

# Project Prioritization Process Improvements and Timeline

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**Budget and Priorities Working Group**

March 5, 2019, Krey Corporate Center

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# Agenda

- Background
- Process Improvements
- Infeasible Milestone Review
- Project Prioritization Phases, Milestone, and Timeline
- Next Steps

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# Background

# Continuous Improvement

- The NYISO is committed to continuous improvement of the project prioritization process
- The NYISO summarized feedback, provided background around the topic, and proposed process improvements at the January 30, 2019 BPWG
- The NYISO requested additional written feedback by February 8, and no additional feedback was received
- The NYISO was able to incorporate the proposed process improvements into the project prioritization timeline
- A review of the changes is covered in this presentation

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# Process Improvements

# Window for Stakeholder Initiatives

- The NYISO has created a window for stakeholders to suggest projects and advocate for their project ideas prior to the NYISO introducing the more inclusive candidate list
- Stakeholder would be responsible for presenting candidate and providing other stakeholders education on project
  - If the stakeholder is interested in presenting at other working groups or sector meetings beside BPWG, the NYISO will help facilitate time on agendas
  - Multiple meetings may be necessary to accommodate stakeholder introduction of topics, education, and discussion
  - March 27<sup>th</sup> and April 9<sup>th</sup> BPWG meetings scheduled
- Stakeholders can continue to identify project candidates up to mid-May and present candidates through the end of May deadline for submission of project candidates as identified in the BPWG calendar

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# Enterprise Project Category

- The NYISO will create a new project category, “Enterprise”, that will include internal-facing technology and back office support projects that have no market rule changes
  - The NYISO plans to provide the Market facing project list at the April 24 BPWG and Enterprise project list May 15 BPWG
  - Projects in the Enterprise category are not included in the stakeholder survey

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# Systematic Review of Projects

- For 2020 proposed projects that were approved in the 2019 budget, the NYISO will facilitate a systematic review of each project with recommendations for Continuing category or not
- A systematic review will also be performed for projects the NYISO recommends for the Future category
- The NYISO will consider stakeholder feedback on the proposed project and assess any changes in the expected stakeholder priority of an initiative in making its decision on appropriate project categorization
  - Projects categorized as Continuing will be included in the 2020 budget and NOT included in the stakeholder survey
  - Projects categorized as Future will NOT be included in the 2020 budget and NOT included in the stakeholder survey
  - However, when projects are excluded from the stakeholder survey, there is a missed opportunity to obtain an updated view from stakeholders on the priority of the item

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# Project Descriptions and Grouping

- The NYISO has updated the candidate project description template to separate the problem being addressed from what to do about it
- The NYISO will facilitate stakeholder discussion at BPWG to see if projects addressing the same problem can be grouped together
- Attached to today's BPWG meeting materials

**Instructions:** Stakeholders should contact Brian Hurysz at (518) 356-6126 or email [bhurysz@nyiso.com](mailto:bhurysz@nyiso.com) (cc Leigh Bullock [bullock@nyiso.com](mailto:bullock@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 template as needed, and facilitate internal discussions for the NYISO scoring and costing. Please complete this template with as much information as possible to assist the NYISO in developing an accurate a business case.

## 1 <Title of proposed project candidate>

### 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. Examples would include addressing a FERC Order, Tariff requirements, automate manual processes, mitigate risk, market enhancements, State of the Market recommendations.*

# Knowledge Sessions

- The NYISO would provide a knowledge session to improve stakeholder understanding on market initiatives introduced by the NYISO and not otherwise planned to be covered in stakeholder meetings prior to survey responses
- A schedule for knowledge sessions to be provided at April 24<sup>th</sup> BPWG
- **Expectations**
  - Knowledge sessions will take the form of short presentations (nominally 30 minutes or less) providing insight on the background of the topic and work/analysis done to date
  - Anticipate the knowledge sessions will be limited to 3-5 new topic areas
  - Knowledge sessions would not be expected to include discussions of potential solutions
  - Knowledge sessions may occur in other working groups to allow for a broader audience participation

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# Knowledge Sessions Expectations Continued

- If more in-depth development of a topic is still required after the completion of the knowledge sessions, the NYISO will propose project be established in the project prioritization process with a deliverable of “Problem Statement” that would include expanded education session(s), background knowledge development, and solicitation of potential solutions
  - Stakeholder survey will facilitate an assessment of the relative priority of the topic within the portfolio
  - Project will be evaluated like all other projects for an efficient allocation of resources

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# High Appeal Projects Not Selected

- The NYISO explicitly reviews the rationale of any projects identified as high appeal that is not included in the project portfolio recommendation
  - Seeks stakeholder feedback on desirable projects not included in the recommendation, and alternatives to displace
  - Stakeholder can provide verbal feedback at BPWG and written feedback on selection decision of high appeal projects
  - Feedback will be provided to and discussed with NYISO executives
  - If desired, stakeholders may present to CEO or his/her Senior delegate to communicate the value and stakeholder support for high appeal initiative
  - NYISO finalizes portfolio and reviews recommendations consistent with the BPWG calendar.

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# Infeasible Milestone Review

**(No Change from prior BPWG meeting)**

# Handling of Infeasible Milestone (No Change)

- For an infeasible milestone at stakeholder survey, the project will be included in the survey with an understanding achieving the deliverable in the timeline requested is not agreed to
- The NYISO to provide feasibility of completing stakeholder suggested project scope, deliverable, and timeline prior to survey
- During the evaluation process the NYISO, based on prioritization, will determine if project is to be included in the budget and what the scope can be completed in following year
  - The NYISO considers simultaneous feasibility of completing the projects based upon resource constraints and funding requirements
  - The NYISO will seek to select a set of projects that maximizes stakeholder and NYISO value
  - The NYISO will continue to pay special attention to the high appeal projects in recognition of the strong stakeholder support and prioritize resource allocations to these initiatives
- NYISO proposes an initial, and after consideration of feedback, a final set of projects to be included in portfolio

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# Project Prioritization Phases, Milestones, and Timeline

# Project Prioritization Process

Phase	Description
Identification	This phase involves developing the list of project candidates taking into consideration regulatory obligations, strategic initiatives, State of the Market recommendations, necessary infrastructure enhancements, product plans, stakeholder feedback, etc.
Prioritization	The 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.

