Chief Risk Officer Report

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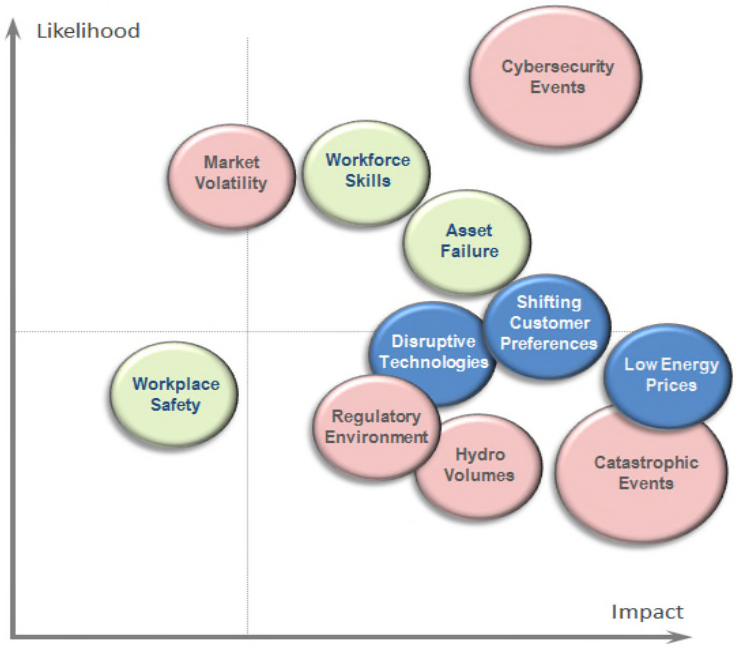
Top Enterprise Risk Update in May Meeting



- Information collected from risk surveys and risk workshops, including cross functional team feedback, will be used to update the Top Enterprise Risk bubble chart

Marker color represents risk source

External Internal Strategic

Size of marker indicates velocity

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Risk Sponsors

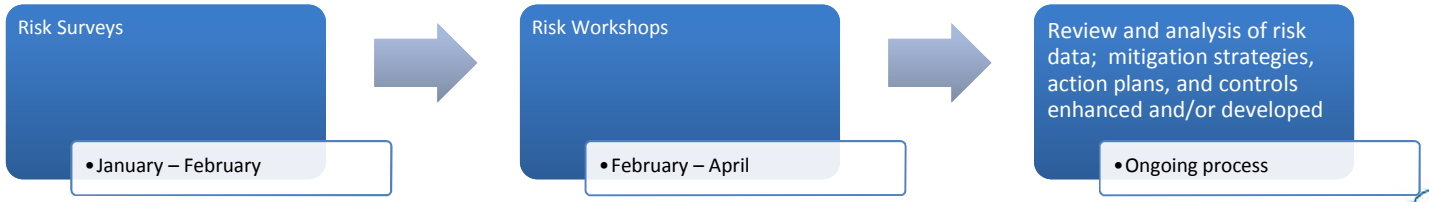
Top Enterprise Risk	Executive Sponsor
Strategic:	
Disruptive Innovation	Edward Welz
Shifting Customer Preferences	James Pasquale
Sustained Low Energy Prices	Robert Lurie
Internal:	
Critical Infrastructure Failure	Edward Welz
Failure to Attract & Retain Qualified Workforce	Kristine Pizzo
Occupational Health and Workplace Safety	Edward Welz
External:	
Catastrophic Events	Edward Welz
Commodity Market Volatility	Jill Anderson
Cyber Security	Edward Welz
Hydro Flow Volumes	Jill Anderson
Regulatory/Legislative Environment	Justin Driscoll

Risk Assessment Process

Risk Workshops Themes:

- Driven by cross functional teams
- Multiple insights captured through workshop interaction and survey responses
  - Clear and common understanding of risks
  - Enhanced visibility into risk interdependencies
  - Strategic vision and planning needs to align with NYPA's risk/reward preferences
- Risks are rated and action plans for further risk mitigation captured

Actionable Risk Management is providing insights as well as oversight



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Enterprise Risk Management Mission Statement

To help protect and enhance the value of the organization through informed risk-based decision-making for optimal resource allocation.

