

New York State Energy Research and Development Authority

Fiscal Year 2019-20 Budget and Financial Plan

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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, 2020 has been developed based on reasonable assumptions and methods of estimation.

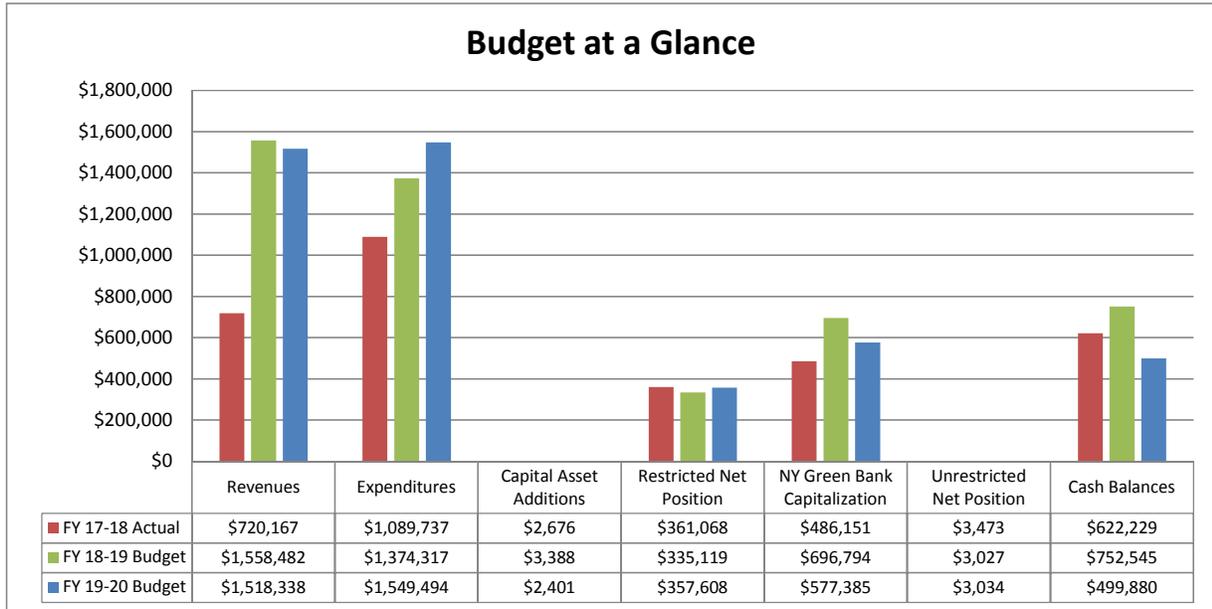


Alicia Barton
President and Chief Executive Officer



Jeffrey J. Pitkin
Treasurer and Chief Financial Officer

Budget FY 2019-20 (Amounts in thousands)



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 for the fiscal year ending March 31, 2020 (FY 2019-20), and the Financial Plan for FY's 2020-21 to 2022-23 were prepared in accordance with accounting principles generally accepted in the United States of America.

PROGRAM SUMMARY

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

Clean Energy Fund (CEF)

Pursuant to a January 2016 Order (CEF Order), the Public Service Commission (PSC) authorized a ten-year commitment through 2025 of approximately \$5.322 billion to clean energy programs through a CEF. The CEF is designed to meet four primary objectives: greenhouse gas emission reductions; energy affordability; statewide penetration and scale of energy efficiency and clean energy generation; and growth in the State's clean energy economy.

The CEF Order provided for a ten-year funding authorization of \$3.43 billion for the Market Development and Innovation & Research activities, and also provided for additional funding authorization of \$781.5 million for the NY Green Bank, \$960.6 million for NY-Sun, and \$150 million for the Renewable Portfolio Standard Program for a 2016 Main Tier solicitation. The NY Green Bank, Renewable Portfolio Standard, and NY-Sun programs are presented as separate Programs/Functions in the budget document as further described below.

Market Development and Innovation & Research

The CEF Market Development activities are designed to reduce costs, accelerate customer demand, and increase private investment for energy efficiency and other behind-the-meter clean energy solutions through strategies including financial support, technical knowledge, data, education to customers and service providers, and advanced workforce training. The CEF Innovation & Research activities are designed to invest in cutting-edge technologies that will meet increasing demand for clean energy including: smart grid technology, renewables and distributed energy resources, high performance buildings, transportation, and clean tech startup and innovation development.

NY Green Bank

NY Green Bank's initial capitalization was established from \$315.6 million in uncommitted utility surcharge assessment funds and \$52.9 million from RGGI revenues. As discussed above, the CEF Order authorized incremental collections for the remaining \$631.5 million of NY Green Bank's \$1.0 billion capitalization.

The key elements of NY Green Bank's mission are collaborating with private sector participants, implementing structures that overcome barriers and address gaps in current clean energy financing markets, and transforming those markets by enabling greater scale, new and expanded asset classes and liquidity. These factors combined have the objectives to motivate faster and

more extensive implementation of clean energy assets within New York State, foster greater energy choices, reduce environmental impacts and accrue more green energy advantages per public dollar spent for the benefit of all New Yorkers.

Clean Energy Standard (CES)

Pursuant to an August 2016 and subsequent Orders, the Clean Energy Standard was established adopting a State Energy Plan goal that 50% of New York's electricity is to be generated by renewable sources by 2030, as part of a strategy to reduce statewide greenhouse gas emissions by 40% by 2030. The mandated actions are divided into two categories, a Renewable Energy Standard (RES) and a Zero-Emissions Credit (ZEC) requirement. The RES directs NYSERDA to procure renewable energy credits from renewable energy generation from qualifying facilities through competitively selected long-term contracts, and to offer such credits for periodic sale to Load Serving Entities (LSE) to meet their obligations to serve their retail customers through the procurement of a minimum percentage of qualifying renewable energy credits. The RES also includes an obligation on distribution utilities on behalf of all retail customers to continue to invest in the maintenance of existing at-risk renewable generation attributes and a program to maximize the value potential of new offshore wind resources. The ZEC requirement consists of an obligation for NYSERDA to provide payments to certain nuclear generation facilities for the production of zero-emissions attributes from such facilities, funded from monthly installment payments collected from LSEs for their proportionate share of such attributes to serve their retail customers evidenced by the procurement of qualifying zero emission credits.

