

# Scoring Recommendations and Project Prioritization Timeline

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Brian Hurysz

Manager, Enterprise Infrastructure Products

**Budget and Priorities Working Group**

February 23, 2022, WebEx

# Agenda

- **Scoring Recommendations**
- **Project Prioritization Definitions and Timeline**
- **Candidate Project Description Template**
- **Next Steps**

# Scoring Recommendations

# Scoring

- **The NYISO recommends:**
  - Simplifying the score calculation
  - Providing NYISO scoring to stakeholders prior to the survey completion to inform stakeholders of the NYISO ranking
- **At the January 31 BPWG, the NYISO identified the project prioritization criteria under consideration for potential change to gather stakeholder feedback**
- **The NYISO has incorporated stakeholder feedback on the scoring recommendation and seeks stakeholder feedback on the NYISO's scoring proposal**

# Project Prioritization Criteria

PRIORITIZATION CRITERIA						
Category	Criteria	Criteria Weight	HIGH 10	MEDIUM 7	LOW 3	NONE 0
Strategy (If we do this project)	Leader in Reliability	10	Significantly improves NYISO ability to maintain NYCA Reliability	Moderately improves NYISO ability to maintain NYCA Reliability	Minimally improves NYISO ability to maintain NYCA Reliability	None
	Leader in Market Design	10	Significantly improves NYISO Market Design	Moderately improves NYISO Market Design	Minimally improves NYISO Market Design	None
	Leader in Technology Innovation	6	Significantly advances the IT strategy or technology improvement	Moderately advances the IT strategy or technology improvement	Minimally advances the IT strategy or technology improvement	None
	Sustain and Enhance Robust Planning Processes	9	Supports tariff, FERC, NPCC, or NYSERC compliance requirements for Planning Process	Supports reliability planning and/or Business Plan objectives	Required for SRP planning study efficiency or continuous improvement initiatives	None
Outcome (If we do this project)	NYISO Annual Cost Reduction	10	> \$500k savings-Direct and soft (labor)	> \$100k, < \$500k savings-Direct and soft (labor)	> \$10k, < \$100k savings - Direct and soft (labor)	< \$10k savings - Direct and soft (labor)
	Appeal	15	Broad Customer Support : Supported by 5 sectors with 25% or more of survey respondents per sector applying points and average across the survey respondents per sector of 5 points or more; or either raw or weighted scores equivalent to 20% of survey respondents applying 25 points or more	Moderate Customer Support: Supported by 4 sectors with 25% or more of survey respondents per sector applying points and average across the survey respondents per sector of 5 points or more;; or either raw or weighted scores equivalent to 10% of survey respondents applying 25 points or more	Minimal Customer Support: Supported by 2 sectors with 25% or more of survey respondents per sector applying points and average across the survey respondents per sector of 5 points or more; or either raw or weighted scores equivalent to 5% of survey respondents applying 25 points or more	Little to No Customer Support
	Market Efficiency	10	Significant improvement	Moderate improvement	Minimal improvement	No impact
	Post Production Sustainability	5	Existing support structure and skills	Support structure exists but needs minimal modifications	Support structure exists but needs major modifications	No skills or support structure in place
Risk (If we do NOT do this project)	Compliance	10	Significant risk of compliance violation	Moderate risk of compliance violation	Minimal risk of compliance violation	None
	Business Process (inclusive of Technology impact on business process)	5	Enterprise Wide and/or Bid to Bill Impact. The project impacts processes in most departments	Multiple Department Impact.	Department Wide Impact The project impacts many processes within a department	Only one or two processes impacted
	Reliability and Market	10	Mission-critical systems becoming non operational or above \$1 million market impact	Non mission-critical systems becoming non operational or \$100,000 - \$1 million market impact	Non mission-critical systems affected or \$10,000 - \$100,000 market impact	No or less than 10,000 impact
Execution (If we do this project)	Cost	4	Total project cost (current & future years) estimated < \$100k	Total project cost (current & future years) estimated > \$100k, < \$500k	Total project cost (current & future years) estimated > \$500, < \$1M	Total project cost (current & future years) estimated > \$1M
	Multi-Year Dependency	8	Continuation of a multi-year project - postponement significantly disrupts value of previous investments	Continuation of a multi-year project - postponement moderately disrupts value of previous investments	Continuation of a multi-year project - postponement minimally disrupts value of previous investments	None
	Complexity of Business and Technology	4	One area/technology	Cross-functional < 3 Areas/Technology	Highly Cross-functional/ Re-engineering	Complex, solution and impact unknown
	Compliance	8	Non-appealable, ordered by FERC/ desired by NYISO and MP	Ordered by FERC, undesired by NYISO or MP	Potential order identified by FERC	No order identified by FERC

