

New York State Energy Research and Development Authority

Fiscal Year 2015-16 Budget and Financial Plan
(Revised September 2015)

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CERTIFICATION

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

Handwritten signature of John B. Rhodes in black ink.

John B. Rhodes
President and Chief Executive Officer

Handwritten signature of Jeffrey J. Pitkin in black ink.

Jeffrey J. Pitkin
Treasurer and Chief Financial Officer

INTRODUCTION

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

The Revised Budget for the fiscal year ending March 31, 2016 (FY 2015-16), and the Financial Plan for FY's 2016-17 to 2018-19 were prepared in accordance with accounting principles generally accepted in the United States of America.

BUDGET PROCESS

NYSERDA's annual budget process starts with the preparation of the Authority's annual strategic program plan which summarizes program goals and objectives using program funds anticipated to be available during the upcoming fiscal year. This document, *Toward a Clean Energy Future - A Strategic Outlook (2015)*, will be reviewed by the Program Planning Committee and approved by the NYSERDA Board on September 21, 2015.

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

The FY 2015-16 Budget was originally approved by the Board at a meeting on January 26, 2015.

PROGRAM SUMMARY

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

New York Energy \$mart (SBCIII)

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

Technology & Market Development (SBC IV)

Pursuant to an October 2011 PSC Order, the Technology and Market Development Portfolio was established with continued funding from the SBC for program activities through December 31, 2016, and with program funding collections scheduled through December 2017. NYSERDA is authorized to administer committed program funds until fully expended.

Energy Efficiency Portfolio Standard (EEPS I-II)

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

Renewable Portfolio Standard

Pursuant to a September 2004 and subsequent Orders, the PSC adopted a policy of increasing the percentage of electricity used by retail consumers in New York State, that is derived from renewable resources to at least 30 percent by 2015. The PSC adopted a Renewable Portfolio Standard (RPS) that sets annual, incremental, renewable energy targets for the years 2006 through 2015; requires the use of financial incentives to encourage the development and operation of renewable generation facilities; and adopts a central procurement model to be administered by NYSERDA. It is funded with a non-bypassable wires charge on certain customers of each of the State's investor-owned utilities scheduled through October 2024.

Clean Energy Fund (CEF)

Pursuant to the Order Commencing Proceeding on Motion of the Commission to consider a Clean Energy Fund (Case 14-M-0094) issued on May 8, 2014, NYSERDA submitted a Clean Energy Fund (CEF) proposal on September 23, 2014 and an information supplement on June 25, 2015 seeking a 10-year program that will work in coordination with other State efforts to advance cleaner, more resilient, and more affordable energy infrastructure. The intent of the CEF is to ensure the delivery and continuity of clean energy programs for the State's energy consumers, enhance program efficiency, and manage the transition of NYSERDA's program approaches to better align with the market outcomes envisioned through the Reforming the Energy Vision (REV) proceedings.

Focused on energy technology and market development, energy efficiency, and renewable energy, the CEF represents the next evolution of state programs. This funding is proposed, pending a decision by the PSC which is expected this fall. The CEF is comprised of the following four portfolios:

- NY Green Bank (NYGB), which seeks market transformation in the financial sector, leveraging public investments with private capital in a self sustaining manner while reaching new markets for clean energy services.
- NY-Sun, which seeks to create a robust and self-sustaining solar market in New York for solar electric technologies, and to build a program approach for other clean technologies to follow.
- Market Development, which will align with the REV Regulatory Proceeding and evolving utility strategies to reduce barriers, animate consumer demand for clean energy, and enable the private markets to provide the new products and services sought by an engaged consumer market.
- Innovation and Research, which will catalyze the development of innovative clean energy solutions, while growing New York's clean tech sector and accelerating the development and introduction of the new technologies that will be needed to foster increased levels of Green House Gas reductions.

Regional Greenhouse Gas Initiative (RGGI)

The Regional Greenhouse Gas Initiative, or RGGI, is an agreement among nine Northeastern and Mid-Atlantic States to reduce greenhouse gas emissions from power plants. The RGGI states (Participating States) have committed to cap and then reduce the amount of carbon dioxide that certain power plants are allowed to emit, limiting the region's total contribution to atmospheric greenhouse gas levels. The Participating States have agreed to implement RGGI through a regional cap-and-trade program whereby the Participating States have agreed to auction annual regional emissions. Rules and regulations promulgated by the NYS Department of Environmental

Conservation (DEC) call for NYSERDA to administer periodic auctions for annual emissions. Pursuant to these regulations, the proceeds will be used by NYSERDA to administer energy efficiency, renewable energy, and/or innovative carbon abatement programs, and to cover the costs to administer such programs.

Green Jobs-Green New York (GJGNY)

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

Energy Research and Development

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

Other

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

STEP® (Saratoga Technology + Energy Park®)

NYSERDA owns, on behalf of the State, a 280-acre parcel of land in Malta (Saratoga County), New York. The site was once used for rocket and weapons-testing programs and space-research activities. It was later subject to certain remediation measures under a March 1998 Consent Decree as a "Superfund" site. It was designated in 2001 as a business park devoted to the development of new, clean energy technologies. STEP currently has four private sector ground leases with approximately 20 clean energy tenants, one of which is at a commercialization stage of development.

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.

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

Utility Bond Financing

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

West Valley

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

NYSERDA also maintains, on behalf of the State, the State-Licensed Disposal Area (SDA), which is a shut-down commercial low-level radioactive waste disposal facility at West Valley. NYSERDA is evaluating how to remediate and close this facility in accordance with regulatory requirements.

