

DRAFT

New York State Energy Research and Development Authority

Fiscal Year 2026 Budget and Financial Plan

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CERTIFICATION

I hereby certify that, to the best of my knowledge and belief after reasonable inquiry, the budget information contained herein for the fiscal year ending March 31, 2026, has been developed based on reasonable assumptions and methods of estimation.

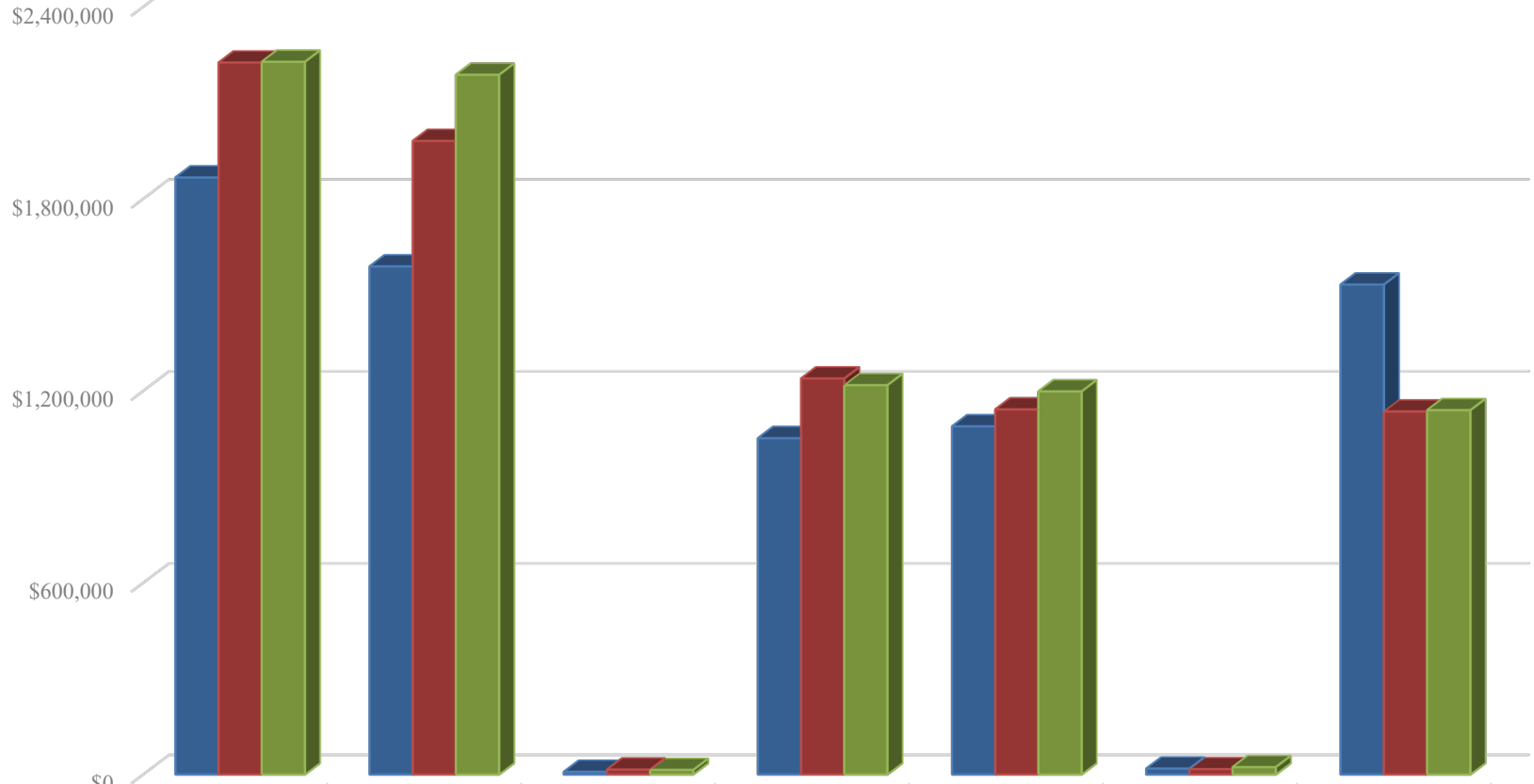
Doreen M. Harris
President and Chief Executive Officer

Pamela C. Poisson
Chief Financial Officer

Budget FY 2026

(Amounts in Thousands)

Budget at a Glance



| | Revenues | Expenditures | Net Investment in Capital Assets | Restricted Net Position | NY Green Bank Capitalization | Unrestricted Net Position | Cash Balances |
|------------------|-------------|--------------|----------------------------------|-------------------------|------------------------------|---------------------------|---------------|
| ■ FY 2024 Actual | \$1,866,921 | \$1,589,008 | \$8,280 | \$1,052,429 | \$1,089,414 | \$18,471 | \$1,532,428 |
| ■ FY 2025 Budget | \$2,225,906 | \$1,981,049 | \$15,342 | \$1,238,970 | \$1,142,434 | \$16,706 | \$1,135,760 |
| ■ FY 2026 Budget | \$2,228,313 | \$2,187,722 | \$14,332 | \$1,218,088 | \$1,198,531 | \$23,092 | \$1,139,864 |

INTRODUCTION

Created in 1975, the New York State Energy Research and Development Authority (NYSERDA) works to promote energy efficiency, clean energy, and emissions reduction. Governed by a 13-member Board, NYSEDA seeks to be a trusted source for objective information, technical expertise, policy development, and impactful programs. Our work is evolving, dynamically adapting to improve the lives of New Yorkers as conditions change. As we foster clean energy and innovative technologies, we're also working to advance equity and inclusivity, jobs and economic development, public health, and community resilience in all we do.

