving forward on our path to modernization, we will be transparent and accountable. We will deliver public value and we will be responsive to the changing needs of Ontario's economy and those we regulate. We will never lose sight of the individual rate payers, the consumers, the people of Ontario.

Our objectives, responsibilities and powers are set out in legislation, regulations and directives including Bill 87, which changed the governance of the OEB, but our mandate remains:

For industry, we:

- ✓ Set the delivery rates 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 utilities.
- ✓ Set the payments to Ontario Power Generation for electricity generated by 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 the interests of consumers by setting the rates and prices that utilities can charge.
- ✓ Provide the information consumers need to better understand the rules that protect them and their responsibilities.
- ✓ Protect their interests in retail electricity and natural gas markets.
- ✓ Address the particular needs of low-income consumers through the establishment and oversight of utility customer service rules and delivering financial assistance programs.

Vision, Mission, Purpose, Values

Guided by clear vision, mission, purpose and values statements the OEB will drive change and modernize in pursuit of our mandate and delivering public value for Ontarians.



Vision

To be a trusted regulator who is recognized for enabling Ontario's growing economy and improving the quality of life for the people of this province who deserve safe, reliable and affordable energy.



Mission

To deliver public value through prudent regulation and independent adjudicative decision-making which contributes to Ontario's economic, social and environmental development.



Purpose

To oversee the provincial energy markets, protect the interests of individuals and supports the collective advancement of the people of Ontario.



Values

Accountable

We hold ourselves accountable to the public we serve through integrity of governance, clarity of process and independence of decision-making.

Transparent

We are transparent in setting objectives, measuring outcomes and reporting on our performance to our stakeholders and the public.

Driven

We are driven to do the right things, work hard and deliver value for the people of Ontario and the evolving energy sector which we regulate.

Thoughtful

We approach each day thoughtfully and ensure prudent stewardship of one of the most complex and productive energy sectors in the world.

Governance

The OEB's new corporate governance structure came into effect with the proclamation of Bill 87 on October 1, 2020. Governance and stewardship of the OEB will be led by the new Chair and the Board of Directors.

As required by Bill 87, the Board of Directors has established an Adjudication Committee as a Board committee. The Adjudication Committee will assist the OEB in achieving tribunal excellence with respect to the independence, efficiency, timeliness and dependability of the hearing process.

The following internal committees will support the ongoing work at the OEB:

- Executive Leadership Committee
- Senior Management Team
- Executive Policy Committee
- Commissioners Caucus

More information about the OEB can be found on our website under About Us and Corporate governance and reports.

Section 2:

ENVIRONMENTAL SCAN

Like every other organization, the OEB is materially affected by the environment within which it operates. The economy, consumer and stakeholder demands, public policy decisions of Government, energy sector evolution and public trust will all drive OEB actions and decisions over the next three years.

Economic Challenges, Industry Consolidation

The COVID-19 pandemic has ravaged Ontario's economy. Beyond the impact on local jobs and retail establishments, the healthcare and education sectors, a sharp decline in commercial and industrial activity has driven down energy consumption. Consumers are looking for economic relief from the high cost of energy and local distributors are looking for flexibility in OEB processes, oversight and decisions. The OEB must be sensitive to these economic challenges, particularly the accelerating consolidations which are being witnessed across the Canadian energy sector. Where Ontario was once home to more than 300 local distribution companies, there are now fewer than 70. Given the current economic uncertainty, pressure to seek synergies and reduce operating costs will continue to grow. The province's local electricity distribution companies may continue to seek mergers and acquisitions, and consumers will continue to demand more choice, greater flexibility and affordability. In its regulatory role, the OEB must continue to assess the economic and social impacts of these transactions, including protecting the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service.

Consumer and Stakeholder Demands

Regulatory excellence requires public trust. In the face of a volatile economy, earning and keeping that trust will require the OEB to effectively meet consumer and stakeholder demands. Clear, transparent and timely communications will be key. So

too will streamlined processes, completely digital delivery channels and a relentless drive for efficiency. Regulated entities have expressed deep concerns about the cost and protracted timelines related to current regulatory requirements and have lamented a rigid applications process. Ratepayers observe traditional processes which have failed to keep pace with demands of modern consumers. To become a top quartile regulator the OEB must set aggressive operational metrics, transparently report performance outcomes and rigorously benchmark along every dimension of consumer and stakeholder satisfaction.

