NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY
(A Component Unit of the State of New York)

FINANCIAL STATEMENTS

March 31, 2022

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March 31, 2022

RESPONSIBILITY FOR FINANCIAL REPORTING

Management is responsible for the preparation, integrity and objectivity of the financial statements of the New York State Energy Research and Development Authority (the Authority), as well as all other information contained in the Authority's Annual Report. The financial statements of the Authority for the fiscal year ended March 31, 2022 were prepared in conformity with U.S. generally accepted accounting principles (U.S. GAAP). The Board of the Authority (the Board) adopted these financial statements and the Annual Report at a meeting on June 28, 2022.

The Authority maintains a system of internal controls, the objectives of which are to provide reasonable assurance as to the proper authorization and recording of transactions, the safeguarding of Authority assets, the compliance with applicable laws and regulations, and the reliability of financial records for preparing financial statements. The internal control structure is subject to periodic review by management, internal audit staff and the independent auditors. No internal control system can provide absolute assurance that errors and irregularities will not occur due to the inherent limitations of the effectiveness of internal controls; however, management strives to maintain a balance, recognizing that the cost of such system should not exceed the benefits derived.

The Authority's financial statements have been audited by KPMG LLP, independent auditors appointed by the Members of the Authority. Management has made available to the independent auditors all the financial records and related data of the Authority, as well as provided access to all the minutes of the meetings of the Board and its standing committees. The independent auditors periodically meet directly with the Audit and Finance Committee of the Board, which is comprised of Members who are not employees of the Authority.

The independent audit included obtaining an understanding of the internal control structure, tests of accounting records, and other procedures which the independent auditors considered necessary in order to express opinions as to the fairness of the presentation of the financial statements. No material weaknesses in internal control or any condition of non-compliance with applicable laws, regulations or policy were noted by the independent auditors through the execution of their audit procedures. The unmodified independent auditors' report attests that the financial statements are presented fairly, in all material respects, in accordance with U.S. GAAP.

Doreen M. Harris

Doreen M. Harris
President and Chief Executive Officer

Pam Poisson

Pamela C. Poisson
Chief Financial Officer

KPMG LLP
515 Broadway
Albany, NY 12207-2974

Independent Auditors' Report

Members of the Authority
New York State Energy Research and Development Authority:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the New York State Energy Research and Development Authority (the Authority), a component unit of the State of New York, as of and for the year ended March 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Authority, as of March 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

U.S. generally accepted accounting principles require that management's discussion and analysis and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2022 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

KPMG LLP

Albany, New York
June 30, 2022

The following Management's Discussion and Analysis (MD&A) of New York State Energy Research and Development Authority's (NYSERDA) financial performance provides an overview of NYSERDA's financial activities for the fiscal year ended March 31, 2022. The information contained in the MD&A should be considered in conjunction with the information presented as part of NYSERDA's basic financial statements. Following this MD&A are the basic financial statements of NYSERDA with the notes thereto that are essential to a full understanding of the data contained in the financial statements. NYSERDA's basic financial statements have the following components: (1) government-wide financial statements; (2) governmental fund financial statements; (3) proprietary fund financial statements; (4) fiduciary fund financial statements; and (5) notes to the basic financial statements.

The government-wide financial statements are designed to provide readers with a broad overview of NYSERDA's finances in a manner similar to a private-sector business. The *Statement of Net Position* presents information on all of NYSERDA's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and the difference between these is reported as net position. The *Statement of Activities* presents information showing how NYSERDA's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the Statement for some items that will result in cash flows in future fiscal periods, or which already resulted in cash flows in a prior fiscal period. The government-wide financial statements present information about NYSERDA as a whole. All activities of NYSERDA are considered to be governmental activities, with the exception of the activities of NY Green Bank, which are considered business-type activities.

Governmental fund financial statements focus on near-term inflows and outflows of resources, as well as on balances of resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the government's near-term financing decisions. The governmental funds *Balance Sheet* and the governmental funds *Statement of Revenues, Expenditures, and Changes in Fund Balances* provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

Proprietary fund financial statements provide information for business-type activities where NYSERDA charges fees to customers to recover costs of providing services. NY Green Bank is reported as a proprietary fund. The proprietary fund financial statements include a *Statement of Net Position,* a *Statement of Revenues, Expenses and Changes in Fund Net Position*, and a *Statement of Cash Flows*.

The fiduciary fund financial statements report assets held by NYSERDA in a fiduciary capacity for others and consist of a *Statement of Fiduciary Net Position* and a *Statement of Changes in Fiduciary Net Position*. These funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support NYSERDA's programs.

The notes to the basic financial statements provide additional information that is essential for a full understanding of the information provided in the government-wide, governmental fund, proprietary fund, and fiduciary fund financial statements.

BACKGROUND

The mission of NYSERDA, is to advance clean energy innovation and investments to combat climate change, improve the health, resiliency, and prosperity of New Yorkers, and deliver benefits equitably to all. These efforts are key to developing a less polluting and more reliable and affordable energy system for all New Yorkers. Collectively, NYSERDA's efforts aim to reduce greenhouse gas emissions, accelerate economic growth, and reduce customer energy bills. NYSERDA works with stakeholders throughout New York including residents, business owners, developers, community leaders, local government officials, university researchers, utility representatives, investors, and entrepreneurs. NYSERDA partners with them to develop, invest, and foster the conditions that attract the private sector capital investment needed to expand New York's clean energy economy, overcome barriers to using clean energy at a large-scale in New York, and enable New York's communities and residents to benefit from energy efficiency and renewable energy.

New York State's nation-leading climate plan calls for an orderly and just transition to clean energy that creates jobs and continues fostering a green economy in New York State, as memorialized through the Climate Leadership and Community Protection Act ("CLCPA"). NYSERDA is charged with coordinating much of the work to attain New York's goals as stated in the CLCPA, including driving energy efficiency improvements to reduce statewide energy use by 185 TBtu, attain a zero-emission electricity sector by 2040 with 70 percent renewable energy generation by 2030, and reach economy wide carbon neutrality around mid-century. NYSERDA works, directly and through partnerships, to achieve these goals. In so doing, it strives to attract private investment to better leverage government funding and realize economies of scale. Consistent with the September 2021 Public Service Commission Clean Energy Fund (CEF) Order, NYSERDA also aims to direct 40 percent of the benefits of CEF investments to disadvantaged communities.

Underpinning this critical work, NYSERDA also plays a key role in ensuring energy security for New York State, by providing the State's energy policy decision makers with a wide range of data and analyses to support policy making including the ongoing maintenance of the strategic fuel reserves to ensure an appropriate supply is available for first responders in the event of a fuel supply emergency.

The funding to carry out initiatives in support of these goals is primarily supported by ratepayer surcharges collected by utilities on NYSERDA's behalf through their regular billing processes. Such funding is determined and overseen by the Public Service Commission (PSC) and documented in various orders issued by the PSC, including the Clean Energy Fund (CEF) and Clean Energy Standard (CES) orders. NYSERDA receives some additional variable funding through regional greenhouse gas allowance auction proceeds that accrue to NYS as a result of its membership in the Regional Greenhouse Gas Initiative (RGGI) that allow NYSERDA to complement and amplify high-priority energy initiatives that realize benefits in disadvantaged communities and expand private investment and partnerships without cost to the State. NYSERDA also receives a small portion of its budget from direct state appropriations to support energy analysis and planning and energy safety and security activities.

FORWARD LOOKING STATEMENTS

The statements in this management's discussion and analysis (MD&A) that are not purely historical facts are forward-looking statements based on current expectations of future events. Such forward-looking statements are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including, but not limited to, risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes to or development in various important factors. Accordingly, actual results may vary from those we presently expect, and such variations may be material. We therefore caution against placing undue reliance on any forward-looking statements contained in this MD&A. All forward-looking statements included in this MD&A are made only as of the date of this MD&A and we assume no obligation to update any such forward-looking statements as a result of new information, future events or other factors.

CONDENSED FINANCIAL INFORMATION

The following condensed financial information is presented from NYSERDA's government-wide financial statements:

(Amounts in thousands)

Summary of Net Position	Governmental Activities	Business-type Activities	Total March 31, 2022	Total March 31, 2021	% Change 2022-2021
Cash and investments	$848,591	450,996	1,299,587	888,309	46.3
Capital assets	11,376	-	11,376	12,470	-8.8
Loans and financing receivables, net	196,780	472,229	669,009	792,053	-15.5
Residual interest receivables	-	77,360	77,360	-	100.0
Other assets	49,699	2,010	51,709	98,196	-47.3
Total assets	1,106,446	1,002,595	2,109,041	1,791,028	17.8
Deferred outflows of resources	28,021	4,504	32,525	31,215	4.2
Other liabilities	310,717	928	311,645	226,171	37.8
Non-current liabilities	96,358	(2,202)	94,156	157,986	-40.4
Total liabilities	407,075	(1,274)	405,801	384,157	5.6
Deferred inflows of resources	43,334	7,095	50,429	10,866	364.1
Net Position:					
Net investment in capital assets	11,376	-	11,376	12,469	-8.8
Restricted	666,946	1,001,278	1,668,224	1,409,361	18.4
Unrestricted	5,736	-	5,736	5,390	6.4
Total net position	$684,058	1,001,278	1,685,336	1,427,220	18.1

Total assets increased $318.0 million (17.8%). Cash and investments increased $411.3 million (46.3%) primarily due to the following: Clean Energy Standard Program (CES) zero-emission credit assessments had a full 12 months of receipts, whereas in the prior fiscal year there were only 11 months of receipts due to a change in the billing methodology; CES alternative compliance payments collected from load-serving entities, RGGI auction clearing prices higher than in the prior year; NY Green Bank proceeds from the sale of a portion of the portfolio of Loans and financing receivables to a third party investor, and a larger NY-Sun bill-as-you-go working capital requirement due to the expansion of the program. Loans and financing receivables decreased $123.0 million (-15.5%), primarily reflecting the sale of various NY Green Bank loans as part of a program enhancement to recycle capital faster and thus accelerate energy efficiency and clean energy measures designed to ultimately reduce ratepayer costs and/or enhance energy security; and resilience and due to sales of participation shares in GJGNY loans. Residual interest receivable increased $77.4 million (100.0%), from the aforementioned sale of various NY Green Bank loans. Other assets decreased $46.5 million (-47.3%) primarily due to a $47.9 million decrease in the Zero-emission credit (ZEC) program receivable because the current fiscal year reflects 12 months of receipts, while the prior year included an accrual of one month's revenues due to a change in billing timing in FY 2020-21.

Deferred outflows of resources increased by $1.3 million (4.2%) primarily due to an increase in the actuarially-determined deferred outflows related to pension and other post-employment benefits (OPEB).

Total liabilities increased $21.6 million (5.6%). Non-current liabilities decreased $63.8 million (-40.4%) primarily due to a decrease in the actuarially determined net pension and OPEB liabilities reflecting changes in fair market value of investments held in the related Plans, and scheduled bonds payable principal payments and early redemptions. Other liabilities increased by $85.5 million (37.8%); primarily a result of an increase in accounts payable associated with simple timing of receipt, approval and payments of invoices received, as well as from the effect of new programs and the expanded funding size of pre-existing programs. Additionally, accrued liabilities increased for estimated invoices not yet received and paid.

Deferred inflows of resources increased by $39.6 million (364.1%) principally due to favorable investment performance results compared to actuarial expectations for both the pension and OPEB plans.

Net position increased $258.1 million (18.1%) principally due to greater than expected RGGI auction proceeds; Alternative Compliance Payments in the CES (REC) program, NY Green Bank's additional capitalization received, and receipts pursuant to the Clean Transportation Volkswagen Settlement.