BUDGETARY ASSUMPTIONS

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

- Funding for the Clean Energy Fund is anticipated to start in calendar year 2016. The FY 2015-16 budget includes revenues and expenditures under the NYSUN, Market Development, and Innovation and Research programs consistent with the Information Supplement filed on June 25, 2015, which is subject to Public Service Commission approval. Dedicated incremental collection revenue is budgeted for Market Development and Innovation and Research, while NYSUN is assumed to be funded by a transfer of RPS collections.
- Created in 2013, NYGB's initial capitalization of \$218.5 million was funded by a December 2013 Order of the PSC reallocating and repurposing \$165.6 million in uncommitted utility and NYSERDA funding and from a \$52.9 million transfer of RGGI funding. In October 2014, NYSERDA filed a petition (Case 13-M-0412) requesting the Commission to authorize the allocation of \$781.5 million in four equal annual installments in 2015, 2016, 2017, and 2018. The June 2015 installment was proposed to be made available from existing cash balances from dedicated clean energy funds. A July 2015 PSC Order approved the additional capitalization with modifications to the October 2014 petition. In continuing support and commitment of NYGB with its interest in avoiding a premature allocation of funds, NYSERDA is authorized to reallocate \$150 million of uncommitted funding from EEPS1, SBC3, SBC4, and RPS funds once \$150 million of initial capitalization has been committed. NYGB does not anticipate re-allocating the \$150 million until FY 2016-17. The FY 2015-16 revised budget assumes interest income of \$834,000 to be earned on available cash and investment balances and

fees of \$1.3 million on deployment of NYGB capital. The financial plan includes funding consistent with the July 2015 PSC Order, and with the CEF information supplement filed on June 25, 2015.

- Allowance auction proceeds for the Regional Greenhouse Gas Initiative (RGGI) are projected based on the average auction prices from the four quarterly auctions in fiscal year 2015, escalated each subsequent year by the real cost of capital. This estimate seeks to reflect a realistic, market-based assumption to avoid over- or under-estimating the level of estimated future proceeds, and to be sensitive to potential changes which may have an unpredictable impact on the RGGI carbon markets, and to more predictably plan for consistent fund program activity reflected in the RGGI Operating Plan.
- West Valley's State appropriation revenue for FY 2015-16 through FY 2018-19 is based primarily on the State's 10% share of West Valley Demonstration Project costs and the State's share under the Consent Decree. These estimates assume future U.S. Department of Energy (DOE) annual funding of approximately \$62.5 million for FY 2015-16, FY 2016-17, FY 2017-18, and FY 2018-19, 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 2015-16 from up to \$80 million in funding borrowed from the RGGI fund, of which \$53 million is expected to be reimbursed from financing proceeds. Salary costs for current staff and funded vacant positions are based on salary grades equivalent to the State Management/Confidential (M/C) employees. Salaries include cost of living adjustments in accordance with increases granted for NYS Management Confidential employees (2% effective April 1, 2015 and an additional 2% effective July 1, 2015). 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 post-employment health insurance premium costs for current employees and including retirees under GASB45 are based on the most recent bi-annual actuarial valuation.
- The NYS Cost Recovery Fee represents the fee paid to the State under Section 2975 of the Public Authorities Law (Governmental Cost Recovery System) for general governmental services. This statute limits the total aggregate amount that may be assessed against named public authorities, but permits each public authority's individual assessment to be determined by the Director of the Budget. The FY 2015-16 Budget assumes that NYSERDA's assessment will be \$11.8 million based on discussions with the Division of the Budget.
- The Budget includes no significant or non-recurring revenue-enhancement or cost-reduction initiatives which shift resources from one year to another.

BUDGETARY RISKS

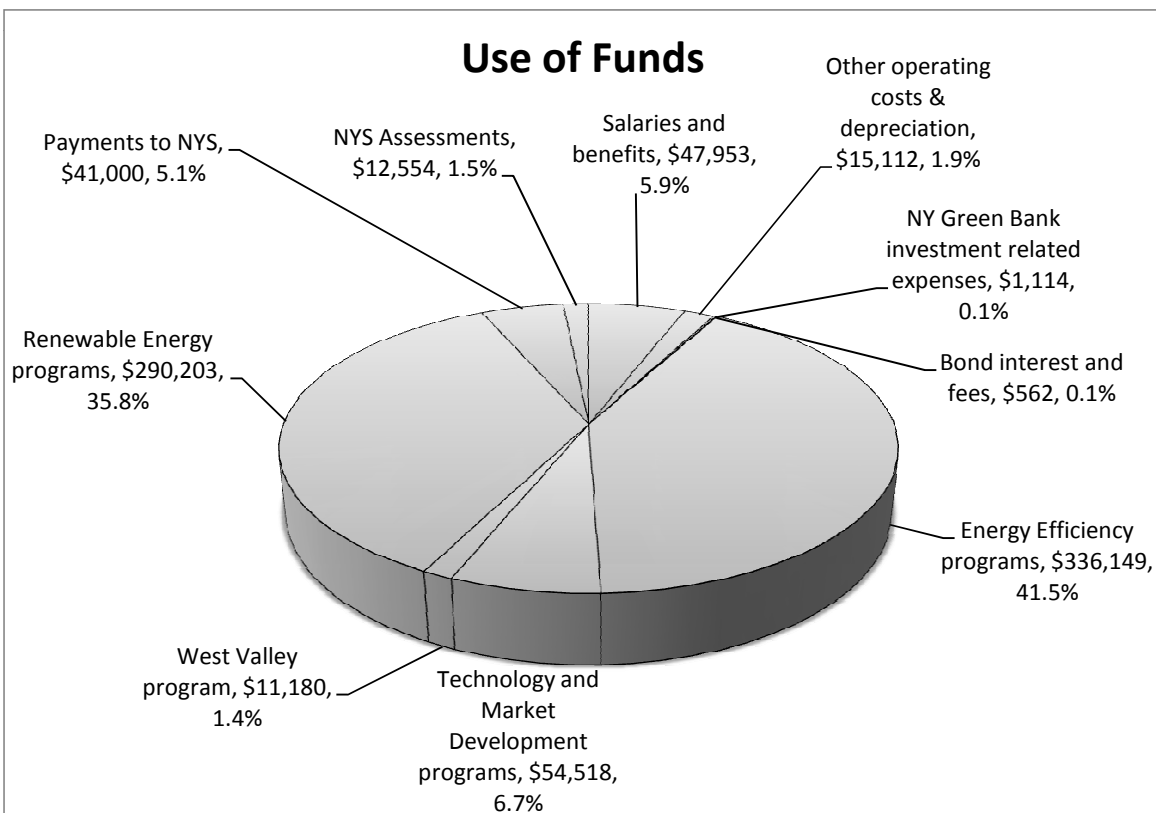
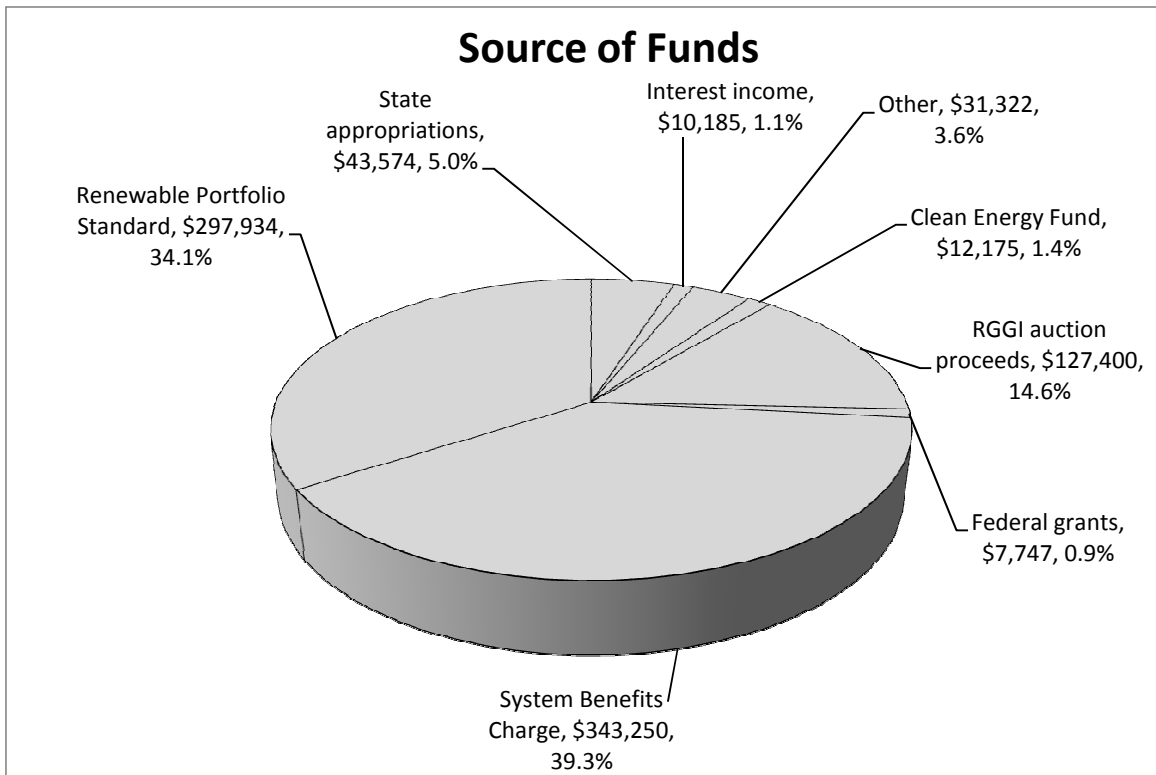
The following is a summary of significant budgeting risks:

