

2023 Draft Budget vs. Actual Results

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February 26, 2024

Executive Summary

- Final 2023 budget vs. actual results are contingent upon the completion of NYISO's financial statement audit (scheduled for mid-March)
- NYISO experienced an under-collection of \$7.6M on 2023 Rate Schedule 1 revenues
- Draft NYISO budget vs. actual results reflect a spending underrun of \$11.2M
 - 6.0% variance against the 2023 budget
 - 2.9% variance excluding interest income impacted by economic conditions.

Executive Summary (continued)

Recap of Draft 2023 Budget vs. Actual Results:

\$ (7.6M) 2023 RS1 Under-collection

\$11.2M 2023 Budgetary Underspending

\$ 3.6M Funds Remaining from 2023 Budget Cycle

NYISO 2023 DRAFT BUDGET VS. ACTUALS:

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

2023 Rate Schedule 1 Revenues

2023 MWH (in Millions) Comparison: Budget vs. Actual						
Invoice Month	Budgeted MWH	Estimated & Projected Actual MWH	Monthly Differential MWH	Cumulative Differential MWH	Monthly \$ Impact	Cumulative \$ Impact
Jan	14.0	13.1	(0.9)	(0.9)	(1.1)	(1.1)
Feb	12.5	11.9	(0.6)	(1.5)	(0.7)	(1.8)
Mar	12.7	12.1	(0.6)	(2.1)	(0.7)	(2.5)
Apr	11.4	10.4	(1.0)	(3.1)	(1.2)	(3.7)
May	11.9	10.9	(1.0)	(4.1)	(1.2)	(4.9)
Jun	13.4	12.3	(1.1)	(5.2)	(1.4)	(6.3)
Jul	15.6	15.9	0.3	(4.9)	0.3	(6.0)
Aug	15.3	14.2	(1.1)	(6.0)	(1.3)	(7.3)
Sep	12.9	12.8	(0.1)	(6.1)	(0.1)	(7.4)
Oct	11.8	11.5	(0.3)	(6.4)	(0.3)	(7.7)
Nov	11.8	12.0	0.2	(6.2)	0.2	(7.5)
Dec	13.4	13.3	(0.1)	(6.3)	(0.1)	(7.6)
Total	156.7	150.4	(6.3)			

2023 Non-Physical Market Activity

Allocation of Rate Schedule 1 Costs to Non-Physical Market Activity			
2023 MWH Comparison (in Millions): Budget vs. Actual	Projected 2023 Annual Revenue Requirement	2023 Billing Rate/ Unit	TOTAL
Transmission Congestion Contracts	\$5.8M	\$0.0168/ TCC MWh	\$ 5,296
Virtual Trading	\$3.8M	\$0.1066/ Cleared MWh	\$ 2,470
SCR/EDRP	<\$10,000	2023 RS1 Rate for Physical Injections	\$ -
Total	\$9.6M		\$ 7,766

2023 Budget vs. Actual Results

(\$ in millions)	ANNUAL AMOUNTS AS OF 12/31/23		
Cost Category	Original Budget	Actuals	Variance
Capital	\$ 11.1	\$ 5.9	\$ (5.2)
Salaries & Benefits	\$ 119.9	\$ 120.2	\$ 0.3
Professional Fees (including Legal)	\$ 27.9	\$ 28.0	\$ 0.1
Building Services	\$ 6.4	\$ 6.4	\$ -
Computer Services	\$ 23.6	\$ 24.0	\$ 0.4
Insurance	\$ 3.7	\$ 3.7	\$ -
Telecommunications	\$ 2.9	\$ 2.9	\$ -
Other Expenses (BOD, Travel/Trng, NPCC Fees)	\$ 3.8	\$ 3.5	\$ (0.3)
Current Year Needs	\$ 199.3	\$ 194.6	\$ (4.7)
Debt Service from Prior Year Financings	\$ 30.4	\$ 38.9	\$ 8.5
Cash Budget	\$ 229.7	\$ 233.5	\$ 3.8
Less: Miscellaneous Revenues	\$ (8.1)	\$ (15.1)	\$ (7.0)
Less: Funds From Prior Year Budget Cycles	\$ (5.0)	\$ (13.0)	\$ (8.0)
Less: Proceeds from Debt	\$ (27.0)	\$ (27.0)	\$ -
Add: Interest on Debt	\$ 0.4	\$ 0.4	\$ -
Rate Schedule #1 Revenue Requirement	\$ 190.0	\$ 178.8	\$ (11.2)

2023 Budget vs. Actual Variance Explanations

	Year-End Variance Explanations
Capital	The year-end underrun of \$5.2M is primarily due to \$2.5M of capital purchases originally planned for 2023 which were accelerated to 2022, budget transfers to Professional Fees of \$0.9M to provide project funding, transfers to Computer Services of \$0.7M for additional maintenance and subscription costs, transfers to Building Services required to fund increased utility costs and savings of \$0.5M related to building improvement projects.
Salaries & Benefits	The year-end overrun of \$0.3M is primarily due to \$0.9M of at risk compensaion in excess of budget, partially offset by \$0.3M of health insurance cost savings.
Professional Fees	N/A
Building Services	N/A
Computer Services	The year-end overrun of \$0.4M is primarily due to funding required for extended maintenance support pending replacement system deployment.
Insurance	N/A
Telecommunications	N/A
Other Expenses	The year-end underrun of \$0.3M is primarily due to savings in training related expenses.
Debt Service	The year-end overrun of \$8.5M is due to additional principal payments on outstanding debt utilizing funds remaining from the 2022 budget cycle of \$8.0M and additional interest expense of \$0.5M driven by higher interest rates and additional borrowings on the revolving line of credit due to cash constraints resulting from the Rate Schedule 1 revenue under collections.
Misc. Revenues	The year-end overrun of \$7.0M is due to additional interest income of \$5.6M driven by higher interest rates than budgeted and larger cash balances on hand than projected for interconnection study deposits coupled with the forfeiture of interconnection study developer deposits of \$0.9M.
Funds From Prior Year Budget Cycles	The year-end overrun of \$8.0M is due to the use of funds remaining from the 2022 budget cycle to make additional principal repayments on outstanding debt.
Proceeds from Debt	N/A
Interest on CY Debt	N/A

Outstanding Debt Summary

Debt Facility	Loan Status	Maturity Date	Amount Borrowed	Principal Outstanding at 12/31/23
Revolving Credit Facility	\$50M Available	Dec-23	\$ 14.9	\$ -
2023 Budget Loan	Term Loan Repayment	Dec-26	\$ 27.0	\$ 27.0
2022 Budget Loan	Term Loan Repayment	Dec-25	\$ 32.0	\$ 21.3
2021 Budget Loan	Term Loan Repayment	Dec-24	\$ 28.4	\$ 1.5
Mortgage - Bldg Acq. & Renovations	Term Loan Repayment	Aug-25, Jan-27	\$ 24.8	\$ 4.3
Infrastructure Master Plan Mortgage	Term Loan Repayment	Aug-31	\$ 45.0	\$ 19.9
Total				\$ 74.0

Questions?