NYSERDA remains on the front lines of the energy transition, readying New York for the realities of climate change and increasing energy demand. We play an integral role implementing the Climate Leadership and Community Protection Act and the Climate Action Council's Scoping Plan. We're also charting a course for the future through work to develop the NYS Energy Plan, in so doing regaining momentum on renewable energy additions while exploring promising new options to diversify clean power sources to meet rising demand.

In each facet of our work, NYSEDA seeks to maximize our impact in the marketplace as we develop policies and deliver programs, working to catalyze increased engagement and reduce costs through scale, and coordinating with others to work efficiently toward shared goals.

As we translate our goals into plans and budget, we do so conservatively and prudently in the public interest. The Budget for the fiscal year ending March 31, 2026 (FY 2026), and the Financial Plan for FY's 2027 to 2029 were prepared in accordance with accounting principles generally accepted in the United States of America, using rigorous budgeting approaches that build on sound fiscal policy and best practice.

PROGRAM SUMMARY

NYSERDA aims to catalyze New York's clean energy future through objective planning, innovative solutions, and impactful investments. In fulfilling its mission, NYSEDA maintains a dual focus: energy system improvements that advance public health, resilient communities, and a cleaner environment, and ensuring the safety and security of the State's energy supply.

NYSERDA programs take an end-to-end view of energy, fostering positive transformation across various sectors. Our mission outcomes focus especially on:

- Greenhouse Gas Emissions Reduction, supported through:
 - Clean Electricity
 - Clean and Efficient Buildings
 - Clean Transportation
- Clean Energy Jobs and Economy
- Sustainable and Climate-Resilient Communities

Our funding for this work comes from a combination of sources including Orders issued by the Public Service Commission, the Regional Greenhouse Gas Initiative (RGGI), Federal Grants, and a small share of NYS budget appropriations. The alignment of intended outcomes to funding sources is as follows:

| Mission Outcome | Primary Current Funding |
|--|--|
| Clean Electricity | Clean Energy Standard NY-Sun Storage Roadmap / Federal Grants |
| Clean and Efficient Buildings | PSC Order: Clean Energy Fund: Market Development / Federal Grants |
| Clean Transportation | NYS Bond Act / Regional Greenhouse Gas Initiative / Federal Grants |
| Clean Energy Jobs and Economy | PSC Order: Clean Energy Fund: Innovation and Research, and NY Green Bank |
| Sustainable and Climate-Resilient Communities | Regional Greenhouse Gas Initiative |
| Energy Policy & Planning / Overall Emissions Reduction | 18-a and State Appropriations / Federal Grants |

Following is a summary of the major functions/activities included in the Budget and their respective funding sources, grouped according to mission outcome:

CLEAN ELECTRICITY

1. Clean Energy Standard (CES)

As part of a strategy to reduce statewide greenhouse gas emissions by 40% by 2030, the Clean Energy Standard was established pursuant to an August 2016 and subsequent Orders, that adopted a State Energy Plan goal for 50% of New York’s electricity to be generated by renewable sources by 2030. This was subsequently updated to an expanded target of 70% via an October 2020 PSC Order adopting modifications to the CES to implement New York’s CLCPA. Actions supporting this goal are in two categories: a Zero-Emissions Credit (ZEC) requirement and a Renewable Energy Standard (RES).

The ZEC requirement obligates NYSEERDA to provide payments to certain nuclear generation facilities for the production of zero-emissions attributes from such facilities. The payments are funded by monthly installments collected from Load Serving Entities (LSEs) for their proportionate share of such attributes to serve their retail customers, as evidenced by the procurement of the qualifying zero emission credits. This requirement helps preserve clean energy generation from existing sources, as the State works concurrently to develop new sources.

The RES, as a complement, spurs new development of clean, renewable energy in NYS. The RES directs NYSEERDA to procure renewable energy credits, from renewable energy generation from qualifying facilities, through competitively selected long-term contracts. These credits are then offered for periodic sale to LSEs, to help them meet their obligations to serve retail customers through the procurement of a minimum percentage of qualifying renewable energy credits.

In support of clean energy goals, the PSC-approved CES Orders enable programs that secure renewable energy via competitive bid processes through the current active programs:

- “Tier 1” solicitations for new land-based renewable energy development;
- A “Tier 4” program to increase penetration of renewable energy to meet growing electricity demand in New York City;
- Offshore Wind solicitations working toward a target of 9,000 megawatts of offshore

- wind energy d by 2035;
- A “Build Ready” program to facilitate the competitive development of renewable generation at existing or abandoned commercial sites, brownfields, landfills, former industrial sites, and other abandoned or underutilized sites.

The Clean Energy Standard has played a key role catalyzing new business development in NYS, with corresponding jobs and local investment. A prime example was the State’s commitment to the development of business infrastructure supporting the development of offshore wind. Pursuant to the FY 2022 and FY 2023 enacted State Budgets, New York State has committed to investing a total of \$700 million in offshore wind port infrastructure and/or related offshore wind supply chain development, to leverage and strengthen private investment and maximize long-term economic benefits to the State.

Anticipated expenditures and offsetting revenues for all aspects of the CES and related state appropriations are included in the Budget and Financial Plan. Given significant economic and federal policy uncertainty that may particularly affect this segment of NYSERDA’s programs, it is possible some of these expenditures could be deferred to a future time period.

