

New York State Energy Research and Development Authority

Fiscal Year 2020-21 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, 2021 has been developed based on reasonable assumptions and methods of estimation.

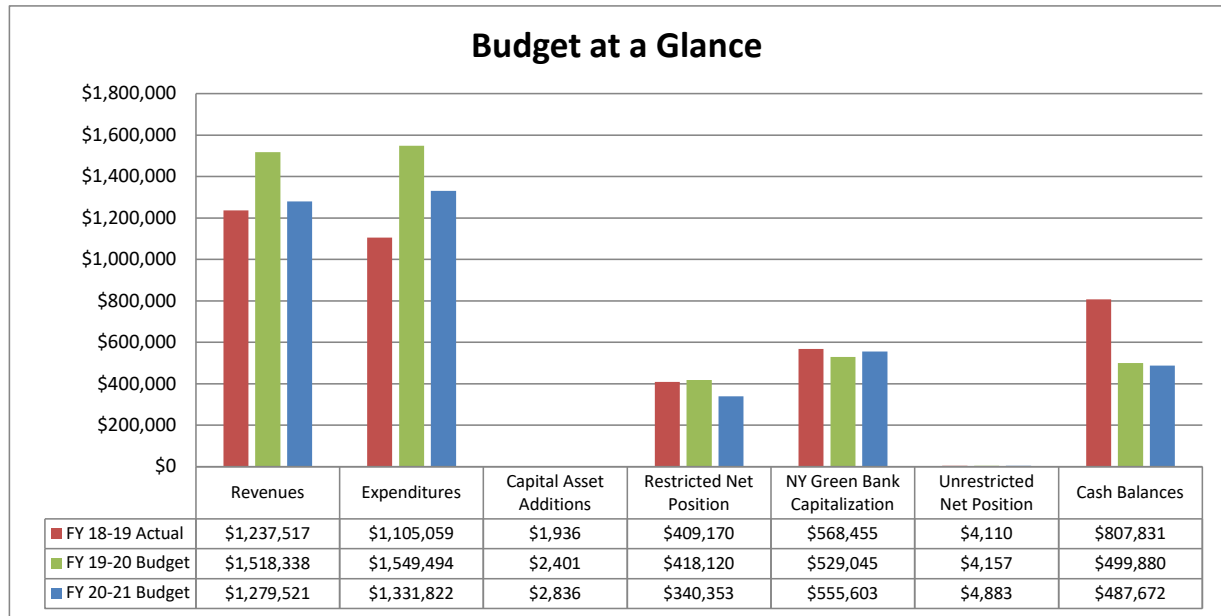


Alicia Barton
President and Chief Executive Officer



Jeffrey J. Pitkin
Treasurer and Chief Financial Officer

Budget FY 2020-21 (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, 2021 (FY 2020-21), and the Financial Plan for FY's 2021-22 to 2023-24 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-Sun and NY Green Bank 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-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

NY Green Bank

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.

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 (which was subsequently redeemed to support NYSERDA's statewide energy storage initiative). As discussed above, the CEF Order authorized incremental collections for the remaining \$631.5 million of NY Green Bank's capitalization.

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.

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.

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.

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.

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, 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 September 2019 auction .
- West Valley's State appropriation revenue for FY 2020-21 through FY 2023-24 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 2020-21, FY 2021-22, FY 2022-23, and FY 2023-24, for its share of project costs.
- Interest income is based on assumed balances available for investment and based on a one-year U.S. Treasury bond index yield.
- GJGNY budgeted loan interest income assumes additional loans to be issued during FY 2020-21 of up to \$25.0 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 include a cost-of-living-adjustment in accordance with increases granted for M/C employees (2% effective April 1, 2020). Salaries also include performance-based salary increases and payments comparable to those which may be authorized for state employees.
- 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 2020-21 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 2020-21 Budget assumes that NYSERDA's assessment will be \$12.7 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:

