

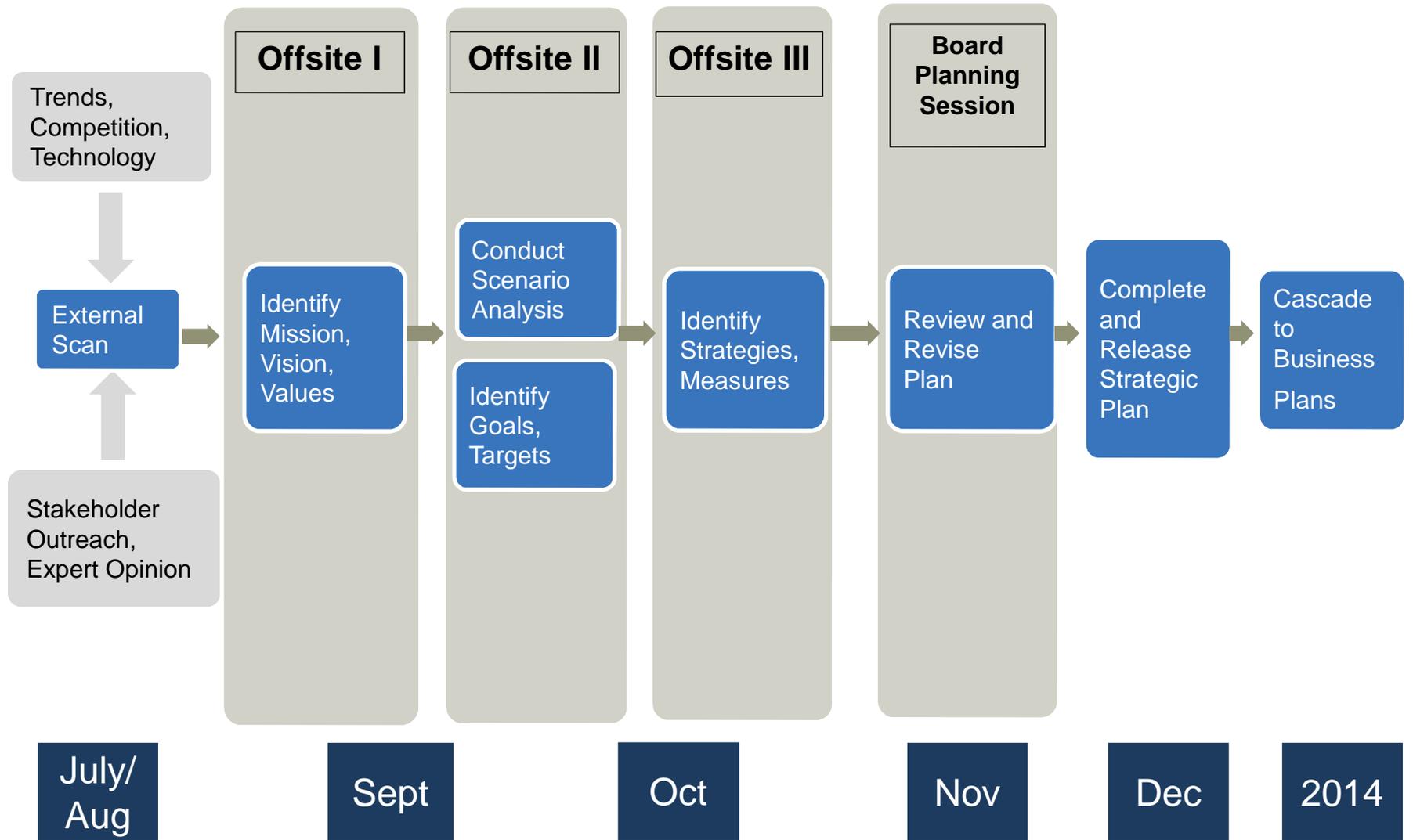
**New York Power
Authority**

Generating more than electricity

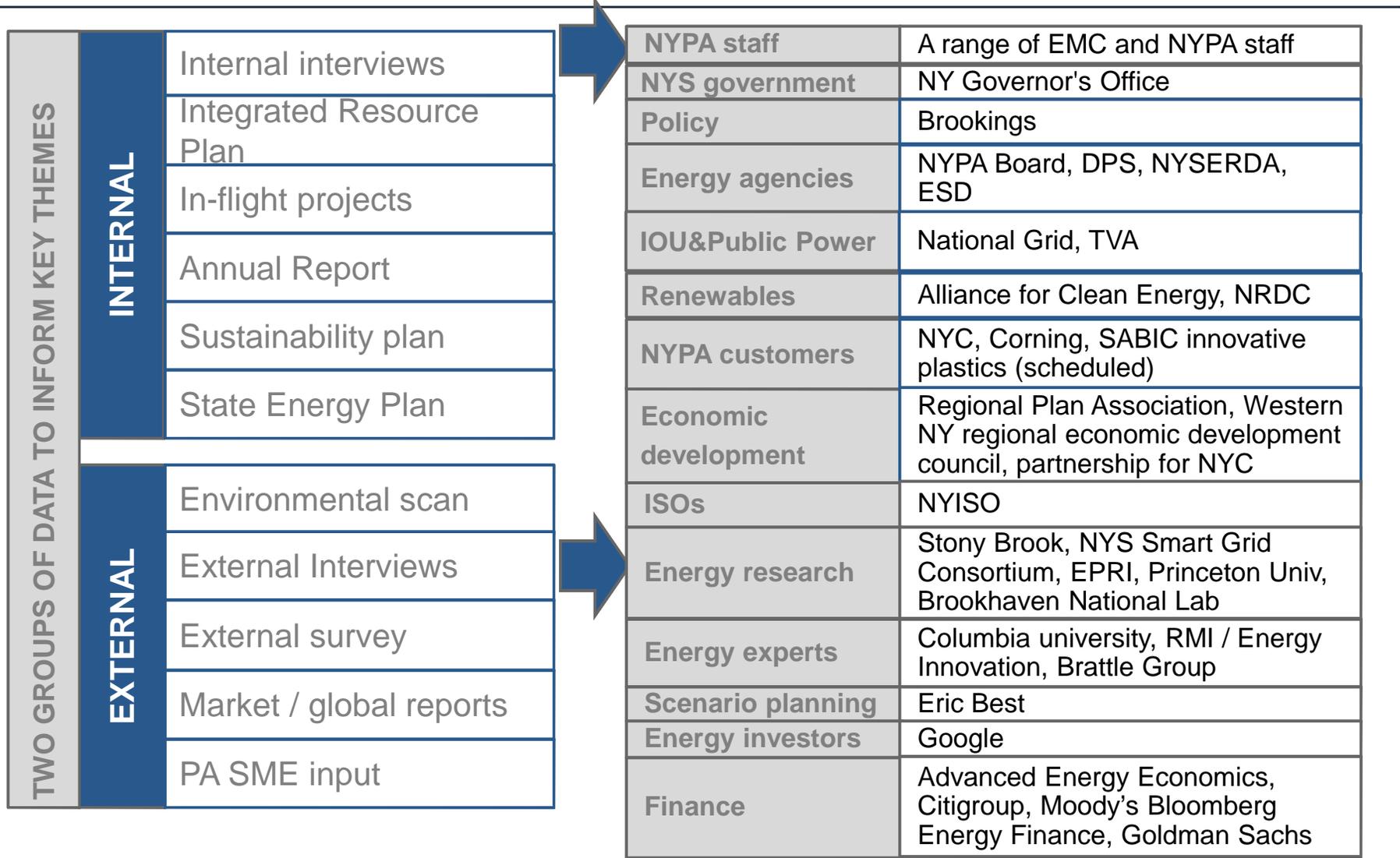
STRATEGIC PLANNING PROCESS 2013

Board of Trustees Update:
