

# 2022 Strategic Plan

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Emilie Nelson

EXECUTIVE VICE PRESIDENT, NYISO

Management Committee

November 30, 2022

*“In the face of increased extreme weather and ambitious public policy transition, we must also keep the power flowing to 20 million New Yorkers. Our mission of ensuring system reliability and competitive markets in a clean energy future guides us during this time of unprecedented change within the electric industry.”*

*Daniel C. Hill*

Chair, NYISO Board of Directors

*Richard J. Dewey*

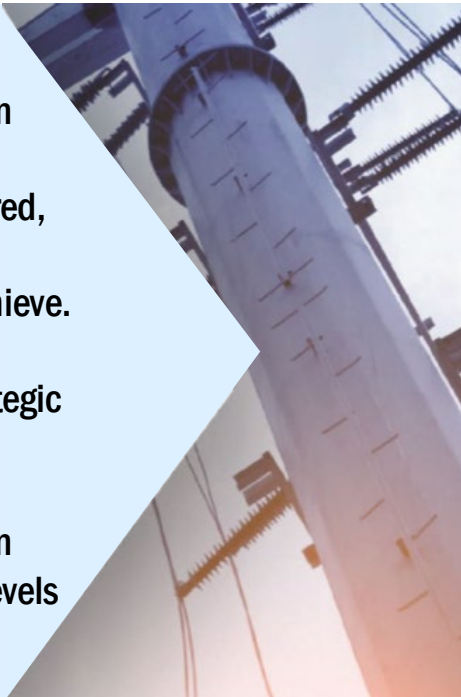
NYISO President & CEO

# 2022 Strategic Plan

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

# Mission & Vision, Core Values

# 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

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

- NYISO's mission of maintaining bulk power system reliability shapes how we operate, design markets, and conduct system planning
- NYISO's state-of-the-art control center is an essential tool to support reliability and the transition to a clean energy future

## ■ Efficient Markets

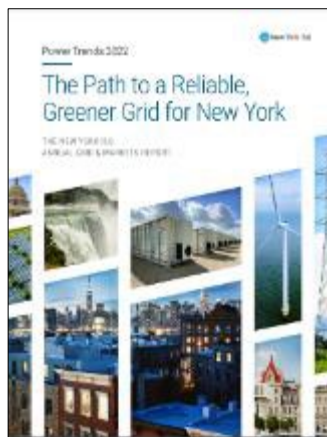
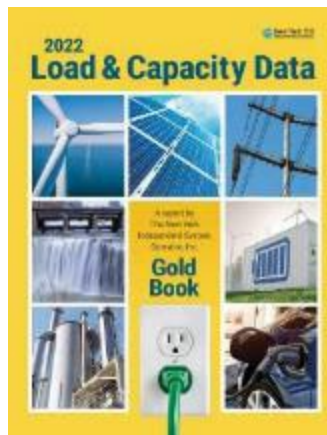
- Market signals that guide investment and value high performing resources will help provide a reliable transition to a more renewable and distributed power grid
- To provide the lowest cost power available to reliably meet consumer needs, the NYISO conducts and monitors competitive auctions of wholesale electricity including ancillary services every five minutes, every day of the year





