

DRAFT

New York State Energy Research and Development Authority

Fiscal Year 2021-22 Budget and Financial Plan

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CERTIFICATION

DRAFT

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, 2022 has been developed based on reasonable assumptions and methods of estimation.

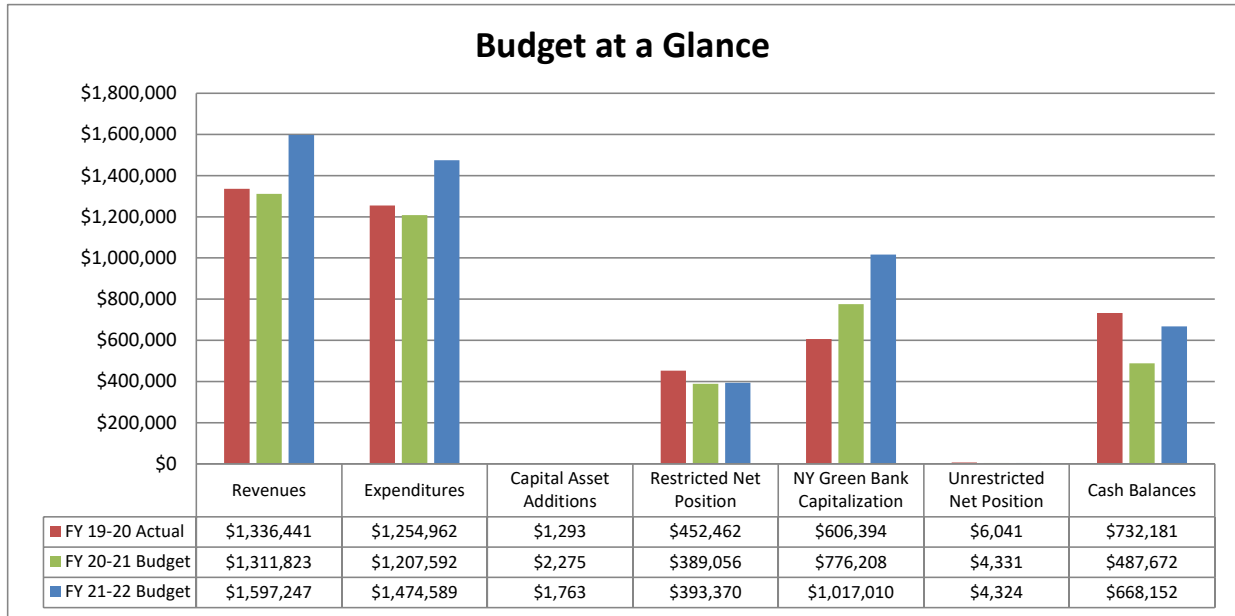


Doreen M. Harris
Acting President and Chief Executive Officer



Jeffrey J. Pitkin
Treasurer and Chief Financial Officer

Budget FY 2021-22 (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, 2022 (FY 2021-22), and the Financial Plan for FY's 2022-23 to 2024-25 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. A May 2020 Order was approved by the PSC to increase the NY-Sun funding level by \$573 million to expand the capacity target from 3 GW by 2023 to 6 GW by 2025.

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. In October 2020 the PSC approved an Order adopting modifications to the Clean Energy Standard to implement New York's Climate Leadership and Community Protection Act. The Order allows for a continuation of Tier 1 solicitations to ensure that 70% of the load in 2030 is served by renewable resources, NYSERDA will create a new competitive Tier 2 program to ensure the continued availability of legacy baseline resources to meet the State's renewable energy goals, NYSERDA will also create a new competitive Tier 4 program to increase penetration of renewable energy in New York City and reducing reliance on fossil fuel usage, and NYSERDA will continue to conduct annual offshore wind solicitations to achieve the statewide goal of 9 GW by 2035.

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 Smart, 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 2020 auction .
- West Valley’s State appropriation revenue for FY 2021-22 through FY 2024-25 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 \$92.4 million for FY 2021-22 through FY 2024-25, 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 2021-22 of up to \$32.3 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 2% cost-of-living-adjustment which was originally scheduled effective April 1, 2020, but has not yet been authorized by the State. The increase, if approved by NYS, will be in accordance with increases granted for M/C employees. No retroactive salary costs for FY 20-21 have been budgeted as it is uncertain whether a retroactive component will occur but would be paid out if authorized by NYS. 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. Due to market declines in March of 2020, NYSERDA’s actuarially-determined pension expense allocated from the NYS Retirement System increased by \$4.2 million in FY 2019-20 to \$9.0 million for FY 2020-21. Since the market has rebounded from the March 2020 decline, NYSERDA anticipates next year’s actuarially-determined pension expense to decrease, and possibly return to previous levels, but the actuarial calculation is dependent upon multiple conditions/assumptions at a particular point in time (March 31, 2021). The FY 2021-22 assumption of \$6.7 million is an average of the past two years to be conservative. The OPEB expense under Governmental Accounting Standards Board Statement No. 75 in the FY 2021-22 Budget is based on preliminary actuarial estimates calculated, but the final amount 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.