Circles indicate areas the NYISO is considered changing

# High-Level Proposal

- **Revise Strategy category to incorporate all 6 strategic objectives from the NYISO's Strategic Plan to reflect how well a project supports NYISO strategy**
- **Replace Risk category that addresses the risk of not doing a project with an Operational or Market Issue category that addresses whether the project is needed to address an existing operational or market issue**
- **Revise Execution category to Cost and Complexity category**
- **Eliminate Outcome category**
  - Market Efficiency is now identified in a strategic objective
  - Post Production Sustainability will be captured in Cost and Complexity
- **As part of simplifying scoring, the NYISO will provide a score for each of the three categories and has proposed three weights for the categories so that all prioritized projects can be ranked order prior to stakeholders completing survey**

# Scoring Process Overview

- **The NYISO will provide scoring for the three categories for each proposed project and the resulting ranking**
- **Process to determine category scores and rank**
  - Individual project teams working with business owners score each project across the three categories
  - Category scores are further reviewed by Product Managers individually and as a group to produce an agreed upon set of scores
  - Project scores and ranking are reviewed and finalized with senior leadership team
- **Project scoring provided to stakeholders prior to stakeholder survey due date**

# Strategy Score

- Six strategic objectives provide guidance for assessing / prioritizing proposed projects
- The strategy score indicates how well a particular project contributes to the NYISO's strategic objectives
- The NYISO proposes a category weight of 40%

Category	Category Score	Criteria Supported	Category Weight
<b>Strategy</b> (Leader in Reliability, Leader in Market Design & Performance, Leader in Application of Technology, Robust System Planning, Excellence In Execution, & Authoritative Source of Information on Key Issues)	How well does the project support the strategic objectives where 10 is highest and 0 is lowest	Identify what primary strategic objective the project supports, none to several	40%



# NYISO Strategic Objectives

## ■ A Leader in Reliability

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

## ■ A Leader in Market Design and 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.

## ■ A Leader in the Application of Technology

- Provide industry leading reliability management systems that evolve with the needs of the grid.
- Enable industry leading market capabilities through the application of advanced technology platforms.
- Build and evolve a technology ecosystem that provides new levels of flexibility and agility to meet the needs of the future grid.
- Enhance cyber security capabilities to protect grid and market operations against evolving and escalating cyber threats.

# NYISO Strategic Objectives

## ■ 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.

## ■ Robust System Planning

- Continuously enhance 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.

## ■ 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.

# Operational or Market Issue

- The Operational or Market Issue score indicates the level which a particular project is needed to address an existing operational or market issue
- The Operational or Market Issue score utilizes three criteria:
  - Compliance: Project addresses a risk that could lead to compliance violation
  - Sustaining NYISO Systems: Project addresses needs associated with maintaining NYISO systems, keeping them operational and supportable
  - Reliability and Market: Project addresses existing operational or market issue
- The NYISO proposes a category weight of 40%

PRIORITIZATION CRITERIA			
Category	Category Score	Criteria Supported	Category Weight
<b>Operational or Market Issue</b> (The category focuses on the need to include a project to address an existing operational or market issue including sustaining NYISO systems)	How well does the project address operational or market issue where 10 is highest and 0 is lowest	Identify what primary operational or market issue criteria the project supports, none to several	40%

