

DIGITIZATION STRATEGY

Delivering a Secure, Clean and Reliable Distributed Energy Future

A FOUNDATIONAL PILLAR OF **VISION2030**



INTRODUCTORY MESSAGE

FROM THE PRESIDENT AND CEO - GIL C. QUINIONES

More than a century after the introduction of commercial electricity in downtown Manhattan in New York, the electric grid – and the role of the utility – is being reimagined as the need for cleaner energy resources and decarbonization heightens.

NYPA is well positioned to partner with our customers to make the most of what this exciting new era offers. We generate and transmit over 20 percent of the state's electricity needs and are the only energy services company with the ability to provide both comprehensive and customized energy solutions. We are a key enabler of New York State's goal of 70% renewable energy by 2030, with 6 GW of distributed solar and 3 GW of storage as targets.

As we move toward a cleaner, decentralized grid with new technologies and more intermittent energy resources, digitization is a critical lever that will allow us to respond in real time to evolving grid conditions and ensure low-cost, reliable and resilient power.

In addition, digitization allows us to redesign how we manage, safeguard and optimize our assets and our operations, as well as proactively plan for the future, to help our customers stay one step ahead of the evolving energy landscape.

In summary, NYPA is leading this digital transformation in concert with our customers to realize a flexible, distributed, consumer-driven energy system.



The benefits of innovation and digitization will be immense. In fact, our efforts so far are already paying off through more efficient and streamlined operations, ensuring system reliability and cost stability for our customers.

Gil C. Quiniones | President and CEO





We believe NYPA is well positioned to achieve the digital agenda. The Digital Transformation Office will drive NYPA's digital transformation, establish a strategy and enable execution through partnership with IT and the business units.

Daniella Piper | Regional Manager, Western New York and Chief Transformation Officer

NYPA VISION2030

VISION

Create a thriving, resilient New York State powered by clean energy.

MISSION

Lead the transition to a carbon-free, economically vibrant New York through customer partnerships, innovative energy solutions and the responsible supply of affordable, clean and reliable electricity.

Preserve and enhance the value of our hydropower assets as a core source of carbon-free power, as well as flexibility and resilence as the state's grid evolves



Be the leading transmission developer, owner and operator for New York State and its changing needs

STRATEGIC PRIORITIES



Pioneer the path to decarbonization by acting as a test-bed for innovation while ensuring grid reliability, resilience and affordability



Partner with our customers and the state to meet their energy goals in alignment with CLCPA through clean and affordable energy, and customer solutions



Repurpose the New York State Canal System for the economic and recreational benefit of New Yorkers while driving operational efficiency

FOUNDATIONAL PILLARS



Environmental, Social and Governance Diversity, Equity and Inclusion



Resource Alignment

DIGITIZATION. A VISION2030 FOUNDATIONAL PILLAR

DIGITIZATION VISION

Leverage connectivity, analytics and cutting-edge digital infrastructure to optimize our physical and data assets, enable our workforce and empower our customers.

ENTERPRISEWORKFORCE

Digital workforce tools for enhanced worker productivity and safety, as well as predictive capabilities

FOUNDATIONAL INFRASTRUCTURE

End-to-end enablers of scaled digitization, from communications backbones to consistent and automated IT processes

INTELLIGENT GRID

Deployment and market development for connected technologies, as well as digital upgrades for asset management



BUSINESS ENABLEMENT

Digital business tools that promote innovation and streamlined operations

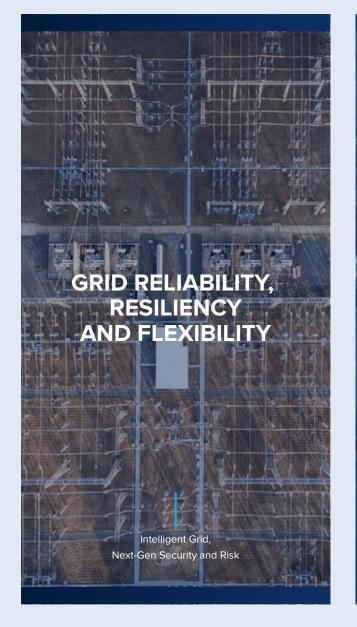
NEXT-GEN SECURITY AND RISK

Real-time and Al-enabled IT/OT cyber security solutions, as well as resiliency risk management planning tools

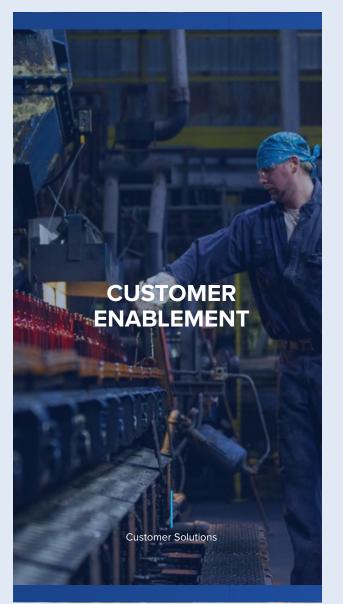
CUSTOMER SOLUTIONS

Customer tools, solutions and services that enhance the digital energy experience

WHY DIGITIZE? IT IS THE BACKBONE OF OUR EVOLVING OPERATIONS











Rob Piascik
Chief Information and
Technology Officer

No utility can afford not to digitize. But we chose to be a leader.

