

**2021 CORPORATE GOALS - DRAFT**

 BUDGET & PRIORITIES WORKING GROUP  
 OCTOBER 22, 2020

*Note: No changes proposed to Gateway Goals*
**GATEWAY GOALS**

1. Maintain Load	100% reduction	No interruption of load because of improper implementation of NYISO operating procedures by the NYISO
2. Reliability Standards Violations	Reduced by financial penalty amount or 10 – 20% reduction based on risk/severity level, 10% for NYSRC, up to a max 100% reduction. However, the penalty percentage will be reduced by half for self-identified issues.	The NYISO will maintain compliance with NERC Reliability Standards including Planning and Critical Infrastructure Protection Standards.
		The NYISO will maintain compliance with NYSRC rules.
3. Functionality	100% reduction	DAM schedules are posted 100% of the time
	100% reduction	MIS availability ≥ 99.75%
4. Excellence in Execution	100% reduction	The NYISO, through its actions, will not cause a Market Problem with a material, adverse impact on the market > \$100 million in a year (12-month period).

**QUALITY GOAL**

5. Quality Goal – Work will be of a high quality as measured by the number and magnitude of quality defects. <i>Note: No changes proposed to Quality Goal Structure</i>				
Definition	Threshold Payout (50%)	Target Payout (100%)	Superior Payout (150%)	Target Weight %
<b>Higher Impact Defects:</b> <ul style="list-style-type: none"> <li>Market Problems/Tariff Violations with a financial impact &gt; \$1M (as measured up to five years prior to identification)</li> <li>Unplanned outages of critical systems &gt; 8 hours due to, for example, operational or cyber security issues</li> <li>Receipt of a qualified SOC 1 Report</li> </ul> <b>Lower Impact Defects:</b> <ul style="list-style-type: none"> <li>Market Problems/Tariff Violations with a financial impact &gt;\$100K (as measured up to five years prior to identification)</li> <li>Unplanned outages of critical systems &gt; 1 hour and &lt; 8 hours due to, for example, operational or cyber security issues</li> <li>Key Planning Deliverables Missed: Gold Book by 4/30, <b>Comprehensive Reliability Plan by 12/31</b></li> <li>DAM schedules posted in time for Real-Time but after 11AM Tariff deadline</li> </ul>	<b>Higher Impact Defects:</b> No more than one occurrence  AND  <b>Lower Impact Defects:</b> 9 or fewer occurrences, excluding the market problems/ tariff violations that are self-identified	<b>Higher Impact Defects:</b> No occurrences  AND  <b>Lower Impact Defects:</b> 4 to 6 occurrences, excluding the market problems/ tariff violations that are self-identified	<b>Higher Impact Defects:</b> No occurrences  AND  <b>Lower Impact Defects:</b> 3 or fewer occurrences, excluding the market problems/ tariff violations that are self-identified	25%

STRATEGIC GOALS				
Goal Description	Threshold Payout (50%)	Target Payout (100%)	Superior Payout (150%)	Target Weight %
<b>6. Project Initiatives<sup>i</sup></b> <b>a) Business Plan:</b> Deliver Market Projects on schedule – 245 Major projects identified in Business Plan will be timely completed. <b>b) Key Project Initiatives</b> <ol style="list-style-type: none"> <li>1. Distributed Energy Resources Participation Model – Deploy Communication Infrastructure. Complete Development of Software Code for the Billing Settlement System &amp; Billing Simulator</li> <li>2. Reserves for Resource Flexibility - Deployment</li> <li>3. Ancillary Service Shortage Pricing - Deployment</li> <li>4. Hybrid Co-Located Model – Deployment</li> <li>5. Enterprise Information Management - Deployment</li> <li>6. Carbon Pricing – Software Design</li> <li>7. Tailored Availability Metric – Deployment</li> <li>7.8. Climate Change and Grid in Transition – Issue Discovery</li> </ol>	No more than 4 missed projects	No more than 3 missed projects	No more than 2 missed projects	25%
	No more than 2 missed Key Projects	No more than 1 missed Key Project	No missed Key Projects	30%
<b>7. Complete the Class Year Annual Transmission Baseline Assessment Study Cases (ATBA)</b>  Following the receipt of projects' executed Class Year Study Agreements, study deposits and required technical data, the NYISO will complete the ATBA Study Cases within:	120 Days	90 Days	60 Days	10%
<b>8. Customer Satisfaction and Performance Index</b>  The customer satisfaction and performance score is determined using three survey channels and measured as a single metric. The Customer Inquiry, Market Participant Survey and CEO/Executive Survey inform the achievement of this goal.	84.5%	86.0%	87%	5%
<b>9. Cost Management</b>  NYISO will manage annual operating cost to a level below the approved annual Rate Schedule 1 Revenue Requirement (\$) while achieving the 2021 project commitments in the Business Plan.	1.5% Below Budget	2.5% Below Budget	3.5% Below Budget	5%
<b>Total Achievable</b>	<b>50%</b>	<b>100%</b>	<b>150%</b>	

## <sup>i</sup> Goal 6: Reprioritization Process

Reprioritization Process – If reprioritization of Project Initiatives is required, a presentation to the Board will occur to identify the following:

- 1) Reason for the reprioritization (i.e. Regulatory Action or Order, Market Inefficiency)
- 2) Project deliverables that will be adjusted
- 3) Newly identified projects that will be added to the work plan
- 4) Stakeholder feedback regarding the reprioritization as received from the Budget & Priorities Working Group
- 5) Project Status reporting will be reviewed and updated for impacted projects. The intent of this step is to provide transparency regarding the status and specific reasons projects are being deferred or eliminated. A recommendation will be provided to the Board regarding if there should be any project “misses” identified for the purpose of the incentive plan.

The project plan will be modified to reflect the revisions and the incentive achievement will be measured against the revised plan, unless the Board provides definitive direction not to implement the reprioritization effort or recommends an alternate approach regarding the incentive plan.

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