

New York State Energy Research and Development Authority

Fiscal Year 2015-16 Budget and Financial Plan
(Fiscal Year Ending March 31, 2016)

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CERTIFICATION

I hereby certify that, to the best of my knowledge and belief after reasonable inquiry, the budget information contained herein for the fiscal year ending March 31, 2016 has been developed based on reasonable assumptions and methods of estimation.



John B. Rhodes
President and Chief Executive Officer



Jeffrey J. Pitkin
Treasurer and Chief Financial Officer

INTRODUCTION

The New York State Energy Research and Development Authority (NYSERDA) is a public benefit corporation established in 1975 pursuant to Title 9 of Article 8 of the Public Authorities Law of the State of New York. NYSERDA is a component unit of the State of New York and, as such, the results of operation are reported in the State of New York's Comprehensive Annual Financial Report.

The Budget and Financial Plan for the fiscal year ending March 31, 2016 (FY 2015-16) were prepared in accordance with accounting principles generally accepted in the United States of America on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when they become measurable and available.

BUDGET PROCESS

NYSERDA's annual budget process starts with the preparation of the Authority's annual strategic program plan which summarizes program goals and objectives using program funds anticipated to be available during the upcoming fiscal year. This document, *Toward a Clean Energy Future - A Strategic Outlook (2014)*, was reviewed by the Program Planning Committee and approved by the NYSERDA Board at a meeting held on June 24, 2014.

NYSERDA's Preliminary Spending Plan for FY 2015-16 was reviewed by the Board at a meeting on September 22, 2014. At this meeting, the Members also approved the State Appropriation Request for FY 2015-16, which was submitted to the Division of the Budget on October 20, 2014, and summarizes NYSERDA's requests for State appropriations for FY 2015-16.

PROGRAM SUMMARY

Following is a summary of the functions/activities summarized in the Budget:

New York Energy \$mart (SBCIII)

Pursuant to Orders of the State Public Service Commission (PSC), NYSERDA administers public benefit programs funded by a System Benefits Charge (SBC) on consumers of electricity sold in the State. The Orders provided funding for program activities committed through December 31, 2011. NYSERDA is authorized to administer committed program funds until fully expended.

Technology & Market Development (T&MD)

Pursuant to an October 2011 PSC Order, the Technology and Market Development Portfolio was established with continued funding from the SBC for program activities through December 31, 2016, and with program funding collections scheduled through December 2017.

Energy Efficiency Portfolio Standard

Pursuant to a June 2008 and subsequent Orders, the PSC authorized an Energy Efficiency Portfolio Standard, which provided additional SBC funding for certain energy efficiency programs for program activities committed through December 31, 2011. In October 2011, the PSC authorized additional energy efficiency programs from January 1, 2012, through December 2015 with collections for program funding continuing through December 2018.

Renewable Portfolio Standard

Pursuant to a September 2004 and subsequent Orders, the PSC adopted a policy of increasing the percentage of electricity used by retail consumers in New York State, that is derived from

renewable resources to at least 30 percent by 2015. The PSC adopted a Renewable Portfolio Standard (RPS) that sets annual, incremental, renewable energy targets for the years 2006 through 2015; requires the use of financial incentives to encourage the development and operation of renewable generation facilities; and adopts a central procurement model to be administered by NYSERDA. It is funded with a non-bypassable wires charge on certain customers of each of the State's investor-owned utilities scheduled through October 2024.

NY Green Bank

The NY Green Bank is designed to leverage private sector capital to stimulate the growth of New York's clean energy economy by increasing the deployment of energy efficiency improvements and renewable energy systems across the State through addressing financing gaps and market barriers.

New Market Development and Innovation Strategies

Pursuant to the Order Commencing Proceeding on Motion of the Commission to Consider a Clean Energy Fund (Case 14-M-0094) issued on May 8, 2014, NYSERDA submitted a Clean Energy Fund (CEF) proposal on September 23, 2014 seeking a 10-year program that will work in coordination with other State efforts to advance cleaner, more resilient, and more affordable energy infrastructure. The intent of the CEF is to ensure the delivery and continuity of clean energy programs for the State's energy consumers, enhance program efficiency, and manage the transition of NYSERDA's program approaches to better align with the market outcomes envisioned through the Reforming the Energy Vision proceedings.

Regional Greenhouse Gas Initiative (RGGI)

The Regional Greenhouse Gas Initiative, or RGGI, is an agreement among nine Northeastern and Mid-Atlantic States to reduce greenhouse gas emissions from power plants. The RGGI states (Participating States) have committed to cap and then reduce the amount of carbon dioxide that certain power plants are allowed to emit, limiting the region's total contribution to atmospheric greenhouse gas levels. The Participating States have agreed to implement RGGI through a regional cap-and-trade program whereby the Participating States have agreed to auction annual regional emissions. Rules and regulations promulgated by the NYS Department of Environmental Conservation (DEC) call for NYSERDA to administer periodic auctions for annual emissions. Pursuant to these regulations, the proceeds will be used by NYSERDA to administer energy efficiency, renewable energy, and/or innovative carbon abatement programs, and to cover the costs to administer such programs.

Green Jobs-Green New York (GJGNY)

GJGNY is a statewide program created by legislation enacted in October 2009 to promote energy efficiency retrofits in residential, multifamily, small business and not-for-profit buildings, and authorizes NYSERDA to establish innovative financing approaches through revolving loan funds to finance such projects. The program supports sustainable community development and creates opportunities for green jobs. The legislation funded the program with \$112 million from RGGI auction proceeds and restricts the use of interest earnings and revolving loan proceeds for additional programmatic spending.

Energy Research and Development

The goals of this program are to promote energy efficiency, encourage economic development, expand the use of New York State's indigenous and renewable energy resources, and reduce or mitigate adverse environmental effects associated with energy production and use. Base funding for the program comes from State appropriations that are financed by an assessment on the intrastate gas and electricity sales of the State's investor-owned utilities.

Other

Other programs represent an aggregate of smaller programs/initiatives. These activities are primarily funded through various third-party reimbursements and federal energy grants.

