

2019 NYISO CORPORATE GOALS

GATEWAY GOALS		
1. Maintain Load	100% reduction	No interruption of load because of improper implementation of NYISO operating procedures by the NYISO
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
<p>Higher Impact Defects:</p> <ul style="list-style-type: none"> Market Problems/Tariff Violations with a financial impact > \$1M Unplanned outages of critical systems > 8 hours Receipt of a qualified SOC 1 Report <p>Lower Impact Defects:</p> <ul style="list-style-type: none"> Market Problems/Tariff Violations with a financial impact >\$100K Unplanned outages of critical systems > 1 hour and < 8 hours Key Planning Deliverables Missed: Gold Book by 4/30, Viability & Sufficiency Assessment (VSA) or complete Comprehensive Reliability Plan (if VSA not required) by 12/31 DAM schedules posted in time for Real-Time but after 11AM Tariff deadline Note: EMS/BMS project related lower impact defects identified during the 1000 hour post go-live period will be excluded from the goal, unless the defects reach a magnitude detrimental to operations. 	<p>Higher Impact Defects: No more than one occurrence</p> <p>AND</p> <p>Lower Impact Defects: 9 or fewer occurrences, excluding the market problems/ tariff violations that are self-identified</p>	<p>Higher Impact Defects: No occurrences</p> <p>AND</p> <p>Lower Impact Defects: 4 to 6 occurrences, excluding the market problems/ tariff violations that are self-identified</p>	<p>Higher Impact Defects: No occurrences</p> <p>AND</p> <p>Lower Impact Defects: 3 or fewer occurrences, excluding the market problems/ tariff violations that are self-identified</p>	25%

STRATEGIC GOALS				
Goal Description	Threshold Payout (50%)	Target Payout (100%)	Superior Payout (150%)	Target Weight %
6. Project Initiativesⁱ a) Business Plan: Deliver Market Projects on schedule – 20 Major projects identified in Business Plan will be timely completed. b) Key Project Initiatives <ol style="list-style-type: none"> 1. Multi-Year Project: EMS/BMS System Upgrade – Deploy by October 1stⁱⁱ 2. Carbon Pricing – Market Design Complete 3. Energy Storage Resource Participation Model – Development Completeⁱⁱⁱ 4. More Granular Operating Reserves – Market Design Complete 5. Enhancing Fuel & Energy Security – Study and Recommendations 6. Enterprise Information Management Data Integration Phase IV – Complete Migration of Pricing DataMart 	No more than 4 missed projects	No more than 3 missed projects	No more than 2 missed projects	25%
	No more than 2 missed Key Projects	No more than 1 missed Key Project. EMS/BMS must be deployed by October 1 st .	No missed Key Projects	30%
7. 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.	83.5%	84.5%	86%	10%
8. Cost Management NYISO will manage annual operating cost to a level below the approved annual Rate Schedule 1 Revenue Requirement (\$) while achieving the 2019 project commitments in the Business Plan	1.5% Below Budget	2.5% Below Budget	3.5% Below Budget	5%
9. Professional Development and Workforce Management NYISO's employees are critical to achieving the organization's mission. This goal will establish adequate bench strength and ensure necessary professional development is in place for effective management succession. These measures will be achieved by leveraging succession planning and development planning tools, including but not limited to performance management, mentoring, job rotation, and cross training. Success in this area will ultimately provide the most effective NYISO workforce and ensure leadership continuity into the future.	Refresh/establish comprehensive succession plans to identify successors, complete a skills gap analysis, and establish development plans across the VP/Director level.	Extend Threshold objectives through the Senior Manager/ Manager level.	Extend Threshold objectives through the Supervisor level.	5%
Total Achievable	50%	100%	150%	

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.

ii Goal 6: EMS/BMS Upgrade

Specific deployment dates must be managed in consideration of system conditions. If weather or grid operating conditions necessitate a minor delay from the targeted go-live of October 1st, this goal will still be considered to be achieved on-time.

iii Goal 6: ESR Project

On February 15, 2018, FERC issued Order No. 841, directing “each RTO/ISO to revise its tariff to establish a participation model consisting of market rules that, recognizing the physical and operational characteristics of electric storage resources, facilitates their participation in the RTO/ISO markets.” The compliance filing deadline for Order No. 841 is December 3, 2018, with an implementation deadline of December 3, 2019. NYISO anticipates requesting in its compliance filing an extension from FERC, for a February 2020 implementation.