



NYSERDA

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Governor

RICHARD L. KAUFFMAN
Chair

ALICIA BARTON
President and CEO

April 1, 2019

ELECTRONIC FILING

Hon. Kathleen H. Burgess
Secretary to the Commission
New York State Public Service Commission
Three Empire State Plaza
Albany, New York 12223-1350

RE: CES Financial Status Report - Case 15-E-0302, *Proceeding on Motion of the Commission to Implement a Large-Scale Renewable Program and a Clean Energy Standard*

Dear Secretary Burgess:

Pursuant to Ordering Clause 5 of the New York State Public Service Commission's *Order Approving Phase 2 Implementation Plan* in the above-referenced proceeding, issued on November 17, 2017, attached please find New York State Energy Research and Development Authority's (NYSERDA) annual Clean Energy Standard (CES) Financial Status Report for calendar year 2018, including a financial report for the Zero Emissions Credit (ZEC) component of the program for the first compliance year starting April 1, 2017 and ending March 31, 2018.

Based on the financial results of the programs to date, existing cash flows and cash balances, no electric distribution company (EDC) backstop collections are requested for authorization at this time.

If you have any questions regarding these documents, please contact Doreen Harris at 518.862.1090, extension 3337.

Sincerely,

Valerie S. Milonovich
Senior Counsel

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CES Financial Status Report for calendar year 2018

(In thousands)

	ZEC	REC	Total
<u>Revenues/sources of funds</u>			
Zero-emission credit assessments (includes administrative adder)	\$ 471,055	-	471,055
Renewable energy credit proceeds	-	418	418
Alternative compliance payments	-	298	298
Electric Distribution Company backstop collections (EDC)	-	-	-
PSC approved funding for operating costs	3,612	3,493	7,105
Funding for Ordered Maintenance Tier projects	-	313	313
Clean energy fund resources (temporarily used)	-	-	-
Contract bid forfeitures	-	583	583
Investment income	1,172	180	1,352
Total	475,839	5,286	481,125
<u>Expenses/use of funds</u>			
Program administration	435	1,611	2,046
Program support	94	156	250
System Development Costs	214	1,104	1,318
ZEC subsidy payments to nuclear generating facilities	456,486	-	456,486
REC payments to generating facilities	-	631	631
Clean energy fund resources (returned)	-	-	-
NYS Cost Recovery Fee	5,333	40	5,373
Total	462,561	3,543	466,104
Surplus/(deficit)	13,278	1,743	15,021
Cumulative surplus/(deficit) *	\$ 2,006	5,072	7,078
Cash balances **	\$ 107,214	21,766	128,980

Note: The Zero-emission credit component operated at a deficit of \$10,992,000 for the first compliance year ended 3/31/2018, and additional LSE ZEC payment deficits have accrued thereafter. However, some assessments for the fourth quarter were prepaid, and the ZEC subsidy payments to nuclear generating facilities for the nine months ended 12/31/2018 were less than 75% of the total maximum contract value. These timing differences resulted in a surplus for calendar year 2018 and on a cumulative basis through 12/31/2018. On balance and given the time lag between LSE payments and payments to nuclear generating facilities, there are currently sufficient cash balances to cover any LSE payment shortfalls, therefore no electric distribution company (EDC) backstop collections are requested for authorization at this time.

** REC cash balances include bid deposits of \$15.5 million for the 2017 and 2018 request for proposals.

NYSERDA - Zero Emission Credit Financial Status Report
Compliance Year Ended March 31, 2018
(In thousands)

Revenues/sources of funds

Zero-emission credit assessments	\$470,914
PSC approved funding for operating costs	6,287
Investment income	706
Total	<u>477,907</u>

Expenses/use of funds

Program administration	522
Program support	245
System Development Costs	167
ZEC subsidy payments to nuclear generating facilities	482,763
NYS Cost Recovery Fee	5,203
Total	<u>488,899</u>
Surplus/(deficit)	<u><u>(\$10,992)</u></u>