NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY

(A Component Unit of the State Of New York)

FINANCIAL STATEMENTS

March 31, 2025

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March 31, 2025

RESPONSIBILITY FOR FINANCIAL REPORTING

Management is responsible for the preparation, integrity and objectivity of the financial statements of the New York State Energy Research and Development Authority (the Authority), as well as all other information contained in the Authority's Annual Report. The financial statements of the Authority for the fiscal year ended March 31, 2025 were prepared in conformity with U.S. generally accepted accounting principles (U.S. GAAP). The Board of the Authority (the Board) adopted these financial statements and the Annual Report at a meeting on June 24, 2025.

The Authority maintains a system of internal controls, the objectives of which are to provide reasonable assurance as to the proper authorization and recording of transactions, the safeguarding of Authority assets, the compliance with applicable laws and regulations, and the reliability of financial records for preparing financial statements. The internal control structure is subject to periodic review by management, internal audit staff and the independent auditors. No internal control system can provide absolute assurance that errors and irregularities will not occur due to the inherent limitations of the effectiveness of internal controls; however, management strives to maintain a balance, recognizing that the cost of such system should not exceed the benefits derived.

The Authority's financial statements have been audited by KPMG LLP, independent auditors appointed by the Members of the Authority. Management has made available to the independent auditors all the financial records and related data of the Authority, as well as provided access to all the minutes of the meetings of the Board and its standing committees. The independent auditors periodically meet directly with the Audit and Finance Committee of the Board, which is comprised of Members who are not employees of the Authority.

The independent audit included obtaining an understanding of the internal control structure, tests of accounting records, and other procedures which the independent auditors considered necessary in order to express opinions as to the fairness of the presentation of the financial statements. No material weaknesses in internal control or any condition of non-compliance with applicable laws, regulations or policy were noted by the independent auditors through the execution of their audit procedures. The unmodified independent auditors' report attests that the financial statements are presented fairly, in all material respects, in accordance with U.S. GAAP.

Doreen M. Harris

Doreen M. Harris
President and Chief Executive Officer

Pamela Poisson

Pamela C. Poisson
Chief Financial Officer

KPMG LLP
515 Broadway
Albany, NY 12207-2974

Independent Auditors' Report

Members of the Authority
New York State Energy Research and Development Authority:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of New York State Energy Research and Development Authority (the Authority), a component unit of the State of New York, as of and for the year ended March 31, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Authority, as of March 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

U.S. generally accepted accounting principles require that management's discussion and analysis and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2025 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

KPMG LLP

Albany, New York
June 26, 2025

The following Management's Discussion and Analysis (MD&A) of New York State Energy Research and Development Authority's (NYSERDA or the Authority) financial performance provides an overview of NYSERDA's financial activities for the fiscal year ended March 31, 2025. The information contained in the MD&A should be considered in conjunction with the information presented as part of NYSERDA's basic financial statements. Following this MD&A are the basic financial statements of NYSERDA with the notes thereto that are essential to a full understanding of the data contained in the financial statements. NYSERDA's basic financial statements have the following components: (1) government-wide financial statements; (2) governmental fund financial statements; (3) proprietary fund financial statements; (4) fiduciary fund financial statements; and (5) notes to the basic financial statements.

The government-wide financial statements are designed to provide readers with a broad overview of NYSERDA's finances in a manner similar to a private-sector business. The *Statement of Net Position* presents information on all of NYSERDA's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and the difference between these is reported as net position. The *Statement of Activities* presents information showing how NYSERDA's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the Statement for some items that will result in cash flows in future fiscal periods, or which already resulted in cash flows in a prior fiscal period. The government-wide financial statements present information about NYSERDA as a whole. All activities of NYSERDA are considered to be governmental activities, with the exception of the activities of NY Green Bank, which in general are considered business-type activities.

Governmental fund financial statements focus on near-term inflows and outflows of resources, as well as on balances of resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the government's near-term financing decisions. The governmental funds *Balance Sheet* and the governmental funds *Statement of Revenues, Expenditures, and Changes in Fund Balances* provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

Proprietary fund financial statements provide information for business-type activities where NYSERDA charges fees to customers to recover costs of providing services. NY Green Bank is reported as a proprietary fund. The proprietary fund financial statements include a *Statement of Net Position,* a *Statement of Revenues, Expenses, and Changes in Fund Net Position*, and a *Statement of Cash Flows*.

The fiduciary fund financial statements report assets held by NYSERDA in a fiduciary capacity for others and consist of a *Statement of Fiduciary Net Position* and a *Statement of Changes in Fiduciary Net Position*. These funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support NYSERDA's programs.

The notes to the basic financial statements provide additional information that is essential for a full understanding of the information provided in the government-wide, governmental fund, proprietary fund, and fiduciary fund financial statements.

BACKGROUND

The mission of NYSERDA is to catalyze New York's clean energy transition, working toward our vision of clean energy that supports a healthier and thriving future for all New Yorkers. Collectively, NYSERDA's efforts on behalf of the State of New York (the State) aim to deliver a cleaner, more reliable, affordable energy system for all New Yorkers while reducing emissions and accelerating economic growth. NYSERDA works with various stakeholders including residents, business owners, developers, community leaders, local government officials, university researchers, utility representatives, investors, and entrepreneurs. NYSERDA partners with them to develop, invest, and foster the conditions that attract the private sector capital investment needed to expand New York's clean energy economy, overcome barriers to using clean energy at a large-scale in New York, and enable New York's communities and residents to benefit from energy efficiency and renewable energy.

Since its founding in 1975 NYSERDA has worked consistently to promote energy technology innovation, energy efficiency, and energy resource diversity, thus bringing environmental and economic benefits across the State's communities. In recent years, these efforts have been guided by NYS' climate plan, which calls for an orderly and just transition to clean energy that creates jobs and continues fostering a green economy in the State, as memorialized through the Climate Leadership and Community Protection Act (CLCPA). NYSERDA is charged with coordinating much of the work to attain New York's goals as stated in the CLCPA, including driving energy efficiency improvements, attaining a zero-emission electricity sector by 2040, and reaching economy-wide carbon neutrality around mid-century. NYSERDA works, directly and through partnerships, to achieve these goals, leveraging private investment and federal funding opportunities to increase the impact of State investments and realize economies of scale, while ensuring material resources are directed to support disadvantaged communities consistent with CLCPA goals.

Underpinning this critical work, NYSERDA also plays a key role in ensuring energy security for the State. It does so by providing the State's energy policy decision makers with a wide range of data and analyses to support policy making, and through the ongoing maintenance of the strategic fuel reserves to ensure an appropriate supply is available for first responders in the event of a fuel supply emergency. As Chair of the State Energy Planning Board, NYSERDA is leading the development of New York's next State Energy Plan. The Plan is designed to provide strategic direction for public and private sector investment decision making while simultaneously informing NYSERDA's work going forward. This comprehensive fifteen-year roadmap will support the development of a clean, resilient, and affordable energy system for all New Yorkers, meeting future energy needs and advancing economy-wide decarbonization while balancing the reliability, resiliency, affordability, environmental and public health, and economic growth that New Yorkers deserve.

The funding to carry out initiatives in support of these goals is provided by a combination of sources. Ratepayer surcharges collected by utilities on NYSERDA's behalf through their regular billing processes represent one primary source. Such funding is determined and overseen by the Public Service Commission (PSC) and documented in various orders issued by the PSC, including the Clean Energy Fund (CEF) and the successor to the Market Development portfolio of the CEF, the Energy Efficiency/Building Electrification Order (EE/BE) (issued subsequent to March 31, 2025), the Clean Energy Standard (CES), and related orders. Additional funding is provided through regional greenhouse gas allowance auction proceeds that accrue to the State as a result of its membership in the Regional Greenhouse Gas Initiative (RGGI). NYSERDA has also secured material federal funding, mainly in the form of grants through the Inflation Reduction Act (IRA) and Infrastructure Investment and Jobs Act (IIJA). These, in combination with the State's Environmental Bond Act funding of which NYSERDA is a recipient, have allowed effective programs to boost scale and reach, without added cost to ratepayers. NYSERDA also receives a portion of its budget from State appropriations for remediation of the West Valley Nuclear Service Center, energy analysis and planning, energy safety and security activities, and occasional special programs to better support affordability and help attract new business investment to the State.

FORWARD LOOKING STATEMENTS

The statements in this MD&A that are not purely historical facts are forward-looking statements based on current expectations of future events. Such forward-looking statements are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including, but not limited to, risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes to or development in various important factors. Accordingly, actual results may vary from those we presently expect, and such variations may be material. We therefore caution against placing undue reliance on any forward-looking statements contained in this MD&A. All forward-looking statements included in this MD&A are made only as of the date of this MD&A and we assume no obligation to update any such forward-looking statements as a result of new information, future events or other factors.

CONDENSED FINANCIAL INFORMATION

The following condensed financial information is presented from NYSERDA's government-wide financial statements:

(Amounts in thousands)

Summary of Net Position	Governmental activities	Business-type activities	Total March 31, 2025	Total March 31, 2024	% Change 2025-2024
Cash and investments	$1,503,729	738,056	2,241,785	1,532,428	46.3%
Capital assets	13,638	-	13,638	17,070	-20.1%
Loans and financing receivable, net	316,336	648,937	965,273	915,123	5.5%
Other assets	129,752	5,547	135,299	120,674	12.1%
Total assets	1,963,455	1,392,540	3,355,995	2,585,295	29.8%
Deferred outflows of resources	31,037	4,226	35,263	34,259	2.9%
Other liabilities	262,945	274,428	537,373	251,599	113.6%
Non-current liabilities	163,778	2,597	166,375	181,058	-8.1%
Total liabilities	426,723	277,025	703,748	432,657	62.7%
Deferred inflows of resources	25,338	2,550	27,888	18,303	52.4%
Net Position:					
Net investment in capital assets	7,207	-	7,207	8,280	-13.0%
Restricted	1,509,038	1,117,191	2,626,229	2,141,843	22.6%
Unrestricted	26,186	-	26,186	18,471	41.8%
Total net position	$1,542,431	1,117,191	2,659,622	2,168,594	22.6%

Total assets increased $770.7 million (29.8%). Cash and investments increased $709.4 million (46.3%) For Governmental activities this was primarily due to the combination of atypically high RGGI auction clearing prices, Clean Energy Standard (CES) Alternative Compliance Payments (ACP's), greater indexed-REC (renewable energy credit) proceeds, and collection of Backstop Mechanism funds in the Zero Emission Credit (ZEC) fund. For Business-type activities the increase in Cash and investments was primarily due to the receipt of $273.6 million of unearned grant funds.

Loans and financing receivables increased $50.2 million (5.5%), primarily reflecting an increase in Green Jobs-Green New York (GJGNY) loans issued which was driven by market interest rate trends and increasing consumer interest in heat pumps and solar installations. The GJGNY increase was offset in part by a $33.7 million NY Green Bank valuation adjustment.

Other assets increased by $14.6 million (12.1%) primarily due to an increase in the receivable from New York State (NYS) for Bond Act investments to make schools and buses healthier and more energy efficient; ZEC assessments; and West Valley state appropriations.

Deferred outflows of resources increased by $1.0 million (2.9%) due to the change in the actuarially determined deferred outflows related to pension and OPEB.

Total liabilities increased $271.1 million (62.7%), primarily due to $273.6 million of unearned revenue recorded by NY Green Bank reflecting cash received from a grant. Further, accounts payable increased by $16.9 million primarily due to timing of payment related to Clean Energy Fund (CEF) programs. Accrued expense increased $5.3 million, primarily reflecting an increase in the estimated dollar amount of invoices not yet received and paid in the CEF, NY-Sun and ZEC programs.

Within non-current liabilities, the March 31, 2025 balance includes a liability of $1.1 million, reflecting adoption of GASB 101, *Compensated Absences,* as further described in Note 2 (b) to the Basic Financial Statements, and in that respect, is not comparable to the prior fiscal year end balance. Regarding the remaining change in non-current liabilities, bonds payable increased $24.3 million, due to a new $46 million bond issuance in FY 2024-25, less principal repayments on other previously issued bonds. Partially offsetting some of the aforementioned increases, deposit liabilities primarily for the CES program decreased by $28.4M, and net pension liability decreased by $6.9 million due to an updated actuarial valuation.

Deferred inflows of resources increased by $9.6 million (52.4%); the balance at March 31, 2025 is principally made up of pension and OPEB related amounts, and to a smaller degree, related to NYSERDA as lessor of certain property and equipment.

Net position increased $491.0 million (22.6%), principally from RGGI proceeds and ACP's received pursuant to obligations of load-serving entities established in CES Orders, offset in part by NY-Sun and CEF expenditures in excess of revenues as anticipated given increased NY-Sun delivery targets and momentum on CEF projects approaching the December 31, 2025 end-of-Order date. Unrestricted net position increased primarily due to investment income, the timing of capital asset purchases, and recoupment revenues.

The opening net position at April 1, 2024 was re-stated downward by $0.9 million for the cumulative effect of adopting GASB 101 *Compensated Absences* as a change in accounting principle. Further information about the adoption effect on the financial statements can be found in Note 2 (b) to the Basic Financial Statements.

New York State Energy Research and Development Authority
(A Component Unit of the State of New York)
Management's Discussion and Analysis
For the Year Ended March 31, 2025
Unaudited

(Amounts in thousands)

Summary of Changes in Net Position	**Governmental activities**	**Business-type activities**	**Total March 31, 2025**	**Total March 31, 2024**	**% Change 2025-2024**
Revenues:					
State appropriations	$153,555	-	153,555	94,157	63.1%
Utility surcharge assessments	637,782	-	637,782	618,290	3.2%
Renewable energy credit proceeds	218,835	-	218,835	61,378	256.5%
Zero-emission credit assessments	531,895	-	531,895	513,255	3.6%
Allowance auction proceeds	465,708	-	465,708	349,932	33.1%
Third-party reimbursements	45,030	-	45,030	70,765	-36.4%
Federal grants	27,850	-	27,850	9,857	182.5%
Interest subsidy	166	-	166	211	-21.3%
Loans and financing receivables interest	11,405	15,762	27,167	52,722	-48.5%
Investment income	59,820	22,177	81,997	64,159	27.8%
Other program revenue	24,543	7,448	31,991	32,195	-0.6%
Total Revenues	2,176,589	45,387	2,221,976	1,866,921	19.0%
Expenses:					
Salaries and benefits	79,940	11,930	91,870	83,135	10.5%
Program expenditures	1,592,994	142	1,593,136	1,463,223	8.9%
Investment related expenses	-	972	972	215	352.1%
Program operating costs	2,915	1,771	4,686	4,243	10.4%
General & administrative costs	13,789	2,006	15,795	14,308	10.4%
Depreciation and amortization	4,150	496	4,646	6,429	-27.7%
New York State assessments	13,454	140	13,594	13,594	0.0%
Interest	5,291	24	5,315	3,861	37.7%
Total Expenses	1,712,533	17,481	1,730,014	1,589,008	8.9%
Change in Net Position	464,056	27,906	491,962	277,913	77.0%
Net Position, beginning of year	1,079,180	1,089,414	2,168,594	1,890,681	n/a
Cumulative effect of change in accounting principle	(805)	(129)	(934)	n/a	n/a
Net Position, end of year	$1,542,431	1,117,191	2,659,622	2,168,594	22.6%

Revenues primarily reflect reimbursements to NYSERDA for expenses incurred to execute programs in accordance with the terms of various Public Service Commission orders, the NYS Bond Act, NYS budget bills, and federal grant awards.