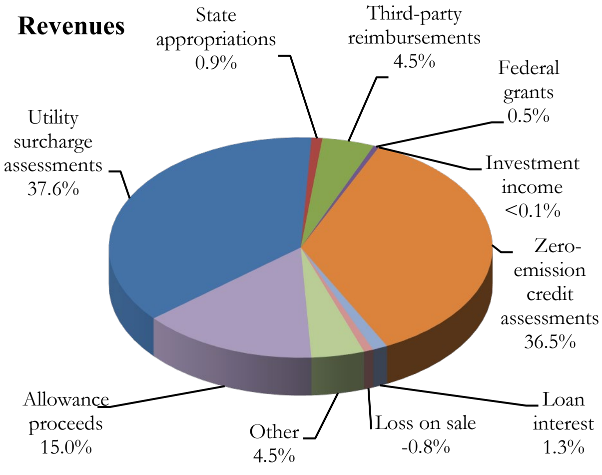
(Amounts in thousands)

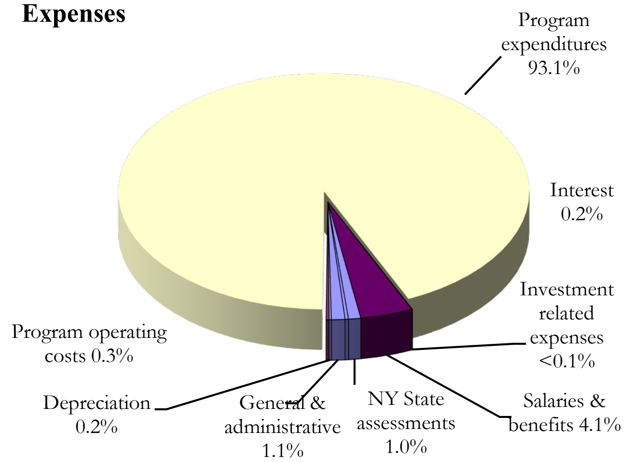
Summary of Changes in Net Position	**Governmental Activities**	**Business-type Activities**	**Total March 31, 2022**	**Total March 31, 2021**	**% Change 2022-2021**
Revenues:					
State appropriations	$15,364	-	15,364	23,286	-34.0
Utility surcharge assessments	583,757	44,252	628,009	761,681	-17.5
Renewable energy credit assessments	55,543	-	55,543	16,707	232.5
Zero-emission credit assessments	609,021	-	609,021	526,518	15.7
Allowance proceeds	250,634	-	250,634	140,560	78.3
Third-party reimbursements	75,035	-	75,035	51,283	46.3
Federal grants	7,845	-	7,845	5,514	42.3
Interest subsidy	306	-	306	356	-14.0
Loans and financing receivables interest	7,672	13,811	21,483	32,423	-33.7
Loss on sale of loans and financing receivables	-	(13,543)	(13,543)	-	100.0
Investment income (loss)	(64)	(9)	(73)	702	-110.4
Other program revenue	9,619	10,387	20,006	12,400	61.3
Total revenues	1,614,732	54,898	1,669,630	1,571,430	6.2
Expenses:					
Salaries and benefits	50,130	8,399	58,529	61,778	-5.3
Program expenditures	1,314,206	94	1,314,300	1,125,952	16.7
Investment related expenses	0	454	454	585	-22.4
Program operating costs	1,535	2,245	3,780	3,557	6.3
General & administrative costs	12,860	2,139	14,999	11,467	30.8
Depreciation	2,406	177	2,583	2,663	-3.0
NY State assessments	13,458	136	13,594	13,594	0.0
Interest	3,275	0	3,275	3,745	-12.6
Total expenses	1,397,870	13,644	1,411,514	1,223,341	15.4
Change in net position	216,862	41,254	258,116	348,089	-25.8
Net position, beginning of year	467,196	960,024	1,427,220	1,079,131	n/a
Net position, end of year	$684,058	1,001,278	1,685,336	1,427,220	18.1

Total revenue increased $98.2 million (6.2%). Utility surcharge assessments revenue decreased by $133.7 million (-17.5%) principally due to much lower capitalization of NY Green Bank funded by the System Benefits Charge and provided to NYSERDA via the Bill-as-You-Go mechanism, as the final amount was collected in the first month of FY 2021-22. Partially offsetting this was a large increase in NY-Sun revenues associated with the expanded authorized size of the program. REC proceeds increased by $38.8 million (232.5%) principally due to a large increase in Alternative Compliance Payments. ZEC revenues increased by $82.5 million (15.7%) consistent with Public Service Commission ordered assessments. Allowance proceeds increased by $110.1 million (78.3%) due to the average quarterly auction sale prices being much higher than in the prior fiscal year. Third-party reimbursements increased by $23.8 million (46.3%), principally due to receipt of $26.0 million in advanced funding for the Clean Transportation Volkswagen Settlement Agreement, representing a $10.0 million increase over the prior year's receipts; and $21.1 million in receipts for the New Efficiency NY Program; offset in part by wind down of the Indian Point Energy Center Contingency program. Loans and financing receivables interest income decreased $10.9 million (-33.7%) mostly due to a NY Green Bank provision for losses in the current fiscal year of $5.2 million, and also as a result of the sale of a portion of the interest-bearing portfolio to a third-party investor around mid-year, as well as GJGNY's sale of participation shares in a substantial portion of aggregate loans outstanding. The loss on sale reflects a planned initiative of NY Green Bank to monetize existing assets to allow capital to be accessible faster and thus allow more productive near-term use. This transaction resulted in an upfront collection of cash plus rights to any residual payments, net of transaction fees, including an adjustment to the residual value due to pre-payments occurring faster than modeled, and other factors. The loss on this transaction included fees of $7.8 million and an unrealized loss of $5.7 million to adjust the residual value to the discounted cash flows at March 31, 2022. The decrease in investment income of $0.8 million (-110.4%) was due to a lower annualized yield than the prior year, primarily from lower US Treasury yields available during the year as certain prior year long term maturities held much higher yields than current year US Treasury yields. Additionally, unrealized losses resulted from general market movements, entirely offset all realized interest income in FY 2021-22, while in FY 2020-21 unrealized losses only partially offset the realized interest income. Unrealized losses are recorded to mark the investments at fair value, but are not expected to be sustained given NYSERDA's intent to nearly always hold investments to maturity. Other program revenues increased $7.6 million (61.3%) primarily due to higher closing fees earned by NY Green Bank.

Total expenses increased $188.2 million (15.4%). Program expenditures increased $188.3 million (16.7%) primarily due to the CEF fund's EmPower and Assisted Home Performance programs experiencing higher than projected levels of participation due to an increase in project funding caps and expanded eligibility thresholds as a response to COVID-19; accelerated payments on project deliverables being paid out quicker than previously under the Real Time Energy Management and High Performing Grid programs, and from increased technical assistance incentives paid under the New Construction Housing program. Additionally, NY-Sun expenditures increased associated with an increase in funding and goals of the program. ZEC program expenditures increased by approximately $58.0 million in accordance with PSC Ordered payments to nuclear generation facilities. Salaries and benefits expense decreased $3.2 million (-5.3%) primarily due to a large decrease in pension and OPEB benefits expense. The prior year pension and OPEB expense had reflected a large downturn in the market value of the related Plans' investments held as a result of the Covid-19 pandemic outbreak in approximately March 2020 (these expenses are reported with a one year lag as allowed by GASB Standards to accommodate the timing of completion of periodic actuarial valuations); by the March 31, 2022 reporting date (March 31, 2021 measurement date), the Plan's investments had seen a nearly complete reversal of the previous unrealized market value write-down. Salaries expense increased primarily due to payments made for authorized retroactive performance and COLA awards.

The following charts depict Authority revenues and expenses for the year ended March 31, 2022.





FINANCIAL ANALYSIS OF FUNDS

Total fund balances for the governmental funds decreased from $593.4 million to $592.1 million as further described below:

- The CEF fund balance decreased from $88.8 million to $76.3 million principally due to expenditures in excess of revenues resulting from normal timing variances.
- The NY-Sun fund balance increased from $27.6 million to $72.5 million primarily due to collections reflecting the additional scope, goals, and related funding levels for the program in turn driving a larger working capital balance.
- The CES fund balance increased from ($6.8) million to $36.9 million primarily due to REC Alternative Compliance Payments received.
- The RGGI fund balance increased from $86.5 million to $184.2 million principally as a result of higher auction allowance prices generating more revenue than was budgeted and expended. This additional revenue has since been incorporated into updated stakeholder- and Board-approved operating plans for the next planning period and is expected to be expended per those approved plans.
- The GJGNY fund balance decreased from $289.3 million to $269.7 million principally due to costs associated with the sale of participation shares in the loan portfolio to third-party investors.
- The aggregated Other Funds fund balance increased from $106.7 million to $145.3 million principally due to BAYG revenues for the Energy Storage program, as well as additional revenues received in advance of expenditures for the Clean Transportation Volkswagen Settlement Agreement.

Total net position for the proprietary fund was $1.0 billion at March 31, 2022, as described below:

- NY Green Bank's net position increased by $41.3 million primarily as a result of the final installment of capitalization pursuant to the CEF Order's Bill-As-You-Go funding mechanism. Operating revenues decreased by $19.0 million (-64.0%) primarily due to the loss on sale of Loans and financing receivables to a third-party investor, as well as the recording of a provision for losses on Loans and financing receivables. Operating expenses increased by $0.8 million primarily due to an increase in salaries and allocated general & administrative expenses.

CAPITAL ASSET AND DEBT ADMINISTRATION

NYSERDA maintains land, buildings, and furniture and equipment in various locations for its corporate purposes. Total capital assets as of March 31, 2022 were $11.4 million, net of accumulated depreciation.

Capital asset additions for the fiscal year ended March 31, 2022 were $1.5 million, primarily for information technology upgrades as well as furniture, fixtures and equipment.

Total non-current liabilities decreased $63.8 million (-40.4%) primarily due to a decrease in the actuarially determined net pension and OPEB liabilities reflecting changes in fair market value of investments held in the related Plans, and scheduled bonds payable principal payments and early redemptions.

NYSERDA also issues tax-exempt bonds on a conduit basis on behalf of utility companies to finance certain eligible projects. As of March 31, 2022, approximately $1.5 billion of bonds are outstanding. These bonds are non-recourse bonds and, as such, are not included in NYSERDA's financial statements.

ECONOMIC FACTORS

On behalf of the State, NYSERDA manages the Western New York Nuclear Service Center in West Valley, New York, the site of a former plant for reprocessing used nuclear fuel. Depending upon the clean-up options selected and agreement on cost sharing with the federal government, these costs could be substantial. It is anticipated that New York State's share of future costs for the West Valley site will be provided by New York State to NYSERDA and will not impact NYSERDA's current funding. As permitted by Governmental GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, no liability has been recorded in NYSERDA's financial statements for this contingency due to the expected recoveries from New York State.

NYSERDA's programs are impacted by a number of factors including, but not limited to, general economic conditions, energy prices, energy system reliability, and energy technology advancements. Revenues from RGGI allowance auction proceeds in particular can be highly sensitive to some of the aforementioned factors. NYSERDA has assessed current economic factors including inflation, supply chain constraints, residual impacts of the COVID pandemic, and the conflict in Ukraine, and does not foresee material impact on its near-term financial condition or operations. We will continue to closely monitor program costs and outcomes and adjust proactively to mitigate potential impacts from external factors.

CONTACT FOR NYSERDA'S FINANCIAL MANAGEMENT

This report is designed to provide a general overview of the finances of NYSERDA for interested parties. Questions concerning any information within this report or requests for additional information should be addressed to Pam Poisson, Chief Financial Officer, NYSERDA, 17 Columbia Circle, Albany, NY 12203.

NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY

(A Component Unit of the State of New York)

Statement of Net Position

March 31, 2022

(with summarized comparative totals for March 31, 2021)

(Amounts in thousands)

	Governmental Activities	Business-type Activities	Total March 31, 2022	Total March 31, 2021
ASSETS:				
Current assets:				
Cash and investments	$848,591	450,996	1,299,587	888,309
New York State receivable	1,714	-	1,714	8,214
Third-party billings receivable	26,835	5	26,840	70,712
Interest receivable on loans	1,107	2,005	3,112	4,086
Loans and financing receivables due within one year, net	17,609	60,419	78,028	94,603
Prepaid expense	3,593	-	3,593	3,386
Other assets	16,450	-	16,450	11,798
Total current assets	915,899	513,425	1,429,324	1,081,108
Non-current assets:				
Loans and financing receivables- long-term, net	179,171	411,810	590,981	697,450
Loans and financing receivables - residual interest	-	77,360	77,360	-
Capital assets, net of depreciation	11,376	-	11,376	12,470
Total non-current assets	190,547	489,170	679,717	709,920
Total assets	1,106,446	1,002,595	2,109,041	1,791,028
DEFERRED OUTFLOWS OF RESOURCES:	28,021	4,504	32,525	31,215
LIABILITIES:				
Current liabilities:				
Non-current liabilities due within one year	14,015	-	14,015	13,690
Accounts payable	57,207	243	57,450	9,711
Accrued liabilities	216,308	484	216,792	184,931
Unearned revenue	2,646	-	2,646	3,091
Deposits	34,556	201	34,757	28,438
Total current liabilities	324,732	928	325,660	239,861
Non-current liabilities:				
Bonds payable	87,632	-	87,632	109,027
Other non-current liabilities	(5,289)	(2,202)	(7,491)	35,269
Total non-current liabilities	82,343	(2,202)	80,141	144,296
Total liabilities	407,075	(1,274)	405,801	384,157
DEFERRED INFLOWS OF RESOURCES:	43,334	7,095	50,429	10,866
NET POSITION:				
Net investment in capital assets	11,376	-	11,376	12,469
Restricted for specific programs	666,946	1,001,278	1,668,224	1,409,361
Unrestricted	5,736	-	5,736	5,390
Total net position	$684,058	1,001,278	1,685,336	1,427,220

See accompanying notes to the basic financial statements.

NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY
(A Component Unit of the State of New York)
Statement of Activities
For the year ended March 31, 2022
(with summarized comparative totals for March 31, 2021)
(Amounts in thousands)

	Governmental Activities								Business-type Activities	Total March 31, 2022	Total March 31, 2021
	Functions/Programs										
	CEF	NY-Sun	CES	RGGI	Energy Analysis	West Valley	Other	Total	NY Green Bank		
EXPENSES:											
Salaries and benefits	$21,916	2,112	5,383	5,514	5,009	2,351	7,845	50,130	8,399	58,529	61,778
Program expenditures	306,430	151,144	614,072	98,934	6,736	15,305	121,585	1,314,206	94	1,314,300	1,125,952
Investment related expenses	-	-	-	-	-	-	-	-	454	454	585
Program operating costs	194	31	23	11	742	130	404	1,535	2,245	3,780	3,557
General & administrative expenses	5,612	538	1,386	1,420	1,283	609	2,012	12,860	2,139	14,999	11,467
Depreciation	1,143	281	211	118	106	55	492	2,406	177	2,583	2,663
NY State assessments	3,119	1,499	6,245	1,056	144	187	1,208	13,458	136	13,594	13,594
Interest	-	-	-	-	-	-	3,275	3,275	-	3,275	3,745
Total expenses	338,414	155,605	627,320	107,053	14,020	18,637	136,821	1,397,870	13,644	1,411,514	1,223,341
REVENUES:											
Operating grants and contributions											
State appropriations	-	-	-	273	139	14,126	826	15,364	-	15,364	23,286
Utility surcharge assessments	278,473	185,553	-	-	12,157	-	107,574	583,757	44,252	628,009	761,681
Renewable energy credit proceeds	-	-	55,543	-	-	-	-	55,543	-	55,543	16,707
Zero-emission credit assessments	-	-	609,021	-	-	-	-	609,021	-	609,021	526,518
Allowance auction proceeds	-	-	-	250,634	-	-	-	250,634	-	250,634	140,560
Third-party reimbursements	19,579	-	60	67	-	2,749	52,580	75,035	-	75,035	51,283
Federal grants	-	-	-	-	2,187	-	5,658	7,845	-	7,845	5,514
Interest subsidy	-	-	-	-	-	-	306	306	-	306	356
Charges for services											
Project repayments	-	-	-	-	-	-	450	450	-	450	361
Rentals from leases	-	-	-	-	-	7	1,034	1,041	-	1,041	1,009
Fees and other income	-	-	6,920	-	-	-	1,208	8,128	10,387	18,515	11,030
Loans and financing receivables interest	52	-	-	-	-	-	7,620	7,672	13,811	21,483	32,423
Other											
Loss on sale of Loans and financing receivables	-	-	-	-	-	-	-	-	(13,543)	(13,543)	-
Investment income (loss)	(90)	(9)	(24)	7	-	-	52	(64)	(9)	(73)	702
Total revenues	298,014	185,544	671,520	250,981	14,483	16,882	177,308	1,614,732	54,898	1,669,630	1,571,430
Increase (decrease) in net position before transfers	(40,400)	29,939	44,200	143,928	463	(1,755)	40,487	216,862	41,254	258,116	348,089
Transfers	28,663	14,823	(55)	(45,789)	-	-	2,358	-	-	-	-
Change in net position	(11,737)	44,762	44,145	98,139	463	(1,755)	42,845	216,862	41,254	258,116	348,089
Net position, beginning of year	85,107	27,559	(6,730)	85,669	2,582	1,755	271,254	467,196	960,024	1,427,220	1,079,131
Net position, end of year	$73,370	72,321	37,415	183,808	3,045	-	314,099	684,058	1,001,278	1,685,336	1,427,220

See accompanying notes to the basic financial statements.

NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY

(A Component Unit of the State of New York)

Balance Sheet - Governmental Funds

March 31, 2022

(with summarized comparative totals for March 31, 2021)

(Amounts in thousands)

	Major Funds						Total	Total
						Other	March 31,	March 31,
	CEF	NY-Sun	CES	RGGI	GJGNY	Funds	2022	2021
ASSETS:								
Cash and investments	$97,103	103,083	213,553	194,397	76,909	163,546	848,591	502,231
Receivables:								
New York State	252	-	250	-	-	1,212	1,714	8,214
Third-party billings	18	(4,072)	17,881	-	3,470	9,538	26,835	70,685
Interest on loans	47	-	-	-	1,060	-	1,107	871
Loans	4,500	-	-	-	192,280	-	196,780	219,353
Prepaid expense	1,000	-	-	-	-	2,593	3,593	3,386
Other assets	504	-	-	-	-	15,946	16,450	11,798
Due from other funds	3,576	399	-	424	215	-	4,614	6,635
Total assets	$107,000	$99,410	231,684	194,821	273,934	192,835	1,099,684	823,173
LIABILITIES AND FUND BALANCES:								
Liabilities:								
Accounts payable	$1,210	11,835	20,339	5,646	3,241	14,936	57,207	9,617
Accrued liabilities	28,316	15,119	140,050	4,914	469	26,524	215,392	183,464
Unearned revenue	1,147	-	-	29	568	902	2,646	3,091
Deposits	-	-	34,075	-	-	481	34,556	27,977
Due to other funds	-	-	369	-	-	4,664	5,033	6,927
Total liabilities	30,673	26,954	194,833	10,589	4,278	47,507	314,834	231,076
Fund Balances:								
Nonspendable-not in spendable form	1,000	-	-	-	-	2,593	3,593	3,386
Restricted	75,327	72,456	36,851	184,232	269,656	139,591	778,113	592,540
Unassigned	-	-	-	-	-	3,144	3,144	(3,829)
Total fund balances	76,327	72,456	36,851	184,232	269,656	145,328	784,850	592,097
Total liabilities and fund balances	$107,000	99,410	231,684	194,821	273,934	192,835	1,099,684	823,173

Following is a reconciliation of amounts reported differently in the Statement of Net Position:

Total fund balances for governmental funds	$784,850	$592,097
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds	11,557	12,657
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	(96,120)	(153,952)
Pension & OPEB related deferred outflows and inflows are not reported in govermental funds	(15,313)	17,488
Accrued interest expense	(916)	(1,094)
Net position of governmental activities	$684,058	467,196

See accompanying notes to the basic financial statements.

NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY
(A Component Unit of the State of New York)
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the year ended March 31, 2022
(with summarized comparative totals for March 31, 2021)
(Amounts in thousands)

	Major Funds							
	CEF	NY-Sun	CES	RGGI	GJGNY	Other Funds	Total March 31, 2022	Total March 31, 2021
REVENUES:								
State appropriations	$ -	-	-	273	-	15,091	15,364	23,286
Utility surcharge assessments	278,473	185,553	-	-	-	119,731	583,757	424,700
Renewable energy credit proceeds	-	-	55,543	-	-	-	55,543	6,969
Zero-emission credit assessments	-	-	609,021	-	-	-	609,021	526,518
Allowance auction proceeds	-	-	-	250,634	-	-	250,634	140,560
Third-party reimbursements	19,579	-	60	67	-	55,329	75,035	51,283
Federal grants	-	-	-	-	-	7,845	7,845	5,514
Interest subsidy	-	-	-	-	306	-	306	356
Project repayments	-	-	-	-	-	450	450	361
Rentals from leases	-	-	-	-	-	1,041	1,041	1,009
Fees and other income	-	-	6,920	-	20	1,188	8,128	15,484
Loan interest	52	-	-	-	7,620	-	7,672	8,096
Investment income (loss)	(90)	(9)	(24)	7	10	42	(64)	486
Total revenues	298,014	185,544	671,520	250,981	7,956	200,717	1,614,732	1,204,622
EXPENDITURES:								
Current expenditures	338,705	155,463	627,464	107,302	14,290	152,170	1,395,394	1,197,515
Debt service:								
Principal	-	-	-	-	21,730	-	21,730	19,901
Interest	-	-	-	-	3,454	-	3,454	3,765
Bond issuance costs	-	-	-	-	96	-	96	625
Capital outlay	481	46	317	123	21	317	1,305	775
Total expenditures	339,186	155,509	627,781	107,425	39,591	152,487	1,421,979	1,222,581
OTHER FINANCING SOURCES (USES):								
Residential Solar and Energy Efficiency Financing Green Revenue Bonds issued	-	-	-	-	-	-	-	16,690
Transfers in	44,019	21,069	96	-	12,000	6,676	83,860	154,543
Transfers out	(15,356)	(6,246)	(151)	(45,789)	-	(16,318)	(83,860)	(154,543)
Net other financing sources (uses)	28,663	14,823	(55)	(45,789)	12,000	(9,642)	-	16,690.00
Net change in fund balances	(12,509)	44,858	43,684	97,767	(19,635)	38,588	192,753	(1,269)
Fund balances, beginning of year	88,836	27,598	(6,833)	86,465	289,291	106,740	592,097	593,366
Fund balances, end of year	$76,327	72,456	36,851	184,232	269,656	145,328	784,850	592,097

Following is a reconciliation of amounts reported differently in the Statement of Activities:

Net change in fund balances for govenmental funds	$192,753	(1,269)
Capitalization and depreciation of capital outlays, rather than recording as an expenditure	(1,100)	(1,741)
Expenses for compensated absences in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds	(815)	(1,367)
Expenses for accrued bond interest in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds	179	20
Pension contributions are not an expense in the Statement of Activities, and GASB 68 pension expense is not a use of current financial resources in the governmental funds	2,217	(4,395)
Bond proceeds are a current financial resource in the governmental funds but are not reported as revenues in the Statement of Activities	-	(16,690)
Repayment of principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the Statement of Net Position	21,730	19,901
Change in net position of governmental activities	$216,862	(5,541)

See accompanying notes to the basic financial statements.

NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY
(A Component Unit of the State of New York)
Statement of Net Position
Proprietary Fund
March 31, 2022
(with comparative totals for March 31, 2021)
(Amounts in thousands)

	March 31, 2022	March 31, 2021
ASSETS:		
Current assets:		
Cash and investments	$450,996	$386,078
Third-party billings receivable	5	27
Interest receivable on loans	2,005	3,215
Loans and financing receivables due within one year, net	60,419	75,787
Total current assets	513,425	465,107
Non-current assets:		
Loans and financing receivables - long term, net	411,810	496,913
Loans and financing receivables - residual interest	77,360	-
Total non-current assets	489,170	496,913
Total assets	1,002,595	962,020
DEFERRED OUTFLOWS OF RESOURCES:	4,504	4,289
LIABILITIES:		
Current liabilities:		
Accounts payable	243	94
Accrued liabilities	484	372
Escrow deposits	201	461
Total current liabilities	928	927
Non-current liabilities:		
Net Pension / OPEB liability	(2,202)	3,930
Total non-current liabilities	(2,202)	3,930
Total liabilities	(1,274)	4,857
DEFERRED INFLOWS OF RESOURCES:	7,095	1,428
NET POSITION:		
Net position restricted for specific programs	$1,001,278	960,024

See accompanying notes to the basic financial statements.

NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY
(A Component Unit of the State of New York)
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the year ended March 31, 2022
(with comparative totals for March 31, 2021)
(Amounts in thousands)

	March 31, 2022	March 31, 2021
OPERATING REVENUES:		
Closing fees	$6,594	3,915
Undrawn fees	1,631	836
Administrative fees	488	273
Other fees	1,674	260
Loans and financing receivables interest	19,016	24,327
Provision for losses on loans and financing receivables	(5,205)	-
Loss on sale of loans and financing receivables	(13,543)	-
Total operating revenues	10,655	29,611
OPERATING EXPENSES:		
Salaries and benefits	8,399	8,510
Investment related expenses	454	585
Program operating costs	2,245	1,761
General & administrative expenses	2,139	1,571
Depreciation	177	147
NY State assessments	136	149
Total operating expenses	13,550	12,723
OPERATING (LOSS) INCOME	(2,895)	16,888
NON-OPERATING REVENUES:		
Capital contributions	44,252	336,981
Investment (loss) income	(9)	216
Total non-operating revenues	44,243	337,197
NON-OPERATING EXPENSES:		
Capital expansion	-	410
Program evaluation	94	45
Total non-operating expenses	94	455
Change in net position	41,254	353,630
Net position, beginning of year	960,024	606,394
Net position, end of year	$1,001,278	960,024

See accompanying notes to the basic financial statements.

NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY
(A Component Unit of the State of New York)
Statement of Cash Flows
Proprietary Fund
For the year ended March 31, 2022
(with comparative totals for March 31, 2021)
(Amounts in thousands)

	March 31, 2022	March 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Closing fees collected	$6,594	3,930
Undrawn fees collected	1,631	786
Administrative fees collected	488	278
Other fees collected	1,674	244
Loans and financing receivables interest collected	20,162	24,338
Disbursement of escrow deposits	(260)	(1,644)
Payments to employees & employee benefit providers	(9,080)	(7,812)
Payments to suppliers	(4,668)	(3,750)
Payment for allocated depreciation	(177)	(147)
Payments to NYS	(136)	(149)
Loans and financing receivables deployed	(516,609)	(344,660)
Loans and financing receivables principal repayments	515,662	213,516
Net cash provided by (used in) operating activities	15,281	(115,070)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Capital contributions	44,252	336,981
Capital expansion	-	(410)
Net cash provided by non-capital financing activities	44,252	336,571
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(2,327,334)	(2,130,515)
Proceeds from sale of investments	2,237,507	1,936,070
Investment income	58	3,219
Net cash used in investing activities	(89,769)	(191,226)
Net change in cash & cash equivalents	(30,236)	30,275
Cash and cash equivalents, beginning of year	44,806	14,531
Cash and cash equivalents, end of year	$14,570	44,806
RECONCILIATION OF OPERATING (LOSS) INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Operating (loss) income	($2,895)	16,888
Adjustments to reconcile operating (loss) income to net cash provided by (used in) operating activities:		
Decrease in third party billings receivable	24	8
Decrease (increase) in interest receivable	1,207	(43)
Decrease (increase) in loans and financing receivables	17,721	(131,141)
Increase in accounts payable	149	65
Increase in accrued liabilities	111	145
Decrease in escrow deposits	(260)	(1,644)
Net change in pension & OPEB related accounts	(682)	697
Non-operating expenses unrelated to financing activities	(94)	(45)
Net cash provided by (used in) operating activities	$15,281	(115,070)

See accompanying notes to the basic financial statements.

NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY

(A Component Unit of the State of New York)

Statement of Fiduciary Net Position

March 31, 2022

(Amounts in thousands)

	OPEB Trust Fund	Custodial Fund
ASSETS:		
Cash and investments	$69,454	$43,894
Total assets	$69,454	43,894
LIABILITIES:		
Accrued expenses	4	-
Payable to New York State	-	547
Escrow funds payable	-	9,815
Total liabilities	4	10,362
NET POSITION:		
Restricted for:		
Other postemployment benefits	69,450	-
Other governments and organizations	-	33,532
Total Net position	$69,450	$33,532

See accompanying notes to the basic financial statements.

NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY
(A Component Unit of the State of New York)
Statement of Changes in Fiduciary Net Position
For the year ended March 31, 2022
(Amounts in thousands)

	OPEB Trust Fund	Custodial Fund
ADDITIONS:		
Employer contributions	$2,148	$ -
Utility assessments	-	2,338
Escrow deposit receipts	-	16,570
Investment (loss) income	(476)	8
Less investment management expenses	(14)	-
Net investment (loss) income	(490)	8
Total additions, net	1,658	18,916
DEDUCTIONS:		
Benefits	1,869	-
Reimbursements paid	-	10,643
Accrued expenses	-	6,477
Administrative fees	17	-
Total deductions	1,886	17,120
Change in net position	(228)	1,796
NET POSITION:		
Net position- beginning of year	69,678	31,736
Net position- end of year	$69,450	$33,532

See accompanying notes to the basic financial statements.

(1) GENERAL

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 (the State). NYSERDA is included in the State's basic financial statements as a component unit. NYSERDA's significant functions and programs reported in the Statement of Activities are summarized below; those which are reported as major funds in the Governmental Fund Financial Statements are noted parenthetically.

Clean Energy Fund (CEF) Market Development/Innovation & Research (Major fund)
Pursuant to a January 2016 Order (CEF Order), the State Public Service Commission (Commission) authorized a ten-year commitment through 2025 of approximately $5.3 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 is a key vehicle to support attainment of specific, time-bounded goals for energy efficiency, zero-emissions electricity generation, and investment in disadvantaged communities as articulated in NYS’ Climate Leadership and Community Protection Act.

The CEF Market Development activities are designed to ultimately reduce energy 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.

The CEF Order provided for a ten-year funding authorization of $3.43 billion, as amended, for the Market Development and Innovation & Research activities. Through the Order and subsequent amendments through March 31, 2022, funding authorization has been provided to allocate $947.1 million for NY Green Bank, $1.53 billion for NY-Sun, and $150.0 million for the RPS Program for a 2016 Main Tier solicitation. The NY Green Bank, and NY-Sun programs are presented as separate Programs/Functions in the financial statements as further described below.

The CEF Order authorized the continuation of previously authorized ratepayer collections for calendar years 2016 through 2024 for previous program authorizations for the New York Energy $mart, Energy Efficiency Portfolio Standard, Technology and Market Development, and RPS programs (the Previously Approved Programs).

To reimburse NYSERDA for actual CEF program expenses, the CEF Order established a “Bill-As-You-Go” (BAYG) approach for revenue collection effective January 1, 2016. Under this approach, CEF ratepayer collections are held by the electric and gas utilities and used to reimburse NYSERDA monthly, 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 collection amounts approved in the CEF Order.

NY-Sun (Major fund)
Approved through a 2012 Commission 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 Renewable Portfolio Standard (RPS) program. The CEF Order established the incremental collection schedule and reallocation of uncommitted funds to support program activities approved through the 2012 Order.

Pursuant to May 14, 2020 and September 9, 2021 Orders, the Commission authorized the expansion of the NY-Sun program through 2025 to meet the established targets under the Climate Leadership and Community Protection Act and to develop a total of 6 gigawatt (GW) of distributed solar by 2025 by adding an additional 3 GW of distributed solar. The Orders increased NY-Sun's funding by $573 million from existing and any future uncommitted NYSERDA ratepayer funds, and if necessary, a transfer from NY Green Bank.

Clean Energy Standard (CES) (Major fund)
Pursuant to an August 2016 and subsequent Orders, the Clean Energy Standard was established, adopting a State Energy Plan goal that 70% 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 CES is comprised of a series of deliberate and mandatory actions to enhance opportunities for customer choice necessary to achieve the State Energy Plan goal. The mandated actions are divided into two categories, a Renewable Energy Standard (RES) and a Zero-Emissions Credit (ZEC) requirement. The RES consists of an obligation on Load Serving Entities (LSEs) in New York State to invest in new renewable generation resources to serve their retail customers evidenced by the procurement of qualifying renewable energy credits; 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. As part of the RES component of the program, NYSERDA will offer for sale to the LSEs at various times Renewable Energy Credits (RECs) produced from, and received under, contracts with qualifying renewable energy facilities to meet the LSEs' mandatory compliance requirements. Alternatively, NYSERDA may receive Alternative Compliance Payments from LSEs in lieu of their purchasing RECs from NYSERDA. The ZEC requirement consists of an obligation on LSEs in New York State to invest in the preservation of existing at-risk nuclear zero-emissions attributes to serve their retail customers, evidenced by the procurement of qualifying ZECs. As part of the ZEC component, NYSERDA provides support payments for specified nuclear generating facilities in amounts prescribed by the Commission's Order based on each facility's output. The funding for these payments is collected through ZECs sold to each LSE in amounts calculated for each LSE's proportionate share of the statewide energy load. The RES component and the ZEC component are inter-related but the goals are additive; that is, the carbon benefits of preserving the nuclear zero-emissions attributes will not count toward achieving the required number of renewable resources to satisfy the 70% by 2030 goal. The RES and ZEC components will, however, in combination, contribute toward the State's comprehensive greenhouse gas reduction goals.

NYSERDA is leading the coordination of offshore wind opportunities in New York State and is supporting the development of 9,000 megawatts of offshore wind energy by 2035 in a responsible and cost-effective manner. In July 2018, the Commission issued an Order Adopting the Offshore Wind Standard. The Offshore Wind Standard authorized solicitations by NYSERDA, in consultation with the Long Island Power Authority and New York Power Authority, for first phase of offshore wind procurements. Through March 31, 2022 NYSERDA has issued two competitive solicitations for offshore wind to stimulate the development of the domestic offshore wind industry, reduce the cost of later offshore wind procurements, and allow New York State to realize the direct benefits associated with the construction, operation, and maintenance of offshore wind resources.

An October 15, 2020 Order of the PSC established a new Tier 2 and Tier 4. The Tier 2 Maintenance program aims to provide targeted, adequate, and prudent support to New York's existing renewable resources to ensure their continued operations. Eligible Tier 2 maintenance generators include run-of-river hydroelectric facilities (5 MW or less) and wind resources that entered commercial operation prior to January 1, 2003. The Competitive Tier 2 program aims to maximize the contributions and potential of New York's existing renewable resources to ensure their continued operations. Eligible Competitive Tier 2 generators include existing non-state-owned run-of-river hydropower and existing wind resources located within the State that entered commercial operation prior to January 1, 2015. The new Tier 4 will increase the penetration of renewable energy into New York City, which is particularly dependent on polluting, fossil fuel-fired generation. NYSERDA will procure unbundled environmental attributes associated with renewable generation delivered into New York City. These environmental attributes include the avoidance of GHG emissions, as well as the avoidance of local pollutants such as NOx, SOx, and fine particulate matter.

Regional Greenhouse Gas Initiative (RGGI) (Major fund)
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) (Major fund)
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 will also support sustainable community development and create opportunities for green jobs. The legislation funded the program with $112.0 million from RGGI auction proceeds and restricts the use of interest earnings and revolving loan proceeds for additional programmatic spending. Through March 31, 2022 NYSERDA subsequently transferred $154.7million in additional RGGI funds to support program activities.

Energy 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 in an effort to ensure a secure, reliable energy supply. These program activities are funded primarily by a State assessment on the intrastate gas and electricity sales of the State's investor-owned utilities.

Furthermore, Energy Analysis staff provide oversight activities pursuant to the State Low-Level Radioactive Waste (LLRW) Management Act of 1986, whereby NYSERDA is responsible for ultimately constructing and operating the State's LLRW disposal facilities, collecting information, and providing regular reports to the Governor and Legislature on LLRW generation in the State. These activities are funded annually by State appropriations through a sub-allocation from the New York State Department of Health.

NYSERDA is also responsible for the coordination of nuclear material matters, including serving as the State liaison with the Nuclear Regulatory Commission.

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 was 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.

Other

Other represents an aggregate of smaller Programs/Functions. These activities are primarily funded through Commission Orders, Memorandums of Understanding with various utilities pursuant to Commission Orders, various third-party reimbursement agreements, and federal energy grants.

NY Green Bank

NY Green Bank, a division of NYSERDA accounted for as a proprietary fund, is a state-sponsored, specialized financial entity working in partnership with the private sector to increase investments into New York's clean energy markets, creating a more efficient, reliable, and sustainable energy system. NY Green Bank's mission is to accelerate clean energy deployment in New York State by working in partnership with the private sector to transform financing markets.

To date, NY Green Bank has participated in transactions by providing: construction and longer-term post-construction financing and investment, financing to enable developers to aggregate smaller distributed assets into portfolios at scale, and credit enhancements. It has also successfully monetized the loan portfolio in order to recycle capital faster and thus accelerate energy efficiency and clean energy improvements without requiring an additional infusion of government funding.

NY Green Bank works to increase the size, volume, and breadth of clean energy investment activity throughout the State, expand the base of investors focused on New York State clean energy, and increase clean energy participants' access to capital. To do so, NY Green Bank collaborates with the private sector to develop transaction structures and methodologies that overcome typical clean energy investment barriers, such as challenges in evaluating risk and addressing the needs of distributed energy and efficiency projects where underwriting may be geared more towards larger and/or groups of somewhat homogeneous investment opportunities.

NY Green Bank focuses on opportunities that create attractive precedents, standardized practices, and roadmaps that capital providers can willingly replicate and scale. As funders "crowd in" to a particular area within the clean energy landscape, NY Green Bank moves on to other areas that have attracted less investor interest.

As a key component of New York's CEF, NY Green Bank is structured to be self-sustaining in that it must ultimately cover its own costs of operation, and in the fiscal year just closed it has attained that goal.

Pursuant to various Orders of the Commission, the Commission authorized a total of $1 billion in funded program capitalization for NY Green Bank which was fully collected as of March 31, 2022.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

The basic financial statements include government-wide financial statements, governmental fund financial statements, proprietary fund financial statements, and fiduciary fund financial statements. The government-wide financial statements report information on governmental and business-type activities, and consist of a Statement of Net Position and a Statement of Activities. These statements exclude information about fiduciary activities where NYSERDA holds assets in a trustee or agency capacity for others since such assets cannot be used to support NYSERDA's own programs.

Net position classifications used in the government-wide financial statements are as follows:

- Net investment in capital assets – amount of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt attributable to the acquisition, construction, or improvement of those assets, and deferred outflows of resources less deferred inflows of resources, that are attributable to the acquisition, construction, or improvement of those assets or related debt, excluding any significant unspent related debt proceeds or deferred inflows of resources
- Restricted for specific programs – amount of restricted assets and deferred outflows of resources reduced by liabilities and deferred inflows of resources related to those assets
- Unrestricted – amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of Net investment in capital assets or the Restricted for specific programs components of net position

The governmental fund financial statements report governmental activities and consist of a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances. The funds presented in the governmental funds financial statements are categorized as either major or non-major funds (the latter are aggregated within "Other") as required by U.S. generally accepted accounting principles (U.S. GAAP).

Fund balance classifications used in the governmental fund financial statements are as follows:

- Nonspendable – amounts that cannot be spent because they are not in spendable form
- Restricted – amounts with constraints placed on the use of resources that are legally imposed by creditors, grantors, contributors, or laws or regulations of other governments that may be imposed by law through constitutional provisions or enabling legislation
- Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making. Amounts cannot be used for any other purposes unless the government removes the specified use
- Assigned – amounts are constrained by the government's intent to be used for specific purposes, but are neither restricted or committed
- Unassigned – residual balance is the amount not meeting other fund balance classifications

NYSERDA had no Committed or Assigned Fund Balances as of March 31, 2022.

NYSERDA administers certain programs on behalf of the Commission and others whereby the terms of the program sponsor or enabling legislation limit the use of funds to certain program purposes, and as such, the funds are reported as restricted. Since NYSERDA has multiple constraints on its resources, restricted funds are considered spent first, committed funds second, assigned funds third, and unassigned funds last.

The proprietary fund financial statements, based on an enterprise type fund, report business-type activities for which a fee is charged to external users for goods or services, and consist of a Statement of Net Position; a Statement of Revenues, Expenses and Changes in Fund Net Position; and a Statement of Cash Flows. NY Green Bank is presented in the proprietary fund financial statements.

The fiduciary fund financial statements report assets held by NYSERDA in a fiduciary capacity for others and consist of a Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. NYSERDA's fiduciary funds include: (1) funds held for reimbursement to the State for costs associated with the Low-Level Radioactive Waste Management Act of 1986; (2) funds that, pursuant to a Cooperative Agreement, must be turned over to the U.S. Department of Energy upon delivery of the solidified high-level radioactive waste from West Valley to a permanent federal disposal repository to provide for perpetual care and management of the waste; (3) funds established pursuant to the 2017 Indian Point closure agreement for community and environmental benefit that must be transferred to recipients of awards of these funds upon the execution of cooperative contracts; (4) funds established by the Office of Renewable Energy Siting through collection of permit application fees for construction and operation of major renewable energy facilities, held for reimbursement to local agencies and potential community intervenors for costs related to the application review process; and (5) funds held in an irrevocable trust maintained by a third-party trustee to receive employer contributions for NYSERDA's health insurance premiums for benefits provided to NYSERDA employees and/or their eligible spouses and dependent children after active employment ends (postemployment).