September 24, 2013

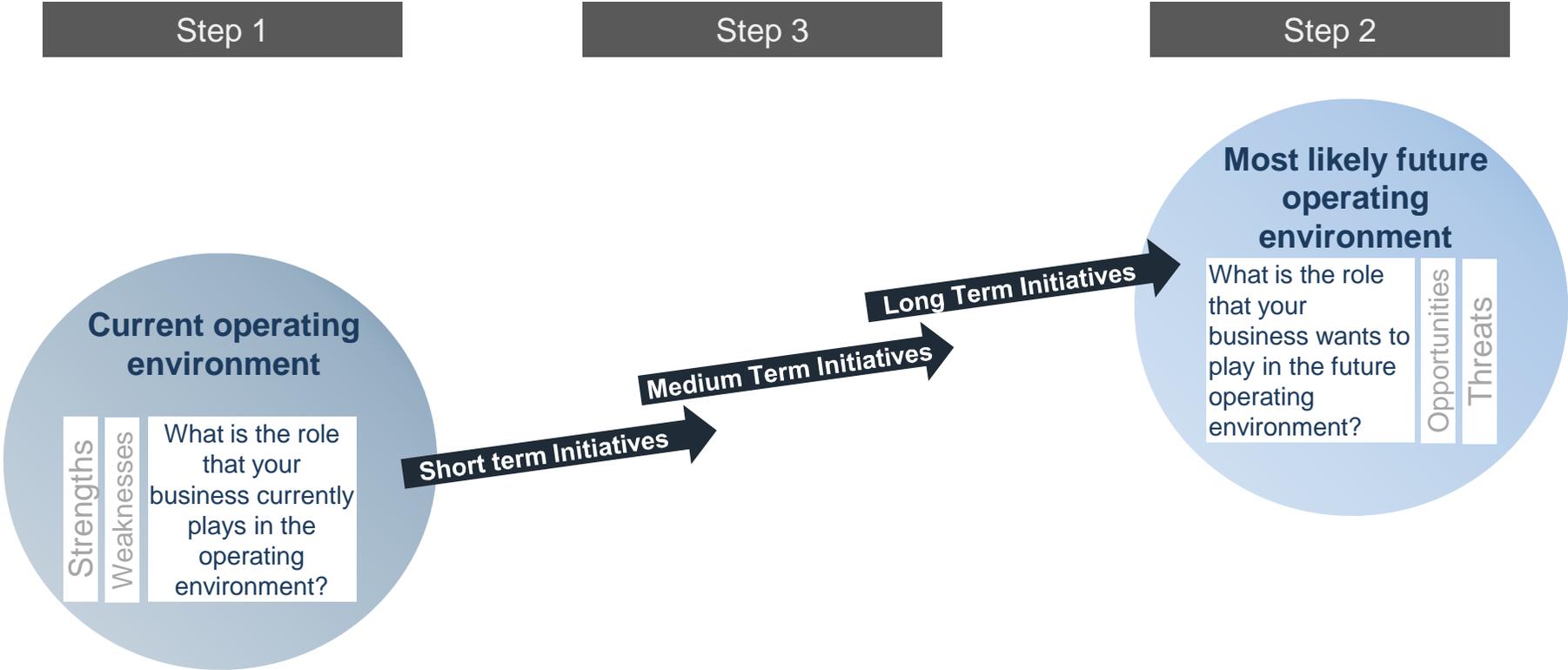
NYPA 2013 Strategic Planning Process



External Scan: Input to the offsite workshops...



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*