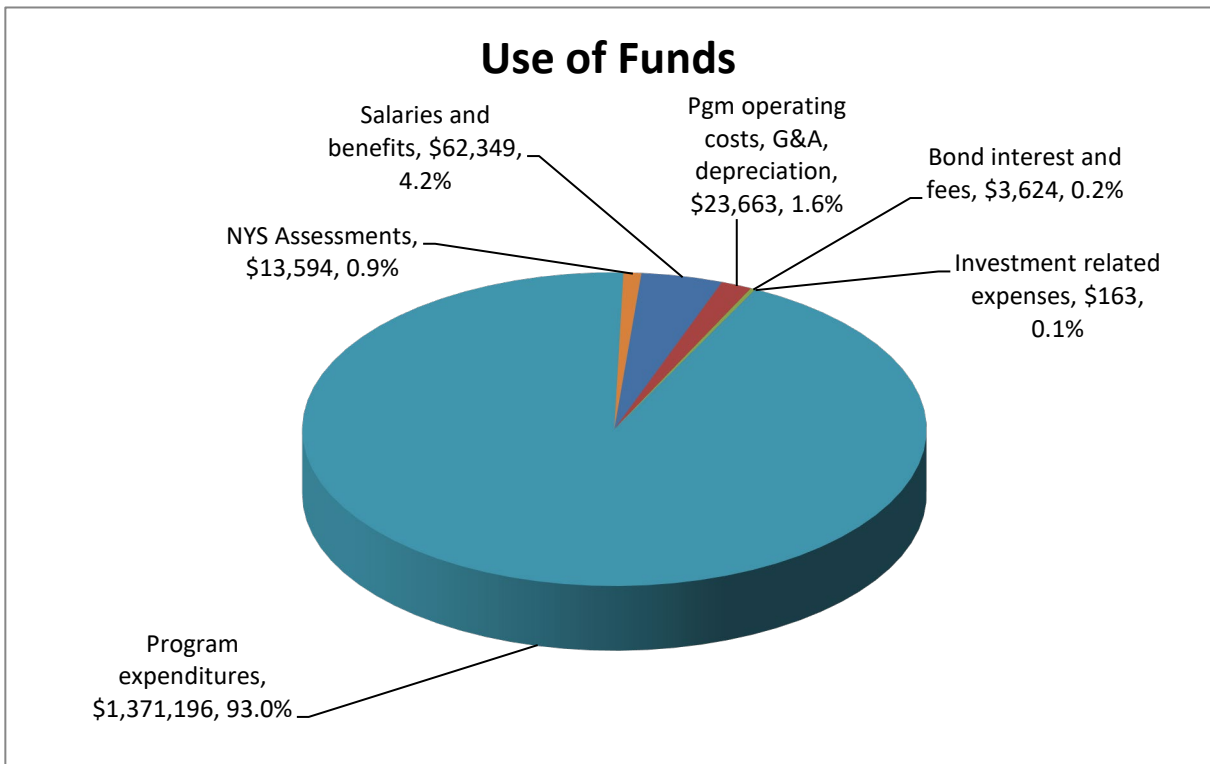
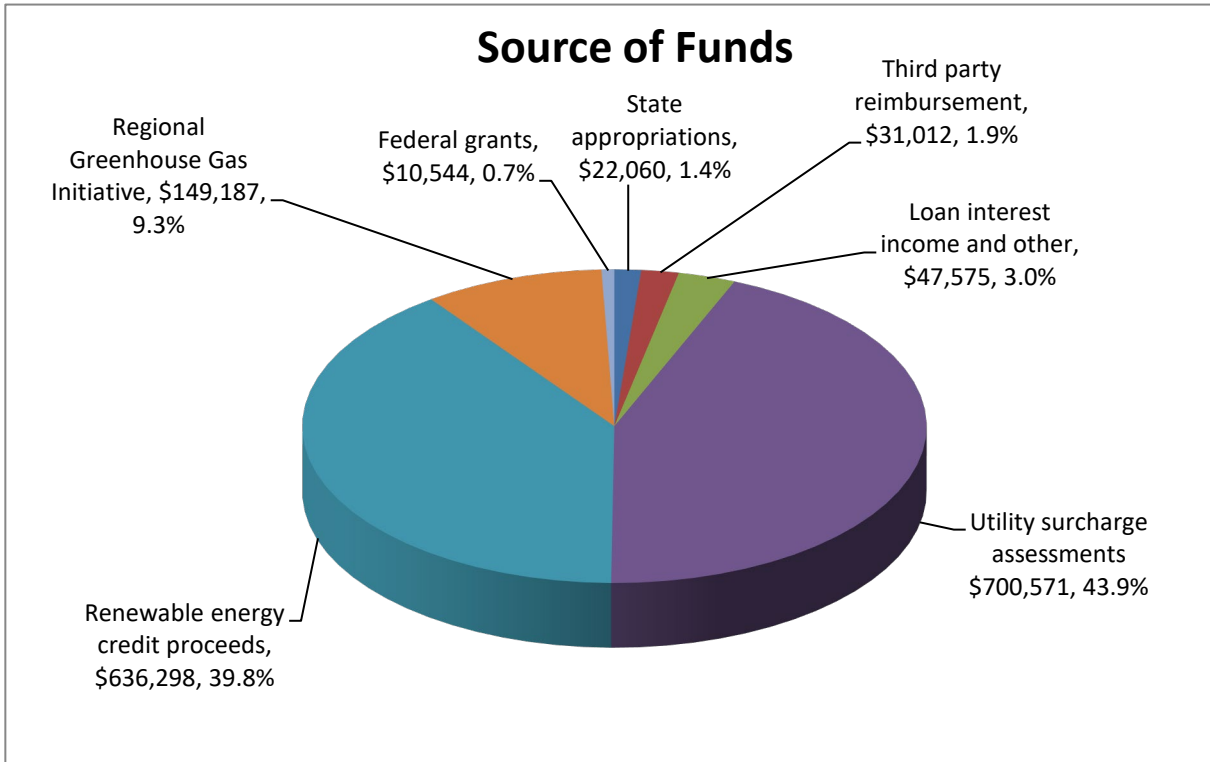
BUDGETARY RISKS

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 2021-22 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 decisions for several significant facilities will not be finalized prior to 2023. 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.