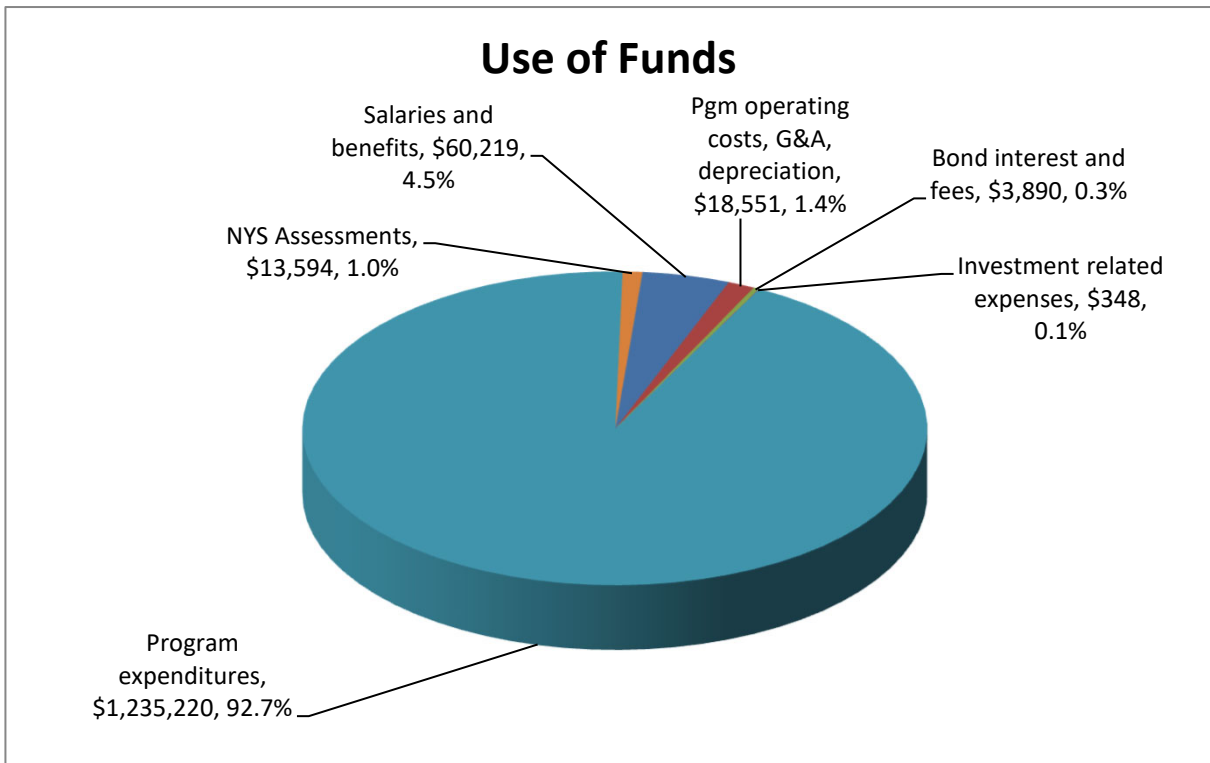
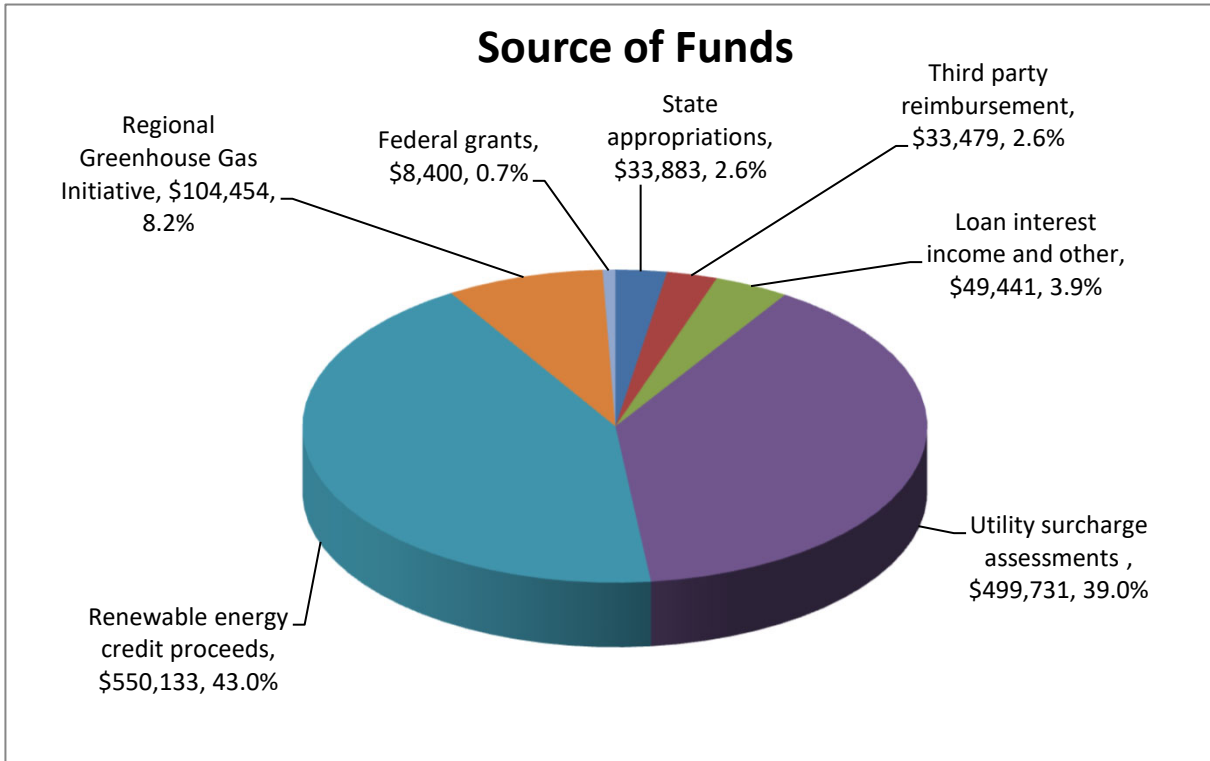
- NYSERDA's budgeting process is subject to inherent risks regarding the ability to accurately forecast revenues and expenditures.
- Over the past several years, NYSERDA has assumed responsibility for administering certain new programs, and additional program responsibilities may be added during FY 2020-21 that have not been included in the Budget.
- Revenues resulting from auctions of allowances under the Regional Greenhouse Gas Initiative (RGGI) have shown some volatility over the past few years. 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 finalized prior to 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 2020-21

