

2023 Strategic Plan

Emilie Nelson

EXECUTIVE VICE PRESIDENT & CHIEF OPERATING OFFICER, NYISO

Management Committee

November 29, 2023

“Over the last year, we’ve seen progress and challenges in meeting the mandates of our state climate policies. We’ve also seen the adoption of new measures that will do even more to accelerate change in the electric system. Through it all the NYISO will continue to focus on keeping the power flowing to 20 million New Yorkers.”

Daniel C. Hill

Chair, NYISO Board of Directors

Richard J. Dewey

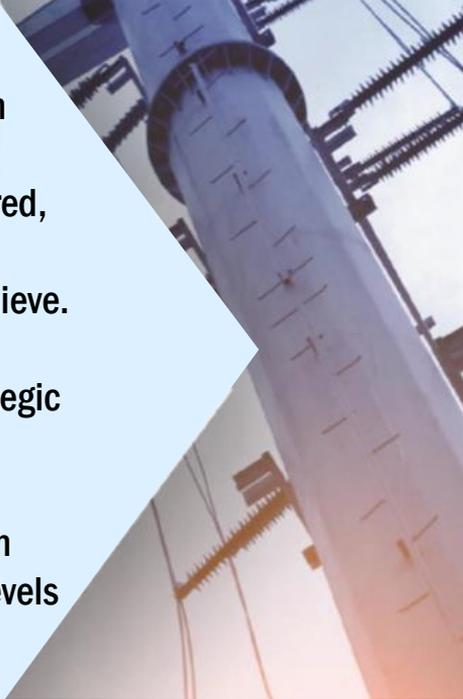
NYISO President & CEO

2023 Strategic Plan

- **Mission & Vision**
- **Core Values**
- **Roles of the NYISO**
- **Key Areas of Strategic Focus**
- **Strategic Objectives**
- **Strategic Initiatives**
- **Governance**
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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
- The rapid changes occurring require the NYISO to anticipate future reliability challenges and integrate the skills and tools needed into operation in advance

■ Efficient Markets

- Enhancements are underway to help meet the requirements of public policy, strengthen the reliability of the grid, and position the competitive markets for future technologies
- Market signals that guide investment and value high performing resources will help provide a reliable transition to a more renewable and distributed power grid



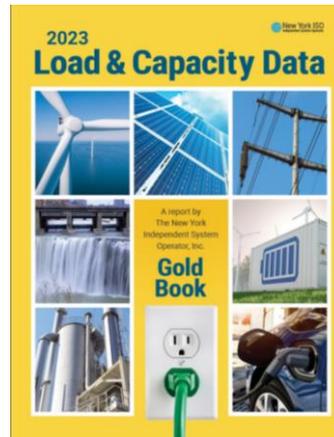
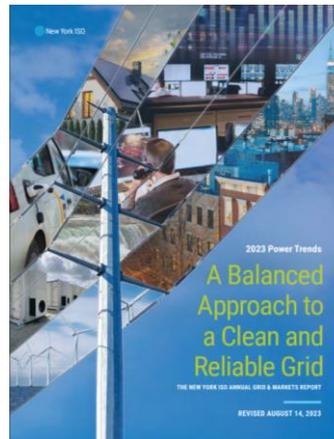
Roles of the NYISO

■ Comprehensive Planning

- The Comprehensive System Planning Process resolves reliability needs, identifies economic transmission investment opportunities, and addresses transmission needs driven by public policy requirements in New York State
- 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 to meet reliability, including emerging technologies

■ Authoritative Source

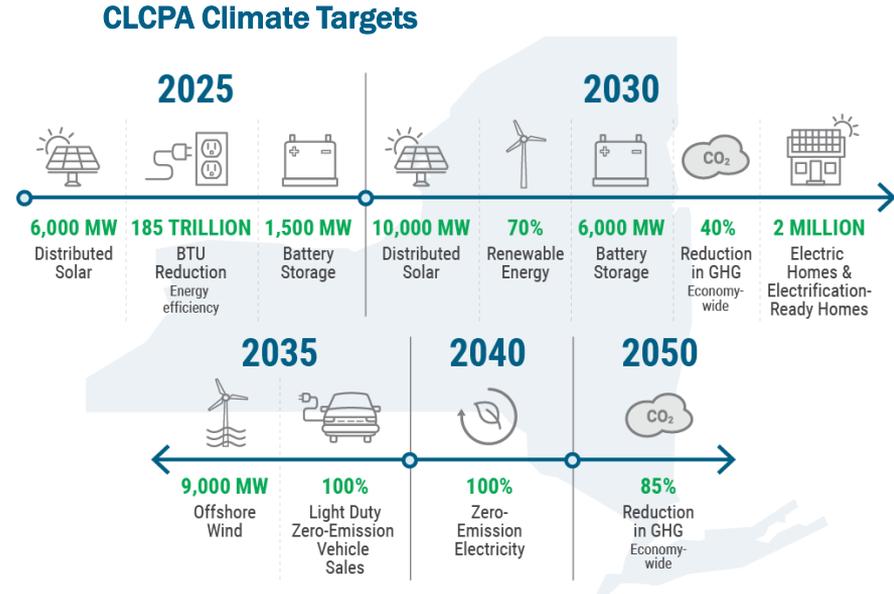
- The need for factual information has never been more important and a pillar of the NYISO's focus is to serve as an independent source of fact-based information on the evolving electric system