STEP® (Saratoga Technology + Energy Park®)

NYSERDA owns, on behalf of the State, a 280-acre parcel of land in Malta (Saratoga County), New York. The site was once used for rocket and weapons-testing programs and space-research activities. It was later subject to certain remediation measures under a March 1998 Consent Decree as a “Superfund” site. It was designated in 2001 as a business park devoted to the development of new, clean energy technologies. STEP currently has three private sector ground leases with approximately a dozen clean energy tenants, one of which is at a commercialization stage of development.

Energy Analysis

Through this program, NYSERDA provides objective and credible analyses of energy issues to various stakeholders. The program also includes activities for energy-related emergency planning and response, and support for State energy planning functions.

NYSERDA is also responsible for coordination of nuclear material matters, including serving as the State liaison with the Nuclear Regulatory Commission.

Pursuant to the State Low-Level Radioactive Waste (LLRW) Management Act of 1986, NYSERDA is responsible for collecting information and providing regular reports to the Governor and Legislature on LLRW generation in the State. These activities are funded with a State appropriation sub-allocated from an appropriation provided to the NYS Department of Health, which is funded through an assessment collected on operating nuclear power plant licensees.

Utility Bond Financing

As part of its Bond Financing Program, NYSERDA issues bonds and notes for participating gas and electric utility companies and other private purpose users to finance certain energy-related projects. This program permits a private enterprise to obtain the benefits of tax-exempt financing for projects that qualify under NYSERDA's enabling statute and under relevant provisions of the Internal Revenue Code.

West Valley

NYSERDA manages, on behalf of the State, the Western New York Nuclear Service Center (West Valley), which is the site of a former plant for reprocessing used nuclear fuel. Through 1972, the former plant operator, Nuclear Fuel Services, Inc., generated as a by-product of its reprocessing operations, more than 600,000 gallons of liquid, high-level radioactive waste, which were stored at the site. In 1980, Congress enacted the West Valley Demonstration Project Act (West Valley Act). Pursuant to the West Valley Act, the U.S. Department of Energy (DOE) is carrying out a demonstration project to: (1) solidify the liquid high-level radioactive waste at West Valley; (2) transport the solidified waste to a permanent federal repository; and (3) decontaminate and decommission the reprocessing plant and the facilities, materials, and hardware used in the project.

NYSERDA also maintains, on behalf of the State, the State-Licensed Disposal Area (SDA), which is a shut-down commercial low-level radioactive waste disposal facility at West Valley.

NYSERDA is evaluating how to remediate and close this facility in accordance with regulatory requirements.

BUDGETARY ASSUMPTIONS

The following are principal budget assumptions used in developing the Budget and Financial Plan:

- West Valley's State appropriation revenue for FY 2015-16 through FY 2018-19 is based primarily on the State's 10% share of West Valley Demonstration Project costs and the State's share under the Consent Decree. These estimates assume future U.S. Department of Energy (DOE) annual funding of approximately \$62.5 million for FY 2016-17, FY 2017-18, FY 2018-19, for its share of project costs.
- Allowance auction proceeds for the Regional Greenhouse Gas Initiative (RGGI) are projected based on the average auction prices from the last four quarterly auctions in calendar year 2014, escalated each subsequent year by the real cost of capital. This estimate seeks to reflect a realistic, market-based assumption to avoid over- or under-estimating the level of estimated future proceeds, and to be sensitive to potential changes which may have an unpredictable impact on the RGGI carbon markets, and to more predictably plan for consistent fund program activity reflected in the RGGI Operating Plan.
- Created in 2013, the NY Green Bank's initial capitalization of \$218.5 million was funded by a December 2013 Order of the PSC reallocating and repurposing \$165.6 million in uncommitted utility and NYSERDA funding and from a \$52.9 million transfer of RGGI funding. In October 2014 NYSERDA filed a petition (Case 13-M-0412) requesting the Commission to authorize the allocation of \$781.5 million in four equal annual installments in 2015, 2016, 2017, and 2018. The June 2015 installment is proposed to be made available from existing cash balances from dedicated clean energy funds. Consistent with the Order, the FY 15-16 budget reflects an inter fund transfer of \$195.4 million on a pro-rata basis from the Technology and Market Development, Energy Efficiency Portfolio Standard, and the Renewable Portfolio Standard programs. Loan interest of \$5.3 million and fees of \$6.2 million are anticipated to be earned on deployment of Green Bank capital to facilitate clean energy financing and to address financing market gaps and barriers. The financial plan includes the remaining three annual installments which are planned for FY 2016-17 through FY 2018-19.
- Funding for the Clean Energy Fund is anticipated to start in calendar year 2016. The FY 2015-16 budget includes revenues and expenditures under the New Market Development and Innovation Strategies programs consistent with NYSERDA's proposal submitted on September 23, 2014, which is subject to Public Service Commission approval.
- Interest income is based on assumed balances available for investment and based on current investment market yields.
- Salary costs for current staff and funded vacant positions are based on salary grades equivalent to the State Management/Confidential (M/C) employees. Salaries include a cost of living adjustment in accordance with increases scheduled for NYS Management Confidential employees effective April 1, 2015 and performance-based salary increases and payments comparable to those which may be authorized for state employees, presuming these are approved.
- Fringe benefit costs are generally based on prior year actual costs as a percentage of salary costs. The post-employment health insurance premium costs for current employees and

including retirees under GASB45 are based on the most recent bi-annual actuarial valuation.