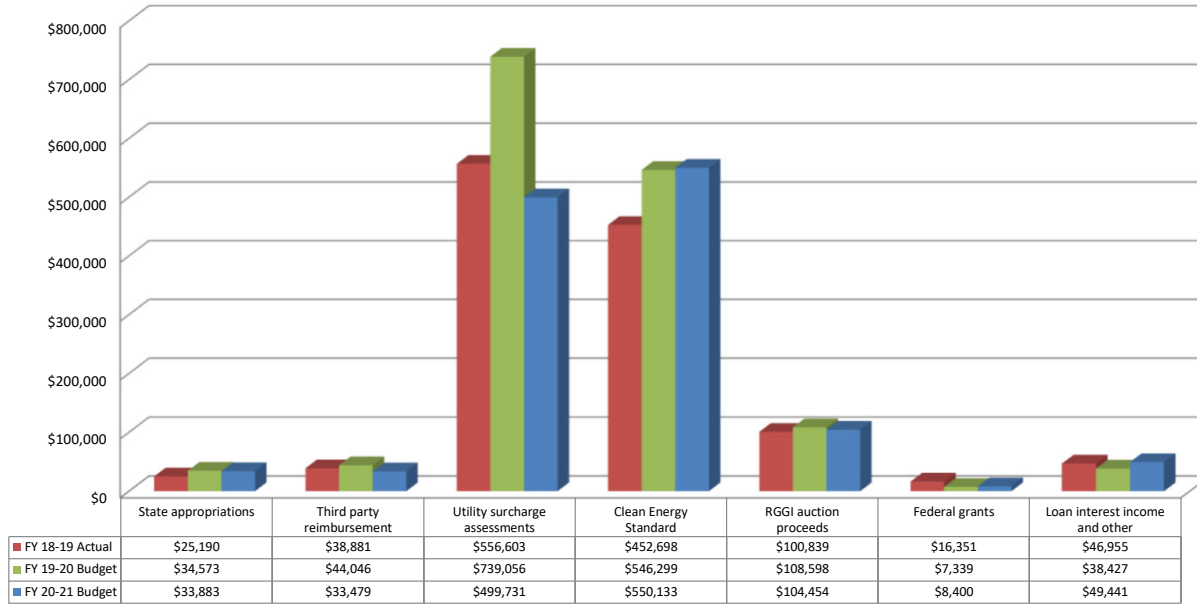
(Amounts in thousands)



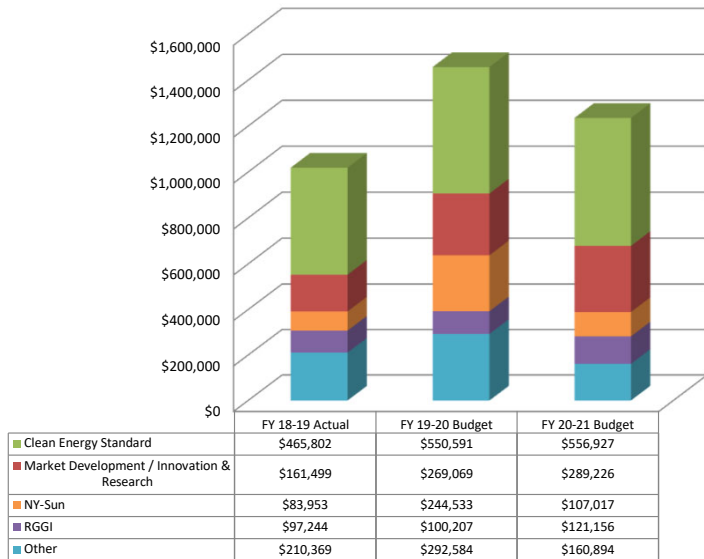
Budget FY 2020-21

(Amounts in thousands)

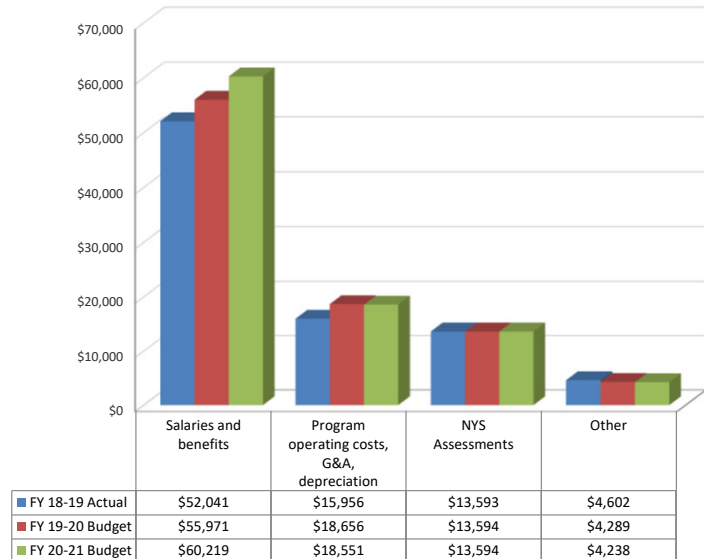
Budget Comparison: Revenues



Budget Comparison: Program Expenses



Budget Comparison: Administration and Other



NYSERDA
 Budget FY 2020-21
 (Amounts in thousands)