Public Policy Decisions

A simple tenet of democracy is the requirement of duly elected governments to make public policy choices which are indicative of, and responsive to, the electorate they serve. The 2020 Ontario Budget – Ontario's Action Plan: Protect, Support Recover confirms that the energy sector matters. It seems likely that electricity pricing will remain a priority issue for the government as it remains a priority for Ontarians. The OEB has an important role to play, such as its development of rules to enable the government's customer choice initiatives which allows residential and small business customers on the Regulated Price Plan (RPP) to opt out of time-of-use pricing in favour of tiered pricing. The OEB must monitor and evaluate consumer demand to effectively inform the setting of the next RPP in the Spring of 2021. The OEB must also be an active participant in the provincial long-term energy planning framework and work with other regulated entities such as the Independent Electricity System Operator (IESO) and the Electrical Safety Authority (ESA) to define and drive modernization of Ontario's energy sector.

Beyond energy specific policy choices, the themes of burden reduction and the need to be open for business require the OEB to adopt the stance of a modern regulator with fit for purpose licensing, rate applications and compliance programs. Electricity infrastructure

programs, Green Button data standards, community net metering projects and a host of other emerging public policy choices will put pressure on the OEB operating model and traditional approaches to service delivery. The need to pivot to transparent, effective and efficient modalities is immediate.

Energy Sector Evolution

Several factors are driving the evolution of Ontario's energy sector. The reliance on centralized generation, is changing. Generators are experiencing overcapacity and falling commercial and industrial demand as manufacturing declines. Transmission and distribution are characterized by reduced grid demand and an increased need to invest in the management of complex energy flows. Value is shifting downstream with consumers demanding new storage and electric vehicle technology. Technology will also be required to protect against cyber security threats, as critical infrastructure, like the electricity supply, is likely to be a target for cyber criminals.

Innovation

Successful companies, industries, governments and regulators must adapt to meet changing customer needs, identify new opportunities created by the changing landscape, ensure resources are appropriately allocated to meet those needs and build the foundation for growth. Private and public sector executives largely agree that the pandemic both presents opportunities for growth and demands mitigations to protect and preserve value. Other opportunities in the sector are emerging such as local microgrids and the use of blockchain, which some have suggested can be applied to enable smart utility metering and decentralized energy data platforms. The rapid evolution of the energy sector will challenge regulators to be more agile and more responsive to stakeholders and the public to ensure that innovations add value.

Section 3:

**STRATEGIC
DIRECTION:
OEB'S PATH
FORWARD**

Strategic Direction

The OEB is on a path of modernization, guided by the MRP Final Report and a deep desire for change, accountability and transparency. Disruptive technologies and changing consumer behaviours require the OEB to modernize and facilitate innovation in the energy sector to maximize our public value. We have set a goal of becoming and being recognized as a top quartile regulator. To do this, we are focused on initiatives aligned to the strategic themes of independence, accountability, certainty, effectiveness, efficiency and innovation.



Guided by the Modernization Review Panel (MRP) Final Report the OEB is on a path to modernization driven by the strategic themes of:



Accountability:

While being independent in its decision-making, the regulator's governance should reflect that it is accountable for the advancement of the public interest.



Certainty:

Regulatory processes should be as predictable as possible. Regulated entities should understand what is expected of them and regulatory proceedings should follow a dependable schedule.



Effectiveness:

The regulator should be clear about the outcomes it is aiming to achieve. This includes having a clear rationale for how regulatory policies and processes deliver on statutory objectives. It should be transparent with how success is measured by tracking outcomes over time.



Efficiency:

The regulator should strive to find process improvements in all its functions to increase productivity and value for money



Independence:

The regulator should be recognized as making fair and impartial decisions, free of undue influence from government or others, and focused on its core economic regulation mandate.



Innovation:

The regulator should modernize its processes and facilitate future innovations in the energy sector.

Key Planning Assumptions

This Business Plan renews and expands upon our commitment to stakeholder engagement and consultation as a key part of our planning process and in confirming our measures of success in the modernization process.