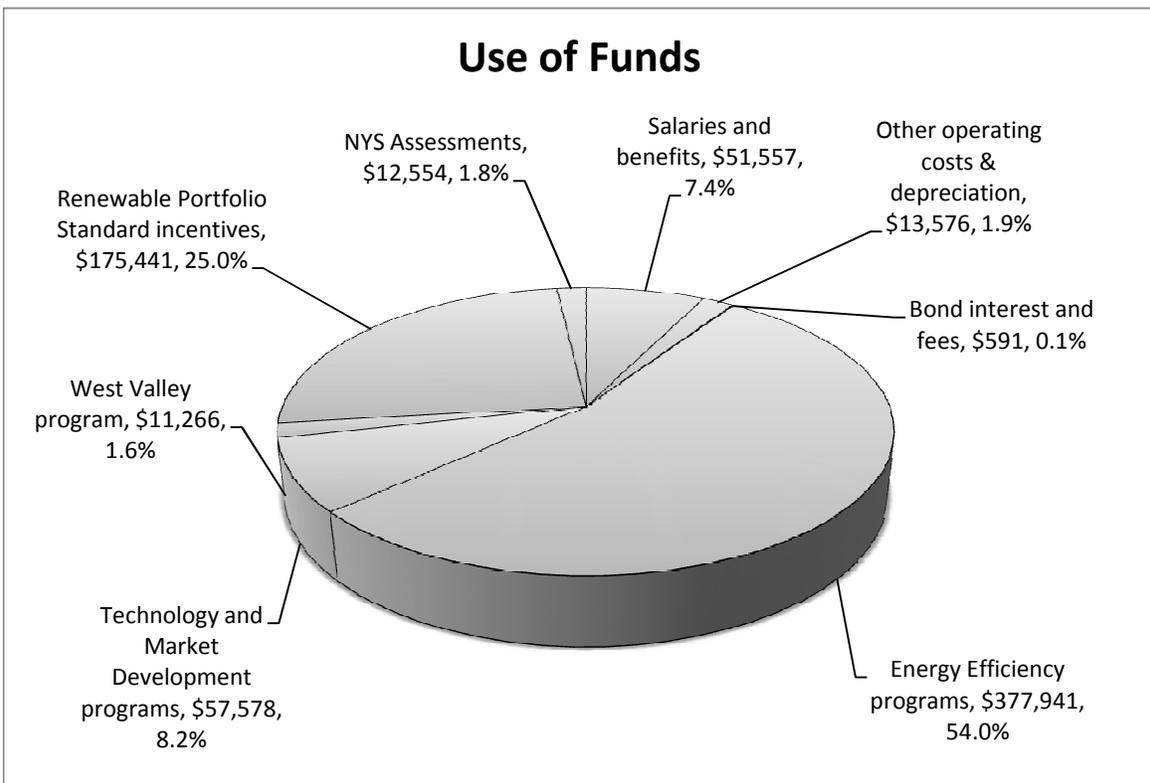
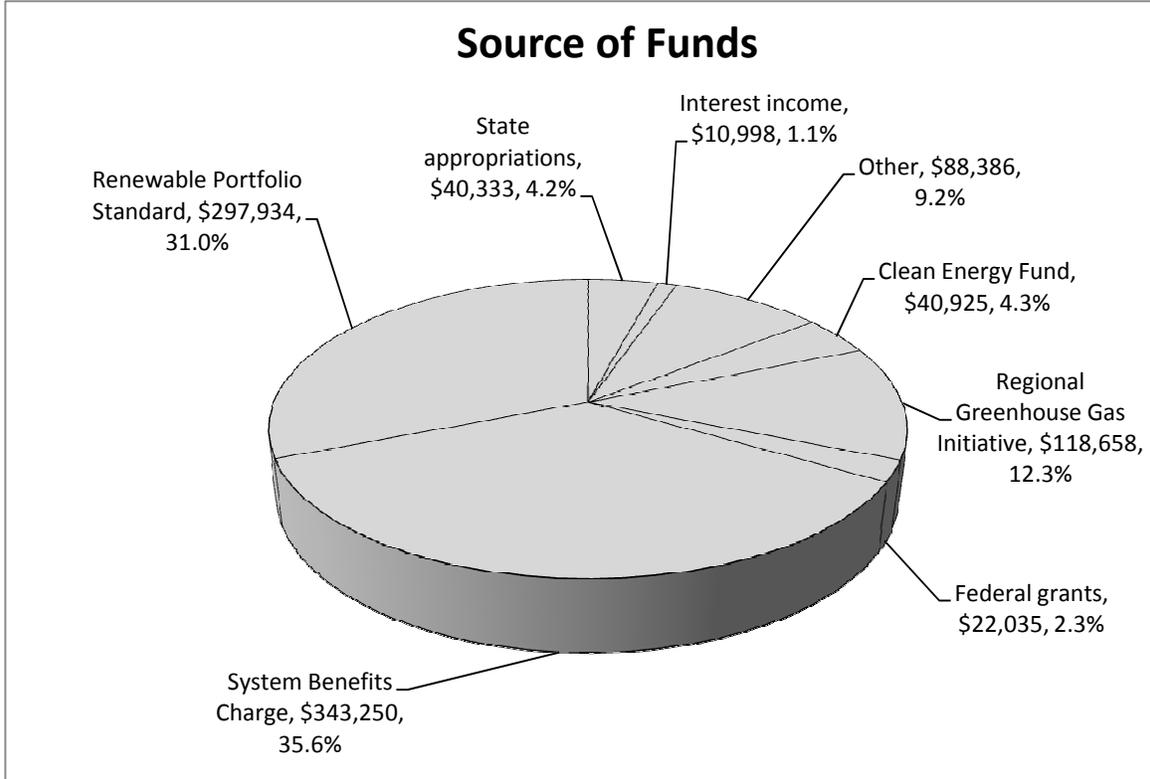
- The NYS Cost Recovery Fee represents the fee paid to the State under Section 2975 of the Public Authorities Law (Governmental Cost Recovery System) for general governmental services. This statute limits the total aggregate amount that may be assessed against named public authorities, but permits each public authority's individual assessment to be determined by the Director of the Budget. The FY 2015-16 Budget assumes that NYSERDA's assessment will be \$12 million based on discussions with the Division of the Budget.
- The Budget includes no significant or non-recurring revenue-enhancement or cost-reduction initiatives which shift resources from one year to another.

