

**NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY**

**(A Component Unit of the State Of New York)**

**FINANCIAL STATEMENTS**

**March 31, 2026**

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## 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, 2026 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 23, 2026.

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.



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Doreen M. Harris  
President and Chief Executive Officer



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Emily Jamieson  
Chief Financial Officer



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Pam Poisson  
Retiring 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, 2026, 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, 2026, 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 24, 2026 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 24, 2026

**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, 2026**  
**Unaudited**

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 NYSEDA's financial activities for the fiscal year ended March 31, 2026. The information contained in the MD&A should be considered in conjunction with the information presented as part of NYSEDA's basic financial statements. Following this MD&A are the basic financial statements of NYSEDA with the notes thereto that are essential to a full understanding of the data contained in the financial statements. NYSEDA'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 NYSEDA's finances in a manner similar to a private-sector business. The *Statement of Net Position* presents information on all of NYSEDA'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 NYSEDA'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 NYSEDA as a whole. All activities of NYSEDA 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 NYSEDA 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 NYSEDA 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 NYSEDA'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.

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**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 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 promoted energy technology innovation, energy efficiency, and energy resource diversity, thus bringing environmental and economic benefits across the State's communities. NYSERDA's work advances the State's climate goals including a zero-emission electricity sector by 2040 and reaching economy-wide carbon neutrality by mid-century. NYSERDA works directly and through partnerships to achieve these goals, focusing on affordability, while 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 the Climate Act.

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 led 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 supports 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 goals of reliability, resiliency, affordability, environmental and public health, and economic growth.

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 (Commission) and documented in various orders issued by the Commission, including the Clean Energy Fund (CEF) and the successor to the Market Development portfolio of CEF, the Energy Efficiency and Building Electrification Portfolio for 2026-2030 Orders (EE/BE), the 2026-2039 Innovation and Research Portfolio Order (I&R), 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 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 and Sustainable Future Program 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.

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**CONDENSED FINANCIAL INFORMATION**

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

*(Amounts in thousands)*

<b>Summary of Net Position</b>	<b>Governmental activities</b>	<b>Business-type activities</b>	<b>Total March 31, 2026</b>	<b>Total March 31, 2025</b>	<b>% Change 2026-2025</b>
Cash and investments	\$2,010,334	691,081	2,701,415	2,241,785	20.5%
Capital assets	37,173	-	37,173	13,638	172.6%
Loans and financing receivable, net	348,804	720,878	1,069,682	965,273	10.8%
Other assets	141,140	5,922	147,062	135,299	8.7%
<b>Total assets</b>	<b>2,537,451</b>	<b>1,417,881</b>	<b>3,955,332</b>	<b>3,355,995</b>	<b>17.9%</b>
Deferred outflows of resources	26,827	4,011	30,838	35,263	-12.5%
Other liabilities	242,714	285,051	527,765	537,373	-1.8%
Non-current liabilities	229,637	3,201	232,838	166,375	39.9%
<b>Total liabilities</b>	<b>472,351</b>	<b>288,252</b>	<b>760,603</b>	<b>703,748</b>	<b>8.1%</b>
Deferred inflows of resources	14,086	889	14,975	27,888	-46.3%
<b>Net Position:</b>					
Net investment in capital assets	6,562	-	6,562	7,207	-8.9%
Restricted	2,039,657	1,132,751	3,172,408	2,626,229	20.8%
Unrestricted	31,622	-	31,622	26,186	20.8%
<b>Total net position</b>	<b>\$2,077,841</b>	<b>1,132,751</b>	<b>3,210,592</b>	<b>2,659,622</b>	<b>20.7%</b>

Total assets increased \$599.3 million. Cash and investments increased \$459.6 million. For Governmental activities, higher RGGI auction clearing prices generated \$52.3 million of additional revenue compared to the prior year. RGGI cash & investments increased \$230.3 million, reflecting the increased revenue and normal timing artifacts due to the pace of expenditures associated with capital project construction. Additionally, Clean Energy Standard Zero-emission credit (ZEC) program expenditures were 49.8% lower than last year as the prices paid to generators have been reduced to account for the benefit of federal production tax credits (PTCs) secured by the nuclear generators. This reduction in cost to ratepayers will translate into lower charges to load-serving entities in FY2027. NYSERDA's FY2026 was the first year that the ZEC generators received this credit, which is expected to continue through their tax year 2030. The reduction in expenditures combined with pass-through timing factors resulted in \$89.9 million more in ZEC fund cash and investments than as of the prior year-end.

For Business-type activities Cash and investments decreased \$46.4 million, primarily due to a larger balance of loans and financing receivables deployed, as discussed below.

Capital assets increased \$23.5 million, primarily reflecting new lease right-to-use intangible capital assets for office space in New York City, as NYSERDA proceeds to vacate its current multiple leased locations concurrent with the expiration of existing leases and consolidate into a single location within NYC in FY2027. The construction renovations, which will be depreciated as leasehold improvements once in service, also contributed to the increase to the extent of \$3.2 million of construction-in-process capital additions.

The Assigned fund balance of \$11.1 million represents the FY2027 amount budgeted for NYC office renovation costs and for replacement of the Authority's core contracting and financial management system.

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Loans and financing receivables increased \$104.4 million, primarily reflecting an increase of \$71.9 million in NY Green Bank amounts deployed, net of a provision for losses of \$29.1 million and loss on sale of \$2.6 million. Additionally, Green Jobs-Green New York (GJGNY) loans outstanding increased by \$34.5 million, which was driven by market interest rate trends and increasing consumer interest in heat pumps and solar installations.

Other assets increased \$11.8 million due to a number of factors, some of which offset each other. The largest of these was an increase of \$31.2 million in the unbilled receivable due from Load-serving entities (LSEs) as a result of higher winter commodity prices affecting the price for indexed Renewable energy certificates (RECs).

Additionally, billed receivables pursuant to the Bill-As-You-Go methodology increased due to a delay in payment to NYSERDA by certain utilities for amounts due near the Authority's fiscal year-end. Some of the delays were attributable to newly funded Commission Orders, for which additional billing detail was requested by utilities after initial receipt of the bills.

Partially offsetting the aforementioned increases, there was a \$31.7 million decrease in the ZEC receivable, as the application of the PTC benefit to generators reduced the amount that needed to be paid. Another item offsetting some of the overall increase was the recognition of an allowance for uncollectible accounts primarily for LSE's owing a Tier 1 REC bill for voluntary purchases from NYSERDA or for Alternative Compliance Payments for compliance years prior to the change in program design effective with the compliance year 2025.

Deferred outflows of resources decreased by \$4.4 million due to the change in the actuarial projections for pension and OPEB.

Total liabilities increased \$56.9 million, primarily due to the change in non-current liabilities as noted further below.

Other liabilities decreased by \$9.6 million, primarily due to the accrued ZEC liability for the FY2026 fourth-quarter invoices not yet received as of fiscal year-end, decreasing by \$92.0 million as a result of the PTC application, as well as to a decrease in the Tranche 5 price set by the Department of Public Service (DPS) as compared to the Tranche 4 price in the prior year accrual balance. Additionally, Accounts payable decreased by \$9.1 million primarily due to normal variability in timing of payment of invoices. Largely offsetting these decreases, was the recognition of an accrued liability of \$74.4 million for the aggregate refund due to LSE's related to the Tier 1 REC collections exceeding costs of REC procurement for the calendar compliance year 2025.

Within non-current liabilities, bonds payable increased \$31.9 million, due to a new \$60.0 million bond issuance for GJGNY in FY2026, less principal repayments on other previously issued bonds. Additionally, lease liability increased by \$23.8 million, primarily due to commencement of a new lease for office space in NYC as NYSERDA proceeds to vacate its current multiple leased locations concurrent with the expiration of existing leases, and consolidates into a single NYC office. Also, the net pension liability increased by \$4.8 million due to NYSERDA's share of the NYS Employees' Retirement System (ERS) updated actuarial valuation of the liability. Deposits also increased by \$4.7 million, with nearly the entire change related to REC contract security deposits.

Deferred inflows of resources decreased by \$12.9 million. The balance at March 31, 2026 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. The overall decrease was primarily related to pension, and more specifically to the net difference between projected and actual investment earnings on pension plan investments. The pension related amounts recognized by NYSERDA represent the Authority's share of the NYS ERS actuarial balances.

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Net position increased \$551.0 million almost entirely as Restricted net position, primarily due to RGGI proceeds received in advance of corresponding expenses that are programmed in accordance with RGGI regulations, ZEC expenditure reductions that will be passed through to LSE's in the following year, REC Alternative compliance payment (ACP) receipts and forfeited contract security deposits, NY Green Bank net income, and Bill-as-You-Go (BAYG) revenue for working capital for newly-issued Commission Orders. These increases were offset in part by CEF expenditures in excess of revenues. Unrestricted net position increased primarily due to investment income and recovery of allocated depreciation and amortization, and is expected to be largely expended to support approved capital improvement plans.