# Cost & Complexity

- Proposed projects are scored in terms of their cost and complexity using three criteria:
  - Cost and Complexity: This criteria looks considers total project cost (current and future years) as well as overall complexity from a technological and business perspective
  - Multi-Year Dependency: This criteria assess the impact of stopping a project before project is complete
  - Post Production Sustainability: This criteria considers the NYISO's support structure for maintaining the proposed project solution
- The NYISO proposes a category weight of 20%

PRIORITIZATION CRITERIA			
Category	Category Score	Criteria Supported	Category Weight
<b>Cost &amp; Complexity</b> (This category looks at current & future year project cost, complexity and sustainability of the proposed solution)	Scores project form a cost and complexity standpoint where 0 is highest cost, most complex project; and 10 is lowest cost, simplest project	Identify if project has a significant multi-year dependency	20%

# Proposed Simplified Scoring Criteria

PRIORITIZATION CRITERIA			
Category	Category Score	Criteria Supported	Category Weight
<b>Strategy</b> (Leader in Reliability, Leader in Market Design & Performance, Leader in Application of Technology, Robust System Planning, Excellence In Execution, & Authoritative Source of Information on Key Issues)	How well does the project support the strategic objectives where 10 is highest and 0 is lowest	Identify what primary strategic objective the project supports, none to several	40%
<b>Operational or Market Issue</b> (The category focuses on the need to include a project to address an existing operational or market issue including sustaining NYISO systems)	How well does the project address operational or market issue where 10 is highest and 0 is lowest	Identify what primary operational or market issue criteria the project supports, none to several	40%
<b>Cost &amp; Complexity</b> (This category considers current & future year project cost, complexity and sustainability of the proposed solution)	Scores project form a cost and complexity standpoint where 10 is lowest cost, simplest project; and 0 is highest cost, most complex	Identify if project has a significant multi-year dependency	20%

# Project Prioritization Definitions and Timeline

# Milestone Definitions

Milestone	Definition
Issue Discovery	NYISO has facilitated education session(s) for stakeholder knowledge development of problem/issue, conducted stakeholder solicitation of potential solutions to address problem/issue, and summarized findings at a working group meeting for potential ranking and future project identification.
Study Defined	The scope of work for the study has been presented to stakeholders, including a discussion on the necessary input(s), assumption(s) and objective(s) of the study.
Study Complete	Scope of work to be performed has been completed; results and recommendations have been presented to the appropriate Business Owners and stakeholders.
Market Design Concept Proposed	NYISO has initiated or furthered discussions with stakeholders that explore potential concepts to address opportunities for market efficiency or administration improvements.
Market Design Complete	NYISO has developed with stakeholders a market design concept such that the proposal can be presented for a vote at the BIC or MC to define further action on the proposal.
Functional Requirements	NYISO has completed documentation of the functional requirements and the Business Owner has approved.
Architectural Design	The architectural design document is complete and software development is ready to begin.
<b>Projects with the following Milestones will generally be proposed as Continuing in future years, subject to Stakeholder input</b>	
Software Design	The software design document is complete and software development is ready to begin.
Development Complete	Development has been completed, packaged and approved by the Supervisor.
Deployment	Required software changes to support commitment have been integrated into the production environment.

# Project Prioritization Process

Phase	Description
Stakeholder Project Identification	Stakeholders may present project ideas at stakeholder meetings, sector meetings, get feedback and refine their proposal during this phase before the NYISO provides a comprehensive list of candidate projects for consideration.
Identification	The NYISO develops a Markets and Enterprise project candidate lists from regulatory obligations, strategic initiatives, State of the Market recommendations, infrastructure enhancements, product plans and stakeholder proposals. These are presented and further refined with stakeholder input during this phase.
Prioritization	This phase involves a stakeholder survey and the NYISO prioritization of projects. The stakeholder survey will facilitate an assessment of the relative priority of the topic within the portfolio and is used to determine stakeholder appeal. The NYISO prioritization incorporates the stakeholder appeal into objective criteria that reflects strategic alignment, expected outcomes, risks, and ability to execute in development of a priority score for each Market project.
Evaluation	This phase involves performing a feasibility assessment based on detailed cost and labor estimates, dependencies, priority scores, and stakeholder feedback.
Recommendation	This phase involves proposing a feasible set of project deliverables and related budget requirements. The proposal is refined as needed based on stakeholder feedback.