BUDGETARY RISKS

The following is a summary of significant budgeting risks:

- NYSERDA's budgeting process is subject to inherent risks regarding the ability to accurately forecast revenues and expenditures.
- Over the past several years, NYSERDA has assumed responsibility for administering certain new programs, and additional program responsibilities may be added during FY 2015-16 that have not been included in the Budget.
- Past results from auctions of allowances under the Regional Greenhouse Gas Initiative (RGGI) have shown tremendous volatility in auction revenue. NYSERDA has developed a multi-year program planning approach for these revenues, but variations in actual proceeds realized makes it difficult to complete accurate long-term planning.
- Program expenditures for most programs are funded with revenues which are generally received in advance of expenditures. Under the modified accrual basis of accounting, these funds are recorded as revenue when received, with any unexpended funds recorded as Restricted Net Position. Timing of program activity may result in either: (1) revenues exceeding expenses during the Budget period; or (2) expenditures funded by unexpended revenues from prior fiscal periods.
- Expenditures for the West Valley program are based primarily on the amount anticipated to meet the State's share of costs for West Valley under the Cooperative Agreement and the Consent Decree which are dependent upon funds provided in the federal budget to the U.S. Department of Energy (DOE).
- Although DOE and NYSERDA have reached agreement on the allocation of costs (percentages) to be paid by each agency for remediating the West Valley site, the remedial action for several significant facilities will not be identified until 2020. In addition, DOE and NYSERDA have not resolved issues regarding payment of a fee under the Nuclear Waste Policy Act of 1982 (Public Law 97-425) for the disposal in a federal repository (which does not currently exist) of the solidified high-level radioactive waste at West Valley. Additional State funding may be required during this or ensuing fiscal years if and when negotiations or litigation is concluded.
- GASB 45 requires a biennial actuarial valuation to determine the actuarial present value of total projected post-employment health insurance benefits for retirees. The biennial valuation could be impacted by a number of assumptions, general economic conditions, and future events which could lead to higher estimated annual expenses.

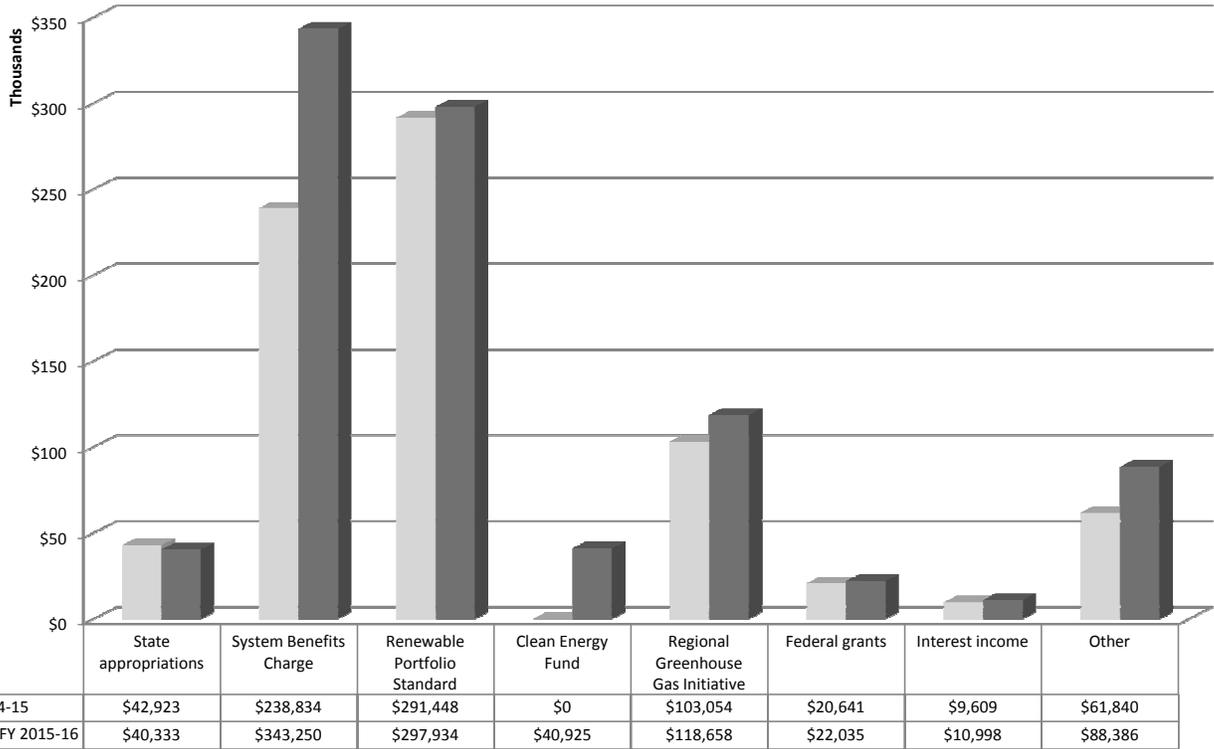
Budget FY 2015-16
(Amounts in thousands)