2. NY-Sun

The NY-Sun program is designed to develop a sustainable and ultimately subsidy-free solar electric industry through a megawatt block approach. Whereas the CES focuses mainly on large-scale renewables, NY-Sun is geared to making residential, retail, and community solar more accessible and affordable. Pursuant to a 2012 Order and subsequent Orders, including the PSC’s 2016 Clean Energy Fund (CEF) Order, NYS established an incremental collection schedule by utilities supplemented by reallocation of NYSERDA clean energy uncommitted funds, to support program activities to advance New York’s solar industry. Given the State’s significant progress in this area, the original targets have been expanded over time, first in May 2020 to increase the NY-Sun target to 6 GW by 2025, with an additional \$573 million approved, and again in April 2022, increasing the NY-Sun Program target to 10 GW of distributed solar generation installed projects by 2030, with a funding level of approximately \$1.474 billion.

3. Energy Storage

The Energy Storage programs are designed to intended to spur the development of storage projects in New York through competitive solicitations. Initiated in the PSC 2018 Energy Storage Order to attain 3 gigawatts (GW) of energy storage capacity, this was expanded in 2022 to a larger goal of 6 GW by 2030. In response to the expanded 6 GW energy storage target, NYSERDA filed “New York’s 6 GW Energy Storage Roadmap: Policy Options for Continued Growth in Energy Storage” in December of 2022. In June 2024 the PSC approved \$815 million in funding for the continued expansion of the retail and residential energy storage programs to meet the CLCPA goals, and approved reallocation of certain carry-over funds to allow initial development of a bulk (larger scale) storage program. This investment to develop more NYS energy storage is expected to play a key role in keeping our energy supply resilient.

CLEAN AND EFFICIENT BUILDINGS

Energy efficiency and electrification play a dominant role in putting New York State buildings on a course to decarbonization while creating better, more comfortable places to live, work, and play, and driving economic opportunity by growing clean energy jobs and businesses. Investments in building energy efficiency and designing for flexible building energy loads can also reduce the amount of electric grid investments needed for a reliable and resilient grid. In the past decade, this work has been funded primarily through the Clean Energy Fund (CEF) coupled with synergistic application of a portion of RGGI proceeds. More recently, the NYS Environmental Bond Act and the recently awarded HER and HEAR federal grants are providing additional support. With the CEF due to conclude at the end of calendar year 2025, the PSC is currently considering NYSERDA's Energy Efficiency/Building Decarbonization petition for continuation of this work through 2030, which NYSERDA submitted in response to the PSC's call for proposals on this topic.

Clean Energy Fund (CEF)

Pursuant to a January 2016 Order (CEF Order) and subsequent Orders, the PSC authorized a ten-year commitment through 2025 of approximately \$5.3 billion to clean energy programs through a CEF. The CEF was 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. Building on this, the Climate Leadership and Community Protection Act (Climate Act) passed by NYS in 2019 calls for the state to invest or direct resources to ensure that disadvantaged communities receive at least 35 percent, with the goal of 40 percent, of overall benefits of spending on clean energy and energy efficiency programs, as well as projects or investments in housing, workforce development, pollution reduction, low-income energy assistance, energy, transportation, and economic development.

The original CEF Order ten-year funding authorized \$3.43 billion for two main types of activities: Market Development, which focused primarily on clean and efficient buildings, and Innovation & Research activities.¹

Market Development

The CEF Market Development activities are designed to reduce costs, accelerate customer demand, and increase private investment for energy efficiency and other behind-the-meter clean energy solutions. The Market Development program provides critical support to improve NYS' built environment, fostering energy affordability through efficiency measures and reducing harmful emissions to support public health. Strategies include financial support, technical knowledge, data-sharing, education to customers and service providers, and advanced workforce training. NYSERDA is working to commit all remaining funds available for the Market Development portion of the CEF by 12/31/25.

An anticipated PSC Order on Energy Efficiency and Building Electrification will frame the next major phase of work to advance clean and resilient buildings. On July 20, 2023, the PSC issued its Order Directing Energy Efficiency and Building Electrification Proposals in relation to the concurrent New Efficiency: New York and Clean Energy Fund Interim Reviews. This directed

1. *The CEF Order also set aside \$781.5 million to establish a NY Green Bank, and \$960.6 million for the NY-Sun program to catalyze solar energy growth, both discussed separately in this document. It also provided \$150 million for the Renewable Portfolio Standard Program for a 2016 "Main Tier" solicitation for renewable energy procurement; such efforts have since been rolled under the Clean Energy Standard program discussed below. Total funding for the CEF and its respective portfolios remains at \$7.64 billion.*

NYSERDA and the NYS utilities to submit budget-bounded energy efficiency and building electrification (“EE/BE”) portfolio proposals for 2026 through 2030. Work under this order is expected to commence in 2026, and related expenditures and corresponding revenues have been reflected in this Budget and Financial Plan based on our best estimates of scope and timing.

CLEAN TRANSPORTATION

Reducing GHG emissions from the transportation sector - responsible for nearly 30% of the State’s total GHG emissions - is essential to meeting the State’s Climate Act emission limits. Transportation has also historically been a major source of local air pollution, especially in overburdened communities. Shifting to electric and hydrogen fuel-cell technology in the sector will improve air quality and health outcomes for all New Yorkers. NYS has set ambitious goals for the adoption of ZEVs. To meet these goals, NYSERDA is accelerating adoption through a mix of incentives, research, engagement, and market development activities designed to remove barriers to EV adoption. Funding for this work comes from a combination of sources, notably \$500M for zero-emission school buses from the NYS Environmental Bond Act, approximately \$278 million over the financial planning window from Regional Greenhouse Gas Initiative, and approximately \$64 million from federal grants during that same window.