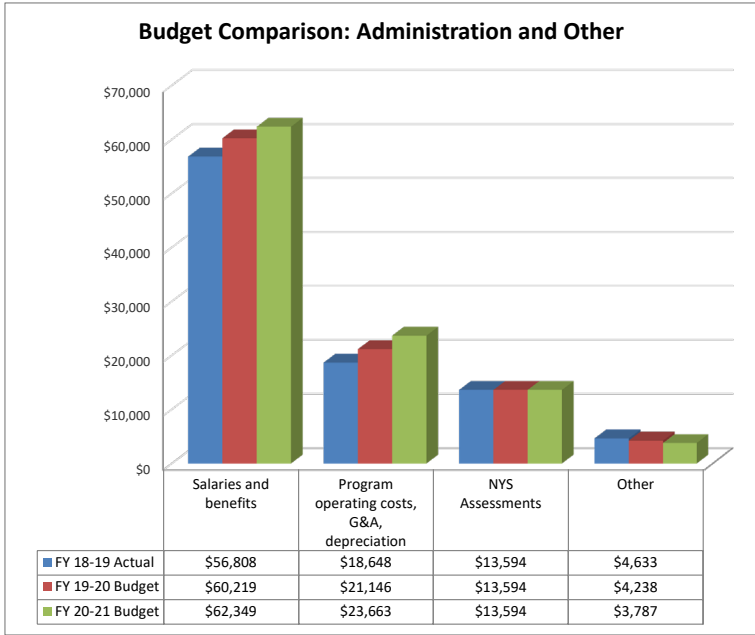
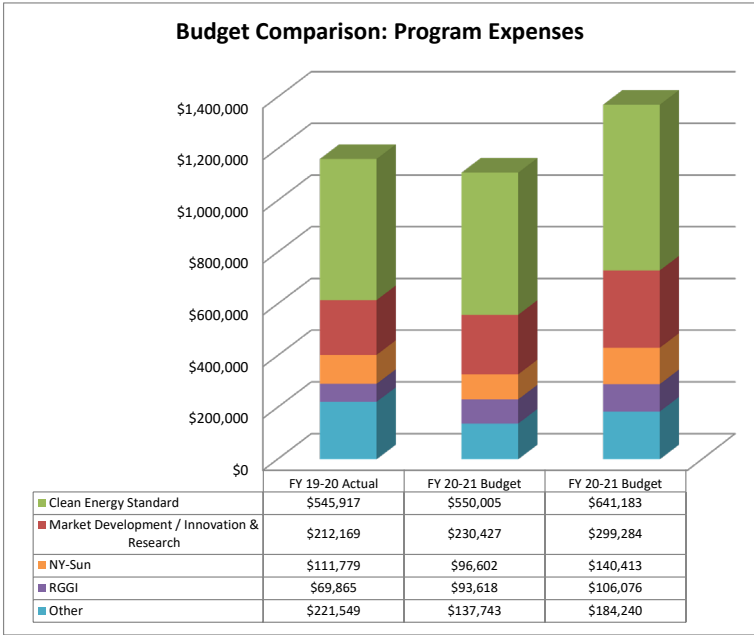
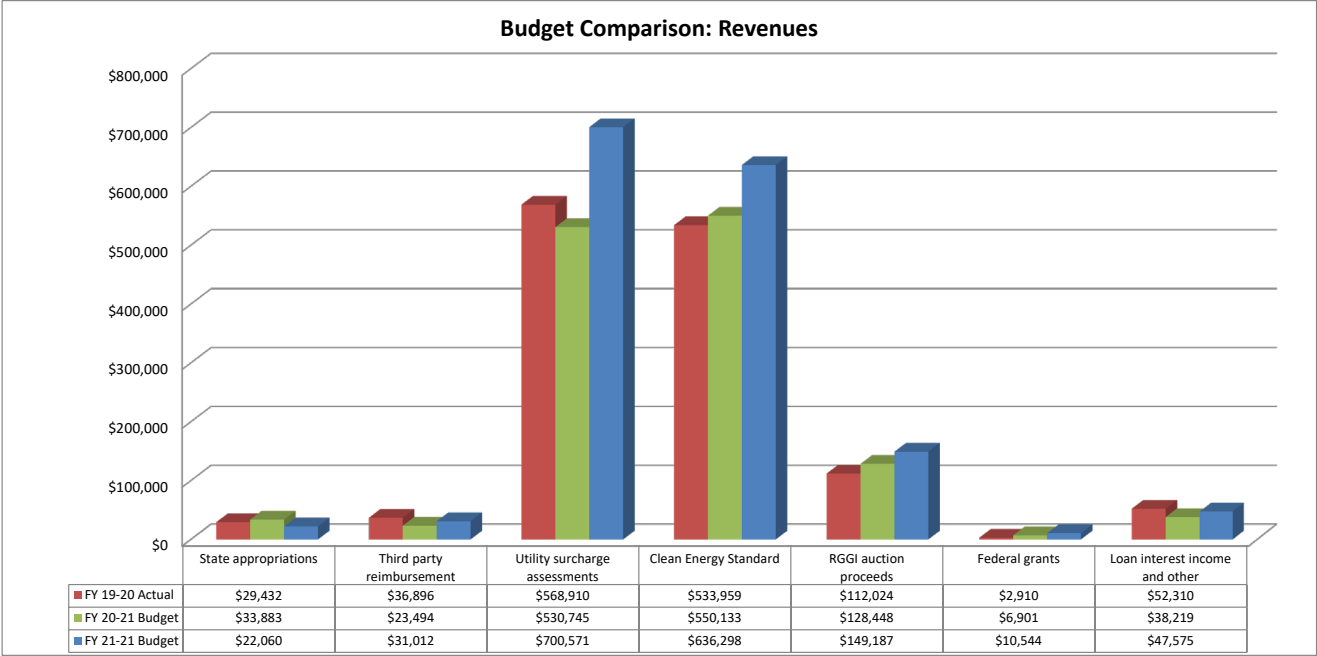
Budget FY 2021-22