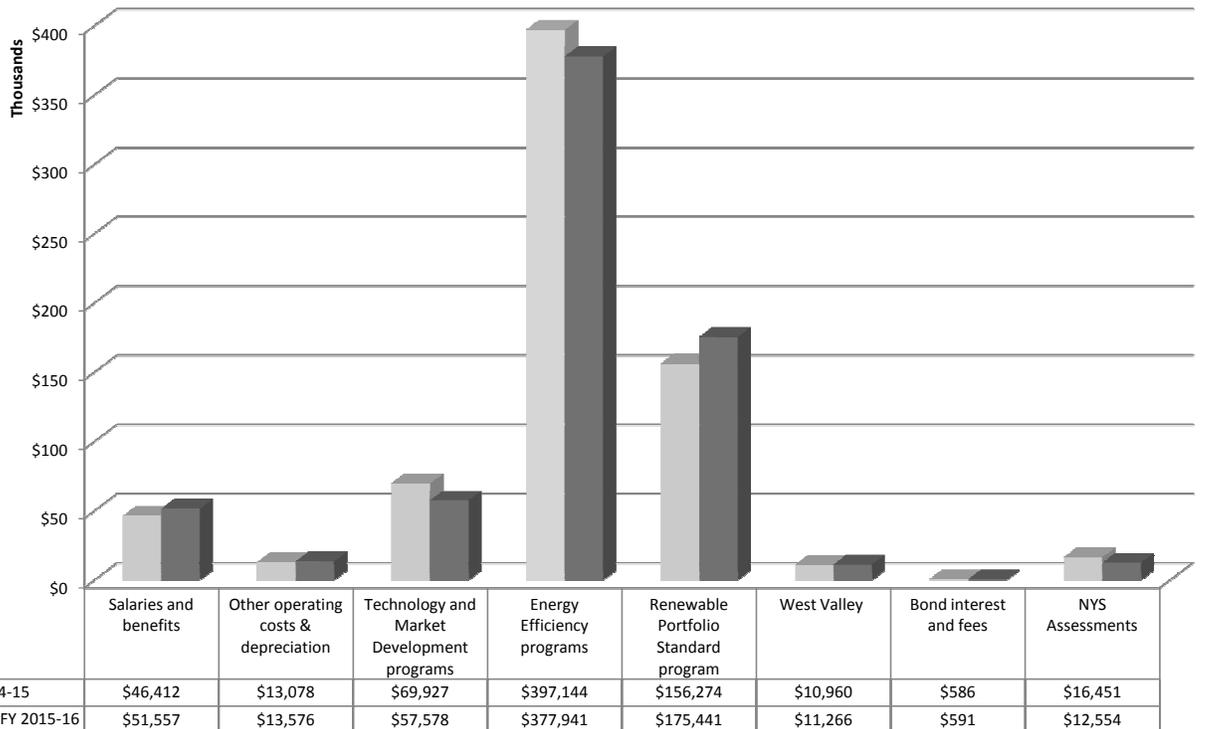
Budget FY 2015-16

(Amounts in thousands)

Budget Comparison: Revenues



Budget Comparison: Expenses



NYSERDA
 Budget FY 2015-16
 (Amounts in thousands)

	Budget FY 2015-16	Budget FY 2014-15
<u>Revenues:</u>		
State appropriations	\$ 40,333	42,923
Third party reimbursement	78,865	54,817
System Benefits Charge	343,250	238,834
Renewable Portfolio Standard	297,934	291,448
Clean Energy Fund	40,925	-
Allowance auction proceeds	118,658	103,054
Project repayments	775	775
Federal grants	22,035	20,641
Rentals from leases	1,285	1,210
Interest income	10,998	9,609
Loan interest	4,169	1,676
QECCB interest subsidy	499	508
Fees and other income	2,793	2,854
Total Revenues	962,519	768,349
<u>Expenses:</u>		
Salaries and benefits	51,557	46,412
Other operating costs	11,815	11,675
Depreciation	1,761	1,403
Program expenditures	622,226	634,305
Bond interest and fees	591	586
NYS Assessments	12,554	16,451
Total Expenses	700,504	710,832
Surplus (Deficit)	262,015	57,517
Net position beginning of year	1,541,925	1,484,408
<u>Net position end of year:</u>		
Restricted for specific programs	1,372,987	1,306,561
NY Green Bank Capitalization	412,422	217,053
Net Investment in Capital Assets	15,531	15,561
Unrestricted	3,000	2,750
Total net position end of year	\$ 1,803,940	1,541,925

NYSERDA
 Budget FY 2015-16
 (Amounts in thousands)

Functions/Programs	Clean Energy Fund								
	New York Energy Smart (SBC III)	Technology & Market Development (SBC IV)	Energy Efficiency Portfolio Standard (EEPS I-II)	Renewable Portfolio Standard/ NY-Sun	Green Bank	New Market Development & Innovation Strategies	RGGI	Green Jobs- Green NY	Energy Research & Development
Revenues:									
State appropriations	\$ -	-	-	-	-	-	9,000	-	11,407
Third party reimbursement	-	500	500	-	-	-	-	-	1,000
System Benefits Charge	-	69,000	274,250	-	-	-	-	-	-
Renewable Portfolio Standard	-	-	-	297,934	-	-	-	-	-
Clean Energy Fund	-	-	-	-	-	40,925	-	-	-
Allowance auction proceeds	-	-	-	-	-	-	118,658	-	-
Project repayments	-	-	-	-	-	-	-	-	775
Federal grants	-	-	-	-	-	-	-	-	-
Rentals from leases	-	-	-	-	-	-	-	-	-
Interest income	747	1,429	924	4,005	1,154	89	1,999	206	218
Loan interest	-	-	-	-	2,061	-	-	2,108	-
QECB interest subsidy	-	-	-	-	-	-	-	499	-
Fees and other income	-	-	-	-	2,353	-	-	-	-
Total Revenues	747	70,929	275,674	301,939	5,568	41,014	129,657	2,813	13,400
Expenses:									
Salaries and benefits	655	4,836	8,276	5,099	4,156	6,255	4,026	1,456	4,290
Other operating costs	125	1,267	2,063	1,286	529	967	1,087	304	939
Depreciation	19	166	277	137	78	150	113	45	137
Program expenditures	20,000	40,203	181,750	175,441	715	3,194	49,926	16,940	7,335
Bond interest and fees	-	-	-	-	-	-	-	591	-
NYS Assessments	363	811	3,357	3,175	96	184	962	337	222
Total Expenses	21,162	47,283	195,723	185,138	5,574	10,750	56,114	19,673	12,923
Surplus (Deficit)	(20,415)	23,646	79,951	116,801	(6)	30,264	73,543	(16,860)	477
Net position, beginning of year	102,498	196,718	84,653	522,188	217,053	-	263,759	60,422	26,010
Inter-program transfers	-	(42,005)	(31,395)	(121,975)	195,375	-	-	-	-
Use (source) of unrestricted net position	-	-	-	-	-	-	-	-	(477)
Net position end of year	\$ 82,083	178,359	133,209	517,014	412,422	30,264	337,302	43,562	26,010

NYSERDA
 Budget FY 2015-16
 (Amounts in thousands)

(continued from page 10)