*(Amounts in thousands)*

<b>Summary of Changes in Net Position</b>	<b>Governmental activities</b>	<b>Business-type activities</b>	<b>Total March 31, 2026</b>	<b>Total March 31, 2025</b>	<b>% Change 2026-2025</b>
<b>Revenues:</b>					
State appropriations	\$60,132	-	60,132	153,555	-60.8%
Utility surcharge assessments	757,069	-	757,069	637,782	18.7%
Renewable energy credit proceeds	125,346	-	125,346	218,835	-42.7%
Zero-emission credit assessments	387,929	-	387,929	531,895	-27.1%
Allowance auction proceeds	518,011	-	518,011	465,708	11.2%
Third-party reimbursements	22,154	-	22,154	45,030	-50.8%
Federal grants	62,338	-	62,338	27,850	123.8%
Interest subsidy	141	-	141	166	-15.1%
Loans and financing receivables interest	13,774	11,813	25,587	27,167	-5.8%
Investment income	61,467	16,110	77,577	81,997	-5.4%
Other program revenue	30,171	6,028	36,199	31,991	13.2%
<b>Total Revenues</b>	<b>2,038,532</b>	<b>33,951</b>	<b>2,072,483</b>	<b>2,221,976</b>	<b>-6.7%</b>
<b>Expenses:</b>					
Salaries and benefits	87,604	12,121	99,725	91,870	8.6%
Program expenditures	1,368,221	143	1,368,364	1,593,136	-14.1%
Investment related expenses	-	310	310	972	-68.1%
Program operating costs	2,546	2,494	5,040	4,686	7.6%
General & administrative costs	16,637	2,290	18,927	15,795	19.8%
Depreciation and amortization	5,713	714	6,427	4,646	38.3%
New York State assessments	13,427	167	13,594	13,594	0.0%
Interest	8,974	152	9,126	5,315	71.7%
<b>Total Expenses</b>	<b>1,503,122</b>	<b>18,391</b>	<b>1,521,513</b>	<b>1,730,014</b>	<b>-12.1%</b>
<b>Change in Net Position</b>	<b>535,410</b>	<b>15,560</b>	<b>550,970</b>	<b>491,962</b>	<b>12.0%</b>
<b>Net Position, beginning of year</b>	<b>1,542,431</b>	<b>1,117,191</b>	<b>2,659,622</b>	<b>2,167,660</b>	<b>n/a</b>
<b>Net Position, end of year</b>	<b>\$2,077,841</b>	<b>1,132,751</b>	<b>3,210,592</b>	<b>2,659,622</b>	<b>20.7%</b>

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

Total revenue decreased \$149.5 million. State appropriations revenue decreased by \$93.4 million as state budget allocations for the EmPower+ program were not initially renewed. However, the Sustainable Future

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Program included in the enacted FY2026 State budget subsequently allocated additional funding for this program; future appropriations revenues and related expenditures may increase as a result of this action.

Utility surcharge assessments revenue increased by \$119.3 million over the prior year. This was driven primarily by increased collections pursuant to the BAYG funding mechanism for working capital and expenditure reimbursement for the new EE/BE and I&R portfolios, and to a slightly lesser extent by higher expenditures under the Energy Storage program.

REC proceeds decreased by \$93.5 million principally due to two factors: a) REC proceeds reflecting lower costs to NYSERDA as a result of higher winter commodity prices affecting the price for indexed RECs. b) ACPs decreased from the prior year as LSEs met a smaller portion of their compliance year obligations via ACPs. This was due largely to more generation facilities achieving commercial operation.

ZEC assessments revenue decreased by \$144.0 million principally due to a lower tranche price set by DPS for compliance year 2026 as compared to compliance year 2025. This reduction corresponds to a commensurate decrease in ZEC program expenditures as a result of the tranche price change.

RGGI Allowance auction proceeds revenues increased by \$52.3 million primarily due to higher average quarterly auction clearing prices. These revenues were incorporated into the Board-approved Operating Plan Amendment (OPA) and have been mapped to specific programs and spending plans that will be effectuated per the terms of that OPA.

Third-party reimbursements decreased \$22.9 million, principally due a decrease of \$24.8 million in New Efficiency New York revenues as the expenditures in that program were winding down in FY2026.

Federal grants revenue increased by \$34.5 million principally due to a large increase in reimbursable expenditures under the Home Electricity and Appliance Rebate (HEAR) program funded by a U.S. Department of Energy grant which had first launched late in FY2025.

Loans and financing receivables interest income decreased \$1.6 million primarily due to the change in net loan revenues of NY Green Bank, which had an overall decrease of \$3.9 million (-25.1%) compared to the prior fiscal year, comprised of the following: NY Green Bank loan interest revenue earned decreased by \$5.9 million (-12.0%) primarily to lower reference rates on certain loans. In addition, NY Green Bank recorded an impairment of \$29.1 million for certain portfolio investments, although this was less than the prior fiscal year impairment charge of \$33.7 million. Finally, NY Green Bank had a realized loss of \$2.6 million on two portfolio investments in the current fiscal year, whereas the prior year had no such loss. Partially offsetting the overall decrease in loans and financing receivables interest income, the GJGNY loans balance increased by \$34.5 million, generating \$2.5 million (22.9%) higher interest income than in the prior fiscal year.

The decrease in investment income of \$4.4 million was attributed to a lower rate of return, while higher average invested balances across select funds over the fiscal year offset approximately two-thirds of the impact of lower yields.

Total expenses decreased \$208.5 million, primarily due to the factors outlined below.

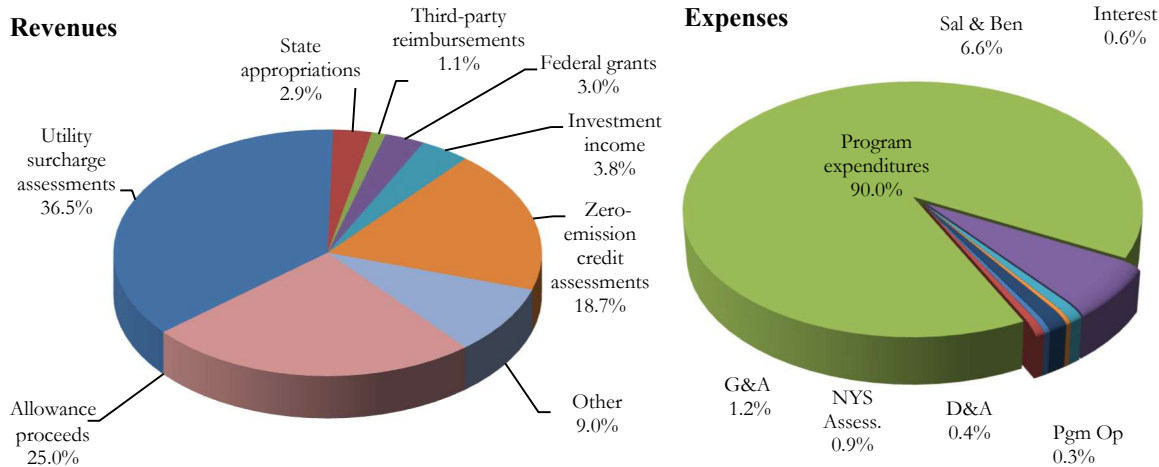
Salaries and benefits expense increased \$7.9 million. Salary expense increased \$8.0 million (12.1%) primarily due to a 3.8% increase in full-time equivalent staffing in alignment with approved budgets, combined with regular performance-based compensation increases and general salary increases consistent with NYS practice for Management/Confidential employees. Benefits expense decreased \$0.1 million, primarily due to significant decreases in pension and OPEB expense which reflect the latest actuarial valuation reports for the respective plans. Partially offsetting this, health insurance costs for active employees rose \$1.0 million (11.1%) associated with the increase in headcount, and employer FICA taxes were higher, associated with the increase in salary expense.

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Program expenditures decreased \$224.8 million, primarily from \$161 million lower ZEC expenditures, as payments to nuclear generators were reduced to account for the benefit they received from federal PTCs. Additionally, REC expenditures decreased due to pricing factors as discussed above for the related REC proceeds revenue. Further, NY-Sun expenditures decreased \$97.2 million. Partially offsetting these decreases was a \$142.2 million increase in RGGI expenses as NYSERDA proactively programmed and expended a portion of the additional proceeds during the reporting period.

Interest expense increased \$3.8 million primarily due to the net effect of the issuance in FY2026 of \$60.0 million of bonds to finance the GJGNY revolving loan fund program, and of scheduled and advance paydowns on other previously issued bonds. In addition, implicit interest related to the new leases for NYC office space relocation made up \$1.1 million of the total increase in interest expense.

The following charts depict Authority revenues and expenses for the year ended March 31, 2026.



**FINANCIAL ANALYSIS OF FUNDS**

Total fund balances for the governmental funds increased from \$1.678 billion to \$2.246 billion as further described below:

- The CEF fund balance decreased consistent with program expenditures in excess of BAYG revenues as described above. Partially offsetting this were transfers in of \$41.4 million, primarily from the RGGI fund pursuant to the original CEF Order and the approved RGGI operating plan.
- The NY-Sun fund balance increased consistent with BAYG revenues in excess of expenditures as described above. Transfers in of \$17.0 million also contributed to the increase in fund balance.
- The CES fund balance increased by \$265.7 million consistent with the analysis above, primarily due to the benefit of PTCs received by generators allowing for lower expenditures on the ZEC portfolio.
- The RGGI fund balance increased by \$215.2 million consistent with the analysis above, reflecting proceeds collected in advance of planned expenditures consistent with the approved RGGI Operating Plan Amendment and governing regulations. RGGI transfers to other funds in the amount of \$69.3 million partially offset the fund balance increase.
- The GJGNY fund balance increased by \$79.8 million as described above, due to bond proceeds of \$60.0 million from the issuance of Series 2025 bonds less debt service payments on all bond series outstanding and additional funding of \$49.5 million transferred in from the RGGI fund.

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- The aggregated Other Funds fund balance decreased by \$1.8 million principally due to transfers out of certain funds subject to BAYG but which had collected, based on projected spending, more working capital than actually needed.

Total net position for the proprietary fund ("Business-type Activities") was \$1.133 billion at March 31, 2026, as described below:

- NY Green Bank's net position increased by \$15.6 million, as a result of interest and fees on its loans and financing receivables portfolio, as well as investment income on the capital balance not deployed.

