

**Report of Actual Revenues and Expenditures Compared to Budget
Pursuant to Section 203.8(b) of Regulation 2 NYCRR Part 203
For the Fiscal Year Ended March 31, 2020**

The following table summarizes actual revenues and expenses, as reported in the Statement of Activities, for the fiscal year ended March 31, 2020, in comparison to amounts included in the final budget approved by NYSERDA's Board:

(Amounts in thousands)

| | <u>Actual</u> | <u>Budget</u> | <u>Variance</u> | <u>% Variance</u> |
|--|--------------------|------------------|------------------|-------------------|
| Revenues: | | | | |
| State appropriations | \$29,432 | 34,573 | (5,141) | -14.9% |
| Utility surcharge assessments | 568,910 | 739,056 | (170,146) | -23.0% |
| Renewable energy credit proceeds | 5,613 | 5,262 | 351 | 6.7% |
| Zero-emission credit assessments | 528,346 | 541,037 | (12,691) | -2.3% |
| Allowance auction proceeds | 112,024 | 108,598 | 3,426 | 3.2% |
| Third-party reimbursements | 36,896 | 44,046 | (7,150) | -16.2% |
| Federal grants | 2,910 | 7,339 | (4,429) | -60.3% |
| Interest subsidy | 402 | 399 | 3 | 0.8% |
| Project repayments | 68 | 341 | (273) | -80.1% |
| Rentals from leases | 1,026 | 990 | 36 | 3.6% |
| Fees and other income | 6,125 | 3,614 | 2,511 | 69.5% |
| Loans and financing receivables interest | 26,351 | 26,792 | (441) | -1.6% |
| Investment income | 18,338 | 6,291 | 12,047 | 191.5% |
| Total revenues | 1,336,441 | 1,518,338 | (181,897) | -12.0% |
| Expenses: | | | | |
| Salaries and benefits | 56,808 | 55,971 | 837 | 1.5% |
| Program expenditures | 1,164,321 | 1,458,409 | (294,088) | -20.2% |
| Investment related expenses | 399 | 559 | (160) | -28.6% |
| Program operating costs | 3,101 | 4,513 | (1,412) | -31.3% |
| General & administrative expenses | 9,529 | 9,582 | (53) | -0.6% |
| Depreciation | 2,976 | 3,136 | (160) | -5.1% |
| NY State assessments | 13,593 | 13,593 | - | 0.0% |
| Interest | 4,235 | 3,731 | 504 | 13.6% |
| Total expenses | 1,254,962 | 1,549,494 | (294,532) | -19.0% |
| Excess revenues (expenses) | 81,479 | (31,156) | 112,635 | -361.5% |
| Net position, beginning of year | 997,652 | 985,751 | 11,901 | 1.2% |
| Net position, end of year | | | | |
| Net investments in capital assets | 14,234 | 16,568 | (2,334) | -14.1% |
| Restricted for specific programs | 1,058,856 | 934,993 | 123,863 | 13.2% |
| Unrestricted | 6,041 | 3,034 | 3,007 | 99.1% |
| Total net position, end of year | \$1,079,131 | 954,595 | 124,536 | 13.0% |

Total revenues were approximately \$181.9 million (12.0%) below budget. With regard to significant revenue fluctuations, Utility surcharge assessments were less than budgeted principally due to lower than expected program expenditures in the NY-Sun and Clean Energy Fund (CEF) programs. Zero-emission credit assessments were less than budget primarily due to lower production by the nuclear generating facilities than anticipated. Third-party reimbursements were less than budget primarily due to the level of reimbursable expenditures for the Con Edison Indian Point Energy Center Reliability Contingency program

being less than anticipated in the budget, and because revenues anticipated pursuant to an expected MOU were not received. Allowance auction proceeds were higher than budgeted due to higher clearing prices for allowances sold than had been estimated in the budget. Federal grants were lower than budget principally due to actual expenses under a Congestion Mitigation & Air Quality grant and a U.S. Department of Energy grant expenditures being less than anticipated in the budget. Fees and other income were higher than budgeted primarily due to unanticipated Clean Energy Standard (CES) program alternative compliance payments received from certain Load Serving Entities to meet program obligations, as well as CES bid deposit fees received that were not anticipated in the budget. Investment income was higher than budget due to both higher than anticipated yields and larger than expected balances of investments held.

Total expenses were approximately \$294.5 million (19.0%) below budget. With regard to significant expense fluctuations, Salaries were higher than budgeted due to the payment of a general salary increase (as adopted by NYS for M/C employees), which was not included in the budget since it had not been authorized at the time the budget was adopted. Fringe benefits were higher than budgeted due to higher postemployment health insurance costs than anticipated, offset in part by decreases in pension expense and current health insurance premiums than were assumed in the budget. Program expenditures were less than budgeted primarily due to the level of expenditures for NY-Sun and CEF programs being lower than was anticipated in the budget. Variance in interest expense was primarily due to the payment of interest expense on the Series 2019 Residential Solar Energy Efficiency Financing Green Revenue Bonds which were not anticipated at the time the budget was adopted, but was offset in part by slightly lower than expected interest expense for certain of the other GJGNY bond issues due to redemptions from loan repayment receipts exceeding expectations.