	Budget FY 2020-21	Budget FY 2019-20
Net position beginning of year	\$ 967,847	997,652
<u>Revenues:</u>		
State appropriations	33,883	34,573
Third party reimbursement	33,479	44,046
Utility surcharge assessments	499,731	739,056
Renewable energy credit proceeds	9,096	5,262
Zero emission credit payments	541,037	541,037
Allowance auction proceeds	104,454	108,598
Project repayments	385	341
Federal grants	8,400	7,339
Rentals from leases	986	990
Interest income	11,002	6,291
Loan interest	32,016	26,792
QECCB interest subsidy	355	399
Fees and other income	4,697	3,614
Total Revenues	1,279,521	1,518,338
<u>Expenses:</u>		
Salaries and benefits	60,219	55,971
Program expenditures	1,235,220	1,456,984
Investment related expenses	348	559
Program operating costs	4,508	4,513
General & administrative expenses	10,740	11,007
Depreciation	3,303	3,136
NYS Assessments	13,594	13,594
Bond interest and fees	3,890	3,730
Total Expenses	1,331,822	1,549,494
Net (expense) revenue and change in net position	(52,301)	(31,156)
<u>Net position end of year:</u>		
Restricted for specific programs	340,353	418,120
NY Green Bank Capitalization	555,603	529,045
Net Investment in Capital Assets	14,707	15,174
Unrestricted	4,883	4,157
Total net position end of year	\$ 915,546	966,496

NYSERDA
 Budget FY 2020-21
 (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 2020-21	Budget FY 2019-20
Net position, beginning of year	\$ 70,925	529,045	34,542	(13,400)	122,376	3,815	-	226,052	967,847	997,652
<u>Revenues:</u>										
State appropriations	-	-	-	-	6,169	150	18,200	9,364	33,883	34,573
Third party reimbursement	15,000	-	-	-	-	-	1,829	16,650	33,479	44,046
Utility surcharge assessments	274,826	8,578	94,859	-	-	9,951	-	111,516.95	499,731	739,056
Renewable energy credit proceeds	-	-	-	9,096	-	-	-	-	9,096	5,262
Zero emission credit payments	-	-	-	541,037	-	-	-	-	541,037	541,037
Allowance auction proceeds	-	-	-	-	104,454	-	-	-	104,454	108,598
Project repayments	-	-	-	-	-	-	-	385	385	341
Federal grants	-	-	-	-	-	2,581	-	5,819	8,400	7,339
Rentals from leases	-	-	-	-	-	-	-	986	986	990
Interest income	1,131	3,404	337	2,035	1,773	-	-	2,322	11,002	6,291
Loan interest	-	23,614	-	-	-	-	-	8,402	32,016	26,792
QECB interest subsidy	-	-	-	-	-	-	-	355	355	399
Fees and other income	-	4,500	-	-	-	-	-	197	4,697	3,614
Total Revenues	290,957	40,096	95,196	552,168	112,396	12,682	20,029	155,997	1,279,521	1,518,338
<u>Expenses:</u>										
Salaries and benefits	23,749	8,647	1,965	3,749	5,523	5,586	2,518	8,482	60,219	55,971
Program expenditures	289,226	640	107,017	556,927	121,156	4,950	16,636	138,668	1,235,220	1,456,984
Investment related expenses	-	348	-	-	-	-	-	-	348	559
Program operating costs	684	2,040	59	83	12	897	152	581	4,508	4,513
General & administrative expenses	4,231	1,536	349	669	985	996	458	1,516	10,740	11,007
Depreciation	1,835	189	320	210	121	123	61	444	3,303	3,136
NYS Assessments	3,298	138	1,132	5,793	1,318	130	204	1,581	13,594	13,594
Bond interest and fees	-	-	-	-	-	-	-	3,890	3,890	3,730
Total Expenses	323,023	13,538	110,842	567,431	129,115	12,682	20,029	155,162	1,331,822	1,549,494
Net sources / (uses) of net position other than transfers	(32,066)	26,558	(15,646)	(15,263)	(16,719)	-	-	835	(52,301)	(31,156)
Inter-program transfers	17,655	-	-	-	(29,655)	-	-	12,000	-	-
Net Investment in Capital Assets	287	-	(277)	(128)	-	-	(4)	(345)	(467)	(743)
<u>Net Position End of Year:</u>										
Restricted for specific programs	53,550	-	18,751	(28,933)	76,002	3,815	(200)	217,368	340,353	418,120
NY Green Bank Capitalization	-	555,603	-	-	-	-	-	-	555,603	529,045
Net Investment in Capital Assets	2,964	-	145	270	-	-	200	11,128	14,707	15,174
Unrestricted	-	-	-	-	-	-	-	4,883	4,883	4,157
Net position end of year	\$ 56,514	555,603	18,896	(28,663)	76,002	3,815	-	233,379	915,546	966,496

NYSERDA
FY 2020-21 Budget
Reconciliation of Budget Changes
(Amounts in thousands)