### **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 (RTU) and subscription-based software assets (SBITA) 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, 2026 were \$37.2 million, net of accumulated depreciation and amortization. Capital asset additions during FY2026 were \$30.0 million, primarily for lessee right-to-use assets for NYSERDA's NYC office space consolidation in anticipation of upcoming existing lease expirations, and to a lesser extent for related leasehold improvements. The lease liability associated with all office space increased by \$23.8 million as compared to the prior fiscal year-end, as NYSERDA entered a 15-year lease to lock in market-competitive rates.

Assigned fund balance at March 31, 2026 represents the FY2027 capital additions budget for NYC leasehold improvements and budgeted expenses related to the Authority's planned replacement of its core contracting and financial management system.

Depreciation on physical assets decreased by \$0.5 million (-30.1%) vs. the prior year, primarily due to network computer equipment which became fully depreciated and was disposed of but not replaced by similar equipment, coincident with the increased use of outsourced cloud computing as noted immediately below.

Amortization expense for lessee RTU assets and SBITA's increased \$2.3 million (74.0%) over the prior year. NYSERDA signed the new office space lease noted above during FY2026, and gained access from the landlord to begin renovations, and as a result, amortization of these additional RTU assets began. Additionally, SBITA amortization expense rose primarily due to the cost of software licensed for cloud computing.

NYSERDA also issues tax-exempt bonds on a conduit basis on behalf of utility companies to finance certain eligible projects. As of March 31, 2026, approximately \$1.1 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**

The EE/BE portfolio is expected to have significantly higher revenues and expenses in FY2027 as compared to the current fiscal year. The Commission Order authorized budgets beginning with calendar year 2026, therefore FY2026 only reflects one calendar quarter of activity, while FY2027 will reflect an entire year of activity. Additionally, expenditures were not allowed until approval by DPS of related implementation plans filed by NYSERDA. The majority of these approvals occurred after January 1, 2026, thereby delaying expenditures such that the one calendar quarter falling in FY2026 does not reflect a full quarter of actual activity. EE/BE essentially represents a continuation of the CEF fund's Market Development portfolio, which

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represented approximately 70% of CEF funding. CEF expenditures in FY2027 are budgeted to decrease significantly as the fund winds down. The commitment period for CEF ended on December 31, 2025.

In State appropriations, the FY2027 budget forecasts that offshore wind related expenditures, and the related State appropriations reimbursement revenues, will be notably higher as a large reimbursable milestone payment is anticipated. Additionally affecting State appropriations, Bond Act expenditures are budgeted to be much higher as projects move past planning and study phases. Finally, the Sustainable Future appropriation reflected in the FY2026 enacted budget is expected to result in higher expenditures in energy efficiency and decarbonization programs, with corresponding revenue as those expenditures are reimbursed.

The FY2027 budget also includes a large increase in Clean Energy Standard (CES) revenues primarily due to expected reimbursement of expenses forecast to be incurred as the Champlain Hudson Power Express project was completed and is operational as of May 2026.

CES expenditures for the ZEC program are budgeted net of a second year of production tax credits anticipated to be garnered by the nuclear generators, and the economic benefit of them reducing the payments made by NYSERDA to those generators, as they were in FY2026 as described above. If the actual PTCs vary materially from current year figures, ZEC expenditures in FY2027 could vary materially from the actual expenses for FY2026.

Unrestricted net position is expected to decrease in FY2027 as leasehold improvements to NYC offices are budgeted to be paid for from unrestricted funds, with a majority of the expenditures expected in FY2027. Plans to replace the Authority's core contracting and financial management system software over the next several years may also utilize a portion of the unrestricted net position.

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 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 Notes to Basic Financial Statements 12(f). Federal government actions could impact the final amount of the award being litigated. NYSERDA presently has a liability recorded for all of these sub-award funds and accumulated interest earnings thereupon. If the grant is revoked and funding received in advance is required to be returned, NYSERDA expects both cash and investments and the unearned revenue balance in the Proprietary Fund to decrease significantly (in equal amounts), and this has a possibility of occurring in FY2027.

The OPEB Trust's weighted average overall Morningstar 5-star rating of all Trust fund investments at March 31, 2026 was 2.94, as compared to 3.67 as of the prior fiscal year-end. NYSERDA revised the OPEB Trust Investment Policy in April 2026, and new investment funds were selected. The portfolio will be re-balanced in FY2027 with one aim being for the overall portfolio to reflect an increase in the average Morningstar rating.

## **CONTACT FOR NYSEDA'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 Emily Jamieson, 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, 2026  
(Amounts in thousands)

	Governmental Activities	Business-type Activities	Total March 31, 2026
<b><u>ASSETS:</u></b>			
Current assets:			
Cash and investments	\$1,523,372	691,081	2,214,453
New York State receivable	28,072	-	28,072
Third-party billings receivable	83,628	5	83,633
Interest receivable on loans	3,518	5,917	9,435
Loans and financing receivables due within one year, net	42,118	183,969	226,087
Prepaid expense	5,720	-	5,720
Lease receivables due within one year	1,072	-	1,072
Other assets	17,606	-	17,606
Total current assets	<u>1,705,106</u>	<u>880,972</u>	<u>2,586,078</u>
Non-current assets:			
Investments	486,962	-	486,962
Loans and financing receivables- long-term, net	306,686	536,909	843,595
Lease receivables- long-term	1,524	-	1,524
Capital assets, net of depreciation and amortization	37,173	-	37,173
Total non-current assets	<u>832,345</u>	<u>536,909</u>	<u>1,369,254</u>
Total assets	<u>2,537,451</u>	<u>1,417,881</u>	<u>3,955,332</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES:</u></b>	26,827	4,011	30,838
Total assets and deferred outflows of resources	<u>2,564,278</u>	<u>1,421,892</u>	<u>3,986,170</u>
<b><u>LIABILITIES:</u></b>			
Current liabilities:			
Non-current liabilities due within one year	27,450	-	27,450
Accounts payable	15,090	9	15,099
Accrued liabilities	226,182	143	226,325
Unearned revenue	1,442	284,702	286,144
Deposits	-	197	197
Total current liabilities	<u>270,164</u>	<u>285,051</u>	<u>555,215</u>
Non-current liabilities:			
Bonds payable	137,700	-	137,700
Deposits	13,579	-	13,579
Net pension liability	19,445	2,743	22,188
Net OPEB liability	3,535	458	3,993
Other non-current liabilities	27,928	-	27,928
Total non-current liabilities	<u>202,187</u>	<u>3,201</u>	<u>205,388</u>
Total liabilities	<u>472,351</u>	<u>288,252</u>	<u>760,603</u>
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>	14,086	889	14,975
Total liabilities and deferred inflows of resources	<u>486,437</u>	<u>289,141</u>	<u>775,578</u>
<b><u>NET POSITION:</u></b>			
Net investment in capital assets	6,562	-	6,562
Restricted for specific programs	2,039,657	1,132,751	3,172,408
Unrestricted	31,622	-	31,622
Total net position	<u>\$2,077,841</u>	<u>1,132,751</u>	<u>3,210,592</u>

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, 2026  
(Amounts in thousands)

	Governmental Activities							Business-type Activities	Total March 31, 2026	
	Functions/Programs									
	CEF	NY-Sun	CES	RGGI	Energy Analysis	West Valley	Other			Total
<b>EXPENSES:</b>										
Salaries and benefits	\$26,369	3,129	12,073	15,222	10,911	2,846	17,054	87,604	12,121	99,725
Program expenditures	343,380	235,566	272,755	247,087	9,806	17,906	241,721	1,368,221	143	1,368,364
Investment related expenses	-	-	-	-	-	-	-	-	310	310
Program operating costs	602	90	135	29	775	37	878	2,546	2,494	5,040
General & administrative expenses	5,003	592	2,294	2,888	2,075	547	3,238	16,637	2,290	18,927
Depreciation & amortization	1,560	185	717	901	809	268	1,273	5,713	714	6,427
NY State assessments	3,435	2,318	2,661	2,328	226	206	2,253	13,427	167	13,594
Interest	333	39	153	192	153	50	8,054	8,974	152	9,126
Total expenses	380,682	241,919	290,788	268,647	24,755	21,860	274,471	1,503,122	18,391	1,521,513
<b>REVENUES:</b>										
<i>Operating grants and contributions</i>										
State appropriations	-	-	-	1,150	150	19,060	39,772	60,132	-	60,132
Utility surcharge assessments	313,883	251,542	-	-	19,224	-	172,420	757,069	-	757,069
Renewable energy credit proceeds	-	-	125,346	-	-	-	-	125,346	-	125,346
Zero-emission credit assessments	-	-	387,929	-	-	-	-	387,929	-	387,929
Allowance auction proceeds	-	-	-	518,011	-	-	-	518,011	-	518,011
Third-party reimbursements	3,796	-	363	492	-	3,453	14,050	22,154	-	22,154
Federal grants	-	-	-	-	2,629	-	59,709	62,338	-	62,338
Interest subsidy	-	-	-	-	-	-	141	141	-	141
<i>Charges for services</i>										
Project repayments	-	-	-	-	-	-	124	124	-	124
Rentals from leases	-	-	-	-	-	6	1,143	1,149	-	1,149
Fees and other income	79	-	27,994	-	-	-	825	28,898	6,028	34,926
Loans and financing receivables interest	135	-	-	-	-	-	13,639	13,774	11,813	25,587
<i>Other</i>										
Investment income	2,867	1,413	13,876	33,419	-	-	9,892	61,467	16,110	77,577
Total revenues	320,760	252,955	555,508	553,072	22,003	22,519	311,715	2,038,532	33,951	2,072,483
Increase (decrease) in net position before transfers	(59,922)	11,036	264,720	284,425	(2,752)	659	37,244	535,410	15,560	550,970
Transfers	41,391	16,981	978	(69,273)	-	-	9,923	-	-	-
Change in net position	(18,531)	28,017	265,698	215,152	(2,752)	659	47,167	535,410	15,560	550,970
Net position, beginning of year	69,188	341	238,460	847,508	4,630	27	382,277	1,542,431	1,117,191	2,659,622
Net position, end of year	\$50,657	28,358	504,158	1,062,660	1,878	686	429,444	2,077,841	1,132,751	3,210,592