Total revenue increased $355.1 million (19.0%). State appropriations revenue increased by $59.4 million (63.1%) principally due to EmPower+ program funding spent to support electrification and home retrofits designed to improve energy efficiency, indoor air quality, and climate resilience. Utility surcharge assessments revenue increased by $19.5 million (3.2%) via the Bill-as-You-Go (BAYG) funding mechanism driven by higher expenditures under the NY-Sun program, offset in part by a decrease in CEF revenue due to the timing of reimbursements. REC proceeds increased by $157.5 million (256.5%) principally due to two factors: a large increase in receipts of ACP's under the Tier-One program as load serving entities met a large portion of their 2023 compliance year obligations via ACP's due to generation facilities achieving commercial operation later than originally planned; and, in the 2024 compliance year, quarterly REC sales higher than the prior year principally due to a greater volume of RECs produced. ZEC assessments revenue increased

$18.6 million (3.6%) principally due to remaining collections of Public Service Commission (PSC) ordered Backstop Mechanism funds addressing an accumulated deficit in the ZEC fund. RGGI allowance auction proceeds increased by $115.8 million (33.1%) primarily due to higher average quarterly auction sale prices. Third-party reimbursements decreased $25.7 million (-36.4%), principally as the Empower+ program shifted to leverage funding sources other than the State Office of Temporary and Disability Assistance (OTDA) funding reflected on this line. Federal grants revenue increased by $18.0 million (182.5%) principally due to the launch of the Home Electricity and Appliance Rebate (HEAR) program funded by a U.S. Department of Energy grant.

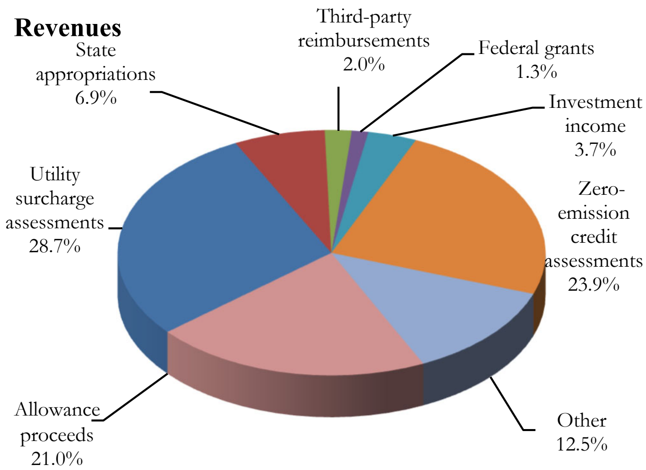
Loans and financing receivables interest income decreased $25.6 million (-48.5%) primarily due to NY Green Bank's increase in its provision for losses in light of changing market conditions and economic uncertainty. Partially offsetting the overall decrease in loans and financing receivables interest income, the GJGNY loans balance increased by $68.9 million, generating $2.2 million higher interest income.

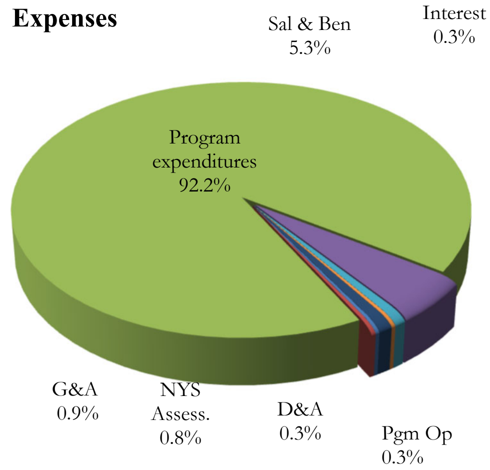
The increase in investment income of $17.8 million (27.8%) was primarily attributed to higher average invested balances across select funds over the fiscal year.

Total expenses increased $141.0 million (8.9%). Program expenditures increased $129.9 million (8.9%) primarily from higher NY-Sun expenditures driven mainly by a combination of expanded solar MW targets, a rule change allowing up-front incentive payments in certain programs to better address market needs, and strong residential interest in the program. Also contributing to the increase were incentives paid under the EmPower+ program and an increase in CEF expenditures across a variety of initiatives; the latter consistent with Department of Public Service (DPS) approved CEF investment plans and expected increases in both commitments and expenditures approaching the December 31, 2025 CEF Order end date.

Salaries and benefits expense increased $8.7 million (10.5%) primarily due to a proportionate increase in full time equivalent staffing in alignment with approved budgets, combined with regular performance-based compensation increases and general salary increases consistent with NYS practice for Management/ Confidential employees. Benefits expense increased $0.6 million, primarily due to higher health insurance costs for active employees associated with the increase in headcount, and higher employer FICA taxes associated with the increase in salary expense. These increases were partially offset by a reduction in expense related to a change in the estimated value of sick leave credits expected to be used by future retirees to offset their share of post-employment health insurance. Interest expense increased $1.5 million (37.7%) due to the combined effect of the issuance in FY 2025 of $46.3 million of bonds to finance the GJGNY revolving loan fund program and of normal paydown on other previously issued bonds.

The following charts depict Authority revenues and expenses for the year ended March 31, 2025.





FINANCIAL ANALYSIS OF FUNDS

Total fund balances for the governmental funds decreased from $1.185 billion to $1.678 billion as further described below:

- The CEF fund balance decreased from $107.5 million to $73.1 million due to expenditures in excess of inflows (the sum of revenues and transfers in, primarily from the RGGI fund). The timing of receipt via the mandated BAYG mechanism of funding used to maintain the projected working capital balance needed reflects a temporary lag in revenues vs. expenditures as of March 31, 2025.
- The NY-Sun fund balance decreased from $46.1 million to $0.8 million. Expenditures were significantly higher than in the prior year, but exceeded BAYG revenues and transfers due to timing differences inherent in the BAYG funding mechanism.
- The CES fund balance increased from $57.5 million to $238.2 million primarily due to Tier 1 REC receipts of $89.5 million in ACP's, as the LSE's met a large portion of their 2023 compliance year obligations via ACP's due to generation facilities achieving commercial operation slower than originally planned. Additionally, for the 2024 compliance year, the average price for index REC sales was higher than the previous year.
- The RGGI fund balance increased from $524.5 million to $848.1 million principally as a result of higher auction allowance prices and the timing of expenditures of funds already committed. A portion of the increase has already been incorporated into updated stakeholder and Board-approved operating plans and the balance will be programmed through normal processes in accordance with RGGI regulations.
- The GJGNY fund balance increased from $314.7 million to $368.8 million principally due to proceeds of $46.3 million from a bond issuance in the current fiscal year, as well as from additional funding transferred in per the approved RGGI Operating Plan.
- The aggregated Other Funds fund balance increased from $135.0 million to $148.8 million principally due to expenditures refunded to the Authority pursuant to terms of the Electric Generation Facility Cessation Mitigation program. Additionally, a portion of utility surcharge assessments was received for committed amounts not yet expended; and there was an increase in the working capital balance billed through the BAYG funding mechanism for the Energy Storage program which created a timing difference where revenues exceeded expenditures.

Total net position for the proprietary fund ("Business-type Activities") was $1.12 billion at March 31, 2025, as described below:

- NY Green Bank's net position increased by $27.9 million before the cumulative effect of a change in accounting principle, primarily as a result of investment income, and to a lesser degree loans and financing receivables interest revenue net of provisions for losses.

CAPITAL ASSET AND DEBT ADMINISTRATION

NYSERDA maintains land, buildings, and furniture and equipment in various locations for its corporate purposes, and additionally has multi-year lessee right-to-use assets for office space and subscription-based software assets. The lessee right-to-use and subscription-based software assets each have related liabilities associated with them which are amortized as payments are made to the lessor or vendor. Total capital assets as of March 31, 2025 were $13.6 million, net of accumulated depreciation and amortization. Capital asset additions during the fiscal year ended March 31, 2025 were $1.2 million, primarily for subscription-based software.

NYSERDA also issues tax-exempt bonds on a conduit basis on behalf of utility companies to finance certain eligible projects. As of March 31, 2025, approximately $1.4 billion of such conduit bonds are outstanding. These bonds are non-recourse bonds and, as such, are not included in NYSERDA's financial statements.

ECONOMIC AND OTHER INFLUENCING FACTORS

On behalf of the State, NYSERDA manages the Western New York Nuclear Service Center in West Valley, New York, the site of a former plant for reprocessing used nuclear fuel. Depending upon the clean-up options selected and agreement on cost sharing with the federal government, these costs could be substantial. It is anticipated that the State's share of future costs for the West Valley site will be provided by the State to NYSERDA and we ensure regular updates are provided to NYS Division of the Budget. As permitted by Governmental Accounting Standards Board Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, no liability has been recorded in NYSERDA's financial statements for this contingency due to the expected recoveries from the State.

NYSERDA's programs and revenues are impacted by a number of factors including, but not limited to, general economic conditions, energy prices, energy system reliability, climate change impacts, and energy technology advancements. NYSERDA has assessed current economic factors including but not limited to inflation, changes in prevailing interest rates, supply chain constraints, and global conflicts, and does not foresee material impacts on its near-term financial condition or operations. NYSERDA is the recipient of material federal grant awards. While most of those are operating normally, one large grant sub-award is currently in litigation as disclosed in footnote 12(f). Federal government actions could impact both the final amount of the award being litigated (or any other federal grant award) and NYSERDA's ability to be reimbursed timely for grant-funded programmatic expenditures. NYSERDA will continue to closely monitor program costs and outcomes and adjust proactively with resilience measures and investment updates, to mitigate potential impacts from external factors. See the Financial Statement Footnotes for additional details.

CONTACT FOR NYSERDA'S FINANCIAL MANAGEMENT

This report is designed to provide a general overview of the finances of NYSERDA for interested parties. Questions concerning any information within this report or requests for additional information should be addressed to Pam Poisson, Chief Financial Officer, NYSERDA, 17 Columbia Circle, Albany, NY 12203.

NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY
(A Component Unit of the State of New York)
Statement of Net Position
March 31, 2025
(Amounts in thousands)

	Governmental Activities	Business-type Activities	Total March 31, 2025
ASSETS:			
Current assets:			
Cash and investments	$1,408,307	738,056	2,146,363
New York State receivable	29,902	-	29,902
Third-party billings receivable	71,328	25	71,353
Interest receivable on loans	2,951	5,522	8,473
Loans and financing receivables due within one year, net	36,209	79,189	115,398
Prepaid expense	4,817	-	4,817
Lease receivables due within one year	760	-	760
Other assets	17,107	-	17,107
Total current assets	1,571,381	822,792	2,394,173
Non-current assets:			
Investments	95,422	-	95,422
Loans and financing receivables- long-term, net	280,127	569,748	849,875
Lease receivables- long-term	2,887	-	2,887
Capital assets, net of depreciation and amortization	13,638	-	13,638
Total non-current assets	392,074	569,748	961,822
Total assets	1,963,455	1,392,540	3,355,995
DEFERRED OUTFLOWS OF RESOURCES:	31,037	4,226	35,263
LIABILITIES:			
Current liabilities:			
Non-current liabilities due within one year	20,228	-	20,228
Accounts payable	24,242	-	24,242
Accrued liabilities	235,839	445	236,284
Unearned revenue	2,864	273,634	276,498
Deposits	-	349	349
Total current liabilities	283,173	274,428	557,601
Non-current liabilities:			
Bonds payable	111,230	-	111,230
Deposits	8,831	-	8,831
Net pension liability	15,255	2,117	17,372
Net OPEB liability	3,686	480	4,166
Other non-current liabilities	4,548	-	4,548
Total non-current liabilities	143,550	2,597	146,147
Total liabilities	426,723	277,025	703,748
DEFERRED INFLOWS OF RESOURCES:	25,338	2,550	27,888
NET POSITION:			
Net investment in capital assets	7,207	-	7,207
Restricted for specific programs	1,509,038	1,117,191	2,626,229
Unrestricted	26,186	-	26,186
Total net position	$1,542,431	1,117,191	2,659,622

See accompanying notes to the basic financial statements.

NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY
(A Component Unit of the State of New York)
Statement of Activities
For the year ended March 31, 2025
(Amounts in thousands)

	Governmental Activities								Business-type Activities	Total March 31, 2025
	Functions/Programs									
	CEF	NY-Sun	CES	RGGI	Energy Analysis	West Valley	Other	Total	NY Green Bank	
EXPENSES:										
Salaries and benefits	$26,473	2,821	11,317	12,795	9,874	2,955	13,705	79,940	11,930	91,870
Program expenditures	325,784	332,802	568,079	104,854	8,822	16,743	235,910	1,592,994	142	1,593,136
Investment related expenses	-	-	-	-	-	-	-	-	972	972
Program operating costs	378	115	193	27	638	39	1,525	2,915	1,771	4,686
General & administrative expenses	4,551	483	1,946	2,208	1,700	515	2,386	13,789	2,006	15,795
Depreciation & amortization	1,148	190	536	546	550	227	953	4,150	496	4,646
NY State assessments	2,734	2,644	4,649	987	175	166	2,099	13,454	140	13,594
Interest	55	6	24	27	32	22	5,125	5,291	24	5,315
Total expenses	361,123	339,061	586,744	121,444	21,791	20,667	261,703	1,712,533	17,481	1,730,014
REVENUES:										
Operating grants and contributions										
State appropriations	-	-	-	1,129	150	18,162	134,114	153,555	-	153,555
Utility surcharge assessments	275,239	277,064	-	-	18,205	-	67,274	637,782	-	637,782
Renewable energy credit proceeds	-	-	218,835	-	-	-	-	218,835	-	218,835
Zero-emission credit assessments	-	-	531,895	-	-	-	-	531,895	-	531,895
Allowance auction proceeds	-	-	-	465,708	-	-	-	465,708	-	465,708
Third-party reimbursements	14,180	-	12	137	-	2,562	28,139	45,030	-	45,030
Federal grants	-	-	-	-	3,123	-	24,727	27,850	-	27,850
Interest subsidy	-	-	-	-	-	-	166	166	-	166
Charges for services										
Project repayments	-	-	-	-	-	-	949	949	-	949
Rentals from leases	-	-	-	-	-	-	1,208	1,208	-	1,208
Fees and other income	-	-	18,629	-	-	-	3,757	22,386	7,448	29,834
Loans and financing receivables interest	307	-	-	-	-	-	11,098	11,405	15,762	27,167
Other										
Investment income	4,257	1,892	10,958	32,245	-	-	10,468	59,820	22,177	81,997
Total revenues	293,983	278,956	780,329	499,219	21,478	20,724	281,900	2,176,589	45,387	2,221,976
Increase (decrease) in net position before transfers	(67,140)	(60,105)	193,585	377,775	(313)	57	20,197	464,056	27,906	491,962
Transfers	32,700	14,691	(12,935)	(54,212)	-	-	19,756	-	-	-
Change in net position	(34,440)	(45,414)	180,650	323,563	(313)	57	39,953	464,056	27,906	491,962
Net position, beginning of year	103,923	45,789	57,912	524,078	5,002	3	342,473	1,079,180	1,089,414	2,168,594
Cumulative effect of change in accounting principle (GASB 101)	(295)	(34)	(102)	(133)	(59)	(33)	(149)	(805)	(129)	(934)
Net position, end of year	$69,188	341	238,460	847,508	4,630	27	382,277	1,542,431	1,117,191	2,659,622

See accompanying notes to the basic financial statements.

NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY
(A Component Unit of the State of New York)
Balance Sheet - Governmental Funds
March 31, 2025
(Amounts in thousands)

	Major Funds						Total
						Other	March, 31
	CEF	NY-Sun	CES	RGGI	GJGNY	Funds	2025
ASSETS:							
Cash and investments	$102,821	40,001	319,093	856,047	51,948	133,819	1,503,729
Receivables:							
New York State	441	-	10,858	137	-	18,466	29,902
Third-party billings	-	-	48,948	-	5,288	17,092	71,328
Interest on loans	623	-	-	-	2,328	-	2,951
Loans	4,911	-	-	-	311,425	-	316,336
Prepaid expense	1,035	-	-	-	-	3,782	4,817
Other assets	1,597	-	-	-	1,362	17,795	20,754
Due from other funds	3,870	433	-	559	895	-	5,757
Total assets	$115,298	$40,434	378,899	856,743	373,246	190,954	1,955,574
LIABILITIES AND FUND BALANCES:							
Liabilities:							
Accounts payable	$8,949	5,934	2,312	555	3,100	3,392	24,242
Accrued liabilities	32,722	33,719	129,350	8,010	615	28,184	232,600
Unearned revenue	577	-	602	114	744	827	2,864
Deposits	-	-	8,171	-	-	660	8,831
Due to other funds	-	-	263	-	-	5,494	5,757
Total liabilities	42,248	39,653	140,698	8,679	4,459	38,557	274,294
Deferred Inflow of Resources	-	-	-	-	-	3,647	3,647
Fund Balances:							
Nonspendable-not in spendable form	1,035	-	-	-	-	3,782	4,817
Restricted	72,015	781	238,201	848,064	368,787	122,564	1,650,412
Unassigned	-	-	-	-	-	22,404	22,404
Total fund balances	73,050	781	238,201	848,064	368,787	148,750	1,677,633
Total liabilities and fund balances	$115,298	40,434	378,899	856,743	373,246	190,954	1,955,574

Following is a reconciliation of amounts reported differently in the Statement of Net Position:

Total fund balances for governmental funds	$1,677,633
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds	13,638
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	(154,947)
Pension and OPEB Deferred outflows and inflows are not reported in govermental funds	9,346
Accrued interest expense	(3,239)
Net position of governmental activities	$1,542,431

See accompanying notes to the basic financial statements.

NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY
(A Component Unit of the State of New York)
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
For the year ended March 31, 2025
(Amounts in thousands)

	Major Funds						
	CEF	NY-Sun	CES	RGGI	GJGNY	Other Funds	Total March, 31 2025
REVENUES:							
State appropriations	$ -	-	-	1,129	-	152,426	153,555
Utility surcharge assessments	275,239	277,064	-	-	-	85,479	637,782
Renewable energy credit proceeds	-	-	218,835	-	-	-	218,835
Zero-emission credit assessments	-	-	531,895	-	-	-	531,895
Allowance auction proceeds	-	-	-	465,708	-	-	465,708
Third-party reimbursements	14,180	-	12	137	-	30,701	45,030
Federal grants	-	-	-	-	-	27,850	27,850
Interest subsidy	-	-	-	-	166	-	166
Project repayments	-	-	-	-	-	949	949
Rentals from leases	-	-	-	-	-	1,208	1,208
Fees and other income	-	-	18,629	-	1	3,756	22,386
Loan interest	307	-	-	-	11,098	-	11,405
Investment income	4,257	1,892	10,958	32,245	2,409	8,059	59,820
Total revenues	293,983	278,956	780,329	499,219	13,674	310,428	2,176,589
EXPENDITURES:							
Current expenditures	361,099	338,990	586,689	121,445	11,505	280,429	1,700,157
Debt service:							
Principal	-	-	-	-	22,015	3,428	25,443
Interest	-	-	-	-	3,617	209	3,826
Bond issuance costs	-	-	-	-	879	-	879
Capital outlay	-	-	-	-	-	1,214	1,214
Total expenditures	361,099	338,990	586,689	121,445	38,016	285,280	1,731,519
OTHER FINANCING SOURCES (USES):							
SBITA acquisitions	-	-	-	-	-	1,069	1,069
Residential Solar Financing Green Revenue Bonds issued	-	-	-	-	46,260	-	46,260
Transfers in	32,700	14,691	-	-	32,212	12,935	92,538
Transfers out	-	-	(12,935)	(54,212)	-	(25,391)	(92,538)
Net other financing sources (uses)	32,700	14,691	(12,935)	(54,212)	78,472	(11,387)	47,329
Net change in fund balances	(34,416)	(45,343)	180,705	323,562	54,130	13,761	492,399
Fund balances, beginning of year	107,466	46,124	57,496	524,502	314,657	134,989	1,185,234
Fund balances, end of year	$73,050	781	238,201	848,064	368,787	148,750	1,677,633

Following is a reconciliation of amounts reported differently in the Statement of Activities:

Net change in fund balances for govenmental funds	$492,399
Capitalization of capital outlays, rather than recording as an expenditure	(4,005)
Expenses for compensated absences in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds	1,288
Expenses for accrued bond interest and software related interest in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds	(1,489)
Pension contributions are not an expense in the Statement of Activities, and GASB 68 pension expense is not a use of current financial resources in the governmental funds	(2,352)
OPEB contributions are not an expense in the Statement of Activities, and GASB 75 OPEB expense is not a use of current financial resources in the governmental funds	(968)
Bond proceeds are a current financial resource in the governmental funds but are not reported as revenues in the Statement of Activities	(46,260)
Repayment of principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the Statement of Net Position	25,443
Change in net position of governmental activities	$464,056

See accompanying notes to the basic financial statements.

NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY
(A Component Unit of the State of New York)
Statement of Net Position
Proprietary Fund
March 31, 2025
(Amounts in thousands)

	March 31, 2025
ASSETS:	
Current assets:	
Cash and investments	$738,056
Third-party billings receivable	25
Interest receivable on loans	5,522
Loans and financing receivables due within one year, net	79,189
Total current assets	822,792
Non-current assets:	
Loans and financing receivables - long term, net	569,748
Total non-current assets	569,748
Total assets	1,392,540
DEFERRED OUTFLOWS OF RESOURCES:	4,226
LIABILITIES:	
Current liabilities:	
Accrued liabilities	445
Escrow deposits	349
Unearned revenue	273,634
Total current liabilities	274,428
Non-current liabilities:	
Net pension liability	2,117
Net OPEB liability	480
Total non-current liabilities	2,597
Total liabilities	277,025
DEFERRED INFLOWS OF RESOURCES:	2,550
NET POSITION:	
Net position restricted for specific programs	$1,117,191

See accompanying notes to the basic financial statements.

NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY
(A Component Unit of the State of New York)
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the year ended March 31, 2025
(Amounts in thousands)

	March 31, 2025
OPERATING REVENUES:	
Closing fees	$2,809
Undrawn fees	2,318
Administrative fees	573
Other fees	1,748
Loans and financing receivables interest	49,484
Provision for losses on loans and financing receivables	(33,722)
Total operating revenues	23,210
OPERATING EXPENSES:	
Salaries and benefits	11,930
Investment related expenses	972
Program operating costs	1,771
General & administrative expenses	2,006
Depreciation & amortization	496
New York State assessments	140
Interest expense	24
Total operating expenses	17,339
OPERATING INCOME	5,871
NON-OPERATING REVENUES:	
Capital contributions	-
Investment income	22,177
Total non-operating revenues	22,177
NON-OPERATING EXPENSES:	
Program evaluation	142
Total non-operating expenses	142
Change in net position	27,906
Net position, beginning of year	1,089,414
Cumulative effect of change in accounting principle (GASB 101)	(129)
Net position, end of year	$1,117,191

See accompanying notes to the basic financial statements.

NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY
(A Component Unit of the State of New York)
Statement of Cash Flows
Proprietary Fund
For the year ended March 31, 2025
(Amounts in thousands)

	March 31, 2025
CASH FLOWS FROM OPERATING ACTIVITIES:	
Closing fees collected	$2,844
Undrawn fees collected	1,621
Administrative fees collected	551
Other fees collected	997
Loans and financing receivables interest collected	37,531
Disbursement of escrow deposits	180
Payments to employees & employee benefit providers	(11,649)
Payments to suppliers	(4,794)
Payment for allocated depreciation and amortization	(496)
Payment for allocated interest	(24)
Payments to NYS	(140)
Loans and financing receivables deployed	(197,439)
Loans and financing receivables principal repayments	194,725
Net cash provided by operating activities	23,907
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Unearned grant revenue	273,629
Net cash provided by non-capital financing activities	273,629
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of investments	(821,755)
Proceeds from sale of investments	787,875
Investment income	22,535
Net cash used in investing activities	(11,345)
Net change in cash & cash equivalents	286,191
Cash and cash equivalents, beginning of year	11,847
Cash and cash equivalents, end of year	$298,038
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	$5,871
Adjustments to reconcile operating income to net cash provided by operating activities:	
Decrease in third-party billings receivable	15
Increase in interest receivable on loans	(491)
Decrease in loans and financing receivables	18,265
Decrease in accounts payable	(8)
Increase in accrued liabilities	207
Increase in escrow deposits	156
Decrease in unearned revenue unrelated to unearned grant revenue	(118)
Net change in pension & OPEB related accounts	281
Non-operating expenses unrelated to financing activities	(271)
Net cash provided by operating activities	$23,907

See accompanying notes to the basic financial statements.

NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY
(A Component Unit of the State of New York)
Statement of Fiduciary Net Position
March 31, 2025
(Amounts in thousands)

	OPEB Trust Fund	Custodial Fund
ASSETS:		
Cash and investments	$75,471	$49,488
Total assets	$75,471	49,488
LIABILITIES:		
Accrued liabilities	18	-
Payable to New York State	-	451
Escrow funds payable	-	9,740
Total liabilities	18	10,191
NET POSITION:		
Restricted for:		
Other postemployment benefits	75,453	-
Other governments and organizations	-	39,297
Total net position	$75,453	$39,297

See accompanying notes to the basic financial statements.

NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY
(A Component Unit of the State of New York)
Statement of Changes in Fiduciary Net Position
For the year ended March 31, 2025
(Amounts in thousands)

	OPEB Trust Fund	Custodial Fund
ADDITIONS:		
Employer contributions	$2,985	$ -
Utility assessments	-	2,559
Escrow deposit receipts	-	1,755
Investment income	4,033	1,962
Less investment management expenses	(22)	-
Net investment income	4,011	1,962
Total additions, net	6,996	6,276
DEDUCTIONS:		
Benefits	2,556	-
Reimbursements paid	-	3,484
Administrative fees	21	-
Total deductions	2,577	3,484
Change in net position	4,419	2,792
NET POSITION:		
Net position, beginning of year	71,034	36,505
Net position, end of year	$75,453	$39,297

See accompanying notes to the basic financial statements.

(1) GENERAL

The New York State Energy Research and Development Authority (NYSERDA) is a public benefit corporation established in 1975 pursuant to Title 9 of Article 8 of the Public Authorities Law of the State of New York (the State). NYSERDA is included in the State's basic financial statements as a component unit. NYSERDA's significant functions and programs reported in the Statement of Activities are summarized below; those which are reported as major funds in the Governmental Fund Financial Statements are noted parenthetically.

<u>Clean Energy Fund (CEF) Market Development/Innovation & Research (Major fund)</u>
Pursuant to a January 2016 Order (CEF Order), the State Public Service Commission (Commission) authorized a ten-year commitment through 2025 of approximately $5.3 billion to clean energy programs through a CEF, from previously authorized or incremental collections. The CEF is designed to meet four primary objectives: greenhouse gas emission reductions; energy affordability; statewide penetration and scale of energy efficiency and clean energy generation; and growth in the State's clean energy economy. The CEF is a key vehicle to support attainment of specific, time-bounded goals for energy efficiency, zero-emissions electricity generation, and investment in disadvantaged communities as articulated in the State's Climate Leadership and Community Protection Act.

The CEF Market Development activities are designed to ultimately reduce energy costs, accelerate customer demand, and increase private investment for energy efficiency and other behind-the-meter clean energy solutions through strategies including financial support, technical knowledge, data, education to customers and service providers, and advanced workforce training. The CEF Innovation & Research activities are designed to invest in cutting-edge technologies that will meet increasing demand for clean energy including: smart grid technology, renewables and distributed energy resources, high performance buildings, transportation, and clean tech startup and innovation development.

