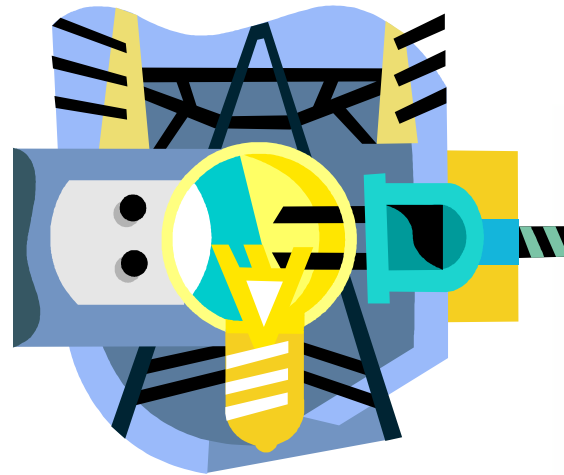


NYISO 2005 Strategic Plan Update and Corporate Incentive Goals Overview



2005 Strategic Plan Update and Incentive Goals

- ✓ **Overview**
- ✓ **2005 Focus**
- ✓ **2005 Incentive Goals**

Overview of the 2005 Strategic Plan Update

- ✓ **Accomplishments and Plan Updates**
- ✓ **Corporate Administration**
 - *Organization*
 - *Governance*
 - *Market Participant Committees*
- ✓ **Vision, Mission and Strategic Objectives**
- ✓ **Implementation**
- ✓ **2005 Incentive Goals**

2005 Strategic Focus – Excellence in Execution

- ✓ Stakeholders and regulators judge NYISO at the forefront of reliability and market design
- ✓ Area deemed in greatest need of improvement is execution
- ✓ Consequently, in 2005, NYISO will focus its efforts on Excellence in Execution
- ✓ Primary areas in addition to SMD2
 - *Billing improvements*
 - *Process Automation*

2005 Incentive Goals



Gateway Goals

RELIABILITY GATEWAY GOAL

1. Maintain service to NYCA load.

No interruption of load because of improper implementation of NYISO operating procedures by the NYISO.

No loss of load or deliberate load shedding triggering a NERC reportable event (>300MWs for >15 minutes).

MARKET GATEWAY GOAL

2. Successfully post DAM schedules/ forward contracts.

DAM schedules/forward contracts are posted 99.73% of the time (1 miss) during 2005.

Comprehensive Electric System Planning Goal

Goal Values		
Threshold	Target	Superior

3. Comprehensive Electric System Planning

Reliability Needs Assessment (RNA to ESPWG and TPAS)

Nov 1

Oct 1

Sep 1

Operating Standards Goal

Goal Values		
Threshold	Target	Superior

4. Comply with NERC/NAERO Operating Standards

a) DCS:

10 of 12 months

12 of 12 months

b) CPS-2

10 of 12 months

11 of 12 months

12 of 12 months

c) Reduce NYISO specified Out of Merits

2.5%

3.0%

3.5%

Market Availability Goal

Goal Values		
Threshold	Target	Superior

5 Market Availability

a) Achieve timely posting of DAM schedules and forward contracts. Post by 11 am:	4 misses	2 misses	0 misses
b) MIS Availability	99.6%	99.75%	99.9%
c) During the year, an individual occurrence of unplanned service interruptions will not be greater than 4 hours. There will be no more than:			
c1) During Core Hours	2 events	1 event	0 events
c2) During non-Core Hours	4 events	3 events	2 events

Real-Time Price Certainty and Accuracy Goal

Goal Values		
Threshold	Target	Superior

6. Improve the certainty and accuracy of Real-Time prices:

a) Hours without Price Reservations

>=90%

>=92%

>=95%

b) Hours without Price Corrections:

>=95%

>=96%

>=97.5%

Billing and True-up Goal

Goal Values		
Threshold	Target	Superior

7. Improve the billing and true-up process:

a. Posting of all invoices within 5 business days of the start of the month according to invoice schedule

10 of 12

11 of 12

12 of 12

b. Minimize dollar impacts of final bill challenges

75%

85%

95%

c. Close a designated percentage of final bills for eligible open months

75%

90%

100%

Improve Customer Satisfaction Goal

Goal Values		
Threshold	Target	Superior

8. Improve customer satisfaction with NYISO services as determined via surveying three times annually

>= 2%

>= 3%

>= 4%

Project Execution Goal

Goal Values		
Threshold	Target	Superior

9. Improve Project Management Deliverables

a) Through successful completion of high high priority projects. Measurements will be made on schedule, cost and quality.

b) SMD 2.0 post deployment MP satisfaction measured via survey

Achieve 1 of 3 Achieve 2 of 3 Achieve 3 of 3
(Schedule, Cost. Quality)

Our Thanks to the 2005 Incentive Goal Development Team

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- ✓ **Entire plan is on the intranet. A link will be e-mailed to you today**