# Project Type

Project Type	Description
Mandatory	Strategic Initiatives and FERC Orders. These projects will be included in the budget
Continuing	Approved in a prior year and have progressed to either Software Design or Development Complete. Additional projects may be classified as Continuing based on stakeholder feedback. These projects will be included in the budget
Future	Consensus from stakeholder discussions of this projects priority relative to other projects has resulted in these projects NOT being prioritized and initiated in the coming budget year. Resources, time constraints, stakeholder feedback, and other project dependencies have been taken into consideration
Prioritize	Projects to be prioritized and included in the budget based on a feasibility assessment taking into consideration resources, time constraints, stakeholder feedback, priority score, and other project dependencies. Market projects are included in the stakeholder survey

# Project Category

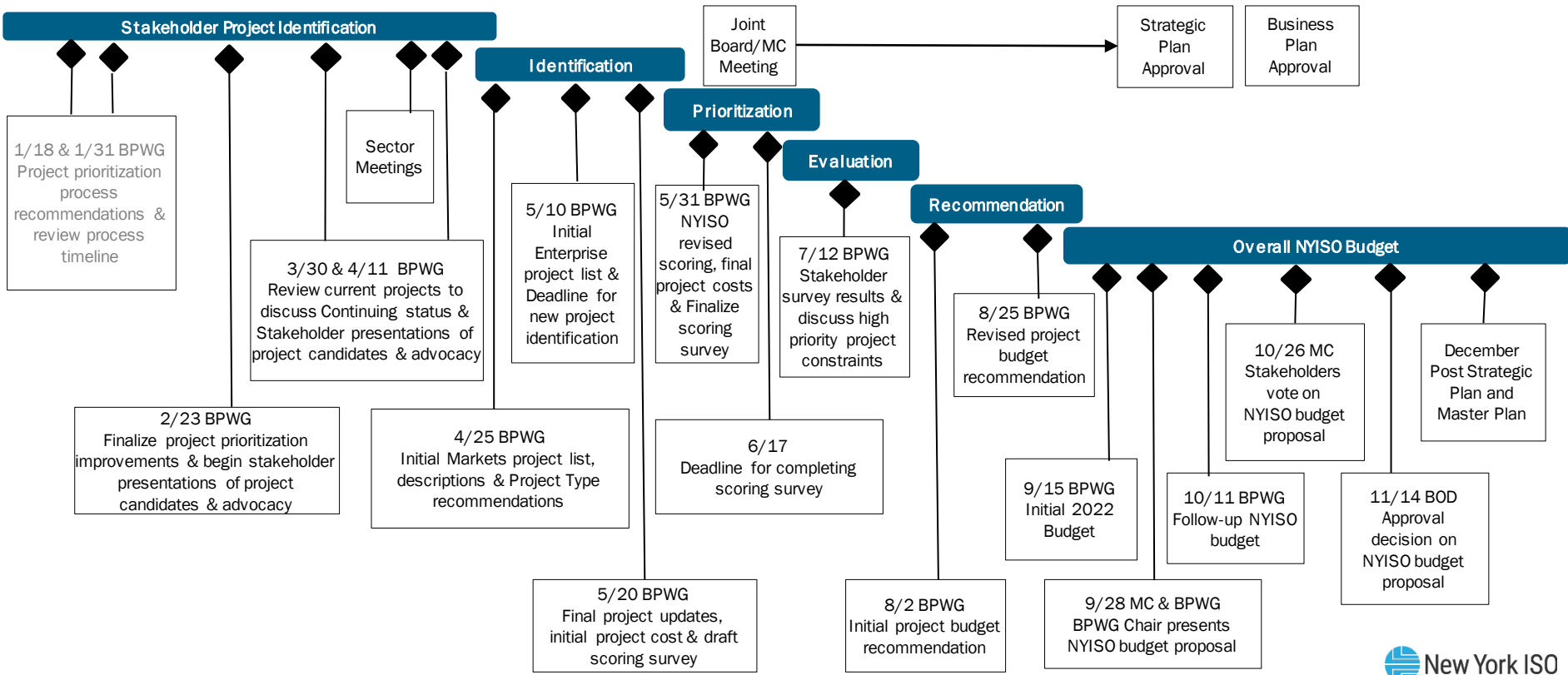
Project Category	Description
Enterprise	Includes internal-facing technology and back office support projects that have no market rule changes. This list includes projects that may be noticeable to Market Participants. These projects are NOT included in the stakeholder survey
Market	Projects associated with market rule(s) including market design and study projects as well as any project implementing market rule changes. These projects are included in the stakeholder survey unless they are Mandatory, Continuing, or Future