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, 2026  
(Amounts in thousands)

	Major Funds						Other Funds	Total March 31, 2026
	CEF	NY-Sun	CES	RGGI	GJGNY			
<b>ASSETS:</b>								
Cash and investments	\$73,967	48,155	580,490	1,086,391	94,345	126,986	2,010,334	
Receivables:								
New York State	183	-	4,730	63	-	23,096	28,072	
Third-party billings	8,473	7,277	40,690	-	6,311	20,877	83,628	
Interest on loans	554	-	-	-	2,964	-	3,518	
Loans	3,406	-	-	-	345,367	31	348,804	
Prepaid expense	1,043	-	-	-	-	4,677	5,720	
Other assets	1,613	-	-	-	1,113	17,476	20,202	
Due from other funds	3,431	255	-	559	895	-	5,140	
Total assets	<u>\$92,670</u>	<u>\$55,687</u>	<u>625,910</u>	<u>1,087,013</u>	<u>450,995</u>	<u>193,143</u>	<u>2,505,418</u>	
<b>LIABILITIES AND FUND BALANCES:</b>								
Liabilities:								
Accounts payable	\$3,656	4,636	831	2,198	983	2,786	15,090	
Accrued liabilities	34,253	22,253	107,578	21,599	601	34,835	221,119	
Unearned revenue	242	-	239	-	848	113	1,442	
Deposits	-	-	13,098	-	-	481	13,579	
Due to other funds	-	-	265	-	-	4,875	5,140	
Total liabilities	<u>\$38,151</u>	<u>26,889</u>	<u>122,011</u>	<u>23,797</u>	<u>2,432</u>	<u>43,090</u>	<u>256,370</u>	
Deferred Inflow of Resources	-	-	-	-	-	3,146	3,146	
Fund Balances:								
Nonspendable-not in spendable form	1,043	-	-	-	-	4,677	5,720	
Restricted	53,476	28,798	503,899	1,063,216	448,563	115,284	2,213,236	
Assigned	-	-	-	-	-	11,094	11,094	
Unassigned	-	-	-	-	-	15,852	15,852	
Total fund balances	<u>54,519</u>	<u>28,798</u>	<u>503,899</u>	<u>1,063,216</u>	<u>448,563</u>	<u>146,907</u>	<u>2,245,902</u>	
Total liabilities and fund balances	<u>\$92,670</u>	<u>55,687</u>	<u>625,910</u>	<u>1,087,013</u>	<u>450,995</u>	<u>193,143</u>	<u>2,505,418</u>	

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

Total fund balances for governmental funds	\$2,245,902
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds	37,173
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	(216,058)
Pension and OPEB Deferred outflows and inflows are not reported in governmental funds	15,887
Accrued interest expense	(5,063)
Net position of governmental activities	<u>\$2,077,841</u>

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, 2026  
(Amounts in thousands)

	Major Funds					Other Funds	Total March 31, 2026
	CEF	NY-Sun	CES	RGGI	GJGNV		
<b>REVENUES:</b>							
State appropriations	\$ -	-	-	1,150	-	58,982	60,132
Utility surcharge assessments	313,883	251,542	-	-	-	191,644	757,069
Renewable energy credit proceeds	-	-	125,346	-	-	-	125,346
Zero-emission credit assessments	-	-	387,929	-	-	-	387,929
Allowance auction proceeds	-	-	-	518,011	-	-	518,011
Third-party reimbursements	3,796	-	363	492	-	17,503	22,154
Federal grants	-	-	-	-	-	62,338	62,338
Interest subsidy	-	-	-	-	141	-	141
Project repayments	-	-	-	-	-	124	124
Rentals from leases	-	-	-	-	-	1,149	1,149
Fees and other income	79	-	27,994	-	-	825	28,898
Loan interest	135	-	-	-	13,639	-	13,774
Investment income	2,867	1,413	13,876	33,419	3,245	6,647	61,467
<b>Total revenues</b>	<b>320,760</b>	<b>252,955</b>	<b>555,508</b>	<b>553,072</b>	<b>17,025</b>	<b>339,212</b>	<b>2,038,532</b>
<b>EXPENDITURES:</b>							
Current expenditures	380,682	241,919	290,788	268,647	11,779	295,520	1,489,335
Debt service:							
Principal	-	-	-	-	28,055	2,303	30,358
Interest	-	-	-	-	5,887	176	6,063
Bond issuance costs	-	-	-	-	1,028	-	1,028
Capital outlay	-	-	-	-	-	29,962	29,962
<b>Total expenditures</b>	<b>380,682</b>	<b>241,919</b>	<b>290,788</b>	<b>268,647</b>	<b>46,749</b>	<b>327,961</b>	<b>1,556,746</b>
<b>OTHER FINANCING SOURCES (USES):</b>							
Lease acquisitions	-	-	-	-	-	24,785	24,785
SBITA acquisitions	-	-	-	-	-	1,698	1,698
Residential Solar Financing Green Revenue							
Bonds issued	-	-	-	-	60,000	-	60,000
Transfers in	41,391	16,981	978	-	49,500	-	108,850
Transfers out	-	-	-	(69,273)	-	(39,577)	(108,850)
<b>Net other financing sources (uses)</b>	<b>41,391</b>	<b>16,981</b>	<b>978</b>	<b>(69,273)</b>	<b>109,500</b>	<b>(13,094)</b>	<b>86,483</b>
Net change in fund balances	(18,531)	28,017	265,698	215,152	79,776	(1,843)	568,269
Fund balances, beginning of year	73,050	781	238,201	848,064	368,787	148,750	1,677,633
<b>Fund balances, end of year</b>	<b>\$54,519</b>	<b>28,798</b>	<b>503,899</b>	<b>1,063,216</b>	<b>448,563</b>	<b>146,907</b>	<b>2,245,902</b>

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

Net change in fund balances for governmental funds	\$568,269
Capitalization of capital outlays, rather than recording as an expenditure	(2,235)
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	531
Expenses for accrued bond, SBITA, and lease 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	(3,062)
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	691
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	858
Bond proceeds are a current financial resource in the governmental funds but are not reported as revenues in the Statement of Activities	(60,000)
Repayment of principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the Statement of Net Position	30,358
<b>Change in net position of governmental activities</b>	<b>\$535,410</b>

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, 2026  
(Amounts in thousands)

	March 31, 2026
<b><u>ASSETS:</u></b>	
Current assets:	
Cash and investments	\$691,081
Third-party billings receivable	5
Interest receivable on loans	5,917
Loans and financing receivables due within one year, net	183,969
Total current assets	880,972
Non-current assets:	
Loans and financing receivables - long term, net	536,909
Total non-current assets	536,909
Total assets	1,417,881
 <b><u>DEFERRED OUTFLOWS OF RESOURCES:</u></b>	 4,011
 <b><u>LIABILITIES:</u></b>	
Current liabilities:	
Accounts payable	9
Accrued liabilities	143
Escrow deposits	197
Unearned revenue	284,702
Total current liabilities	285,051
Non-current liabilities:	
Net pension liability	2,743
Net OPEB liability	458
Total non-current liabilities	3,201
Total liabilities	288,252
 <b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>	 889
 <b><u>NET POSITION:</u></b>	
Net position restricted for specific programs	\$1,132,751

*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, 2026  
(Amounts in thousands)

	March 31, 2026
<b><u>OPERATING REVENUES:</u></b>	
Closing fees	\$2,250
Undrawn fees	1,894
Administrative fees	483
Other fees	1,401
Loans and financing receivables interest	43,565
Provision for losses on loans and financing receivables	(29,125)
Loss on sale of loans and financing receivables	(2,627)
Total operating revenues	17,841
<b><u>OPERATING EXPENSES:</u></b>	
Salaries and benefits	12,121
Investment related expenses	310
Program operating costs	2,494
General & administrative expenses	2,290
Depreciation & amortization	714
New York State assessments	167
Interest expense	152
Total operating expenses	18,248
<b>OPERATING LOSS</b>	(407)
<b><u>NON-OPERATING REVENUES:</u></b>	
Investment income	16,110
Total non-operating revenues	16,110
<b><u>NON-OPERATING EXPENSES:</u></b>	
Program evaluation	143
Total non-operating expenses	143
Change in net position	15,560
Net position, beginning of year	1,117,191
Net position, end of year	\$1,132,751

*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, 2026  
(Amounts in thousands)