(Amounts in thousands)



Budget FY 2021-22

(Amounts in thousands)



NYSERDA
 Budget FY 2021-22
 (Amounts in thousands)

	Budget FY 2021-22	Budget FY 2020-21
Net position beginning of year	\$ 1,305,043	1,079,131
<u>Revenues:</u>		
State appropriations	22,060	33,883
Third party reimbursement	31,012	23,494
Utility surcharge assessments	700,571	530,745
Renewable energy credit proceeds	45,825	9,096
Zero emission credit payments	590,473	541,037
Allowance auction proceeds	149,187	128,448
Project repayments	200	385
Federal grants	10,544	6,901
Rentals from leases	996	986
Interest income	1,002	684
Loan interest	33,907	30,988
QECCB interest subsidy	306	355
Fees and other income	11,164	4,821
Total Revenues	1,597,247	1,311,823
<u>Expenses:</u>		
Salaries and benefits	62,349	60,219
Program expenditures	1,371,196	1,108,395
Investment related expenses	163	348
Program operating costs	4,514	3,598
General & administrative expenses	16,615	14,245
Depreciation	2,534	3,303
NYS Assessments	13,594	13,594
Bond interest and fees	3,624	3,890
Total Expenses	1,474,589	1,207,592
Net (expense) revenue and change in net position	122,658	104,231
<u>Net position end of year:</u>		
Restricted for specific programs	393,370	389,056
NY Green Bank Capitalization	1,017,010	776,208
Net Investment in Capital Assets	12,997	13,767
Unrestricted	4,324	4,331
Total net position end of year	\$ 1,427,701	1,183,362

NYSDA
 Budget FY 2021-22
 (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 2021-22	Budget FY 2020-21
Net position, beginning of year	\$ 45,362	896,529	17,504	(25,114)	133,412	3,101	-	239,941	1,305,043	1,079,131
<u>Revenues:</u>										
State appropriations	-	-	-	-	1,141	143	20,500	276	22,060	33,883
Third party reimbursement	15,000	-	-	-	-	-	2,056	13,956	31,012	23,494
Utility surcharge assessments	295,578	105,800	152,007	-	-	13,666	-	133,520.74	700,571	530,745
Renewable energy credit proceeds	-	-	-	45,825	-	-	-	-	45,825	9,096
Zero emission credit payments	-	-	-	590,473	-	-	-	-	590,473	541,037
Allowance auction proceeds	-	-	-	-	149,187	-	-	-	149,187	128,448
Project repayments	-	-	-	-	-	-	-	200	200	385
Federal grants	-	-	-	-	-	2,850	-	7,694	10,544	6,901
Rentals from leases	-	-	-	-	-	-	-	996	996	986
Interest income	108	343	61	124	154	-	-	212	1,002	684
Loan interest	-	25,578	-	-	-	-	-	8,329	33,907	30,988
QECB interest subsidy	-	-	-	-	-	-	-	306	306	355
Fees and other income	-	3,967	-	7,000	-	-	-	197	11,164	4,821
Total Revenues	310,685	135,688	152,067	643,422	150,482	16,659	22,556	165,687	1,597,247	1,311,823
<u>Expenses:</u>										
Salaries and benefits	22,794	9,017	2,234	6,028	5,935	5,939	2,633	7,769	62,349	60,219
Program expenditures	299,284	600	140,413	641,183	106,076	8,497	18,794	156,349	1,371,196	1,108,395
Investment related expenses	-	163	-	-	-	-	-	-	163	348
Program operating costs	689	2,716	55	75	4	375	149	451	4,514	3,598
General & administrative expenses	6,073	2,391	595	1,617	1,580	1,577	714	2,068	16,615	14,245
Depreciation	1,133	180	281	166	119	118	58	479	2,534	3,303
NYS Assessments	3,071	140	1,336	6,040	1,058	153	208	1,588	13,594	13,594
Bond interest and fees	-	-	-	-	-	-	-	3,624	3,624	3,890
Total Expenses	333,044	15,207	144,914	655,109	114,772	16,659	22,556	172,328	1,474,589	1,207,592
Net sources / (uses) of net position other than transfers	(22,359)	120,481	7,153	(11,687)	35,710	(1)	-	(6,641)	122,658	104,231
Inter-program transfers	33,789	-	-	-	(45,789)	-	-	12,000	-	-
Net Investment in Capital Assets	(677)	-	(236)	(44)	-	-	(4)	191	(770)	(743)
<u>Net Position End of Year:</u>										
Restricted for specific programs	56,184	-	24,388	(36,853)	123,333	3,101	(200)	223,416	393,370	389,056
NY Green Bank Capitalization	-	1,017,010	-	-	-	-	-	-	1,017,010	776,208
Net Investment in Capital Assets	608	-	269	52	-	-	200	11,868	12,997	13,767
Unrestricted	-	-	-	-	-	-	-	4,324	4,324	4,331
Net position end of year	\$ 56,792	1,017,010	24,657	(36,801)	123,333	3,101	-	239,608	1,427,701	1,183,362

NYSERDA
FY 2021-22 Budget
Reconciliation of Budget Changes
(Amounts in thousands)

