

# 2020 Budget vs. Actual Status

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# Summary of Estimated Budget Impacts of COVID-19 as of April 2020

- Given the impact of the COVID-19 pandemic on NYISO energy demand, the NYISO is anticipating a significant reduction in 2020 Mwh throughput and a resulting estimated shortfall in Rate Schedule 1 revenues of **\$9.9M**
- In addition, NYISO is experiencing unanticipated expenses required to maintain bulk system reliability during the COVID-19 pandemic and anticipates a shortfall in interest income, creating an estimated spending shortfall of **\$6.8M**
- The estimated total 2020 budget deficit is currently **\$16.7M**, driven by the combination of a Rate Schedule 1 shortfall and unanticipated budgetary spending

# Summary of Estimated Budget Impacts of COVID-19 as of April 2020

<b>Projected 2020 Rate Schedule 1 Shortfall</b>	<b>\$ (9.9)</b>
<b>Projected Impact of COVID-19 on 2020 Budgetary Spending</b>	<b>\$ (6.8)</b>
<b>Total Projected 2020 Budget Deficit</b>	<b><u>\$(16.7)</u></b>
<b>2020 Budgetary Spending Reductions</b>	<b>\$ 8.6</b>
<b>Funds Retained from 2019 Budget Cycle</b>	<b>\$ 6.4</b>
<b>Non-Physical Rate Schedule 1 Revenues (Effective 05/16/20)</b>	<b><u>TBD</u></b>
<b>Funds Identified to Offset Projected 2020 Budget Deficit</b>	<b><u>\$ 15.0</u></b>
<b>Remaining Projected 2020 Budget Deficit</b>	<b>\$ (1.7)</b>

# NYISO 2020 Budget vs. Actual Rate Schedule 1 Recoveries

# Rate Schedule 1 Volume Statistics

STATISTICS ON MWH (in Millions) VOLUME PER YEAR										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
January	14.5	14.1	14.8	16.0	15.4	13.9	13.6	14.6	14.2	13.3
February	12.8	12.7	13.6	14.4	14.8	12.8	11.8	12.0	12.4	12.2
March	13.5	12.8	13.9	14.5	14.8	12.5	13.1	12.8	12.6	11.7
April	12.3	12.2	12.5	12.2	12.3	11.8	11.4	11.8	11.2	10.6
May	13.1	13.3	12.9	12.5	13.1	12.5	12.0	12.4	11.6	11.0
June	14.6	14.4	14.3	14.2	13.9	13.8	13.6	13.4	13.1	12.1
July	17.6	17.5	17.8	15.7	16.2	16.7	15.5	16.5	16.9	14.5
August	15.9	16.8	15.3	14.9	16.2	17.3	14.9	16.8	15.3	13.9
Sept.	13.9	13.6	13.4	13.8	14.8	14.0	13.3	14.0	12.9	12.0
October	13.1	12.7	12.8	12.7	13.0	12.3	12.4	12.6	11.8	10.9
November	12.5	12.9	13.2	13.2	12.8	12.1	12.2	12.5	12.2	10.9
December	13.7	14.1	15.2	14.7	12.9	13.7	14.1	13.2	13.5	12.1
<b>Total by Year</b>	<b>167.5</b>	<b>167.1</b>	<b>169.7</b>	<b>168.8</b>	<b>170.2</b>	<b>163.4</b>	<b>157.9</b>	<b>162.6</b>	<b>157.7</b>	<b>145.2</b>
<b>Average</b>	<b>14.0</b>	<b>13.9</b>	<b>14.1</b>	<b>14.1</b>	<b>14.2</b>	<b>13.6</b>	<b>13.2</b>	<b>13.6</b>	<b>13.1</b>	<b>12.1</b>