	March 31, 2026
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Closing fees collected	\$2,255
Undrawn fees collected	1,231
Administrative fees collected	433
Other fees collected	1,391
Loans and financing receivables interest collected	33,921
Disbursement of escrow deposits	(40)
Payments to employees & employee benefit providers	(12,962)
Payments to suppliers	(5,646)
Payment for allocated depreciation and amortization	(714)
Payment for allocated interest	(152)
Payments to NYS	(167)
Loans and financing receivables deployed	(248,226)
Loans and financing receivables principal repayments	154,520
Net cash used in operating activities	(74,156)
 <b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>	
Unearned grant revenue	11,073
Net cash provided by non-capital financing activities	11,073
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Purchase of investments	(542,150)
Proceeds from sale of investments	587,810
Investment income	19,081
Net cash provided by investing activities	64,741
 <b>Net change in cash &amp; cash equivalents</b>	1,658
Cash and cash equivalents, beginning of year	298,038
Cash and cash equivalents, end of year	\$299,696
 <b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:</b>	
Operating loss	(\$407)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Decrease in third-party billings receivable	20
Increase in interest receivable on loans	(395)
Increase in loans and financing receivables	(71,940)
Increase in accounts payable	9
Decrease in accrued liabilities	(302)
Decrease in escrow deposits	(152)
Decrease in unearned revenue unrelated to unearned grant revenue	(5)
Net change in pension & OPEB related accounts	(841)
Non-operating expenses unrelated to financing activities	(143)
Net cash used in operating activities	(\$74,156)

*See accompanying notes to the basic financial statements.*

NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY  
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Statement of Fiduciary Net Position  
March 31, 2026  
(Amounts in thousands)

	<u>OPEB Trust Fund</u>	<u>Custodial Fund</u>
<b><u>ASSETS:</u></b>		
Cash and investments	\$84,630	\$50,313
Total assets	\$84,630	50,313
<b><u>LIABILITIES:</u></b>		
Accrued liabilities	37	-
Payable to New York State	-	695
Escrow funds payable	-	9,334
Total liabilities	37	10,029
<b><u>NET POSITION:</u></b>		
<u>Restricted for:</u>		
Other postemployment benefits	84,593	-
Other governments and organizations	-	40,284
Total net position	\$84,593	\$40,284

*See accompanying notes to the basic financial statements.*

NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY  
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Statement of Changes in Fiduciary Net Position  
For the year ended March 31, 2026  
(Amounts in thousands)

<b><u>ADDITIONS:</u></b>	<u>OPEB Trust Fund</u>	<u>Custodial Fund</u>
Employer contributions	\$3,437	\$ -
Utility assessments	-	2,487
Escrow deposit receipts	-	900
Investment income	8,649	1,584
Less investment management expenses	(17)	-
Net investment income	<u>8,632</u>	<u>1,584</u>
Total additions, net	<u>12,069</u>	<u>4,971</u>
 <b><u>DEDUCTIONS:</u></b>		
Benefits	2,907	-
Reimbursements paid	-	3,984
Administrative fees	22	-
Total deductions	<u>2,929</u>	<u>3,984</u>
 Change in net position	9,140	987
 <b><u>NET POSITION:</u></b>		
Net position, beginning of year	<u>75,453</u>	<u>39,297</u>
Net position, end of year	<u><u>\$84,593</u></u>	<u><u>\$40,284</u></u>

*See accompanying notes to the basic financial statements.*

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**Notes to Basic Financial Statements  
March 31, 2026**

**(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.

Clean Energy Fund (CEF) Market Development/Innovation & Research (Major fund)

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.

While the original ten-year commitment period for CEF expired on December 31, 2025, expenditures for commitments that existed as of that date will continue. An October 2025 Order authorized a transfer of \$18 million of CEF uncommitted funds to the 2026-2030 Innovation and Research Portfolio. Any additional CEF funds that become uncommitted after December 31, 2025 are reported annually as of a March 31 measurement date, for the Commission's determination as to the use of such funds.

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.

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NY-Sun (Major fund)

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.

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; repurposing the majority of the reduction to be utilized for NYSERDA's other clean energy programs pending before the Commission as of the same date.

Clean Energy Standard (CES) (Major fund)

Pursuant to an August 2016 and subsequent Orders, the Clean Energy Standard was established, supporting the development of large-scale land-based renewable energy generation projects across the state to deliver reliable and affordable clean energy to New Yorkers. 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 Certificates (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. Beginning in compliance year 2025 the LSEs are required to purchase RECs from NYSERDA in amounts calculated for each LSE's proportionate share of the statewide energy load. 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 meet New York's renewable energy goals. The RES and ZEC

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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 as an important part of meeting future energy demands, prioritizing a clean energy system that is affordable and reliable, while supporting economic development, equity, and a healthy environment. 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, 2026 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 Commission 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 NO<sub>x</sub>, SO<sub>x</sub>, and fine particulate matter.

Regional Greenhouse Gas Initiative (RGGI) (Major fund)

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.

Green Jobs-Green New York (GJGNY) (Major fund)

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, 2026 NYSERDA subsequently transferred \$280.7 million in additional RGGI funds to support program activities.

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Energy Analysis

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.

Included in Other for the fiscal year ended March 31, 2026 are the Orders issued in May 2025 authorizing the Low-Moderate-Income and Non-Low-to-Moderate Income Energy Efficiency and Building Electrification portfolios for 2026-2030, and the Order issued in October 2025 authorizing the 2026-2030 Innovation and Research Portfolio; while these Orders have large multi-year funding, encumbrance and expenditure activity was only allowable beginning January 1, 2026.

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

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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).

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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 Fund Balances as of March 31, 2026. NYSERDA's Assigned fund balance at March 31, 2026 represents the FY2027 capital additions budget for NYC leasehold improvements and budgeted expenses related to the Authority's planned replacement of its core contracting and financial management system. Nonspendable fund balance at March 31, 2026 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, in general, 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; (5) funds held for reimbursement to the Department of Agriculture and Markets for agriculture mitigation payments made by solar developers for NY-Sun projects in designated New York State Agricultural Districts and (6) 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).

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**(b) Adoption of new accounting pronouncement**

NYSERDA implemented Governmental Accounting Standards Board (GASB) Statement No. 102, *Certain Risk Disclosures*, for the fiscal year ended March 31, 2026. There was no effect on the Basic Financial Statements as a result of adopting this GASB Statement.

**(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.

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**(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. This includes leasehold improvements separate and apart from lessee right-to-use assets, and without regard to the lessor's tenant improvement allowance discussed in Note 9. 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. Lessee and SBITA additions are 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, 2026 by fund type and description:

	<i>(Amounts in thousands)</i>	
	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
<u>Governmental activities:</u>		
Pension related	\$14,694	(\$864)
OPEB related	12,133	(10,076)
Lessor related	-	(3,146)
Total	<u>\$26,827</u>	<u>(\$14,086)</u>
 <u>Business-type activities:</u>		
Pension related	\$2,129	(\$69)
OPEB related	<u>1,882</u>	<u>(820)</u>
Total	<u>\$4,011</u>	<u>(\$889)</u>

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**(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. The estimated value of the sick leave credit is included as a component of the actuarial valuation of the net OPEB liability.

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, 2026 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, 2026. 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

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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)
<u>Governmental activities</u>			
Cash and cash equivalents	\$102,062	5.1	n/a
U.S. Treasury Bills/Notes	<u>1,908,272</u>	<u>94.9</u>	<u>7.9</u>
Total	<u>\$2,010,334</u>	<u>100.0</u>	<u>7.9</u>
Current portion thereof	<u>\$1,523,372</u>		
<u>Proprietary activities</u>			
Cash and cash equivalents	\$299,696	43.4	n/a
U.S. Treasury Bills/Notes	<u>391,385</u>	<u>56.6</u>	<u>5.7</u>
Total	<u>\$691,081</u>	<u>100.0</u>	<u>5.7</u>
Current portion thereof	<u>\$691,081</u>		
<u>Fiduciary funds</u>			
Cash and equivalents	\$10,218	7.6	n/a
Mutual funds	64,281	47.6	n/a
Exchange traded funds	18,998	14.1	n/a
U.S. Treasury Bills/Notes	<u>41,446</u>	<u>30.7</u>	<u>6.9</u>
Total	<u>\$134,943</u>	<u>100.0</u>	<u>6.9</u>

*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.

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*Credit Risk.* Money market fund investments consist of non-rated funds whose investments are restricted to U.S. government obligations. As of March 31, 2026, debt instruments other than those of the U.S. government were held only by the OPEB Trust and were as follows:

<u>Investment type</u>	<u>Investment policy range (% of portfolio)</u>	<u>Fair Value (Amounts in thousands)</u>	<u>Morningstar 5- star rating scale rating</u>
Short term bonds	1%-6%	\$972	4
Intermediate term bond	15%-25%	\$17,197	4
Inflation protected securities	6.5%-16.5%	\$10,039	4
Long term bond	0%-10%	\$4,435	3
High yield bond	15%-25%	\$14,918	2*
Global bond	0%-6%	\$963	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.*

*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, 2026, 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.

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*Foreign Currency Risk.* As of March 31, 2026, 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, 2026 were \$28.3 million (comprised of \$27.3 million of equity funds and \$1.0 of fixed income funds).

**(4) RECEIVABLE FROM NEW YORK STATE**

As of March 31, 2026, the amount due from New York State is \$28.1 million, which represents appropriation, grant, and certain 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, 2026, provision for losses was \$3.5 million and is included in Program/Current expenditures, respectively, for the Program/Major Fund.

The CEF fund also contains loans issued pursuant to an approved Investment Plan Initiative. For the fiscal year ended March 31, 2026, provision for losses was \$0.5 million.

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, 2026, provision for losses was \$29.2 million and is included as a reduction of loans and financing receivables interest earned.