	Actual FY 2019-20	Budget FY 2020-21	Change	Budget FY 2021-22	Explanation for change
State appropriations					
West Valley	\$ 15,043	18,200	2,300	20,500	Reflects an increase in anticipated program expenditures for NYSERDA's share of federal and state spending at West Valley.
Energy & Environmental Analysis - Low-Level Radioactive Waste RGGI	150	150	(8)	143	Reflects a 5% reduction in accordance with Division of the Budget guidelines.
Other Programs - Energy/Environmental projects	1,602	6,169	(5,028)	1,141	Reflects 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) and removal of reimbursement funding for the 76 West initiative which was included in FY 20-21 budget.
Other Programs - Energy/Environmental projects	12,637	9,364	(9,088)	276	Reflects a decrease in anticipated expenditures under a UDC Capital Budget appropriation and reduction in reimbursement funding for a Brookhaven National Lab Energy Storage project which was completed during FY 20-21.
Total state appropriations	29,432	33,883	(11,823)	22,060	
Third party reimbursement	36,896	23,494	7,518	31,012	Reflects an increase in funding to be received under the Federal Government Volkswagen settlement, offset in part by a reduction in reimbursement funding based on anticipated expenditures under the Indian Point Energy Center Reliability Contingency and National Fuel Gas gas efficiency programs.
Utility surcharge assessments					
Market Development/ Innovation & Research NY-Sun	226,809	195,798	99,780	295,578	Increase reflects revenues based on anticipated expenditures under the BAYG approach.
Energy Storage	126,197	80,933	71,074	152,007	Increase reflects revenues based on anticipated expenditures under the "Bill-As-You-Go" (BAYG) approach.
SBC/RPS/(EEPS FY19-20 actuals only)	-	11,888	47,241	59,129	Increase reflects revenues based on anticipated expenditures under the BAYG approach for this program which was authorized by the Public Service Commission in January 2019.
18-a funding	175,526	63,892	1,466	65,358	Decrease reflects revenues based on anticipated expenditures under the BAYG approach, which reflects winding down and closure of legacy SBC, EEPS, and RPS programs.
NY Green Bank	19,700	22,700	-	22,700	(No change)
Total utility surcharge assessments	20,678	155,534	(49,734)	105,800	Decrease is based on projections of deployed capital as well as forecasted cash balances.
Renewable energy credit proceeds	568,910	530,745	169,826	700,571	
Renewable energy credit proceeds	5,613	9,096	36,729	45,825	Reflects an anticipated increase in the number of renewable energy credits to be sold to load serve entities pursuant to newly revised compliance requirements under the existing Clean Energy Standard Tier One and new Tier Two State-mandated compliance programs.
Zero emission credit assessments	528,346	541,037	49,436	590,473	Increase is based on the maximum "zero-emission" credit price established pursuant to the Clean Energy Standard Order of the Public Service Commission (PSC) but the actual subsidy price will be determined prior to April 1, 2021.
Allowance auction proceeds	112,024	128,448	20,739	149,187	Reflects an increase in both the anticipated allowance price and number of allowances to be auctioned consistent with the FY 21-22 RGGI Operating Plan. The allowance price is based on the September 2020 auction results.
Project repayments	68	385	(185)	200	Reflects a decrease based on anticipated recoupment payments.
Federal grants	2,910	6,901	3,643	10,544	Principally reflects a net increase in anticipated reimbursable expenditures under the U.S. Department of Energy (DOE) 'Offshore Wind Consortium' and 'State Energy Program' grants and an increase in a NYS Department of Transportation Congestion Mitigation Air Quality grant, offset in part by decreases in certain DOE energy efficiency special project grants.
Rentals from leases	1,026	986	10	996	(Minor change)
Interest income	18,338	684	318	1,002	Increase is principally due to expected higher investment balances. Yields are based on a one-year U.S. Treasury bond index rate (FY 20-21's assumed rate was .10% and FY 21-22's assumed rate is .12%).
Loan interest - NY Green Bank	18,612	22,586	2,992	25,578	Reflects an increase in anticipated loan activity.
Loan interest - GJGNY	7,739	8,402	(73)	8,329	Reflects a slight decrease increase in anticipated loan activity.
QECB interest subsidy	402	355	(49)	306	Principally due to a lower outstanding principal balance on the 2013 Energy Efficiency Financing Revenue Bonds generating less interest expense qualifying for the subsidy.
Fees and other income	6,125	4,821	6,343	11,164	Increase principally reflects non-refundable Clean Energy Standard bid fees not budgeted in FY 20-21, offset in part by a decrease in estimated NY Green Bank closing and undrawn fees.
Total Revenues:	1,336,441	1,311,823	285,424	1,597,247	

NYSERDA
FY 2021-22 Budget
Reconciliation of Budget Changes
(Amounts in thousands)

