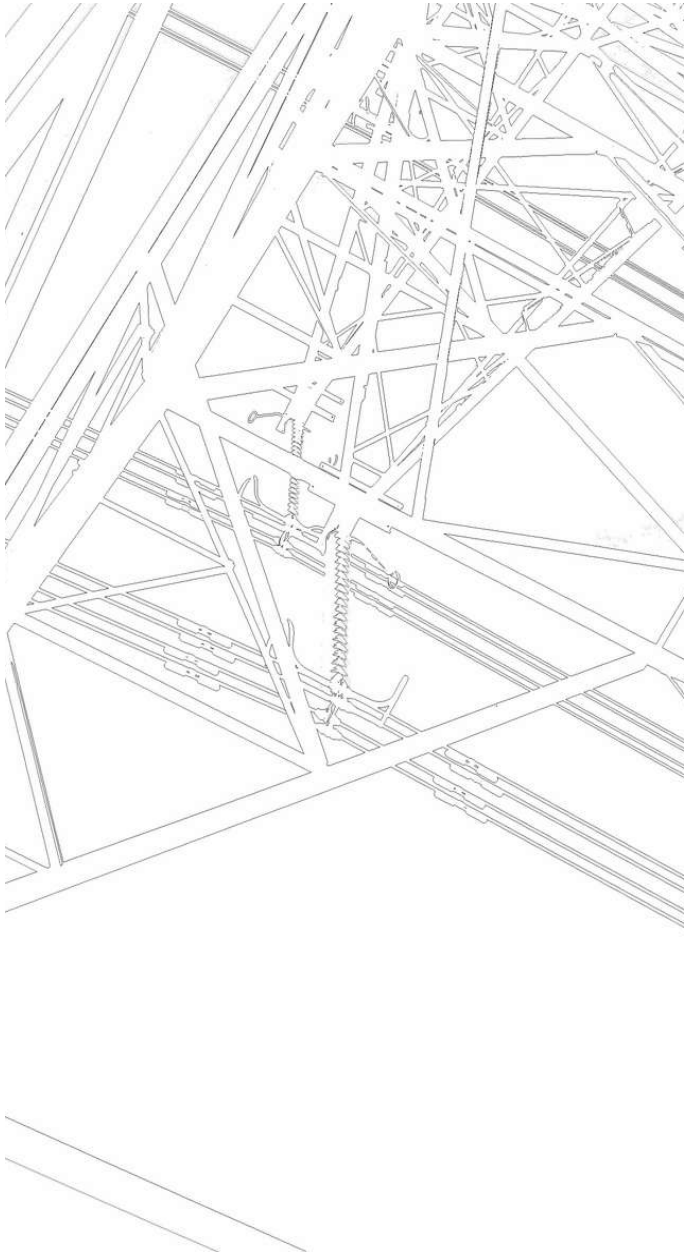


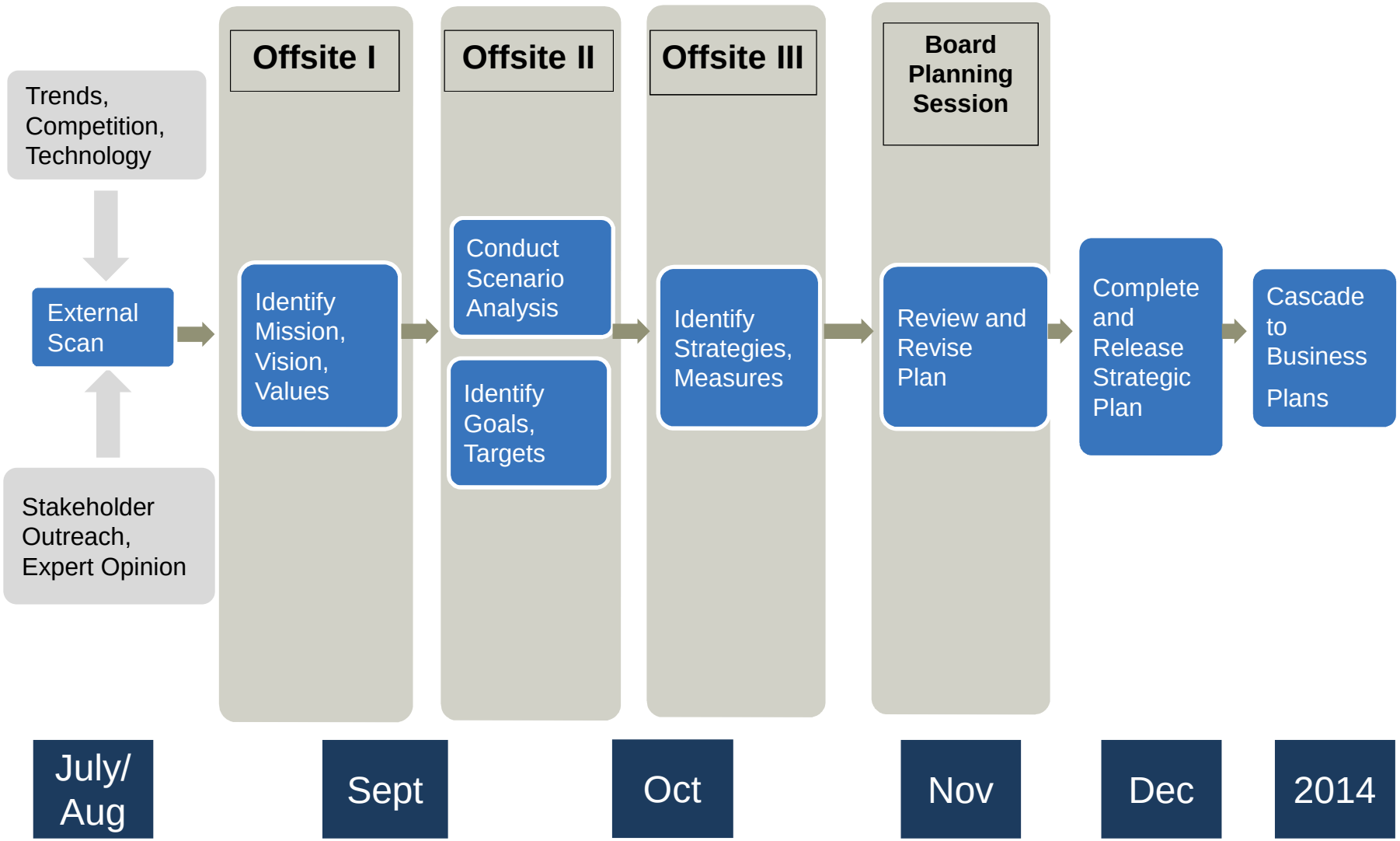
New York Power Authority

Generating more than electricity

STRATEGIC PLANNING PROCESS 2013

Board of Trustees Update:
September 24, 2013

NYPA 2013 Strategic Planning Process