NY-Sun

Approved through a 2012 PSC Order, the NY-Sun program is designed to develop a sustainable and subsidy-free solar electric industry through a megawatt block approach. The NY-Sun program was initially funded through \$216 million reallocated under the RPS program; as a result, certain expenditures for the NY-Sun program are included in the RPS program in the budget. The CEF Order established the incremental collection schedule by utilities and reallocation of NYSERDA clean energy uncommitted funds to support program activities approved through the 2012 Order

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.

Energy and Environmental 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.

These activities are primarily funded through an assessment authorized under Section 18-a of Public Service Law and a Federal State Energy Plan grant.

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.

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 and the Federal government share the combined expenses incurred for this program.

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.

Other

Other programs represent an aggregate of smaller programs/functions. These activities are primarily funded through Commission Orders, Memorandum of Understanding with various utilities pursuant to Commission Orders, various third-party reimbursements, federal energy grants, State appropriations and assessments authorized under Section 18-a of the Public Service Law.

BUDGETARY ASSUMPTIONS

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

- The CEF Order established a “Bill-As-You-Go” approach for revenue collection effective January 1, 2016. Under this approach, incremental CEF ratepayer collections and the previously approved collections for New York Energy \$mart, Energy Efficiency Portfolio Standard, Technology and Market Development, and Renewable Portfolio Standard programs not yet paid to NYSERDA, will be held by the electric and gas utilities and used to reimburse NYSERDA for actual CEF program expenses and NY Green Bank committed capital through a monthly reimbursement process, provided that the reimbursement allows NYSERDA to maintain a sufficient cash balance based on projected expenses for the subsequent two-month period, subject to the utilities’

unremitted collection balances approved in the CEF Order. Utility surcharge assessments revenue is based on anticipated expenditures and NY Green Bank committed capital, prior fiscal year projected cash balances, and the resulting collections projected to maintain working capital pursuant to this approach.

- NY Green Bank loan interest and fees are based on estimates of committed and deployed capital.
- Allowance auction proceeds for the Regional Greenhouse Gas Initiative (RGGI) are based on the allowance price realized in the most recently auction (December 2018).
- West Valley's State appropriation revenue for FY 2019-20 through FY 2022-23 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 \$75.0 million for FY 2019-20, FY 2020-21, FY 2021-22, and FY 2022-23, for its share of project costs.
- Interest income is based on assumed balances available for investment and based on current investment market yields.
- GJGNY budgeted loan interest income assumes additional loans to be issued during FY 2019-20 of up to \$22.7 million based on current loan origination volume.
- Salary costs for current staff and funded vacant positions expected to be filled are based on salary grades equivalent to the State Management/Confidential (M/C) employees. Salaries also include performance-based salary increases and payments comparable to those which may be authorized for state employees. The FY 2019-20 Budget does not include an assumption for cost-of-living-adjustment salary increases, however, if NYS subsequently authorizes one and NYSERDA provides an increase to its employees actual expenses may exceed budget amounts.
- Fringe benefit costs are generally based on prior year actual costs as a percentage of salary costs. The OPEB expense under Governmental Accounting Standards Board Statement No. 75 in the FY 2019-20 Budget is based on preliminary actuarial estimates calculated, but the final amount to be recorded in the year of implementation of the standard may differ once a final actuarial calculation is prepared.
- 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. The FY 2019-20 Budget assumes that NYSERDA's assessment will be \$11.6 million, which is based on the prior year assessed value.
- 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:

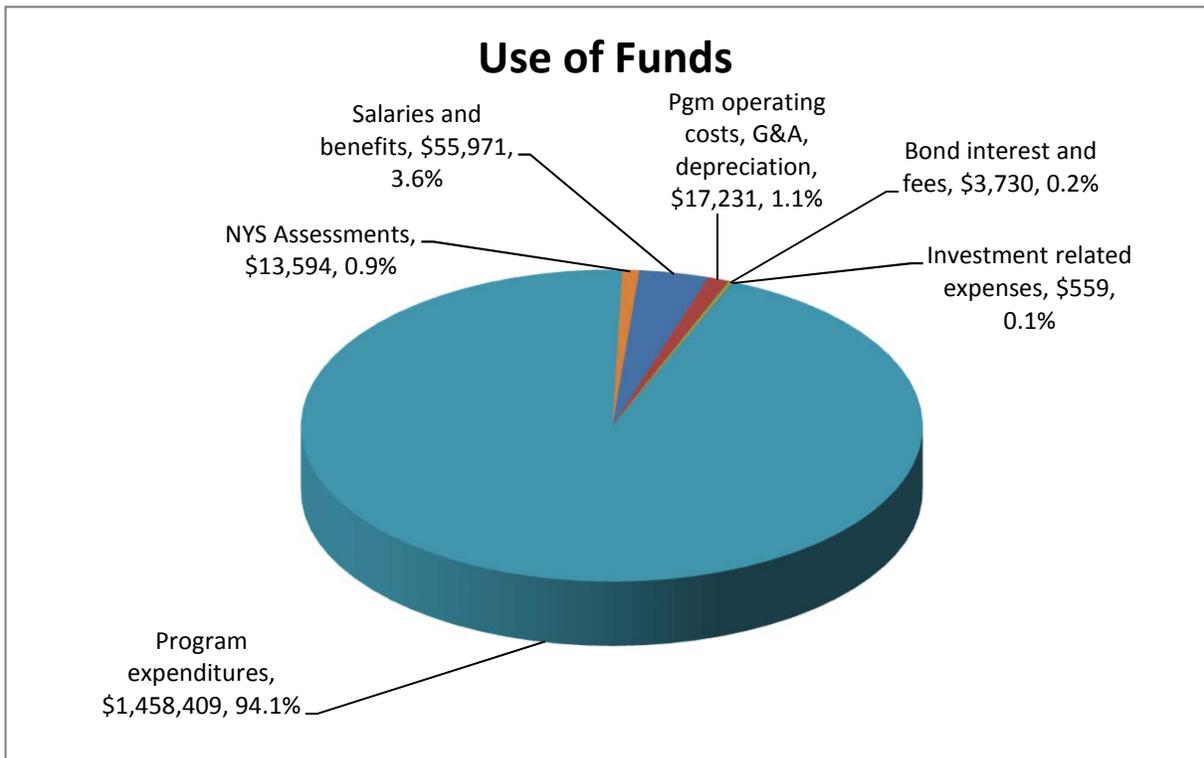
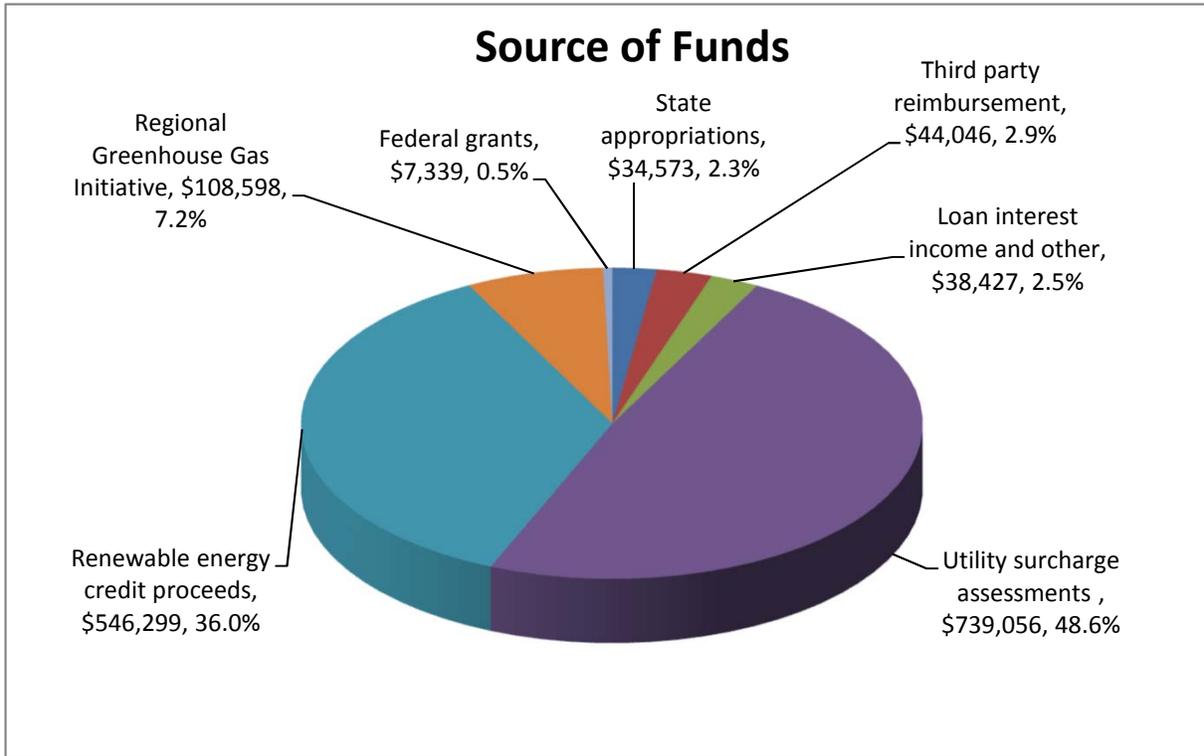
- NYSERDA's budgeting process is subject to inherent risks regarding the ability to accurately forecast revenues and expenditures.
- Over the past several years, NYSERDA has assumed responsibility for administering certain new programs, and additional program responsibilities may be added during FY 2019-20 that have not been included in the Budget.
- In the fall of 2017, Governor Cuomo announced that NY Green Bank would pursue raising at least \$1 billion in third-party capital and expand its activities beyond New York State. NYSERDA and NY Green Bank engaged Moelis & Company, an independent investment bank, as a strategic advisor with respect to the proposed capital raise and to conduct market soundings of potential institutional investors. In the next phase of its engagement, Moelis will serve as placement agent and earn a placement fee for capital

raised under terms negotiated between NYSERDA/NY Green Bank and Moelis. Given that the approvals to proceed with the capital placement are currently in process but have not yet been completed, and uncertainties surrounding the amount of capital which may ultimately be raised, the type of capital structure, and therefore the placement fee to be paid to Moelis, no amount has been included in the FY 2019-20 Budget for placement fees. If and when such placement fees are incurred, this may result in NY Green Bank expenditures exceeding the amount budgeted.

- Recent results from auctions of allowances under the Regional Greenhouse Gas Initiative (RGGI) have shown some 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 in part, by unexpended revenues from prior fiscal periods. It is anticipated that under the CEF BAYG approach NYSERDA will see more consistency in recording revenues in the same time period that expenditures are incurred.
- 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 entity for remediating the West Valley site, the remedial action for several significant facilities will not be identified until 2022. In addition, DOE has taken the position that State will be responsible for waste disposal fees when high level waste on-site reaches an ultimate repository destination, a figure to be calculated at the time of disposal pursuant to the Nuclear Waste Policy Act, 42 U.S.C. 10101 et seq. The agreement between the parties left this issue unresolved, as no national repository option will be in place for many years. Although NYSERDA has advanced, and will continue to advance, legal arguments as to why this responsibility is not one that rightfully falls on the State, additional State funding may be required once the issue is resolved.
- Pension costs and retirement health insurance costs are based on actuarial valuations, and such valuations could be impacted by a number of assumptions, general economic conditions, and future events which could lead to variances from estimated annual expenses.

