

Disposition of Funds Remaining from 2019 & 2020 Budget Cycle

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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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