External Scan: Input to the offsite workshops…

TWO GROUPS OF DATA TO INFORM KEY THEMES

INTERNAL

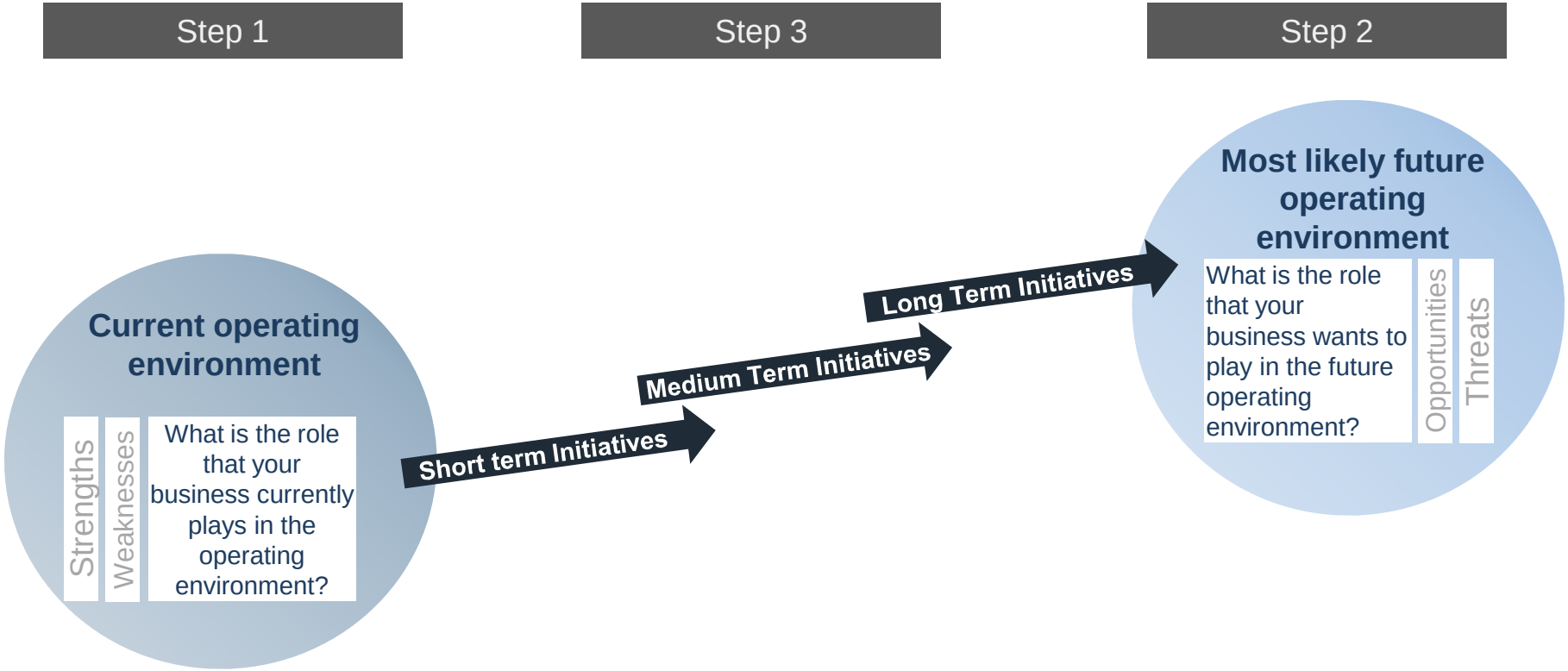
- Internal interviews
- Integrated Resource Plan
- In-flight projects
- Annual Report
- Sustainability plan
- State Energy Plan