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# 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 in to 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

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# 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

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# 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.

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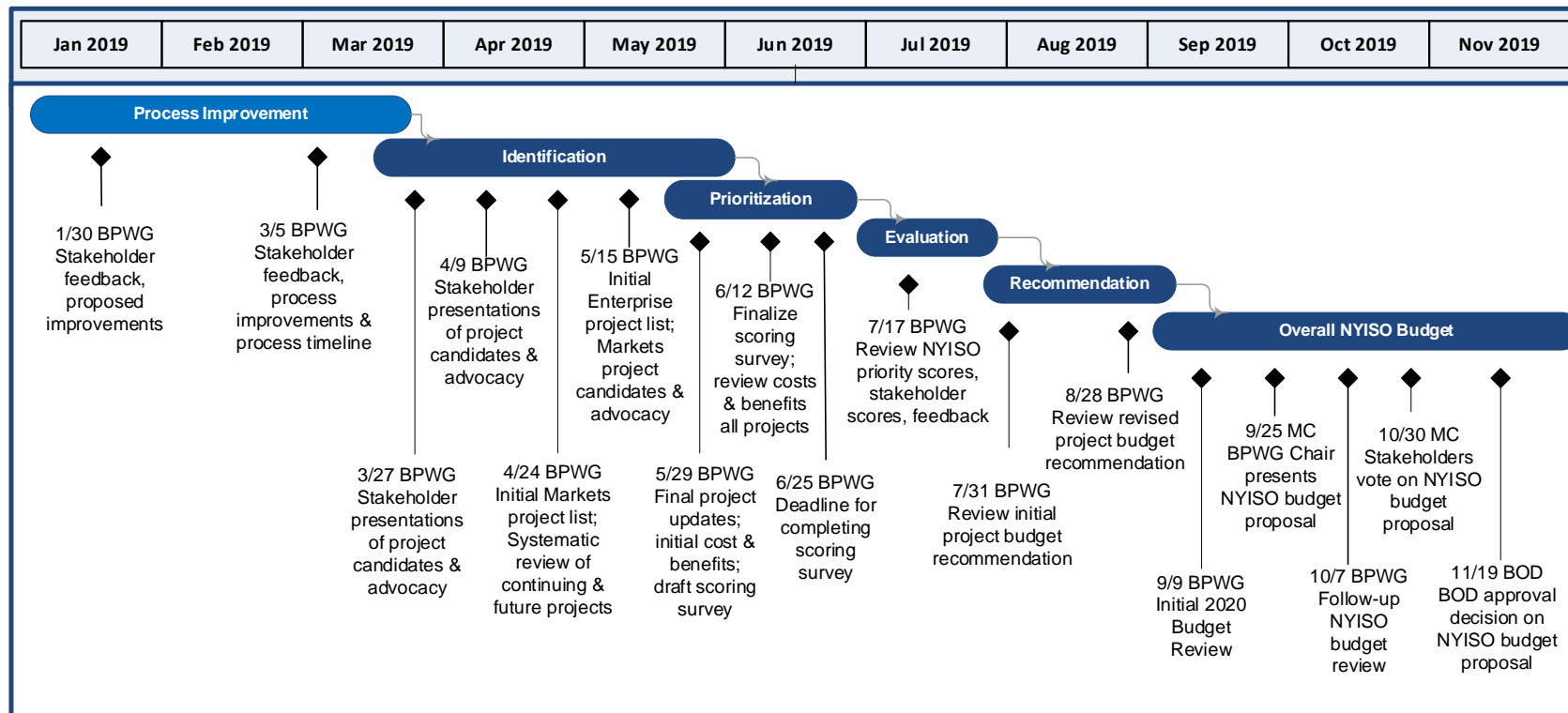
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# Milestone Definitions

Milestone	Definition
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.
Architectural Design	The architectural design document is complete and software development is ready to begin.
Functional Requirements	NYISO has completed documentation of the functional requirements and the Business Owner has approved.
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.
Study Complete	Scope of work to be performed has been completed; results and recommendations have been presented to the appropriate Business Owners and stakeholders.
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.

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# 2020 Proposed Project Prioritization Timeline: Stakeholder Scored



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# Next Steps

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- Written feedback may be provided until March 18<sup>th</sup>
  - Send to Brian Hurysz at [bhurysz@nyiso.com](mailto:bhurysz@nyiso.com) or (518) 356-6126
- Review of stakeholder identified project candidates and advocacy is scheduled for BPWG meetings on March 27<sup>th</sup> and April 9<sup>th</sup>
- If Stakeholders would like the NYISO to assist them in developing material for a stakeholder meeting, the NYISO would request the project candidates be identified 2 weeks before the meeting
- Initial list of Market initiatives to be provided on April 24<sup>th</sup>
- May 15<sup>th</sup> BPWG is the deadline for stakeholders to identify new projects and still have them included in the scoring survey

# Questions?



# **The Mission of the New York Independent System Operator, in collaboration with its stakeholders, is to serve the public interest and provide benefits to consumers by:**

- Maintaining and enhancing regional reliability
- Operating open, fair and competitive wholesale electricity markets
- Planning the power system for the future
- Providing factual information to policy makers, stakeholders and investors in the power system



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