The basic financial statements include certain prior-year summarized comparative information in total, but not by separate governmental activities and major funds. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with NYSERDA's financial statements as of and for the year ended March 31, 2021, from which the summarized information was derived.

(b) Basis of accounting

The government-wide financial statements are prepared using the economic resources measurement focus and accrual basis of accounting, as are the proprietary fund and the fiduciary fund financial statements. Revenues resulting from exchange transactions are recognized when the exchange takes place. Revenues resulting from non-exchange transactions, such as program funding in the form of grants, contributions, utility surcharge assessments, and State appropriations, are recognized when all eligibility requirements (if any) have been met. Resources received in advance of meeting all eligibility requirements are recorded as unearned revenue. Expenses in the government-wide financial statements are recognized when incurred. NYSERDA's administrative overhead charges are included as program direct expenses in the Statement of Activities.

Financial statements for governmental funds are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when they become measurable and available (expected to be collected in the next 12 months) and have met eligibility requirements (if any). Expenditures, rather than expenses, are recognized in governmental fund financial statements. Only transactions that require the use of current financial resources are recognized. Expenses related to non-current liabilities are not recorded; however, certain expenses that are recognized over time in the government-wide financial statements are recognized as expenditures in the governmental fund financial statements in the period in which the underlying transaction takes place.

The governmental fund financial statements include a reconciliation of total fund balance and the changes therein, to total net position and the changes therein that are reflected in the government-wide financial statements. The reconciling items are the result of the above described differences in measurement focus and basis of accounting.

(c) Indirect cost allocation method

NYSERDA incurs certain indirect costs (e.g., administrative salary expense, fringe benefit expense, and general and administrative expense) that are not directly associated with a specific function/program. Therefore, these costs are allocated in proportion to direct salary expenses of each NYSERDA function/program, including NY Green Bank. Net pension liability and OPEB liability/(asset) are also allocated proportionately to NY Green Bank, as required for Proprietary funds.

(d) Investments

Investments are recorded at fair value, which reflects quoted market prices for U.S. government obligations, mutual funds, and exchange-traded funds.

(e) Loans and financing receivables

Loans and financing receivables are recorded at their cost basis, less any provision for losses. For NY Green Bank, a provision for losses is established on any individual loan and financing receivable which: (i) is delinquent by more than 120 days on payment of principal or interest obligations; and (ii) indicates a deficiency in the present value of expected cash flows discounted at its effective interest rate, or a deficiency in the valuation of its collateral, as compared to its outstanding balance plus any accrued interest receivable. For the GJGNY program, an allowance for doubtful accounts is recorded at the amount of the outstanding principal balance of all loans over 120 days past due.

NY Green Bank applied GASB No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-entity Transfers of Assets and Future Revenues* to a transaction occurring in the year ended March 31, 2022, accounting for the transfer involved as a sale of loans as further described in footnote 5. A residual interest asset for the deferred purchase price was recorded, with re-valuation of that asset as of March 31, 2022 and an adjustment of the asset recognized.

(f) Capital assets

Assets with a cost of more than $2,500 and an estimated useful life in excess of two years are capitalized and reported at historical cost in the government-wide financial statements. Depreciation is calculated using the straight-line method over the estimated useful life of the capital assets, which ranges from three to fifty years and is reported in the government-wide and proprietary fund financial statements. Capital asset purchases are recorded as expenditures in the governmental funds financial statements.

(g) Unearned revenue

Unearned revenue consists of funds received or receivable in advance of revenue recognition conditions having been met for the underlying exchange transactions.

(h) Deferred outflows of resources and deferred inflows of resources

Deferred outflows of resources as presented in the government-wide and proprietary fund financial statements represent a consumption of net assets applicable to a future reporting period. Deferred inflows of resources as presented are defined as an acquisition of net assets applicable to a future reporting period. Deferred outflows of resources and deferred inflows of resources include differences between expected projected results and actual results related to NYSERDA's net pension liability and net OPEB liability/(asset), as well as contributions subsequent to the measurement date for each post-retirement/post-employment benefit plan. Deferred outflows of resources and deferred inflows of resources related to pension and OPEB are also allocated proportionately to NY Green Bank, as required for Proprietary funds.

(i) Vacation and sick leave

NYSERDA employees are granted vacation and sick leave in varying amounts. In the event of termination or retirement, an employee is reimbursed for accumulated vacation leave up to the equivalent of 45 days, and sick leave up to a maximum of five days. Retired employees may use additional accumulated sick leave to pay for the employee share of health insurance premiums.

NYSERDA's accrual for compensated absences, as reported in the government-wide financial statements within other non-current liabilities, includes fringe benefits on compensated absences and estimated costs to use employee sick leave for post-retirement health benefits. Compensated absences are not accrued in the governmental funds financial statements.

(j) NY State assessments

NY State assessments for the year ended March 31, 2022 consisted of $12.7 million in fees assessed by the State under Section 2975 of the Public Authorities Law (Governmental Cost Recovery System) for general governmental services, and $0.9 million paid to the State under a budget bill pursuant to Article VII of the New York State Constitution.

(k) Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies. Estimates also affect the reported amounts of revenues and expenditures / expenses during the reporting period. Actual results could differ from those estimates.

(l) Income taxes

NYSERDA is a component unit of the State and therefore is generally exempt from federal, state, and local income taxes.

(m) Reclassifications

Certain amounts reported as of and for the fiscal year ended March 31, 2021 have been reclassified to conform with the amounts presented as of and for the fiscal year ended March 31, 2022.

(3) CASH AND INVESTMENTS

Pursuant to Public Authorities Law Section 1859(1), the Commissioner of the New York State Department of Taxation and Finance (Fiscal Agent) serves as fiscal agent for NYSERDA’s cash and investments, maintaining such funds on NYSERDA’s behalf and implementing investments subject to the Fiscal Agent’s policies and with direction and authorization from NYSERDA. NYSERDA has a written investment policy that applies to all of its investments. The policy permits deposits with financial institutions approved by the Fiscal Agent and permits investments in certificates of deposit of bank or trust companies located in New York State, obligations of New York State and the United States government and certain of their agencies, repurchase agreements subject to certain limitations, and money market funds subject to certain limitations.

Cash and investments of the OPEB Trust are held with the Bank of New York Mellon Trust Company. All OPEB Trust investments are made consistent with the investment policy based on target percentages established for each asset class.

The following schedule presents cash and investments as of March 31, 2022. Fair value is measured using quoted market prices for U.S. government obligations, mutual funds, and exchange traded funds. GASB Statement No. 72, *Fair Value Measurement and Application,* prescribes three approaches to measuring fair value and requires a government to use valuation techniques consistent with one or more of these approaches. The standard establishes a fair value hierarchy that categorizes the inputs to valuation techniques used to measure fair value into three levels. Level

1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date. Level 2 inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for an asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. All NYSERDA investments are valued based on Level 1 inputs.

	Fair Value (*Amounts in thousands)*	% of Total	Weighted Average Maturity (months)
Governmental funds			
Cash and cash equivalents	$78,706	9.3	n/a
U.S. Treasury Bills	769,885	90.7	3.2
Total	$848,591	100.0	2.9
Current portion thereof	$848,591		
Proprietary fund			
Cash and cash equivalents	$14,570	3.2	n/a
U.S. Treasury Bills	436,426	96.8	2.4
Total	$450,996	100.0	2.3
Current portion thereof	$450,996		
Fiduciary funds			
Cash and equivalents	$10,485	9.2	n/a
Mutual funds	50,071	44.2	n/a
Exchange traded funds	19,142	16.9	n/a
U.S. Treasury Bills	33,650	29.7	1.4
Total	$113,348	100.0	1.4

Interest Rate Risk. NYSERDA's investment policy limits investment maturities to no longer than five years as a means of managing its exposure to fair value losses arising from increasing interest rates. Investment maturities are selected based on anticipated cash flow needs.

The OPEB Trust's risk tolerance is understood by the Plan Administrator such that achieving the Plan's investment objectives is not guaranteed and there will be time periods for which these objectives will not be met. The Plan Administrator also recognizes that some risk must be assumed to achieve the Trust's long-term investment objectives and accepts the inevitable fluctuations in returns that will occur. While it is understood that a certain level of risk is expected in the Trust's portfolio, the ability to withstand short and intermediate term variability was specifically considered in the development of the Investment Policy Statement risk tolerances. The debt instruments held within the above table's Mutual funds and Exchange traded funds are shown in the below table.

Credit Risk. Money market fund investments consist of non-rated funds whose investments are restricted to U.S. government obligations.   As of March 31, 2022, debt instruments other than those of the U.S. government were held only by the OPEB Trust and were as follows:

Investment type	*Investment policy range (% of portfolio)*	*Fair Value (Amounts in thousands)*	*Morningstar 5-star rating scale rating*
Mutual funds:			
Short term bonds	*1%-6%*	*$3,500*	*5*
Intermediate term bond	*9%-19%*	*$13,192*	*5*
Inflation protected securities	*5%-15%*	*$7,753*	*5*
Long term bond	*1%-11%*	*$537*	*5*
High yield bond	*7%-17%*	*$11,920*	*4*
Global bond	*1%-6%*	*$687*	*5*

Morning star is not a credit agency, their rating is a measure of the fund's risk-adjusted return relative to similar funds. Funds are rated one to five stars with the strongest performers receiving five stars.

Concentration of Credit Risk. NYSERDA's investment policy limits investments with any single eligible banking institution to no more than 35% of its total investment portfolio, except as otherwise required by any policies and practices of the Fiscal Agent. As of March 31, 2022, NYSERDA did not have any investments with institutions that were individually in excess of 5% of total investments.

The OPEB Trust's investment policy places limitations on the concentration of investments in certain industries, with certain companies, and among asset classes and within investment policy ranges.

Custodial Credit Risk for Deposits. Deposits are exposed to custodial credit risk if the deposits are not covered by depository insurance or deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging institution's trust department or agent, but not in the name of NYSERDA.

In accordance with existing policies and procedures, the Fiscal Agent of NYSERDA monitors deposit balances for the purpose of determining collateralization levels. Collateral sufficient to cover all uninsured deposits is held at the Department's custodial bank.

Custodial Credit Risk for Investments. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of NYSERDA, and are held either by the counterparty or the counterparty's trust department or agent, but not in the name of NYSERDA.

Fixed income investments owned directly by NYSERDA, which trade in the U.S. markets, are held at NYSERDA's Fiscal Agent's custodian, in separate accounts, in the name of the Comptroller of the State of New York in Trust for NYSERDA. These securities are typically held in electronic form through the Federal Book Entry System and by the Depository Trust Company (DTC) and its subsidiaries acting as an agent of NYSERDA's Fiscal Agent's custodian bank.

Foreign Currency Risk. As of March 31, 2022, only the OPEB Trust portfolio (reported within Fiduciary funds) holds foreign investments. Foreign mutual fund holdings, which are U.S. dollar denominated, at March 31, 2022 were $22.3 million (comprised of $21.6 million of equity funds and $0.7 of fixed income funds).

(4) RECEIVABLE FROM NEW YORK STATE

As of March 31, 2022, the amount due from New York State is $1.7 million, which represents appropriation and grant receivables.

(5) LOANS AND FINANCING RECEIVABLES

Loans receivable exist under the Green Jobs-Green New York program to finance energy efficiency retrofits and renewable energy system installments in residential, multifamily, small business, and not-for-profit buildings. The residential component, and certain small business/not-for-profit loans, offers loans originated by a third-party loan originator using pre-established loan underwriting criteria, which are funded by NYSERDA and serviced by a third-party loan servicer. Multifamily and small business/not-for-profit loans are provided through participating lenders with NYSERDA providing 50% of the principal, subject to certain limits.

For the fiscal years ended March 31, 2022 and March 31, 2021, provision for losses were $1.7 million and $1.8 million, respectively, and are included in Program/Current expenditures, respectively, for the Program/Major Fund.

NY Green Bank loans and financing receivables consist of sustainable infrastructure investments made by it into eligible technologies, consistent with its mission and investment criteria. These loans and financing transactions aim to mobilize private sector capital during the lifecycle of each investment, accelerate the deployment of economically and technically feasible clean energy projects in the State, provide financial returns to NY Green Bank, and contribute to New York's clean energy policy outcomes. NY Green Bank offers the following categories of capital solutions: construction finance, construction finance & term loan, term loans & investments (which may be debt or equity), warehousing/aggregation, and credit enhancements. NY Green Bank prices its products to reflect its credit underwriting, its risk position in the capital structure and pricing for comparable transactions, as well as internal portfolio return needs taking into account current market rates as well as commercial expectations of rates.

For the fiscal year ended March 31, 2022, a provision for losses of $5.2 million was recognized by NY Green Bank for a specific loan. No provision had been recognized in the year ended March 31, 2021. The provision is reflected as a reduction of Loans and financing receivables interest on the Statement of Activities.