EXTERNAL

- Environmental scan
- External Interviews
- External survey
- Market / global reports
- PA SME input

NYPA staff	A range of EMC and NYPA staff
NYS government	NY Governor's Office
Policy	Brookings
Energy agencies	NYPA Board, DPS, NYSERDA, ESD
IOU&Public Power	National Grid, TVA
Renewables	Alliance for Clean Energy, NRDC
NYPA customers	NYC, Corning, SABIC innovative plastics (scheduled)
Economic development	Regional Plan Association, Western NY regional economic development council, partnership for NYC
ISOs	NYISO
Energy research	Stony Brook, NYS Smart Grid Consortium, EPRI, Princeton Univ, Brookhaven National Lab
Energy experts	Columbia university, RMI / Energy Innovation, Brattle Group
Scenario planning	Eric Best
Energy investors	Google
Finance	Advanced Energy Economics, Citigroup, Moody's Bloomberg Energy Finance, Goldman Sachs

At its simplest, the strategic planning journey encompasses three key steps…



How each workshop contributes to the process…

Understand The Now

Workshop One: Trends & Mission

- Develop a clear understanding of the current environment and future trends
- Review the Mission Statement and agree on concepts to be included

Discuss The Future

Workshop Two: Scenarios & Goals

- Explore what the future world might look like using scenarios
- Agree the role that NYPA wants to play in that world
- Develop future goals, objectives, metrics

Outline The Journey

Workshop Three: Initiatives

- Agree and prioritize strategic initiatives

Understand the Now: Expert speakers provide context and key trends…

- Gil Quiniones, NYPA President and CEO: *NYPA history; vision for NYPA planning process*
- Richard Kauffman, NYS Chairman of Energy Policy: *New York State Energy Plan*
- Matt Mooren, PA Consulting: *Overview of NY State Energy Markets*
- Jon Jacobs, PA Consulting: *Role of Renewables*
- Arshad Mansour, EPRI Senior VP of R&D: *Technology and the Need for Grid Transformation*
- Joe Johnson and Julie Redfield, PA Consulting: *Talent Management in Utilities*

<u>THEMES:</u>

- NYPA has done great things when others would or could not, and we must again
- Tremendous change forecast for utility industry, driven by new customer choices
- There is a need for the grid to become more flexible, connected and resilient
- Energy markets are creating new opportunities and risks
- Talent management strategies are changing in light of mobility trends

Understand the Now: Analysis of inputs was conducted by core team

Data grouped into themes and sub-themes to make it manageable…

Earl Faunlagui, Dennis Willette, Lindsey McCloy	Lindsey McCloy, Scott Tetenman	John Markowitz, Tabitha Robinson, Gerry McGill	Katie O'Toole, Trish Lombardi	Kerry-Jane King, Dennis Willette Andrew Neuman	Tabitha Robinson, Karina Saslow