CLEAN ENERGY JOBS AND ECONOMY

1. Innovation & Research

The Clean Energy Fund included a substantive scope of work and related funding for Innovation & Research activities designed to invest in promising emerging technologies to help 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. As the CEF is due to conclude at the end of calendar year 2025, the PSC is currently considering NYSERDA’s Innovation & Research petition for continuation of this work through 2030, which NYSERDA submitted in response to the PSC’s call for proposals on this topic. Work under this order is expected to commence in 2026, and related expenditures and corresponding revenues have been reflected in this Budget and Financial Plan based on our best estimates of scope and timing.

2. NY Green Bank

The NY Green Bank (NYGB) provides cross-cutting support for all sectors, and in so doing reduces the cost of capital and encourages new jobs and economic development. Key elements of NYGB’s mission are collaborating with private sector participants, implementing structures that overcome barriers and address gaps in current clean energy financing markets, and transforming those markets by enabling greater scale, new and expanded asset classes, and liquidity. In addition to market rate lending, NYGB plays an important role demonstrating the attractiveness and viability of investments in projects benefiting the State’s Disadvantaged Communities. The \$250 million [Community Decarbonization Fund](#) (CDF) was launched in 2023 to provide low-cost capital for local sustainable infrastructure projects including building electrification, energy efficiency, clean energy generation, and resiliency. NYGB’s initial capitalization was established from \$315.6 million in uncommitted utility surcharge assessment funds and RGGI allowance auction revenues. The CEF Order and a subsequent Order authorized incremental collections for a further \$631.5 million. NYGB became fully capitalized in April 2021 and is now financially self-sustaining.

SUSTAINABLE AND CLIMATE RESILIENT COMMUNITIES

New York State’s power system is evolving from more vulnerable, centralized power generation toward an increasingly balanced, diversified, and digitalized network with advancements in flexible, responsive resources underway. The State must also ensure its infrastructure is designed

for our new climate reality, including changing flood zones, sea level rise, storm surges, high windspeeds, severe hail, and extreme temperatures. In this work, NYSERDA also remains focused on approaches that center on the lived experiences and priorities of frontline communities. NYSERDA is addressing the climate crisis, energy injustice, and the legacy of environmental racism by engaging with frontline communities, bringing their voices to the table, and ensuring equity in processes and outcomes for those disproportionately burdened by the current energy system. Over time, this work has been supported mainly through a combination of the CEF and, increasingly, through RGGI proceeds.

Regional Greenhouse Gas Initiative (RGGI)

The Regional Greenhouse Gas Initiative, or RGGI, is an agreement among twelve Northeastern and Mid-Atlantic States to reduce greenhouse gas emissions from power plants. The 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. Through the RGGI regional cap-and-trade program 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 and utilize the resulting proceeds for energy efficiency, renewable energy, and/or innovative carbon abatement programs, including reasonable costs to administer such programs. Projected auction proceeds are modeled conservatively, allocated to various NYSERDA programs in consultation with a stakeholder advisory group, and then documented in the RGGI Operating Plan approved by NYSERDA's Board.

ENERGY POLICY & PLANNING / OVERALL EMISSIONS REDUCTION

Policy and Analysis

Through this suite of programs, NYSERDA provides objective and credible analyses of energy issues to various stakeholders as well as policy recommendations designed to support NYS' stated energy goals. The program also includes activities for energy-related emergency planning and response, and development of the State's Energy Plan. NYSERDA is also responsible for coordination of nuclear material matters, including serving as the State liaison with the Nuclear Regulatory Commission, and for managing certain state fuel reserves. These activities are primarily funded through an assessment authorized under Section 18-a of the Public Service Law and a federal State Energy Program (SEP) grant.

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 liquid radioactive waste as a by-product of its reprocessing operations, much of it stored at the site. In 1980, Congress enacted the West Valley Demonstration Project Act (West Valley Act), pursuant to which the U.S. Department of Energy (DOE) is carrying out a demonstration project to: (1) solidify the liquid high-level radioactive waste on site; (2) transport the solidified waste to a permanent federal repository; and (3) decontaminate and decommission the reprocessing plant and the related facilities, materials, and hardware. NYSERDA and the federal government share expenses incurred for this program.

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. Pursuant to the State Low-Level Radioactive Waste (LLRW) Management Act of 1986, NYSERDA is also responsible for collecting information and providing regular reports to the Governor and Legislature on LLRW generation in the State.

The LLRW activities are funded with a State appropriation sub-allocated from an appropriation provided to the NYS Department of Health, which is funded through an assessment collected on operating nuclear power plant licensees.

BUDGETARY ASSUMPTIONS

Listed below are the principal budget assumptions used in developing the Budget and Financial Plan. To the extent conditions change, any material impacts to our projections will be incorporated into a revised mid-year budget for Board consideration.

- Collection of funding pursuant to PSC Orders occurs through the “Bill-As-You-Go” (BAYG) approach effective January 1, 2016, as per the CEF Order and other subsequent Orders. Under this approach, funds are collected from ratepayers by NYS electric and gas utilities as per collection schedules documented in the respective Orders. These collections are held by utilities and used to reimburse NYSERDA for applicable program expenses. The BAYG approach also allows NYSERDA to maintain a sufficient cash balance to cover projected expenses for the subsequent two-month period, up to the limit of utilities’ unremitted collection balances approved in the PSC Orders. For budgeting purposes, revenue from “utility surcharge assessments” is based on anticipated program expenditures, prior fiscal year projected cash balances, and the resulting collections projected to be required to maintain two months working capital pursuant to this approach.
- CES Tier-1 Index REC Structure. A January 16, 2020 PSC Order modifying the Tier-1 Renewable Procurements directed NYSERDA to include additional options for bidders to offer an Index REC price starting with the 2020 solicitation. In an October 15, 2020 Order, the PSC also authorized NYSERDA to offer existing Tier-1 renewable energy projects in development and not yet operational a voluntary conversion to the Index REC structure. NYSERDA’s analysis indicates this shift is likely to result in cost benefits to ratepayers including REC pricing benefits in comparison to Fixed-Price REC contracts, and provide other ancillary benefits such as reduced financing costs and a reduction in energy bill volatility. For budgeting purposes staff formulate low case to high case price forecasts, from which a mid-range base case scenario is used to project Tier-1 REC costs and revenues. The related assumptions and methodology are reviewed by an independent consulting firm for added assurance.
- Consistent with recent past practice, allowance auction proceeds for the Regional Greenhouse Gas Initiative (RGGI) are based on an indicative price derived from the average of the prices realized in the 10 auctions up to and including the September 2024 auction, applied to the number of allowances projected to be allocated to NYS in the coming fiscal year.
- West Valley’s State appropriation revenue for FY 2026 through FY 2029 is based primarily on the State’s 10% share of West Valley Demonstration Project costs and the State’s share under the Consent Decree. These estimates assume future U.S. Department of Energy