The plan for 2021-22 highlights that we will seek additional stakeholder feedback as planning progresses for future years. With the passage of Bill 87 not occurring until October 1, 2020 and the requirement to submit this Business Plan to the Ministry of Energy, Northern Development and Mines 90 days prior to fiscal year end in March, we have been unable to complete the important stakeholder engagement process needed prior to execution in 2021-22.

We will implement the expanded stakeholder engagement process for the final two years of the Business Plan.

Overview of Current and Future Programs and Activities

The OEB is taking a new approach to planning. Beginning with our 2021 plan, we are focused on outcomes for all our stakeholder groups, both those we regulate and the consumers we regulate on behalf of. Using an approach focused on the problems underlying the actions in our mandate letter, and how we will measure the success of our initiatives, we are making it clear why initiatives are being pursued. We are focused on improvements to operating effectiveness and customer or stakeholder satisfaction and accountability, while controlling costs.

Below are the priority areas for our 2021-22 to 2023-24 plan. Existing and indicative measures are provided as an illustration of the quantitative and qualitative metrics that can inform assessment of the OEB's achievement of its objectives. The development of appropriately scoped, broader outcome-based measures will continue through the planning period.

As work progresses, and as further information becomes available the initiative and measures will be refined as required, the indicative measures of success are preliminary and will be improved as consultations progress. This will ensure a performance framework populated with an appropriate range of outcomes and indicators providing a means to gauge the OEB's progress towards its overall objectives.

Strategic Alignment	Priority areas	Indicative measures of success (* = existing measure)
Accountability	<p data-bbox="427 394 724 422">Open and transparent</p> <p data-bbox="427 457 532 485">Priorities</p> <ul data-bbox="427 506 1195 1161" style="list-style-type: none"> <li data-bbox="427 506 1195 604">• Promote openness and transparency, flexibility in approach, and responsiveness to input from stakeholders as key characteristics of the OEB’s organizational culture. <li data-bbox="427 625 1195 825">• Conduct strategic and business planning in a manner that supports the OEB’s ability to address the challenges facing the energy sector, ensuring that initiatives described in future business plans are sufficiently detailed to make clear why the initiatives are being pursued, what their objective is, and how success will be determined. <li data-bbox="427 846 1195 940">• Ensure the OEB conducts its operations in alignment with the attributes of a top quartile regulator and with the broad government priorities for provincial agencies. <li data-bbox="427 961 1195 1161">• Conduct a full financial review to ensure expenditures are appropriate for delivering on the OEB’s priorities. The review would examine current operations, identify opportunities to increase productivity and value for money, and assess the OEB’s public engagement activities, which may present an opportunity for cost reductions. <p data-bbox="427 1192 889 1220">Initiatives over next three years include</p> <ul data-bbox="427 1241 1195 1822" style="list-style-type: none"> <li data-bbox="427 1241 1195 1268">• Introduce a bi-annual public report on compliance activities. <li data-bbox="427 1289 1195 1346">• Implement annual Stakeholder Survey and approach for reviewing acting on results. <li data-bbox="427 1367 1195 1465">• Review and implement best practices for ensuring procedural fairness, while improving the efficiency of adjudication. <li data-bbox="427 1486 1195 1543">• Drive organizational culture of transparency, openness and accountability. <li data-bbox="427 1564 1195 1663">• Establish and implement new strategic and business planning processes focused on addressing problems and challenges, defining, measuring and reporting on success. <li data-bbox="427 1684 1195 1740">• Conduct research and engage stakeholders to define top quartile regulator attributes. <li data-bbox="427 1761 1195 1822">• Implement recommendations from external financial review of the OEB. 	<p data-bbox="1230 394 1377 451">Compliance issues</p> <p data-bbox="1230 478 1360 569">OEB confidence rating</p> <p data-bbox="1230 596 1369 686">Stakeholder satisfaction score</p> <p data-bbox="1230 714 1377 779">Employee engagement</p>

