

Excellence in Execution: Enterprise Process and Quality Control

Status Report
For BS&P
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Agenda

- ◆ Process and Controls Improvement
- ◆ Lean Six Sigma

Process and Control Mapping

- ◆ NYISO is mapping all of its internal processes documenting those processes and internal controls, assessing the adequacy of those controls, and instituting an ongoing function to manage those processes and control.
 - *Process control*
 - Key processes identified for process control
 - *Process monitoring*
 - Function being established to support process owners
 - *Process intelligence*
 - Central managed repository of NYISO processes under change control
 - Reduced complexity
 - *Process maturity*
 - Low variation, repeatable processes

Process and Control Mapping

- ◆ All processes will be under enterprise change control by the 1st Quarter of 2007

Lean Six Sigma - RECAP

- ◆ Provides a tool skill set to NYISO staff to enable quality improvement and process efficiency
- ◆ Training for a first group of Green Belts began last summer
- ◆ First training projects began in the fall of 05 and are now completed
- ◆ Results positive and tool skills training is expanding broadly across the enterprise

Initial Training Projects

- ◆ Reduce fuel index cycle time of reference prices in DAM
- ◆ Reduce the number of emergency changes in production
- ◆ Improve Tier I inquiry resolution process
- ◆ Reduce missed RTD interval recovery time
- ◆ Improve Tier II market participant inquiry resolution
- ◆ Reduce RTD input data errors
- ◆ Reduce operator inputs resulting in price corrections
- ◆ Reduce percentage of false positive price reservations
- ◆ Reduce price correction cycle times
- ◆ Reduce final bill settlement challenge cycle time

Second Wave Green Belt Projects

- ◆ 48 Additional projects began with new training cycle on July 31st
- ◆ Lessons learned in the training period will expedite second wave project execution

Preliminary Cost-Benefit

- ◆ Approximately \$600K spent on LSS support from consultant since last summer
- ◆ Just the first limited set of training projects has resulted in internal efficiency improvement
 - *Reductions in contractor cost on specific processes*
 - *Savings of staff time on specific processes*
 - *Error reduction*
 - *Cycle time reduction*
- ◆ The training projects are also resulting in benefits that have positive impacts on the market
 - *Reduction of fuel price index cycle time from 3 to 2 days*
 - *Reduction in the number of price corrections required due to operator inputs*
 - *Reduction of time it takes to replace missing price intervals, thus reducing the number of price reservations and potential corrections*

LSS Expectations

- ◆ Deepening and Broadening of tool usage will result in greater quantifiable positive results
- ◆ Processes will improve
 - *Better process efficiency*
 - *Identification and management of supporting processes*
- ◆ Quality and Process centric mindset will spreading
 - *Knowledge sharing and management is being realized*