

2021 Strategic Plan

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EXECUTIVE VICE PRESIDENT, NYISO

Management Committee

November 17, 2021

“Building on our more than 20-year legacy of service, we remain committed to meeting customer needs and expectations while being mindful of the broader economic, social, and environmental impacts of our business – critical factors that work together to ensure our shared success.”

- Daniel C. Hill
Chair, NYISO Board of Directors

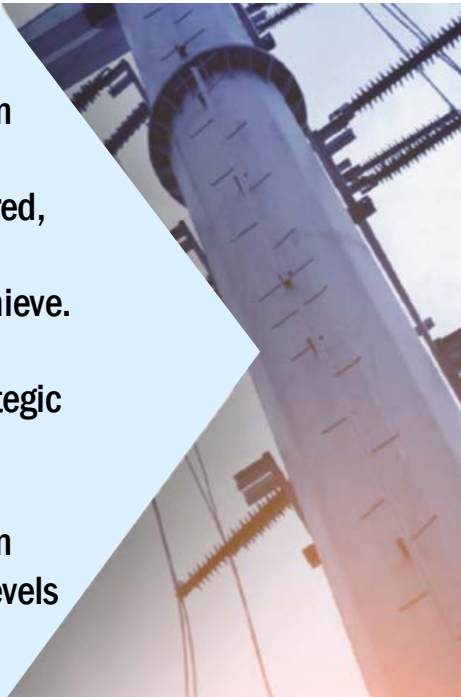
- Richard J. Dewey
NYISO President & CEO

2021 Strategic Plan

- **Mission & Vision**
- **Core Values**
- **Roles of the NYISO**
- **Key Areas of Strategic Focus**
- **Strategic Objectives**
- **Strategic Initiatives**
- **Key Accomplishments**

Mission & Vision

Mission & Vision



The mission of the NYISO establishes the foundation from which all our responsibilities are delivered, and the vision describes a future that we strive to achieve. Together, they provide the basis for the NYISO's Strategic Objectives and Strategic Initiatives, as well as a reference to guide decision making and action at all levels of the organization.

Mission:

Ensure power system reliability and competitive markets for New York in a clean energy future.

Vision:

Working together with stakeholders to build the cleanest, most reliable electric system in the nation.

Core Values

Core Values

The core values of the NYISO form the foundation on which we conduct ourselves. The core values provide the guiding principles for our organization as we work together to fulfill our mission and vision.



Our People

Working, learning and growing together, respecting and embracing our differences

Customer Focus

Valuing our stakeholders' perspective

Integrity

Commitment to honest, ethical, and transparent actions

Innovation

Creating sound solutions in an environment of constant change

Excellence

Accountability for excellence in all that we do

Roles of the NYISO

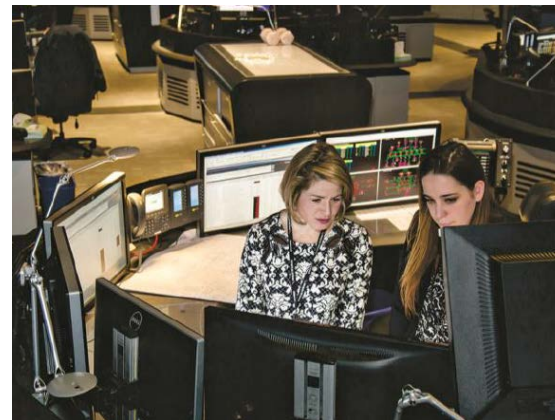
Roles of the NYISO

■ Reliable Operations

- Maintaining bulk power system reliability is the cornerstone of the NYISO's mission
- Shaping how we operate, design markets, and conduct system planning

■ Efficient Markets

- To provide the lowest cost power available to reliably meet consumer needs, the NYISO conducts and monitors competitive auctions of wholesale electricity including ancillary services every five minutes, every day of the year
- The NYISO also operates markets that allow market participants to purchase the installed capacity needed to meet resource adequacy requirements established by the New York Reliability Council



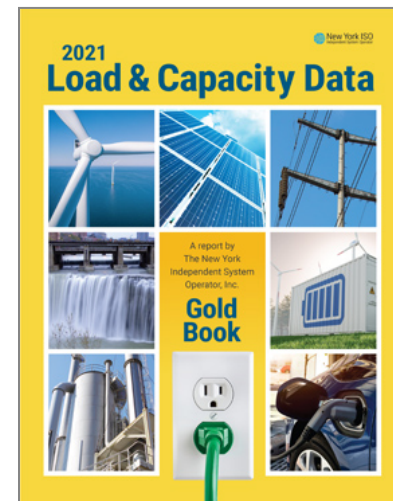
Roles of the NYISO

■ Comprehensive Planning

- The NYISO's Comprehensive System Planning Process is a unique, "all source" planning process
- An important step in supporting New York's ambitious clean energy goals is to study the future grid to promote a better understanding of what will be needed, including emerging technologies, to meet reliability