	Actual FY 2019-20	Budget FY 2020-21	Change	Budget FY 2021-22	Explanation for change
<u>Expenses:</u>					
Salaries	39,683	42,768	(1,200)	41,568	Reflects a net decrease in assumed filled positions, partially offset by an assumed 2% cost-of-living adjustment and performance-based salary increases/awards presuming similar awards are approved for NYS employees.
Benefits	17,125	17,451	3,330	20,781	Principally reflects an anticipated increase in pension costs based on most recent FY20-21 actuarial pension expense from NYS Retirement System, as well as, increases in compensated absences and health insurance estimates based on current spending levels.
Total salaries and benefits	56,808	60,219	2,130	62,349	
Program expenditures					
NY-Sun	111,779	96,602	43,811	140,413	Reflects an increase in anticipated expenditures based on project completion dates and timing of incentive payments.
Market Development/ Innovation & Research	212,169	230,427	68,857	299,284	Reflects an overall increase in anticipated program activity resulting from the implementation of an increased number of approved initiatives.
Clean Energy Standard - REC	8,175	8,817	37,008	45,825	Reflects an increase in the projected purchase of renewable energy credits of on-line facilities under the Clean Energy Standard Tier One and Tier Two State-mandated compliance program.
Clean Energy Standard - ZEC	537,742	541,188	49,285	590,473	Represents an increase in payments to zero-emission generation facilities based on the maximum credit price established pursuant to the Clean Energy Standard Order of the Public Service Commission but the actual subsidy price will be determined prior to April 1, 2021.
Other Programs (individually < 5% of total)	202,353	116,084	48,697	164,781	Represents an overall increase in anticipated expenditures primarily for the Energy Storage Program which was authorized by the Public Service Commission in January 2019, offset in part by a decrease in RPS program expenditures from cancelled Main Tier contracts and for reduction in incentive payments for Customer-sited Tier technology projects based on program wind down.
Regional Greenhouse Gas Initiative	69,865	93,618	12,458	106,076	Reflects an increase in anticipated expenditures based on amounts included in the FY 21-22 RGGI Operating Plan.
West Valley	14,126	16,589	2,205	18,794	Reflects an increase in anticipated program expenditures for NYSERDA's share of federal and state spending at West Valley.
NY Green Bank	214	120	480	600	Reflects an increase in anticipated Evaluation expenditures.
Energy & Environmental Analysis	4,856	4,950	-	4,950	(No change)
Total program expenditures	1,161,279	1,108,395	262,801	1,371,196	
Investment related expenses - NY Green Bank	399	348	(185)	163	Represents a decrease in estimated non-reimbursed program related costs to support investment portfolio transactions.
Program operating costs	2,854	3,598	916	4,514	Primarily reflects an increase in temporary service costs for NY Green Bank.
General & administrative expenses	12,818	14,245	2,370	16,615	Reflects an increase in temporary service costs for several administrative departments, an increase in IT software needs, IT professional service costs, and web based storage upgrades, offset in part by a decrease in telecommunications costs.
Depreciation	2,976	3,303	(769)	2,534	Reflects a decrease in projected depreciation on existing capital assets which is offset in part from planned additions in FY 21-22.
NYS Assessments	13,594	13,594	-	13,594	(No change)
Bond interest and fees	4,234	3,890	(266)	3,624	Decrease reflects scheduled interest expense payments based on aggregate outstanding principal balances
Total Expenses:	1,254,962	1,207,592	266,997	1,474,589	

NYSERDA
FY 2021-22 Budget
Reconciliation of Budget Changes
(Amounts in thousands)

	Actual FY 2019-20	Budget FY 2020-21	Change	Budget FY 2021-22	Explanation for change
Net (expense) revenue and change in net position	81,479	104,231	18,427	122,658	
Net position beginning of year	997,652	1,079,131	225,912	1,305,043	Reflects adjustments for known timing differences (in FY 20-21).
<u>Net position end of year:</u>					
Restricted for specific programs	452,462	389,056	4,314	393,370	Primarily from an increase in the anticipated effect of BAYG pursuant to the CEF Order, offset in part by a decrease in the anticipated timing of the Clean Energy Standard revenues and expenditures.
NY Green Bank Capitalization	606,394	776,208	240,802	1,017,010	Reflects the net effect of all undrawn capital, deployed capital, matured/recycled capital, and a cumulative result of revenues exceeding expenditures.
Net Investment in Capital Assets	14,234	13,767	(770)	12,997	Reflects anticipated asset purchases less depreciation.
Unrestricted	6,041	4,331	(7)	4,324	(Minor change)
Total net position end of year	<u>\$ 1,079,131</u>	<u>1,183,362</u>	<u>244,339</u>	<u>1,427,701</u>	

Certain amounts for FY 2019-20 and FY 2020-21 have been reclassified to conform with the FY 2021-22 Budget presentation.

NYSERDA FY 2021-22 Budget
 Detail schedule: Salaries and benefits
 (Amounts in thousands)

	Actual	Budget		Budget
	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>Change</u>	<u>FY 2021-22</u>
Salaries **	39,683	42,768	(1,201)	41,567
Fringe Benefits:				
Pension	4,444	4,822	1,917	6,739
Compensated absence leave accruals	1,229	473	1,108	1,581
Health insurance	4,394	4,579	237	4,816
Postemployment health insurance (GASB 45/75)	2,608	2,709	113	2,822
NYS Paid Family Leave	38	68	62	130
Workers compensation	81	85	24	109
Unemployment	3	34	6	40
Short-Term Disability	0	0	5	5
Long-term disability insurance	87	90	3	93
Dependent Care plan	14	20	(6)	14
Dental plan	278	337	(10)	327
Voluntary Defined Contribution Plan	1,002	1,072	(15)	1,057
Vision care plan	24	34	(17)	17
Tuition reimbursement	38	35	(28)	7
Social Security/Medicare taxes	2,886	3,093	(68)	3,025
sub-total benefits	<u>17,125</u>	<u>17,451</u>	<u>3,331</u>	<u>20,782</u>
Percentage of Salaries	43.2%	40.8%		50.0%
Total Salaries and Benefits	<u><u>56,808</u></u>	<u><u>60,219</u></u>	<u><u>2,130</u></u>	<u><u>62,349</u></u>
Number of full-time equivalent employees (FTEs)	345.6	362.2	(8.1)	354.1

