

# **Disposition of Funds Remaining from 2019 Budget Cycle**

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April 30, 2020

# Background

- NYISO's 2019 financial statement audit was completed in March. Final 2019 budget vs. actual results are as follows:
  - A Rate Schedule 1 over-collection of \$0.7M
  - A spending under-run of \$5.7M
  - Total funds remaining from 2019 budget cycle of \$6.4M
- The Management Committee (MC) motion that recommended the 2019 budget, indicated that if a Rate Schedule 1 over-collection and/or a spending under-run occurred, the related funds should be utilized to pay down the principal amount of outstanding debt or reduce anticipated debt borrowings

# Background (*continued*)

- At the February 29, 2020, BPWG meeting, NYISO staff discussed with Market Participants the proposal that NYISO retain these funds to pay down principal on outstanding debt
- At the March 31, 2020, BPWG meeting, NYISO staff presented a revised proposal for the disposition of funds remaining from the 2019 budget cycle, recommending that NYISO retain these funds to potentially offset:
  - A significant shortfall in 2020 Rate Schedule 1 (RS1) recoveries;
  - Unplanned expenditures resulting from NYISO's response to the Coronavirus outbreak
- Given that the revised proposal differs from the MC motion that recommended the 2019 budget, NYISO staff presented the revised proposal for the disposition of funds to the MC for an advisory vote on April 15, 2020

# Background (*continued*)

- At the April 15, 2020, MC meeting, a motion to retain \$6.4M remaining from the 2019 budget cycle to potentially offset a shortfall in 2020 Rate Schedule 1 recoveries and unplanned expenditures related to NYISO's COVID-19 response in 2020 was approved unanimously with one abstention
- On April 21, 2020, the NYISO's Board of Directors approved the NYISO staff proposal to retain \$6.4M remaining from the 2019 budget cycle for the purposes described in the MC motion

# Next Steps

- **NYISO will retain \$6.4M remaining from the 2019 budget cycle to potentially offset a shortfall in 2020 Rate Schedule 1 recoveries and unplanned expenditures related to NYISO's COVID-19 response in 2020**
- **If NYISO finds that these funds are not needed for these purposes, NYISO could still pay down principal on outstanding debt in Q4 2020**

# The Mission of the New York Independent System Operator, in collaboration with its stakeholders, is to serve the public interest and provide benefits to consumers by:

- Maintaining and enhancing regional reliability
- Operating open, fair and competitive wholesale electricity markets
- Planning the power system for the future
- Providing factual information to policy makers, stakeholders and investors in the power system



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