Strategic Alignment	Priority areas	Indicative measures of success (* = existing measure)
Certainty	<p>Bring clarity and transparency to the adjudicative process</p> <p>Priorities</p> <p>Develop a plan to enhance the efficiency, effectiveness, and independence of adjudicative processes.</p> <p>Initiatives over next three years include</p> <ul style="list-style-type: none"> • Update Application Performance Standards (KPIs) for remaining application types. • Review targets for application performance. • Develop protocols for managing procedural timelines. • Forecast caseload and Commissioners resources. 	<p>Optimal resource levels and training achieved for Commissioners and staff</p> <p>Proportion of decisions issued within established performance standards for processing applications*</p>
Effectiveness	<p>Focus on results</p> <p>Priorities</p> <ul style="list-style-type: none"> • Define robust and outcomes-based Key Performance Indicators (KPIs) in areas including but not limited to organizational excellence, including financial efficiency and employee engagement. • Consider pole attachment policy in the context of opportunities to better serve areas that are currently underserved. • Reform processes for rule-and code-setting to include a greater role for stakeholders, including consideration of a cost/benefit approach. <p>Initiatives over next three years include</p> <ul style="list-style-type: none"> • Continued development of outcomes-based Performance Measurement Framework. • Define what it means to be a top quartile regulator and what is required to get there. • Implement changes as required from Pole Attachment Review. • Establish and execute plan for stakeholder engagement. 	<p>Outcomes-based Performance Management Framework appropriately reflects OEB's key themes and business priorities</p> <p>Specific measure(s) of success for a top quartile regulator are defined</p> <p>OEB performs in the top quartile when benchmarked against characteristics of high performing regulatory tribunals</p>

Strategic Alignment	Priority areas	Indicative measures of success (* = existing measure)
Efficiency	<p data-bbox="427 394 938 426">Process reviews and burden reduction</p> <p data-bbox="427 457 532 489">Priorities</p> <ul data-bbox="427 506 1195 894" style="list-style-type: none"> <li data-bbox="427 506 1195 600">• Develop and maintain a human capital plan so the organization’s needs in staff expertise, experience, and skillset is identified. <li data-bbox="427 632 1195 726">• Reduce regulatory burden on licensees, namely the number of reporting requirements for Local Distribution Companies (LDCs) and natural gas utilities. <li data-bbox="427 758 1195 894">• Report publicly through the OEB’s Annual Report on how the OEB has simplified and streamlined practices and procedures that reduce burden and bring greater value to consumers. <p data-bbox="427 926 889 957">Initiatives over next three years include</p> <ul data-bbox="427 974 1195 1459" style="list-style-type: none"> <li data-bbox="427 974 1036 1005">• Develop and implement a Human Capital Plan. <li data-bbox="427 1037 906 1068">• Right sizing reporting requirements. <li data-bbox="427 1100 1101 1131">• Examining rates filing requirements for small utilities. <li data-bbox="427 1163 1101 1215">• Review expectations for customer engagement and distribution/utility system plans in applications. <li data-bbox="427 1247 1195 1310">• Complete jurisdictional review of intervenor processes and consider strategies for reducing overlap and duplication. <li data-bbox="427 1341 1141 1404">• Issue benchmarking report and further refine the use of benchmarking in rate applications. <li data-bbox="427 1436 1122 1459">• Review of Rules for Motions and Appeals of decisions. 	<p data-bbox="1230 394 1409 489">Information requirements for applications</p> <p data-bbox="1230 569 1409 789">Sustained investment in training of OEB staff and appointees above industry benchmark*</p> <p data-bbox="1230 873 1409 989">Reporting and record requirements for small utilities</p> <p data-bbox="1230 1073 1352 1136">Regulatory costs</p>

