

Date: March 29, 2016

To: THE TRUSTEES

From: THE PRESIDENT and CHIEF EXECUTIVE OFFICER

Subject: New York Power Authority's 2016 Strategic Plan

SUMMARY

The Trustees are presented with the Authority's proposed 2016 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 to advance alignment with the changing needs of its customers and to support the future energy structure of New York.

DISCUSSION

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

- In mid-2013, Authority staff met with external stakeholders representing customers, energy leaders, government officials, financial organizations, universities, and others 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 discuss how the Authority could proceed, boldly and innovatively, as the energy industry continues its evolution from a traditional, centralized model to a more innovative, customer-centric model. Three key drivers emerged from the team's research: (1) customer value, (2) stewardship for the future, and (3) flexibility of infrastructure and organizations.
- In 2014, a comprehensive business plan was constructed for six strategic initiatives outlining the business case and implementation plan for each.
- New mission and vision statements for the Authority, drafted by the strategy team, were approved by the Trustees in March 2014.

- In April 2015, a group of 40 senior employees from across the Authority, met to re-evaluate the strategic plan, mission, vision, goals and initiatives in light of changes to its business environment.

The 2016 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 2016 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 2014 Strategic Plan attached hereto as Exhibit "A" as discussed in the foregoing memorandum of the President and Chief Executive Officer; and be it further

RESOLVED, That the Chairman, the Vice Chairman, 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.



**NY Power
Authority**

2016 Mission Statement and Strategic Plan

MISSION	1
VISION	1
VALUES	2
CORPORATE STRATEGIC GOALS	3
STRATEGIC INITIATIVES	4

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 – We will operate at the highest level of honesty, ethical conduct, and public trust in all of our activities.

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

Employee Development – We value our employees and will invest in their development.

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

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

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

Stakeholder Management – We will 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 – We will maintain NYPA’s financial strength so as to have the financial resources needed to fulfill our Mission.

CORPORATE STRATEGIC GOALS

Financial Effectiveness:

This goal is defined as maximizing the financial capacity of NYPA to make capital investments that help achieve our goals.

Operational Effectiveness:

This goal is defined as maximizing the efficiency, reliability and flexibility of our assets and organization.

Value from Energy:

This goal is defined as maximizing the benefit and minimizing the negative impact of each unit of energy delivered to the state / customer.

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 adopt NYPA intellectual assets.

Process Excellence:

Create a business process improvement function to increase productivity; reduce cost, and minimize environmental impact.