



Generating More Than Electricity

NYP&A OVERALL

STRATEGIC PLAN

2005-2007

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NYPA STRATEGIC PLAN 2005-2007

MISSION STATEMENT

A mission statement is a clear definition of the aims, focus and emphasis of an organization over a specified time frame. Following is a statement of NYPA's mission for the next three years:

O*ur Mission is...*

*to provide clean, economical
and reliable energy consistent
with our commitment to safety,
while promoting energy
efficiency and innovation, for
the benefit of our customers
and all New Yorkers.*

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DECISION DRIVERS

Underlying this Mission Statement is a set of core drivers that define the priorities for the organization. Drivers determine how we will make decisions, perform our work and deal with others. By understanding the driving forces behind what we want to be, we will make decisions that will support our company's goals.

PUBLIC BENEFIT

Our history demonstrates that the underlying, and perhaps primary, purpose of the authority is to implement the State's energy policy in the public interest as such policy and interests are determined at any point in time by the Governor and/or the Legislature.

We will utilize, when called upon, our resources, people and expertise to provide a crucial public service in the State's electrical energy sector.

OPERATING EXCELLENCE

Reliable operation of our generation and transmission assets is essential to carry out our mission.

We will achieve operating excellence through best maintenance practices, Life Extension and personal commitment to the continuous improvement of all our business processes as well as to the development and success of our employees.

COST EFFECTIVENESS

The survival of the Authority mandates that our cost of operation be below that of any competing power supplier or operator.

We will critically examine all our processes and practices learn from others, provide sufficient financial resources, and make changes to attain best-in-class performance.

ENERGY EFFICIENCY SERVICES & TECHNOLOGIES

We believe our role is to improve energy efficiency and stimulate new energy technologies in New York State through physical projects and demonstrations.

We will demonstrate the commercial viability of various technologies so that private developers might be willing to take them further.

We will retain and expand energy-service markets for our customers and the benefit of the people of New York State.

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ETHICS

The Authority, as a public entity, has a responsibility for instilling and maintaining the highest level of honesty, ethical conduct, and public trust in all of its activities. Authority employees are entitled to privacy in their personal affairs. At the same time, as employees of a public entity, Authority employees are responsible for conducting Authority business solely in the public interest and must do so in an ethical manner.

We will develop and deliver ethics and compliance training to all NYPA employees that not only reaffirm compliance with the laws, regulations and policies that govern our behavior but also articulate our commitment to ethical business conduct.

FINANCIAL

NYPA financial performance is the means to an end, not an end in itself. It must have the resources necessary to achieve our mission, to maximize opportunities to serve our customers better and to preserve our strong credit rating.

We commit to utilizing the Authority's assets in a responsible manner consistent with our mission.

BUSINESS GROWTH in New York State

We must continuously identify new opportunities to support economic growth in New York State as a means to promote competition, add customer value and improve financial performance.

NYPA will be an engine for economic development in New York State by using more low-cost power to create and retain jobs. We will commit a portion of our available resources to leverage economic development initiatives throughout the State.

CUSTOMER LOYALTY

True customer loyalty is defined as the selection of NYPA as the supplier of choice and the support of NYPA politically and publicly.

We will win customer loyalty by providing a wide range of value-added services tailored to individual customer needs. We will aggressively communicate the benefits and services NYPA provides.

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STAKEHOLDER SUPPORT

The electric utility industry is changing at a rapid and accelerating pace. We must maximize our efforts to establish and maintain among our key stakeholders an awareness of our unique value and range of contributions. In this era of consolidation and privatization, their dedicated support is essential.

We will aggressively build awareness of NYPA's Mission and purpose.

We will cultivate better relationships with all our customers, public officials and other key influencers to ensure that they support us and share in our commitment.

COMPETITIVE PRIVATE SECTOR

We believe the private sector should be able to meet the challenges and capitalize on available opportunities in the energy marketplace.

We will buy the electricity from private sources to meet future capacity requirements

We believe that any transmission lines necessary to maintain reliability can effectively be built by merchant providers and the utilities that directly serve retail consumers.

The only circumstances under which the Power Authority would foresee building any new generation or transmission facilities would be in response to a compelling public or reliability need that is not being fulfilled by the private sector.

PERFORMANCE COMMITMENT

In today's competitive world, effort doesn't count, results do.

We will hold ourselves and each other accountable, recognize and reward success contributors, and actively confront non-performers.

We will critically examine all our processes and practices learn from others, provide sufficient financial resources, and make changes to attain best-in-class performance.

We will set clear performance and behavior expectations and provide continuous feedback.

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STRATEGIC RESULT AREAS

If we are to succeed in our Mission, there are specific areas where we need to articulate our vision and make clear our intentions. In order to do that for both internal & external stakeholders, we need to define our goals & objectives as well as identify the specific actions we are taking that support that vision.

GENERATION

GOALS:

NYP&A will ensure its hydro facilities are as reliable in the future as they have been in the past.

NYP&A will operate its existing generation assets as efficiently as anyone else can.