Budget FY 2019-20

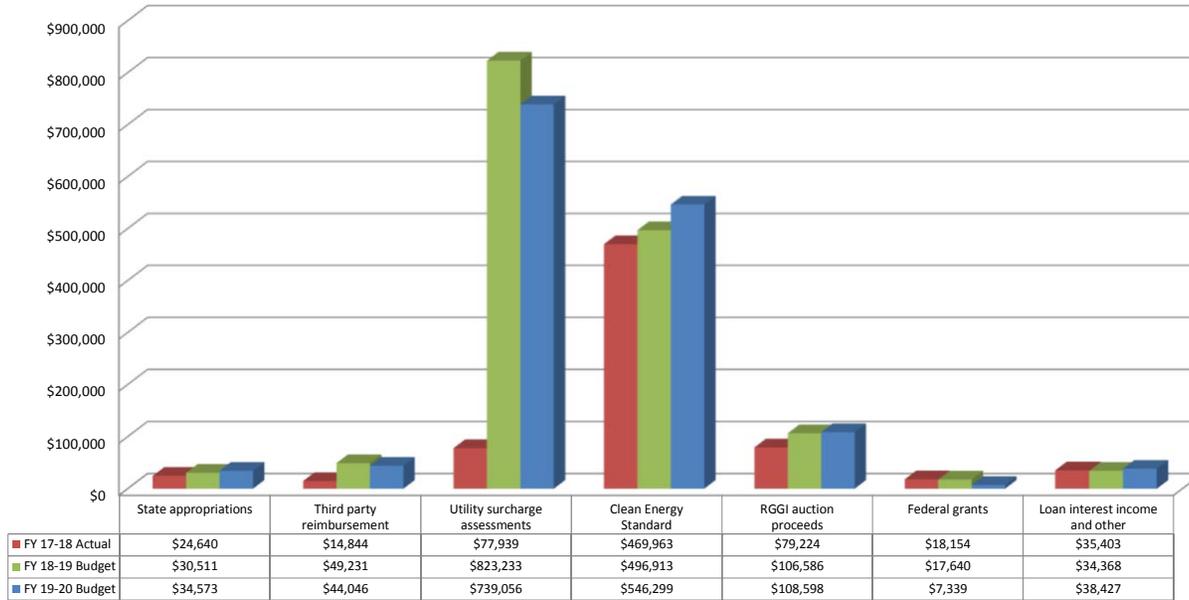
(Amounts in thousands)



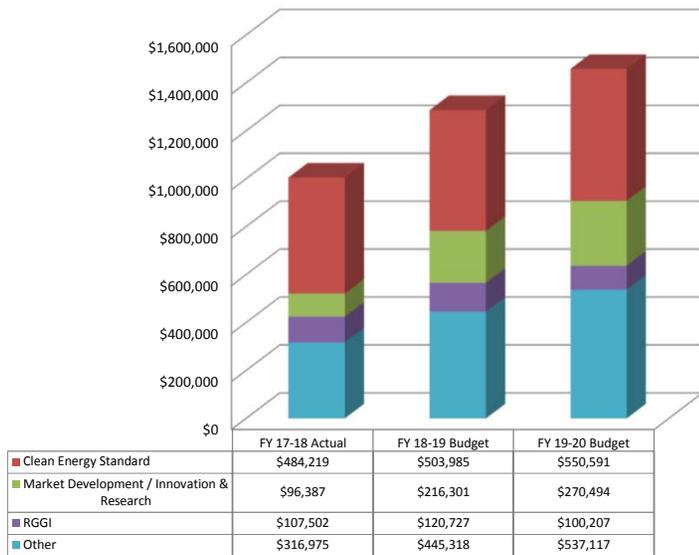
Budget FY 2019-20

(Amounts in thousands)

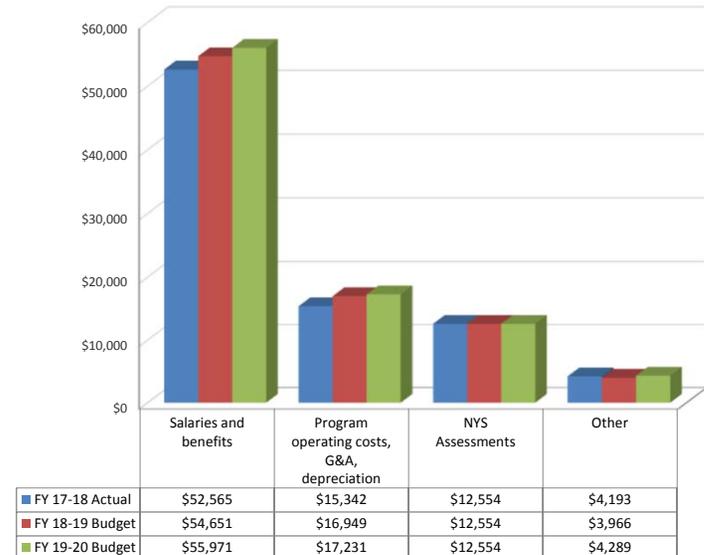
Budget Comparison: Revenues



Budget Comparison: Program Expenses



Budget Comparison: Administration and Other



NYSERDA
 Budget FY 2019-20
 (Amounts in thousands)

	Budget FY 2019-20	Budget FY 2018-19
Net position beginning of year	\$ 985,751	868,086
<u>Revenues:</u>		
State appropriations	34,573	30,511
Third party reimbursement	44,046	49,231
Utility surcharge assessments	739,056	823,233
Renewable energy credit proceeds	5,262	12,510
Zero emission credit payments	541,037	484,403
Allowance auction proceeds	108,598	106,586
Project repayments	341	384
Federal grants	7,339	17,640
Rentals from leases	990	982
Interest income	6,291	2,884
Loan interest	26,792	26,158
QECCB interest subsidy	399	434
Fees and other income	3,614	3,526
Total Revenues	<u>1,518,338</u>	<u>1,558,482</u>
<u>Expenses:</u>		
Salaries and benefits	55,971	54,651
Program expenditures	1,458,409	1,286,331
Investment related expenses	559	500
Program operating costs	4,513	3,480
General & administrative expenses	9,582	9,869
Depreciation	3,136	3,466
NYS Assessments	13,594	12,554
Bond interest and fees	3,730	3,466
Total Expenses	<u>1,549,494</u>	<u>1,374,317</u>
Net (expense) revenue and change in net position	(31,156)	184,165
<u>Net position end of year:</u>		
Restricted for specific programs	357,608	335,119
NY Green Bank Capitalization	577,385	696,794
Net Investment in Capital Assets	16,568	17,311
Unrestricted	3,034	3,027
Total net position end of year	<u>\$ 954,595</u>	<u>1,052,251</u>

NYSDERDA
 Budget FY 2019-20
 (Amounts in thousands)