Loans and financing receivables at March 31, 2026 include the following:

	<i>(Dollar amounts in thousands)</i>	
	Number of loans and financing receivables	Loans and financing receivables outstanding
<u>Governmental activities</u>		
Residential	52,067	\$356,167
Small Business/Not-for-Profit	90	507
Other	<u>662</u>	<u>10,495</u>
Total governmental activities/funds	<u>52,819</u>	367,169
Allowance for doubtful accounts		<u>(18,365)</u>
Net total governmental activities/ funds		<u>\$348,804</u>

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<u>Business-type activities</u>	<u>Number of loans and financing receivables</u>	<u>Loans and financing receivables outstanding</u>
Construction Finance	3	\$48,574
Construction Finance & Term Loan	13	193,166
Term Loans & Investments	32	471,108
Warehousing/Aggregation	<u>1</u>	<u>8,030</u>
Total business-type activities	<u>49</u>	<u>\$720,878</u>

Loans and financing receivables at March 31, 2026 mature as follows:

*(Amounts in thousands)*

Governmental activities

<u>Fiscal year ending March 31,</u>	<u>Residential Energy Efficiency</u>	<u>Small Business/ Not-for- Profit</u>	<u>Other</u>	<u>Total</u>
2027	\$39,713	221	4,220	44,154
2028	32,170	101	1,537	33,808
2029	31,273	65	402	31,740
2030	31,073	42	424	31,539
2031	29,495	36	451	29,982
2032-2036	121,787	42	2,539	124,368
2037-2041	70,651	-	922	71,573
2042-2046	<u>5</u>	<u>-</u>	<u>-</u>	<u>5</u>
Total governmental activities	<u>\$356,167</u>	<u>507</u>	<u>10,495</u>	<u>367,169</u>

Business-type activities

<u>Fiscal year ending March 31,</u>	<u>Construction Finance</u>	<u>Construction Finance &amp; Term Loan</u>	<u>Term Loan &amp; Investments</u>	<u>Warehousing /Aggregation</u>	<u>Total</u>
2027	\$48,574	31,119	104,276	-	183,969
2028	-	45,578	67,937	-	113,515
2029	-	4,256	7,219	-	11,475
2030	-	5,315	12,810	-	18,125
2031	-	18,486	8,364	-	26,850
2032-2036	-	57,234	194,847	-	252,081
2037-2041	-	10,854	59,701	-	70,555
2042-2046	<u>-</u>	<u>20,324</u>	<u>15,954</u>	<u>8,030</u>	<u>44,308</u>
Total business-type activities	<u>\$48,574</u>	<u>193,166</u>	<u>471,108</u>	<u>8,030</u>	<u>720,878</u>

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**(6) OTHER ASSETS**

As of March 31, 2026, the other assets balance includes \$14.9 million (as valued at the lower of cost or market value) of 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 2025-26 totaled \$1.1 million and interest income associated with the lease payments received was \$0.1 million.

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**(8) CAPITAL ASSETS**

Capital asset activity for the year ended March 31, 2026 was as follows:

*(Amounts in thousands)*

	Beginning <u>Balance</u>	<u>Additions</u>	Retirements/ <u>Reclasses</u>	Ending <u>Balance</u>
Land (non-depreciable)	\$679	-	-	679
Land improvements	5,840	178	-	6,018
Buildings	6,751	13	-	6,764
Machinery and equipment	22,983	127	(1,036)	22,074
Leasehold improvements	<u>3,609</u>	<u>3,161</u>	-	<u>6,770</u>
Total capital assets	39,862	3,479	(1,036)	42,305
<u>Less accumulated depreciation:</u>				
Land Improvements	(3,191)	(204)	-	(3,395)
Buildings	(5,141)	(225)	-	(5,366)
Machinery and equipment	(21,957)	(342)	1,036	(21,263)
Leasehold improvements	<u>(2,714)</u>	<u>(343)</u>	-	<u>(3,057)</u>
Total accumulated depreciation	<u>(33,003)</u>	<u>(1,114)</u>	<u>1,036</u>	<u>(33,081)</u>
Total capital assets, net, excluding lease and SBITA assets	6,859	2,365	-	9,224
<u>Lease and SBITA assets:</u>				
Leases - office space	12,394	24,785	-	37,179
SBITA	<u>2,434</u>	<u>1,698</u>	-	<u>4,132</u>
Total lease and SBITA assets	14,828	26,483	-	41,311
<u>Less accumulated amortization:</u>				
Leases - office space	(7,148)	(3,523)	-	(10,671)
SBITA	<u>(901)</u>	<u>(1,790)</u>	-	<u>(2,691)</u>
Total accumulated amortization	<u>(8,049)</u>	<u>(5,313)</u>	-	<u>(13,362)</u>
Total lease and SBITA assets, net	<u>6,779</u>	<u>21,170</u>	-	<u>27,949</u>
Total capital assets, net, as reported on the statement of net position	<u>\$13,638</u>	<u>23,535</u>	-	<u>37,173</u>

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**(9) NON-CURRENT LIABILITIES**

Non-current liability activity for the year ended March 31, 2026 was as follows:

	<i>(Amounts in thousands)</i>				Amounts
	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Due within</u> <u>One Year</u>
<u>Governmental activities</u>					
Compensated absences	\$8,921	8,754	(7,807)	9,868	9,203
Lease liability- office space	5,655	24,785	(1,020)	29,420	2,594
SBITA liability	775	1,698	(1,283)	1,190	753
Deposits	8,831	7,290	(2,542)	13,579	-
Bonds payable	<u>120,655</u>	<u>60,000</u>	<u>(28,055)</u>	<u>152,600</u>	<u>14,900</u>
Total non-current liabilities, excluding net pension and OPEB liabilities	144,837	102,527	(40,707)	206,657	27,450
Net pension liability (see note 10)	15,255	16,097	(11,907)	19,445	-
Net OPEB liability (see note 11)	<u>3,686</u>	<u>6,783</u>	<u>(6,934)</u>	<u>3,535</u>	<u>-</u>
Total non-current liabilities as reported on the statement of net position				<u>\$229,637</u>	<u>27,450</u>
<u>Business-type activities</u>					
Net pension liability (see note 10)	\$2,117	2,455	(1,829)	2,743	-
Net OPEB liability (see note 11)	<u>480</u>	<u>1,030</u>	<u>(1,052)</u>	<u>458</u>	<u>-</u>
Total non-current liabilities as reported on the statement of net position				<u>\$3,201</u>	<u>-</u>

As of March 31, 2026, future payments for leased office space are:

	<i>(Amounts in thousands)</i>		
Fiscal year ending <u>March 31,</u>	<u>Leased office space</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2027	\$2,594	1,358	3,952
2028	2,841	1,245	4,086
2029	1,639	1,153	2,792
2030	1,335	1,083	2,418
2031	1,617	1,012	2,629
2032-2036	9,162	3,789	12,951
2037-2041	<u>10,232</u>	<u>1,101</u>	<u>11,333</u>
Total	<u>\$29,420</u>	<u>10,741</u>	<u>40,161</u>

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During fiscal year 2025-26 additional common-area charges of \$0.3 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 includes leases signed in December 2024 and initially expiring in April 2040, for office space consolidation of New York City offices. NYSERDA obtained access to these spaces on or about April 25, 2025, but is not yet occupying the space, as it is under construction for renovations. The lease agreements include various Tenant Improvement Allowances that are contingent on certain costs being incurred by NYSERDA, submitted to the landlord for reimbursement within certain deadlines after expenditure, and which may be subject to signed releases of claims by all contractors, among other terms and conditions. No reimbursement requests had been made or received by NYSERDA through March 31, 2026, and thus no TIA amount is included in the calculation of the lease liability.

As of March 31, 2026, future payments for SBITA's are:

*(Amounts in thousands)*

Fiscal year ending <u>March 31,</u>	<u>SBITA's</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2027	753	37	790
2028	347	11	358
2029	<u>90</u>	<u>1</u>	<u>91</u>
Total	<u>\$1,190</u>	<u>49</u>	<u>1,239</u>

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, 2026:

*(Amounts in thousands)*

	<u>Principal Balance Outstanding</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>
Residential Energy Efficiency Financing Revenue Bonds, Series 2013A	\$3,110	July 1, 2028	3.2% to 4.1%
Series 2015A	14,650	July 1, 2030	2.9% to 3.8%
Series 2016A	9,720	July 1, 2031	1.9% to 2.8%
Residential Solar Financing Green Revenue Bonds, Series 2018A	575	April 1, 2034	3.4% to 4.8%
Residential Solar and Energy Efficiency Financing Green Revenue Bonds, Series 2020A	2,425	October 1, 2036	1.6% to 3.4%

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Residential Solar and Energy Efficiency Financing Green Revenue Bonds, Series 2022A	12,805	April 1, 2037	4.2% to 4.9%
Residential Solar and Energy Efficiency Financing Green Revenue Bonds, Series 2023A	12,400	April 1, 2038	6.0% to 6.6%
Residential Solar and Energy Efficiency Financing Green Revenue Bonds, Series 2024A	36,915	April 1, 2039	5.7% to 6.2%
Residential Solar and Energy Efficiency Financing Green Revenue Bonds, Series 2025A	<u>60,000</u>	April 1, 2040	5.7% to 6.5%
Total	<u>\$152,600</u>		

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, 2026, approximately \$1.4 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 2020A, 2022A, 2023A, 2024A and 2025A 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, 2026, 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.