Strategic Alignment	Priority areas	Indicative measures of success (* = existing measure)
Innovation	<p>Modernize processes and drive innovation in the sector</p> <p>Priorities</p> <ul style="list-style-type: none"> • Continue to adopt a digital-first approach to the OEB's work, building on efforts to move towards online-only filing of OEB licensing. • Promote performance improvements for regulated utilities and enable the cost-effective adoption of innovation and new technologies. <p>Initiatives over next three years include</p> <ul style="list-style-type: none"> • Complete digitization of the Application Processes and automation of licensing process. • Framework for Energy innovation: distributed resources and utility incentives. • Promote and leverage the Innovation Sandbox. • Implement program-level benchmarking. 	<p>Network use remains efficient, stable*</p> <p>Continued support of customer choice *</p>
Independence	<p>Clear communication, governance and operational roles, responsibilities and protocols</p> <p>Priorities</p> <ul style="list-style-type: none"> • Ensure that governance and operational roles and responsibilities are clearly defined, and that the Board of Directors, the CEO, and the Chief Commissioner use the tools available to ensure the effective adoption of the new governance structure. • Reinforce effective operational and communication protocols within the organization that support the independence of adjudication. <p>Initiatives over next three years include</p> <ul style="list-style-type: none"> • Create and implement a protocol for communications with external stakeholders. • Document internal protocols for adjudication and roles and responsibilities for OEB staff and Commissioners. 	<p>Stakeholder satisfaction score</p> <p>Enhanced consistency</p>

Implementation Plan

The highlighted initiatives are a starting point for the OEB in making meaningful change and modernizing the organization.

Leveraging best practices of iterative approaches to implementation, many initiatives begin with research and pilots. Such as the Case Schedules for Rate Applications Pilot which will complete in the spring of 2021. For some initiatives, this means making small process changes and monitoring outcomes. For others, this means longer phases of research, reviewing pain points and areas of opportunity, before detailing further implementation phases and timelines. This enables the approach to be refined as applicable prior to implementation and monitoring of outcomes.

Additionally, our implementation plan will use a staggered approach to ensure multiple projects are not in the same point of the lifecycle at the same time, reducing change fatigue and avoiding resource over allocation. This includes our stakeholders, when we reach out to the stakeholder community it will be thoughtful and efficient. Throughout the lifecycle of the initiatives we are committed to transparency and stakeholder engagement so that we hear from our stakeholders directly. As our planning progresses, initiatives will be prioritized and sequenced based on the guiding question, “does this get us closer to being recognized as a top quartile regulator?”

Resources Needed to Meet Goals and Objectives

Our people are critical in delivering on the initiatives outlined and we must ensure we have the right people to adequately resource the work ahead. Talent management is key to ensuring we have the right people both in the future and now, delivering this work and is described in more detail in the Staffing, Human Resources and Compensation Strategy section of this Business Plan.

Outcomes-Based Performance Measurement Framework

The OEB will continue to implement its Performance Measurement Framework to measure whether the desired outcomes for Ontario’s energy sector are being achieved. In 2021-22, we will continue to review and refine the Performance Measurement Framework to reflect the new business architecture and mandate of the OEB. We are measuring progress on broader organizational goals and outcomes to assess the cumulative effects of the full array of policy, operational and strategic activities that the OEB 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 and a set of outcomes and indicators. The indicators measure progress towards the outcomes identified in the logic model.

The Framework 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. Ultimate outcomes are generally realized and sustained over several years and planning cycles and progress is measured over years and business cycles. Sector outcomes maybe 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.

A paced reorientation and recalibration of the framework will ensure that current outcomes and indicators can continue to be measured and assessed while new or revised elements of the framework needed to reflect the organization's governance and revitalized business architecture are developed in a complementary and efficient manner.

Section 4:

FINANCIAL PLAN

This financial plan includes the resources required by the OEB to deliver on its mandate. The three-year financial plan is separated into Section 26 and Section 30 costs as defined in the Ontario Energy Board Act, 1998. Section 26 costs represent the ongoing operating costs of the OEB and are recovered through cost assessments.

Section 30 costs are costs incurred for specific proceedings and consultation process and are recovered through cost award decisions made by the OEB in respect to those proceedings and processes. Resources are foundational to the OEB's ability to drive outcomes.

As directed in the Minister's Mandate letter, the OEB has completed a financial review that examined current operations, identified opportunities to increase productivity and value for money and assessed OEB's public engagement activities. We are advancing a budget below the previously approved multi-year budget for 2021-2022.