Functions/Programs										
	Market Development / Innovation & Research	NY Green Bank	NY-Sun	Clean Energy Standard	RGGI	Energy & Environmental Analysis	West Valley	Other	Budget FY 2019-20	Budget FY 2018-19
Net position, beginning of year	\$ 45,272	616,794	22,297	(2,509)	36,160	933	224	266,580	985,751	868,086
<u>Revenues:</u>										
State appropriations	-	-	-	-	5,679	150	17,700	11,044	34,573	30,511
Third party reimbursement	14,000	-	-	-	-	-	1,737	28,309	44,046	49,231
Utility surcharge assessments	302,861	-	269,687	-	-	5,072	-	161,436	739,056	823,233
Renewable energy credit proceeds	-	-	-	5,262	-	-	-	-	5,262	12,510
Zero emission credit payments	-	-	-	541,037	-	-	-	-	541,037	484,403
Allowance auction proceeds	-	-	-	-	108,598	-	-	-	108,598	106,586
Project repayments	-	-	-	-	-	-	-	341	341	384
Federal grants	-	-	-	-	-	2,370	-	4,969	7,339	17,640
Rentals from leases	-	-	-	-	-	-	-	990	990	982
Interest income	487	3,324	305	-	754	-	-	1,421	6,291	2,884
Loan interest	-	18,741	-	-	-	-	-	8,051	26,792	26,158
QECB interest subsidy	-	-	-	-	-	-	-	399	399	434
Fees and other income	-	3,385	-	-	-	-	-	229	3,614	3,526
Total Revenues	317,348	25,450	269,992	546,299	115,031	7,592	19,437	217,189	1,518,338	1,558,482
<u>Expenses:</u>										
Salaries and benefits	25,161	6,950	2,265	2,429	1,854	3,718	2,624	10,970	55,971	54,651
Program expenditures	270,494	520	244,533	550,591	100,207	1,500	15,976	274,588	1,458,409	1,286,331
Investment related expenses	-	559	-	-	-	-	-	-	559	500
Program operating costs	547	2,424	114	10	8	577	151	682	4,513	3,480
General & administrative expenses	4,310	1,187	389	415	318	638	446	1,879	9,582	9,869
Depreciation	1,693	195	375	69	52	105	80	567	3,136	3,466
NYS Assessments	2,501	98	2,050	4,581	848	54	160	3,302	13,594	12,554
Bond interest and fees	-	-	-	-	-	-	-	3,730	3,730	3,466
Total Expenses	304,706	11,933	249,726	558,095	103,287	6,592	19,437	295,718	1,549,494	1,374,317
Net sources / (uses) of net position other than transfers	12,642	13,517	20,266	(11,796)	11,744	1,000	-	(78,529)	(31,156)	184,165
Inter-program transfers	(4,888)	(52,926)	-	-	(11,012)	-	-	68,826	-	-
Net Investment in Capital Assets	16	-	(311)	-	-	-	(7)	(441)	(743)	(83)
<u>Net Position End of Year:</u>										
Restricted for specific programs	50,768	-	41,932	(14,980)	36,892	1,933	13	241,050	357,608	335,119
NY Green Bank Capitalization	-	577,385	-	-	-	-	-	-	577,385	696,794
Net Investment in Capital Assets	2,258	-	631	675	-	-	211	12,793	16,568	17,311
Unrestricted	-	-	-	-	-	-	-	3,034	3,034	3,027
Net position end of year	\$ 53,026	577,385	42,563	(14,305)	36,892	1,933	224	256,877	954,595	1,052,251

NYSERDA
FY 2018-19 Budget
Reconciliation of Budget Changes
(Amounts in thousands)

	Actual FY 2017-18	Budget FY 2018-19	Change	Budget FY 2019-20	Explanation for change
State appropriations					
RGGI	\$ 6,722	5,877	(198)	5,679	Represents a reduction under the RGGI Cleaner Greener Community program (repayment of the FY 13-14 transfer of \$25 million to the State general fund).
Other Programs - Energy/Environmental projects	3,477	7,484	3,560	11,044	Represents an increase in anticipated expenditures under a Brookhaven National Lab Energy Storage project which are reimbursable from State Appropriations, offset in part by a decrease in estimated reimbursable expenditures from State Capital Budget appropriations.
Energy & Environmental Analysis - Low-Level Radioactive Waste West Valley	150	150	-	150	(No change)
West Valley	14,291	17,000	700	17,700	Reflects an increase in anticipated program expenditures for NYSERDA's share of federal and state spending at West Valley.
Total state appropriations	24,640	30,511	4,062	34,573	
Third party reimbursement	14,844	49,231	(5,185)	44,046	Principally reflects a decrease in reimbursement funding from Con Edison due to timing of anticipated expenditures under the Indian Point Energy Center Reliability Contingency program, offset in part by an increase in anticipated funding under the Volkswagen settlement with the Federal Government to help promote clean transportation initiatives.
Utility surcharge assessments					
NY-Sun	3,597	81,558	188,129	269,687	Increase reflects revenues based on anticipated expenditures under the "Bill-As-You-Go" (BAYG) approach.
Market Development / Innovation & Research	7,270	242,296	60,565	302,861	Increase reflects revenues based on anticipated expenditures under the "Bill-As-You-Go" (BAYG) approach.
18-a funding	19,688	19,301	399	19,700	Represents a slight increase in anticipated 18-a funding based on prior year revenue assumptions.
SBC/EEPS/RPS	37,855	280,078	(133,270)	146,808	Decrease reflects revenues based on anticipated expenditures under the "Bill-As-You-Go" (BAYG) approach.
NY Green Bank	9,529	200,000	(200,000)	-	Decrease due to revised billing approach to take into consideration cash balances.
Total utility surcharge assessments	77,939	823,233	(84,177)	739,056	
Renewable energy credit proceeds	-	12,510	(7,248)	5,262	Decrease is primarily due to a reduction of anticipated MWhs to be sold based upon anticipated MWh purchases in comparison to the prior year and from the application of an attrition rate that was not factored in last years estimates.
Zero emission credit payments	469,963	484,403	56,634	541,037	Increase reflects an update in the estimated zero-emission credit price established pursuant to the Clean Energy Standard Order of the Public Service Commission (PSC).
Allowance auction proceeds	79,224	106,586	2,012	108,598	Reflects an increase in allowance price using the most recent auction results rather than modeling assumptions used in the prior year.
Project repayments	281	384	(43)	341	Reflects a slight decrease based on anticipated recoupment payments.
Federal grants	18,154	17,640	(10,301)	7,339	Principally reflects a decrease in anticipated reimbursement funding under the Fuel NY Transfer Switch Grant.
Rentals from leases	1,203	982	8	990	(Minor change)
Interest income	7,276	2,884	3,407	6,291	Increase is due to higher investment balances principally due to the BAYG approach and from anticipated higher investment yields.
Loan interest - NY Green Bank	15,859	17,805	936	18,741	Reflects an increase in anticipated loan activity.
Loan interest - GJGNY	6,964	8,353	(302)	8,051	Decrease primarily due to the amortization of interest expense on existing loans.
QEGB interest subsidy	465	434	(35)	399	Reflects a slight decrease in the IRS subsidy based on the Federal Government's published subsidy rate.
Fees and other income	3,355	3,526	88	3,614	Principally due to an increase in estimated NY Green Bank closing and undrawn fees.
Total Revenues:	720,167	1,558,482	(40,144)	1,518,338	