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As of March 31, 2026, maximum future debt service requirements of the bonds are:

*(Amounts in thousands)*

Fiscal year ending	Bonds payable		
	Principal	Interest	Total
<u>March 31,</u> 2027	\$14,900	7,726	22,626
2028	22,310	6,860	29,170
2029	20,130	5,837	25,967
2030	17,440	4,932	22,372
2031	13,380	4,173	17,553
2032-36	25,505	13,957	39,462
2037-41	<u>38,935</u>	<u>8,020</u>	<u>46,955</u>
Total	<u>\$152,600</u>	<u>51,505</u>	<u>204,105</u>

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/annual-comprehensive-financial-report-2025.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, 2026, NYSERDA's proportionate share of the System's net pension liability (asset) was approximately 0.13%, 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 93% and the proprietary fund represents approximately 7% of the proportionate share of the

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balances of System pension-related amounts consistent with NYSERDA's current allocation methodology. NYSERDA's net pension liability, which includes that of NY Green Bank, is as follows:

	<i>(Amount in thousands)</i>
Measurement date	March 31, 2025
Actuarial valuation date	April 1, 2024
Net pension liability	\$22,188

The significant actuarial assumptions included in the actuarial valuation included an inflation factor of 2.9%, projected salary increases of 4.3%, 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, 2026 was \$5.0 million. NYSERDA's contribution to the System for the fiscal year ended March 31, 2026 was \$7.0 million, representing 100% of the required contribution.

Net Pension liability activity for the year ended March 31, 2026 was as follows:

	<i>(Amounts in thousands)</i>			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<u>Governmental activities</u>				
Net pension liability	\$15,255	16,097	(11,907)	19,445
<u>Business-type activities</u>				
Net pension liability	\$2,117	2,455	(1,829)	2,743

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

	<i>(Amounts in thousands)</i>		
	1% Decrease <u>(4.9%)</u>	Current Discount Rate <u>(5.9%)</u>	1% Increase <u>(6.9%)</u>
<u>Governmental activities</u>			
Net pension liability (asset)	\$56,276	\$19,445	(\$11,309)
<u>Business type-activities</u>			
Net pension liability (asset)	\$7,939	\$2,743	(\$1,595)

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

	<i>(Amounts in thousands)</i>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$5,507	(\$260)
Changes of assumptions	931	-
Net difference between projected and actual investment earnings on pension plan investments	1,741	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,614	(673)
Employer contributions subsequent to the measurement date	<u>7,030</u>	<u>-</u>
Total	<u>\$16,823</u>	<u>(\$933)</u>

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, 2027.

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:

	<i>(Amounts in thousands)</i>		
Fiscal year Ending March 31:	Governmental <u>activities</u>	Business-type <u>activities</u>	<u>Total</u>
2027	3,593	507	4,100
2028	5,199	755	5,954
2029	(1,472)	(135)	(1,607)
2030	<u>330</u>	<u>83</u>	<u>413</u>
Totals	<u>\$7,650</u>	<u>1,210</u>	<u>8,860</u>

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 seventy employees have vested in the VDC as of March 31, 2026. NYSERDA's contribution to the VDC for the year ended March 31, 2026 was \$2.0 million.

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**(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, 2026 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 142 retirees and dependent survivors and 69 spouses of current retirees 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, 2026 was determined using the January 1, 2024 actuarial valuation, and was then projected forward to the measurement date of March 31, 2025.

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 89% and the proprietary fund represents approximately 11% of the proportionate share of the balances of OPEB-related amounts consistent with NYSERDA's current allocation methodology.

Net OPEB liability activity for the year ended March 31, 2026 was as follows:

*(Amounts in thousands)*

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<u>Governmental activities</u>				
Net OPEB liability	\$3,686	6,783	(6,934)	3,535
<u>Business-type activities</u>				
Net OPEB liability	\$480	1,030	(1,052)	458

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

*(Amounts in thousands)*

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Fiscal year ended March 31, 2025 <i>(Measurement date March 31, 2024)</i>	\$75,200	71,034	4,166
<b><u>Changes for the year:</u></b>			
Service cost	3,437	-	3,437
Interest	5,030	-	5,030
Effect of economic/demographic gains or losses	(139)	-	(139)
Effect of assumption 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, 2026 <i>(Measurement date March 31, 2025)</i>	<u>\$79,446</u>	<u>75,453</u>	<u>3,993</u>

**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%)
<u>Governmental activities</u>			
Net OPEB liability (asset)	\$14,181	\$3,535	(\$5,300)
<u>Business type-activities</u>			
Net OPEB liability (asset)	\$1,839	\$458	(\$687)

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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.

	<i>(Amounts in thousands)</i>		
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
<u>Governmental activities</u>			
Net OPEB liability (asset)	(\$6,644)	\$3,535	\$16,170
<u>Business type-activities</u>			
Net OPEB liability (asset)	(\$861)	\$458	\$2,096

OPEB expense for the fiscal year ended March 31, 2026 was \$2.2 million. Balances of OPEB-related deferred outflows of resources and deferred inflows of resources as of March 31, 2026 were as follows:

	<i>(Amounts in thousands)</i>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$900	(\$3,630)
Changes of assumptions	5,157	(7,266)
Difference between projected and actual investment earnings on Trust investments	4,521	-
Employer contributions subsequent to the measurement date	<u>3,437</u>	<u>-</u>
Total	<u>\$14,015</u>	<u>(\$10,896)</u>

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, 2027.

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:

	<i>(Amounts in thousands)</i>		
Fiscal year Ending March 31:	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>
2027	\$1,079	195	1,274
2028	292	54	346
2029	(583)	(87)	(670)
2030	(98)	(10)	(108)
2031	(255)	(34)	(289)
Thereafter	<u>(763)</u>	<u>(108)</u>	<u>(871)</u>
Totals	<u>(\$328)</u>	<u>10</u>	<u>(318)</u>

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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 6.4% 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 2025 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, 2026, 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).

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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, 2026 was determined using the January 1, 2026 actuarial valuation, and was then projected forward to March 31, 2026, calculated using the actuarial assumptions changes described below.

	<i>(Amounts in thousands)</i>		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) – (b)
Fiscal year ended March 31, 2025	<u>\$79,446</u>	<u>75,453</u>	<u>3,993</u>
<u>Changes for the year:</u>			
Service cost	4,200	-	4,200
Interest	5,344	-	5,344
Effect of economic/demographic gains or losses	3,816	-	3,816
Effect of assumptions changes or inputs	1,836	-	1,836
Benefit payments	(2,907)	(2,907)	-
Contributions-employer	-	3,437	(3,437)
Net investment income	-	8,632	(8,632)
Administrative expenses	-	(22)	22
Fiscal year ended March 31, 2026	<u>\$91,735</u>	<u>84,593</u>	<u>7,142</u>

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 6.5% 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.

*Mortality Tables* – Sex-distinct Pub-2016 General Employee/Retiree Mortality Tables with generational projection using Scale MP-2021. Pub-2016 General Contingent Survivor Tables with full generational projection using Scale MP-2021 were used for current beneficiaries.

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**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.

	<i>(Amounts in thousands)</i>		
	1% Decrease	Current Discount Rate	1% Increase
	<u>(5.5%)</u>	<u>(6.5%)</u>	<u>(7.5%)</u>
Net OPEB liability (asset)	\$21,171	\$7,142	(\$4,312)

Healthcare cost trend rates

	<i>(Amounts in thousands)</i>		
	1% Decrease	Current Trend Rate	1% Increase
	<u>(\$5,365)</u>	<u>\$7,142</u>	<u>\$22,851</u>
Net OPEB liability (asset)			

Money-Weighted Rate of Return:

For the year ended March 31, 2026, the annual money-weighted rate of return on investments, calculated as the internal rate of return on Plan investments, net of investment expense, was 11.39%. 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:**

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Arithmetic Real Rate of Return</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
US Cash	BAML 3-Month Tbills	3.00%	3.18%	3.17%
	Bloomberg US Govt			
US Long Bonds	Long	10.00%	5.52%	4.73%
	Bloomberg US Govt 1-3			
US Short Bonds	Yr	5.00%	3.54%	3.52%
	Bloomberg US Govt			
US Interm Bonds	Interm	5.00%	3.93%	3.87%
US Inflation-Indexed Bonds	Bloomberg US Treasury			
	US TIPS	4.00%	4.36%	4.23%
	Bloomberg US Strips			
US Long STRIPS	20+ Yr	15.00%	7.87%	4.93%
US High Yield Bonds	ICE BofA US High Yield	5.00%	6.29%	5.82%
Global Bonds	FTSE WGBI USD	8.00%	3.54%	3.24%
US Large Caps	S&P 500	10.00%	7.79%	6.27%
US Mid Caps	Russell Mid Cap	8.00%	8.13%	6.13%
US Small Caps	Russell 2000	5.00%	8.85%	6.35%
Foreign Developed Equity	MSCI EAFE	12.00%	8.68%	6.93%
Emerging Markets Equity	MSCI EM	5.00%	10.81%	7.90%
	FTSE EPRA Nareit			
Global REITs	Developed	5.00%	8.89%	6.91%

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**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.

Phase 1 includes removal of the Main Plant Process Building, Vitrification Facility, and ancillary structures, the source area of the North Plateau Groundwater Plume, and five contaminated water treatment lagoons. Phase 1 is further bifurcated into Phase 1A and Phase 1B. Phase 1A, which concluded in June 2025, achieved the removal of contaminated buildings to the ground surface. Phase 1B will include the removal of the below-grade portions of the Main Plant Process Building, the adjacent water treatment lagoons, and a significant volume of contaminated soil beneath the Main Plant Process Building. Removing this contaminated soil will also remove the source area of the North Plateau groundwater plume. Current estimates predict that Phase 1B will conclude in the 2040 timeframe. 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. New York's share of the remaining WVDP Phase 1 activities, based on the information available today, is estimated at approximately \$707.7 million. Including the state's annual SDA cost and other contracts that support current and future activities at the WNYNSC, New York State's total Phase 1 liability that can be reasonably estimated is approximately \$752.9 million as of 3/31/2026.