■ Authoritative Source

- A pillar of the NYISO's focus is to serve as an independent source of fact-based information on the evolving electric system



Key Areas of Strategic Focus

Evolving State and Federal Policy Drivers

■ New York State Energy Policy

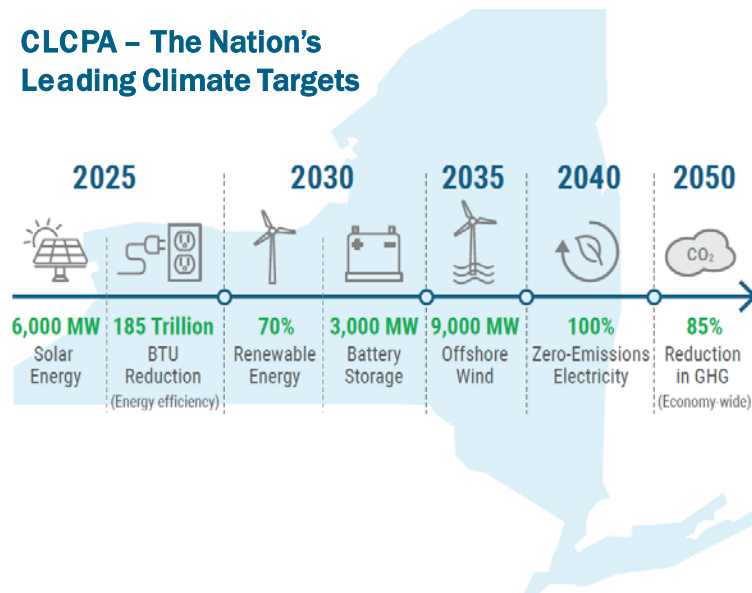
- Climate Leadership and Community Protection Act (CLCPA) driving change
- A rapid transition is underway to a grid with greatly increased renewable resources and distributed generation
- Requires greater electrification of other sectors, such as transportation and buildings

■ National Energy Policy

- Biden Administration brings renewed focus on climate change
- Major clean energy and infrastructure initiatives under consideration
- FERC initiated reforms that support renewable energy growth and decarbonization efforts

■ Environmental Justice and Greater Public Participation

- Prominent aspects of both state and national energy policy



Reliability and Market Considerations for a Grid in Transition



- **The NYISO is uniquely positioned to:**
 - Frame the challenges associated with rapid transformation of the grid
 - Continually assess the reliability, economic, and public policy aspects of the transition to a renewable and more distributed grid
- **Grid in Transition efforts are designed to enable the NYISO to:**
 - Make necessary market enhancements and implement operating protocols to maintain reliability at the lowest cost to consumers while meeting ambitious environmental state and federal policy objectives
 - Highlight the needed resource attributes that help preserve reliability
 - Understand ramifications of the changing resource mix to evolve the market design

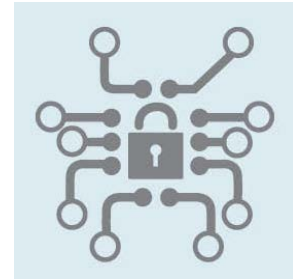
Evolving the NYISO's Business Delivery

- **Increasing demands on the NYISO to manage greater complexity require reevaluation of business delivery**
 - Emergence of new resource types create new work streams and necessitate changes to NYISO systems
 - New capabilities needed by customers for greater flexibility
 - Additional studies, monitoring, controls, and enhanced market signals are needed as the power system becomes more dynamic
 - Examination and enhancement of rate schedule structure as changing system needs drive cost impacts
- **Sustain and grow the NYISO organization**
 - Maintaining dedicated and skilled workforce is fundamental
 - Invest in employee development



A Leader in the Application of Technology

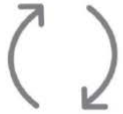
- **New requirements stemming from increased grid complexity**
 - The NYISO technology strategy needs to deliver capabilities allowing rapid adaptation to more dynamic operation and planning requirements
 - Cyber security is integral to our strategy
- **Strategy is designed to provide a modern software architecture and delivery approach, and ability to leverage and integrate cloud solutions**
 - Focus on flexibility and scalability
 - Improve cost efficiencies associated with cloud solutions
 - Continue development of a comprehensive security program to protect grid and market operations against cyber threats



Strategic Objectives

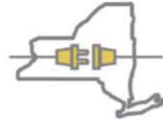
Six strategic objectives underlay the various initiatives of the NYISO and provide guidance for the allocation of human, financial, and technological resources. These objectives instill discipline to the use of resources, helping to evaluate and prioritize NYISO investments toward those activities that best meet the goals articulated by each objective. The NYISO will work in collaboration with stakeholders to achieve these strategic objectives.

Strategic Objectives



Leader in Reliability

- Sustain and enhance reliable operation of the changing New York electric grid.
- Provide secure environment to protect the NYISO cyber, physical, and personnel resources.