The CEF Order provided for a ten-year funding authorization of $3.43 billion for the Market Development and Innovation & Research activities. Through the CEF Order, funding authorization was also provided to allocate $781.5 million for NY Green Bank, $960.6 million for NY-Sun, and $150.0 million for the Renewable Portfolio Standard (RPS) Program for a 2016 Main Tier solicitation. The NY Green Bank and NY-Sun programs are presented as separate Programs/Functions in the financial statements as further described below.

The CEF Order authorized the continuation of previously authorized ratepayer collections for calendar years 2016 through 2024 for previous program authorizations for the New York Energy $mart, Energy Efficiency Portfolio Standard, Technology and Market Development, and RPS programs (the Previously Approved Programs).

To reimburse NYSERDA for actual CEF program expenses, the CEF Order established a "Bill-As-You-Go" (BAYG) approach for revenue collection effective January 1, 2016. Under this approach, CEF ratepayer collections are held by the electric and gas utilities and used to reimburse NYSERDA monthly, provided that the reimbursement allows NYSERDA to maintain a sufficient cash balance based on projected expenses for the subsequent two-month period, subject to the collection amounts approved in the CEF Order.

<u>NY-Sun (Major fund)</u>
Approved through a 2012 Commission Order, the NY-Sun program is designed to develop a sustainable solar industry through a capacity block incentive approach. The NY-Sun program was initially funded through $216 million reallocated under the RPS program. The CEF Order established

the incremental collection schedule and reallocation of uncommitted funds to support program activities approved through the 2012 Order.

Pursuant to May 14, 2020 and September 9, 2021 Orders, the Commission authorized the expansion of the NY-Sun program through 2025 to meet the established targets under the Climate Leadership and Community Protection Act and to develop a total of 6 gigawatt (GW) of distributed solar by 2025 by adding an additional 3 GW of distributed solar. The Orders increased NY-Sun's funding by $573 million from existing and any future uncommitted NYSERDA ratepayer funds, and if necessary, a transfer from NY Green Bank. In an April 14, 2022 Order, the Commission authorized a further expansion of the program expanding installation targets of the NY-Sun program from 6 to 10 GW of distributed solar generation. The Order increased NY-Sun's funding by an additional $1.474 billion for a cumulative authorized funding level of $3.27 billion.

In January 2024, NYSERDA filed a petition: "Impacts of the Inflation Reduction Act and the Potential for Incremental Distributed Solar Capacity Beyond the 10 GW Goal." In that petition, NYSERDA estimated that Inflation Reduction Act provisions now allow the NY-Sun program to deliver on its solar capacity targets with less funding than originally required. In an April 24, 2025 Order, the Commission directed NYSERDA to reduce the authorized NY-Sun funding by $271 million; re-purposing the majority of the reduction to be utilized for NYSERDA's other clean energy programs pending before the Commission as of the same date.

<u>Clean Energy Standard (CES) (Major fund)</u>
Pursuant to an August 2016 and subsequent Orders, the Clean Energy Standard was established, adopting a State Energy Plan goal that 70% of New York's electricity is to be generated by renewable sources by 2030 as part of a strategy to reduce statewide greenhouse gas emissions by 40% by 2030. The CES is comprised of a series of deliberate and mandatory actions to enhance opportunities for customer choice necessary to achieve the State Energy Plan goal. The mandated actions are divided into two categories, a Renewable Energy Standard (RES) and a Zero-Emissions Credit (ZEC) requirement. The RES consists of an obligation on Load Serving Entities (LSEs) in New York State to invest in new renewable generation resources to serve their retail customers evidenced by the procurement of qualifying renewable energy credits; an obligation on distribution utilities on behalf of all retail customers to continue to invest in the maintenance of existing at-risk renewable generation attributes; and a program to maximize the value potential of new offshore wind resources. As part of the RES component of the program, NYSERDA will offer for sale to the LSEs at various times Renewable Energy Credits (RECs) produced from, and received under, contracts with qualifying renewable energy facilities to meet the LSEs' mandatory compliance requirements. Alternatively, ending with calendar compliance year 2024, NYSERDA may receive Alternative Compliance Payments from LSEs in lieu of their purchasing RECs from NYSERDA. The ZEC requirement consists of an obligation on LSEs in New York State to invest in the preservation of existing at-risk nuclear zero-emissions attributes to serve their retail customers, evidenced by the procurement of qualifying ZECs. As part of the ZEC component, NYSERDA provides support payments for specified nuclear generating facilities in amounts prescribed by the Commission's Order based on each facility's output. The funding for these payments is collected through ZECs sold to each LSE in amounts calculated for each LSE's proportionate share of the statewide energy load. The RES component and the ZEC component are inter-related, but the goals are additive; that is, the carbon benefits of preserving the nuclear zero-emissions attributes will not count toward achieving the required number of renewable resources to satisfy the 70% by 2030 goal. The RES and ZEC components will, however, in combination, contribute toward the State's comprehensive greenhouse gas reduction goals.

NYSERDA is leading the coordination of offshore wind opportunities in New York State and is working to advance the development of 9,000 megawatts of offshore wind energy by 2035 in a responsible and cost-effective manner. In July 2018, the Commission issued an Order Adopting the

Offshore Wind Standard. The Offshore Wind Standard authorized solicitations by NYSERDA, in consultation with the Long Island Power Authority and New York Power Authority, for first phase of offshore wind procurements. Through March 31, 2025 NYSERDA has issued five competitive solicitations for offshore wind to stimulate the development of the domestic offshore wind industry, reduce the cost of later offshore wind procurements, and allow New York State to realize the direct benefits associated with the construction, operation, and maintenance of offshore wind resources.

An October 15, 2020 Order of the PSC established a new Tier 2 and Tier 4. The Tier 2 Maintenance program aims to provide targeted, adequate, and prudent support to New York's legacy baseline renewable resources to ensure their continued operations. Eligible Tier 2 maintenance generators include run-of-river hydroelectric facilities (5 MW or less) and wind resources that entered commercial operation prior to January 1, 2003. The Competitive Tier 2 program aimed to maximize the contributions and potential of New York's existing renewable resources to ensure their continued operations. Eligible Competitive Tier 2 generators include existing non-state-owned run-of-river hydropower and existing wind resources located within the State that entered commercial operation prior to January 1, 2015. The new Tier 4 will increase the penetration of renewable energy into New York City, which is particularly dependent on polluting, fossil fuel-fired generation. NYSERDA will procure unbundled environmental attributes associated with renewable generation delivered into New York City. These environmental attributes include the avoidance of GHG emissions, as well as the avoidance of local pollutants such as NOx, SOx, and fine particulate matter.

<u>Regional Greenhouse Gas Initiative (RGGI) (Major fund)</u>
RGGI is an agreement among eleven Northeastern and Mid-Atlantic States to reduce greenhouse gas emissions from power plants. The RGGI states (Participating States) have committed to cap and then reduce the amount of carbon dioxide that certain power plants are allowed to emit, limiting the region's total contribution to atmospheric greenhouse gas levels. The Participating States have agreed to implement RGGI through a regional cap-and-trade program whereby the Participating States have agreed to auction annual regional emissions. Rules and regulations promulgated by the NYS Department of Environmental Conservation (DEC) call for NYSERDA to administer periodic auctions for annual emissions. Pursuant to these regulations, the proceeds will be used by NYSERDA to administer energy efficiency, renewable energy, and/or innovative carbon abatement programs, and to cover the costs to administer such programs.

<u>Green Jobs-Green New York (GJGNY) (Major fund)</u>
GJGNY is a statewide program created by legislation enacted in October 2009 to promote energy efficiency retrofits in residential, multifamily, small business and not-for-profit buildings, and authorizes NYSERDA to establish innovative financing approaches through revolving loan funds to finance such projects. The program will also support sustainable community development and create opportunities for green jobs. The legislation funded the program with $112.0 million from RGGI auction proceeds and restricts the use of interest earnings and revolving loan proceeds for additional programmatic spending. Through March 31, 2025 NYSERDA subsequently transferred $231.2 million in additional RGGI funds to support program activities.

<u>Energy Analysis</u>
Through this program, NYSERDA provides objective and credible analyses of energy issues to various stakeholders. The program also includes activities for energy-related emergency planning and response, and support for State energy planning in an effort to ensure a secure, reliable energy supply. These program activities are funded primarily by a State assessment on the intrastate gas and electricity sales of the State's investor-owned utilities.

Furthermore, Energy Analysis staff provide oversight activities pursuant to the State Low-Level

Radioactive Waste (LLRW) Management Act of 1986, whereby NYSERDA is responsible for ultimately constructing and operating the State's LLRW disposal facilities, collecting information, and providing regular reports to the Governor and Legislature on LLRW generation in the State. These activities are funded annually by State appropriations through a sub-allocation from the New York State Department of Health.

NYSERDA is also responsible for the coordination of nuclear material matters, including serving as the State liaison with the Nuclear Regulatory Commission.

West Valley

NYSERDA manages, on behalf of the State, the Western New York Nuclear Service Center (West Valley), which is the site of a former plant for reprocessing used nuclear fuel. Through 1972, the former plant operator, Nuclear Fuel Services, Inc., generated as a by-product of its reprocessing operations, more than 600,000 gallons of liquid, high-level radioactive waste, which was stored at the site. In 1980, Congress enacted the West Valley Demonstration Project Act (West Valley Act). Pursuant to the West Valley Act, the U.S. Department of Energy (DOE) is carrying out a demonstration project to: (1) solidify the liquid high-level radioactive waste at West Valley; (2) transport the solidified waste to a permanent federal repository; and (3) decontaminate and decommission the reprocessing plant and the facilities, materials, and hardware used in the project.

NYSERDA also maintains, on behalf of the State, the State-Licensed Disposal Area (SDA), which is a shut-down commercial low-level radioactive waste disposal facility at West Valley. NYSERDA is evaluating how to remediate and close this facility in accordance with regulatory requirements.

Other

Other represents an aggregate of smaller Programs/Functions. These activities are primarily funded through Commission Orders, Memorandums of Understanding with various utilities pursuant to Commission Orders, various third-party reimbursement agreements, and federal energy grants.

NY Green Bank

NY Green Bank, a division of NYSERDA accounted for as a proprietary fund, was established to attract private sector capital to accelerate clean energy deployment in New York State (the State). To date, NY Green Bank has participated in transactions by providing: construction and longer-term post-construction financing and investment, financing to enable developers to aggregate smaller distributed assets into portfolios at scale, and credit enhancements.

NY Green Bank works to increase the size, volume, and breadth of clean energy investment activity throughout the State, expand the base of investors focused on New York State clean energy, and increase clean energy participants' access to capital. To do so, NY Green Bank collaborates with the private sector to develop transaction structures and methodologies that overcome typical clean energy investment barriers, such as challenges in evaluating risk and addressing the needs of distributed energy and efficiency projects where underwriting may be geared more towards larger and/or groups of somewhat homogeneous investment opportunities.

NY Green Bank focuses on opportunities that create attractive precedents, standardized practices, and roadmaps that capital providers can willingly replicate and scale. As funders "crowd in" to a particular area within the clean energy landscape, NY Green Bank moves on to other areas that have attracted less investor interest.

Pursuant to various Orders of the Commission, the Commission authorized a total of $1 billion in ratepayer-funded program capitalization for NY Green Bank which had been fully collected as of March 31, 2022.

As a key component of New York's CEF, NY Green Bank is structured to be self-sustaining in that it must ultimately cover its own costs of operation, which has been achieved since the fiscal year ended March 31, 2017

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

The basic financial statements include government-wide financial statements, governmental fund financial statements, proprietary fund financial statements, and fiduciary fund financial statements. The government-wide financial statements report information on governmental and business-type activities, and consist of a Statement of Net Position and a Statement of Activities. These statements exclude information about fiduciary activities where NYSERDA holds assets in a trustee or fiduciary capacity for others since such assets cannot be used to support NYSERDA's own programs.

Net position classifications used in the government-wide financial statements are as follows:

- Net investment in capital assets – amount of capital assets, net of accumulated depreciation or amortization, reduced by the outstanding balances of debt attributable to the acquisition, construction, or improvement of those assets, and deferred outflows of resources less deferred inflows of resources, that are attributable to the acquisition, construction, or improvement of those assets or related debt, excluding any significant unspent related debt proceeds or deferred inflows of resources
- Restricted for specific programs – amount of restricted assets and deferred outflows of resources reduced by liabilities and deferred inflows of resources related to those assets
- Unrestricted – amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of Net investment in capital assets or the restricted for specific programs components of net position

The governmental fund financial statements report governmental activities and consist of a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances. The funds presented in the governmental funds financial statements are categorized as either major or non-major funds (the latter are aggregated within "Other") as required by U.S. generally accepted accounting principles (U.S. GAAP).

Fund balance classifications used in the governmental fund financial statements are as follows:

- Nonspendable – amounts that cannot be spent because they are not in spendable form
- Restricted – amounts with constraints placed on the use of resources that are legally imposed by creditors, grantors, contributors, or laws or regulations of other governments that may be imposed by law through constitutional provisions or enabling legislation
- Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making. Amounts cannot be used for any other purposes unless the government removes the specified use
- Assigned – amounts are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed
- Unassigned – residual balance is the amount not meeting other fund balance classifications

NYSERDA had no Committed or Assigned Fund Balances as of March 31, 2025. NYSERDA's Nonspendable fund balance at March 31, 2025 is composed of prepaid expenses.

NYSERDA administers certain programs on behalf of the Commission and others whereby the terms of the program sponsor or enabling legislation limit the use of funds to certain program purposes, and as such, the funds are reported as restricted. Since NYSERDA has multiple constraints on its resources, restricted funds are considered spent first, committed funds second, assigned funds third, and unassigned funds last.

The proprietary fund financial statements, based on an enterprise type fund, report business-type activities for which a fee is charged to external users for goods or services, and consist of a Statement of Net Position; a Statement of Revenues, Expenses and Changes in Fund Net Position; and a Statement of Cash Flows. NY Green Bank is presented in the proprietary fund financial statements.