# Roles of the NYISO

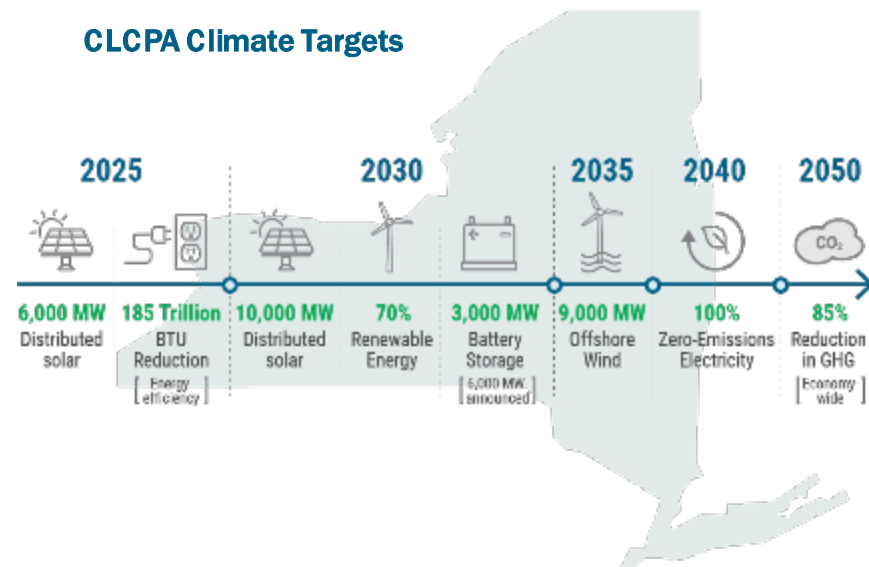
- **Comprehensive Planning**
  - The NYISO's Comprehensive System Planning Process is a unique, "all source" planning process
  - Identifies reliability needs and economic investment opportunities, as well as transmission needs driven by public policy requirements
- **Authoritative Source**
  - A pillar 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) Final Scoping Plan due by 01/01/2023
  - Increased renewable resources – including New York Bight offshore wind – and distributed generation to enable rapid grid transition
- **National Energy Policy**
  - Focused on climate change and energy security
  - Major clean energy and infrastructure funding from IIJA (\$11 billion) and IRA (\$370 billion)
  - FERC initiated reforms to expand transmission investment and improve interconnection process
- **Environmental Justice and Greater Public Participation**
  - Prominent aspects in both state and federal energy policies



# Reliability and Market Considerations for a Grid in Transition

- **The NYISO is uniquely positioned to:**
  - Continually assess the reliability, economic, and public policy aspects of the grid transition
  - Provide solutions to integrate new resources and transition away from fossil generation
- **NYISO's Grid in Transition initiative is 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



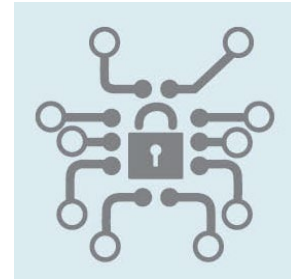
# Evolving the NYISO's Business Delivery

- **Increased complexity of energy policy and market drivers require the NYISO to reevaluate the approach to business delivery**
  - Provide customers more flexibility and options to adjust market participation models as their resources change
  - Scale technology platforms with resource entry and changing transactional volumes
  - Satisfy increased need for studies, monitoring, and controls, as well as enhanced market signals
  - Examine and enhance rate schedule structure to address cost impacts of changing system needs
- **Sustain and grow the NYISO organization**
  - Sustain and grow organization through prudent investment in employees and their professional development
  - Foster culture of collaboration and innovation through workforce engagement and inclusion

# 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 operational and planning requirements
- Focused on flexibility and scalability to enable rapid adaptation to transitioning grid



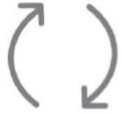
- **Technology strategy is designed to provide a modern software architecture and delivery approach that enables NYISO to**

- Increase the automation of testing and administration of on-premises systems
- Selectively leverage and integrate cloud solutions
- Heighten our ability to protect grid and market operations against cyber threats through ongoing development of a comprehensive security program

# Strategic Objectives

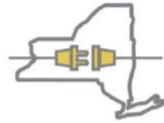
**Six strategic objectives underlay the various initiatives of the NYISO and provide guidance for the allocation of human, financial, and technological resources. These objectives instill discipline to the use of resources, helping to evaluate and prioritize NYISO investments toward those activities 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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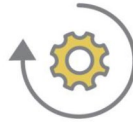


# Strategic Objectives



## 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

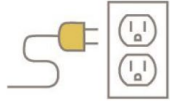
- The NYISO IT Strategy and technology investments will position the NYISO with the flexibility and agility to comprehensively respond to emerging industry trends like the integration of new resources. At the same time, the organization will continue to maintain reliable operations of the grid and market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



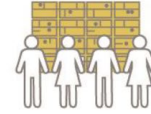
## Authoritative Source

- 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.

# Governance

# Governance

**Working with transmission owners, the New York State Reliability Council (NYSRC), the Northeast Power Coordinating Council (NPCC), and the North American Electric Reliability Corporation (NERC), the NYISO adheres to the nation's strictest set of reliability standards designed to promote reliability for New York consumers. Primarily regulated by FERC; the governance, structure, and mission of the NYISO comply with the guiding principles in FERC's open access regulations.**

# Governance

## Standing Committees

### **Management Committee**

Recommends tariff changes to the Board of Directors, reviews the NYISO's annual budget, recommends candidates to fill vacancies on the Board, and supervises the activity of all other committees.