(DOE) annual funding of approximately \$96.7 million for FY 2026 through FY 2029, for its share of project costs.

- Interest income is calculated based on forecasted average investment balances by fund, with budgeted rates of return ranging from approximately 4.0% to 4.5%, based on the estimated cash balances, the outlook for overall market rates, risk profiles associated with the various funds, and the permitted investment types, which consist of cash equivalent and short-term fixed income instruments authorized by the Department of Taxation & Finance, Division of Treasury acting as the Fiscal Agent to NYSERDA.
- Lending Activities:
 - NYGB loan interest and fees are based on estimates of committed and deployed capital. NYGB financial solutions are set to align with prevailing market conditions and standards, grounded in an analysis of comparable transactions when available, and supplemented by the experience and professional judgement of the NY Green Bank team. In October 2024, NYGB submitted its Petition Regarding the Performance of NY Green Bank and Authorization for Modifications to the PSC. This petition reaffirmed most of NYGB’s existing work scope and practices, while proposing to increase the target for investing in projects that benefit DACs from 35% to 40% of NYGB capital, and articulating several sector-specific targets. These proposals are not expected to impact next fiscal year’s NYGB budget. If approved, we will reassess longer-term impacts and integrate those into future year budgets.
 - Through the Green Jobs Green NY program NYSERDA offers energy assessments and low-cost loans for energy efficiency and clean energy building improvements. GJGNY budgeted loan interest income assumes additional loans to be issued during FY 2026 of up to \$72.0 million based on current loan origination volume. Debt service amounts reflect scheduled principal and interest expense payments based on each series’ outstanding principal balance and rate of interest.
- Federal Funding as reflected in the budget is based on anticipated reimbursable expenditures of awarded formula and competitive based grants such as those under the Inflation Reduction Act (IRA) and the Infrastructure Investment and Jobs Act (IIJA). As with any change in federal administration there is some uncertainty as to the particulars of energy policy and tax legislation, so we are planning proactively for various scenarios. While we do not foresee immediate impacts to funding streams, we are closely monitoring developments and stand ready to adjust if needed.
- New York State Bond Act: On November 8, 2022, the \$4.2 billion Clean Water, Clean Air and Green Jobs Environmental Bond Act was passed, and is supporting various environmental capital improvements throughout New York State. NYSERDA is directly administering \$100 million of the Green Buildings funding for Clean Green Schools and \$400 million for Zero Emissions School Bus funding. Anticipated expenditures and offsetting State Appropriation revenues are included in the budget and financial plan.
- As noted above, NYSERDA has filed petitions with the PSC for the Building Electrification/Energy Efficiency (BE/EE) programs and the Innovation programs for 2026-2030 in response to the July 2023 Public Service Commission Order. If approved,

funding will become available in FY 2026. The budget and financial plan incorporate work scope and funding for these initiatives as reflected in the petitions. With the start of the new order period not until 1/1/26 there is limited impact on upcoming fiscal year budgeted expenditures.

- New York Cap and Invest (NYCI) is a program scheduled to launch in 2025 that, as designed, will enact an economy-wide emissions limit for the State that will gradually decrease over time. Governor Hochul directed DEC and NYSERDA to begin NYCI program design and implementation, according to principles of affordability, climate leadership, job-creation and preserving competitiveness, investing in DACs, and funding a sustainable future. NYSERDA's role in delivering the program will include auctioning allowances and recommending plans to invest proceeds to support New York's clean energy transition. Certain aspects of approach and timing are still evolving. The budget and financial plan do not yet reflect additional program funding from NYCI, but they do include estimates of the core resources needed to administer the auction process. Staff will monitor this initiative closely and, as applicable, present a revised mid-year budget.
- Section 18-a of Public Service Law. The budget and financial plan assume flat funding relative to last fiscal year. We have submitted a proposal for consideration for updated funding levels to keep pace with inflation and increased work scope and if approved will revise the budget accordingly.
- NYS Appropriations. The budget and financial plan assume no new funding through state appropriations, nor do they assume a renewal of the EmPower+ program \$200M allocation awarded in 2022. We have submitted proposals for consideration to support increased clean energy diversification and reduce costs to NYS state residents, and if approved will revise the budget accordingly.

Capital Assets

- Saratoga Technology + Energy Park (STEP): In 2017, management determined that land development, leasing, and maintenance of STEP was outside of NYSERDA's core mission and as a result a 2017 resolution to dispose of STEP was approved by the Board. After some long-term planning, in the fall of 2021 NYSERDA had placed the STEP facility on the market for disposition. The Board resolution provided that the net proceeds from the sale or sales of real and personal property located at Saratoga Technology + Energy Park shall be redirected to mission-aligned Authority programs and initiatives and that such redirection of net proceeds furthers the public interest in safe, reliable and economical energy supplies. The timing of any sale is unknown and as a result no assumptions for disposition have been incorporated in the budget.