# Summary of 2020 Estimated Rate Schedule 1 Recoveries

2020 MWH (in Millions) Comparison: Budget vs. Estimated Actual						
Invoice Month	Budgeted MWH	Estimated Actual MWH	Monthly Differential MWH	Cumulative Differential MWH	Monthly \$ Impact	Cumulative \$ Impact
Jan	13.5	13.3	(0.2)	(0.2)	\$ (0.2)	\$ (0.2)
Feb	12.5	12.2	(0.3)	(0.5)	\$ (0.3)	\$ (0.5)
Mar	12.6	11.7	(0.9)	(1.4)	\$ (1.0)	\$ (1.5)
Apr	11.2	10.6	(0.6)	(2.0)	\$ (0.7)	\$ (2.2)
May	11.8	11.0	(0.8)	(2.8)	\$ (0.9)	\$ (3.0)
Jun	13.0	12.1	(0.9)	(3.7)	\$ (1.0)	\$ (4.0)
Jul	15.4	14.5	(0.9)	(4.6)	\$ (1.0)	\$ (5.0)
Aug	14.8	13.9	(0.9)	(5.5)	\$ (1.0)	\$ (6.0)
Sep	13.0	12.0	(1.0)	(6.5)	\$ (1.1)	\$ (7.1)
Oct	11.8	10.9	(0.9)	(7.4)	\$ (1.0)	\$ (8.1)
Nov	11.8	10.9	(0.9)	(8.3)	\$ (1.0)	\$ (9.0)
Dec	12.9	12.1	(0.8)	(9.1)	\$ (0.9)	\$ (9.9)
<b>Total</b>	<b>154.3</b>	<b>145.2</b>	<b>(9.1)</b>			

Less: Funds Remaining from 2019 Budget Cycle \$ 6.4

Less: Non-Physical Rate Schedule 1 Revenues TBD

Remaining Estimated Rate Schedule 1 Shortfall \$ (3.5)

# 2020 Non-Physical Market Activity Allocated to Physical Load and Supply

Allocation of Rate Schedule 1 Costs to Non-Physical Market Activity							
Market Activity	Projected 2020 Annual Revenue Requirement	2020 Billing Rate/Unit	JAN	FEB	MAR	APR	TOTAL
Transmission Congestion Contracts	\$5.1M	\$0.0126/ TCC MWh	\$ 388	\$ 381	\$ 430	\$ 410	\$ 1,609
Virtual Trading	\$2.6M	\$0.0862/ Cleared MWh	\$ 237	\$ 227	\$ 197	\$ 195	\$ 856
SCR/EDRP	<\$10,000	2020 RS1 Rate for Physical Injections	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$7.7M</b>		<b>\$ 625</b>	<b>\$ 608</b>	<b>\$ 627</b>	<b>\$ 605</b>	<b>\$ 2,465</b>

# 2020 Non-Physical Market Activity Retained by NYISO

Allocation of Rate Schedule 1 Costs to Non-Physical Market Activity											
Market Activity	Projected 2020 Annual Revenue Requirement	2020 Billing Rate/Unit	May 16 - May 31	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Transmission Congestion Contracts	\$5.1M	\$0.0126/ TCC MWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Virtual Trading	\$2.6M	\$0.0862/ Cleared MWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SCR/EDRP	<\$10,000	2020 RS1 Rate for Physical Injections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$7.7M</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



# NYISO 2020 Budget vs. Actual: Budgetary Results

# 2020 Budget vs. Actual Results

(\$ in millions)	ANNUAL AMOUNTS AS OF 4/30/20			
Cost Category	Original Budget	COVID-19 Related Actuals	All Other Actuals	Total Variance
Capital	\$ 3.6	\$ 0.4	\$ 2.6	\$ (0.6)
Salaries & Benefits	\$ 32.1	\$ 2.6	\$ 32.7	\$ 3.2
Professional Fees (including Legal)	\$ 9.7	\$ 0.6	\$ 9.7	\$ 0.6
Building Services	\$ 2.2	\$ 0.5	\$ 1.8	\$ 0.1
Computer Services	\$ 6.4	\$ 0.1	\$ 6.0	\$ (0.3)
Insurance	\$ 1.0	\$ -	\$ 0.9	\$ (0.1)
Telecommunications	\$ 0.9	\$ -	\$ 1.0	\$ 0.1
Other Expenses (BOD, Travel/Trng, NPCC Fees)	\$ 1.1	\$ -	\$ 0.9	\$ (0.2)
<b>Current Year Needs</b>	<b>\$ 57.0</b>	<b>\$ 4.2</b>	<b>\$ 55.6</b>	<b>\$ 2.8</b>
Debt Service from Prior Year Financings	\$ 10.5	\$ -	\$ 10.0	\$ (0.5)
<b>Cash Budget</b>	<b>\$ 67.5</b>	<b>\$ 4.2</b>	<b>\$ 65.6</b>	<b>\$ 2.3</b>
Less: Miscellaneous Revenues	\$ (1.7)	\$ -	\$ (1.8)	\$ (0.1)
Less: Proceeds from Debt	\$ (11.0)	\$ -	\$ (11.0)	\$ -
Add: Interest on Debt	\$ -	\$ -	\$ -	\$ -
<b>Rate Schedule #1 Revenue Requirement</b>	<b>\$ 54.8</b>	<b>\$ 4.2</b>	<b>\$ 52.8</b>	<b>\$ 2.2</b>
<b>Volume (Over)/Under Collections</b>	<b>\$ (54.2)</b>	<b>\$ -</b>	<b>\$ (52.0)</b>	<b>\$ 2.2</b>
<b>Total Budget Deficit (Surplus)</b>				<b>\$ 4.4</b>
<b>Use of Funds from 2019 Budget Cycle</b>				<b>\$ (2.2)</b>
<b>Net Budget Deficit (Surplus)</b>				<b>\$ 2.2</b>

