

NYISO Compensation Benchmarking Overview

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Background

- In late 2021 and in early 2022, NYISO reported significant concerns with the salary levels for many key positions, evidenced by a surge of resignations and substantial challenges in recruiting.
- Ongoing challenges in recruiting top talent in an increasingly competitive job market, coupled with the regrettable loss of many experienced professionals, highlighted the necessity of alignment of compensation levels with current market trends to remain competitive and positioned to fulfill our mission.
- In response, the Board of Directors authorized NYISO to retain \$5.0M from the 2021 \$10.7M budget surplus, implement immediate salary actions across the organization, and perform a comprehensive salary benchmarking study to determine if additional measures were required.

Background (continued)

- The NYISO contracted with Mercer to perform a comprehensive benchmarking study for every non-Executive position at the NYISO.
- The study analyzed Compensation, Salary Grades and Ranges.
- In advance of the study, the NYISO thoroughly reviewed each job description, and the Mercer team conducted interviews with the NYISO management team, for the purpose of identifying unique characteristics of certain job descriptions that might otherwise skew matches in the Mercer data.

Benchmarking Methodology

Survey Component	Description
Scope	247 unique positions were reviewed, providing compensation data on 525 employees
Competitive Market Definition	Blend of energy (utilities), high tech and general industry data
Position Matching Approach	<ul style="list-style-type: none"> ■ Review of responsibilities in the NYISO's job descriptions compared to those described in survey sources for market positions ■ Information gathered during interviews with NYISO management ■ Survey matches from prior studies were leveraged
Compensation Data Effective Date	Market compensation data was updated to estimate the market as of 9/1/22 using an annual salary increase factor of 3%. Estimate is based on Mercer's research on projected salary increases in the energy/utilities industry.

Benchmarking Results

While there were some deviations from market levels identified across all job families and departments, certain positions trended significantly below the market as follows:

- **Entry-level Grid Operators**
- **Engineers**
- **Software Developers**
- **IT Security and Infrastructure Analysts**
- **Technical Specialists**

NYISO Response

- NYISO management completed a full review of each employee with a salary that the analysis indicated has fallen below the market level for their position, and if specific circumstances warranted (e.g., performance and tenure) provided a mid-year (retro-active to July 1, 2022) base salary adjustment to bring those employees to the mid-market level.
- This action demonstrates the NYISO's recognition of the compensation market pressures as well as a strong commitment to both retaining and attracting the highest quality employees.

NYISO Response (continued)

- The additional cost impact on 2022 salaries and benefits of the 3% immediate salary actions effective as of January 1, 2022, was \$2.5M.
- The additional cost impact on 2022 salaries and benefits of the compensation adjustments, informed by the Mercer benchmarking, was \$2.5M.
- The entirety of these 2022 compensation adjustments can be funded from the \$5.0M of the 2021 \$10.7M budget surplus that was previously approved by the Board.
- Upon completion of these 2022 compensation adjustments, funds remaining from the 2021 budget cycle total \$5.7M.

Next Steps

- **NYISO will continue to monitor market trends through the remainder of 2022 and examine any adjustments that may be necessary to the salary levels going forward.**
- **Unless additional significant salary adjustments are warranted through the remainder of 2022, NYISO plans to utilize the \$5.7M remaining from the 2021 budget cycle to pay down principal on outstanding debt.**

Questions?