OBJECTIVES:

- 1. Provide a continued supply of safe, clean, economical and reliable power to our customers.*
- 2. Complete the life extension and modernization efforts at our hydro facilities.*
- 3. Successfully Re-license the Niagara Power Project for a period of 50 years.*
- 4. Improve the productivity and effectiveness of our work force.*
- 5. Support the continuing implementation of a successful competitive electricity market in New York State.*

INITIATIVES:

- 1. Complete construction of the 500 MW combined cycle plant and commence commercial operation during the summer of 2005.*
- 2. Complete the upgrade of Robert Moses Niagara Power Plant by the end of 2006 (1 unit/year)*
- 3. Complete the Life Extension & Modernization Program at the St. Lawrence Project by 2013 (1.5 units/year)*
- 4. Complete the Life Extension & Modernization Program at the Blenheim-Gilboa Project by 2010 (1 unit/year starting in 2006)*
- 5. Initiate a Life Extension & Modernization Program for the Lewiston Pump Generating Plant and the balance of plant equipment at RMNPP*
- 6. Plan for the orderly closure of the 885MW Poletti Plant*
- 7. Continue the Maintenance Resource Management program and related initiatives.*

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TRANSMISSION

GOALS:

NYPA will operate and maintain its high voltage transmission facilities, consistent with its commitment to safety and the environment, working closely with the NYISO, the other transmission owners and the PSC to help ensure a high level of power system reliability.

OBJECTIVES:

- 1. Maximize NYPA's transmission system availability and reliability.*
- 2. Maintain state-of-the-art primary and backup Energy Control Centers to help ensure reliable and secure operation of NYPA's transmission and generation assets.*
- 3. Pursue new technologies to improve the capability and efficiency of the New York State transmission grid.*
- 4. Help achieve cost effective competitive generation and transmission markets in New York State.*
- 5. Provide quality and cost-effective transmission-related services for NYPA and external entities.*

INITIATIVES:

- 1. Initiate a transmission line and substation Life Extension/Modernization program.*
- 2. Implement Reliability Centered Maintenance (RCM) for substations (by end of 2005).*
- 3. Complete protective relay replacement program at all substations.*
- 4. Upgrade NYPA's Energy Management System, including cyber security, by mid 2006.*
- 5. Complete NYPA's ISO meter upgrade program by mid-2006.*
- 6. Complete an examination of transmission line clearances to verify compliance with the National Electric Safety Code by end of 2008.*
- 7. Implement appropriate transmission related recommendations from Federal, State and other final reports on the August 14, 2003 Blackout.*
- 8. Complete all necessary modifications to allow emergency supervisory control of Marcy switchyard by mid 2006.*
- 9. Complete installation of RTU's at New Scotland, Fraser and Leeds substations before summer 2005.*
- 10. Complete installation of back up power facilities for Fraser SVC before summer 2005.*

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ECONOMIC DEVELOPMENT

GOALS:

NYPA will support the improvement of New York's economy with its hydropower assets and other power resources.

OBJECTIVES:

- 1. Optimize the use of its available hydropower and other low cost power resources for economic development purposes.*
- 2. Strengthen economic development activities with Empire State Development Corporation, the Public Service Commission and other appropriate entities.*

INITIATIVES:

- 1. Develop a strategic assessment of the best use of such power for economic development purposes.*
- 2. Continue active consultation with Empire State Development Corporation, the Public Service Commission and others regarding the allocation of power for economic development.*

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ENERGY SERVICES

GOALS:

NYPA will assist in the improvement of overall energy efficiency in New York State.

OBJECTIVES:

- 1. Implement energy efficiency services for NYPA customers, and to the extent authorized by law, provide such services to state and local governmental agencies to reduce their costs and improve the environment.*
- 2. Partner with the public and private sector to deliver new value added energy services.*
- 3. Obtain state legislation to enhance NYPA authority to provide energy services.*
- 4. Further assist in the implementation of Executive Order No. 111.*

INITIATIVES:

- 1. Work with legislative and civic leaders to identify cost effective project opportunities.*
- 2. Partner with NYSERDA, LIPA, PSC & DOE to enhance program offerings.*
- 3. Affiliate with NYS based professional organizations and their members to raise awareness of NYPA program offerings*
- 4. Solicit input from external entities (NAESCO, etc.) to develop new strategies for program enhancement and market penetration.*
- 5. Work with manufacturers and contractors to develop new technologies and enhance customer savings and program offerings.*

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TECHNOLOGY

GOALS:

Develop and demonstrate innovative energy technologies to benefit NYPA, its customers and the people of New York State.

OBJECTIVES:

- 1. Develop and transfer to NYPA facilities technologies that focus on productivity, O&M savings, increased reliability, and capital asset utilization.*
- 2. Implement and develop clean and efficient distributed resources, renewable energy technologies and technological solutions for NYPA customers and as authorized by law, to state and local government.*
- 3. Promote the development and use of electric drive and other clean transportation technologies in New York State.*
- 4. Participate in collaborative research at national and state levels.*

INITIATIVES:

- 1. Equipment condition monitoring and expert diagnostic systems development and deployment.*
- 2. Substation and transmission reliability centered maintenance program.*
- 3. Time synchronized measurement techniques for improved power system performance monitoring and event reconstruction.*
- 4. Implement landfill gas to energy projects in Madison, Delaware and Sullivan counties.*
- 5. Identify value added services to our customers.*
- 6. Work with SUNY, NYC DEP, NYS OGS, MTA, NYC DDC and others to develop & implement clean, efficient distributed generation and combined heat and power projects.*
- 7. Continue to work with NYC DEP to implement fuel cells and micro-turbines to reduce flaring of ADG and produce a source of renewable energy*
- 8. Work with SUNY ESF and Griffits Public Utilities on biomass gasification*
- 9. Partner with customers & other organizations to procure clean modes of transportation and demonstrate new alternative fuel technologies.*
- 10. Leverage NYPA co-funding with other State & Federal funding to develop new projects.*
- 11. Actively participate in the EPRI, NYSERDA and USDOE advisory structures.*
- 12. Participate in the H2 Road Map development.*