

**Report of Actual Revenues and Expenditures Compared to Budget
Pursuant to Section 203.8(b) of Regulation 2 NYCRR Part 203
For the Fiscal Year Ended March 31, 2025**

The following table summarizes actual revenues and expenses, as reported in the Statement of Activities, for the fiscal year ended March 31, 2025, in comparison to amounts included in the final budget approved by NYSERDA's Board:

(Amounts in thousands)

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>% Variance</u>
Revenues:				
State appropriations	\$153,555	269,381	(115,826)	-43.0%
Utility surcharge assessments	637,782	755,225	(117,443)	-15.6%
Renewable energy credit proceeds	218,835	54,726	164,109	299.9%
Zero-emission credit assessments	531,895	533,597	(1,702)	-0.3%
Allowance auction proceeds	465,708	375,487	90,221	24.0%
Third-party reimbursements	45,030	54,952	(9,922)	-18.1%
Federal grants	27,850	46,973	(19,123)	-40.7%
Interest subsidy	166	164	2	1.2%
Project repayments	949	325	624	192.0%
Rentals from leases	1,208	1,215	(7)	-0.6%
Fees and other income	29,834	12,187	17,647	144.8%
Loans and financing receivables interest	27,167	66,164	(38,997)	-58.9%
Investment income	81,997	55,510	26,487	47.7%
Total Revenues	2,221,976	2,225,906	(3,930)	-0.2%
Expenses:				
Salaries and benefits	91,870	94,211	(2,341)	-2.5%
Program expenditures	1,593,136	1,837,572	(244,436)	-13.3%
Investment related expenses	972	1,517	(545)	-35.9%
Program operating costs	4,686	5,246	(560)	-10.7%
General & administrative expenses	15,795	19,682	(3,887)	-19.7%
Depreciation	4,646	5,274	(628)	-11.9%
NY State assessments	13,594	13,594	-	0.0%
Interest	5,315	3,953	1,362	34.5%
Total Expenses	1,730,014	1,981,049	(251,035)	-12.7%
Change in net position	491,962	244,857	247,105	100.9%
Net Position, beginning of year	2,168,594	2,168,594	-	0.0%
Cumulative effect of change in accounting principle (GASB 101)	(934)	-	(934)	100.0%
Net Position, end of year				
Net investment in capital assets	7,207	15,342	(8,135)	-53.0%
Restricted for specific programs	2,626,229	2,381,403	244,826	10.3%
Unrestricted	26,186	16,706	9,480	56.7%
Total Net Position, end of year	\$2,659,622	2,413,451	246,171	10.2%

Total revenues were approximately \$3.93 million (-0.2%) under budget. With regard to significant revenue fluctuations, State appropriations were under budget primarily due to the timing of offshore wind related port infrastructure program reimbursable expenses. Additionally, NYS Bond Act reimbursements were lower than anticipated as spending was lower than original expectations, principally for electric school buses and related infrastructure. Partially offsetting this, Empower+ expenditure reimbursements exceeded the current year budget, with the full \$200 million appropriation thus expended over the last two fiscal years. Utility surcharge assessments were less than budget primarily because the Bill-As-You-Go (BAYG) method includes inherent timing differences between revenue and related expenses; an additional factor was those program expenditures reimbursed via BAYG being lower than budgeted in the aggregate (principally CEF, RPS and Energy Storage under budget, net of NY-Sun over budget). Renewable energy credit (REC) proceeds exceeded budget mainly due to two factors: NYSERDA received \$89.5 million in unbudgeted Alternative Compliance Payments (ACP's), as the Load-servicing entities met a large portion of their 2023 compliance year obligations via ACP's due to generation facilities achieving commercial operation slower than originally planned. Moving into the 2024 compliance year, the price for index REC sales was higher than forecasted. Allowance auction proceeds were over budget primarily due to the auction results' prices being higher than anticipated. Third-party reimbursements were under budget principally due to Volkswagen settlement program revenues lower than budget, offset in part by New Efficiency New York revenues in excess of budget, both of which were due to differences in expected versus actual timing of receipts. Federal grants were under budget primarily due to the timing of launch for the Home Efficiency Rebate (HER) and Home Electricity and Appliance Rebate (HEAR) grant programs, causing actual reimbursable expenses to be lower than budgeted. Fees and other income was greater than budget primarily due to REC and CES offshore wind non-refundable bid deposit fees collected in excess of budgeted amounts.

Additionally, NY Green Bank revenues were higher than budgeted due to more loans closing and greater commitment fees than anticipated. NY Green Bank also collected amendment fees and other fees which are not included in the budget. Loans and financing receivables interest was under budget primarily due to a \$33.7 million downward valuation adjustment of loans & financing receivables. In addition, NY Green Bank had a smaller amount of deployed capital on average over the course of the fiscal year than anticipated in the budget, as well as lower interest rates on certain transactions than had been projected. Partially offsetting these, NYSERDA's Green Jobs-Green NY (GJGNY) program was over budget primarily related to a larger balance of loans outstanding. Investment income was greater than budget primarily due to higher average invested balances across select funds over the period, versus what was anticipated in the budget. This was also coupled with a higher earned interest rate relative to budget assumptions.

Total expenses were approximately \$251.0 million (-12.7%) under budget. With regard to significant expense fluctuations, Program expenditures were less than budgeted as a result of key business drivers as follows: 1. Clean Energy Standard expenditures, primarily as a result of offshore wind port development and supportive manufacturing initiatives advancing slower than originally projected; 2. Energy Storage expenditures, currently funded mainly by the Energy Storage Order (in "Other") and by RGGI proceeds were under budget due to municipal delays in interconnection and permitting; 3. the timing of school district adoption of Zero-Emission Vehicle school buses under the corresponding program funded through the NYS Bond Act (in "Other"); and 4. the timing of various decarbonization, energy efficiency, and innovation programs funded by the CEF and RGGI allowance auction proceeds being impacted by persistent higher interest rates and economic and workforce conditions. To some extent, the under-budget items are offset by the following: 1. NY-Sun spending ahead of budget due to a variety of factors including a rule change allowing up-front incentive payments in certain programs to better address market needs, as well as strong residential interest; 2. GJGNY expenditures associated with the larger portfolio of loans given strong market uptake.