NYSERDA is in the process of updating and potentially consolidating its office spaces as a result of recent office space analysis and strategy development. We've identified opportunities to right-size to ensure our workspace is sufficient for our projected team size, reflects good value in each dollar invested, and is tracking to Executive Order 22 compliance. With this in mind, and after consultation with NYSERDA's Board, we have placed our headquarters building at 17 Columbia Circle in Albany on the market for disposition to gauge market interest while keeping a pulse on other office options. We do not anticipate culminating the sale until FY 2027 so no sales proceeds have been included in the budget for next fiscal year. NYSERDA has also recently committed to consolidating

its NYC offices into one new location. Projected capital costs associated with this transition are included in the capital budget for next year.

- Salary and benefits: Given the ambitious agenda with which we are charged, we have carefully assessed our projected work scope and identified the human capital needed to successfully advance the goals established by the CLCPA and Scoping Plan. Based on that assessment, and given recent Public Service Commission Orders and petitions before the PSC, anticipated Federal grants, the approved RGGI operating plan, and other approved work scope and funding, this budget reflects an assumed average employee headcount of approximately 523 FTE's. The compensation budget reflects anticipated salary and fringe expenses for current staff and funded vacant positions, as follows:
 - Salaries are benchmarked to the State Management/Confidential (M/C) employee salary grades. Salaries include an anticipated 3% cost-of-living-adjustment (COLA) to be effective April 1, 2025, pending authorization by the State. The salary budget also includes a placeholder for performance-based salary increases and payments comparable to those which may be authorized for state employees.
 - Fringe benefit costs are generally based on prior year actual costs as a percentage of salary costs. NYSERDA's actual annual pension expense is based on an actuarial calculation and is dependent upon multiple conditions and assumptions as of the last day of the applicable fiscal year. Given past volatility in the market, the budget is based on an average of the past ten years' pension expense. The OPEB (health care plan) expense under Governmental Accounting Standards Board Statement No. 75 is based on preliminary actuarial estimates calculated, but the final amount may differ once a final actuarial calculation is prepared.
- The NYS Cost Recovery Fee represents the fee paid to the State under Section 2975 of the Public Authorities Law (Governmental Cost Recovery System) for general governmental services. The Budget assumes that NYSERDA's assessment will be \$12.7 million, which is based on the prior year assessed value.
- The Budget includes no significant or non-recurring revenue-enhancement or cost-reduction initiatives which shift resources from one year to another.

BUDGETARY RISKS

The following is a summary of significant budgeting risks:

- Scope Changes. NYSERDA's budgeting process is subject to inherent risks regarding the ability to accurately forecast revenues and expenditures. Over the past several years, NYSERDA has assumed responsibility for administering certain new programs, and additional program responsibilities may be added during the coming fiscal year that have not been included in the Budget. NYSERDA's programs can be impacted by a number of factors including, but not limited to, general economic conditions, energy prices, energy reliability, energy technology advancements, and climate change impacts.
- Timing Changes. Program expenditures for most programs are funded with revenues which are generally received in advance of those expenditures. Under the

modified accrual basis of accounting, these funds are recorded as revenue when received, with any unexpended funds recorded as Restricted Net Position. Timing of program activity may result in either: (1) revenues exceeding expenses during the Budget period; or (2) expenditures funded in part, by unexpended revenues from prior fiscal periods.

- **Fluctuating RGGI Proceeds.** NYSERDA has developed a multi-year program planning approach for RGGI revenues, but variations in actual proceeds realized present challenges in long-term planning. Given that uncertainty, we take a conservative stance in projecting future auction proceeds. We have also pre-identified several priority initiatives that could be readily added for high positive program impact should auction proceeds trend higher than what our budget estimates reflect.

Federal Programs. While federal funding constitutes a relatively small share of NYSERDA's budget, changes in agreements through U.S. DOE and U.S. EPA could impact funding with resulting constraints on work scope. Federal grants recently awarded to NYSERDA in support of energy efficiency, electrification, solar energy, EV charging infrastructure, and clean energy investment programs are significant. NYSERDA has completed all activities required to finalize said grants and we are focused on putting the funds to work quickly and in accordance with the terms of the grants. We are closely monitoring commitments and cashflow to be ready to adjust should grant terms be amended at the federal level.

Expenditures for the West Valley program are based primarily on the amount anticipated to meet the State's share of costs for West Valley under the Cooperative Agreement and the Consent Decree, which are dependent upon funds provided in the federal budget to the U.S. Department of Energy (DOE). Although DOE and NYSERDA have reached agreement on the allocation of costs to be paid by each entity for remediating the West Valley site, the remedial action decisions for several significant facilities have not been finalized. In addition, DOE has taken the position that the State will be responsible for waste disposal fees when high level waste on-site reaches an ultimate repository destination, a figure to be calculated at the time of disposal pursuant to the Nuclear Waste Policy Act, 42 U.S.C. 10101 et seq. The agreement between the parties left this issue unresolved, as no national repository option will be in place for many years. Although NYSERDA has advanced, and will continue to advance, legal arguments as to why this responsibility is not one that rightfully falls on the State, additional State funding may be required once the issue is resolved.

- **Long-Range Obligations.** Pension costs and retirement health insurance costs are based on actuarial valuations, and such valuations could be impacted by a number of assumptions, general economic conditions, and future events which could lead to variances from estimated annual expenses.