	Actual FY 2018-19	Budget FY 2019-20	Change	Budget FY 2020-21	Explanation for change
State appropriations					
RGGI	\$ 3,235	5,679	490	6,169	Represents new funding provided for the 76 West initiative, offset in part by a reduction in anticipated expenditures 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	8,208	11,044	(1,680)	9,364	Represents decreases in anticipated expenditures under the Brookhaven National Lab Energy Storage project and from a UDC Capital Budget appropriation.
Energy & Environmental Analysis - Low-Level Radioactive Waste	148	150	-	150	(No change)
West Valley	13,599	17,700	500	18,200	Reflects an increase in anticipated program expenditures for NYSERDA's share of federal and state spending at West Valley.
Total state appropriations	25,190	34,573	(690)	33,883	
Third party reimbursement	38,881	44,046	(10,567)	33,479	Reflects decreases in reimbursement funding due to timing of anticipated expenditures under the Indian Point Energy Center Reliability Contingency program and from the Volkswagen settlement with the Federal Government to help promote clean transportation initiatives.
Utility surcharge assessments					
Energy Storage	-	-	33,258	33,258	Increase reflects revenues based on anticipated expenditures under the BAYG approach for this new program authorized by the Public Service Commission in January 2019.
NY Green Bank	119,882	-	8,578	8,578	Increase is based on projections of deployed and redeemed capital as well as forecasted cash balances.
18-a funding	19,700	19,700	-	19,700	(No change)
Market Development / Innovation & Research	194,744	302,861	(28,035)	274,826	Increase reflects revenues based on anticipated expenditures under the "Bill-As-You-Go" (BAYG) approach.
EEPS/SBC/RPS	145,913	146,808	(78,298)	68,510	Decrease is primarily due the anticipated closure of the EEPS program in FY 19-20. FY 20-21 amount only reflects revenues for SBC and RPS based on anticipated expenditures under the BAYG approach.
NY-Sun	76,364	269,687	(174,828)	94,859	Decrease in revenues (under the BAYG approach) is based on lower anticipated expenditures than what was assumed in the prior year.
Total utility surcharge assessments	556,603	739,056	(239,325)	499,731	
Renewable energy credit proceeds	1,138	5,262	3,834	9,096	Reflects an anticipated increase in the number of renewable energy credits to be sold to Load Serving Entities under the Clean Energy Standard State-mandated compliance program.
Zero emission credit assessments	451,560	541,037	-	541,037	(No change)
Allowance auction proceeds	100,839	108,598	(4,144)	104,454	Reflects a decrease in both the anticipated allowance price and number of allowances to be auctioned, allowance price is based on the September 2019 auction results.
Project repayments	616	341	44	385	Reflects a slight increase based on anticipated recoupment payments.
Federal grants	16,351	7,339	1,061	8,400	Principally reflects a net increase in anticipated expenditures under NYS Department of Transportation Congestion Mitigation Air Quality grants, and an increase in the U.S. Department of Energy (DOE) Offshore Wind Consortium grant, offset in part by decreases in several DOE energy efficiency special project grants.
Rentals from leases	978	990	(4)	986	(Minor change)
Interest income	15,792	6,291	4,711	11,002	Increase is principally due to higher anticipated investment yields and from slightly higher investment balances.
Loan interest - NY Green Bank	14,865	18,741	4,873	23,614	Reflects an increase in anticipated loan activity.
Loan interest - GJGNY	7,562	8,051	351	8,402	Reflects an increase in anticipated loan activity.
QECCB interest subsidy	436	399	(44)	355	Reflects a slight decrease in the IRS subsidy based on the Federal Government's published subsidy rate.
Fees and other income	6,706	3,614	1,083	4,697	Principally due to an increase in estimated NY Green Bank closings and undrawn fees.
Total Revenues:	1,237,517	1,518,338	(238,817)	1,279,521	

NYSERDA
FY 2020-21 Budget
Reconciliation of Budget Changes
(Amounts in thousands)

	Actual FY 2018-19	Budget FY 2019-20	Change	Budget FY 2020-21	Explanation for change
<u>Expenses:</u>					
Salaries	37,638	39,487	3,281	42,768	Increase is primarily based on the addition of six positions to carry out activities under the Climate Leadership Community Protection Act and four NY Green Bank positions. Also reflects a 2% cost-of-living adjustment and performance-based salary increases/awards assuming both are approved for NYS employees.
Benefits	14,403	16,484	967	17,451	Reflects an increase in retirement health insurance benefit projections based on the most recent actuarial valuation, an increase in employment taxes generally corresponding to the increase in salary expense, offset in part by decreases in compensated leave balances and pension expense estimates based on prior year expenses.
Total salaries and benefits	52,041	55,971	4,248	60,219	
Program expenditures					
Regional Greenhouse Gas Initiative	97,244	100,207	20,949	121,156	Reflects an increase in anticipated expenditures based amounts included in the FY 20-21 RGGI Operating Plan.
Market Development / Innovation & Research	161,499	269,069	20,157	289,226	Reflects an overall increase in anticipated program activity resulting from the implementation of an increased amount of approved initiatives.
Energy & Environmental Analysis	2,706	1,500	3,450	4,950	Reflects an increase in anticipated costs to support the State Energy Plan and the Climate Leadership Community Protection Act.
Clean Energy Standard - REC	2,078	8,817	5,597	14,414	Reflects an increase in the projected purchase of renewable energy credits of on-line facilities under the Clean Energy Standard State-mandated compliance program.
West Valley	12,312	15,976	660	16,636	Reflects an increase in anticipated program expenditures for NYSERDA's share of federal and state spending at West Valley.
NY Green Bank	1,636	520	120	640	Reflects an increase in anticipated Evaluation expenditures.
Clean Energy Standard - ZEC	462,372	541,774	(586)	541,188	Represents a slight reduction in anticipated system development costs.
NY-Sun	83,953	244,533	(137,516)	107,017	Reflects a decrease in anticipated expenditures based on project completion dates and timing of incentive payments. Prior year forecast inadvertently included aggregate progress payments thereby overstating FY 19-20 expenditures. Progress toward meeting program goals are not affected by the decrease in anticipated expenditure levels.
Other Programs	195,067	274,588	(134,595)	139,993	Other represents individual funds less than 5% of the program expenditure total. The change represents an overall decrease in anticipated expenditures primarily for Energy Efficiency Portfolio Standard (EEPS), Technology & Market Development (SBC4), and RPS programs. The decrease is offset in part by a slight increase in anticipated expenditures in the Energy Storage Program which was authorized by the Public Service Commission (PSC) in January 2019. The EEPS program is set to close in FY 19-20 in accordance with a PSC Order.
Total program expenditures	1,018,867	1,456,984	(221,764)	1,235,220	
Investment related expenses - NY Green Bank	456	559	(211)	348	Represents a decrease in estimated non-reimbursed program related costs to support investment portfolio transactions.
Program operating costs	2,733	4,513	(5)	4,508	Primarily reflects a decrease in NY Green Bank professional service costs, offset in part by increases in temporary services for several program departments and direct rent expense for NY Green Bank's additional office space.
General & administrative expenses	10,360	11,007	(267)	10,740	Primarily reflects a decrease in Information Technology (IT) temporary service costs, offset in part by increases in IT software, web based electronic data sharing, and system design and enhancement costs.