- NYSERDA's budgeting process is subject to inherent risks regarding the ability to accurately forecast revenues and expenditures.
- Over the past several years, NYSERDA has assumed responsibility for administering certain new programs, and additional program responsibilities may be added during FY 2015-16 that have not been included in the Budget.
- 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 by unexpended revenues from prior fiscal periods.
- Expenditures for the West Valley program are based primarily on the amount anticipated to meet the State's share of costs for West Valley under the Cooperative Agreement and the Consent Decree which are dependent upon funds provided in the federal budget to the U.S. Department of Energy (DOE).
- Although DOE and NYSERDA have reached agreement on the allocation of costs (percentages) to be paid by each entity for remediating the West Valley site, the remedial action for several significant facilities will not be identified until 2020. In addition, DOE and NYSERDA have not resolved issues regarding payment of a fee under the Nuclear Waste Policy Act of 1982 (Public Law 97-425) for the disposal in a federal repository (which does not currently exist) of the solidified high-level radioactive waste at West Valley. Additional State funding may be required during this or ensuing fiscal years if and when negotiations or litigation is concluded.
- GASB 45 requires a biennial actuarial valuation to determine the actuarial present value of total projected post-employment health insurance benefits for retirees. The biennial valuation could be impacted by a number of assumptions, general economic conditions, and future events which could lead to higher estimated annual expenses.
- The implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*, (effective for FY 2015-16) is not presented in the budget as the information to be provided by NYS was not available at the time the budget was developed.

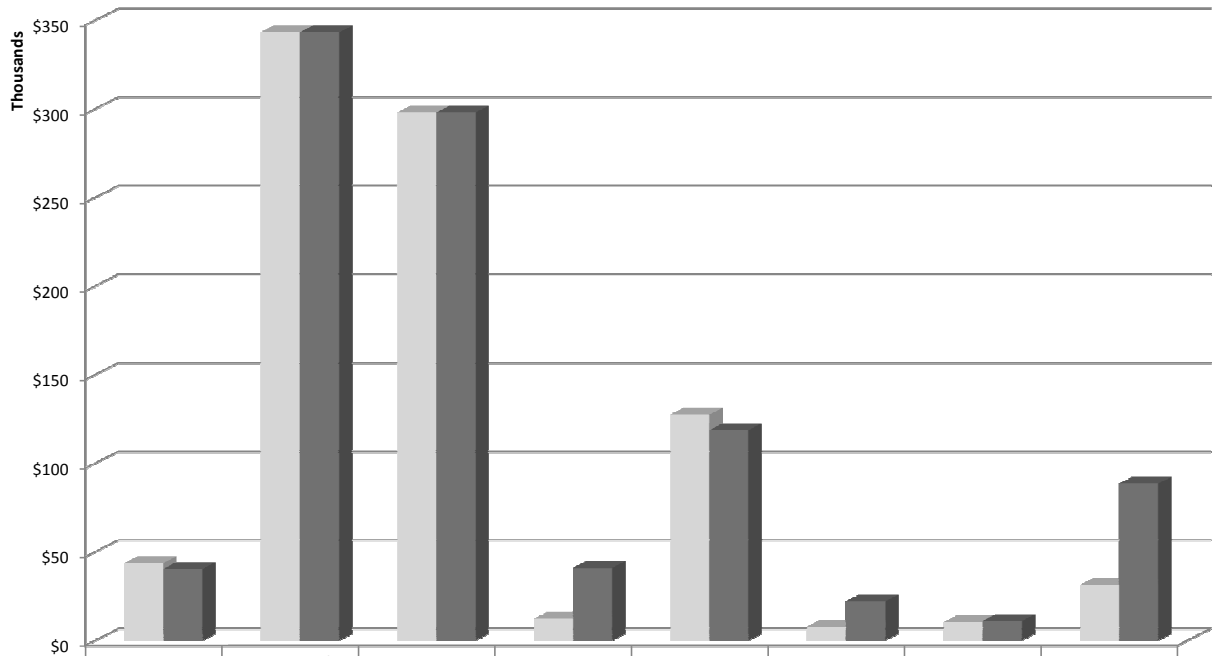
Revised Budget FY 2015-16
(Amounts in thousands)