NYSERDA
FY 2018-19 Budget
Reconciliation of Budget Changes
(Amounts in thousands)

	Actual FY 2017-18	Budget FY 2018-19	Change	Budget FY 2019-20	Explanation for change
Expenses:					
Salaries	35,756	36,860	2,627	39,487	Reflects an increase in salaries based on assumed filled positions. Also reflects performance-based salary increases/awards assuming similar awards are approved for NYS employees.
Benefits	16,809	17,791	(1,307)	16,484	Primarily reflects a decrease in pension expense and retirement health insurance benefit projections due to lower actuarial valuation projections and estimates.
Total salaries and benefits	52,565	54,651	1,320	55,971	
Program expenditures					
NY-Sun	43,460	79,943	164,590	244,533	Reflects an increase in projected expenditures for Residential program incentive payments and from an increase in Commercial & Industrial program incentive payments due to a change of when projects are expected to be commercially operational.
Clean Energy Standard - ZEC	482,773	483,513	58,261	541,774	Increase reflects an update in the estimated zero-emission credit price established pursuant to the Clean Energy Standard Order of the Public Service Commission.
Market Development / Innovation & Research	97,087	216,301	54,193	270,494	Reflects an overall increase in program activity due to the implementation of newly approved initiatives and timing of initiatives anticipated to be approved and launched during this fiscal year.
West Valley	14,268	15,532	444	15,976	Reflects an increase in anticipated program expenditures for NYSERDA's share of federal and state spending at West Valley.
Energy & Environmental Analysis	3,756	1,619	(119)	1,500	Reflects a decrease in anticipated analytical studies funded by State appropriations to support the State Energy Plan.
NY Green Bank	-	1,500	(980)	520	Anticipated Evaluation expenditures.
Clean Energy Standard - REC	1,446	20,472	(11,655)	8,817	Decrease is primarily due to a reduction of anticipated MWhs to be purchased as compared to the prior year and from the application of an attrition rate that was not factored in last years estimates.
Regional Greenhouse Gas Initiative	107,502	120,727	(20,520)	100,207	Anticipated expenditures based on project completion dates and amounts included in FY19-20 RGGI Operating plan.
Other Programs					
Energy Storage	-	-	24,710	24,710	Reflects anticipated expenditures under a newly announced Energy Storage program issued through an Order of the PSC.
Green Jobs-Green New York	5,644	760	1,166	1,926	Reflects an increase in anticipated spending, primarily within the multi-family financing program.
Research and Development	10,022	9,645	(2,492)	7,153	Anticipated expenditures based on allocated 18-a funding.
Other	17,303	37,479	(1,902)	35,577	Primarily due to a decrease in anticipated expenditures under the Fuel NY Transfer Switch grant, offset in part by a net increase in anticipated expenditures from several federal grants.
Indian Poin Energy Center Reliability	21,002	28,152	(9,083)	19,069	Reflects a decrease in anticipated expenditures under the program.
Contingency Program					
SBC/EEPS/RPS	201,520	270,688	(84,535)	186,153	Decrease for SBC and EEPS programs are based on project completion dates and RPS decrease is based on anticipated expenditures for MWh production of Main Tier contracts and for incentive payments for Customer-sited Tier technology project commitments.
Total other expenditures	255,491	346,724	(72,136)	274,588	
Total program expenditures	1,005,783	1,286,331	172,078	1,458,409	
Investment related expenses - NY Green Bank	435	500	59	559	Represents an increase in program related costs to support investment transactions.
Program operating costs	2,802	3,480	1,033	4,513	Reflects an increase in NY Green Bank professional service costs, Evaluation web based electronic data sharing costs, and from a net increase in temporary services costs for several program departments.
General & administrative expenses	9,384	9,869	(287)	9,582	Primarily due to decreases in professional services costs, system design and enhancement costs, and a reclassification of web based electronic data sharing costs to Program Operating Costs.

NYSERDA
FY 2018-19 Budget
Reconciliation of Budget Changes
(Amounts in thousands)

	Actual FY 2017-18	Budget FY 2018-19	Change	Budget FY 2019-20	Explanation for change
Depreciation	2,456	3,466	(330)	3,136	Reflects a decrease in projected depreciation resulting from existing capital assets and from planned additions for FY 19-20 (half year of expense).
NYS Assessments	12,554	12,554	1,040	13,594	Represents an increase in the assessment for FY 19-20.
Bond interest and fees	3,758	3,466	264	3,730	Increase is based on fixed bond interest expense payment schedules.
Total Expenses:	1,089,737	1,374,317	175,177	1,549,494	
Net (expense) revenue and change in net position	(369,570)	184,165	(215,321)	(31,156)	
Net position beginning of year	1,237,656	868,086	117,665	985,751	
<u>Net position end of year:</u>					
Restricted for specific programs	361,068	335,119	22,489	357,608	Primarily due to the anticipated transfer from NY Green Bank to RGGI pursuant to the RGGI operating plan, offset in-part by the anticipated effect of BAYG pursuant to the CEF Order.
NY Green Bank Capitalization	486,151	696,794	(119,409)	577,385	Primarily reflects an anticipated decrease in Net Position due to revised drawdown procedures under the BAYG process to take into consideration cash balances and from the anticipated transfer to RGGI pursuant to the RGGI operating plan.
Net Investment in Capital Assets	17,394	17,311	(743)	16,568	Reflects anticipated asset purchases less depreciation.
Unrestricted	3,473	3,027	7	3,034	
Total net position end of year	\$ 868,086	1,052,251	(97,656)	954,595	

Certain amounts for FY 2017-18 and FY 2018-19 have been reclassified to conform with the FY 2019-20 Budget presentation.

