

# NYISO 2020 Projected Budget vs. Actual Results

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# NYISO 2020 Budget vs. Actual Projected Rate Schedule 1 Recoveries

# Summary of 2020 Projected 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	10.8	(1.0)	(3.0)	\$ (1.1)	\$ (3.3)
Jun	13.0	13.1	0.1	(2.9)	\$ 0.1	\$ (3.2)
Jul	15.4	16.6	1.2	(1.7)	\$ 1.3	\$ (1.9)
Aug	14.8	15.4	0.6	(1.1)	\$ 0.6	\$ (1.3)
Sep	13.0	12.4	(0.6)	(1.7)	\$ (0.6)	\$ (1.9)
Oct	11.8	10.9	(0.9)	(2.6)	\$ (1.0)	\$ (2.8)
Nov	11.8	10.9	(0.9)	(3.5)	\$ (1.0)	\$ (3.8)
Dec	12.9	12.1	(0.8)	(4.3)	\$ (0.9)	\$ (4.7)
<b>Total</b>	<b>154.3</b>	<b>150.0</b>	<b>(4.3)</b>			

# NYISO 2020 Budget vs. Actual Spending Projections

# 2020 Budget vs. Actual Projection

(\$ in millions)	ANNUAL AMOUNT					
	Results			Variance		
	Original Budget	Year-End Projection	Variance	COVID-19 Related Actuals	Budget Savings	All Other Variance
Capital	\$ 6.9	\$ 4.9	\$ (2.0)	\$ 0.4	\$ (2.4)	\$ -
Salaries & Benefits	\$ 95.2	\$ 98.9	\$ 3.7	\$ 3.5	\$ (0.2)	\$ 0.4
Professional Fees (including Legal)	\$ 30.7	\$ 28.3	\$ (2.4)	\$ 0.7	\$ (2.2)	\$ (0.9)
Building Services	\$ 6.6	\$ 6.0	\$ (0.6)	\$ 0.5	\$ (0.4)	\$ (0.7)
Computer Services	\$ 19.5	\$ 18.4	\$ (1.1)	\$ 0.1	\$ (0.9)	\$ (0.3)
Insurance	\$ 2.9	\$ 3.0	\$ 0.1	\$ -	\$ -	\$ 0.1
Telecommunications	\$ 2.8	\$ 2.9	\$ 0.1	\$ -	\$ -	\$ 0.1
Other Expenses (BOD, Travel/Trng, NPCC Fees)	\$ 3.9	\$ 2.9	\$ (1.0)	\$ -	\$ (1.1)	\$ 0.1
<b>Current Year Needs</b>	<b>\$ 168.5</b>	<b>\$ 165.3</b>	<b>\$ (3.2)</b>	<b>\$ 5.2</b>	<b>\$ (7.2)</b>	<b>\$ (1.2)</b>
Debt Service from Prior Year Financings	\$ 31.9	\$ 29.9	\$ (2.0)	\$ -	\$ (1.5)	\$ (0.5)
<b>Cash Budget</b>	<b>\$ 200.4</b>	<b>\$ 195.2</b>	<b>\$ (5.2)</b>	<b>\$ 5.2</b>	<b>\$ (8.7)</b>	<b>\$ (1.7)</b>
Less: Miscellaneous Revenues	\$ (5.2)	\$ (5.8)	\$ (0.6)	\$ -	\$ -	\$ (0.6)
Less: Proceeds from Debt	\$ (27.6)	\$ (26.6)	\$ 1.0	\$ -	\$ -	\$ 1.0
Add: Interest on Debt	\$ 0.4	\$ 0.2	\$ (0.2)	\$ -	\$ -	\$ (0.2)
<b>Rate Schedule #1 Revenue Requirement</b>	<b>\$ 168.0</b>	<b>\$ 163.0</b>	<b>\$ (5.0)</b>	<b>\$ 5.2</b>	<b>\$ (8.7)</b>	<b>\$ (1.5)</b>