NYSERDA
 Budget FY 2026
 (Amounts in thousands)

| | Budget FY 2026 | Budget FY 2025 * |
|---|---------------------------|-----------------------------|
| <u>Revenues:</u> | | |
| State appropriations | | |
| Offshore wind port development | \$ 148,429 | 85,594 |
| NYS Bond Act | 35,387 | 53,737 |
| EmPower | - | 100,000 |
| Other (Includes NYCI) | 26,950 | 30,050 |
| Total State Appropriations | 210,766 | 269,381 |
| Utility surcharge assessments | 767,545 | 755,225 |
| Renewable energy credit proceeds | 139,637 | 54,726 |
| Zero emission credit payments | 530,332 | 508,625 |
| Clean energy standard backstop charge | - | 24,972 |
| Allowance auction proceeds | 305,412 | 375,487 |
| Third party reimbursement | 47,969 | 54,952 |
| Federal grants | 82,655 | 46,973 |
| Interest subsidy | 118 | 164 |
| Project repayments | 396 | 325 |
| Rentals from leases | 1,238 | 1,215 |
| Fees and other income | 10,964 | 12,187 |
| Loan interest | 72,210 | 66,164 |
| Interest income | 59,071 | 55,510 |
| Total Revenues | 2,228,313 | 2,225,906 |
| <u>Expenses:</u> | | |
| Salaries and benefits | | |
| Salaries | 76,192 | 68,867 |
| Benefits | 25,518 | 25,344 |
| Salaries and benefits | 101,710 | 94,211 |
| Program expenditures | | |
| Clean Energy Fund | 426,544 | 367,921 |
| NY-Sun | 233,101 | 259,382 |
| Clean Energy Standard - Tiers 1,2,4,OREC | 102,524 | 68,785 |
| Clean Energy Standard - Tier 3 (ZEC) | 529,713 | 504,750 |
| Clean Energy Standard - Port Development | 147,500 | 85,000 |
| Regional Greenhouse Gas Initiative | 269,394 | 173,545 |
| Other | 321,306 | 378,188 |
| Program expenditures | 2,030,082 | 1,837,571 |
| Investment related expenses | 831 | 1,517 |
| Program operating costs | 6,774 | 5,350 |
| General & administrative expenses | 27,387 | 22,984 |
| Depreciation | 1,860 | 2,088 |
| NYS Assessments | 13,594 | 13,594 |
| Bond interest and fees | 5,484 | 3,734 |
| Total Expenses | 2,187,722 | 1,981,049 |
| Net (expense) revenue and change in net position | 40,591 | 244,858 |
| Net position beginning of year | 2,413,452 | 2,168,594 |
| <u>Net position end of year:</u> | | |
| Restricted for specific programs | 1,218,088 | 1,238,970 |
| NY Green Bank Capitalization | 1,198,531 | 1,142,434 |
| Net Investment in Capital Assets | 14,332 | 15,342 |
| Unrestricted | 23,092 | 16,706 |
| Total net position end of year | \$ 2,454,043 | 2,413,452 |

* The FY 2025 budget was revised and approved at an October 23, 2024 Board meeting. Beginning net position has been updated to reflect actuals; FY 2024 activity may vary from budgeted revenues and expenses as displayed.

See pages 16-18 for explanations of budget changes.

NYSERDA
 Budget FY 2026
 (Amounts in thousands)