Revised Budget FY 2015-16

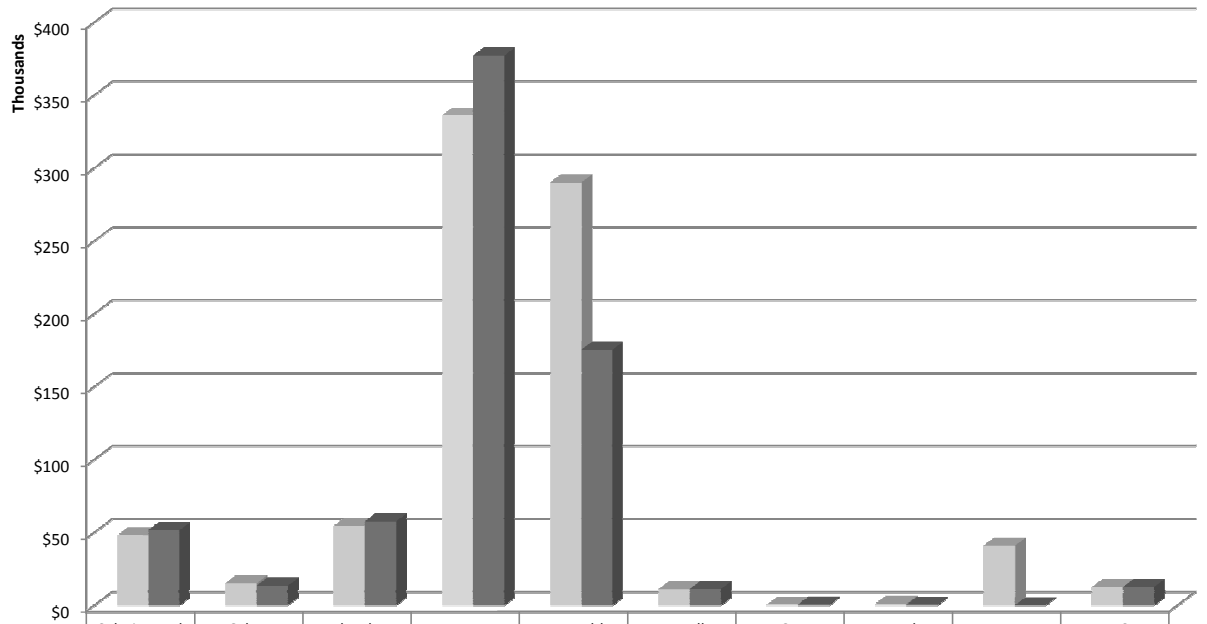
(Amounts in thousands)

Budget Comparison: Revenues



Revised Budget FY 2015-16	\$43,574	\$343,250	\$297,934	\$12,175	\$127,400	\$7,747	\$10,185	\$31,322
Original Budget FY 2015-16	\$40,333	\$343,250	\$297,934	\$40,925	\$118,658	\$22,035	\$10,998	\$88,386

Budget Comparison: Expenses



Revised Budget FY 2015-16	\$47,953	\$15,112	\$54,518	\$336,149	\$290,203	\$11,180	\$562	\$1,114	\$41,000	\$12,554
Original Budget FY 2015-16	\$51,557	\$13,576	\$57,578	\$377,226	\$175,441	\$11,266	\$715	\$591	\$0	\$12,554

NYSERDA
 Revised Budget FY 2015-16
 (Amounts in thousands)

	Revised Budget FY 2015-16	Original Budget FY 2015-16
<u>Revenues:</u>		
State appropriations	\$ 43,574	40,333
Third party reimbursement	23,591	78,865
System Benefits Charge	343,250	343,250
Renewable Portfolio Standard	297,934	297,934
Clean Energy Fund	12,175	40,925
Allowance auction proceeds	127,400	118,658
Project repayments	694	775
Federal grants	7,747	22,035
Rentals from leases	1,249	1,285
Interest income	10,185	10,998
Loan interest	3,596	4,169
QECCB interest subsidy	507	499
Fees and other income	1,685	2,793
Total Revenues	873,587	962,519
<u>Expenses:</u>		
Salaries and benefits	47,953	51,557
Other operating costs	13,512	12,165
Depreciation	1,600	1,761
Program expenditures	692,050	621,461
Investment related expenses	562	415
Bond interest and fees	1,114	591
Payments to NYS	41,000	-
NYS Assessments	12,554	12,554
Total Expenses	810,345	700,504
Surplus (Deficit)	63,242	262,015
Net position beginning of year	1,597,689	1,541,925
<u>Net position end of year:</u>		
Restricted for specific programs	1,429,796	1,372,987
NY Green Bank Capitalization	211,907	412,422
Net Investment in Capital Assets	16,228	15,531
Unrestricted	3,000	3,000
Total net position end of year	\$ 1,660,931	1,803,940

NYSERDA
Revised Budget FY 2015-16
(Amounts in thousands)

