

# NYISO 2020 Projected Budget vs. Actual Results

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November 20, 2020

# 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	11.6	(0.2)	(1.9)	\$ (0.2)	\$ (2.1)
Nov	11.8	10.9	(0.9)	(2.8)	\$ (1.0)	\$ (3.1)
Dec	12.9	12.1	(0.8)	(3.6)	\$ (0.9)	\$ (4.0)
<b>Total</b>	<b>154.3</b>	<b>150.7</b>	<b>(3.6)</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 Budget vs. Actual Results

<b>Projected 2020 Rate Schedule 1 Shortfall</b>	<b>\$ (4.0)</b>
<b>2020 Projected Budget (Over) Underrun</b>	<b>\$ <u>5.0</u></b>
<b>Total Projected Funds Remaining from 2020 Budget Cycle</b>	<b>\$ <u>1.0</u></b>
<b>Funds Retained from 2019 Budget Cycle</b>	<b>\$ 6.4</b>
<b>Non-Physical Rate Schedule 1 Revenues Retained (05/16 - 10/31)*</b>	<b>\$ <u>3.5</u></b>
<b>Funds NYISO Retained to Offset Potential 2020 Budget Deficit</b>	<b>\$ <u>9.9</u></b>

*\* NYISO ceased retaining additional Non-Physical Rate Schedule 1 Revenues effective 11/1/2020*



# Proposed Disposition of Funds Retained in 2020

- Refund \$3.5M retained RS1 Non-Physical Revenues to physical load and supply on December 7, as part of the November Monthly Invoice
- In light of the continued risk to NYISO's 2021 budget due to the COVID-19 pandemic, continue to retain \$6.4M of funds remaining from the 2019 budget cycle until completion of the 2020 financial statement audit. At that time, NYISO will have final 2020 budget versus actual results and additional information regarding potential 2021 COVID-19 financial impacts.
- Propose disposition of funds remaining from the 2019 and 2020 budget cycles together in March – April of 2021

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- Planning the power system for the future
- Providing factual information to policymakers, stakeholders and investors in the power system



# Questions?