Section 26 Financial Plan

<i>Units in thousand dollars</i>	2020-2021 Forecast	2021-2022 Budget	2022-2023 Budget	2023-2024 Budget
Revenues:				
General cost recovery	40,181	43,225	44,232	45,251
Licence fees	423	430	430	430
Interest income	97	84	72	60
Miscellaneous income	19	20	20	20
Amortization of deferred revenue related to capital assets	867	1,100	1,400	1,500
Total Revenues	41,587	44,859	46,154	47,261
Expenses:				
Salaries & benefits	32,303	34,368	35,055	35,756
Premises	3,404	3,607	3,793	3,981
Consulting & professional	2,394	2,715	2,774	2,830
Information technology	1,281	1,307	1,333	1,359
Publications, media and advertising	731	715	730	745
Meetings, training & travel	331	717	732	747
Office and administration	276	330	337	343
Amortization	867	1,100	1,400	1,500
Total Expenses	41,587	44,859	46,154	47,261
Capital Expenditures:				
Computer software	1,207	1,075	1,020	1,040
Computer equipment	249	350	400	400
Audio Visual	51	50	50	50
Leasehold improvements	0	0	0	0
Office furniture and equipment	0	0	0	0
Total Capital Expenditures	1,507	1,475	1,470	1,490
Total Assessment before Adjustments	41,688	44,700	45,702	46,741
Operating Reserve Adjustment	0	(1,500)	(2,000)	(2,000)
Total Assessment	41,688	43,200	43,702	44,741

The section 26 forecast for 2020-2021 includes an estimated underspend to budget of \$3.8 million. These savings are due to higher than anticipated staff vacancy levels, deferred projects and reduced travel, training, and administration costs.

Section 30 Financial Plan

<i>Units in thousand dollars</i>	2020-2021 Forecast	2021-2022 Budget	2022-2023 Budget	2023-2024 Budget
Section 30	3,800	5,100	5,200	5,300

The section 30 forecast for 2020-2021 includes an estimated underspend to budget of \$1.6 million due to the deferral of projects.

Section 5:

STAFFING, HUMAN RESOURCES AND COMPENSATION STRATEGY

To deliver the best public value to those we serve, the OEB must have strong human resource plans and programs supporting our business priorities and corporate objectives. Key to this is ongoing assessment of external labour market trends and internal changes that may affect the availability of resources or skills required to deliver organizational outcomes in an evolving sector.

External Factors

External factors that have impacted our human resources priorities and actions include:

- Tragic events have precipitated a renewed global awareness of racial inequities and recognition of both organizational and individual responsibilities in ensuring an inclusive and discrimination-free work environment.

A web-based diversity and anti-racism program was launched to provide a forum for employees to discuss their experiences and share ideas that will strengthen the OEB’s commitment to an equitable and inclusive organization.

- COVID-19, which has reinforced a culture at the OEB that is adaptable and supported by management to ensure the best employee experience and engagement in our new work-from-home environment.

Internal Factors

Talent management is a key business strategy and an investment in the future capabilities, addressing challenges including skills shortages and an aging workforce across Canada, in the energy sector and within the OEB.

Our talent management business process is a systematic approach to attracting, retaining and growing highly qualified and high potential employees to ensure the OEB has timely access to talent and the right people ready for critical roles now and in the future. Coupled with our talent management process is workforce and succession planning that puts the right people across the organization in the right jobs, doing the right things at the right time.

Our approach ensures cost effective resource management, business productivity by supporting employee development and retention, and maximum stakeholder value through effective and efficient OEB operations.

The compensation philosophy at the OEB is similar to the majority of organizations in the Ontario and Canadian market. It targets both base salary (the job rate) and total cash compensation for fully competent performers at the market 50th percentile for the purposes of compensation design and ongoing salary administration.

Total Number of Employees by Group



Section 6:

INITIATIVES INVOLVING THIRD PARTIES

The OEB has engaged third parties to assist in the delivery of the Ontario Electricity Support Program (OESP). The OESP is administered by the OEB and provides on-bill rate assistance to eligible low-income electricity customers funded by taxpayers.

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. In 2019, the contract was extended for two years with no other changes in terms and conditions of the contract.

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 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.

Section 7:
REALTY

Section 26 of the Financial Plan includes costs for the OEB's lease of office and public-facing tribunal space at 2300 Yonge Street in Toronto. In advance of the current lease expiry on December 31, 2024 the OEB is reviewing realty requirements and exploring work-from-home arrangements as part of the organization's facilities strategy. No acquisitions or leasehold additions are assumed in this plan.