Loans and financing receivables at March 31, 2022 include the following:

(Dollar amounts in thousands)

Governmental activities/funds	Number of loans and financing receivables	Loans and financing receivables Outstanding
Residential	26,339	$201,024
Small Business/Not-for-Profit	54	1,245
Other	12	4,632
Total governmental activities/funds	26,393	206,901
Allowance for doubtful accounts		(10,121)
Net total governmental activities/ funds		$196,780
Business-type activities/proprietary fund		
Construction Finance	7	$34,421
Construction Finance & Term Loan	13	242,269
Term Loans & Investments	19	130,355
Warehousing/Aggregation	4	70,389
Total business-type activities/proprietary fund	43	477,434
Allowance for doubtful account		(5,205)
Net business-type activities/proprietary fund		$472,229

Loans and financing receivables at March 31, 2022 mature as follows:

(Amounts in thousands)

Fiscal year ending March 31,	Residential Energy Efficiency	Small Business/ Not-for-Profit	Other	Total
2023	$18,292	245	-	18,537
2024	19,449	220	4,632	24,301
2025	18,033	218	-	18,251
2026	18,348	193	-	18,541
2027	18,560	140	-	18,700
2028-2032	80,616	229	-	80,845
2033-2037	27,674	-	-	27,674
2038-2041	52	-	-	52
Total governmental activities/funds	$201,024	1,245	4,632	206,901

Business-type activities/proprietary fund

Fiscal year ending March 31,	Construction Finance	Construction Finance & Term Loan	Term Loan & Investments	Warehousing /Aggregation	Total
2023	$14,214	24,998	9,675	16,737	65,624
2024	1,585	27,012	7,236	15,272	51,105
2025	-	27,021	12,812	38,380	78,213
2026	-	27,031	24,311	-	51,342
2027	10,695	27,328	947	-	38,970
2028-2032	7,927	61,922	22,190	-	92,039
2033-2037	-	46,957	53,184	-	100,141
Total business-type activities/ proprietary fund	$34,421	242,269	130,355	70,389	477.434

Loans and Financing Receivables - Residual Interest

In July 2021, as part of a planned initiative to monetize existing assets to allow capital to be accessible faster and thus allow more productive near-term use, NY Green Bank entered into a transaction to transfer its interest in a defined portfolio of loans to a third party. This transaction resulted in an upfront collection of cash plus rights to any residual payments, net of known transaction fees, including a residual value adjustment due to pre-payments occurring faster than modeled, and other factors. Pursuant to a Receivable Purchase Agreement, NY Green Bank relinquished its title and interest in the underlying loans to the third party, as purchaser. NY Green Bank has no obligation to provide payment to the third party from any other source if the borrowers are unable to make payments on the loans. NY Green Bank applied GASB No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-entity Transfers of Assets and Future Revenues* and accounted for the transfer as a sale of loans. Based on the terms of the transaction, NY Green Bank received $313.7 million up front in addition to deferred compensation (the “Residual Interest”, or “Deferred Purchase Price”), representing the remaining principal and interest payments when the initial advance has been fully satisfied by cash flows from loan principal and interest payments. The principal value of the sold loans and accrued interest at closing was $379.1 million and was derecognized, and a deferred purchase price asset was recognized at closing, which totaled $64.5 million. Fees and related closing costs incurred related to the transaction were recognized totaling $7.8 million. The deferred purchase price recognized at closing was initially based on fair value, which was measured using direct and indirect observable inputs (level 2), including market interest rates, contractual cash flows, and credit risk. Subsequent to closing, including in future accounting periods, the deferred purchase price will be adjusted if indicators of impairment exist and the value is determined to have decreased. In addition, during the year ended March 31, 2022, NY Green Bank made incremental contractually required funding of loan facilities, which increased the deferred purchase price by $18.8 million. During the fiscal year ended March 31, 2022, as a result of loan pre-payments and other factors, an unrealized loss of $5.7 million was recognized to reduce the value of the deferred purchase price. In connection with the Receivable Purchase Agreement, NY Green Bank will provide certain loan servicing activities for 0.5% of the average outstanding value of the loan portfolio.

(6) OTHER ASSETS

As of March 31, 2022, the other assets balance of $16.5 million principally represents the lower of cost or market value of the Upstate and Downstate New York State Strategic Gasoline Reserves, which were established to provide an emergency supply of finished motor gasoline in case of a significant disruption to petroleum fuels supply or distribution.

(7) CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2022 was as follows:

(Amounts in thousands)

	Beginning Balance	Additions	Retirements/ Reclasses	Ending Balance
Land	$685	-	-	685
Land improvements	5,844	-	-	5,844
Buildings	8,931	-	-	8,931
Machinery and equipment	21,135	1,356	(111)	22,380
Leasehold improvements	3,110	133	-	3,243
	39,705	1,489	(111)	41,083
Less accumulated depreciation for:				
Land Improvements	(2,395)	(201)	-	(2,596)
Buildings	(6,104)	(269)	-	(6,373)
Machinery and equipment	(17,181)	(1,862)	111	(18,932)
Leasehold improvements	(1,555)	(251)	-	(1,806)
	(27,235)	(2,583)	111	(29,707)
Capital assets, net	$12,470	(1,094)	-	11,376

(8) NON-CURRENT LIABILITIES

Non-current liability activity for the year ended March 31, 2022 was as follows:

(Amounts in thousands)

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
Governmental activities					
Compensated absences	$11,119	5,826	(4,878)	12,067	5,690
Bonds payable	117,687	-	(21,730)	95,957	8,325
Net pension liability	24,388	18,580	(42,637)	331	-
Net OPEB liability (asset)	862	3,347	(16,206)	(11,997)	-
Non-current liabilities	$154,056	27,753	(85,451)	96,358	14,015
Business-type activities					
Net pension liability (asset)	$3,796	3,030	(7,056)	(230)	-
Net OPEB liability (asset)	134	275	(2,381)	(1,972)	-
Non-current liabilities	$3,930	3,305	(9,437)	(2,202)	-

Bonds payable includes various bonds issued and secured by loan repayments from loans issued under the GJGNY program. Following is a schedule of bonds issued and outstanding at March 31, 2022:

(Amounts in thousands)

	Principal Balance Outstanding	Final Maturity Date	Interest Rate
Residential Energy Efficiency Financing Revenue Bonds,			
Series 2013A	$8,880	July 1, 2028	3.2% to 4.1%
Series 2015A	27,310	July 1, 2030	2.9% to 3.8%
Series 2016A	15,695	July 1, 2031	1.9% to 2.8%
Residential Solar Loan Revenue Bonds, Series 2015	12,537	March 1, 2027	4.6% to 4.9%
Residential Solar Financing Green Revenue Bonds, Series 2018A	9,665	April 1, 2034	3.4% to 4.8%
Residential Solar and Energy Efficiency Financing Green Revenue Bonds, Series 2019A	8,780	April 1, 2035	3.3% to 4.6%
Residential Solar and Energy Efficiency Financing Green Revenue Bonds, Series 2020A	13,090	October 1, 2036	1.6% to 3.4%
Total	$95,957		

The Series 2013A, Series 2015A, and Series 2016A Bonds were issued under a master Indenture of Trust (Indenture), as supplemented, which requires that NYSERDA maintain cash and future scheduled pledge loan payments in each bond year of not less than 110% of annual debt service for each series of bonds. Payment of principal and interest on the Series 2013A bonds are guaranteed by the New York State Environmental Facilities Corporation (EFC) through the Clean Water State Revolving Fund (SRF). The Residential Energy Efficiency Financing Revenue Bonds Series 2015A and Series 2016A were issued to EFC in connection with SRF bonds issued by EFC. The Series 2015A bonds include an interest subsidy credit from EFC provided compliance with provisions of the EFC financing agreements. Under the terms of agreements with EFC, NYSERDA has on deposit with an escrow agent as of March 31, 2022, approximately 3.1 million in a Collateral Reserve Account, which may be used by EFC to fund or reimburse its guarantee. Any funds held by the Trustee under the Indenture may be withdrawn by NYSERDA provided that cash and scheduled pledged loan payments are not less than 120% of annual debt service and provided that the balance of the Collateral Reserve Account and any Debt Service Reserve Fund are not less than 15% of aggregate bonds outstanding under the Indenture.

Bonds payable also includes Residential Solar Loan Revenue Bonds (Series 2015). The bonds are secured with a pledge of payments from consumer loans issued through the GJGNY program to finance the installation of residential photovoltaic systems (Solar Loans) in an amount which provides scheduled debt service coverage of 125% based on a 15 year structuring amortization schedule. The bonds originally included a variable rate component, but pursuant to the terms of the borrowing, pledged Solar Loan payments received in excess of structuring scheduled payments were applied on a quarterly basis first to the redemption of outstanding variable rate bonds, and then to outstanding fixed rate bonds, and as of March 31, 2022 no variable rate principal balance remained outstanding. The remaining principal outstanding bears interest at a fixed rate determined at the time each series was issued, and mature approximately 10 years from the date issued, ranging from March 1, 2026 to March 1, 2027.

Also included in Bonds Payable are Residential Solar Loan Revenue Bonds (Series 2018) issued to finance or refinance loans residential solar loans for under the GJGNY program for one to four family residential structures. The Series 2018A Bonds are payable solely from and secured by Pledged Loan Payments held by the Trustee under the Indenture and all money, revenues and receipts to be received under the Indenture.

Bonds Payable further includes Residential Solar and Energy Efficiency Financing Green Revenue Bonds (for Series 2019A and Series 2020A). The Series 2019A and 2020A Bonds are payable solely from and secured by the Pledged Revenues pursuant to the Indenture of Trust.

For each of the Series of bonds outstanding at March 31, 2022, failure of the Authority to cause to be made by the Trustee, the scheduled payment of principal and/or interest amounts still outstanding at such maturity date, would result in the Authority becoming responsible for, but only from pledged loan payments, all reasonable collection and similar fees, plus interest on overdue installments of interest at the rate borne by the Bonds. The remedy of acceleration shall not be available to the Owners of the bonds.

As of March 31, 2022, maximum future debt service requirements of the bonds are:

(Amounts in thousands)

Fiscal year ending March 31,	Bonds payable Principal	Interest	Total
2023	$8,325	2,919	11,244
2024	10,440	2,701	13,141
2025	9,995	2,431	12,426
2026	9,770	2,158	11,928
2027	22,037	1,700	23,737
2028-32	26,360	3,385	29,745
2033-37	9,030	1,261	10,291
Total	$95,957	16,555	112,512

In the above table, certain bonds with principal payments that are dependent on the amount of pledged loan receipts are shown in the period in which final maturity of such amounts occur, though pre-payment without penalty could occur. In addition, interest payments for those same bonds include the maximum amount assuming no principal pre-payments are made.

(9) RETIREMENT PLAN

There are two retirement plans for NYSERDA employees: the New York State and Local Retirement System (the System), and the New York State Voluntary Defined Contribution Plan (VDC). Nearly all employees of NYSERDA participate in one of these two plans.

The System is a cost-sharing, multiple-employer, defined benefit public employee retirement plan. The State Comptroller is sole trustee and administrative head of the System. The System issues a publicly available financial report including financial statements and required supplementary information located on the Internet at https://www.osc.state.ny.us/files/retirement/resources/pdf/financial-statements-2021.pdf or by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244. The System provides retirement benefits, as well as death and disability benefits. Retirement benefits are established by the New York State Retirement and Social Security Law. Retirement benefits, contributory requirements and vesting depend on the point in time at which an employee first joined the System (membership "tier"). Members of the System who joined before July 27, 1976 are enrolled in a noncontributory plan; NYSERDA contributes the entire amount determined to be payable to the System for those members. Personnel who joined the System after July 27, 1976 through January 1, 2010 and who have less than 10 years of accredited service are required by law to contribute three percent of their gross salary; NYSERDA contributes the balance payable to the System during that period, and the full amount determined to be payable thereafter. Members who joined the System between January 1, 2010 and March 31, 2012 contribute three percent of their gross salary during the full term of employment. Members who joined the System after April 1, 2012 contribute between three percent and six percent, depending on their salary, during the full term of employment. Retirement benefits vest after five to 10 years of accredited service, depending on the applicable tier.

As of the fiscal years ended March 31, 2022 and 2021, NYSERDA's proportionate share of the System's net pension liability was approximately 0.10% and 0.11%, respectively, determined based on the ratio of NYSERDA's total projected long-term contributions to the total System projected long-term contributions from all employers. NYSERDA, in turn, allocated a share of its pension liability and deferred outflows and deferred inflows to NY Green Bank, its proprietary fund, based on a proportional allocation methodology using direct salary expenses. The governmental activities represent approximately 86% and the proprietary fund represents approximately 14% of the proportionate share of the balances of System pension-related amounts consistent with NYSERDA's current allocation methodology. NYSERDA's net pension liability, which includes that of NY Green Bank, is as follows:

	(Amount in thousands)
Measurement date	03/31/2021
Actuarial valuation date	04/01/2020
Net pension liability	$101

The significant actuarial assumptions included in the actuarial valuation included an inflation factor of 2.7%, projected salary increases of 4.4%, and investment rate of return of 5.9%. The System also assumed a COLA of 1.4% annually. Annuitant mortality rates are based on the System's 2020 experience study of the period April 1, 2015 – March 31, 2020, with adjustments for mortality improvements based on Society of Actuaries Scale MP-2020. The discount rate used to calculate the total pension liability was 5.9%. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to NYSERDA's participation in the System, as well as the related pension expense, information about the fiduciary net position of the System, and additions to/deductions from NYSERDA's fiduciary net position, have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the statutes governing the System. Investments are reported at fair value.

Pension expense for the fiscal year ended March 31, 2022 was $1.9 million. NYSERDA's contribution to the System for the fiscal year ended March 31, 2022 was $4.4 million, representing 100% of the required contribution.