The fiduciary fund financial statements report assets held by NYSERDA in a fiduciary capacity for others and consist of a Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. NYSERDA's fiduciary funds include: (1) funds held for reimbursement to the State for costs associated with the Low-Level Radioactive Waste Management Act of 1986; (2) funds that, pursuant to a Cooperative Agreement, must be turned over to the U.S. Department of Energy upon delivery of the solidified high-level radioactive waste from West Valley to a permanent federal disposal repository to provide for perpetual care and management of the waste; (3) funds established pursuant to the 2017 Indian Point closure agreement for community and environmental benefit that must be transferred to recipients of awards of these funds upon the execution of cooperative contracts; (4) funds established by the Office of Renewable Energy Siting through collection of permit application fees for construction and operation of major renewable energy facilities, held for reimbursement to local agencies and potential community intervenors for costs related to the application review process; and (5) funds held in an irrevocable trust maintained by a third-party trustee to receive employer contributions for NYSERDA's health insurance premiums for benefits provided to eligible NYSERDA employees and/or their spouses and dependent children after active employment ends (postemployment).

(b) Adoption of new accounting pronouncement

NYSERDA implemented GASB Statement No. 101, *Compensated Absences* (GASB 101), for the fiscal year ended March 31, 2025.

GASB 101 established a new requirement that a liability be recorded for sick leave benefits that are deemed more likely than not to be taken as time off, when attributable to services already provided as of the date of the financial statements. Prior to GASB 101, no such liability was recorded because the event (an illness, etc.) which caused the employee to be eligible to use banked sick time hours for time off in the future had not occurred as of the date of the Statement of Net Position.

The effect on NYSERDA's financial statements was as follows:

	(Amounts in thousands) Governmental Activities	Business-type Activities
Restricted net position as previously reported, March 31, 2024	$1,052,429	1,089,414
Cumulative effect of implementation	(755)	(129)
Restricted net position as restated, April 1, 2024	$1,051,674	1,089,285
Unrestricted net position as previously reported at March 31, 2024	$18,471	
Cumulative effect of implementation	(50)	
Unrestricted net position as restated, April 1, 2024	$18,421	

The liability calculated pursuant to the new pronouncement is included in “Non-current liabilities due within one year” at March 31, 2025. The expense for the fiscal year ended March 31, 2025 for the change in the liability since the beginning of the fiscal year is included in “Salaries and benefits” expense.

(c) Basis of accounting

The government-wide financial statements are prepared using the economic resources measurement focus and accrual basis of accounting, as are the proprietary fund and the fiduciary fund financial statements. Revenues resulting from exchange transactions are recognized when the exchange takes place. Revenues resulting from non-exchange transactions, such as program funding in the form of grants, contributions, utility surcharge assessments, and State appropriations, are recognized when all eligibility requirements (if any) have been met. Resources received in advance of meeting all eligibility requirements are recorded as unearned revenue. Expenses in the government-wide financial statements are recognized when incurred. NYSERDA’s administrative overhead charges are included as program direct expenses in the Statement of Activities.

Financial statements for governmental funds are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when they become measurable and available (expected to be collected in the next 12 months) and have met eligibility requirements (if any). Expenditures, rather than expenses, are recognized in governmental fund financial statements. Only transactions that require the use of current financial resources are recognized. Expenses related to non-current liabilities are not recorded; however, certain expenses that are recognized over time in the government-wide financial statements are recognized as expenditures in the governmental fund financial statements in the period in which the underlying transaction takes place.

The governmental fund financial statements include a reconciliation of total fund balance and the changes therein, to total net position and the changes therein that are reflected in the government-wide financial statements. The reconciling items are the result of the above-described differences in measurement focus and basis of accounting.

(d) Indirect cost allocation method

NYSERDA incurs certain indirect costs (e.g., administrative salary expense, fringe benefit expense, and general and administrative expense) that are not directly associated with a specific function/program. Therefore, these costs are allocated in proportion to direct salary expenses of each NYSERDA function/program, including NY Green Bank. Net pension liability and net OPEB liability are also allocated proportionately to NY Green Bank, as required for Proprietary funds.

(e) Investments

Investments are recorded at fair value, which reflects quoted market prices for U.S. government obligations, mutual funds, and exchange-traded funds.

(f) Loans and financing receivables

Loans and financing receivables are recorded at their cost basis, less any provision for losses. For NY Green Bank, a provision for losses is established on any individual loan and financing receivable which: (i) is delinquent by more than 120 days on payment of principal or interest obligations; and (ii) indicates a deficiency in the present value of expected cash flows discounted at its effective interest rate, or a deficiency in the valuation of its collateral, as compared to its outstanding balance plus any accrued interest receivable. For the GJGNY program, an allowance for doubtful accounts is recorded at the amount of the outstanding principal balance of all loans over 120 days past due.

(g) Capital and right-to-use assets

Physical assets with a cost of more than $2,500 and an estimated useful life in excess of two years are capitalized and reported at historical cost in the government-wide financial statements. Depreciation is calculated using the straight-line method over the estimated useful life of the capital assets, which ranges from three to fifty years, and is reported in the government-wide and proprietary fund financial statements. Capital asset purchases are recorded as expenditures in the governmental funds financial statements.

Certain leases where NYSERDA is the lessee, and certain subscription-based information technology arrangements (SBITA's), are also recorded as right-to-use capital assets. Amortization is calculated over the lesser of the leased asset's useful life, or the remaining lease term; or for SBITA's, the subscription term; and is reported in the government-wide and proprietary fund financial statements, but is reported as an expenditure for capital outlays in the governmental funds financial statements.

(h) Unearned revenue

Unearned revenue of Governmental Activities consists of funds received or receivable in advance of revenue recognition conditions having been met for the underlying exchange transactions. Unearned revenue of Business-type activities represents grant funding received, but which is the subject of pending litigation preventing the use of the funding, thus not meeting the criteria for revenue recognition.

(i) Deferred outflows of resources and deferred inflows of resources

Deferred outflows of resources as presented in the government-wide and proprietary fund financial statements represent a consumption of net assets applicable to a future reporting period. Deferred inflows of resources as presented are defined as an acquisition of net assets applicable to a future reporting period. Deferred outflows of resources and deferred inflows of resources related to pension and OPEB are also allocated proportionately to NY Green Bank, as required for Proprietary funds.

Additionally, deferred inflows of resources exist related to NYSERDA's lease receivable.

The below table represents the values of deferred outflows of resources and deferred inflows of resources as of March 31, 2025 by fund type and description:

	(*Amounts in thousands)*	
Governmental activities:	Deferred outflows of resources	Deferred inflows of resources
Pension related	$16,723	($8,377)
OPEB related	14,314	(13,314)
Lessor related	-	(3,647)
Total	$31,037	($25,338)
Business-type activities:		
Pension related	$1,946	($1,289)
OPEB related	2,280	(1,261)
Total	$4,226	($2,550)

(j) Vacation and sick leave

NYSERDA employees are granted vacation and sick leave in varying amounts. In the event of termination or retirement, an employee is reimbursed for accumulated vacation leave up to the equivalent of 45 days, and sick leave up to a maximum of five days. Eligible retired employees may use additional accumulated sick leave to pay for the employee share of health insurance premiums. The accumulated sick leave is converted to a 'sick leave credit' amount as determined by the NYS Dept. of Civil Service.

In the fiscal year ended March 31, 2025, NYSERDA made a change in measurement methodology effecting the estimate for the value of sick leave credits earned by current employees. The measurement methodology was changed from being performed internally by management of the Authority using various inputs and historical trend data and included in the liability for compensated absences within "Other non-current liabilities", to being measured by a contracted actuary firm as a part of the measurement of the Total OPEB liability. The difference in the estimated liability (a decrease) is reflected prospectively within "Salaries and benefits" expense for the fiscal year ended March 31, 2025, in accordance with the provisions of GASB 100, *Accounting Changes and Error Corrections.*

NYSERDA's accrual for compensated absences, as reported in the government-wide financial statements within other non-current liabilities, includes fringe benefits on compensated absences. Compensated absences are not accrued in the governmental funds financial statements.

(k) NY State assessments

NY State assessments for the year ended March 31, 2025 consisted of $12.7 million in fees assessed by the State under Section 2975 of the Public Authorities Law (Governmental Cost Recovery System) for general governmental services, and $0.9 million paid to the State under a budget bill pursuant to Article VII of the New York State Constitution.

(l) Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies. Estimates also affect the reported amounts of revenues and expenditures / expenses during the reporting period. Actual results could differ from those estimates.

(m) Income taxes

NYSERDA is a component unit of the State and therefore is generally exempt from federal, state, and local income taxes.

(3) CASH AND INVESTMENTS

Pursuant to Public Authorities Law Section 1859(1), the Commissioner of the New York State Department of Taxation and Finance (Fiscal Agent) serves as fiscal agent for NYSERDA's cash and investments, maintaining such funds on NYSERDA's behalf and implementing investments subject to the Fiscal Agent's policies and with direction and authorization from NYSERDA. NYSERDA has a written investment policy that applies to all of its investments. The policy permits deposits with financial institutions approved by the Fiscal Agent and permits investments in certificates of deposit of bank or trust companies located in New York State, obligations of New York State and the United States government and of their agencies subject to limitations, supernational obligations of certain institutions, commercial paper issued by a New York State municipal entity subject to limitations, repurchase agreements subject to certain limitations, and money market funds subject to certain limitations.

Cash and investments of the OPEB Trust are held with the Bank of New York Mellon Trust Company. All OPEB Trust investments are made consistent with the investment policy based on target percentages established for each asset class.

The following schedule presents cash and investments as of March 31, 2025. Fair value is measured using quoted market prices for U.S. government obligations, mutual funds, and exchange traded funds. GASB Statement No. 72, *Fair Value Measurement and Application,* prescribes three approaches to measuring fair value and requires a government to use valuation techniques consistent with one or more of these approaches. The standard establishes a fair value hierarchy that categorizes the inputs to valuation techniques used to measure fair value into three levels. Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date. Level 2 inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for an asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. All NYSERDA investments are valued based on Level 1 inputs.

	Fair Value (*Amounts in thousands)*	% of Total	Weighted Average Maturity (months)
Governmental activities			
Cash and cash equivalents	$126,731	8.4	n/a
U.S. Treasury Bills/Notes	1,376,998	91.6	5.5
Total	$1,503,729	100.0	5.5
Current portion thereof	$1,408,307		

	Fair Value (*Amounts in thousands)*	% of Total	Weighted Average Maturity (months)
Proprietary activities			
Cash and cash equivalents	$298,038	40.4	n/a
U.S. Treasury Bills/Notes	440,018	59.6	5.7
Total	$738,056	100.0	5.7
Current portion thereof	$738,056		
Fiduciary funds			
Cash and equivalents	$11,121	8.9	n/a
Mutual funds	55,738	44.6	n/a
Exchange traded funds	18,919	15.1	n/a
U.S. Treasury Bills/Notes	39,181	31.4	7.4
Total	$124,959	100.0	7.4

Interest Rate Risk. NYSERDA's investment policy limits investment maturities to no longer than five years as a means of managing its exposure to fair value losses arising from increasing interest rates. Investment maturities are selected based on anticipated cash flow needs.

The OPEB Trust's risk tolerance is understood by the Plan Administrator such that achieving the Plan's investment objectives is not guaranteed and there will be time periods for which these objectives will not be met. The Plan Administrator also recognizes that some risk must be assumed to achieve the Trust's long-term investment objectives and accepts the inevitable fluctuations in returns that will occur. While it is understood that a certain level of risk is expected in the Trust's portfolio, the ability to withstand short and intermediate term variability was specifically considered in the development of the Investment Policy Statement risk tolerances. The debt instruments held within the above table's Mutual funds and Exchange traded funds are shown in the below table.

Credit Risk. Money market fund investments consist of non-rated funds whose investments are restricted to U.S. government obligations. As of March 31, 2025, debt instruments other than those of the U.S. government were held only by the OPEB Trust and were as follows:

Investment type	*Investment policy range (% of portfolio)*	*Fair Value (Amounts in thousands)*	*Morningstar 5-star rating scale rating*
Short term bonds	*1%-6%*	*$741*	*4*
Intermediate term bond	*15%-25%*	*$15,198*	*5*
Inflation protected securities	*6.5%-16.5%*	*$8,655*	*5*
Long term bond	*0%-10%*	*$3,812*	*4*
High yield bond	*15%-25%*	*$15,047*	*2**
Global bond	*0%-6%*	*$733*	*2**

Morningstar is not a credit agency; their rating is a measure of the fund's risk-adjusted return relative to similar funds. Funds are rated one to five stars with the strongest performers receiving five stars.

** The High Yield Bond fund and Global Bond fund were both identified on the "watch list" as of year-end per the OPEB Investment policy are undergoing the prescribed review process to identify and replace as needed based on performance.*

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Concentration of Credit Risk. NYSERDA's investment policy limits investments with any single eligible banking institution to no more than 35% of its total investment portfolio, except as otherwise required by any policies and practices of the Fiscal Agent. As of March 31, 2025, NYSERDA did not have any investments with institutions that were individually in excess of 5% of total investments.

The OPEB Trust's investment policy places limitations on the concentration of investments in certain industries, with certain companies, and among asset classes and within investment policy ranges.

Custodial Credit Risk for Deposits. Deposits are exposed to custodial credit risk if the deposits are not covered by depository insurance or deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging institution's trust department or agent, but not in the name of NYSERDA.

In accordance with existing policies and procedures, the Fiscal Agent of NYSERDA monitors deposit balances for the purpose of determining collateralization levels. Collateral sufficient to cover all uninsured deposits is held at the Department's custodial bank.

Custodial Credit Risk for Investments. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of NYSERDA, and are held either by the counterparty or the counterparty's trust department or agent, but not in the name of NYSERDA.

Fixed income investments owned directly by NYSERDA, which trade in the U.S. markets, are held at NYSERDA's Fiscal Agent's custodian, in separate accounts, in the name of the Comptroller of the State of New York in Trust for NYSERDA. These securities are typically held in electronic form through the Federal Book Entry System and by the Depository Trust Company (DTC) and its subsidiaries acting as an agent of NYSERDA's Fiscal Agent's custodian bank.

Foreign Currency Risk. As of March 31, 2025, only the OPEB Trust portfolio (reported within Fiduciary funds) holds foreign investments. Foreign mutual fund holdings, which are U.S. dollar denominated, at March 31, 2025 were $24.3 million (comprised of $23.6 million of equity funds and $0.7 of fixed income funds).

(4) RECEIVABLE FROM NEW YORK STATE

As of March 31, 2025, the amount due from New York State is $29.9 million, which represents appropriation, grant, and ZEC program receivables.

(5) LOANS AND FINANCING RECEIVABLES

Loans receivable exist under the Green Jobs-Green New York program to finance energy efficiency retrofits and renewable energy system installments in residential, multifamily, small business, and not-for-profit buildings. The residential component, and certain small business/not-for-profit loans, offers loans originated by a third-party loan originator using pre-established loan underwriting criteria, which are funded by NYSERDA and serviced by a third-party loan servicer. Multifamily and small business/not-for-profit loans are provided through participating lenders with NYSERDA providing 50% of the principal, subject to certain limits.

