

2016 NYISO Corporate Incentive Goal Achievement

GATEWAY GOALS

Goal Description	Results		Final Payout
1. Maintain Service to NYCA Load		No load shedding or interruptions of power (300 megawatts or greater for 15 minutes or longer)	--
2. No Reliability Standards Violations		No formal notifications of non-compliance with NERC Standards or NYSRC Rules	--
3a. Timely Posting of Day-Ahead Market Schedules		All DAM schedules were posted prior to 10:45 PM	--
3b. Maintain Market Information System Availability		MIS availability was 100% (per clarifying commentary definition)	--
4a. Do Not Cause Market Error Greater than \$1 Million		One error greater than \$1 million ¹	-15%
4b. Comply with Market Problem Reporting Procedure		Two potential Market Problems reported in compliance with Tariff	--
4c. Receive Unqualified Opinion on 2016 SOC 1 Report		SOC 1 Audit had an unqualified opinion	--
5a. Deliver 2016 Reliability Needs Assessment (RNA)		RNA was delivered to the Board of Directors on 10/18/16	--
5b. Deliver 2016 Load & Capacity Data Report (Gold Book)		Gold Book was delivered to the NYISO stakeholders on 4/26/16	--

INDIVIDUAL GOALS

Goal Description	Threshold (50%)	Target (100%)	Superior (150%)	Results	Weight (%)	Final Payout	
6. Complete Key Project Initiatives <ul style="list-style-type: none"> Demand Curve Reset (10%) Behind-the-Meter Net Generation Implementation (5%) Scarcity Pricing Implementation (5%) Solar Forecasting Initiatives (5%) Cyber Security: Identity & Access Management Phase V (5%) <u>Additional Priority Initiatives:</u> <ul style="list-style-type: none"> Sustaining Efforts: Broader Regional Markets (5%) Clean Power Plan (10%) 	5 of 5 Key Project Initiatives completed 2 of 2 Additional Priority Initiatives completed			5 of 5 projects completed (30%) 2 of 2 additional priority initiatives completed (15%)	30%	45%	
7. EMS/BMS Upgrade: Completion of must-have requirements, vendor contracts, and initial project implementation plans.	Completion of must-have requirements, vendor contracts, and initial project implementation plans			Project requirements, contracts, and implementation plans completed	10%	10%	
8. Western NY Public Policy Transmission Need: 1) Deliver Viability & Sufficiency Assessment; and 2) Deliver Evaluation Report of transmission solutions to the Board of Directors	Deliver #1 by 8/31/16	Deliver #1 by 4/30/16	Deliver #2 by 12/31/16	Target	Delivered #1 on 04/29/16	10%	10%
9a. Projects Delivered: Deliver 2016 Business Plan project commitments	--	≤ 4 missed projects	≤ 2 missed projects	Missed	30 of 35 completed (5 reprioritized) ²	15%	0% ²
9b. Deployment Defects Violating Established Quality Measures: Measures Tariff/ Agreement violations, market problems, or business unit hardship	99%	99.5%	99.99%	Target	99.5% (8 defects / 1,595 deployments)	10%	5% ³
9c. Non-deployment Defects Violating Established Quality Measures: Measures Tariff/ Agreement violations, market problems, or business unit hardship with Financial impact more than \$10,000	+5% for no non-deployment defects -1% per non-deployment defect			1 defect		--	-1%
10. Enterprise Cost Management: Measures savings between the actual costs and original budget of procured goods and services	2% savings	3% savings	5% savings	--	1.1% savings (\$711k / \$63.3M)	5%	0%
11. Customer Satisfaction Index: Results of the Customer Satisfaction Index that is comprised of several survey feedback channels	82%	84%	87%	Superior	88.2%	20%	30%

Total Payout Percentage

84%

Adjusted Final Payout Percentage Reflecting Project Reprioritization

97%

¹ Graduated Transmission Demand Curve

² NYISO removed five projects out of the original plan in order to respond to emerging work.

³ Achievement of Goal 9a and 9b are linked, such that if one is not achieved the other will be reduced by one level of achievement. Therefore, as a result of the failure to achieve Goal 9a, Goal 9b's achievement level was reduced from Target to Threshold.