	Other Programs	Saratoga Technology & Energy Park	Energy Analysis	Bond Financing Program	West Valley	Invested in Capital Assets	Unrestricted Net Position	Budget FY 2015-16	Budget FY 2014-15
<u>Revenues:</u>									
State appropriations	3,453	-	3,973	-	12,500	-	-	40,333	42,923
Third party reimbursement	74,842	-	-	-	2,023	-	-	78,865	54,817
System Benefits Charge	-	-	-	-	-	-	-	343,250	238,834
Renewable Portfolio Standard	-	-	-	-	-	-	-	297,934	291,448
Clean Energy Fund	-	-	-	-	-	-	-	40,925	-
Allowance auction proceeds	-	-	-	-	-	-	-	118,658	103,054
Project repayments	-	-	-	-	-	-	-	775	775
Federal grants	22,011	-	24	-	-	-	-	22,035	20,641
Rentals from leases	1,147	138	-	-	-	-	-	1,285	1,210
Interest income	227	-	-	-	-	-	-	10,998	9,609
Loan interest	-	-	-	-	-	-	-	4,169	1,676
QECCB interest subsidy	-	-	-	-	-	-	-	499	508
Fees and other income	-	-	-	440	-	-	-	2,793	2,854
Total Revenues	101,680	138	3,997	440	14,523	-	-	962,519	768,349
<u>Expenses:</u>									
Salaries and benefits	7,175	78	2,858	39	2,358	-	-	51,557	46,412
Other operating costs	1,552	426	675	8	587	-	-	11,815	11,675
Depreciation	231	269	71	1	67	-	-	1,761	1,403
Program expenditures	115,101	-	355	-	11,266	-	-	622,226	634,305
Bond interest and fees	-	-	-	-	-	-	-	591	586
NYS Assessments	2,719	13	69	1	245	-	-	12,554	16,451
Total Expenses	126,778	786	4,028	49	14,523	-	-	700,504	710,832
Surplus (Deficit)	(25,098)	(648)	(31)	391	-	-	-	262,015	57,517
Net position, beginning of year	50,282	-	31	-	-	15,561	2,750	1,541,925	1,484,408
Inter-program transfers	-	-	-	-	-	-	-	-	-
Use (source) of unrestricted net position	-	648	-	(391)	-	(30)	(250)	-	-
Net position end of year	25,184	-	-	-	-	15,531	3,000	1,803,940	1,541,925

NYSERDA
FY 2015-16 Budget
Reconciliation of Budget Changes
(Amounts in thousands)

	Actual FY 2013-14	Budget FY 2014-15	Change	Budget FY 2015-16	Explanation for change
<u>Revenues:</u>					
State appropriations					
Research and Development	\$ 12,892	11,922	(515)	11,407	Reflects a reallocation to Energy Analysis.
RGGI	-	8,000	1,000	9,000	Represents an increase of \$1M in State capital budget appropriation reimbursement for anticipated RGGI Cleaner, Greener Community program expenditures (repayment of the FY 13-14 transfer of \$25 million to the State general fund).
Other Programs	10,439	8,287	(4,834)	3,453	Reflects a wind down in estimated reimbursable project expenditures funded from UDC Capital Budget appropriations.
Energy Analysis	4,009	3,458	515	3,973	Reflects a reallocation from Research and Development to fund additional operating costs and State Energy Plan expenses previously funded in part by reserved net position.
West Valley	5,990	11,256	1,244	12,500	The FY 14-15 budget anticipated the availability of net assets already on hand to fund a portion of the FY 14-15 expenditures. No net asset balance is projected to be available to similarly offset a portion of NYSERDA's share of federal and state spending in FY 15-16.
Total state appropriations	33,330	42,923	(2,590)	40,333	
Third party reimbursement	31,850	54,817	24,048	78,865	Principally reflects an increase of \$24M in anticipated funding from Con Edison to cover estimated expenditures under the Indian Point Energy Center Reliability Contingency program.
System Benefits Charge	387,605	238,834	104,416	343,250	Reflects currently scheduled collections pursuant to Orders of the PSC.
Renewable Portfolio Standard	253,344	291,448	6,486	297,934	Reflects currently scheduled collections pursuant to Orders of the PSC.
New Market Development & Innovation Strategies	-	-	40,925	40,925	Consistent with the Clean Energy Fund proposal, these revenues reflect one quarter of the 2016 calendar year collections.
Allowance auction proceeds	169,351	103,054	15,604	118,658	Reflects revised estimates of future auction proceeds.
Project repayments	998	775	-	775	(No change)
Federal grants	11,757	20,641	1,394	22,035	Change is principally due to an increase in anticipated expenditures under two transportation related grants.
Rentals from leases	1,208	1,210	75	1,285	Reflects a decrease from a non recurring payment received in FY14-15 offset by an increase in budgeted rental revenue from NYSERDA's sublease of a portion of the NYC office.
Interest income	8,008	9,609	1,389	10,998	Increase is due to slightly higher anticipated investment balances as compared to FY 14-15.
Loan interest income	1,154	1,676	2,493	4,169	Increase is primarily based on a larger outstanding loan portfolio balance for both the Green Jobs Green NY and NY Green Bank programs.
Net change in fair value of investments	(5,102)	-	-	-	No change
QECB interest subsidy	336	508	(9)	499	Reflects scheduled QECB subsidy payments to be received from the US Treasury after a slight increase in the sequester reduction.
Fees and other income	516	2,854	(61)	2,793	Primarily due to an increase in anticipated fees for the NY Green Bank from deployed capital.
Total Revenues:	894,355	768,349	194,170	962,519	
<u>Expenses:</u>					
Salaries	27,207	30,403	3,765	34,168	Budgeted staff remained constant at 380 positions. The increase is due to filling certain vacancies during FY 14-15 and therefore projecting a full year of expense in FY 15-16.
Benefits	15,669	16,009	1,380	17,389	Reflects an increase in fringe benefit costs generally corresponding to increases in salary costs, offset by slight decreases in pension and accrued health insurance costs as a percent of salary costs.
Total salaries and benefits	42,876	46,412	5,145	51,557	