For the fiscal year ended March 31, 2025, provision for losses was $3.3 million and is included in Program/Current expenditures, respectively, for the Program/Major Fund.

NY Green Bank loans and financing receivables consist of sustainable infrastructure investments made by it into eligible technologies, consistent with its mission and investment criteria. These loans and financing transactions aim to mobilize private sector capital during the lifecycle of each investment, accelerate the deployment of economically and technically feasible clean energy projects in the State, provide financial returns to NY Green Bank, and contribute to New York's clean energy policy outcomes. NY Green Bank offers the following categories of capital solutions: construction finance, construction finance & term loan, term loans & investments (which may be debt or equity), warehousing/aggregation, and credit enhancements. NY Green Bank prices its products to reflect its credit underwriting, its risk position in the capital structure and pricing for comparable transactions, as well as internal portfolio return needs taking into account current market rates as well as commercial expectations of rates.

For the fiscal year ended March 31, 2025, provision for losses was $33.7 million and is included as a reduction of loans and financing receivables interest earned.

Loans and financing receivables at March 31, 2025 include the following:

(Dollar amounts in thousands)

Governmental activities	Number of loans and financing receivables	Loans and financing receivables outstanding
Residential	47,710	$322,443
Small Business/Not-for-Profit	89	645
Other	650	8,681
Total governmental activities/funds	48,449	331,769
Allowance for doubtful accounts		(15,433)
Net total governmental activities/ funds		$316,336

Business-type activities	Number of loans and financing receivables	Loans and financing receivables outstanding
Construction Finance	5	$40,760
Construction Finance & Term Loan	12	188,320
Term Loans & Investments	32	390,862
Warehousing/Aggregation	3	28,995
Total business-type activities	52	$648,937

Loans and financing receivables at March 31, 2025 mature as follows:

(Amounts in thousands)

Governmental activities

Fiscal year ending March 31,	Residential Energy Efficiency	Small Business/ Not-for-Profit	Other	Total
2026	$32,705	258	4,813	37,776
2027	33,090	131	1,404	34,625
2028	27,995	101	332	28,428
2029	28,031	63	165	28,259
2030	27,628	39	170	27,837
2031-2035	108,372	53	993	109,418
2036-2040	64,583	-	804	65,387
2041	39	-	-	39
Total governmental activities	$322,443	645	8,681	331,769

Business-type activities

Fiscal year ending March 31,	Construction Finance	Construction Finance & Term Loan	Term Loan & Investments	Warehousing /Aggregation	Total
2026	$2,157	10,555	48,264	18,213	79,189
2027	29,000	27,331	67,350	-	123,681
2028	6,662	12,202	54,454	-	73,318
2029	-	4,625	8,327	-	12,952
2030	-	5,772	10,075	-	15,847
2031-2035	-	119,037	110,214	-	229,251
2036-2040	2,941	6,985	92,178	10,782	112,886
2041-2045	-	1,813	-	-	1,813
Total business-type activities	$40,760	188,320	390,862	28,995	648,937

(6) OTHER ASSETS

As of March 31, 2025, the other assets balance includes $14.1 million (as valued at the lower of cost or market value) of the Upstate and Downstate New York State Strategic Gasoline Reserves, which were established to provide an emergency supply of finished motor gasoline in case of a significant disruption to petroleum fuels supply or distribution.

(7) LEASE RECEIVABLE

NYSERDA is the lessor of certain equipment comprising a cooling water structure at the Indian Point Energy Center in Buchanan, New York; land and building use at the Saratoga Technology and Energy Park (STEP); building use in West Valley, NY; and sub-leased office space in New York City. Rental revenues for the fiscal year 2024-25 totaled $1.2 million and interest income associated with the lease payments received was $0.1 million.

(8) CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2025 was as follows:

(Amounts in thousands)

	Beginning Balance	Additions	Retirements/ Reclasses	Ending Balance
Land (non-depreciable)	$679	-	-	679
Land improvements	5,801	39	-	5,840
Buildings	6,748	3	-	6,751
Machinery and equipment	23,215	93	(325)	22,983
Leasehold improvements	3,599	10	-	3,609
Total capital assets	40,042	145	(325)	39,862
Less accumulated depreciation:				
Land Improvements	(2,990)	(201)	-	(3,191)
Buildings	(4,917)	(224)	-	(5,141)
Machinery and equipment	(21,458)	(824)	325	(21,957)
Leasehold improvements	(2,371)	(343)	-	(2,714)
Total accumulated depreciation	(31,736)	(1,592)	325	(33,003)
Total capital assets, net, excluding lease and SBITA assets	8,306	(1,447)	-	6,859
Lease and SBITA assets:				
Leases - office space	12,394	-	-	12,394
SBITA	3,260	1,069	(1,895)	2,434
Total lease and SBITA assets	15,654	1,069	(1,895)	14,828
Less accumulated amortization:				
Leases - office space	(4,831)	(2,317)	-	(7,148)
SBITA	(2,059)	(737)	1,895	(901)
Total accumulated amortization	(6,890)	(3,054)	1,895	(8,049)
Total lease and SBITA assets, net	8,764	(1,985)	-	6,779
Total capital assets, net, as reported on the statement of net position	$17,070	(3,432)	-	13,638

(9) NON-CURRENT LIABILITIES

Non-current liability activity for the year ended March 31, 2025 was as follows:

(Amounts in thousands)

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
Governmental activities					
Compensated absences	$14,280	8,504	(13,863)	8,921	8,278
Lease liability- office space	7,965	-	(2,310)	5,655	2,010
SBITA liability	823	1,069	(1,117)	775	515
Deposits	37,318	6,637	(35,124)	8,831	-
Bonds payable	96,410	46,260	(22,015)	120,655	9,425
Total non-current liabilities, excluding net pension and OPEB liabilities	156,796	62,470	(74,428)	144,837	20,228
Net pension liability (see note 10)	21,240	15,604	(21,589)	15,255	-
Net OPEB liability/(asset) (see note 11)	(922)	11,870	(7,262)	3,686	-
Total non-current liabilities as reported on the statement of net position				$163,778	20,228
Business-type activities					
Net pension liability (see note 10)	$3,022	2,403	(3,308)	2,117	-
Net OPEB liability/(asset) (see note 11)	(153)	1,793	(1,160)	480	-
Total non-current liabilities as reported on the statement of net position				$2,597	-

As of March 31, 2025, future payments for leased office space are:

(Amounts in thousands)

Fiscal year ending March 31,	Leased office space Principal	Interest	Total
2026	$2,010	118	2,128
2027	2,061	68	2,129
2028	1,266	19	1,285
2029	98	7	105
2030	100	4	104
2031-32	120	2	122
Total	$5,655	218	5,873

During fiscal year 2024-25 additional common-area charges of $0.6 million were expensed for variable operating costs charged by the lessors which are not included in the base rent or measurement of the lease liability above.

A portion of the leased office space at one location in New York City is subleased to a third-party tenant; see note 7 for further information.

Lease liability for office space does not include leases signed in December 2024 and initially expiring in April 2040, for office space consolidation of New York City offices, as NYSERDA had not yet obtained the right to use the space as of March 31, 2025.

As of March 31, 2025, future payments for SBITA’s are:

(Amounts in thousands)

Fiscal year ending March 31,	SBITA’s Principal	Interest	Total
2026	515	23	538
2027	83	9	92
2028	87	5	92
2029	90	1	91
Total	$775	38	813

Bonds payable includes various bonds issued and secured by loan repayments from loans issued under the GJGNY program. Following is a schedule of bonds issued and outstanding at March 31, 2025:

(Amounts in thousands)

	Principal Balance Outstanding	Final Maturity Date	Interest Rate
Residential Energy Efficiency Financing Revenue Bonds,			
Series 2013A	$4,460	July 1, 2028	3.2% to 4.1%
Series 2015A	17,850	July 1, 2030	2.9% to 3.8%
Series 2016A	11,240	July 1, 2031	1.9% to 2.8%
Residential Solar Financing Green Revenue Bonds, Series 2018A	2,625	April 1, 2034	3.4% to 4.8%
Residential Solar and Energy Efficiency Financing Green Revenue Bonds, Series 2019A	1,810	April 1, 2035	3.3% to 4.6%
Residential Solar and Energy Efficiency Financing Green Revenue Bonds, Series 2020A	4,800	October 1, 2036	1.6% to 3.4%
Residential Solar and Energy Efficiency Financing Green Revenue Bonds, Series 2022A	16,400	April 1, 2037	4.2% to 4.9%

Residential Solar and Energy Efficiency Financing Green Revenue Bonds, Series 2023A	15,210	April 1, 2038	6.0% to 6.6%
Residential Solar and Energy Efficiency Financing Green Revenue Bonds, Series 2024A	46,260	April 1, 2039	5.7% to 6.2%
Total	$120,655		

The Series 2013A, Series 2015A, and Series 2016A Bonds were issued under a master Indenture of Trust (Indenture), as supplemented, which requires that NYSERDA maintain cash and future scheduled pledge loan payments in each bond year of not less than 110% of annual debt service for each series of bonds. Payment of principal and interest on the Series 2013A bonds are guaranteed by the New York State Environmental Facilities Corporation (EFC) through the Clean Water State Revolving Fund (SRF). The Residential Energy Efficiency Financing Revenue Bonds Series 2015A and Series 2016A were issued to EFC in connection with SRF bonds issued by EFC. The Series 2015A bonds include an interest subsidy credit from EFC provided compliance with provisions of the EFC financing agreements. Under the terms of agreements with EFC, NYSERDA has on deposit with an escrow agent as of March 31, 2025, approximately $2.2 million in a Collateral Reserve Account, which may be used by EFC to fund or reimburse its guarantee. Any funds held by the Trustee under the Indenture may be withdrawn by NYSERDA provided that cash and scheduled pledged loan payments are not less than 120% of annual debt service and provided that the balance of the Collateral Reserve Account and any Debt Service Reserve Fund are not less than 15% of aggregate bonds outstanding under the Indenture.

Also included in Bonds Payable are Residential Solar Loan Revenue Bonds (Series 2018) issued to finance or refinance loans residential solar loans for under the GJGNY program for one to four family residential structures. The Series 2018A Bonds are payable solely from and secured by Pledged Loan Payments held by the Trustee under the Indenture and all money, revenues, and receipts to be received under the Indenture.

Bonds Payable further includes Residential Solar and Energy Efficiency Financing Green Revenue Bonds. The Series 2019A, 2020A, 2022A, 2023A and 2024A bonds are payable solely from and secured by the Pledged Revenues pursuant to the Indenture of Trust.

For each of the Series of bonds outstanding at March 31, 2025, failure of the Authority to cause to be made by the Trustee, the scheduled payment of principal and/or interest amounts still outstanding at such maturity date, would result in the Authority becoming responsible for, but only from pledged loan payments, all reasonable collection and similar fees, plus interest on overdue installments of interest at the rate borne by the Bonds. The remedy of acceleration shall not be available to the Owners of the bonds.

As of March 31, 2025, maximum future debt service requirements of the bonds are:

(Amounts in thousands)

Fiscal year ending March 31,	Bonds payable Principal	Interest	Total
2026	$9,425	5,566	14,991
2027	17,590	5,028	22,618
2028	15,260	4,325	19,585
2029	13,920	3,706	17,626
2030	11,870	3,160	15,030
2031-35	22,235	10,990	33,225
2036-40	30,355	6,693	37,048
Total	$120,655	39,468	160,123

In the above table, certain bonds with principal payments that are dependent on the amount of pledged loan receipts are shown in the period in which final maturity of such amounts occur, though pre-payment without penalty could occur. In addition, interest payments for those same bonds include the maximum amount assuming no principal pre-payments are made.

(10) RETIREMENT PLAN

There are two retirement plans for NYSERDA employees: the New York State and Local Retirement System (the System), and the New York State Voluntary Defined Contribution Plan (VDC). Nearly all employees of NYSERDA participate in one of these two plans.

The System is a cost-sharing, multiple-employer, defined benefit public employee retirement plan. The State Comptroller is sole trustee and administrative head of the System. The System issues a publicly available financial report including financial statements and required supplementary information located on the Internet at https://www.osc.ny.gov/files/retirement/resources/pdf/financial-statements-2024.pdf or by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244. The System provides retirement benefits, as well as death and disability benefits. Retirement benefits are established by the New York State Retirement and Social Security Law. Retirement benefits, contributory requirements and vesting depend on the point in time at which an employee first joined the System (membership “tier”). Members of the System who joined before July 27, 1976 are enrolled in a noncontributory plan; NYSERDA contributes the entire amount determined to be payable to the System for those members. Personnel who joined the System after July 27, 1976 through January 1, 2010 and who have less than 10 years of accredited service are required by law to contribute three percent of their gross salary; NYSERDA contributes the balance payable to the System during that period, and the full amount determined to be payable thereafter. Members who joined the System between January 1, 2010 and March 31, 2012 contribute three percent of their gross salary during the full term of employment. Members who joined the System after April 1, 2012 contribute between three percent and six percent, depending on their salary, during the full term of employment. Retirement benefits vest after five to 10 years of accredited service, depending on the applicable tier.

As of the fiscal year ended March 31, 2025, NYSERDA’s proportionate share of the System’s net pension liability (asset) was approximately 0.12%, determined based on the ratio of NYSERDA’s total projected long-term contributions to the total System projected long-term contributions from all employers. NYSERDA, in turn, allocated a share of its pension liability (asset) and deferred outflows and deferred inflows to NY Green Bank, its proprietary fund, based on a proportional allocation methodology using direct salary expenses. The governmental activities represent approximately 88% and the proprietary fund represents approximately 12% of the proportionate share of the balances of System pension-related amounts consistent with NYSERDA's current allocation methodology. NYSERDA's net pension liability (asset), which includes that of NY Green Bank, is as follows:

	(Amount in thousands)
Measurement date	03/31/2024
Actuarial valuation date	04/01/2023
Net pension liability	$17,372

The significant actuarial assumptions included in the actuarial valuation included an inflation factor of 2.9%, projected salary increases of 4.4%, and investment rate of return of 5.9%. The System also assumed a COLA of 1.5% annually. Annuitant mortality rates are based on the System's 2020 experience study of the period April 1, 2015 – March 31, 2020, with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021. The discount rate used to calculate the total pension liability was 5.9%. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to NYSERDA's participation in the System, as well as the related pension expense, information about the fiduciary net position of the System, and additions to/deductions from NYSERDA's fiduciary net position, have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the statutes governing the System. Investments are reported at fair value.