Section 8:

**INFORMATION
TECHNOLOGY
/ ELECTRONIC
SERVICE DELIVERY
PLAN**

The Information Technology (IT) and Electronic Service Delivery (ESD) plan sets out programs and activities that support the OEB’s work and priority of implementing a digital-first approach. Key IT initiatives for the 2021-2022 fiscal year include enhanced e-Services functionality for stakeholders, improved analytics and reporting, further enablement of Cloud Services, website enhancements and process automation. Proposed investments are summarized in the table below:

OEB Budgeted IT Capital Project Spending by Category

Category	2021-2022	2022-2023	2023-2024
Business Systems	\$1,125,000	\$1,070,000	\$1,090,000
End User computing	\$100,000	\$150,000	\$150,000
Infrastructure	\$250,000	\$250,000	\$250,000
Total	\$1,475,000	\$1,470,000	\$1,490,000

Category definitions

Business Systems – 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, e-Services for regulatory filings, financial systems, HR systems, as well as our core back office systems, which we use to manage our regulatory records and processes.

End-User Computing – 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 – 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.

Section 9:

RISK IDENTIFICATION, ASSESSMENT AND MITIGATION STRATEGIES

Effective risk identification and mitigation enables the OEB to take advantage of opportunities, mitigate negative consequences of risk and successfully deliver our mandate and objectives.

We identify, assess, monitor and report on risks through our Enterprise Risk Register and management systems. Key risks, ranging from strategic to operational, will be monitored and managed through mitigation plans, while not an exhaustive list of risks and mitigations they include:

Strategic Risks

Modernization Mandate

A failure to prioritize, plan and execute accordingly could result in a capacity risk and failure of timely delivery on modernization outcomes.

To mitigate the risk, we will use actions such as problem focused and outcomes-based planning with transparent reporting aligned to mandate deliverables.

Emerging Public Policy Issues

Unplanned and emerging public policy issues may result in responsive government action not anticipated by the OEB. The OEB's ability to effectively deliver on its existing mandate may be impacted, depending on the scope and time frame of the action required in response.

Many of the mitigations involve continual engagement with stakeholders to ensure we can identify issues as they begin to arise and take action to address them. Continual stakeholder engagement, environmental scanning and discussions with the Ministry of Energy, Northern Development, and Mines are among the tactics to mitigate the risk.

Stakeholder Engagement

OEB communications and stakeholder engagement may not be sufficient to meet the needs of those we serve. This could result in stakeholders not being adequately engaged or appropriately informed resulting in lack of support for proposed changes. This would impact the OEB's ability to effectively understand, respond or contribute to sector developments.

The development and implementation of a new plan for communications and stakeholder engagement supported by new protocols and improvements to existing communications will be a leading mitigation tactic.

Operational and People Risks

Regulated Industry Performance

Failure to detect significant non-compliance by regulated entities with legal and regulatory requirements would result in adverse consequences for customers because the requirements have not been adhered to.

A risk-based compliance approach, annual planning and reporting and clearly articulated decisions, conditions and / or tariffs will mitigate non-compliance.

Workforce for the future

The OEB may not have the correct workforce resourcing required to deliver on our mandate and meet the future needs of the organization. This includes identifying and appointing Commissioners.

Strategic human resources planning will ensure the OEB mitigates this risk. Planning will include but is not limited to workforce and succession planning, performance management aligned to the OEB's mandate, objectives and focused development and learning initiatives.

Section 10:

COMMUNICATIONS PLAN

The 2021-22 to 2023-24 Business Plan builds on the work and accomplishments of previous years.

It is also the starting point to introduce priorities and share successes that align with OEB modernization and Bill 87.

We are committed to transparency and accountability as we deliver on this Business Plan. To allow full public access to the Plan and updates, it will be posted on the OEB website within 30 days of receiving approval from the Minister of Energy, Northern Development and Mines.

To continue conversations and sharing information with stakeholders, we will implement integrated communications programs and improve platforms to inform consumers about our approach to regulation.

This is in addition to continuing communications activities to enhance residential and business consumers' trust and confidence in the OEB and sector.