Functions/Programs	Clean Energy Fund									
	New York Energy Smart (SBC III)	Technology & Market Development (SBC IV)	Energy Efficiency Portfolio Standard (EEPS I-II)	Renewable Portfolio Standard	NY Green Bank	NY-SUN	Market Development / Innovation & Research	RGGI	Green Jobs- Green NY	Energy Research & Development
Revenues:										
State appropriations	\$ -	-	-	-	-	-	-	10,600	-	12,361
Third party reimbursement	-	1,000	500	-	-	-	-	-	-	50
System Benefits Charge	-	69,000	274,250	-	-	-	-	-	-	-
Renewable Portfolio Standard	-	-	-	297,934	-	-	-	-	-	-
Clean Energy Fund	-	-	-	-	-	-	12,175	-	-	-
Allowance auction proceeds	-	-	-	-	-	-	-	127,400	-	-
Project repayments	-	-	-	-	-	-	-	-	-	694
Federal grants	-	-	-	-	-	-	-	-	-	-
Rentals from leases	-	-	-	-	-	-	-	-	-	-
Interest income	911	1,446	870	3,608	834	-	(33)	1,943	184	152
Loan interest	-	-	-	-	-	-	-	-	3,596	-
QECB interest subsidy	-	-	-	-	-	-	-	-	507	-
Fees and other income	-	-	-	-	1,263	-	-	-	-	-
Total Revenues	911	71,446	275,620	301,542	2,097	-	12,142	139,943	4,287	13,257
Expenses:										
Salaries and benefits	473	2,208	10,447	3,917	4,018	509	7,092	4,281	1,196	2,457
Other operating costs	115	622	2,739	1,284	1,701	117	1,350	1,209	296	601
Depreciation	14	51	303	111	109	13	170	124	35	69
Program expenditures	20,913	36,246	178,420	244,592	-	45,611	12,538	65,955	24,815	9,093
Investment related expenses	-	-	-	-	562	-	-	-	-	-
Bond interest and fees	-	-	-	-	-	-	-	-	1,114	-
Payments to NYS	-	-	-	-	-	-	-	41,000	-	-
NYS Assessments	336	611	2,995	3,900	100	722	330	1,117	411	191
Total Expenses	21,851	39,738	194,904	253,804	6,490	46,972	21,480	113,686	27,867	12,411
Surplus (Deficit)	(20,940)	31,708	80,716	47,738	(4,393)	(46,972)	(9,338)	26,257	(23,580)	846
Net position, beginning of year	138,073	192,078	100,536	491,383	216,300	-	-	274,424	66,974	24,025
Inter-program transfers	-	-	-	(46,972)	-	46,972	-	(27,000)	27,000	-
Use (source) of unrestricted net position	-	-	-	-	-	-	-	-	-	(1,317)
Net position end of year	\$ 117,133	223,786	181,252	492,149	211,907	-	(9,338)	273,681	70,394	23,554

NYSERDA
Revised Budget FY 2015-16
(Amounts in thousands)

(continued from page 11)

	Other Programs	Saratoga Technology & Energy Park	Energy & Environmental Analysis	Bond Financing Program	West Valley	Invested in Capital Assets	Unrestricted Net Position	Revised Budget FY 2015-16	Original Budget FY 2015-16
Revenues:									
State appropriations	4,281	-	3,943	-	12,389	-	-	43,574	40,333
Third party reimbursement	20,018	-	-	-	2,023	-	-	23,591	78,865
System Benefits Charge	-	-	-	-	-	-	-	343,250	343,250
Renewable Portfolio Standard	-	-	-	-	-	-	-	297,934	297,934
Clean Energy Fund	-	-	-	-	-	-	-	12,175	40,925
Allowance auction proceeds	-	-	-	-	-	-	-	127,400	118,658
Project repayments	-	-	-	-	-	-	-	694	775
Federal grants	5,471	-	2,276	-	-	-	-	7,747	22,035
Rentals from leases	1,145	104	-	-	-	-	-	1,249	1,285
Interest income	270	-	-	-	-	-	-	10,185	10,998
Loan interest	-	-	-	-	-	-	-	3,596	4,169
QECCB interest subsidy	-	-	-	-	-	-	-	507	499
Fees and other income	-	-	-	422	-	-	-	1,685	2,793
Total Revenues	31,185	104	6,219	422	14,412	-	-	873,587	962,519
Expenses:									
Salaries and benefits	4,928	76	3,990	37	2,324	-	-	47,953	51,557
Other operating costs	1,364	311	1,070	9	724	-	-	13,512	12,165
Depreciation	145	277	105	1	73	-	-	1,600	1,761
Program expenditures	41,154	-	1,533	-	11,180	-	-	692,050	621,461
Investment related expenses	-	-	-	-	-	-	-	562	415
Bond interest and fees	-	-	-	-	-	-	-	1,114	591
Payments to NYS	-	-	-	-	-	-	-	41,000	-
NYS Assessments	1,503	10	105	1	222	-	-	12,554	12,554
Total Expenses	49,094	674	6,803	48	14,523	-	-	810,345	700,504
Surplus (Deficit)	(17,909)	(570)	(584)	374	(111)	-	-	63,242	262,015
Net position, beginning of year	74,833	-	584	-	111	14,799	3,569	1,597,689	1,541,925
Inter-program transfers	-	-	-	-	-	-	-	-	-
Use (source) of unrestricted net position	261	570	-	(374)	-	1,429	569	-	-
Net position end of year	57,185	-	-	-	-	16,228	3,000	1,660,931	1,803,940

