

2022 Draft Budget vs. Actual Results

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Executive Summary

- Final 2022 budget vs. actual results are contingent upon the completion of NYISO's financial statement audit (scheduled for mid-March)
- NYISO experienced an over-collection of \$7.4M on 2022 Rate Schedule 1 revenues
- Draft NYISO budget vs. actual results reflect a spending underrun of \$5.9M (3.5% variance against the 2022 budget) (2.1% variance excluding non-refundable planning study developer deposits)

Executive Summary (continued)

Recap of Draft 2022 Budget vs. Actual Results:

\$ 7.4M 2022 RS1 Over-collection

\$ 5.9M 2022 Budgetary Underspending

\$13.3M Funds Remaining from 2022 Budget Cycle

- \$5.0M of funds remaining from the 2022 budget cycle were included in the 2023 budget as a revenue offset

NYISO 2022 DRAFT BUDGET VS. ACTUALS:

- *RATE SCHEDULE 1 REVENUES*
 - *SPENDING RESULTS*

2022 Rate Schedule 1 Revenues

2022 MWH (in Millions) Comparison: Budget vs. Actual						
Invoice Month	Budgeted MWH	Actual MWH	Monthly Differential MWH	Cumulative Differential MWH	Monthly \$ Impact	Cumulative \$ Impact
Jan	13.2	14.5	1.3	1.3	\$ 1.5	\$ 1.5
Feb	11.4	12.5	1.1	2.4	\$ 1.2	\$ 2.7
Mar	11.6	12.3	0.7	3.1	\$ 0.8	\$ 3.5
Apr	10.4	11.2	0.8	3.9	\$ 0.9	\$ 4.4
May	11.2	12.0	0.8	4.7	\$ 0.9	\$ 5.3
Jun	13.0	12.9	(0.1)	4.6	\$ (0.1)	\$ 5.2
Jul	15.3	16.0	0.6	5.2	\$ 0.7	\$ 5.9
Aug	15.1	16.1	0.9	6.1	\$ 1.2	\$ 7.1
Sep	12.6	12.5	(0.1)	6.0	\$ (0.1)	\$ 7.0
Oct	11.6	11.3	(0.3)	5.7	\$ (0.3)	\$ 6.7
Nov	11.5	11.8	0.3	6.0	\$ 0.3	\$ 7.0
Dec	13.1	13.5	0.4	6.4	\$ 0.4	\$ 7.4
Total	150.0	156.6	6.4			

2022 Non-Physical Market Activity

Allocation of Rate Schedule 1 Costs to Non-Physical Market Activity			
2022 MWH Comparison (in Millions): Budget vs. Actual	Projected 2022 Annual Revenue Requirement	2022 Billing Rate/ Unit	TOTAL
Transmission Congestion Contracts	\$5.8M	\$0.0153/ TCC MWh	\$ 4,521
Virtual Trading	\$2.7M	\$0.0853/ Cleared MWh	\$ 1,533
SCR/EDRP	<\$10,000	2022 RS1 Rate for Physical Injections	\$ -
Total	\$8.5M		\$ 6,054

2022 Budget vs. Actual Results

Cost Category	Original Budget	Actuals	Variance
Capital	\$ 11.8	\$ 9.8	\$ (2.0)
Salaries & Benefits	\$ 102.7	\$ 109.0	\$ 6.3
Professional Fees (including Legal)	\$ 30.3	\$ 28.2	\$ (2.1)
Building Services	\$ 6.0	\$ 5.6	\$ (0.4)
Computer Services	\$ 22.4	\$ 24.0	\$ 1.6
Insurance	\$ 3.3	\$ 3.4	\$ 0.1
Telecommunications	\$ 2.8	\$ 2.7	\$ (0.1)
Other Expenses (BOD, Travel/Trng, NPCC Fees)	\$ 3.9	\$ 2.8	\$ (1.1)
Current Year Needs	\$ 183.2	\$ 185.5	\$ 2.3
Debt Service from Prior Year Financings	\$ 25.4	\$ 31.1	\$ 5.7
Cash Budget	\$ 208.6	\$ 216.6	\$ 8.0
Less: Miscellaneous Revenues	\$ (7.7)	\$ (11.1)	\$ (3.4)
Less: Funds From Prior Year Budget Cycles	\$ -	\$ (10.7)	\$ (10.7)
Less: Proceeds from Debt	\$ (32.0)	\$ (32.0)	\$ -
Add: Interest on Debt	\$ 0.3	\$ 0.5	\$ 0.2
Rate Schedule #1 Revenue Requirement	\$ 169.2	\$ 163.3	\$ (5.9)

2022 Budget vs. Actual Variance Explanations

	Year-End Variance Explanations
Capital	The year-end underrun of \$2.0M is primarily due to supply chain delays of \$1.6M, budget reallocations to Computer Services for subscription software services of \$1.3M and savings of \$1.0M for the NetBackup Application Refresh and Storage Expansion projects, partially offset by accelerating the acquisition of hardware in support of the 2023 Block Storage project of \$1.8M.
Salaries & Benefits	The year-end overrun of \$6.3M is due to unbudgeted salary adjustments of \$5.0M, additional pension plan funding of \$1.8M and higher corporate incentive achievement than budget of \$2.3M (actual 130% vs. budget of 100%), partially offset by reduced health insurance claims experience of \$0.9M and a higher average vacancy rate than budget of \$2.0M (actual 7.9% vs. budget of 6%).
Professional Fees	The year-end underrun of \$2.1M is primarily due to budget reallocations to Computer Services for subscription based software services of \$0.7M and savings in consulting support for Market Monitoring of \$0.4M, Planning Studies of \$0.4M and employee recruiting of \$0.5M.
Computer Services	The year-end overrun of \$1.6M is primarily due to subscription based software services that were originally budgeted as Capital and Professional Fees.
Other Expenses	The year-end underrun of \$1.1M is due to savings in travel and training related expenses.
Debt Service	The year-end overrun of \$5.7M is due to additional principal payments on outstanding debt utilizing funds remaining from the 2021 budget cycle.
Misc. Revenues	The year-end overrun of \$3.4M is due to the forfeiture of Interconnection Study developer deposits of \$2.4M and additional interest income of \$1.5M, partially offset by a shortfall of \$0.7M in billable internal labor hours in support on Interconnection Projects, driven by staff vacancies and training of new employees.
Funds From Prior Year Budget Cycles	The year-end overrun of \$10.7M is due to the use of funds remaining from 2021 budget cycle to fund 2022 salary adjustments and early repayments on outstanding debt.

Outstanding Debt Summary

Debt Facility	Loan Status	Maturity Date	Amount Borrowed	Principal Outstanding at 12/31/22
Revolving Credit Facility	\$50M Available	Dec-23	\$ 10.0	\$ -
2022 Budget Loan	Term Loan Repayment	Dec-25	\$ 13.0	\$ 32.0
2021 Budget Loan	Term Loan Repayment	Dec-24	\$ 28.4	\$ 19.0
2020 Budget Loan	Term Loan Repayment	Dec-23	\$ 26.6	\$ 3.0
Mortgage - Bldg Acq. & Renovations	Term Loan Repayment	Aug-25, Jan-27	\$ 24.8	\$ 6.0
Infrastructure Master Plan Mortgage	Term Loan Repayment	Aug-31	\$ 45.0	\$ 22.6
Total				\$ 82.6

Questions?