

2019 Budget vs. Actual Status

Cheryl L. Hussey

Vice President & Chief Financial Officer

Budget & Priorities Working Group

July 31, 2019 Rensselaer, NY

DRAFT – FOR DISCUSSION PURPOSES ONLY

©COPYRIGHT NYISO 2019. ALL RIGHTS RESERVED



NYISO 2019 BUDGET VS. ACTUAL: *RATE SCHEDULE 1 RECOVERIES*

DRAFT – FOR DISCUSSION PURPOSES ONLY



RS1 Volume Statistics

STATISTICS ON MWH (in Millions) VOLUME PER YEAR											
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
January	15.3	14.5	14.5	14.1	14.8	16.0	15.4	13.9	13.6	14.6	14.2
February	12.9	12.9	12.8	12.7	13.6	14.4	14.8	12.8	11.8	12.0	12.4
March	13.3	13.0	13.5	12.8	13.9	14.5	14.8	12.5	13.1	12.8	12.7
April	12.3	11.8	12.3	12.2	12.5	12.2	12.3	11.8	11.4	11.8	11.2
May	12.7	13.2	13.1	13.3	12.9	12.5	13.1	12.5	12.0	12.4	11.6
June	13.1	15.1	14.6	14.4	14.3	14.2	13.9	13.8	13.6	13.4	13.1
July	14.8	17.9	17.6	17.5	17.8	15.7	16.2	16.7	15.5	16.5	
August	16.2	16.5	15.9	16.8	15.3	14.9	16.2	17.3	14.9	16.8	
Sept.	13.0	14.1	13.9	13.6	13.4	13.8	14.8	14.0	13.3	14.0	
October	12.7	12.7	13.1	12.7	12.8	12.7	13.0	12.3	12.4	12.6	
November	12.3	12.6	12.5	12.9	13.2	13.2	12.8	12.1	12.2	12.5	
December	14.6	14.4	13.7	14.1	15.2	14.7	12.9	13.7	14.1	13.2	
Total by Year	163.2	168.7	167.5	167.1	169.7	168.8	170.2	163.4	157.9	162.6	75.2
Average	13.6	14.1	14.0	13.9	14.1	14.1	14.2	13.6	13.2	13.6	12.5

Summary of 2019 Rate Schedule 1 Recoveries

2019 MWH (in Millions) Comparison: Budget vs. Actual						
Invoice Month	Budgeted MWH	Actual MWH	Monthly Differential MWH	Cumulative Differential MWH	Monthly \$ Impact	Cumulative \$ Impact
Jan	13.6	14.2	0.6	0.6	\$ 0.6	\$ 0.6
Feb	12.4	12.4	-	0.6	\$ -	\$ 0.6
Mar	12.9	12.7	(0.2)	0.4	\$ (0.2)	\$ 0.4
Apr	11.4	11.2	(0.2)	0.2	\$ (0.2)	\$ 0.2
May	12.1	11.6	(0.5)	(0.3)	\$ (0.5)	\$ (0.3)
Jun	13.4	13.1	(0.3)	(0.6)	\$ (0.4)	\$ (0.7)
Jul	15.9					
Aug	15.3					
Sep	13.2					
Oct	12.0					
Nov	11.9					
Dec	13.0					
Total	157.1	75.2	(0.6)			

2019 Non-Physical Market Activity

Allocation of Rate Schedule 1 Costs to Non-Physical Market Activity									
Market Activity	Projected 2019 Annual Revenue Requirement	2019 Billing Rate/Unit	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
Transmission Congestion Contracts	\$4.7M	\$0.0163/ TCC MWh	\$ 510	\$ 471	\$ 537	\$ 524	\$ 505	\$ 509	\$ 3,056
Virtual Trading	\$2.4M	\$0.0795/ Cleared MWh	\$ 228	\$ 187	\$ 205	\$ 206	\$ 203	\$ 213	\$ 1,242
SCR/EDRP	<\$10,000	2019 RS1 Rate for Physical Injections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$7.1M		\$ 738	\$ 658	\$ 742	\$ 730	\$ 708	\$ 722	\$ 4,298