NYSERDA
FY 2020-21 Budget
Reconciliation of Budget Changes
(Amounts in thousands)

	Actual FY 2018-19	Budget FY 2019-20	Change	Budget FY 2020-21	Explanation for change
Depreciation	2,863	3,136	167	3,303	Reflects an increase in projected depreciation resulting from existing capital assets and from planned additions for FY 20-21 (half year of expense).
NYS Assessments	13,593	13,594	-	13,594	(No change)
Bond interest and fees	4,146	3,730	160	3,890	Increase is based on fixed bond interest expense payment schedules including the addition of the 2019 Residential Solar and Energy Efficiency Financing Green Revenue Bonds.
Total Expenses:	<u>1,105,059</u>	<u>1,549,494</u>	<u>(217,672)</u>	<u>1,331,822</u>	
Net (expense) revenue and change in net position	132,458	(31,156)	(21,145)	(52,301)	
Net position beginning of year	868,086	997,652	(29,805)	967,847	
Cumulative effect of change in accounting principle (GASB 75)	(2,892)	-	-	-	
Net position end of year:					
Restricted for specific programs	409,170	418,120	(77,767)	340,353	Anticipated effect of BAYG pursuant to the CEF Order.
NY Green Bank Capitalization	568,455	529,045	26,558	555,603	Reflects the net effect of anticipated capital calls, deployed capital, matured/recycled capital, and a cumulative result of revenues exceeding expenditures.
Net Investment in Capital Assets	15,917	15,174	(467)	14,707	Reflects anticipated asset purchases less depreciation.
Unrestricted	4,110	4,157	726	4,883	Primarily due to an increase in investment earnings as a result of the pooling of investments in the Multifunding Source Cash Management money market fund.
Total net position end of year	<u>\$ 997,652</u>	<u>966,496</u>	<u>(50,950)</u>	<u>915,546</u>	

Certain amounts for FY 2018-19 and FY 2019-20 have been reclassified to conform with the FY 2020-21 Budget presentation.

NYSERDA FY 20-21 Budget
 Detail schedule: Salaries and benefits
 (Amounts in thousands)

	<u>Actual</u> <u>FY 2018-19</u>	<u>Budget</u> <u>FY 2019-20</u>	<u>Change</u>	<u>Budget</u> <u>FY 2020-21</u>
Salaries **	37,638	39,487	3,281	42,768
Fringe Benefits:				
Postemployment health insurance (GASB 45/75)	2,071	2,026	683	2,709
Social Security/Medicare taxes	2,711	2,667	427	3,094
Voluntary Defined Contribution Plan	701	1,001	71	1,072
NYS Paid Family Leave	29	37	31	68
Health insurance	4,339	4,552	26	4,578
Workers compensation	68	75	10	85
Dependent Care plan	17	17	3	20
Dental plan	302	273	64	337
Long-term disability insurance	83	90	-	90
Unemployment	30	36	(2)	34
Tuition reimbursement	30	45	(10)	35
Vision care plan	29	51	(17)	34
Compensated absence leave accruals	408	622	(149)	473
Pension	3,585	4,992	(170)	4,822
sub-total benefits	<u>14,403</u>	<u>16,484</u>	<u>967</u>	<u>17,451</u>
Percentage of Salaries	38.3%	41.7%		40.8%
 Total Salaries and Benefits	 <u>52,041</u>	 <u>55,971</u>	 <u>4,248</u>	 <u>60,219</u>
 Number of full-time equivalent employees (FTEs)	 339.6	 351.5	 10.7	 362.2

** FY 2020-21 Salaries include a 2% cost of living adjustment increase effective April 1, 2020 for NYS Management/Confidential employees. Salaries also include performance-based salary increases and payments generally equivalent to salary increases and total salary costs anticipated to be provided for NYS employees.