NYPA is harnessing the power of data and cutting-edge technology, applying analytics and artificial intelligence to gain insights that inform our decision making and empower our workers with tools to optimize our assets, increase efficiency and safety to deliver the greatest value to our customers.

OUR APPROACH: WE PARTNER AND INNOVATE TO ENABLE A DIGITIZED ECOSYSTEM



NYPA PARTNERS ACROSS THE ENTIRE DIGITIZATION ECOSYSTEM



NYPA PARTNERS WITH

- Technology companies
- Software companies
- Utilities
- Communications providers
- Policy makers
- Standards organizations
- Customers
- Local governments
- Local businesses
- The public

and more

NYPA'S ROLE WITH PARTNERS

- Unites critical skills and capabilities
- Integrates business and technology
- Develops digital products and services
- Governs execution
- Leads the change

NYPA INNOVATES ACROSS ALL LEVELS OF ITS OPERATIONS

EXISTING INITIATIVES

Asset Performance Management (APM)

NYPA's APM software is a major step in asset management by allowing for the implementation of standardized tools, roles and processes that optimize asset performance, risk and cost. To date, our APM software is streaming 115,000 data points and has resulted in avoided-cost savings over \$18 million.



AGILe

The Advanced Grid Innovation Laboratory for Energy (AGILe) is a world-class power systems laboratory, with a simulation and testing facility. AGILe enables real-time simulations of New York State's transmission grid to accelerate and streamline deployment of new equipment and technologies, analyze peak demand stress, incorporate intermittent resources, and improve reliability and bulk system control.



New York Energy Manager

Serving almost 20,000 state and government facilities, New York Energy Manager helps customers manage energy use by using data to improve building energy performance, reduce environmental impact and manage energy costs. This is accomplished by designing customizable energy management strategies for individual facilities or entire building portfolios.



Communications Backbone

NYPA is building out a secure, reliable and robust communication network for sharing operational data between sites, including nearly 700 miles of Optical Ground Wire (OPGW), 1000 miles of leased dark fiber and a 400-mile microwave network. NYPA is also piloting P-LTE technology (4G LTE, 5G) to support operations and programs, such as workforce mobility applications and drones.



CDEx

CDEx is transforming the customer journey into an end-to-end digital experience with tools that track customers' carbon emissions reductions and the status of energy efficiency projects. The program also streamlines related services like bill payment and contract management, to ensure a productive and efficient digital experience with NYPA.



Digital Workforce Program

The Digital Workforce Program is untethering and empowering all NYPA and Canals employees to help them work more safely, efficiently and effectively, via advanced digital capabilities. Our Digital Engineering Tools complement this goal by applying our operational and engineering subject matter expertise to digital tools that enable the advanced computation, simulation and visualization of our assets.



EMERGING INITIATIVES

Cybersecurity Center of Excellence

The Cybersecurity Center of Excellence (CoE) addresses the industrial cyber skills gap, provides innovative expert cyber services, and incubates solutions to benefit critical infrastructure operators in the state of New York. This initiative is powered by a coalition of critical infrastructure owners, operators, university partners, and founding organizations led by NYPA.



Innovation Lab

NYPA is building out an innovation lab to provide enterprise-level incubation capabilities that will drive innovation, develop prototype solutions and demonstrate the business value of new technologies.



Artificial Intelligence/Machine Learning

NYPA is leveraging data to apply business intelligence that will transform our approach to asset management by optimizing infrastructure and the supply-demand balance.



NYPA ENABLES A DIGITIZED UTILITY ECOSYSTEM IN NYS AND BEYOND

WE ENABLE



OUR WORKFORCE



OUR CUSTOMERS



OUR PARTNERS

Together, we accelerate our journey to a clean and thriving energy future through digitization



Ali Mohammed
Senior Director, Digital
Innovation & Transformation
Office

NYPA is serving as a testbed for technology and innovation. Through partnerships, we will research, develop and implement the emerging technologies that will transform the power grid – an example for utilities across the nation.





Massena Electric is excited to partner with NYPA on this project. NYPA's Integrated Smart Operating Center allows us to harness the power of our equipment data and analytics, to gain insights into the health and performance of our equipment so that we can prevent failures and keep the lights on.

Andy McMahon | Superintendent, Massena Electric Department