

2020 PROPOSED CORPORATE GOALS: DRAFT FOR DISCUSSION BPWG

OCTOBER 30, 2019

Note: No changes proposed to Gateway 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 \geq 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.

Note: No changes proposed to Quality Goal structure.

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 with a financial impact > \$1M (as measured up to five years prior to identification) Unplanned outages of critical systems > 8 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	25%
Lower Impact Defects: <ul style="list-style-type: none"> Market Problems/Tariff Violations with a financial impact >\$100K (as measured up to five years prior to identification) Unplanned outages of critical systems > 1 hour and < 8 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: 9 or fewer occurrences, excluding the market problems/ tariff violations that are self-identified	Lower Impact Defects: 4 to 6 occurrences, excluding the market problems/ tariff violations that are self-identified	Lower Impact Defects: 3 or fewer occurrences, excluding the market problems/ tariff violations that are self-identified	

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 – 23 Major projects identified in Business Plan will be timely completed. b) Key Project Initiatives <ol style="list-style-type: none"> 1. Distributed Energy Resources Participation Model – Software Design 2. Energy Storage Resource Participation Model – Deployment 3. Expanding Capacity Eligibility – Development Complete 4. Demand Curve Reset – Study Complete 5. Hybrid Storage Model – Market Design Complete 6. Comprehensive Mitigation Review – Market Design Complete 7. Carbon Pricing – Functional Requirements 	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	No missed Key Projects	30%
7. Customer Focused Interconnection Process The NYISO will build upon the Class Year Redesign project by improving the clarity of the interconnection procedures and bolstering the reference documentation and guidelines available to assist developers in navigating the interconnection process.	The NYISO will update the Transmission Expansion and Interconnection Manual to describe new procedures resulting from the Class Year Redesign project and to clarify existing procedures, considering stakeholder feedback.	Extend Threshold objectives to include the creation of supplemental reference material for developers, including but not limited to a Frequently Asked Questions document.	Extend Target objectives to include the creation of a training module to be offered to developers and interested stakeholders to provide guidance on navigating the interconnection process.	5%
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. Cost Management NYISO will manage annual operating cost to a level below the approved annual Rate Schedule 1 Revenue Requirement (\$) while achieving the 2020 project commitments in the Business Plan	1.5% Below Budget	2.5% Below Budget	3.5% Below Budget	5%

<p>10. Organizational Effectiveness and Skills Assessment</p> <p>Having a skilled and diverse workforce and adequate bench strength and knowledge in critical positions is key to NYISO's organizational effectiveness. This goal will develop comprehensive plans targeting identified technical, business and leadership skills gaps in knowledge, skills and abilities in all positions defined as critical to achieving the NYISO's mission.</p>	<p><u>Develop</u> comprehensive plans focused on closing identified skills gaps in 100% of the positions defined as critical, where there is either a lack of adequate bench strength or not enough depth of knowledge.</p>	<p><u>Implement</u> comprehensive plans focused on closing identified skills gaps in 50% of the positions defined as critical, where there is either a lack of adequate bench strength or not enough depth of knowledge.</p>	<p><u>Implement</u> comprehensive plans focused on closing identified skills gaps in 100% of the positions defined as critical, where there is either a lack of adequate bench strength or not enough depth of knowledge. Demonstrate that <u>implementation</u> of the plans has been <u>completed</u>.</p>	5%
Total Achievable	50%	100%	150%	

¹ **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.