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

	Actual FY 2014-15	Budget FY 2015-16	Change	Revised Budget FY 2015-16	Explanation for change
<u>Revenues:</u>					
State appropriations					
RGGI	1,276	9,000	1,600	10,600	Represents an increase in State capital budget appropriation reimbursement for anticipated RGGI Cleaner, Greener Community program expenditures (repayment of the FY 13-14 transfer of \$25 million to the State general fund).
Research and Development	\$ 14,043	11,407	954	12,361	Reflects an increase in anticipated expenditures and commitments for the Research and Development program.
Other Programs - Urban Development Corporation projects	469	3,453	(1,718)	1,735	Reflects a decrease in estimated reimbursable expenditures from UDC Capital Budget appropriations.
Other Programs - Fuel NY Strategic Fuel Reserve Program	-	-	2,000	2,000	Reflects anticipated costs to fund the Fuel NY Strategic Fuel Reserve Program.
Other Programs - Fuel NY Portable Generator Program	-	-	546	546	Reflects funding for anticipated expenditures under the Fuel NY Portable Generator Program. \$2.6 million in anticipated costs are to be funded from monies received in the prior year.
Energy & Environmental Analysis West Valley	3,447	3,973	(30)	3,943	Reflects a slight reduction in anticipated costs for Energy Analysis.
West Valley	9,171	12,500	(111)	12,389	Reduction for a portion of costs to be funded from the March 31, 2015 reserve net position.
Total state appropriations	28,406	40,333	3,241	43,574	
Third party reimbursement	52,911	78,865	(55,274)	23,591	Principally reflects a decrease of \$47.6M in reimbursement funding from Con Edison due to timing of anticipated expenditures under the Indian Point Energy Center Reliability Contingency program.
System Benefits Charge	238,834	343,250	-	343,250	(No change)
Renewable Portfolio Standard	291,448	297,934	-	297,934	(No change)
Market Development / Innovation & Research	-	40,925	(28,750)	12,175	Revised collections are consistent with the June 25, 2015 Clean Energy Fund Information Supplement. These revenues reflect one quarter of the 2016 calendar year collections.
Allowance auction proceeds	140,568	118,658	8,742	127,400	Reflects revised estimates pursuant to the FY 2015-16 RGGI Operating Plan.
Project repayments	408	775	(81)	694	Slight decrease in anticipated recoupment payments.
Federal grants	14,384	22,035	(14,288)	7,747	Change is principally due to a decrease in anticipated expenditures for two transportation related grants and for the Fuel NY Transfer Switch program.
Rentals from leases	1,438	1,285	(36)	1,249	Slight decrease is due to a reduction in anticipated rental income at STEP.
Interest income	17,042	10,998	(813)	10,185	Decrease is due to slightly lower anticipated investment balances.
Loan interest income	1,655	4,169	(573)	3,596	Net decrease reflects revised loan portfolio projections for both the NY Green Bank and Green Jobs Green NY programs. GJGNY reflects an increase of \$1.4M and NY Green Bank reflects a reduction of \$2.1M.
QECB interest subsidy	517	499	8	507	Slight increase in QECB subsidy payments to be received from the US Treasury from a change in the federal sequester reduction.
Fees and other income	818	2,793	(1,108)	1,685	Primarily due to a decrease in anticipated fees for NY Green Bank from a reduction in anticipated deployed capital.
Total Revenues:	788,429	962,519	(88,932)	873,587	
<u>Expenses:</u>					
Salaries	28,410	34,168	(1,503)	32,665	The revised budget includes partial year vacancies, whereas the original budget assumed all positions were filled for the entire year.
Benefits	14,344	17,389	(2,101)	15,288	Reduction is due to a corresponding decrease in salary costs and from a decrease in revised estimates for pension expense and health insurance.
Total salaries and benefits	42,754	51,557	(3,604)	47,953	

NYSERDA					
FY 2015-16 Revised Budget					
Reconciliation of Budget Changes					
(Amounts in thousands)					
	Actual FY 2014-15	Budget FY 2015-16	Change	Revised Budget FY 2015-16	Explanation for change
<u>Expenses (continued):</u>					
Other operating costs	11,251	12,165	1,347	13,512	Net Increase is primarily due to an increase in third party fund administration, legal, and consulting costs for NY Green Bank, an increase in web hosting services for new IT platforms, an increase in communication support services, as well as costs to support NYSERDA's website.
Depreciation	1,324	1,761	(161)	1,600	Principally reflects a decrease in projected depreciation resulting from existing capital assets and from planned additions for FY 15-16 (half year of expense).
Program expenditures					
System Benefits Charge (SBC III)	20,048	20,000	913	20,913	Revised expenditures are based on program staff estimation.
Technology and Market Development (SBC IV)	49,484	40,203	(3,957)	36,246	Revised expenditures are based on program staff estimation.
Energy Efficiency Portfolio Standard	197,994	181,750	(3,330)	178,420	Revised expenditures are based on program staff estimation.
Renewable Portfolio Standard	190,313	175,441	69,151	244,592	Revised expenditures are based on program staff estimation.
NY-SUN	-	-	45,611	45,611	Revised expenditures are consistent with the June 25, 2015 Clean Energy Fund Information Supplement, these expenditures reflect one quarter of the anticipated 2016 calendar year expenditures. Expenditures for funding from 2014 and 2015 for NY-SUN are included in RPS program expenditures.
New Market Development & Innovation Strategies	-	3,194	9,344	12,538	Revised expenditures are consistent with the June 25, 2015 Clean Energy Fund supplemental filing, these expenditures reflect one quarter of the anticipated 2016 calendar year expenditures.
Regional Greenhouse Gas Initiative	69,494	49,926	16,029	65,955	Revised expenditures are based on program staff estimation.
Green Jobs-Green New York	14,088	16,940	7,875	24,815	Revised expenditures are based on program staff estimation.
Research and Development	10,640	7,335	1,758	9,093	Reflects an increase in anticipated expenditures and commitments funded by state appropriations.
Other Programs	43,407	115,051	(73,897)	41,154	Decrease is primarily due to a reduction in anticipated expenditures, primarily from the Indian Point Energy Center Reliability Contingency program, several Federal transportation grants including the Fuel NY Transfer Switch program as well as various miscellaneous third-party agreements.
Energy & Environmental Analysis	366	355	1,178	1,533	Reflects an increase in anticipated analytical studies funded by State appropriations to support the State Energy Plan.
West Valley	8,969	11,266	(86)	11,180	Reflects a decrease in anticipated program expenditures for NYSERDA's share of federal and state spending at West Valley.
Total program expenditures	604,803	621,461	70,589	692,050	
Investment related expenses - NY Green Bank	78	415	147	562	Represents anticipated professional service costs to support the NY Green Bank initiative.
Interest	590	591	523	1,114	Represents an increase under the GJGNY residential loan program resulting from Series 2015 Bonds to be issued in August.
Payments to NYS	-	-	41,000	41,000	Reflects a transfer of RGGI Funds to NYS.
NYS Assessments	14,348	12,554	-	12,554	(No change)
Total Expenses:	675,148	700,504	68,694	810,345	
Surplus (Deficit)	112,005	253,015	(171,476)	52,642	
Net position beginning of year	1,484,408	1,541,925	55,764	1,597,689	
<u>Net position end of year:</u>					
Restricted for specific programs	1,363,021	1,372,987	56,809	1,429,796	Projected increase in restricted net assets is due to restricted revenues exceeding restricted expenditures.
NY Green Bank Capitalization	216,300	412,422	(200,515)	211,907	Decrease primarily reflects changes in the assumptions used for the second phase of capitalization.
Net Investment in Capital Assets	14,799	15,531	697	16,228	Reflects a change in the beginning net asset balance at March 31, 2015 plus anticipated purchases less depreciation.
Unrestricted	3,569	3,000	-	3,000	(No change)
Total net position end of year	\$ 1,597,689	1,803,940	(143,009)	1,660,931	