The following table portrays the sensitivity of NYSERDA's proportionate share of the net pension liability due to changes in the discount rate:

		(Amounts in thousands)	
	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
Governmental activities			
Net pension liability/(asset)	$24,026	$331	($21,991)
Business type-activities/proprietary fund			
Net pension liability/(asset)	$3,989	($230)	($3,651)

Balances of System pension-related deferred outflows of resources and deferred inflows of resources as of the measurement date were as follows:

(Amounts in thousands)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$1,233	-
Changes of assumptions	18,558	($350)
Net difference between projected and actual investment earnings on pension plan investments	-	(28,994)
Changes in proportion and differences between employer contributions and proportionate share of contributions	64	(1,102)
Employer contributions subsequent to the measurement date	4,445	-
Total	$24,300	($30,446)

The amount of employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/(asset) in the fiscal year ended March 31, 2023.

The deferred outflows of resources and deferred inflows of resources to be recognized in pension expense in the following years and in the aggregate are as follows:

(Amounts in thousands)

Fiscal year Ending March 31:	Governmental activities	Business-type activities/proprietary fund	Total
2023	($1,820)	(303)	(2,123)
2024	(757)	(147)	(904)
2025	(1,546)	(273)	(1,819)
2026	(4,906)	(839)	(5,745)
Totals	($9,029)	(1,562)	(10,591)

The VDC is a multiple-employer, defined contribution plan administered by the Director of University Benefits for the State University of New York (SUNY); TIAA-CREF serves as the third-party administrator. On July 1, 2013, the VDC option was made available to NYSERDA employees hired on or after that date whose annual salary is $75,000 or more. Those employees voluntarily electing the VDC plan are prohibited from joining the System (defined benefit plan) at a later date (and the opposite also applies; plan participation elections are irrevocable). VDC provides benefits through annuity contracts and provides retirement and death benefits to those employees who elected to participate in the VDC. Employees have the ability to choose from a variety of investment providers for the VDC. Benefits are determined by the amount of individual accumulations and the retirement income option selected. All benefits generally vest after the completion of one year of service. Employees electing to participate in the VDC plan are required to contribute between 5.75% and 6% of gross earnings, dependent upon their salary, for their entire working career; NYSERDA contributes 8%.

One hundred forty-seven employees have vested in the VDC as of March 31, 2022. NYSERDA's contribution to the VDC for the year ended March 31, 2022 was $1,013,000.

(10) LEASES

NYSERDA has multi-year operating leases expiring as follows:

Expiration date	Location
October 31, 2022	Buffalo
June 30, 2024	Albany
May 31, 2026	West Valley
October 29, 2027	New York City (1359 Broadway)
October 31, 2027	New York City (1333 Broadway)

For the year ended March 31, 2022, rental expense for all office facilities was $2.7 million.

The following is a schedule, by year, of future minimum rental payments for NYSERDA's office space as of March 31, 2022:

	(Amounts in thousands)
Fiscal year ending March 31:	
2023	$2,397
2024	2,407
2025	2,173
2026	2,069
2027	1,982
Thereafter	1,146
Total	$12,174

NYSERDA is also the lessor of certain equipment comprising a cooling water structure at the Indian Point Energy Center in Buchanan, New York under a lease that expires on March 31, 2027, with annual minimum lease rental payments of $816,000 for the fiscal years ending March 31, 2022-2027.

(11) CONTINGENCIES

(a) Western New York Nuclear Service Center

Under the federal West Valley Demonstration Project Act and an implementing Cooperative Agreement between DOE and NYSERDA, the federal government pays 90 percent of the West Valley Demonstration Project (WVDP) costs, and NYSERDA, on behalf of the State of New York, pays the remaining 10 percent. In addition, in 2010, the U.S. District Court for the Western District of New York approved an agreement between New York State and the federal government that resolved most of the claims asserted in a 2006 lawsuit filed by NYSERDA and New York State against the federal government and DOE regarding the financial responsibility for cleaning up certain facilities at West Valley. The agreement defines a specific cost share for the cleanup of a number of facilities that had long been in dispute between NYSERDA and DOE. For example, under this agreement, the federal government will pay a 30 percent share of costs associated with the State Licensed Disposal Area (SDA), which is solely owned and managed by NYSERDA, and NYSERDA, on behalf of the State, will pay the remaining 70 percent. Remediation costs for the North Plateau Groundwater Plume will be split equally between the State and federal government, and costs for remediating the Nuclear Regulatory Commission Licensed Disposal Area will also be a 50/50 split. The two governments agreed that other facilities are covered by the WVDP Act, such as the Main Process Plant building, and thus the federal government will pay 90% of the cleanup costs.

In 2010, following the publication of a Final Environmental Impact Statement, DOE and NYSERDA issued decision documents that formally selected the Phased Decision Making alternative for continuing the cleanup. Under Phased Decision making, decommissioning work will be conducted in two phases. During Phase 1, the Main Process Plant building and several other highly contaminated facilities will be removed at an estimated cost of approximately $1.0 billion. As the Phase 1 cleanup work was proceeding, DOE and NYSERDA conducted additional studies to reduce uncertainties in the decisions for the Phase 2 portion of the cleanup, which will be detailed in a Supplemental Environmental Impact Statement currently being developed. The 2010 Environmental Impact Statement states that the Phase 1 work would take 10 years and cost approximately $1.0 billion based on a federal funding level of $75.0 million per year. During most of the period between 2010 and 2020, however, the actual federal funding levels generally ranged between $60.0 million and $68.0 million, extending the duration of Phase 1. Starting in Federal Fiscal Year 2021 Congressional appropriations for the WVDP increased to about $93 million annually and this trend is expected to continue throughout the demolition of the Main Plant Process Building. The total cost and duration of the Phase 1 cleanup work will be in part impacted by the funding amounts appropriated annually in the federal budget.

The Phase 2 decisions, which will be made in the late 2025 timeframe, will address the remaining facilities, including the High-Level Waste Tanks, the SDA, the NRC-Licensed Disposal Area, and the main body of a plume of contaminated groundwater. Total estimated costs for completing the Phase 2 work range from over $700.0 million to $9.1 billion, and are dependent on the alternative selected for these remaining facilities.

In accordance with GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations,* no liability has been included in NYSERDA's financial statements as of March 31, 2022 for this contingency because NYSERDA expects to continue to be reimbursed from State appropriations for the State's share of the costs of the Demonstration Project, any costs NYSERDA may incur in relation to the SDA, and any other costs allocated to NYSERDA under the agreement resolving the lawsuit referenced above.

(b) Energy Analysis- Low-Level Radioactive Waste

Pursuant to the Low-Level Radioactive Waste (LLRW) Management Act of 1986, NYSERDA annually assesses licensees of operating nuclear power plants an amount sufficient to reimburse the State for the LLRW disposal facilities development activities of the Departments of Health and Environmental Conservation, and must provide nuclear power plant licensees with a user-fee reduction, when the disposal facilities are operational, equal to the statutory assessments collected plus interest at a fair market rate. During the year ended March 31, 2022, NYSERDA paid, from the agency fund, a total of $3.0 million to reimburse the State for such costs pursuant to Public Authorities Law Section 1854-d(2)(a).

(c) Bond Financing Program

The principal and interest on obligations issued for participating gas and electric utility companies and other private purpose users are payable solely from payments made by participating companies. They are not general obligations of NYSERDA nor do they constitute an indebtedness of or a charge against the general credit of NYSERDA, or cause any monetary liability to NYSERDA. These bonds and notes are not a debt of the State of New York.

The bonds and notes issued bear the name of NYSERDA and the participating company. NYSERDA assigns most of its rights and obligations to a trustee who is responsible for, among other things, disbursing bond and note proceeds and handling principal and interest payments. As of March 31, 2022, the principal totaled $1.5 billion.

(d) Risk management
NYSERDA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; cyber security breaches; and natural disasters. NYSERDA maintains commercial insurance coverage for each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to NYSERDA. NYSERDA has not experienced any reductions in coverage and has not had any insurance settlements exceeding the coverage in the past three years.

(e) Contractual obligations in excess of cash and investment balances
As of March 31, 2022, NYSERDA has aggregate outstanding contractual obligations in excess of cash and investments of governmental activities/funds totaling $21.2 billion, which will be reimbursed for qualifying program costs from monies held by utilities pursuant to BAYG agreements, from future revenues generated through Commission Orders, Memorandums of Understanding, Third-party agreements, and from federal energy grants.

(f) NY Green Bank
As of March 31, 2022, NY Green Bank has entered into four credit contracts which, consistent with their terms, have not been funded but contain contingent obligations. NY Green Bank capital is only drawn if a contingent obligation under the respective agreement is triggered. The amount of contingent obligations as of March 31, 2022 totaled approximately $5.0 million.

Any draws made on the above contingent obligations would be due to be repaid pursuant to the terms of their respective agreements.

(12) POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description
The New York Civil Service Law, Section 163(2) provides for health insurance coverage for retired employees of New York State, including their spouses and dependent children. The law extends to public benefit corporations. NYSERDA maintains a single-employer defined benefit plan (the "Plan"), providing this benefit to eligible retirees and/or their spouses and dependent children. Eligibility is determined by membership in the System and New York State Voluntary Defined Contribution (VDC) Program, enrollment in the New York State Health Insurance Program at the time of retirement, and the completion of a minimum number of years of service as required by the System and VDC program. The Plan provides that members that retired prior to January 1, 2013 pay the percentage share of the health insurance premiums that active NYSERDA employees paid as of December 31, 2012. Members that retired on or after January 1, 2013 pay the same percentage share of the health insurance premiums as that charged for active State management confidential employees (as of March 31, 2022 the shares were 16% of the premium for individual coverage and 31% of the incremental premium for family coverage). NYSERDA is billed by the New York State Department of Civil Service monthly for pay-as-you-go funding requirements; however, payments are made from an irrevocable OPEB Trust account established in March 2010. The purpose of the OPEB Trust is for the accumulation of funds to pay future benefit costs. The Trust's funds are held by a third-party trustee. The Trust is managed by the Officers of NYSERDA, in consultation with an independent Investment Consultant.

As of March 31, 2022, there were 133 retirees and dependent survivors actively receiving benefits and 326 active Plan members. NYSERDA's OPEB Trust is recorded as a fiduciary fund within NYSERDA's financial statements.

Net OPEB Liability and disclosures required by GASB Statement No. 75 (Employer Reporting):

The Total OPEB liability at March 31, 2022 was determined using the January 1, 2020 actuarial valuation, and was then projected forward to the measurement date of March 31, 2021.

NYSERDA allocates a share of its Net OPEB liability and related deferred outflows and deferred inflows to NY Green Bank, its proprietary fund, based on a proportional allocation methodology using direct salary expenses. The governmental activities represent approximately 86% and the proprietary fund represents approximately 14% of the proportionate share of the balances of OPEB-related amounts consistent with NYSERDA's current allocation methodology.

The following table summarizes changes in the net OPEB Liability of NYSERDA, which includes that of NY Green Bank:

(Amounts in thousands)

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (asset) (a) – (b)
Fiscal year ended March 31, 2021 *(Measurement date March 31, 2020)*	$51,363	50,367	996
Changes for the year:			
Service cost	2,148		2,148
Interest	3,291		3,291
Differences between expected and actual experience	645		645
Benefit payments	(1,738)	(1,738)	-
Contributions-employer	-	3,045	(3,045)
Net investment income	-	18,021	(18,021)
Administrative expenses	-	(17)	17
Fiscal year ended March 31, 2022 *(Measurement date March 31, 2021)*	$55,709	69,678	(13,969)

Sensitivity Analysis:

Discount rate

The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the long-term expected rate of return.

(Amounts in thousands)

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Governmental activities			
Net OPEB liability (asset)	($4,289)	(11,997)	(18,223)
Business type-activities/proprietary fund			
Net OPEB liability (asset)	(705)	(1,972)	(2,996)

Healthcare cost trend rates

The following presents the net OPEB liability of NYSERDA, calculated using the current healthcare cost trend rates as well as what the Authority's net OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates.

(Amounts in thousands)

	1% Decrease	Current Trend Rate	1% Increase
Governmental activities			
Net OPEB liability (asset)	($19,395)	(11,997)	(2,548)
Business type-activities/proprietary fund			
Net OPEB liability (asset)	(3,189)	(1,972)	(419)

OPEB expense for the fiscal year ended March 31, 2022 was ($64). Balances of OPEB-related deferred outflows of resources and deferred inflows of resources as of March 31, 2022 were as follows:

(Amounts in thousands)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$216	(6,344)
Changes of assumptions	590	(1,569)
Net difference between projected and actual investment earnings on Trust investments	5,271	(12,070)
Employer contributions subsequent to the measurement date	2,148	-
Total	$8,225	(19,983)

The amount of employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/(asset) in the fiscal year ended March 31, 2023.

The deferred outflows of resources and deferred inflows of resources to be recognized in OPEB expense in each of the next five years and in the aggregate thereafter is as follows:

(Amounts in thousands)

Fiscal year Ending March 31:	Governmental activities	Business-type activities/proprietary fund	Total
2023	$1,997	334	2,331
2024	1,819	309	2,128
2025	2,263	376	2,639
2026	3,485	570	4,055
2027	940	148	1,088
Thereafter	1,437	228	1,665
Totals	$11,941	1,965	13,906

Projections of benefits for financial reporting purposes are based on the Plan as understood by NYSERDA and Plan members and include the types of benefits provided at the time of valuation and the historical pattern of sharing benefit costs between NYSERDA and Plan members. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential of legal or contractual funding limitations on the pattern of cost sharing between the employer and Plan members in the future.