### **Business Issues Committee**

Establishes rules related to business issues and provides a forum for discussion of those rules and issues.

### **Operating Committee**

Coordinates operations, develops procedures, evaluates proposed system expansions and acts as a liaison to the NYSRC.

# Governance

## Board of Directors

**Daniel C. Hill**, Board Chair  
Former Senior Vice President and  
Chief Information Officer of Exelon Corporation

**Ave M. Bie**, Board Vice Chair  
Partner in the law firm of Quarles & Brady and  
former Chair of the Wisconsin Public Service  
Commission

**Gizman Abbas**  
Founder of Direct Investment  
Development and a founding  
Partner of Twenty First Century  
Utilities

**Michael B. Bemis**  
Former President of Exelon Power and President  
of Energy Delivery for the Exelon Corporation,  
Chief Executive of London Electricity, and  
Executive Vice President for Entergy Corporation

**David R. Hill**  
Former Executive Vice President and General  
Counsel for NRG Energy and General Counsel  
for the U.S. Department of Energy. Currently,  
Fellow and Adjunct Senior Research Scholar at  
Columbia University's Center  
on Global Energy Policy

**Roger B. Kelley**  
Former President and CEO of  
the New York Power Authority,  
and former President and  
CEO of Fortistar Renewables

**Mark S. Lynch**  
Former President and CEO of  
New York State Electric and Gas  
Corporation and Rochester Gas and Electric  
Corporation, and former President and CEO of  
the New York Independent System Operator

**Teresa F. Marrinan**  
Former Senior Vice President, US SBU  
Commercial for The AES Corporation, former  
officer for the Dayton Power and Light Company,  
and founding Partner of Hanover Strategy  
Advisors LLC

**Joseph P. Oates**  
Former Chairman of Con Edison Clean Energy  
Businesses, and a former Chairman, President,  
and CEO of Con Edison Transmission

**Richard J. Dewey**  
President and CEO of the  
New York Independent  
System Operator



# Governance

## Corporate Officers

**Richard J. Dewey**

President &  
Chief Executive Officer

**Robert E. Fernandez**

Executive Vice President,  
General Counsel &  
Chief Compliance Officer

**Emilie Nelson**

Executive Vice President

**Diane L. Egan**

Corporate Secretary &  
Board Secretary

**Douglas L. Chapman**

Senior Vice President &  
Chief Information Officer

**Rick Gonzales**

Senior Vice President &  
Chief Operating Officer

**Rana Mukerji**

Senior Vice President,  
Market Structures

**Deneen Byme**

Vice President,  
Human Resources

**Cheryl L. Hussey**

Vice President &  
Chief Financial Officer

**Kevin Lanahan**

Vice President, External Affairs &  
Corporate Communications

**Aaron Markham**

Vice President, Operations

**Robb A. Pike**

Vice President, Market Operations

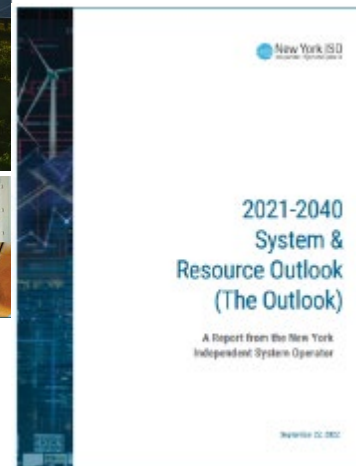
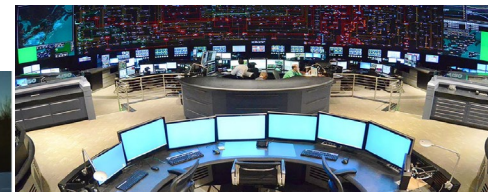
**Zachary G. Smith**

Vice President, System &  
Resource Planning

# Key Accomplishments

# Key 2022 Accomplishments

- Comprehensive Mitigation Review
- Improving Capacity Accreditation
- Internal Controllable Lines
- Dynamic Reserves
- Power Trends 2022
- Cloud Technologies
- Advanced Software Development and Design
- Outage Management System
- Microsoft 365 Enhancements
- ACC Control Room Renovation
- System & Resource Outlook
- Public Policy Transmission Planning Process
- 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.**