

March 26, 2015

MEMORANDUM TO THE TRUSTEES

FROM THE PRESIDENT and CHIEF EXECUTIVE OFFICER

SUBJECT: New York Power Authority's 2015 Strategic Plan

SUMMARY

The Trustees are presented with the Authority's proposed 2015 Strategic Plan for adoption, as set forth in Exhibit "A" attached hereto.

BACKGROUND

The Authority's By-Laws state that "the Trustees shall annually review a strategic plan developed by the Executive Management Committee under the supervision of the Strategic Planning and Energy Policy Committee, which shall become the basis for the development of departmental plans, the annual budget and the capital expenditure plan" (By-Laws, Article VII – Fiscal Management , Section 2 – Strategic Plan). In addition, Public Authorities Law § 2824-a requires state authorities to develop and adopt a mission statement.

The Authority has for many years annually reviewed, and updated as necessary, its mission statement and strategic plan. In late 2013, the Authority drafted a new strategic plan containing a revised mission statement and six strategic initiatives to advance alignment with the changing needs of our customers and to support the future energy structure of New York. In 2014, the Authority developed comprehensive business plans for each of the six strategic initiatives.

DISCUSSION

In 2013, Authority staff began an examination of its corporate strategy in the context of a rapidly changing energy environment. This effort has continued across three phases, each lasting several months.

- In mid-2013, Authority staff met with external stakeholders representing customers, energy leaders, government officials, financial organizations and universities to discuss customer requirements, key trends and opportunities in the energy industry.
- In late 2013 a thirty-two member strategy team convened several times to formulate a strategic vision for how the Authority would proceed as the energy industry continues its evolution from a traditional, centralized model to a more innovative, customer-centric model. Recognizing three key drivers (1) customer value, (2) stewardship for the future, and (3) flexibility of infrastructure and organizations, the strategy team defined six strategic initiatives to further the Authority's efforts to achieve its strategic vision.

- In 2014, a comprehensive business plan was constructed for each of the six strategic initiatives outlining the business case and implementation plan for each.

Throughout the strategy development, discussions were held with Trustees to share findings and review the proposed direction to ensure that it is consistent with the Board's vision for the Authority. New mission and vision statements for the Authority, drafted by the strategy team, were approved by the Trustees in March 2014.

The 2015 Mission Statement and Strategic Plan (Exhibit "A") contains no substantive changes from the strategic vision defined in 2014 and continues to serve to inspire and provide direction as the Authority embraces an evolving energy industry in New York State.

RECOMMENDATION

The Executive Vice President and Chief Financial Officer recommends that the Trustees adopt the 2015 Strategic Plan presented herein.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.

Gil C. Quiniones
President and Chief Executive Officer

RESOLUTION

RESOLVED, That the Trustees hereby acknowledge that they have read, understand and adopt the Authority's 2015 Strategic Plan attached hereto as Exhibit "A" as discussed in the attached memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, That the Chairman, the Vice Chair, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.



2015 Mission Statement and Strategic Plan

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MISSION

Our Mission is to ...

Power the economic growth and competitiveness of New York State by providing customers with low cost, clean, reliable power and the innovative energy infrastructure and services they value.

VISION

Our vision is a Power Authority that enables a thriving New York State through the provision of sustainable, affordable energy, stewardship of the state's natural resources and leadership in innovative technologies and energy efficiency services.

VALUES

Integrity – Operate at the highest level of honesty, ethical conduct, and public trust in all of our activities.

Safety – Always strive to encourage and support an accident-free workplace for our employees.

Employee Development – Value our employees and invest in their development.

Job Development – Utilize our power resources to support the creation and retention of New York State jobs

Sustainability – Manage all aspects of our business through the lens of sustainability, which holistically integrates financial objectives with environmental and social concerns (i.e., the “triple bottom line” approach).

Clean Energy – Remain committed to the efficient use of energy and promoting clean power supply technologies.

Stakeholder Management – Aggressively build awareness of NYPA’s Mission and purpose by cultivating positive relationships with our Stakeholders – customers, public officials, regulatory agencies, community representatives, and other opinion leaders – to ensure they support us and share in our commitment.

Financial Strength – Maintain NYPA’s financial strength so as to have the financial resources needed to fulfill our Mission.

CORPORATE STRATEGIC GOALS

Financial Effectiveness:

Maximize the financial capacity of NYPA to make capital investments that help achieve our goals.

Operational Effectiveness:

Maximize the efficiency, reliability and flexibility of our assets and organization.

Value from Energy:

Maximize the benefit and minimize the negative impact of each unit of energy provided to the customer and the state.

STRATEGIC INITIATIVES

Customer Solutions:

Expand NYPA's customer solution offerings through the provision of a seamless bundle of services aligned to customer needs.

Asset Management:

Develop an asset management capability and process to improve the efficiency and effectiveness of our O&M and capital investments.

Smart Generation and Transmission:

Make the generation and transmission system more flexible, resilient, and agile utilizing existing and emerging technologies.

Workforce Planning:

Develop and implement a strategic workforce plan that ensures that NYPA attracts, retains, and develops employees with the skills competencies to achieve our goals.

Knowledge Management:

Establish an enterprise wide system to capture, organize, distribute, and utilize NYPA intellectual assets.

Process Excellence:

Create a business process improvement function to increase productivity, reduce cost, advance sustainability and safety goals and manage risk.