The significant assumptions used in the January 1, 2020 actuarial valuation were as follows:

Retirement– All employees assumed to be covered under Tier 4 of the System, with early retirement available at age 55 with 5 years of service, and unreduced benefits at age 62 with 5 years or age 55 with 30 years of service. Based on assumptions used under the System, since eligibility for NYSERDA employees covered under this plan is based on membership in that system. The System assumptions were based on extensive analysis of their covered populations.

Marital status – Assumed 60% of active male employees who choose coverage will have covered spouses at retirement, and 50% for active female employees. Male spouses were assumed to be three years older than female spouses.

Mortality Tables – Sex-distinct Pub-2010 General Employee/Retiree Mortality Tables with generational projection using Scale MP-2020. Pub-2010 General Contingent Survivor Tables with full generational projection using Scale MP-2020 were used for current beneficiaries.

Withdrawal– Rates were based on age and length of service for the first 10 years and age thereafter as the basis for assigning active members a probability of remaining employed until the assumed retirement age. Based on assumptions used under the System, since eligibility for NYSERDA employees covered under this plan is based on membership in that system. The System assumptions were based on extensive analysis of their covered populations.

Healthcare cost trend rate – The expected rate of increase in healthcare premiums was based on projections developed by the actuary’s healthcare specialists. Rates of 2.4% and 2.1% for the two health insurers with the highest enrollment of Plan members were assumed initially, trending to an ultimate rate of 3.7% for both carrier’s plans.

Health insurance premiums – Calendar year 2021 health insurance premiums for the two health insurers with the highest enrollment of Plan members were used as the basis for the projected valuation year premiums.

Investment return – As of March 31, 2022, Plan benefit payments are pre-funded in a segregated Trust, and a discount rate of 6.0% was used, representing the long-term anticipated earnings potential of investments in the Trust.

The actuarial funding method used was the Entry Age Normal Cost method, under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to a valuation year is called the normal cost (for purposes of GASB 75, the term normal cost is the equivalent of service cost). The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the actuarial accrued liability (for purposes of GASB 75, the term actuarial accrued liability is the equivalent of total OPEB liability).

The Plan also provides that the dollar value, subject to certain limitations, of members' accumulated sick leave credits at the time of retirement may be used to offset the portion of health insurance premiums paid by retirees. NYSERDA's estimated liability associated with sick leave credits is recorded as a Compensated Absence within Other non-current liabilities in accordance with the requirements of GASB Statement No. 16, *Accounting for Compensated Absences*. The Trust does not accumulate resources for the purpose of paying this portion of the health insurance premiums, nor does it pay any benefits for this purpose. NYSERDA's liability for that portion of the premiums is not included in the actuarially determined liabilities of the Plan, the net OPEB liability, or the OPEB expense calculations.

The cost of third-party administrators, actuarial reports, audits, and similar costs incurred exclusively for the Trust are paid from resources of the Trust. Routine daily administrative costs of administering the benefit plans, accounting services and similar costs are absorbed by NYSERDA.

The Trust has no legally required reserves.

Additional information can be found in the Required Supplementary Information section of these financial statements.

Net OPEB Liability/(Asset) and Disclosures required by GASB Statement No. 74 (Plan Reporting)

The Total OPEB liability at March 31, 2022 was determined using the January 1, 2022 actuarial valuation, and was then projected forward to March 31, 2022, calculated using the actuarial assumptions changes described below.

(Amounts in thousands)

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(asset) (a) – (b)
Fiscal year ended March 31, 2021	$55,709	69,678	(13,969)
Changes for the year:			
Service cost	2,549		2,549
Interest	3,440		3,440
Effect of economic/demographic gains or losses	1,487		1,487
Effect of assumptions changes or inputs	(616)		(616)
Benefit payments	(1,869)	(1,869)	-
Contributions-employer	-	2,148	(2,148)
Net investment income	-	(490)	490
Administrative expenses	-	(17)	17
Fiscal year ended March 31, 2022	$60,700	69,450	(8,750)

The actuarial assumptions were the same as those noted above (for the GASB Statement No. 75 valuation) with the exception of:

Mortality Tables – Sex-distinct Pub-2010 General Employee/Retiree with Projection Scale MP-2021.

Healthcare cost trend rate – The expected rate of increase in healthcare premiums was based on projections developed by the actuary's healthcare specialists. Rates of 5.3% for the two health insurers with the highest enrollment of Plan members were assumed initially, trending to an ultimate rate of 3.7% for both carrier's plans.

Investment return – As of March 31, 2022, Plan benefit payments are pre-funded in a segregated Trust, and a discount rate of 6.0% was used, representing the long-term anticipated earnings potential of investments in the Trust.

Sensitivity Analysis:

Discount rate

The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the long-term expected rate of return.

	1% Decrease (5.0%)	*(Amounts in thousands)* Current Discount Rate (6.0%)	1% Increase (7.0%)
Net OPEB liability (asset)	$1,164	($8,750)	($16,748)

Healthcare cost trend rates

	1% Decrease	*(Amounts in thousands)* Current Trend Rate	1% Increase
Net OPEB liability (asset)	($17,770)	($8,750)	$2,740

Money-Weighted Rate of Return:

For the year ended March 31, 2022, the annual money-weighted rate of return on investments, calculated as the internal rate of return on Plan investments, net of investment expense, was (0.70%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Long-term expected rate of return:

Asset Class	Index	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
US Cash	BAML 3-Mon Tbill	1.00%	-0.26%	-0.26%
US Short Bonds	Bloomberg US Govt 1-3 Yr	5.00%	0.25%	0.22%
US Interm Bonds	Bloomberg US Govt Interm	19.00%	0.53%	0.45%
US Long Bonds	Bloomberg US Government Long	1.00%	1.14%	0.41%
US Inflation-Indexed Bonds	Bloomberg US Treasury US TIPS	11.00%	0.60%	0.48%
US High Yield Bonds	ICE BofA US High Yield	17.00%	3.92%	3.38%
Non-US Bonds	JPM GBI Global ExUS	1.00%	-0.13%	-0.58%
US Large Caps	S&P 500	10.00%	4.94%	3.46%
US Mid Caps	Russell Mid Cap	1.00%	5.56%	3.56%
US Small Caps	Russell 2000	3.00%	6.73%	4.18%
Foreign Developed Equity	MSCI EAFE	12.00%	6.27%	4.52%
Emerging Markets Equity	MSCI EM	18.00%	8.82%	5.31%
Global REITs	FTSE EPRA Nareit Developed	1.00%	6.05%	3.92%

Additional information can be found in the Required Supplementary Information section of these financial statements.

(13) INTERFUND BALANCES AND TRANSFERS

The balances reflected in Due to other funds and Due from other funds reflect the timing difference of when expenditures are incurred and when interfund reimbursement occurs.

Transfers consist of amounts transferred between various Functions/Programs and Funds pursuant to various Orders of the Commission, NYSERDA's approved RGGI operating plan, and to fund expenditures and working capital balances pursuant to the CEF Order's "Bill-As-You-Go" process, as summarized below:

(Amounts in thousands)

	Transfers To					
Transfers From	CEF	NYSUN	CES	GJGNY	Other Funds	Total
CEF	$ -	9,125	-	-	6,231	15,356
NYSUN	5,952	-	-	-	294	6,246
CES	-	-	-		151	151
RGGI	33,789	-	-	12,000	-	45,789
Other Funds	4,278	11,944	96	-	-	16,318
Total Governmental Funds	$44,019	21,069	96	12,000	6,676	83,860

(14) SUBSEQUENT EVENTS

The COVID-19 health crisis has impacted certain operational performance and programmatic spending levels for the fiscal year ended March 31, 2022, but has not had a material impact on the financial condition of NYSERDA as of March 31, 2022. As of June 29, 2022, the issuance date of the financial statements, the extent, if any, to which COVID-19 may impact NYSERDA's future programmatic activities and accomplishments is uncertain.

NEW YORK STATE ENERGY
RESEARCH AND DEVELOPMENT AUTHORITY
(A Component Unit of the State of New York)

Required Supplementary Information (Unaudited)
March 31, 2022

Schedule of NYSERDA's Contributions to the System Pension Plan

(Amounts in thousands)

Fiscal year ended March 31,	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$4,445	$3,941	$3,844	$3,808	$3,805	$3,866	$3,993
Contributions in relation to the actuarially determined contribution	$4,445	$3,941	$3,844	$3,808	$3,805	$3,866	$3,993
Contribution deficiency (excess)	-	-	-	-	-	-	-
Covered- payroll	$30,768	$28,191	$27,760	$27,362	$26,088	$25,854	$26,153
Contributions as a percentage of covered-employee payroll	14.4%	14.0%	13.8%	13.9%	14.6%	15.0%	15.3%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Schedule of NYSERDA's Proportionate Share of the System's Net Pension Liability

(Amounts in thousands)

Fiscal year ended March 31,	2022	2021	2020	2019	2018	2017	2016
(Measurement date March 31,)	*2021*	*2020*	*2019*	*2018*	*2017*	*2016*	*2015*
Proportion of the net pension liability	0.10%	0.11%	0.11%	0.10%	0.11%	0.11%	0.12%
Proportionate share of the net pension liability	$101	$28,184	$7,599	$3,367	$10,279	$17,556	$4,004
Covered- payroll	$28,191	$27,760	$27,362	$26,088	$25,854	$26,153	$25,135
Proportionate share of the net pension liability as a % of its covered payroll	0.4%	101.5%	27.8%	12.9%	39.8%	67.1%	15.9%
Ratio of fiduciary net position to total pension liability	99.95%	86.39%	96.27%	98.24%	94.7%	90.7%	97.9%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying independent auditors' report

NEW YORK STATE ENERGY
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Required Supplementary Information (Unaudited)
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Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios

(Amounts in thousands)

Fiscal year ended March 31,					
Employer Reporting:	***n/a***	**2022**	**2021**	**2020**	**2019**
Plan Reporting:	**2022**	**2021**	**2020**	**2019**	**2018**
Total OPEB liability					
Total OPEB liability- beginning	$55,709	$51,363	$56,953	$52,709	$49,081
(Measurement date March 31,)	*2021*	*2020*	*2019*	*2018*	*2017*
Changes for the year:					
Service Cost	2,549	2,148	2,154	2,031	1,887
Interest	3,440	3,291	3,791	3,512	3,260
Effect of economic/demographic gains or losses	1,487	(32)	(8,075)	350	(233)
Effect of assumptions changes or inputs	(616)	677	(1,878)	(210)	-
Benefit payments	(1,869)	(1,738)	(1,582)	(1,439)	(1,286)
Total OPEB liability- ending (a)	$60,700	$55,709	$51,363	$56,953	$52,709
(Measurement date March 31,)	*2022*	*2021*	*2020*	*2019*	*2018*
Plan fiduciary net position					
Plan fiduciary net position- beginning	$69,678	$50,367	$52,971	$48,767	$43,176
(Measurement date March 31,)	*2021*	*2020*	*2019*	*2018*	*2017*
Changes for the year:					
Benefit payments	(1,869)	(1,738)	(1,582)	(1,439)	(1,286)
Employer contributions	2,148	3,045	2,608	4,963	3,013
Net investment income	(490)	18,021	(3,612)	727	3,879
Administrative expenses	(17)	(17)	(18)	(47)	(15)
Plan fiduciary net position- ending (b)	$69,450	$69,678	$50,367	$52,971	$48,767
(Measurement date March 31,)	*2022*	*2021*	*2020*	*2019*	*2018*
Net OPEB liability (asset)					
Net OPEB liability (asset)- beginning	($13,969)	$996	$3,982	$3,942	$5,905
Net OPEB liability (asset)- ending (a) – (b)	($8,750)	($13,969)	$996	$3,982	$3,942
Fiduciary net position as a % of total OPEB liability	114.42%	125.07%	98.06%	93.01%	92.52%
Covered payroll	$44,809	$38,962	$39,320	$37,638	$35,757
Net OPEB liability (asset) as a % of covered payroll	(19.53%)	(35.85%)	2.53%	10.58%	11.02%

Notes to schedule: “n/a” indicates the ending Net OPEB liability (asset) (and respective columnar data presented which tabulates it), is not yet reportable by the Employer, NYSERDA, on its Statement of Net Position, due to NYSERDA’s allowable (by GASB Statement No. 75) one-year lag in Employer vs. Plan reporting.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying independent auditors’ report

NEW YORK STATE ENERGY
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(A Component Unit of the State of New York)

Required Supplementary Information (Unaudited)
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Schedule of NYSERDA's Contributions for OPEB (Employer and Plan Reporting)

			(Amounts in thousands)	
Fiscal year ended March 31,	**2022**	**2021**	**2020**	**2019**
Actuarially determined contribution	$2,148	$3,045	$2,608	$2,071
Actual employer contribution	2,148	3,045	2,608	4,963
Contribution deficiency (excess)	($-)	($-)	($-)	($2,892)
Covered payroll	$44,809	$38,962	$39,320	$37,638
Contribution as a % of covered payroll	4.79%	7.82%	6.63%	13.19%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Schedule of Investment Returns- OPEB Trust (Plan Reporting)

Fiscal year ended March 31,	Net annual money-weighted rate of return
2022	(0.70%)
2021	35.36%
2020	(6.76%)
2019	1.45%
2018	8.84%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying independent auditors' report