

BPWG 2022 PROPOSED CORPORATE GOALS – DRAFT

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.

Definition	Threshold Payout (50%)	Target Payout (100%)	Superior Payout (150%)	Target Weight %
Higher Impact Defects: <ul style="list-style-type: none"> Market Problems/Tariff Violations, including those resulting from deployment defects, with a financial impact > \$1M (as measured up to five years prior to identification) Unplanned outages of critical systems > 48 hours due to, for example, operational or cyber security issues Receipt of a qualified SOC 1 Report 	Higher Impact Defects: No more than one occurrence AND	Higher Impact Defects: No occurrences AND	Higher Impact Defects: No occurrences AND	20 5 %
Lower Impact Defects: <ul style="list-style-type: none"> Market Problems/Tariff Violations, including those resulting from deployment defects, with a financial impact >\$100K (as measured up to five years prior to identification) Unplanned outages of critical systems > 1 hour and < 48 hours due to, for example, operational or cyber security issues Key Planning Deliverables Missed: Gold Book by 4/30, Reliability Needs Assessment by 11/30Comprehensive Reliability Plan by 12/31 DAM schedules posted in time for Real-Time but after 11AM Tariff deadline 	Lower Impact Defects: 3 9 or fewer occurrences, excluding the market problems/ tariff violations that are self-identified	Lower Impact Defects: 2 or fewer 4 to 6 occurrences, excluding the market problems/ tariff violations that are self-identified	Lower Impact Defects: No more than 13 or fewer occurrences, excluding the market problems/ tariff violations that are self-identified	

STRATEGIC GOALS				
Goal Description	Threshold Payout (50%)	Target Payout (100%)	Superior Payout (150%)	Target Weight %
6. Project Initiativesⁱ a) Business Plan: Deliver Market Projects on schedule – 254 Major projects identified in Business Plan will be timely completed. b) Key Project Initiatives <ol style="list-style-type: none"> 1. Comprehensive Mitigation Review - Deployment 2. Improving Capacity Accreditation – Market Design Complete 3. Internal Controllable Lines – Market Design Concept Proposed 3.4. Dynamic Reserves – Market Design Concept Proposed 5. Microsoft 365 Enhancements - Deployment 4.6. ACC Control Room Renovation – Deployment 7. Outage Management System - Deployment 	No more than <u>3</u> 4 missed projects	No more than <u>23</u> missed projects	No more than <u>1</u> <u>2</u> missed projects	25%
	No more than 2 missed Key Projects	No more than 1 missed Key Project	No missed Key Projects	30%
7. Distributed Energy Resources Participation Model	Deployment by December 31, 2022			10%
8. Complete the Class Year Study The NYISO will complete and present to stakeholders the final draft Class Year 2021 Facilities Study Report by:	June 30, 2022	May 31, 2022	April 29, 2022	5%
7.9. Customer Satisfaction and Performance Index 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%

10. Employee Retention and Recruitment To be determined				<u>5%</u>
8. Cost Management 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%
Total Achievable	50%	100%	150%	

ⁱ **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.