DRAFT – FOR DISCUSSION PURPOSES ONLY

NYISO 2019 BUDGET VS. ACTUAL: *BUDGETARY RESULTS*

DRAFT – FOR DISCUSSION PURPOSES ONLY



2019 Budget vs. Actual Results

(\$ in millions)	ANNUAL AMOUNT	ANNUAL AMOUNTS AS OF 6/30/19		
Cost Category	Original Budget	Original Budget	Actuals	Variance
Capital	\$ 6.8	\$ 4.4	\$ 3.9	\$ (0.5)
Salaries & Benefits	\$ 94.7	\$ 47.2	\$ 47.2	\$ -
Professional Fees (including Legal)	\$ 31.4	\$ 13.9	\$ 13.8	\$ (0.1)
Building Services	\$ 6.7	\$ 3.3	\$ 2.9	\$ (0.4)
Computer Services	\$ 18.0	\$ 9.0	\$ 8.9	\$ (0.1)
Insurance	\$ 2.9	\$ 1.4	\$ 1.4	\$ -
Telecommunications	\$ 3.0	\$ 1.5	\$ 1.5	\$ -
Other Expenses (BOD, Travel/Trng, NPCC Fees)	\$ 4.1	\$ 2.1	\$ 1.8	\$ (0.3)
Current Year Needs	\$ 167.6	\$ 82.8	\$ 81.4	\$ (1.4)
Debt Service from Prior Year Financings	\$ 38.2	\$ 21.3	\$ 23.6	\$ 2.3
Cash Budget	\$ 205.8	\$ 104.1	\$ 105.0	\$ 0.9
Less: Miscellaneous Revenues	\$ (4.9)	\$ (2.4)	\$ (3.1)	\$ (0.7)
Less: Proceeds from Debt	\$ (33.3)	\$ (12.5)	\$ (12.5)	\$ -
Less: Proceeds from budget underrun net volume undercollections	\$ -	\$ -	\$ (2.7)	\$ (2.7)
Add: Interest on Debt	\$ 0.6	\$ 0.2	\$ 0.1	\$ (0.1)
Rate Schedule #1 Revenue Requirement	\$ 168.2	\$ 89.4	\$ 86.8	\$ (2.6)

DRAFT – FOR DISCUSSION PURPOSES ONLY

2019 Budget vs. Actual Variance Explanations

	Year-To-Date Variance
Capital	The year-to-date underrun of \$0.5M is primarily due to reclassification of budgeted Capital to Computer Services for maintenance costs that will be incurred during the remainder of 2019.
Salaries & Benefits	N/A
Professional Fees	N/A
Building Services	The year-to-date underrun of \$0.4M is primarily due to savings on the cost of utilities of \$0.2M and various dues & subscriptions of \$0.2M.
Computer Services	N/A
Insurance	N/A
Telecommunications	N/A
Other Expenses	N/A
Debt Service	The year-to-date overrun of \$2.3M is primarily due to additional principal payments on outstanding debt, offset with proceeds from the prior year budget cycle.
Misc. Revenues	The year-to-date overrun of \$0.7M is primarily due to additional interest income.
Interest on Debt	N/A

Outstanding Debt Summary

Debt Facility	Loan Status	Maturity Date	Amount Borrowed	Principal Outstanding at 6/30/19
Revolving Credit Facility	\$30M Available	Dec-23	\$ 8.6	\$ 8.6
2019 Budget Loan	Principal Payments begin in 2020	Dec-22	\$ 12.0	\$ 12.0
2005 Mortgage - Bldg Acq. & Renovations	Term Loan Repayment	Aug-25, Jan-27	\$ 24.8	\$ 11.3
2016 Budget Loan	Term Loan Repayment	Dec-19	\$ 25.0	\$ -
2017 Budget Loan	Term Loan Repayment	Dec-20	\$ 24.7	\$ 10.3
2018 Budget Loan	Term Loan Repayment	Dec-21	\$ 25.3	\$ 21.1
EMS BMS Loan	Term Loan Repayment	Dec-22	\$ 26.9	\$ 14.0
Infrastructure Master Plan Mortgage	Term Loan Repayment	Aug-31	\$ 45.0	\$ 32.0
Total				\$ 109.3

DRAFT – FOR DISCUSSION PURPOSES ONLY

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



www.nyiso.com

DRAFT – FOR DISCUSSION PURPOSES ONLY

©COPYRIGHT NYISO 2019. ALL RIGHTS RESERVED