# 2020 Projected COVID-19 Related Variance Explanations

	Projected Year-End COVID-19 Related Variance
<b>Capital</b>	The projected year-end 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 projected year-end overrun of \$3.5M is primarily due to sequestration compensation for NYISO system operators and support staff of \$2.2M and overtime compensation of \$1.4M due to COVID-19 response.
<b>Professional Fees</b>	The projected year-end overrun of \$0.7M is due to consulting support required to implement and maintain sequestration of NYISO system operators and support staff.
<b>Building Services</b>	The projected year-end 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 projected year-end 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 Projected All Other Variance Explanations

	Projected Year-End Variance
<b>Salaries &amp; Benefits</b>	The projected remaining overrun of \$0.4M is primarily due to a lower vacancy rate than budgeted of \$1.0M and additional vacation carryover accruals of \$0.4M, partially offset by reduced health benefit costs of \$0.8M related to claim reimbursements and overall lower claims experience.
<b>Professional Fees</b>	The projected remaining underrun of \$0.9M is primarily due to savings related to various project initiatives.
<b>Building Services</b>	The projected remaining underrun of \$0.7M is primarily due to a lower building service costs of \$0.4M and reclassification of budgeted amounts to capital of \$0.3M.
<b>Computer Services</b>	N/A
<b>Debt Service</b>	The projected remaining underrun of \$0.5M is due to interest savings resulting from lower interest rates on outstanding debt.
<b>Misc. Revenues</b>	The projected overrun of \$0.6M is primarily due to increased Planning Studies billable labor hours of \$1.3M, partially offset by an interest income shortfall of \$0.7M due to lower interest rates.
<b>Proceeds from Debt</b>	The projected overrun of \$1.0M is primarily due to decreased debt financed expenses resulting from Capital budget reductions.

# Summary of 2020 Projected Results

<b>Projected 2020 Rate Schedule 1 Shortfall</b>	<b>\$ (4.7)</b>
<b>2020 Projected Budget (over) underrun</b>	<b><u>\$ 5.0</u></b>
<b>Total Projected 2020 Budget Deficit</b>	<b>\$ 0.3</b>
<b>Funds Retained from 2019 Budget Cycle</b>	<b>\$ 6.4</b>
<b>Actual Non-Physical Rate Schedule 1 Revenues (05/16 - 9/30)</b>	<b>\$ 2.9</b>
<b>Non-Physical Rate Schedule 1 Estimated Revenues (10/01 - 10/31)</b>	<b><u>\$ 0.6</u></b>
<b>Funds NYISO has Identified to Offset Projected 2020 Budget Deficit</b>	<b><u>\$ 9.9</u></b>
<b>Projected Remaining 2020 Budget Surplus (Deficit)</b>	<b>\$ 10.2</b>



# Next Steps

## Options for Disposition of Funds - For Discussion:

- Refund RS1 Non-Physical Revenues to Physical Load and Supply (estimated at \$3.5M)
- Pay down outstanding debt with remaining 2019 funds (\$6.4M)
- Continue to hold 2019 funds and/or 2020 RS1 Non Physical Revenues and reassess disposition in 2021
- Other Options?

# Next Steps, continued

## Options for Refunds of RS1 Non-Physical Revenues - For Discussion:

- NYSIO can refund the RS1 Non-Physical Revenues to generation and load in two ways. Both options would be manual adjustments:
  - **One-time Lump Sum Payment:** The allocation would be based on the Initial Monthly ratio shares (Version 1) for the period during which the Non-physical Revenues were retained (May 16- October 31).
  - **Normal True-Up Cycle:** Refunds would take place during the normal billing cycle, beginning on the November 6, 2020 Invoice, with the last of the refunds occurring on the February 7, 2021 Invoice (Sept. 2020 V2 & May 2020 V3).

# Next Steps, continued

## Options for Refunds of RS1 Non-Physical Revenues - For Discussion:

Payment Option	Pros	Cons
One-time Lump Sum Payment	<ul style="list-style-type: none"><li>• Most expedient</li></ul>	<ul style="list-style-type: none"><li>• Will use Version 1 ratio shares only and will not incorporate true-ups from updated load/supply data.</li></ul>
Normal True-up Cycle	<ul style="list-style-type: none"><li>• Existing process used prior to automation</li><li>• Will use true-up allocations based on finalized ratio shares through normal cycle/process</li></ul>	<ul style="list-style-type: none"><li>• Final disposition of all payments won't occur until February 7, 2021</li></ul>

# 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?