NYSERDA FY 19-20 Budget
 Detail schedule: Salaries and benefits
 (Amounts in thousands)

	Actual <u>FY 2017-18</u>	Budget <u>FY 2018-19</u>	Change	Budget <u>FY 2019-20</u>
Salaries **	35,756	36,860	2,627	39,487
Fringe Benefits:				
Health insurance	3,881	4,008	544	4,552
Voluntary Defined Contribution Plan	559	618	383	1,001
Vision care plan	47	25	26	51
Long-term disability insurance	73	72	18	90
NYS Paid Family Leave	-	27	10	37
Social Security/Medicare taxes	2,415	2,662	5	2,667
Unemployment	33	33	3	36
Workers compensation	123	74	2	75
Dependent Care plan	15	19	(2)	17
Tuition reimbursement	40	57	(12)	45
Dental plan	333	312	(39)	273
Compensated absence leave accruals	758	750	(128)	622
Pension	5,520	5,769	(777)	4,992
Postemployment health insurance (GASB 45/75)	3,013	3,365	(1,339)	2,026
sub-total benefits	<u>16,809</u>	<u>17,791</u>	<u>(1,307)</u>	<u>16,484</u>
Percentage of Salaries	47.0%	48.3%		41.7%
Total Salaries and Benefits	<u><u>52,565</u></u>	<u><u>54,651</u></u>	<u><u>1,320</u></u>	<u><u>55,971</u></u>
Number of full-time equivalent employees (FTEs)	331.5	337.6	13.9	351.5

** FY 2019-20 Salaries include performance-based salary increases and payments generally equivalent to salary increases and total salary costs anticipated to be provided for NYS employees. The Budget does not include an assumption for cost-of-living-adjustment (COLA) salary increases, however, if NYS subsequently authorizes one and NYSERDA provides an increase to its employees actual expenses may exceed budget amounts.

NYSERDA FY 19-20 Budget
 Detail schedule: Program Operating Costs
 (Amounts in thousands)

	Actuals	Budget		Budget
	<u>FY 2017-18</u>	<u>FY 2018-19</u>	<u>Change</u>	<u>FY 2019-20</u>
Professional Services:				
NY Green Bank	895	1,690	626	2,316
West Valley	-	20	-	20
STEP & Other Consulting	<u>206</u>	<u>75</u>	<u>-</u>	<u>75</u>
Total Professional Services	1,101	1,785	626	2,411
Temporary Staffing, Outside Technical Reviewer	481	380	98	478
Travel and Outreach Costs	418	517	71	588
Office Supplies, Equipment Rental, and Other	195	200	34	234
Computer Services and Software	214	179	201	380
Rent, Maintenance & Repairs, Utilities, Insurance	354	362	5	366
Training, Recruitment & Relocation	39	58	(2)	56
Total Program Operating Costs	<u><u>2,802</u></u>	<u><u>3,480</u></u>	<u><u>1,033</u></u>	<u><u>4,513</u></u>

Certain amounts for FY 2017-18 have been reclassified to conform with the FY 2019-20 Budget presentation.

(Amounts in thousands)

	Actuals	Budget		Budget
	<u>FY 2017-18</u>	<u>FY 2018-19</u>	<u>Change</u>	<u>FY 2019-20</u>
Training, Recruitment & Relocation	87	256	42	298
Rent, Maintenance & Repairs, Utilities, Insurance	2,735	2,649	171	2,820
Temporary Staffing, Outside Technical Reviewer	2,850	2,481	(31)	2,450
Office Supplies, Equipment Rental, and Other	114	257	(41)	215
Travel and Outreach Costs	270	324	(57)	268
Systems Design and Enhancement	506	414	(58)	356
Professional Services:				
Communication and consumer support services	167	205	(30)	175
Fiscal Agent, audit and third-party payroll and Human Resource services	476	499	11	510
Information security	194	200	-	200
Internal Audit support services	25	98	(48)	50
Marketing	127	280	-	280
Other Consulting	62	100	(37)	63
Website support services	249	300	(33)	267
Total Professional Services	<u>1,299</u>	<u>1,682</u>	<u>(137)</u>	<u>1,545</u>
Computer Services and Software	<u>1,522</u>	<u>1,806</u>	<u>(176)</u>	<u>1,630</u>
Total General & Administrative Expense	<u><u>9,384</u></u>	<u><u>9,869</u></u>	<u><u>(287)</u></u>	<u><u>9,582</u></u>

Certain amounts for FY 2018-19 Budget have been reclassified to conform with the FY 2019-20 Budget presentation.

NYSERDA FY 19-20 Budget
 Detail schedule: Capital Budget
 (Amounts in thousands)

	<u>Actual</u> <u>FY 2017-18</u>	<u>Budget</u> <u>FY 2018-19</u>	<u>Change</u>	<u>Budget</u> <u>FY 2019-20</u>
Building improvements	60	200	426	626
Information technology upgrades	411	348	322	670
STEP infrastructure	7	-	30	30
Vehicles	25	30	(30)	-
Furniture, fixtures and equipment	71	85	(10)	75
Clean Energy Standard system development costs	553	725	(725)	-
Clean Energy Fund system development costs	1,550	2,000	(1,000)	1,000
Total Capital Asset Additions	<u>2,677</u>	<u>3,388</u>	<u>(988)</u>	<u>2,401</u>

NYSERDA FY19-20 Budget
 Detail schedule: Debt Schedule
 (Amounts in thousands)

Purpose: Refinancing of loans issued through the Green Jobs-Green New York financing program