** Salaries include a 2% cost-of-living-adjustment which was originally scheduled to occur effective April 1, 2020, but has not been authorized by the State. The increase, if approved by NYS, will be in accordance with increases granted for M/C employees. No retroactive salary costs for FY 20-21 have been budgeted as it is uncertain whether a retroactive component will occur but would be paid out if authorized by NYS. 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 FY21-22 Budget
 Detail schedule: Program Expenditures
 (Amounts in thousands)

<u>Function/Program</u>	<u>Working Budget *</u>	<u>Budget FY 2020-21</u>	<u>Budget FY 2021-22</u>	<u>Financial Plan FY 2022-23</u>	<u>Financial Plan FY 2023-24</u>	<u>Financial Plan FY 2024-25</u>	<u>Future</u>
Market Development/ Innovation & Research	\$ 2,610,352	230,427	299,284	350,798	351,233	308,582	1,070,029
NY Green Bank	1,915	120	600	535	660	-	-
NY-Sun	1,282,660	96,602	140,413	357,123	358,192	167,670	162,660
Clean Energy Standard - Offshore Wind	5,933,208	1,325	4,885	4,885	34,800	177,600	5,709,712
Clean Energy Standard - REC	4,756,374	14,413	23,603	90,833	134,464	169,029	4,324,032
Clean Energy Standard - REC Tier 2	200,770	-	22,222	40,000	48,889	31,111	58,548
Clean Energy Standard - ZEC	2,323,161	541,188	590,473	590,473	186,650	186,650	227,727
RGGI	456,255	93,618	106,076	106,875	91,104	10,245	48,337
Energy & Environmental Analysis	39,497	7,950	8,497	7,950	7,950	7,150	-
West Valley	91,244	16,589	18,794	18,769	18,618	18,474	-
Other Programs	740,217	106,162	156,350	170,383	103,363	54,232	149,727
Total	\$ 18,435,653	1,108,395	1,371,196	1,738,624	1,335,923	1,130,743	11,750,771

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

Certain amounts for FY 2020-21 have been reclassified to conform with the FY 2021-22 Budget presentation.

NYSERDA FY 2021-22 Budget
 Detail schedule: Program Operating Costs
 (Amounts in thousands)

	Actuals	Budget		Budget
	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>Change</u>	<u>FY 2021-22</u>
Temporary Staffing, Outside Technical Reviewer	152	208	807	1,015
Office Supplies, Equipment Rental, and Other	292	292	131	423
Computer Services and Software	313	336	82	418
Rent, Maintenance & Repairs, Utilities, Insurance	403	415	8	423
Training, Recruitment & Relocation	0	61	(3)	59
Travel and Outreach Costs	440	595	(39)	555
Professional Services:				
STEP & Other Consulting	50	35	17	52
NY Green Bank	1,204	1,656	(87)	1,569
Total Professional Services	<u>1,254</u>	<u>1,691</u>	<u>(70)</u>	<u>1,621</u>
Total Program Operating Costs	<u><u>2,854</u></u>	<u><u>3,598</u></u>	<u><u>916</u></u>	<u><u>4,514</u></u>

NYSERDA FY 2021-22 Budget

Detail schedule: General & Administrative Expenses

(Amounts in thousands)

	Actuals	Budget		Budget
	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>Change</u>	<u>FY 2021-22</u>
Temporary Staffing, Outside Technical Reviewer	3,755	3,059	971	4,030
Computer Services and Software	2,862	3,424	915	4,339
Rent, Maintenance & Repairs, Utilities, Insurance	3,196	3,398	300	3,698
Professional Services:				
Website support services	420	380	160	540
Information Technology	1,056	2,069	27	2,096
Fiscal Agent, audit and third-party payroll and Human Resource services	513	542	17	559
Other Consulting	176	66	40	106
Internal Audit support services	1	50	-	50
Marketing	133	280	-	280
Communication and consumer support services	132	150	-	150
Total Professional Services	<u>2,431</u>	<u>3,537</u>	<u>244</u>	<u>3,781</u>
Training, Recruitment & Relocation	109	305	(3)	302
Travel and Outreach Costs	263	247	(12)	236
Office Supplies, Equipment Rental, and Other	202	275	(46)	229
Total General & Administrative Expense	<u><u>12,818</u></u>	<u><u>14,245</u></u>	<u><u>2,369</u></u>	<u><u>16,615</u></u>

Certain amounts for FY 2019-20 and FY 2020-21 have been reclassified to conform with the FY 2021-22 Budget presentation.

NYSERDA FY 2021-22 Budget
 Detail schedule: Capital Budget
 (Amounts in thousands)

	<u>Actual</u> <u>FY 2019-20</u>	<u>Budget</u> <u>FY 2020-21</u>	<u>Change</u>	<u>Budget</u> <u>FY 2021-22</u>
Building improvements	-	260	701	961
Information technology upgrades	293	345	450	795
Furniture, fixtures and equipment	172	-	7	7
Leasehold improvements	20	-	-	-
STEP infrastructure	13	30	(30)	-
Vehicles	-	40	(40)	-
Clean Energy Fund system development costs	795	1,600	(1,600)	-
Total Capital Asset Additions	<u>1,293</u>	<u>2,275</u>	<u>(512)</u>	<u>1,763</u>

Certain amounts for FY 2020-21 have been reclassified to conform with the FY 2021-22 Budget presentation.