Pension expense for the fiscal year ended March 31, 2025 was $7.3 million. NYSERDA's contribution to the System for the fiscal year ended March 31, 2025 was $5.7 million, representing 100% of the required contribution.

Net Pension liability activity for the year ended March 31, 2025 was as follows:

(Amounts in thousands)

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities				
Net pension liability	$21,240	15,604	(21,589)	15,255
Business-type activities				
Net pension liability	$3,022	2,403	(3,308)	2,117

The following table portrays the sensitivity of NYSERDA's proportionate share of the net pension liability (asset) due to changes in the discount rate:

(Amounts in thousands)

	1% Decrease (5.5%)	Current Discount Rate (6.5%)	1% Increase (7.5%)
Governmental activities			
Net pension liability (asset)	$47,978	$15,255	($12,067)
Business type-activities			
Net pension liability (asset)	$6,654	$2,117	($1,674)

Balances of System pension-related deferred outflows of resources and deferred inflows of resources as of the measurement date were as follows:

	(Amounts in thousands)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$5,597	($474)
Changes of assumptions	6,569	-
Net difference between projected and actual investment earnings on pension plan investments	-	(8,488)
Changes in proportion and differences between employer contributions and proportionate share of contributions	788	(704)
Employer contributions subsequent to the measurement date	5,715	-
Total	$18,669	($9,666)

The amount of employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended March 31, 2026.

The deferred outflows of resources and deferred inflows of resources to be recognized in pension expense in the following years and in the aggregate are as follows:

		(Amounts in thousands)	
Fiscal year Ending March 31:	Governmental activities	Business-type activities	Total
2026	(2,879)	(417)	(3,296)
2027	2,945	423	3,368
2028	4,384	672	5,056
2029	(1,622)	(218)	(1,840)
Totals	$2,828	460	3,288

The VDC is a multiple-employer, defined contribution plan administered by the Director of University Benefits for the State University of New York (SUNY); TIAA-CREF serves as the third-party administrator. On July 1, 2013, the VDC option was made available to NYSERDA employees hired on or after that date whose annual salary is $75,000 or more. Those employees voluntarily electing the VDC plan are prohibited from joining the System (defined benefit plan) at a later date (and the opposite also applies; plan participation elections are irrevocable). VDC provides benefits through annuity contracts and provides retirement and death benefits to those employees who elected to participate in the VDC. Employees have the ability to choose from a variety of investment providers for the VDC. Benefits are determined by the amount of individual accumulations and the retirement income option selected. All benefits generally vest after the completion of one year of service. Employees electing to participate in the VDC plan are required to contribute between 5.75% and 6% of gross earnings, dependent upon their salary, for their entire working career; NYSERDA contributes 8%.

Two hundred four employees have vested in the VDC as of March 31, 2025. NYSERDA's contribution to the VDC for the year ended March 31, 2025 was $1.7 million.

(11) POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description

The New York Civil Service Law, Section 163(2) provides for health insurance coverage for retired employees of New York State, including their spouses and dependent children. The law extends to public benefit corporations. NYSERDA maintains a single-employer defined benefit plan (the "Plan"), providing this benefit to eligible retirees and/or their spouses and dependent children. Eligibility is determined by membership in the System and New York State Voluntary Defined Contribution (VDC) Program, enrollment in the New York State Health Insurance Program at the time of retirement, and the completion of a minimum number of years of service as required by the System and VDC program. The Plan provides that members that retired prior to January 1, 2013 pay the percentage share of the health insurance premiums that active NYSERDA employees paid as of December 31, 2012. Members that retired on or after January 1, 2013 pay the same percentage share of the health insurance premiums as that charged for active State management confidential employees (as of March 31, 2025 the shares were 16% of the premium for individual coverage and 31% of the incremental premium for family coverage). NYSERDA is billed by the New York State Department of Civil Service monthly for pay-as-you-go funding requirements; however, payments are made from an irrevocable OPEB Trust account established in March 2010. The purpose of the OPEB Trust is for the accumulation of funds to pay future benefit costs. The Trust's funds are held by a third-party trustee. The Trust is managed by the Officers of NYSERDA, in consultation with an independent Investment Consultant.

As of January 1, 2024, there were 211 retirees and dependent survivors actively receiving benefits and 437 active Plan members. NYSERDA's OPEB Trust is recorded as a fiduciary fund within NYSERDA's financial statements.

Net OPEB liability (asset) and disclosures required by GASB Statement No. 75 (Employer Reporting):

The Total OPEB liability at March 31, 2025 was determined using the January 1, 2024 actuarial valuation, and was then projected forward to the measurement date of March 31, 2024.

NYSERDA allocates a share of its Net OPEB liability (asset) and related deferred outflows and deferred inflows to NY Green Bank, its proprietary fund, based on a proportional allocation methodology using direct salary expenses. The governmental activities represent approximately 88% and the proprietary fund represents approximately 12% of the proportionate share of the balances of OPEB-related amounts consistent with NYSERDA's current allocation methodology.

Net OPEB liability (asset) activity for the year ended March 31, 2025 was as follows:

(Amounts in thousands)

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities				
Net OPEB liability (asset)	($922)	11,870	(7,262)	3,686
Business-type activities				
Net OPEB liability (asset)	($153)	1,793	(1,160)	480

The following table summarizes changes in the separate components of, and resultant net OPEB liability (asset) of NYSERDA, which includes that of NY Green Bank:

(Amounts in thousands)

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (asset) (a) – (b)
Fiscal year ended March 31, 2024 *(Measurement date March 31, 2023)*	$65,431	66,506	(1,075)
Changes for the year:			
Service cost	2,985	-	2,985
Interest	4,373	-	4,373
Effect of economic/demographic gains or losses	(1,370)	-	(1,370)
Effect of assumption changes or inputs	6,100	-	6,100
Benefit payments	(2,319)	(2,319)	-
Contributions-employer	-	2,646	(2,646)
Net investment income	-	4,221	(4,221)
Administrative expenses	-	(20)	20
Fiscal year ended March 31, 2025 *(Measurement date March 31, 2024)*	$75,200	71,034	4,166

Sensitivity Analysis:

Discount rate
The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the long-term expected rate of return.

(Amounts in thousands)

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Governmental activities			
Net OPEB liability (asset)	$13,633	$3,686	($4,730)
Business type-activities			
Net OPEB liability (asset)	$1,776	$480	($616)

Healthcare cost trend rates
The following presents the net OPEB liability (asset) of NYSERDA, calculated using the current healthcare cost trend rates as well as what the Authority's net OPEB liability (asset) would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates.

(Amounts in thousands)

	1% Decrease	Current Trend Rate	1% Increase
Governmental activities			
Net OPEB liability (asset)	($5,452)	$3,686	$14,768

Business type-activities			
Net OPEB liability (asset)	($710)	$480	$1,924

OPEB expense for the fiscal year ended March 31, 2025 was $3.6 million. Balances of OPEB-related deferred outflows of resources and deferred inflows of resources as of March 31, 2025 were as follows:

(Amounts in thousands)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$1,132	($4,637)
Changes of assumptions	5,982	(6,971)
Difference between projected and actual investment earnings on Trust investments	6,495	(2,967)
Employer contributions subsequent to the measurement date	2,985	-
Total	$16,594	($14,575)

The amount of employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ended March 31, 2026.

The deferred outflows of resources and deferred inflows of resources to be recognized in OPEB expense in each of the next five years and in the aggregate thereafter is as follows:

(Amounts in thousands)

Fiscal year Ending March 31:	Governmental activities	Business-type activities	Total
2026	($1,408)	(218)	(1,626)
2027	1,138	203	1,341
2028	351	62	413
2029	(524)	(79)	(603)
2030	(39)	(2)	(41)
Thereafter	(395)	(55)	(450)
Totals	($877)	(89)	(966)

Projections of benefits for financial reporting purposes are based on the Plan as understood by NYSERDA and Plan members and include the types of benefits provided at the time of valuation and the historical pattern of sharing benefit costs between NYSERDA and Plan members. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential of legal or contractual funding limitations on the pattern of cost sharing between the employer and Plan members in the future.

The significant assumptions used in the January 1, 2024 actuarial valuation were as follows:

Retirement– All employees assumed to be covered under Tier 4 of the System, with early retirement available at age 55 with 5 years of service, and unreduced benefits at age 62 with 5 years or age 55 with 30 years of service. Based on assumptions used under the System, since eligibility for

NYSERDA employees covered under this plan is based on membership in that system. The System assumptions were based on extensive analysis of their covered populations.

Marital status – Assumed 60% of active male employees who choose coverage will have covered spouses at retirement, and 50% for active female employees. Male spouses were assumed to be three years older than female spouses.

Mortality Tables – Sex-distinct Pub-2010 General Employee/Retiree Mortality Tables with generational projection using Scale MP-2021. Pub-2010 General Contingent Survivor Tables with full generational projection using Scale MP-2021 were used for current beneficiaries.

Withdrawal– Rates were based on age and length of service for the first 10 years and age thereafter as the basis for assigning active members a probability of remaining employed until the assumed retirement age. Based on assumptions used under the System, since eligibility for NYSERDA employees covered under this plan is based on membership in that system. The System assumptions were based on extensive analysis of their covered populations.

Healthcare cost trend rate – The expected rate of increase in healthcare premiums was based on projections developed by the actuary's healthcare specialists. Rates of 11.3% and 8.4% for the two health insurers with the highest enrollment of Plan members were assumed initially, trending to an ultimate rate of 3.7% for both carrier's plans.

Health insurance premiums – Calendar year 2024 health insurance premiums for the two health insurers with the highest enrollment of Plan members were used as the basis for the projected valuation year premiums.

Investment return – As of March 31, 2025, Plan benefit payments are pre-funded in a segregated Trust, and a discount rate of 6.5% was used, representing the long-term anticipated earnings potential of investments in the Trust.

The actuarial funding method used was the Entry Age Normal Cost method, under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to a valuation year is called the normal cost (for purposes of GASB 75, the term normal cost is the equivalent of service cost). The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the actuarial accrued liability (for purposes of GASB 75, the term actuarial accrued liability is the equivalent of total OPEB liability).

The Plan also provides that the dollar value, subject to certain limitations, of members' accumulated sick leave credits at the time of retirement may be used to offset the portion of health insurance premiums paid by retirees.

The cost of third-party administrators, actuarial reports, audits, and similar costs incurred exclusively for the Trust are paid from resources of the Trust. Routine daily administrative costs of administering the benefit plans, accounting services and similar costs are absorbed by NYSERDA.

The Trust has no legally required reserves.

Additional information can be found in the Required Supplementary Information (unaudited) section of these financial statements.

Net OPEB Liability (Asset) and Disclosures required by GASB Statement No. 74 (Plan Reporting)

The Total OPEB liability at March 31, 2025 was determined using the January 1, 2024 actuarial valuation, and was then projected forward to March 31, 2025, calculated using the actuarial assumptions changes described below.

(Amounts in thousands)

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(asset) (a) – (b)
Fiscal year ended March 31, 2024	$75,200	71,034	4,166
Changes for the year:			
Service cost	3,437	-	3,437
Interest	5,030	-	5,030
Effect of economic/demographic gains or losses	(139)	-	(139)
Effect of assumptions changes or inputs	(1,526)	-	(1,526)
Benefit payments	(2,556)	(2,556)	-
Contributions-employer	-	2,985	(2,985)
Net investment income	-	4,011	(4,011)
Administrative expenses	-	(21)	21
Fiscal year ended March 31, 2025	$79,446	75,453	3,993

The actuarial assumptions were the same as those noted above (for the GASB Statement No. 75 valuation) with the exception of:

Healthcare cost trend rate – The expected rate of increase in healthcare premiums was based on projections developed by the actuary's healthcare specialists. A rate of 6.4% for the two health insurers with the highest enrollment of Plan members was assumed initially, trending to an ultimate rate of 3.7% for both carrier's plans.

Sensitivity Analysis:

Discount rate

The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the long-term expected rate of return.

(Amounts in thousands)

	1% Decrease (5.5%)	Current Discount Rate (6.5%)	1% Increase (7.5%)
Net OPEB liability (asset)	$16,020	$3,993	($5,987)

Healthcare cost trend rates

		(Amounts in thousands)	
	1% Decrease	Current Trend Rate	1% Increase
Net OPEB liability (asset)	($7,505)	$3,993	$18,266

Money-Weighted Rate of Return:
For the year ended March 31, 2025, the annual money-weighted rate of return on investments, calculated as the internal rate of return on Plan investments, net of investment expense, was 5.63%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Long-term expected rate of return:

Asset Class	Index	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
US Cash	BAML 3-Month Tbills	1.00%	0.94%	0.92%
US Long Bonds	Bloomberg US Treasury Long TR USD	5.00%	3.09%	2.23%
US Short Bonds	Bloomberg US Govt 1-3 Yr	1.00%	1.30%	1.25%
US Interm Bonds	Bloomberg US Govt Interm	20.00%	1.63%	1.53%
US Inflation-Indexed Bonds	Bloomberg US Treasury US TIPS	11.50%	1.93%	1.77%
US High Yield Bonds	ICE BofA US High Yield	20.00%	4.04%	3.49%
Global Bonds	FTSE WGBI USD	1.00%	0.93%	0.61%
US Large Caps	S&P 500	5.00%	5.33%	3.71%
US Mid Caps	Russell Mid Cap	1.00%	5.73%	3.65%
US Small Caps	Russell 2000	3.00%	6.82%	4.24%
Foreign Developed Equity	MSCI EAFE	10.50%	6.91%	5.12%
Emerging Markets Equity	MSCI EM	19.00%	9.29%	6.15%
Global REITs	FTSE EPRA Nareit Developed	2.00%	6.84%	4.81%

OPEB Plan's Fiduciary Net Position:
Additional information can be found in the Required Supplementary Information (unaudited) section of these financial statements. The OPEB Plan does not issue a stand-alone financial report, however the Trust established in relationship to the Plan is included as a fiduciary fund in these financial statements.