NYSERDA					
FY 2015-16 Budget					
Reconciliation of Budget Changes					
(Amounts in thousands)					
	Actual FY 2013-14	Budget FY 2014-15	Change	Budget FY 2015-16	Explanation for change
<u>Expenses (continued):</u>					
Other operating costs	7,938	11,675	140	11,815	Net increase is primarily due to an increase in software licensing fees associated with the growth of the PV program, an increase in consulting services for operational transformation initiatives such as business process re-engineering and records management analysis, and for a full 12 months of rent expense for the new NYC office, offset in part by a decrease in IT consulting services and web-hosting.
Depreciation	2,086	1,403	358	1,761	Principally reflects an increase in projected depreciation resulting from existing capital assets and from planned additions for FY 14-15 (a full year of expense) and FY 15-16 (a half year of expense).
Program expenditures					
System Benefits Charge (SBC III)	42,700	54,651	(34,651)	20,000	FY 15-16 budget is based on current annual spending rate.
Technology and Market Development (SBC IV)	23,687	43,593	(3,390)	40,203	FY 15-16 budget is based on current annual spending rate.
Energy Efficiency Portfolio Standard	148,562	209,091	(27,341)	181,750	FY 15-16 budget is based on current annual spending rate.
Renewable Portfolio Standard	140,133	156,274	19,167	175,441	FY 15-16 budget is based on current annual spending rate.
Green Bank	-	-	715	715	Represents anticipated professional service costs to support the NY Green Bank initiative.
New Market Development & Innovation	-	-	3,194	3,194	Consistent with the Clean Energy Fund proposal, these expenditures reflect one quarter of the anticipated 2016 calendar year expenditures.
Strategies					
Regional Greenhouse Gas Initiative	47,640	52,790	(2,864)	49,926	FY 15-16 budget is based on current annual spending rate.
Green Jobs-Green New York	13,791	15,400	1,540	16,940	FY 15-16 budget is based on current annual spending rate.
Research and Development	9,640	7,578	(243)	7,335	Reflects a decrease in anticipated expenditures to help fund Energy Analysis operating costs and State Energy Plan expenses previously funded in part by reserved net position.
Other Programs	28,730	83,188	31,913	115,101	Increase results from anticipated expenditures, primarily from the Indian Point Energy Center Reliability Contingency program as well as the Greening the Bronx and NY Prize programs. Partially offsetting these was a net decrease in anticipated expenditures under various miscellaneous grants and other third-party agreements.
Energy Analysis	(110)	780	(425)	355	Reflects a decrease in anticipated analytical studies funded by State appropriations to support the State Energy Plan.
West Valley	9,865	10,960	306	11,266	Reflects an increase in anticipated program expenditures for NYSERDA's share of federal and state spending at West Valley.
Total program expenditures	464,638	634,305	(12,079)	622,226	
Interest	375	586	5	591	Represents slight increase for bonds and notes for the GJGNY residential loan program.
NYS Assessments	12,870	16,451	(3,897)	12,554	Reflects an anticipated decrease in the assessment from the Division of the Budget.
Total Expenses:	530,783	710,832	(10,328)	700,504	
Surplus (Deficit)	356,863	57,517	200,320	262,015	
Net position beginning of year	1,145,836	1,484,408	57,517	1,541,925	
<u>Net position end of year:</u>					
Restricted for specific programs	1,249,330	1,306,561	66,426	1,372,987	Projected increase in restricted net assets is due to restricted revenues exceeding restricted expenditures.
NY Green Bank Capitalization	218,216	217,053	195,369	412,422	Projected increase in restricted net assets is due to restricted revenues exceeding restricted expenditures.
Net Investment in Capital Assets	12,918	15,561	(30)	15,531	Reflects the net effect of planned asset purchases less an increase in projected depreciation.
Unrestricted	3,944	2,750	250	3,000	
Total net position end of year	\$ 1,484,408	1,541,925	262,015	1,803,940	

NYSERDA FY15-16 Budget
 Detail schedule: Salaries and benefits
 (Amounts in thousands)

	<u>Actual</u> <u>FY 2013-14</u>	<u>Budget</u> <u>FY 2014-15</u>	<u>Budget</u> <u>FY 2015-16</u>
Salaries **	\$ 27,207	30,403	34,168
Fringe Benefits:			
Social Security/Medicare taxes	1,986	2,221	2,493
Health insurance	3,231	3,904	4,388
Dental plan	341	381	428
Vision care plan	29	32	36
Dependent Care plan	20	23	26
Long-term disability insurance	66	74	83
Workers compensation	90	101	114
Unemployment	4	5	5
Pension	4,947	5,382	5,802
Tuition reimbursement	74	82	93
Increase in compensated absence leave accruals	1,312	432	486
Voluntary Defined Contribution Plan	-	120	183
Postemployment health insurance (GASB 45)	3,569	3,252	3,252
sub-total benefits	<u>15,669</u>	<u>16,009</u>	<u>17,389</u>
Total Salaries and Benefits	<u>\$ 42,876</u>	<u>46,412</u>	<u>51,557</u>
Number of employees	337	380	380
Number of full-time equivalent employees (FTEs)	333.2	352.3	374.4

** FY 2015-16 Salaries include cost of living adjustments in accordance with increases scheduled for NYS Management/Confidential employees (2% effective 04/01/2015). Salaries also include performance-based salary increases and payments equivalent to salary increases and total salary costs anticipated to be provided for NYS employees. Although included for budget purposes, the cost of living adjustment and the performance-based salary increases and payments will only be paid if the State provides similar payments.

NYSDERDA FY15-16 Budget
 Detail schedule: Other Operating Costs
 (Amounts in thousands)

	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>
	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>
Professional Services:			
Finance	\$ 443	446	476
Information Technology	1,678	3,052	2,250
Information Security Office	78	100	166
Internal Audit	17	145	240
Events Management and Consumer Services	276	265	265
Marketing	197	120	470
STEP	116	107	100
Design & construction services - NYC office relocation	367	228	-
PMES	6	1	4
Green Bank	-	822	17
Operational Transformation	-	-	480
Other Consulting	18	18	13
Temporary staffing	381	266	346
Computer services	542	851	808
Office supplies	92	128	112
Office equipment and software	874	898	1,505
Printing, advertising, and marketing	7	369	8
Publications and meetings	97	155	171
Maintenance & repairs and service agreements	714	810	917
Postage	47	30	45
Travel	398	675	734
Training	2	17	17
Recruitment and relocation	10	70	75
Outside technical reviewer expense	121	127	137
Dues & memberships	96	201	198
Sponsorships and events	23	89	77
Telephone	165	185	210
Rent	841	1,093	1,553
Utilities	214	228	247
Insurance	92	95	99
Equipment rental and miscellaneous expense	26	83	75
Total Other Operating Costs	\$ 7,938	11,675	11,815

NYSERDA FY15-16 Budget
 Detail schedule: Capital Budget
 (Amounts in thousands)

	<u>Actual</u> <u>FY 2013-14</u>	<u>Budget</u> <u>FY 2014-15</u>	<u>Budget</u> <u>FY 2015-16</u>
Furniture, fixtures and equipment	\$ 320	651	300
Information technology upgrades	558	1,635	1,354
Leasehold improvements	869	1,957	-
STEP infrastructure	411	30	36
Vehicles	25	25	25
Total Capital Asset Additions	<u>\$ 2,183</u>	<u>4,298</u>	<u>1,715</u>