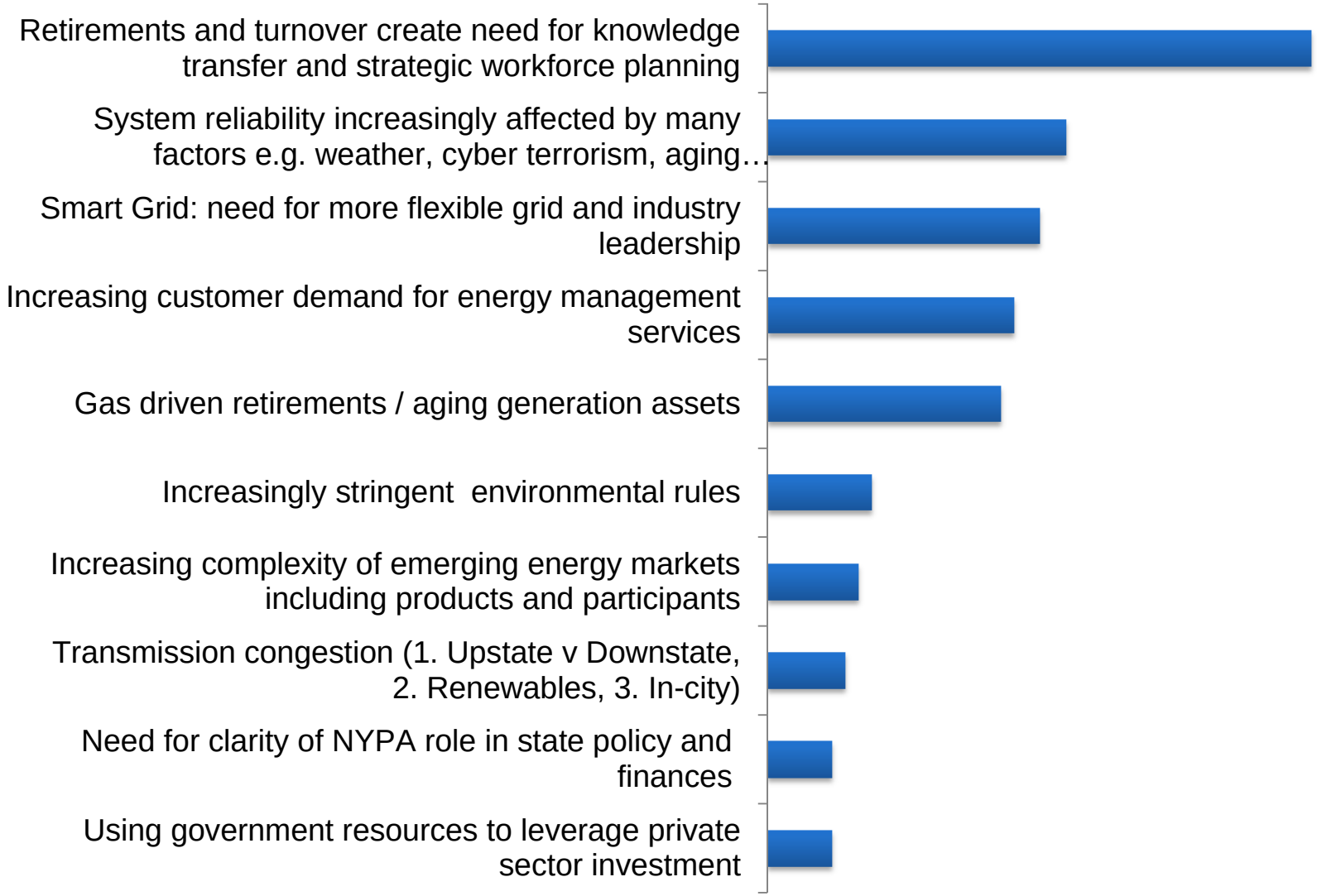
Aligned to the value chain

Generation	Transmission	Customer
Fuel diversity	Grid modernization	Energy management
Asset Operations & Maintenance	Congestion	Clean Energy & Resiliency Technologies
	Transco	Economic development
Industry direction	Integration of renewables & DG	Customer service

Overarching issues

Reliability	Policy drivers	Internal
Severe weather	Climate change & Sustainability	Workforce management
Reliability	Renewables & Energy Efficiency	Finance
Resiliency	State Energy Plan	Strategy
Emergency management	Econ. Dev. & Markets	Communication
		Organization

Top 10 list of trends as voted by 32-member NYPA planning group…



Understand the Now

Mission Statement

An effective mission statement
- Outlines the organization's aspiration
- Provides a unifying concept for the whole organization to embrace
- Guides everything the business does
- Addresses both the ends to be achieved and the means that will be used

Key concepts identified for NYPA's Mission Statement

Ends

Provide economic benefit to New York State

Fulfill our role as stewards of NYPA's physical and financial assets

Contribute to the achievement of New York State energy policy goals

Means

- Reliability
- Value-added services
- Renewables
- Environmental responsibility
- Customer focus
- Delivering where others don't

Summary of workshop 1: scan themes, trends and mission discussion...

Key workshop learnings...	Key workshop outputs…
• NYPA has done great things when others would or could not, and we must again • Tremendous change forecast for utility industry, driven by new customer choices • There is a need for grid to become more flexible, connected & resilient • Energy markets creating new opportunities and risks • Talent management strategies are changing in light of mobility trends	· Alignment around mission · Trends · Uncertainties · Focus areas for scenarios

NEXT STEPS

Draft revised mission statement → **Develop the scenarios** → **Articulate the Vision** → **Identify Goals**

Let's build the next great legacy for NYPA….