- Risk Management is involved in multiple segments of the NYPA business model

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Appendix: Top Enterprise Risks Assessment Progress and Next Steps

Risk Surveys

- Surveys on Top Risks were conducted prior to Risk Workshops to:
  - Receive individual feedback from subject matter experts
  - Determine a baseline for risks and future assessments
  - Frame the outline for Risk Workshops discussions
  - Expand outreach of risk management

Risk Workshops

- Risk Workshops performed to:
  - Engage subject matter experts in a free exchange of ideas format
  - Foster open and candid discussions to understand the risk exposures and challenges facing NYPA
  - Ensure we have the right mitigation plans and controls in place that are properly aligned with strategic planning and vision
  - Gain consensus on: Risk Descriptions, Controls, Risk Ratings, Action Plans and Risk Metrics
  - Include Strategy and Internal Audit to ensure multiple function input

May Board Report and Next Steps

- Use cross functional feedback from surveys and workshops to:
  - Identify and prepare a list of top risks
  - Identify gaps and work with Risk Sponsors on detailed action plans to enhance NYPA's risk posture
  - Identify and prepare a list of emerging risks
  - Review lessons learned and provide periodic updates on top enterprise and emerging risks
  - Enhance Risk Management engagement with strategic vision and planning

Appendix: Ongoing Risk Management Projects

Project	Comments	Expected Deliverable
Cyber Security Risk	RM working with cross functional team to develop response plans and reporting metrics	Action Plan, Preliminary Metrics and Timeline
Commodity Solution Project	RM has engaged a consultant to review NYPA risks and identify potential commodity risk management solutions	Recommendation for approach, methodology and/or system solution
Reputational Risk	RM has engaged Deloitte for support in framing, assessing and developing response strategies for this risk	Drivers, Impact, Potential exposure and mitigation recommendations
NYCGC-Long Term Agreement	Risk review of return on equity and other aspects of LTA negotiation	Feedback and summary report to LTA negotiating team lead
Risk Appetite	RM developing leadership questionnaire as part of Risk Appetite assessment process to be used in appetite analysis	Aggregated and individual business level Risk Appetite Statement(s) including proposed risk metrics

Appendix: Cyber Security Risk Project RACI Chart

Cyber Security Risk - RACI Matrix

R Responsible | A Accountable | C Consulted | I Informed

Cyber related event or activity that has a major impact on NYPA, impairs grid reliability, erodes public trust and/or compromises safety	Risk Sponsor -COO	Procurement	Corporate Affairs	Technology and Innovation	Emergency Management	Technical Compliance	Operations Technology	Legal	Risk Management	Cyber Security Oversight Committee	Executive Risk Management Committee	Executive Management Committee	Internal Audit	Outside Consultant	Information Technology Directors
Evaluate and improve recovery and public trust/reputation															
Response plan for addressing public trust / reputation challenges	I	I	A	C	C	C	I	C	R	C	I	I	I	C	I
Enterprise-wide emergency management and business continuity plan	I	I	C	R	A	C	C	I	R	C	I	I	I	C	I
Develop enterprise-wide cyber security governance and enhance foundational controls															
Enterprise-level technology architecture	I	I	I	A	I	C	I	I	C	C	I	I	I	C	I
Third-party protocol	I	A	I	C	I	C	C	C	R	C	I	I	I	C	I
Data classification	I	I	I	A	C	C	I	C	C	C	I	I	I	C	I
Key Risk and Performance Metrics															
External and internal indicators of performance (KPIs and KRIs)	I	C	I	A	I	C	R	I	C	C	I	I	I	C	I

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