# Project Scoring

Project Scoring	Description
NYISO Only	Enterprise projects that are not Mandatory, Continuing, or Future types are scored by the NYISO Only during the Prioritization phase. These projects are included in the budget based on a feasibility assessment taking into consideration resources, time constraints, priority score and other project dependencies.
Stakeholder Scored	Market projects that are not Mandatory, Continuing, or Future are included in the stakeholder survey and scored by the NYISO during the Prioritization phase. These projects are included in the budget based on a feasibility assessment taking into consideration resources, time constraints, stakeholder feedback, priority score, and other project dependencies.

# 2023 Proposed Project Prioritization Timeline

Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022
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# Candidate Project Description Template

# Project Descriptions

- Attached to today's BPWG meeting materials
- Candidate project description template same as last year
- The NYISO will facilitate stakeholder discussion at BPWG to see if projects addressing the same problem can be grouped together

**Instructions:** Stakeholders are encouraged to present their project ideas at a stakeholder meeting and raise with their sector to get feedback on their proposal. Several BPWG meetings have been set aside at the start of the project prioritization process. The project description below is required for all project candidates to be included in the survey. Stakeholders should contact Brian Hurysz at (518) 461-6405 or email [bhurysz@nyiso.com](mailto:bhurysz@nyiso.com) (cc Leigh Bullock [lbullock@nyiso.com](mailto:lbullock@nyiso.com) on any email communications) to discuss any suggestions for new projects. A NYISO staff member will be assigned to work with the stakeholder on each new project request, provide assistance with completing this business case as needed, and facilitate internal discussions for the NYISO scoring and resource estimation. Please complete this template with as much information as possible.

## 1 <Title of proposed project candidate> Requested by <Company Name(s)>

### 1.1 Problem / Opportunity

*This section describes the business problem to be addressed or opportunity to be studied by the proposed project. Supporting background information, prior work, and analysis to the extent it is available should be included.*

### 1.2 Project Objective(s) & Anticipated Deliverable(s)

*This section describes what the project should do to address the business problem or opportunity. It summarizes the approach and desired outcome, and may build on project work in a prior year. It includes the expected deliverables to satisfy the project objective and is tied to the proposed project milestone. The NYISO will work with the stakeholder(s) proposing a project to formulate what may be feasibly delivered in a particular time frame based on resourcing estimated for the effort.*

### 1.3 Project Justification

*This section provides reason(s) why the candidate project should be considered, including the expected benefits of completing the project and possible risks of not completing the project. Examples would include addressing a FERC Order, Tariff requirements, automate manual processes, mitigate risk, market enhancements, and State of the Market recommendations.*

# Next Steps

# Next Steps

- **March 30<sup>th</sup> Finalize 2023 Project Prioritization Process Scoring**
- **Review of stakeholder identified project candidates and advocacy at upcoming BPWG meetings**
- **March 30<sup>th</sup> the NYISO will facilitate a discussion on current market projects that do not meet the definition of continuing**



# Our Mission & Vision



## 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

# Questions?