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

	Actual <u>FY 2014-15</u>	Approved Budget <u>FY 2015-16</u>	Revised Budget <u>FY 2015-16</u>
Salaries **	\$ 28,410	34,168	32,665
Fringe Benefits:			
Social Security/Medicare taxes	2,080	2,493	2,394
Health insurance	3,372	4,388	3,877
Dental plan	313	428	360
Vision care plan	29	36	34
Dependent Care plan	17	26	19
Long-term disability insurance	71	83	81
Workers compensation	107	114	123
Unemployment	12	5	14
Pension	5,431	5,802	3,993
Tuition reimbursement	53	93	61
Increase (decrease) in compensated absence leave accruals	(202)	486	694
Voluntary Defined Contribution Plan	146	183	302
Postemployment health insurance (GASB 45)	2,915	3,252	3,336
sub-total benefits	<u>14,344</u>	<u>17,389</u>	<u>15,288</u>
Total Salaries and Benefits	\$ <u>42,754</u>	<u>51,557</u>	<u>47,953</u>
Number of employees	337	380	380
Number of full-time equivalent employees (FTEs)	332.3	374.4	357.3

** FY 2015-16 Salaries include cost of living adjustments in accordance with increases granted for NYS Management/Confidential employees (2% effective 04/01/2015 and an additional 2% effective 7/1/15). Salaries also include performance-based salary increases and payments equivalent to salary increases and total salary costs to be provided for NYS employees. Although included for budget purposes the performance-based salary increases and payments will only be paid if the State provides similar payments.

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

	Actuals	Budget	Revised
	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2015-16</u>
Professional Services:			
Fiscal Agent, audit and third-party payroll and Human Resource services	\$ 429	476	482
Information technology, systems design and enhancement support services	3,121	2,250	2,213
Information security support services	-	166	166
Internal Audit support services	37	240	100
NYSERDA consumer toll free number	275	265	265
Marketing support services	401	470	470
Design & construction services - NYC office relocation	175	-	-
Communication support services	-	-	300
NY Green Bank Fund Administrator	-	-	100
NY Green Bank support services	332	317	675
Strategic Operations consulting services	-	480	480
Website support services	115	-	285
Other Consulting	135	117	123
Temporary staffing	663	346	309
Computer services	673	808	1,170
Office supplies	109	112	113
Office equipment and software	1,313	1,505	1,482
Printing, advertising, and marketing	7	8	7
Publications and meetings	96	171	189
Maintenance & repairs and service agreements	808	917	883
Postage	28	45	35
Travel	480	734	687
Training	3	17	22
Recruitment and relocation	43	75	225
Outside technical reviewer expense	87	137	194
Dues & memberships	129	198	198
Sponsorships and events	24	77	132
Telephone	211	210	210
Rent	1,059	1,553	1,524
Utilities	181	247	179
Insurance	152	149	200
Equipment rental and miscellaneous expense	130	75	95
Disposal of Fixed Assets	36	-	-
Total Other Operating Costs	\$ 11,251	12,165	13,512

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

	Actual	Approved	Revised
	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2015-16</u>
Furniture, fixtures and equipment	\$ 513	300	380
Information technology upgrades	729	1,354	2,533
Leasehold improvements	1,952	-	50
STEP infrastructure	28	36	-
Vehicles	-	25	50
Total Capital Asset Additions	<u>\$ 3,222</u>	<u>1,715</u>	<u>3,013</u>

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

	FY 2015-16 Revised Budget	FY 2016-17 Projection	FY 2017-18 Projection	FY 2018-19 Projection
<u>REVENUES:</u>				
State appropriations	\$ 43,574	49,483	35,000	32,700
Third party reimbursement	23,591	47,225	40,500	27,400
System Benefits Charge	343,250	282,554	185,874	93,637
Renewable Portfolio Standard	297,934	227,973	220,840	200,023
Clean Energy Fund	12,175	43,200	202,075	276,625
Allowance auction proceeds	127,400	128,944	130,973	132,139
Project repayments	694	694	694	694
Federal grants	7,747	10,343	7,624	4,524
Rentals from leases	1,249	1,249	1,104	1,104
Interest income	10,185	9,609	8,776	7,321
Loan interest	3,596	5,551	6,653	10,814
QECCB interest subsidy	507	755	866	726
Fees and other income	1,685	4,066	8,166	13,491
TOTAL REVENUES	873,587	811,646	849,145	801,198
<u>EXPENSES:</u>				
Salaries and benefits	47,953	53,059	54,651	56,290
Other operating costs	13,512	14,382	14,812	15,257
Depreciation	1,600	1,896	1,874	1,626
Program expenditures	692,050	898,188	873,843	832,929
Investment related expenses	562	9,293	4,676	5,832
Bond interest and fees	1,114	1,371	1,274	1,268
Payments to NYS	41,000	-	-	-
NYS Assessments	12,554	12,554	12,554	12,554
TOTAL EXPENSES	810,345	990,743	963,684	925,756
Surplus (Deficit)	63,242	(179,097)	(114,539)	(124,557)
Net position beginning of year	1,597,689	1,660,931	1,481,834	1,367,295
<u>Net position end of year:</u>				
Restricted for specific programs	1,429,796	1,113,687	1,002,469	875,199
NY Green Bank Capitalization	211,907	349,839	347,776	351,503
Net Investment in Capital Assets	16,228	15,308	14,050	13,036
Unrestricted	3,000	3,000	3,000	3,000
Total net position end of year	\$ 1,660,931	\$ 1,481,834	\$ 1,367,295	\$ 1,242,738