NYSERDA FY20-21 Budget
 Detail schedule: Program Expenditures
 (Amounts in thousands)

<u>Function/Program</u>	<u>Working Budget *</u>	<u>Budget FY 2019-20</u>	<u>Budget FY 2020-21</u>	<u>Financial Plan FY 2021-22</u>	<u>Financial Plan FY 2022-23</u>	<u>Financial Plan FY 2023-24</u>	<u>Future</u>
Market Development/ Innovation & Research	\$ 2,587,675	269,069	289,226	435,912	431,021	406,595	755,852
NY Green Bank	2,715	520	640	415	640	500	-
NY-Sun	828,046	244,533	107,017	107,017	104,767	84,033	180,679
Clean Energy Standard - Offshore Wind	5,922,192	-	1,325	-	-	-	5,920,867
Clean Energy Standard - REC	3,679,209	8,817	14,414	55,740	144,386	189,277	3,266,575
Clean Energy Standard - ZEC	2,865,087	541,774	541,188	590,473	590,473	186,650	414,529
RGGI	412,686	100,207	121,156	74,657	47,962	17,252	51,452
Energy & Environmental Analysis	19,700	1,500	4,950	4,950	4,150	4,150	-
West Valley	82,059	15,976	16,636	16,595	16,512	16,340	-
Other Programs	846,602	274,588	138,668	171,237	131,588	82,887	47,634
Total	\$ 17,245,970	1,456,984	1,235,220	1,456,996	1,471,499	987,684	10,637,588

* Working Budget represents approved sponsor funding or amounts anticipated to be approved for future year activity

Certain amounts for FY 2019-20 have been reclassified to conform with the FY 2020-21 Budget presentation.

NYSERDA FY 20-21 Budget
 Detail schedule: Program Operating Costs
 (Amounts in thousands)

	Actuals	Budget		Budget
	<u>FY 2018-19</u>	<u>FY 2019-20</u>	<u>Change</u>	<u>FY 2020-21</u>
Temporary Staffing, Outside Technical Reviewer	420	478	378	856
Rent, Maintenance & Repairs, Utilities, Insurance	318	366	312	678
Office Supplies, Equipment Rental, and Other	191	235	56	291
Travel and Outreach Costs	435	587	7	594
Training, Recruitment & Relocation	13	56	6	62
Computer Services and Software	226	380	(44)	336
Professional Services:				
STEP & Other Consulting	414	95	(60)	35
NY Green Bank	716	2,316	(660)	1,656
Total Professional Services	<u>1,130</u>	<u>2,411</u>	<u>(720)</u>	<u>1,691</u>
Total Program Operating Costs	<u><u>2,733</u></u>	<u><u>4,513</u></u>	<u><u>(5)</u></u>	<u><u>4,508</u></u>

NYSERDA FY 20-21 Budget
 Detail schedule: General & Administrative Expenses
 (Amounts in thousands)

	Actuals	Budget		Budget
	<u>FY 2018-19</u>	<u>FY 2019-20</u>	<u>Change</u>	<u>FY 2020-21</u>
Computer Services and Software	1,461	1,629	389	2,018
Professional Services:				
Website support services	205	267	113	380
Fiscal Agent, audit and third-party payroll and Human Resource services	528	510	32	542
Other Consulting	180	63	3	66
Information security	114	-	-	-
Internal Audit support services	65	50	-	50
Marketing	392	280	-	280
Communication and consumer support services	119	175	(25)	150
Total Professional Services	<u>1,603</u>	<u>1,345</u>	<u>123</u>	<u>1,468</u>
Systems Design and Enhancement	483	356	100	456
Rent, Maintenance & Repairs, Utilities, Insurance	2,577	2,820	92	2,912
Office Supplies, Equipment Rental, and Other	154	215	60	275
Training, Recruitment & Relocation	118	298	7	305
Travel and Outreach Costs	249	268	(21)	247
Temporary Staffing, Outside Technical Reviewer	3,715	4,076	(1,017)	3,059
Total General & Administrative Expense	<u><u>10,360</u></u>	<u><u>11,007</u></u>	<u><u>(267)</u></u>	<u><u>10,740</u></u>

Certain amounts for FY 2018-19 and FY 2019-20 have been reclassified to conform with the FY 2020-21 Budget presentation.

NYSERDA FY 20-21 Budget
 Detail schedule: Capital Budget
 (Amounts in thousands)

	<u>Actual</u> <u>FY 2018-19</u>	<u>Budget</u> <u>FY 2019-20</u>	<u>Change</u>	<u>Budget</u> <u>FY 2020-21</u>
Clean Energy Fund system development costs	1,405	1,000	600	1,600
Building improvements	-	626	95	721
Vehicles	-	-	40	40
Clean Energy Standard system development costs	242	-	-	-
Leasehold improvements	46	-	-	-
STEP infrastructure	10	30	-	30
Furniture, fixtures and equipment	106	75	(75)	-
Information technology upgrades	127	670	(225)	445
Total Capital Asset Additions	<u>1,936</u>	<u>2,401</u>	<u>435</u>	<u>2,836</u>

NYSERDA FY 20-21 Budget
 Detail schedule: Debt Schedule
 (Amounts in thousands)