	Principal <u>Issued</u>	Cumulative <u>Debt Service</u>	Pledged <u>Revenues</u>	Debt service % of Pledged <u>Revenues</u>	FY 19-20 <u>Debt Service</u>	FY 19-20 <u>Outstanding Principal</u>	FY 20-21 <u>Debt Service</u>	FY 20-21 <u>Outstanding Principal</u>	FY 21-22 <u>Debt Service</u>	FY 21-22 <u>Outstanding Principal</u>	FY 22-23 <u>Debt Service</u>	FY 22-23 <u>Outstanding Principal</u>
Residential Energy Efficiency Financing Revenue Bonds												
Series 2013A (NYS EFC Guarantee)	23,400	29,651	37,436	79.2%	2,209	12,460	2,206	10,660	2,133	8,880	1,892	7,290
Series 2015A	46,358	54,363	67,991	80.0%	4,130	33,735	3,975	30,430	3,738	27,310	3,660	24,210
Series 2016A	23,180	24,539	34,473	71.2%	2,030	18,950	2,028	17,330	2,017	15,695	1,859	14,190
Residential Solar Loan Revenue Bonds, Series 2015A	48,536	75,406	86,927	86.7%	4,399	38,492	4,312	35,549	4,153	32,618	4,123	29,568
Residential Solar Loan Revenue Bonds, Series 2018A	<u>18,500</u>	<u>21,908</u>	<u>30,732</u>	<u>71.3%</u>	<u>2,982</u>	<u>18,500</u>	<u>2,425</u>	<u>16,600</u>	<u>2,063</u>	<u>14,995</u>	<u>1,863</u>	<u>13,535</u>
Total	141,474	183,959	226,827	81.1%	12,768	103,637	12,521	93,969	12,041	84,503	11,534	75,258

Proposed New Debt *

* No new debt issues are included in the Budget and Financial Plan as additional debt issues will require approval by the NYSERDA Board and the Public Authorities Control Board.

NYSERDA
 Budget FY 2019-20
 Financial Plan

(Amounts in thousands)	FY 2019-20 Budget	FY 2020-21 Projection	FY 2021-22 Projection	FY 2022-23 Projection
REVENUES:				
State appropriations	\$ 34,573	29,344	22,518	18,331
Third party reimbursement	44,046	22,652	21,728	4,337
Utility surcharge assessments	739,056	926,237	842,315	509,332
Renewable energy credit proceeds	5,262	16,532	119,660	176,002
Zero emission credit payments	541,037	541,037	590,473	590,473
Allowance auction proceeds	108,598	109,863	123,050	62,000
Federal grants	7,339	6,190	6,429	4,650
Other income	38,427	43,595	50,546	56,226
TOTAL REVENUES	1,518,338	1,695,451	1,776,720	1,421,351
EXPENSES:				
Salaries and benefits	55,971	57,653	59,382	61,164
Program expenditures	1,458,409	1,405,603	1,449,807	1,333,258
Investment related expenses	559	531	541	541
Program operating costs	4,513	6,188	6,253	6,319
General & administrative expenses	9,582	9,870	10,167	10,471
Depreciation	3,136	3,006	2,670	2,015
NYS assessments	13,594	13,594	13,594	13,594
Bond interest and fees	3,730	3,377	3,034	2,692
TOTAL EXPENSES	1,549,494	1,499,823	1,545,448	1,430,053
Net (expense) revenue and change in net position	(31,156)	195,628	231,272	(8,703)
Net position beginning of year	985,751	954,595	1,150,223	1,381,495
Total net position end of year	\$ 954,595	1,150,223	1,381,495	1,372,792

NYSERDA
 FY 2019-20 Cash-Based Budget
 (Amounts in thousands)

	Functions/Programs								
	Market Development / Innovation & Research	NY Green Bank	NY-Sun	Clean Energy Standard	RGGI	Energy & Environmental Analysis	West Valley	Other	Total
RECEIPTS:									
State appropriations	\$ -	-	-	-	5,679	150	17,700	11,044	34,573
Third party reimbursement	14,000	-	-	-	-	-	1,737	28,309	44,046
Utility surcharge assessments	294,942	-	272,937	-	-	5,072	-	186,665	759,615
Renewable energy credit proceeds	-	-	-	5,262	-	-	-	-	5,262
Zero emission credit payments	-	-	-	541,037	-	-	-	-	541,037
Allowance auction proceeds	-	-	-	-	108,598	-	-	-	108,598
Project repayments	-	-	-	-	-	-	-	341	341
Federal grants	-	-	-	-	-	2,370	-	4,969	7,339
Rentals from leases	-	-	-	-	-	-	-	990	990
Interest income	487	3,324	305	-	754	-	-	1,421	6,291
Loan interest	-	18,741	-	-	-	-	-	8,051	26,792
Loan principal repayments	-	111,258	-	-	-	-	-	17,756	129,014
QECB interest subsidy	-	-	-	-	-	-	-	399	399
Fees and other income	-	3,385	-	-	-	-	-	229	3,614
TOTAL REVENUES	309,429	136,708	273,242	546,299	115,031	7,592	19,437	260,173	1,667,911
DISBURSEMENTS:									
Salaries and benefits	23,969	6,622	2,158	1,889	1,766	3,542	2,501	10,876	53,323
Program expenditures	270,494	520	244,533	550,591	100,207	1,500	15,976	274,588	1,458,409
Investment related expenses	-	559	-	-	-	-	-	-	559
Other Operating costs	547	2,424	114	10	8	577	151	682	4,513
General & administrative expenses	4,310	1,187	389	415	318	638	446	1,879	9,582
Capital asset additions	1,630	174	57	49	46	93	66	285	2,400
Deployed Capital	-	206,795	-	-	-	-	-	-	206,795
Bond interest and fees	-	-	-	-	-	-	-	3,730	3,730
Principal bond payment	-	-	-	-	-	-	-	12,020	12,020
Loan purchases	-	-	-	-	-	-	-	22,725	22,725
NYS Assessments	2,501	98	2,050	4,581	848	54	160	3,302	13,594
TOTAL EXPENSES	303,451	218,379	249,301	557,535	103,193	6,404	19,300	330,086	1,787,649
Net (expense) revenue and change in cash position	5,978	(81,671)	23,941	(11,236)	11,838	1,188	137	(69,913)	(119,739)
Cash and investments, beginning of year	86,846	274,281	31,175	111,515	43,010	531	628	124,559	672,545
Inter-program transfers	(4,888)	(52,926)	-	-	(11,012)	-	-	15,900	(52,926)
Cash and investments, end of year	\$ 87,935	\$ 139,683	\$ 55,116	\$ 100,279	\$ 43,837	\$ 1,719	\$ 765	\$ 70,546	\$ 499,880