Excellence in Execution

- Sustain a culture that fosters quality in all that we do and engenders customer confidence in our operations, markets and planning.
- Support and develop our workforce to ensure the organization has the professional talent and skills needed to fulfill the NYISO's mission.
- Demonstrate fiscal responsibility and cost management in order to mindfully provide value to consumers.



Leader in Application of Technology

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Strategic Objectives



Robust System Planning

- Continuously improve comprehensive system planning, including the reliability, economic, and public policy studies and other planning initiatives in New York.
- Provide insight and guidance regarding the evolving power system.
- Complete studies to analyze reliability, operations and market impacts to enable federal and state clean energy policy goals.



Leader in Market Design & Performance

- Support and increase reliability, market efficiency and value for consumers through the development of enhancements to the wholesale electricity markets.
- Foster fair, competitive and transparent wholesale electricity markets that attract new investments and retain needed resources.
- Advance the transformation of the power grid with state-of-the-art technologies.



Authoritative Source of Information on Key Issues

- Provide an independent, unbiased source of information on the reliable operation of New York's bulk electric system and wholesale electricity markets. Identify future needs by analyzing policy and technology developments.
- Provide industry leadership through leadership forums, conferences, and professional and standard setting groups.

Strategic Initiatives

To meet evolving regulatory requirements, and expected technical, financial and market challenges, the NYISO has identified six key strategic initiatives in addition to its core responsibilities and ongoing project plans. These initiatives provide guidance for projects and resource allocations into the future. The NYISO will work in collaboration with stakeholders to achieve these strategic initiatives.

Strategic Initiatives



Grid Reliability & Resilience

- Maintaining power system reliability is the NYISO's primary responsibility and the role of wholesale markets is critical in carrying this out. The changing portfolio of resources requires continuous enhancement of the NYISO's market products, operational, and planning practices to ensure the ability to efficiently and reliably serve New York's power system requirements.



Technology Transformation

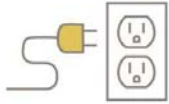
- The NYISO IT Strategy and technology investments will position the NYISO with the flexibility and agility to comprehensively respond to emerging industry trends like the integration of new resources. At the same time, the organization will continue to maintain reliable operations of the grid and market systems while being responsive to increased cybersecurity risks.



Efficient Markets for a Grid in Transition

- The addition of new resources will create a more dynamic grid in the future. Accurately valuing the contribution of resources toward meeting reliability is critical. The NYISO will implement market enhancements to incent the attributes needed on the bulk power system to reliably meet New York's energy needs.

Strategic Initiatives



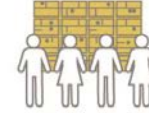
Authoritative Source

- The NYISO will continue to emphasize our brand value as a trusted, independent and expert source of information for the public, policymakers, and stakeholders.



Integration of Public Policy

- The CLCPA requires aggressive state action to reduce greenhouse gas emissions and promote expansion of renewables, distributed energy, and storage resources. It is imperative that the NYISO's market design is harmonized with state public policy goals. Continued study work is required to develop a deeper understanding of system needs to facilitate the grid in transition.



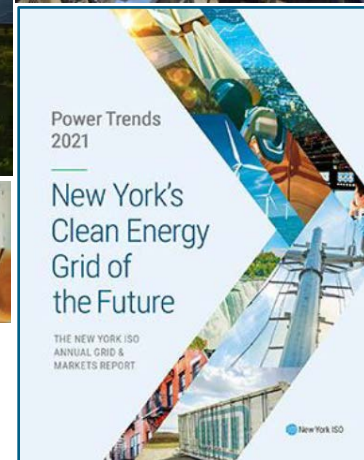
Efficient & Flexible Business Delivery

- In the current rapidly changing environment, a skilled workforce, product and service refinement, continuous process improvement, and business delivery focus will help maximize the value the NYISO delivers. The NYISO will enhance organizational effectiveness, modernize systems for faster, more flexible response to market and regulatory changes, and continuously scrutinize cost of operations. The NYISO will support and develop our workforce to ensure the organization has the professional talent and skills needed to fulfill the NYISO's mission.

Key Accomplishments

Key 2021 Accomplishments

- Reserves for Resource Flexibility and Ancillary Shortage Pricing
- Large Scale Solar on Dispatch
- DER Participation Model
- Tailored Availability Metric
- Expanding Capacity Flexibility
- Power Trends 2021
- Cloud Technologies
- Advanced software development and design
- Economic Planning Process
- Public Policy Transmission Planning Process for Long Island Offshore Wind
- Comprehensive Reliability Plan



The New York Independent System Operator (NYISO) is a not-for-profit corporation responsible for operating the state's bulk electricity grid, administering New York's competitive wholesale electricity markets, conducting comprehensive long-term planning for the state's electric power system, and advancing the technological infrastructure of the electric system serving the Empire State.