# 2020 COVID-19 Related Variance Explanations

	COVID-19 Related Actuals Year-To-Date Variance
<b>Capital</b>	The year-to-date overrun of \$0.4M is due to the purchase of trailers to house the sequestered NYISO system operators and support staff, in order to maintain system reliability during the COVID-19 pandemic.
<b>Salaries &amp; Benefits</b>	The year-to-date overrun of \$2.6M is due to sequestration compensation for the NYISO system operators and support staff and additional overtime compensation due to COVID-19 pandemic response.
<b>Professional Fees</b>	The year-to-date overrun of \$0.6M is due to consulting support required to implement and maintain sequestration of NYISO system operators and support staff.
<b>Building Services</b>	The year-to-date overrun of \$0.5M is due to dining services to support the sequestration of NYISO system operators and support staff.
<b>Computer Services</b>	The year-to-date overrun of \$0.1M is due to the purchase of computer monitors to support NYISO employees working from home due to COVID-19 stay at home orders.

# 2020 All Other Actuals Variance Explanations

	All Other Actuals Year-To-Date Variance
<b>Capital</b>	The year-to-date underrun of \$1.0M is primarily due to 2020 budget reductions of \$0.5M implemented to offset COVID-19 related costs and timing of project costs for the Database Upgrade and Platform Migration project of \$0.6M.
<b>Salaries &amp; Benefits</b>	The year-to-date overrun of \$0.6M is primarily due to timing of 401k contributions and various payroll taxes as compared to budget.
<b>Building Services</b>	The year-to-date underrun of \$0.4M is primarily due to 2020 budget reductions of \$0.2M implemented to offset COVID-19 related costs and timing of various maintenance activities of \$0.2M.
<b>Computer Services</b>	The year-to-date underrun of \$0.4M is primarily due to 2020 budget reductions implemented to offset COVID-19 related costs.
<b>Debt Service from Prior Year Financings</b>	The year-to-date underrun of \$0.5M is primarily due to lower 2019 debt proceeds than budgeted of \$4.0M, which reduces 2020 debt service costs.

# Outstanding Debt Summary

Debt Facility	Loan Status	Maturity Date	Amount Borrowed	Principal Outstanding at 4/30/20
Revolving Credit Facility	\$30M Available	Dec-23	\$ 18.6	\$ 18.6
2020 Budget Loan	Principal Payments begin in 2021	Dec-23	\$ 11.0	\$ 11.0
2019 Budget Loan	Term Loan Repayment	Dec-22	\$ 26.0	\$ 23.8
2005 Mortgage - Bldg Acq. & Renovations	Term Loan Repayment	Aug-25, Jan-27	\$ 24.8	\$ 10.1
2018 Budget Loan	Term Loan Repayment	Dec-21	\$ 25.3	\$ 14.1
EMS BMS Loan	Term Loan Repayment	Dec-22	\$ 30.0	\$ 8.5
Infrastructure Master Plan Mortgage	Term Loan Repayment	Aug-31	\$ 45.0	\$ 29.8
<b>Total</b>				<b>\$ 115.9</b>

# Our mission, in collaboration with our stakeholders, is to serve the public interest and provide benefit 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 policymakers, stakeholders and investors in the power system



# Questions?