

## **NYSEG/Con Edison Draft Proposal for Executive Compensation Performance Measures**

This draft proposes that the NYISO consider several quantitative performance measures for its executive compensation program. These measures should objectively measure the performance of the NYISO, and the results of the projects and programs it undertakes. In addition, the measures should ensure that the NYISO is improving its performance in administering its markets, including accuracy of its information. The targets should be developed based on improving the present performance, as well as seeking to meet industry standards achieved by other ISOs/RTOs. Some measures could include:

<b>Measure</b>	<b>Target</b>
1. Hourly Price Corrections:	No more than 5 hours/per month
2. Bill Challenges received:	No more than 2 issues per month
3. Billing Accuracy:	XX% of the bills issued annually were correct when first issued
4. Billing Backlog:	No more than 2 months behind schedule
5. Accuracy of Daily Load Forecast:	Within 2% or actual, absolute value daily avg.
6. Collateral Requirements	Make all margin calls by 10AM of the day required
7. Interest costs on billing errors	Eliminate interest costs charged to market participants due to NYISO errors
8. Alternative to #7 – Eliminate errors that cause unnecessary interest charge payments.	Eliminate the manual and programmed billing errors that result in additional interest charges to the Market Participants beyond the “normal” bill changes
9. Budget levels	Do not increase budget (or \$/MWh rate?) by more than is done in neighboring RTOs.  Keep to previous budget targets
10. Benchmark an informed Survey on Customer Satisfaction	Target a select group of Market Participants [those working closely with the NYISO] and survey them on Customer Satisfaction. Market
11. Eliminate changes to the overall \$/MW charges in the bill	Target a delta for changes to the \$/MW cost during the billing settlement cycle. The \$/MW for Energy and/or Ancillary Services should not change more than X% between settlements. This would allow the NYISO to focus on causes for these changes and develop solutions.