Phase 2 decommissioning will address the two radioactive waste disposal facilities (the SDA and NDA), HLW Tanks, groundwater plume, and residual soil and sediment contamination. The cleanup levels, remedial approaches, etc., for the Phase 2 decommissioning work is presently the subject of an environmental impact analysis that will likely be finalized by the year 2028.

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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. DOE and NYSERDA are producing a probabilistic performance assessment (PPA) and a supplemental environmental impact statement (SEIS) that evaluate impacts from various approaches to complete Phase 2 decommissioning. Phase 2 cost estimates are not reasonably estimable at this time. The Phase 2 decommissioning costs will become estimable 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, 2026 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, 2026, 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, 2026, the principal totaled \$1.1 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, 2026, NYSERDA has aggregate outstanding contractual obligations in excess of cash and investments of governmental activities/funds totaling \$45.0 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, State appropriations, Bond Act funding, Memorandums of Understanding, Third-party agreements, and from federal energy grants.

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**Notes to Basic Financial Statements  
March 31, 2026**

- (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 U.S. 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 \$14B in total); however, in April 2025, a District of Columbia federal district court stayed this termination as unlawful and unfroze all recipient funds at Citibank NA. This ruling, however, was immediately appealed and contemporaneously stayed by the District of Columbia Circuit Court of Appeals, who later ruled that, as a federal contract case, the district court lacked jurisdiction to hear the grantees' case—finding federal contracts cases should be heard in the U.S. federal Court of Claims. This ruling was immediately appealed by the grantees and a subsequent District of Columbia Court of Appeals en banc review granted and the previous decision stayed pending the en banc ruling. En banc oral arguments were heard in early 2026 with a ruling expected later in the year. As such, all undistributed NCIF funds, at NYGB 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 June 2027, 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)*

<u>Transfers From</u>	<u>CEF</u>	<u>NY-Sun</u>	<u>CES</u>	<u>GJGNY</u>	<u>Total</u>
RGGI	\$19,773	-	-	49,500	69,273
Other Funds	<u>21,618</u>	<u>16,981</u>	<u>978</u>	-	<u>39,577</u>
Total Governmental Funds	<u>\$41,391</u>	<u>16,981</u>	<u>978</u>	<u>49,500</u>	<u>108,850</u>

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**Required Supplementary Information (Unaudited)  
March 31, 2026**

**Schedule of NYSERDA's Contributions to the System Pension Plan**

*(Amounts in thousands)*

Fiscal year ended March 31,	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$7,030	\$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	<u>\$7,030</u>	<u>\$5,715</u>	<u>\$4,315</u>	<u>\$3,484</u>	<u>\$4,445</u>	<u>\$3,941</u>	<u>\$3,844</u>	<u>\$3,808</u>	<u>\$3,805</u>	<u>\$3,866</u>
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered payroll	\$47,285	\$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	14.87%	13.05%	11.2%	10.4%	14.4%	14.0%	13.8%	13.9%	14.6%	15.0%

See accompanying independent auditors' report

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

Fiscal year ended March 31, (Measurement date March 31,)	<i>(Amounts in thousands)</i>									
	<u>2026</u> 2025	<u>2025</u> 2024	<u>2024</u> 2023	<u>2023</u> 2022	<u>2022</u> 2021	<u>2021</u> 2020	<u>2020</u> 2019	<u>2019</u> 2018	<u>2018</u> 2017	<u>2017</u> 2016
Proportion of the net pension liability (asset)	0.13%	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)	\$22,188	\$17,372	\$24,262	(\$8,775)	\$101	\$28,184	\$7,599	\$3,367	\$10,279	\$17,556
Covered- payroll	\$43,796	\$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	50.7%	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	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.7%	90.7%

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**Required Supplementary Information (Unaudited)  
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**Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios**

*(Amounts in thousands)*

Fiscal year ended March 31,

Employer Reporting:	<i>n/a</i>	<b>2026</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Plan Reporting:	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB liability</b>									
Total OPEB liability- beginning <i>(Measurement date March 31,)</i>	\$79,446 <i>2025</i>	\$75,200 <i>2024</i>	\$65,431 <i>2023</i>	\$60,700 <i>2022</i>	\$55,709 <i>2021</i>	\$51,363 <i>2020</i>	\$56,953 <i>2019</i>	\$52,709 <i>2018</i>	\$49,081 <i>2017</i>
<b>Changes for the year:</b>									
Service Cost	4,200	3,437	2,985	2,646	2,549	2,148	2,154	2,031	1,887
Interest	5,344	5,030	4,373	3,738	3,440	3,291	3,791	3,512	3,260
Effect of economic/demographic gains or losses	3,816	(139)	(1,370)	113	1,487	(32)	(8,075)	350	(233)
Effect of assumptions changes or inputs	1,836	(1,526)	(380)	331	(616)	677	(1,878)	(210)	-
Benefit payments	<u>(2,907)</u>	<u>(2,556)</u>	<u>(2,319)</u>	<u>(2,097)</u>	<u>(1,869)</u>	<u>(1,738)</u>	<u>(1,582)</u>	<u>(1,439)</u>	<u>(1,286)</u>
Total OPEB liability- ending (a) <i>(Measurement date March 31,)</i>	<u>\$91,735</u> <i>2026</i>	<u>\$79,446</u> <i>2025</i>	<u>\$68,720</u> <i>2024</i>	<u>\$65,431</u> <i>2023</i>	<u>\$60,700</u> <i>2022</i>	<u>\$55,709</u> <i>2021</i>	<u>\$51,363</u> <i>2020</i>	<u>\$56,953</u> <i>2019</i>	<u>\$52,709</u> <i>2018</i>
<b>Plan fiduciary net position</b>									
Plan fiduciary net position- beginning <i>(Measurement date March 31,)</i>	\$75,453 <i>2025</i>	\$71,034 <i>2024</i>	\$66,506 <i>2023</i>	\$69,450 <i>2022</i>	\$69,678 <i>2021</i>	\$50,367 <i>2020</i>	\$52,971 <i>2019</i>	\$48,767 <i>2018</i>	\$43,176 <i>2017</i>
<b>Changes for the year:</b>									
Benefit payments	(2,907)	(2,556)	(2,319)	(2,097)	(1,869)	(1,738)	(1,582)	(1,439)	(1,286)
Employer contributions	3,437	2,985	2,646	2,549	2,148	3,045	2,608	4,963	3,013
Net investment income	8,632	4,011	4,221	(3,378)	(490)	18,021	(3,612)	727	3,879
Administrative expenses	<u>(22)</u>	<u>(21)</u>	<u>(20)</u>	<u>(18)</u>	<u>(17)</u>	<u>(17)</u>	<u>(18)</u>	<u>(47)</u>	<u>(15)</u>
Plan fiduciary net position- ending (b) <i>(Measurement date March 31,)</i>	<u>\$84,593</u> <i>2026</i>	<u>\$75,453</u> <i>2025</i>	<u>\$71,034</u> <i>2024</i>	<u>\$66,506</u> <i>2023</i>	<u>\$69,450</u> <i>2022</i>	<u>\$69,678</u> <i>2021</i>	<u>\$50,367</u> <i>2020</i>	<u>\$52,971</u> <i>2019</i>	<u>\$48,767</u> <i>2018</i>
<b>Net OPEB liability (asset)</b>									
Net OPEB liability (asset)- beginning	\$3,993	\$4,166	(\$1,075)	(\$8,750)	(\$13,969)	\$996	\$3,982	\$3,942	\$5,905
Net OPEB liability (asset)- ending (a) – (b)	\$7,142	\$3,993	(\$2,314)	(\$1,075)	(\$8,750)	(\$13,969)	\$996	\$3,982	\$3,942
Fiduciary net position as a % of total OPEB liability	92.21%	94.97%	103.37%	101.64%	114.42%	125.07%	98.06%	93.01%	92.52%

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Covered payroll	\$73,447	\$65,449	\$57,202	\$50,505	\$44,809	\$38,962	\$39,320	\$37,638	\$35,757
Net OPEB liability (asset) as a % of covered payroll	9.72%	6.10%	(4.05%)	(2.13%)	(19.53%)	(35.85%)	2.53%	10.58%	11.02%

*Notes to schedule:*

- (1) "n/a" indicates the ending Net OPEB liability (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.

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

See accompanying independent auditors' report

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

	<i>(Amounts in thousands)</i>								
Fiscal year ended March 31,	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	
Actuarially determined contribution	\$3,437	\$2,985	\$2,646	\$2,549	\$2,148	\$3,045	\$2,608	\$2,071	
Actual employer contribution	<u>3,437</u>	<u>2,985</u>	<u>2,646</u>	<u>2,549</u>	<u>2,148</u>	<u>3,045</u>	<u>2,608</u>	<u>4,963</u>	
Contribution deficiency (excess)	<u>(\$-)</u>	<u>(\$-)</u>	<u>(\$-)</u>	<u>(\$-)</u>	<u>(\$-)</u>	<u>(\$-)</u>	<u>(\$-)</u>	<u>(\$2,892)</u>	
Covered payroll	\$73,447	\$65,449	\$57,202	\$50,505	\$44,809	\$38,962	\$39,320	\$37,638	
Contribution as a % of covered payroll	4.68%	4.56%	4.63%	5.08%	4.79%	7.82%	6.63%	13.19%	

*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 <u>March 31,</u>	Net annual money-weighted <u>rate of return</u>
2026	11.39%
2025	5.63%
2024	6.33%
2023	(4.84%)
2022	(0.70%)
2021	35.36%
2020	(6.76%)
2019	1.45%
2018	8.84%

*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, 2026, 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 24, 2026.

**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*.



### **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 24, 2026