

**OCTOBER 12, 2023 BPWG
2024 Corporate Incentive Goals – Draft**
GATEWAY GOALS

1. Maintain Continuity of Bulk Power System	100% reduction	Maintain continuity of the New York Bulk Power System to avoid uncontrolled load loss.
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 > 4 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	Higher Impact Defects: No occurrences	Higher Impact Defects: No occurrences	<u>15%</u>
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 < 4 hours due to, for example, operational or cyber security issues Key Planning Deliverables Missed: Gold Book by 4/30, Reliability Needs Assessment by 11/30 DAM schedules posted in time for Real-Time but after 11AM Tariff deadline 	Lower Impact Defects: 3 or fewer occurrences, excluding the market problems/ tariff violations that are self-identified	Lower Impact Defects: 2 or fewer occurrences, excluding the market problems/ tariff violations that are self-identified	Lower Impact Defects: No more than 1 occurrence, excluding the market problems/ tariff violations that are self-identified	

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STRATEGIC GOALS				
Goal Description	Threshold Payout (50%)	Target Payout (100%)	Superior Payout (150%)	Target Weight %
6. Project Initiativesⁱ a) Business Plan: Deliver Projects on schedule – <u>40</u> Major projects identified in the Business Plan will be timely completed. b) Key Project Initiatives <ol style="list-style-type: none"> 1. Interconnection Process Enhancements – <u>Deployment Complete</u> 2. <u>EMS/BMS Technologies Upgrade – Development Complete</u> 3. Internal Controllable Lines – <u>Functional Requirements Specifications</u> 4. Dynamic Reserves – <u>Functional Requirements Specifications</u> 5. Balancing Intermittency – <u>Market Design Complete</u> 6. Demand Curve Reset – <u>Study Complete</u> 7. <u>Windows Server Hardware Upgrade – Deployment</u> 8. <u>Capacity Analysis Commitment Tool - Deployment</u> 	No more than 2 missed projects	No more than 1 missed project	No missed projects	25%
	No more than 2 missed Key Projects	No more than 1 missed Key Project	No missed Key Projects	<u>35%</u>
7. Class Year 2023 <u>The NYISO will complete and present to stakeholders at the Operating Committee the final draft Class Year 2023 Facilities Study System Upgrade Facilities and System Deliverability Upgrades Report by:</u>	<u>September 30, 2024</u>	<u>August 31, 2024</u>	<u>July 31, 2024</u>	15%
8. 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%
9. NYC Public Policy Transmission Need <u>The NYISO will perform critical steps necessary to administer the NYC Public Policy Transmission Need process including:</u> <ol style="list-style-type: none"> 1) <u>Final Viability & Sufficiency Assessment filed with the NY Public Service Commission and</u> 2) <u>Evaluate viable and sufficient transmission projects and identify top-tier projects by:</u> 	<u>Complete #1 by August 31, 2024</u>	<u>Complete #1 and #2 by December 31, 2024</u>	<u>Complete #1 and #2 by November 30, 2024</u>	5%
Total Achievable	50%	100%	150%	

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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.