Key Areas of Strategic Focus

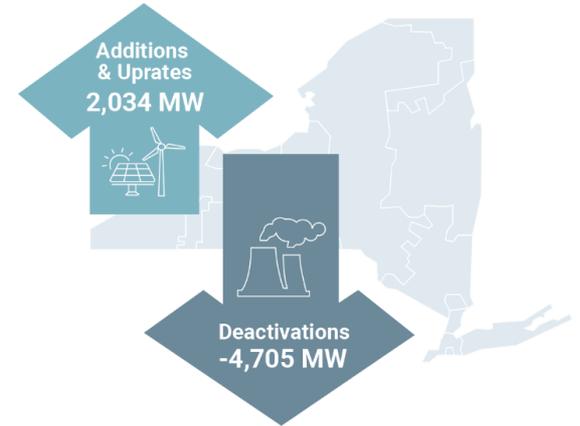
Evolving State and Federal Policy Drivers

- **New York State Energy Policy**
 - CLCPA Scoping Plan implementation begun; Cap-and-Invest program in development
 - Transmission projects for renewable power delivery selected and underway
- **National Energy Policy**
 - Focused on climate change and energy security
 - Major clean energy and infrastructure funding from IJJA (\$11 billion) and IRA (\$370 billion)
 - FERC Order 2023 issued to reform rules and speed interconnection process
- **Environmental Justice and Greater Public Participation**
 - Prominent 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 to help provide a balanced and carefully planned 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 state and federal environmental policy objectives
 - Highlight the needed resource attributes that help preserve reliability
 - Understand ramifications of the changing resource mix to evolve the market design



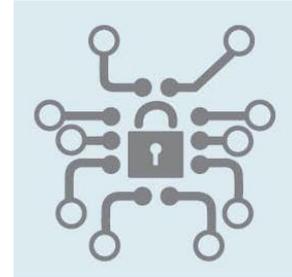
Evolving the NYISO's Workforce and Business Delivery

- **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
 - Satisfy increased need for studies, monitoring, and controls, as well as enhanced market signals
 - Scale technology platforms with resource entry and changing transactional volumes
 - Provide greater technical depth by integrating engineering, demand forecasting, and resiliency analysis through the newly formed Grid Transition department
- **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 and continue to explore applicable artificial intelligence technologies

Strategic Objectives

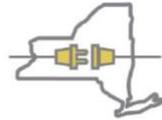
Six strategic objectives underlay the various initiatives of the NYISO and provide guidance for the allocation of human, financial, and technological resources. These objectives instill discipline to the use of resources, helping to evaluate and prioritize NYISO investments toward those activities that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

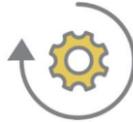
- Provide industry leading reliability management systems that evolve with the needs of the grid.
- Enable industry leading market capabilities through the application of advanced technology platforms.
- Build and evolve a technology ecosystem that provides new levels of flexibility and agility to meet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

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 a reliable, transparent, and timely interconnection process.
- 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.
- Maximize the value of wholesale competitive markets in the grid transition.
- 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

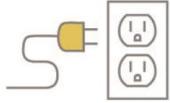
- The NYISO IT Strategy and technology investments will position the NYISO with the flexibility and agility to comprehensively respond to emerging industry trends like the integration of new resources.
- The organization will continue to maintain reliable operations of the grid and market systems while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



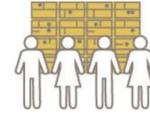
Authoritative Source

- 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.
- The influx of new resources requires interconnection reform to establish an efficient, timely, and transparent process with continued reliability.
- Continued study work is required to develop a deeper understanding of system needs to facilitate the grid in transition.



Workforce

- 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 support and develop our workforce to position the organization with the professional talent and skills needed to fulfill the NYISO's mission.
- The NYISO will enhance organizational effectiveness, modernize systems for faster, more flexible response to market and regulatory changes, and continuously scrutinize cost of operations.

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

Joseph P. Oates, Board Vice Chair

Gizman Abbas

Ave M. Bie

David R. Hill

Roger B. Kelley

Mark S. Lynch

Teresa F. Marrinan

Sally A. Talberg

Richard J. Dewey

Governance

Corporate Officers

Richard J. Dewey

President &
Chief Executive Officer

Emilie Nelson

Executive Vice President &
Chief Operating Officer

Robert E. Fernandez

Executive Vice President,
General Counsel &
Chief Compliance Officer

Diane L. Egan

Corporate Secretary &
Board Secretary

Douglas L. Chapman

Senior Vice President &
Chief Information Officer

Rick Gonzales

Senior Vice President

Rana Mukerji

Senior Vice President,
Market Structures

Deneen Byrne

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 2023 Accomplishments

- Long Island offshore wind Export Public Policy Transmission Need
- 2022 Reliability Needs Assessment and Short-Term Assessment of Reliability
- Transmission Constraint Pricing
- Internal Controllable Lines
- Power Trends 2023
- Hybrid Aggregated Storage
- Day-ahead and real-time emissions reporting
- FERC Order 2222 compliance approval
- NYISO Environmental Advisory Council appointments
- Workforce culture and professional development programs



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.