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

Functions/Programs	Clean Energy Fund								
	New York Energy \$mart	Technology & Market Development	EEPS	Renewable Portfolio Standard	Green Bank	NY-SUN	Market Development / Innovation & Research	RGGI	Green Jobs- Green NY
RECEIPTS:									
State appropriations	\$ -	-	-	-	-	-	-	10,600	-
Third party reimbursement	-	1,000	500	-	-	-	-	-	-
System Benefits Charge	-	69,000	274,250	-	-	-	-	-	-
Renewable Portfolio Standard	-	-	-	297,934	-	-	-	-	-
Clean Energy Fund	-	-	-	-	-	-	12,175	-	-
Allowance auction proceeds	-	-	-	-	-	-	-	127,400	-
Project repayments	-	-	-	-	-	-	-	-	-
Federal grants	-	-	-	-	-	-	-	-	-
Rentals from leases	-	-	-	-	-	-	-	-	-
Interest income	911	1,446	870	3,608	834	-	(33)	1,943	184
Loan interest	-	-	-	-	-	-	-	-	3,596
Loan principal repayments	-	-	-	-	-	-	-	-	7,757
Bond proceeds	-	-	-	-	-	-	-	-	46,345
QECB interest subsidy	-	-	-	-	-	-	-	-	507
Fees and other income	-	-	-	-	1,263	-	-	-	-
TOTAL REVENUES	911	71,446	275,620	301,542	2,097	-	12,142	139,943	58,389
DISBURSEMENTS:									
Salaries and benefits	469	2,188	10,351	3,881	3,981	504	7,027	4,242	1,185
Other Operating costs	115	622	2,739	1,284	1,701	117	1,350	1,209	296
Capital asset additions	29	137	649	243	249	32	440	266	74
Program expenditures	20,913	36,246	178,420	244,592	-	45,611	12,538	65,955	24,815
Investment related expenses	-	-	-	-	562	-	-	-	-
Deployed Capital	-	-	-	-	19,643	-	-	-	-
Bond interest and fees	-	-	-	-	-	-	-	-	1,114
Principal bond payment	-	-	-	-	-	-	-	-	2,080
Redemption of long term debt	-	-	-	-	-	-	-	-	29,975
Loan purchases	-	-	-	-	-	-	-	-	65,321
Long term debt	-	1	4	1	1	-	2	2	-
Payments to NYS	-	-	-	-	-	-	-	41,000	-
NYS Assessments	336	611	2,995	3,900	100	722	330	1,117	411
TOTAL EXPENSES	21,862	39,805	195,158	253,901	26,237	46,986	21,687	113,791	125,271
Surplus (Deficit)	\$ (20,951)	31,641	80,462	47,641	(24,140)	(46,986)	(9,545)	26,152	(66,882)
Cash and investments, beginning of year	141,861	199,174	115,967	514,707	216,300	-	-	281,356	43,837
Inter-program transfers	-	-	-	(46,986)	-	46,986	-	(27,000)	27,000
Cash and investments, end of year	120,910	230,815	196,429	515,362	192,160	-	(9,545)	280,508	3,955

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

(continued from page 19)

	Energy Research & Development	Other Programs	Saratoga Technology & Energy Park	Energy & Environmental Analysis	Bond Financing Program	West Valley	FY 2015-16 Cash Budget Total
RECEIPTS:							
State appropriations	12,361	4,281	-	3,943	-	12,389	43,574
Third party reimbursement	50	20,018	-	-	-	2,023	23,591
System Benefits Charge	-	-	-	-	-	-	343,250
Renewable Portfolio Standard	-	-	-	-	-	-	297,934
Clean Energy Fund	-	-	-	-	-	-	12,175
Allowance auction proceeds	-	-	-	-	-	-	127,400
Project repayments	694	-	-	-	-	-	694
Federal grants	-	5,471	-	2,276	-	-	7,747
Rentals from leases	-	1,145	104	-	-	-	1,249
Interest income	152	270	-	-	-	-	10,185
Loan interest	-	-	-	-	-	-	3,596
Loan principal repayments	-	-	-	-	-	-	7,757
Bond proceeds	-	-	-	-	-	-	46,345
QECB interest subsidy	-	-	-	-	-	-	507
Fees and other income	-	-	-	-	422	-	1,685
TOTAL REVENUES	13,257	31,185	104	6,219	422	14,412	927,689
DISBURSEMENTS:							
Salaries and benefits	2,434	4,883	75	3,953	37	2,303	47,513
Other Operating costs	601	1,364	311	1,070	9	724	13,512
Capital asset additions	153	306	41	248	2	144	3,013
Program expenditures	9,093	41,154	-	1,533	-	11,180	692,050
Investment related expenses	-	-	-	-	-	-	562
Deployed Capital	-	-	-	-	-	-	19,643
Bond interest and fees	-	-	-	-	-	-	1,114
Principal bond payment	-	-	-	-	-	-	2,080
Redemption of long term debt	-	-	-	-	-	-	29,975
Loan purchases	-	-	-	-	-	-	65,321
Long term debt	1	2	-	1	-	1	16
Payments to NYS	-	-	-	-	-	-	41,000
NYS Assessments	191	1,503	10	105	1	222	12,554
TOTAL EXPENSES	12,473	49,212	437	6,910	49	14,574	928,353
Surplus (Deficit)	784	(18,027)	(333)	(691)	373	(162)	(664)
Cash and investments, beginning of year	24,635	81,004	-	-	-	-	1,618,841
Inter-program transfers	-	(813)	333	691	(373)	162	-
Cash and investments, end of year	25,419	62,164	-	-	-	-	\$ 1,618,177