(12) CONTINGENCIES

(a) Western New York Nuclear Service Center
Under the federal West Valley Demonstration Project Act and an implementing Cooperative Agreement between DOE and NYSERDA, the federal government pays 90 percent of the West Valley Demonstration Project (WVDP) costs, and NYSERDA, on behalf of the State of New York, pays the remaining 10 percent. In addition, in 2010, the U.S. District Court for the Western District of New York approved an agreement between New York State and the federal government that

resolved most of the claims asserted in a 2006 lawsuit filed by NYSERDA and New York State against the federal government and DOE regarding the financial responsibility for cleaning up certain facilities at West Valley. The agreement defines a specific cost share for the cleanup of a number of facilities that had long been in dispute between NYSERDA and DOE. For example, under this agreement, the federal government will pay a 30 percent share of costs associated with the State Licensed Disposal Area (SDA), which is solely owned and managed by NYSERDA, and NYSERDA, on behalf of the State, will pay the remaining 70 percent. Remediation costs for the North Plateau Groundwater Plume will be split equally between the State and federal government, and costs for remediating the Nuclear Regulatory Commission Licensed Disposal Area will also be a 50/50 split. The two governments agreed that other facilities are covered by the WVDP Act, such as the Main Process Plant building, and thus the federal government will pay 90% of the cleanup costs.

In 2010, following the publication of a Final Environmental Impact Statement, DOE and NYSERDA issued decision documents that formally selected the Phased Decision Making alternative for continuing the cleanup. Under Phased Decision making, decommissioning work will be conducted in two phases. During Phase 1, the Main Process Plant building and several other highly contaminated facilities will be removed at an estimated cost of approximately $1.5 to $1.8 billion. As the Phase 1 cleanup work was proceeding, DOE and NYSERDA conducted additional studies to reduce uncertainties in the decisions for the Phase 2 portion of the cleanup, which will be detailed in a probabilistic performance assessment and a Supplemental Environmental Impact Statement currently being developed. The 2010 Environmental Impact Statement states that the Phase 1 work would take 10 years and cost approximately $1.0 billion based on a federal funding level of $75.0 million per year. During most of the period between 2010 and 2020, however, the actual federal funding levels generally ranged between $60.0 million and $68.0 million, extending the duration of Phase 1. Starting in Federal Fiscal Year (FFY) 2021 Congressional appropriations for the WVDP increased to about $93 million annually and to about $95.7 million in FFY 2024. This trend is expected to continue throughout the demolition of the Main Plant Process Building. Current time estimates for the period of performance related to removing the below grade portions of the Main Plant and the lagoon system is likely to extend from 2025 to 2040. Completing this work represents the conclusion of Phase 1 activities, minus the disposal of Transuranic waste. The total cost and duration of the Phase 1 cleanup work will be in part impacted by the funding amounts appropriated annually in the federal budget.

The Phase 2 decisions, which will be made in the 2027 timeframe, will address the remaining facilities, including the High-Level Waste Tanks, the SDA, the NRC-Licensed Disposal Area, and the main body of a plume of contaminated groundwater. Total estimated costs for completing Phase 2 were completed as part of the 2020 Environmental Impact Statement and ranged from over $700.0 million to $9.1 billion, and were dependent on the alternative selected for these remaining facilities. These estimates will be refined and updated after the Phase 2 decommissioning decisions are finalized in the 2027 timeframe, and when detailed engineering approaches are developed to implement the Phase 2 decommissioning alternative.

In accordance with GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations,* no liability has been included in NYSERDA’s financial statements as of March 31, 2025 for this contingency because NYSERDA expects to continue to be reimbursed from State appropriations for the State's share of the costs of the Demonstration Project, any costs NYSERDA may incur in relation to the SDA, and any other costs allocated to NYSERDA under the agreement resolving the lawsuit referenced above.

(b) Energy Analysis- Low-Level Radioactive Waste

Pursuant to the Low-Level Radioactive Waste (LLRW) Management Act of 1986, NYSERDA annually assesses licensees of operating nuclear power plants an amount sufficient to reimburse the State for the LLRW disposal facilities development activities of the Departments of Health and

Environmental Conservation, and must provide nuclear power plant licensees with a user-fee reduction, when the disposal facilities are operational, equal to the statutory assessments collected plus interest at a fair market rate. During the year ended March 31, 2025, NYSERDA paid, from the agency fund, a total of $2.8 million to reimburse the State for such costs pursuant to Public Authorities Law Section 1854-d(2)(a).

(c) Bond Financing Program

The principal and interest on obligations issued for participating gas and electric utility companies and other private purpose users are payable solely from payments made by participating companies. They are not general obligations of NYSERDA, nor do they constitute an indebtedness of or a charge against the general credit of NYSERDA, or cause any monetary liability to NYSERDA. These bonds and notes are not a debt of the State of New York.

The bonds and notes issued bear the name of NYSERDA and the participating company. NYSERDA assigns most of its rights and obligations to a trustee who is responsible for, among other things, disbursing bond and note proceeds and handling principal and interest payments. As of March 31, 2025, the principal totaled $1.4 billion.

(d) Risk management

NYSERDA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; cyber security breaches; and natural disasters. NYSERDA maintains commercial insurance coverage for each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to NYSERDA. NYSERDA has not experienced any reductions in coverage and has not had any insurance settlements exceeding the coverage in the past three years.

(e) Contractual obligations in excess of cash and investment balances

As of March 31, 2025, NYSERDA has aggregate outstanding contractual obligations in excess of cash and investments of governmental activities/funds totaling $44.2 billion, which will be reimbursed for qualifying program costs from monies held by utilities pursuant to BAYG agreements, from future revenues generated through Commission Orders, Memorandums of Understanding, Third-party agreements, and from federal energy grants.

(f) NY Green Bank unearned revenue

NY Green Bank, in January 2025 received, along with other subgrantees through a prime grantee, $272.7 million in US Environmental Protection Agency (EPA) National Clean Investment Fund (NCIF) grant funds held in a Citibank NA account. In February 2025, EPA, through the US Department of Justice and Federal Bureau of Investigation, asked Citibank NA to freeze all undistributed recipient NCIF funds, which Citibank NA did. In March 2025, EPA subsequently terminated the grant, thus potentially prompting full recovery of undistributed NCIF funds from all prime and subprime recipients (circa $14 billion in total); however, in April 2025, a District of Columbia (DC) federal district court stayed this termination as unlawful and unfroze all recipient funds at Citibank. This ruling, however, was immediately appealed and contemporaneously stayed by the DC Circuit Court of Appeals pending further evaluation of the matter and jurisdiction. As such, all undistributed NCIF funds, at NY Green Bank and other recipients, remain frozen at Citibank NA and unavailable for use. Furthermore, as a condition of NY Green Bank's subaward, all funds must be obligated prior to December 31, 2025, and any remaining funds not obligated by that date are to be returned to the prime grantee. Due to these circumstances, currently there is no reasonable estimation of any actual or potential amount to be earned, versus amounts potentially required to be returned before earned.

(13) INTERFUND BALANCES AND TRANSFERS

The balances reflected in Due to other funds and Due from other funds reflect the timing difference of when expenditures are incurred and when interfund reimbursement occurs.

Transfers consist of amounts transferred between various Functions/Programs and Funds pursuant to various Orders of the Commission, NYSERDA's approved RGGI operating plan, and to fund expenditures and working capital balances pursuant to the CEF Order's "Bill-As-You-Go" process, as summarized below:

(Amounts in thousands)

	Transfers To				
Transfers From	CEF	NY-Sun	GJGNY	Other Funds	Total
CES	$ -	-	-	12,935	12,935
RGGI	22,000	-	32,212	-	54,212
Other Funds	10,700	14,691	-	-	25,391
Total Governmental Funds	$32,700	14,691	32,212	12,935	92,538

**NEW YORK STATE ENERGY
RESEARCH AND DEVELOPMENT AUTHORITY
(A Component Unit of the State of New York)**

**Required Supplementary Information (Unaudited)
March 31, 2025**

Schedule of NYSERDA's Contributions to the System Pension Plan

(Amounts in thousands)

Fiscal year ended March 31,	2025	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	$5,715	$4,315	$3,484	$4,445	$3,941	$3,844	$3,808	$3,805	$3,866
Contributions in relation to the actuarially determined contribution	$5,715	$4,315	$3,484	$4,445	$3,941	$3,844	$3,808	$3,805	$3,866
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
Covered payroll	$43,796	$38,384	$33,635	$30,768	$28,191	$27,760	$27,362	$26,088	$25,854
Contributions as a percentage of covered-employee payroll	13.05%	11.2%	10.4%	14.4%	14.0%	13.8%	13.9%	14.6%	15.0%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Schedule of NYSERDA's Proportionate Share of the System's Net Pension Liability (Asset)

(Amounts in thousands)

Fiscal year ended March 31,	2025	2024	2023	2022	2021	2020	2019	2018	2017
(Measurement date March 31,)	*2024*	*2023*	*2022*	*2021*	*2020*	*2019*	*2018*	*2017*	*2016*
Proportion of the net pension liability (asset)	0.12%	0.11%	0.11%	0.10%	0.11%	0.11%	0.10%	0.11%	0.11%
Proportionate share of the net pension liability (asset)	$17,372	$24,262	($8,775)	$101	$28,184	$7,599	$3,367	$10,279	$17,556
Covered- payroll	$38,384	$33,635	$30,768	$28,191	$27,760	$27,362	$26,088	$25,854	$26,153
Proportionate share of the net pension liability (asset) as a % of its covered payroll	45.3%	72.1%	(28.5%)	0.4%	101.5%	27.8%	12.9%	39.8%	67.1%
Ratio of fiduciary net position to total pension liability	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.7%	90.7%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying independent auditors' report

Required Supplementary Information (Unaudited)
March 31, 2025

Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios

(Amounts in thousands)

Fiscal year ended March 31,							
Employer Reporting:	***n/a***	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**
Plan Reporting:	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**
Total OPEB liability							
Total OPEB liability- beginning	$75,200	$65,431	$60,700	$55,709	$51,363	$56,953	$52,709
(Measurement date March 31,)	*2024*	*2023*	*2022*	*2021*	*2020*	*2019*	*2018*
Changes for the year:							
Service Cost	3,437	2,985	2,646	2,549	2,148	2,154	2,031
Interest	5,030	4,373	3,738	3,440	3,291	3,791	3,512
Effect of economic/demographic gains or losses	(139)	(1,370)	113	1,487	(32)	(8,075)	350
Effect of assumptions changes or inputs	(1,526)	(380)	331	(616)	677	(1,878)	(210)
Benefit payments	(2,556)	(2,319)	(2,097)	(1,869)	(1,738)	(1,582)	(1,439)
Total OPEB liability- ending (a)	$79,446	$68,720	$65,431	$60,700	$55,709	$51,363	$56,953
(Measurement date March 31,)	*2025*	*2024*	*2023*	*2022*	*2021*	*2020*	*2019*
Plan fiduciary net position							
Plan fiduciary net position- beginning	$71,034	$66,506	$69,450	$69,678	$50,367	$52,971	$48,767
(Measurement date March 31,)	*2024*	*2023*	*2022*	*2021*	*2020*	*2019*	*2018*
Changes for the year:							
Benefit payments	(2,556)	(2,319)	(2,097)	(1,869)	(1,738)	(1,582)	(1,439)
Employer contributions	2,985	2,646	2,549	2,148	3,045	2,608	4,963
Net investment income	4,011	4,221	(3,378)	(490)	18,021	(3,612)	727
Administrative expenses	(21)	(20)	(18)	(17)	(17)	(18)	(47)
Plan fiduciary net position- ending (b)	$75,453	$71,034	$66,506	$69,450	$69,678	$50,367	$52,971
(Measurement date March 31,)	*2025*	*2024*	*2023*	*2022*	*2021*	*2020*	*2019*
Net OPEB liability (asset)							
Net OPEB liability (asset)- beginning	$4,166	($1,075)	($8,750)	($13,969)	$996	$3,982	$3,942
Net OPEB liability (asset)- ending (a) – (b)	$3,993	($2,314)	($1,075)	($8,750)	($13,969)	$996	$3,982
Fiduciary net position as a % of total OPEB liability	94.97%	103.37%	101.64%	114.42%	125.07%	98.06%	93.01%
Covered payroll	$65,449	$57,202	$50,505	$44,809	$38,962	$39,320	$37,638
Net OPEB liability (asset) as a % of covered payroll	6.10%	(4.05%)	(2.13%)	(19.53%)	(35.85%)	2.53%	10.58%

Notes to schedule:

(1) "n/a" indicates the ending Net OPEB liability (asset) (and respective columnar data presented which tabulates it) is not yet reportable by the Employer, NYSERDA, on its Statement of Net Position, due to NYSERDA's allowable (by GASB Statement No. 75) one-year lag in Employer vs. Plan reporting.

(2) In the fiscal year ended March 31, 2025, NYSERDA made a change in measurement methodology effecting the estimate for the value of sick leave credits earned by current employees. The measurement methodology was changed from being performed internally by management of the Authority using various inputs and historical trend data and included in the liability for compensated absences, to being measured by a contracted actuary firm as a part of the measurement of the Total OPEB liability. In accordance with the provisions of GASB 100, Accounting Changes and Error Corrections, the additional $6.5 million liability for sick leave credits on this schedule was treated prospectively, and the previously published figures for Plan Reporting year 2024 (Employer Reporting year 2025) have not been adjusted.

NEW YORK STATE ENERGY
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(A Component Unit of the State of New York)

Required Supplementary Information (Unaudited)
March 31, 2025

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Schedule of NYSERDA's Contributions for OPEB (Employer and Plan Reporting)

			(Amounts in thousands)			
Fiscal year ended March 31,	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**
Actuarially determined contribution	$2,985	$2,646	$2,549	$2,148	$3,045	$2,608
Actual employer contribution	2,985	2,646	2,549	2,148	3,045	2,608
Contribution deficiency (excess)	($-)	($-)	($-)	($-)	($-)	($-)
Covered payroll	$65,449	$57,202	$50,505	$44,809	$38,962	$39,320
Contribution as a % of covered payroll	4.56%	4.63%	5.08%	4.79%	7.82%	6.63%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Schedule of Investment Returns- OPEB Trust (Plan Reporting)

Fiscal year ended March 31,	Net annual money-weighted rate of return
2025	5.63%
2024	6.33%
2023	(4.84%)
2022	(0.70%)
2021	35.36%
2020	(6.76%)
2019	1.45%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying independent auditors' report

KPMG LLP
515 Broadway
Albany, NY 12207-2974

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Members of the Authority
New York State Energy Research and Development Authority:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of New York State Energy Research and Development Authority (the Authority), a component unit of the State of New York, as of and for the year ended March 31, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 26, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

KPMG

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Albany, New York
June 26, 2025