NYSERDA FY 2021-22 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>Anticipated Total Debt Service</u>	<u>Pledged Revenues</u>	<u>Debt service % of Pledged Revenues</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)	24,300	29,651	37,436	79.2%	2,133	8,880	1,892	7,290	1,697	5,845
Series 2015A	46,358	53,824	67,991	79.2%	3,738	27,310	3,660	24,210	3,657	21,050
Series 2016A	23,180	27,539	34,473	79.9%	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%	3,843	17,081	3,813	14,031	3,292	11,353
Residential Solar Loan Revenue Bonds, Series 2018A	18,500	21,908	30,732	71.3%	2,018	12,175	1,967	10,675	1,720	9,375
Residential Solar and Energy Efficiency Financing Green Revenue Bonds, Series 2019A	15,510	18,339	21,257	86.3%	1,844	11,700	1,736	10,380	1,630	9,125
Residential Solar and Energy Efficiency Financing Green Revenue Bonds, Series 2020A	<u>16,690</u>	<u>19,859</u>	<u>22,611</u>	87.8%	<u>2,287</u>	<u>14,785</u>	<u>2,415</u>	<u>12,720</u>	<u>2,137</u>	<u>10,900</u>
Total	193,074	246,526	301,427	81.8%	17,880	107,626	17,342	93,496	15,918	80,378

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 2021-22
 Financial Plan

(Amounts in thousands)	FY 2021-22 Budget	FY 2022-23 Projection	FY 2023-24 Projection	FY 2024-25 Projection
REVENUES:				
State appropriations	\$ 22,060	22,763	23,496	22,518
Third party reimbursement	31,012	29,056	29,056	29,056
Utility surcharge assessments	700,571	934,287	843,731	538,780
Renewable energy credit proceeds	45,825	91,236	188,051	354,283
Zero emission credit payments	590,473	590,473	186,650	186,650
Allowance auction proceeds	149,187	143,175	132,632	132,632
Federal grants	10,544	12,123	8,015	6,524
Other income	47,575	47,030	52,937	58,964
TOTAL REVENUES	1,597,247	1,870,142	1,464,568	1,329,406
EXPENSES:				
Salaries and benefits	62,349	64,219	66,146	68,130
Program expenditures	1,371,196	1,738,624	1,335,923	1,130,743
Investment related expenses	163	370	377	385
Program operating costs	4,514	4,671	4,791	4,924
General & administrative expenses	16,615	16,601	17,098	17,612
Depreciation	2,534	2,097	1,712	1,386
NYS assessments	13,594	13,594	13,594	13,594
Bond interest and fees	3,624	3,213	2,800	2,419
TOTAL EXPENSES	1,474,589	1,843,390	1,442,441	1,239,195
Net (expense) revenue and change in net position	122,658	26,753	22,126	90,212
Net position beginning of year	1,305,043	1,427,701	1,454,454	1,476,580
Total net position end of year	\$ 1,427,701	1,454,454	1,476,580	1,566,792

NYSERDA
 FY 2021-22 Cash-Based Budget
 (Amounts in thousands)

	Functions/Programs								FY 21-22 Cash Budget Total Total
	Market Development / Innovation & Research	NY Green Bank	NY-Sun	Clean Energy Standard	RGGI	Energy & Environmental Analysis	West Valley	Other	
RECEIPTS:									
State appropriations	\$ -	-	-	-	1,141	143	20,500	276	22,060
Third party reimbursement	15,000	-	-	-	-	-	2,056	13,956	31,012
Utility surcharge assessments	295,578	105,800	152,007	-	-	13,666	-	133,521	700,571
Renewable energy credit proceeds	-	-	-	45,825	-	-	-	-	45,825
Zero emission credit payments	-	-	-	590,473	-	-	-	-	590,473
Allowance auction proceeds	-	-	-	-	149,187	-	-	-	149,187
Project repayments	-	-	-	-	-	-	-	200	200
Federal grants	-	-	-	-	-	2,850	-	7,694	10,544
Rentals from leases	-	-	-	-	-	-	-	996	996
Interest income	108	343	61	124	154	-	-	212	1,002
Loan interest	-	25,578	-	-	-	-	-	8,329	33,907
Loan principal repayments	-	187,553	-	-	-	-	-	18,653	206,206
QECB interest subsidy	-	-	-	-	-	-	-	306	306
Fees and other income	-	3,967	-	7,000	-	-	-	197	11,164
TOTAL REVENUES	310,685	323,241	152,067	643,422	150,482	16,659	22,556	184,340	1,803,453
DISBURSEMENTS:									
Salaries and benefits	22,794	9,017	2,234	6,028	5,935	5,939	2,633	7,769	62,349
Program expenditures	299,284	600	140,413	641,183	106,076	8,497	18,778	156,349	1,371,180
Investment related expenses	-	163	-	-	-	-	-	-	163
Other Operating costs	689	2,716	55	75	4	375	149	451	4,514
General & administrative expenses	6,073	2,391	595	1,617	1,580	1,577	714	2,068	16,615
Capital asset additions	645	255	63	171	168	168	74	219	1,763
Deployed Capital	-	234,163	-	-	-	-	-	-	234,163
Bond interest and fees	-	-	-	-	-	-	-	3,624	3,624
Principal bond payment	-	-	-	-	-	-	-	14,256	14,256
Loan purchases	-	-	-	-	-	-	-	32,318	32,318
NYS Assessments	3,071	140	1,336	6,040	1,058	153	208	1,588	13,594
TOTAL EXPENSES	332,556	249,445	144,696	655,114	114,821	16,709	22,556	218,641	1,754,538
Net (expense) revenue and change in cash position	(21,871)	73,796	7,371	(11,692)	35,661	(51)	-	(34,301)	48,915
Cash and investments, beginning of year	58,729	192,238	29,950	114,213	119,142	3,493	-	101,472	619,237
Inter-program transfers	33,789	-	-	-	(45,789)	-	-	12,000	-
Cash and investments, end of year	\$ 70,648	266,034	37,321	102,521	109,014	3,442	-	79,172	668,152