THEMES:

- 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

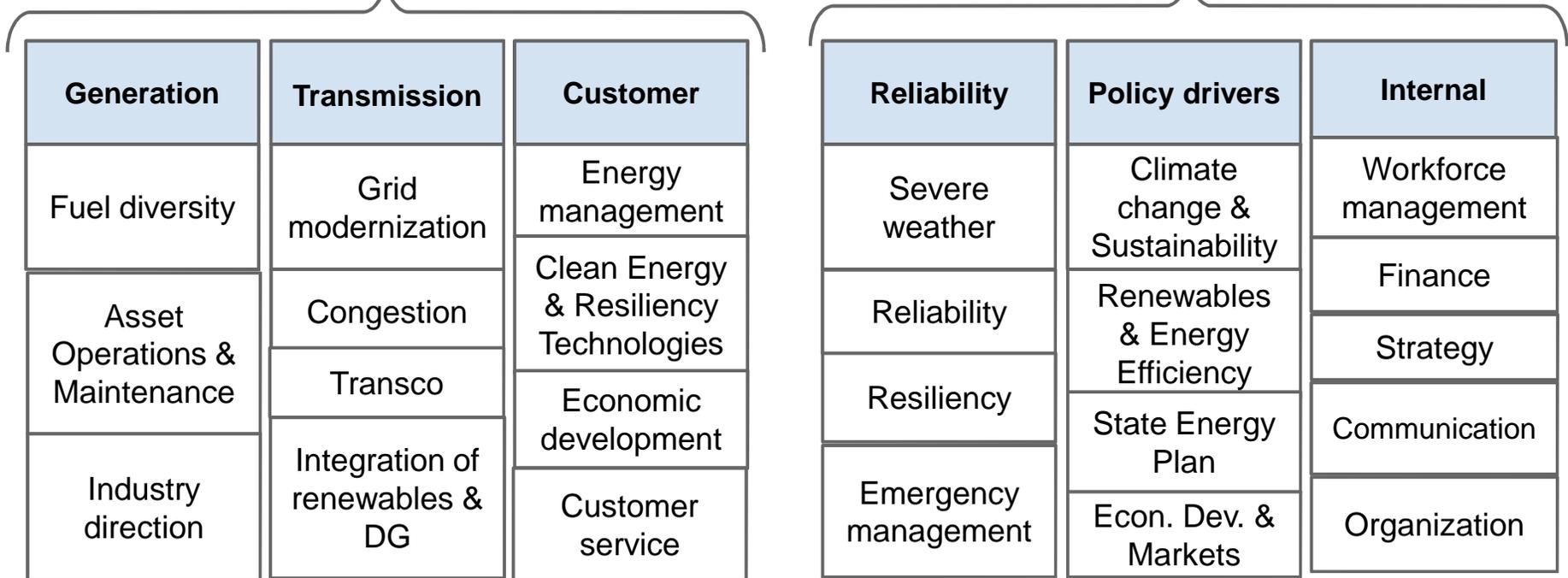
Understand the Now: Analysis of inputs was conducted by core team