NYSERDA
 Budget FY 2015-16
 Financial Plan
 (Amounts in thousands)

	FY 2015-16 Budget	FY 2016-17 Projection	FY 2017-18 Projection	FY 2018-19 Projection
<u>REVENUES:</u>				
State appropriations	\$ 40,333	37,790	28,404	27,687
Third party reimbursement	78,865	70,028	29,594	17,684
Clean Energy Fund	682,109	699,977	700,039	687,585
Allowance auction proceeds	118,658	120,076	121,966	123,302
Project repayments	775	700	700	700
Federal grants	22,035	3,524	3,524	3,524
Rentals from leases	1,285	1,150	1,150	1,150
Interest income	10,998	10,177	7,875	6,130
Loan interest	4,169	10,870	15,042	19,790
QECCB interest subsidy	499	499	481	455
Fees and other income	2,793	4,459	5,775	7,918
TOTAL REVENUES	962,519	959,251	914,550	895,925
<u>EXPENSES:</u>				
Salaries and benefits	51,557	53,105	54,697	56,336
Other operating costs	11,815	12,171	12,536	12,913
Depreciation	1,761	1,816	1,625	1,400
Program expenditures	622,226	933,245	979,826	925,384
Bond interest and fees	591	576	557	528
NYS Assessments	12,554	12,552	12,551	12,553
TOTAL EXPENSES	700,504	1,013,465	1,061,792	1,009,114
Surplus (Deficit)	262,015	(54,214)	(147,242)	(113,189)
Net position beginning of year	1,541,925	1,803,940	1,749,726	1,602,483
<u>Net position end of year:</u>				
Restricted for specific programs	1,372,987	1,116,173	762,050	436,281
NY Green Bank Capitalization	412,422	616,238	824,143	1,037,524
Net Investment in Capital Assets	15,531	14,315	13,290	12,490
Unrestricted	3,000	3,000	3,000	3,000
Total net position end of year	\$ 1,803,940	\$ 1,749,726	\$ 1,602,483	\$ 1,489,295

NYSERDA
 FY 15-16 Cash-Based Budget
 (Amounts in thousands)

Functions/Programs	Clean Energy Fund								
	New York Energy Smart	Technology & Market Development	EEPS	Renewable Portfolio Standard	Green Bank	New Market Development & Innovation Strategies	RGGI	Green Jobs- Green NY	Energy Research & Development
REVENUES:									
State appropriations	\$ -	-	-	-	-	-	9,000	-	11,407
Third party reimbursement	-	500	500	-	-	-	-	-	1,000
System Benefits Charge	-	69,000	274,250	-	-	-	-	-	-
Renewable Portfolio Standard	-	-	-	297,934	-	-	-	-	-
Clean Energy Fund	-	-	-	-	-	40,925	-	-	-
Allowance auction proceeds	-	-	-	-	-	-	118,658	-	-
Project repayments	-	-	-	-	-	-	-	-	775
Federal grants	-	-	-	-	-	-	-	-	-
Rentals from leases	-	-	-	-	-	-	-	-	-
Interest income	747	1,429	924	4,005	1,154	89	1,999	206	218
Loan interest	-	-	-	-	2,061	-	-	2,108	-
QECCB interest subsidy	-	-	-	-	-	-	-	499	-
Fees and other income	-	-	-	-	2,353	-	-	-	-
TOTAL REVENUES	747	70,929	275,674	301,939	5,568	41,014	129,657	2,813	13,400
EXPENSES:									
Salaries and benefits	610	4,464	7,641	4,744	3,867	1,354	3,746	1,354	3,991
Other Operating costs	125	1,267	2,063	1,286	529	967	1,087	304	939
Capital asset additions	24	173	296	183	150	52	145	52	154
Program expenditures	20,000	40,203	181,750	175,441	715	3,194	49,926	16,940	7,335
Bond interest and fees	-	-	-	-	-	-	-	591	-
Long term debt	-	2	3	2	1	1	1	1	1
NYS Assessments	363	811	3,357	3,175	96	184	962	337	222
TOTAL EXPENSES	21,122	46,920	195,110	184,831	5,358	5,752	55,867	19,579	12,642
Surplus (Deficit)	\$ (20,375)	24,009	80,564	117,108	210	35,262	73,790	(16,766)	758
Cash and investments, beginning of year									
Cash and investments, end of year									

NYSERDA
 FY 15-16 Cash-Based Budget
 (Amounts in thousands)

(continued from page 18)

	Other Programs	Saratoga Technology & Energy Park	Energy Analysis	Bond Financing Program	West Valley	FY 2015-16 Cash Budget Total
REVENUES:						
State appropriations	3,453	-	3,973	-	12,500	40,333
Third party reimbursement	74,842	-	-	-	2,023	78,865
System Benefits Charge	-	-	-	-	-	343,250
Renewable Portfolio Standard	-	-	-	-	-	297,934
Clean Energy Fund	-	-	-	-	-	40,925
Allowance auction proceeds	-	-	-	-	-	118,658
Project repayments	-	-	-	-	-	775
Federal grants	22,011	-	24	-	-	22,035
Rentals from leases	1,147	138	-	-	-	1,285
Interest income	227	-	-	-	-	10,998
Loan interest	-	-	-	-	-	4,169
QECCB interest subsidy	-	-	-	-	-	499
Fees and other income	-	-	-	440	-	2,793
TOTAL REVENUES	101,680	138	3,997	440	14,523	962,519
EXPENSES:						
Salaries and benefits	6,675	72	2,659	36	2,194	43,407
Other Operating costs	1,552	426	675	8	587	11,815
Capital asset additions	258	39	103	1	85	1,715
Program expenditures	115,101	-	355	-	11,266	622,226
Bond interest and fees	-	-	-	-	-	591
Long term debt	2	-	1	-	1	16
NYS Assessments	2,719	13	69	1	245	12,554
TOTAL EXPENSES	126,307	550	3,862	46	14,378	692,324
Surplus (Deficit)	(24,627)	(412)	135	394	145	270,195
Cash and investments, beginning of year						1,566,634
Cash and investments, end of year						\$ 1,836,829