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

	<u>Principal Issued</u>	<u>Cumulative Debt Service</u>	<u>Pledged Revenues</u>	<u>Debt service % of Pledged Revenues</u>	<u>FY 20-21 Debt Service</u>	<u>FY 20-21 Outstanding Principal</u>	<u>FY 21-22 Debt Service</u>	<u>FY 21-22 Outstanding Principal</u>	<u>FY 22-23 Debt Service</u>	<u>FY 22-23 Outstanding Principal</u>	<u>FY 23-24 Debt Service</u>	<u>FY 23-24 Outstanding Principal</u>
Residential Energy Efficiency Financing Revenue Bonds												
Series 2013A (NYS EFC Guarantee)	23,400	29,651	37,436	79.2%	2,206	10,660	2,133	8,880	1,892	7,290	1,697	5,845
Series 2015A	46,358	54,363	67,991	80.0%	3,975	30,430	3,738	27,310	3,660	24,210	3,657	21,050
Series 2016A	23,180	24,539	34,473	71.2%	2,028	17,330	2,017	15,695	1,859	14,190	1,785	12,730
Residential Solar Loan Revenue Bonds, Series 2015A	48,536	75,406	86,927	86.7%	4,312	35,549	4,153	32,618	4,123	29,568	-	-
Residential Solar Loan Revenue Bonds, Series 2018A	18,500	22,673	30,732	73.8%	2,640	12,150	2,203	10,405	1,933	8,875	1,744	7,480
Residential Solar Loan Revenue Bonds, Series 2019A	15,510	18,339	21,257	0.0%	2,662	12,595	2,389	10,645	2,157	8,860	1,984	7,185
Total	<u>175,484</u>	<u>224,971</u>	<u>278,816</u>	<u>80.7%</u>	<u>17,823</u>	<u>118,714</u>	<u>16,633</u>	<u>105,553</u>	<u>15,624</u>	<u>92,993</u>	<u>10,867</u>	<u>54,290</u>

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 2020-21
 Financial Plan
 (Amounts in thousands)

	FY 2020-21 Budget	FY 2021-22 Projection	FY 2022-23 Projection	FY 2023-24 Projection
REVENUES:				
State appropriations	\$ 33,883	23,394	25,583	23,356
Third party reimbursement	33,479	40,329	29,684	12,340
Utility surcharge assessments	499,731	828,317	741,468	634,105
Renewable energy credit proceeds	9,096	30,367	131,858	181,969
Zero emission credit payments	541,037	590,473	590,473	186,650
Allowance auction proceeds	104,454	109,140	104,558	104,558
Federal grants	8,400	10,074	9,552	6,735
Other income	49,441	53,883	62,130	66,707
TOTAL REVENUES	1,279,521	1,685,977	1,695,306	1,216,420
EXPENSES:				
Salaries and benefits	60,219	62,544	64,421	66,353
Program expenditures	1,235,220	1,456,996	1,471,499	987,684
Investment related expenses	348	355	363	370
Program operating costs	4,508	4,559	4,668	4,810
General & administrative expenses	10,740	10,077	10,381	10,693
Depreciation	3,303	3,274	2,635	2,149
NYS assessments	13,594	13,594	13,594	13,594
Bond interest and fees	3,890	3,472	3,064	2,652
TOTAL EXPENSES	1,331,822	1,554,871	1,570,625	1,088,305
Net (expense) revenue and change in net position	(52,301)	131,106	124,681	128,115
Net position beginning of year	967,847	915,546	1,046,652	1,171,333
Total net position end of year	\$ 915,546	1,046,652	1,171,333	1,299,448

NYSERDA
 FY 2020-21 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	\$ -	-	-	-	6,169	150	18,200	9,364	33,883
Third party reimbursement	15,000	-	-	-	-	-	1,829	16,650	33,479
Utility surcharge assessments	274,826	8,578	94,859	-	-	9,951	-	111,517	499,731
Renewable energy credit proceeds	-	-	-	9,096	-	-	-	-	9,096
Zero emission credit payments	-	-	-	541,037	-	-	-	-	541,037
Allowance auction proceeds	-	-	-	-	104,454	-	-	-	104,454
Project repayments	-	-	-	-	-	-	-	385	385
Federal grants	-	-	-	-	-	2,581	-	5,819	8,400
Rentals from leases	-	-	-	-	-	-	-	986	986
Interest income	1,131	3,404	337	2,035	1,773	-	-	2,322	11,002
Loan interest	-	23,614	-	-	-	-	-	8,402	32,016
Loan principal repayments	-	107,389	-	-	-	-	-	-	107,389
QECB interest subsidy	-	-	-	-	-	-	-	355	355
Fees and other income	-	4,500	-	-	-	-	-	197	4,697
TOTAL REVENUES	290,957	147,485	95,196	552,168	112,396	12,682	20,029	155,997	1,386,910
DISBURSEMENTS:									
Salaries and benefits	23,749	8,647	1,965	3,749	5,523	5,586	2,518	8,482	60,219
Program expenditures	289,226	640	107,017	556,927	121,156	4,950	16,636	138,668	1,235,220
Investment related expenses	-	348	-	-	-	-	-	-	348
Other Operating costs	684	2,040	59	83	12	897	152	581	4,508
General & administrative expenses	4,231	1,536	349	669	985	996	458	1,516	10,740
Capital asset additions	2,076	173	39	75	111	112	50	200	2,836
Deployed Capital	-	226,407	-	-	-	-	-	-	226,407
Bond interest and fees	-	-	-	-	-	-	-	3,890	3,890
Principal bond payment	-	-	-	-	-	-	-	13,933	13,933
Loan purchases	-	-	-	-	-	-	-	24,982	24,982
NYS Assessments	3,298	138	1,132	5,793	1,318	130	204	1,581	13,594
TOTAL EXPENSES	323,264	239,929	110,561	567,296	129,105	12,671	20,018	193,833	1,596,677
Net (expense) revenue and change in cash position	(32,307)	(92,444)	(15,365)	(15,128)	(16,709)	11	11	(37,836)	(209,767)
Cash and investments, beginning of year	79,693	205,604	44,318	125,361	139,069	4,084	-	99,310	697,439
Inter-program transfers	17,655	-	-	-	(29,655)	-	-	12,000	-
Cash and investments, end of year	\$ 65,041	113,160	28,953	110,233	92,705	4,095	11	73,474	487,672