

Disposition of Funds Remaining from 2019 & 2020 Budget Cycle

Patrick Kelly

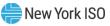
Controller & Assistant Treasurer

Budget & Priorities Working Group

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Background

- NYISO's draft 2020 budget vs. actual results were presented to Market Participants to the Budget & Priorities Working Group (BPWG) in February 2021
- NYISO's 2020 financial statement audit was completed in March. Final 2020 budget vs. actual results are as follows:
 - \$ 5.8M 2020 Budgetary Underspending
 - <u>\$ (2.1M)</u> 2020 RS1 Under-collection
 - \$ 3.7M Funds Remaining from 2020 Budget Cycle
- NYISO staff has recommended that NYISO retain the remaining \$3.7M to pay down the principal amount of outstanding debt
- In addition, NYISO staff has recommended that the \$6.4M remaining from the 2019 budget cycle be used to pay down the principal amount of outstanding debt (as was originally intended prior to COVID-19)



Background (continued)

- The Management Committee motion that recommended the 2019 and 2020 budgets 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
- Market Participant feedback on NYISO's proposal for the disposition of funds remaining from the 2019 and 2020 budget cycles has been favorable



Next Steps

 NYISO will retain \$10.1M remaining from the 2019 and 2020 budget cycles to pay down principal on outstanding debt in 2021



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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