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

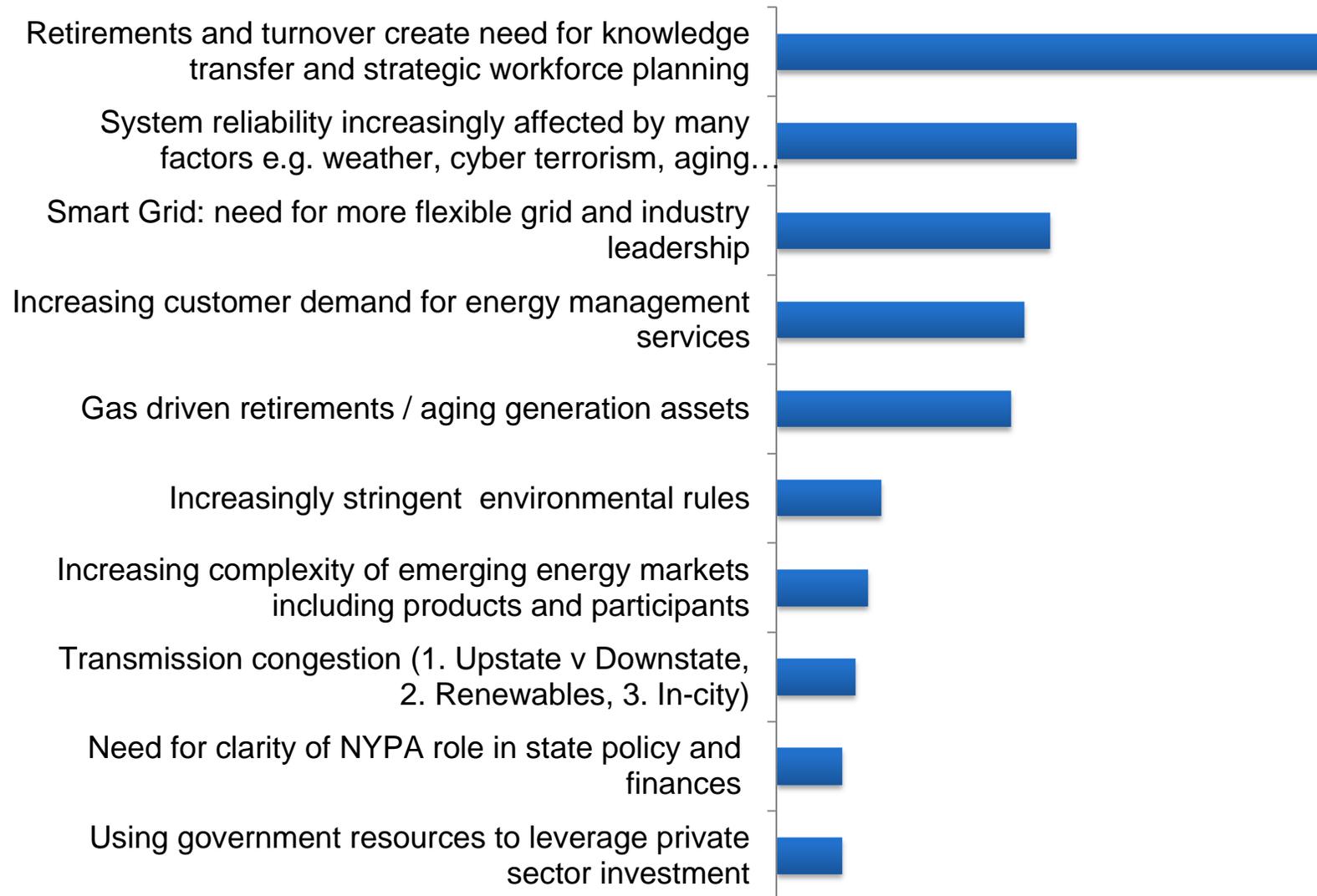


Aligned to the value chain

Overarching issues



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...

- 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

Key workshop outputs...

- Alignment around mission
- Trends
- Uncertainties
- Focus areas for scenarios



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