| Functions/Programs | | | | | | | | | | |
|---|--|---------------------|----------------|-----------------------------|----------------|---------------------------------------|----------------|----------------|---------------------------|-------------------|
| | Market Development / Energy Efficiency and Building Electrification / Innovation & Research | NY Green Bank | NY-Sun | Clean Energy Standard | RGGI | Energy & Environmental Analysis | West Valley | Other | Budget FY 2026 | Budget FY 2025 |
| Net position, beginning of year | \$ 103,116 | 1,142,434 | 45,147 | 68,303 | 697,718 | 4,993 | 209 | 351,532 | 2,413,452 | 2,168,594 |
| <u>Revenues:</u> | | | | | | | | | | |
| State appropriations | - | - | - | 148,429 | 1,000 | 150 | 25,800 | 35,387 | 210,766 | 269,381 |
| Utility surcharge assessments | 397,715 | - | 232,071 | 10,284 | - | 18,610 | - | 108,865 | 767,545 | 755,225 |
| Renewable energy credit proceeds | - | - | - | 137,162 | - | - | - | 2,475 | 139,637 | 54,726 |
| Zero emission credit payments | - | - | - | 530,332 | - | - | - | - | 530,332 | 508,625 |
| Clean energy standard backstop charge | - | - | - | - | - | - | - | - | - | 24,972 |
| Allowance auction proceeds | - | - | - | - | 305,412 | - | - | - | 305,412 | 375,487 |
| Third party reimbursement | 18,000 | - | - | - | - | - | 2,465 | 27,504 | 47,969 | 54,952 |
| Federal grants | - | - | - | - | - | 3,012 | - | 79,643 | 82,655 | 46,973 |
| Interest subsidy | - | - | - | - | - | - | - | 118 | 118 | 164 |
| Project repayments | - | - | - | - | - | - | - | 396 | 396 | 325 |
| Rentals from leases | - | - | - | - | - | - | - | 1,238 | 1,238 | 1,215 |
| Fees and other income | - | 7,780 | - | 3,000 | - | - | - | 184 | 10,964 | 12,187 |
| Loan interest | - | 61,080 | - | - | - | - | - | 11,130 | 72,210 | 66,164 |
| Interest income | 2,965 | 7,100 | 1,439 | 8,008 | 29,957 | - | - | 9,602 | 59,071 | 55,510 |
| Total Revenues | 418,680 | 75,960 | 233,510 | 837,215 | 336,369 | 21,772 | 28,265 | 276,542 | 2,228,313 | 2,225,906 |
| <u>Expenses:</u> | | | | | | | | | | |
| Salaries and benefits | 26,635 | 12,733 | 3,115 | 14,374 | 16,938 | 10,525 | 2,717 | 14,673 | 101,710 | 94,211 |
| Program expenditures | 426,544 | - | 233,101 | 788,532 | 269,394 | 7,100 | 24,408 | 281,003 | 2,030,082 | 1,837,571 |
| Investment related expenses | - | 831 | - | - | - | - | - | - | 831 | 1,517 |
| Program operating costs | 530 | 2,634 | 252 | 680 | 420 | 1,011 | 149 | 1,098 | 6,774 | 5,350 |
| General & administrative expenses | 7,178 | 3,349 | 838 | 3,871 | 4,577 | 2,837 | 746 | 3,991 | 27,387 | 22,984 |
| Depreciation | 411 | 192 | 48 | 224 | 262 | 163 | 68 | 492 | 1,860 | 2,088 |
| NYS Assessments | 2,904 | 124 | 1,495 | 5,088 | 1,837 | 136 | 177 | 1,833 | 13,594 | 13,594 |
| Bond interest and fees | - | - | - | - | - | - | - | 5,484 | 5,484 | 3,734 |
| Total Expenses | 464,202 | 19,863 | 238,849 | 812,769 | 293,428 | 21,772 | 28,265 | 308,574 | 2,187,722 | 1,981,049 |
| Net sources / (uses) of net position other than transfers | (45,522) | 56,097 | (5,339) | 24,446 | 42,941 | - | - | (32,032) | 40,591 | 244,858 |
| Inter-program transfers | 19,773 | - | - | - | (70,273) | - | - | 50,500 | - | - |
| Net Investment in Capital Assets | - | - | - | (2) | - | - | (25) | 7,499 | 7,472 | 6,860 |
| <u>Net Position End of Year:</u> | | | | | | | | | | |
| Restricted for specific programs | 77,367 | - | 39,808 | 92,749 | 670,386 | 4,993 | 39 | 332,746 | 1,218,088 | 1,238,970 |
| NY Green Bank Capitalization | - | 1,198,531 | - | - | - | - | - | - | 1,198,531 | 1,142,434 |
| Net Investment in Capital Assets | - | - | - | - | - | - | 170 | 14,162 | 14,332 | 15,342 |
| Unrestricted | - | - | - | - | - | - | - | 23,092 | 23,092 | 16,706 |
| Net position end of year | \$ 77,367 | 1,198,531 | 39,808 | 92,749 | 670,386 | 4,993 | 209 | 370,000 | 2,454,043 | 2,413,452 |

**NYSERDA
FY 2026 Budget**

| Reconciliation of Budget Changes | Actual FY 2024 | Budget FY 2025 | Change | Budget FY 2026 | Explanation for change |
|---|---------------------------|---------------------------|-----------------|---------------------------|---|
| Revenues: | | | | | |
| State appropriations | | | | | |
| Clean Energy Standard (Offshore Wind Development) | - | 85,594 | 62,835 | 148,429 | Reflects reimbursement of anticipated reimbursable expenditures for the offshore wind infrastructure development initiative. |
| NYS Bond Act | - | 53,737 | (18,350) | 35,387 | Reflects reimbursement of anticipated spending for the School Bus Electrification and Green Buildings programs under the 2022 NYS Environmental Bond Act. |
| EmPower+ Program | 76,814 | 100,000 | (100,000) | - | Reflects the winddown of NYS's two year funding commitment for the EmPower+ Program. |
| West Valley | 15,159 | 25,800 | - | 25,800 | No change from prior year, amount reflects reimbursement of NYSERDA's share of federal and state spending at West Valley. |
| RGGI | 576 | 4,100 | (3,100) | 1,000 | Reflects a decrease in reimbursement for anticipated expenditures under the RGGI Cleaner Greener Community program (repayment of the FY 13-14 transfer of \$25 million to the State General Fund). |
| Energy & Environmental Analysis - Low-Level Radioactive Waste | 150 | 150 | - | 150 | (No change) |
| Other - Energy and Environmental projects | 1,458 | - | - | - | (No change) |
| Total State appropriations | 94,157 | 269,381 | (58,615) | 210,766 | |
| Utility surcharge assessments | | | | | |
| Market Development, Energy Efficiency and Building Electrification/ Innovation & Research | 293,604 | 362,385 | 35,330 | 397,715 | Reflects an increase in anticipated expenditures resulting from the implementation of an increase in approved program initiatives including the startup of the anticipated Energy Efficiency & Building Electrification and Innovation & Research programs current being petitioned with the PSC. Revenues for these reimbursable expenditures and appropriate working capital balances are collected under the "Bill-As-You-Go" (BAYG) funding approach. |
| NY-Sun | 221,587 | 262,132 | (30,061) | 232,071 | These BAYG revenues reflect a decrease in anticipated program expenditures based on project completion dates and timing of incentive payments. |
| RPS/SBC/Other | 16,833 | 21,134 | (21,134) | - | Decrease reflects lower anticipated expenditures collected via BAYG, due to the wind down and closure of the legacy RPS program. |
| Energy Storage | 24,359 | 33,863 | 28,417 | 62,281 | Increase reflects revised program spending which is based upon updated project completion dates. |
| EV Prize | 5,971 | 17,456 | 3,374 | 20,830 | These BAYG revenues reflect a slight increase in anticipated program expenditures based on timing of incentive payments under the Clean Transportation Prize program. |
| 18-a funding | 28,725 | 28,725 | - | 28,725 | (No change) |
| Build Ready | 3,766 | 17,031 | (6,747) | 10,284 | Reflects a decrease in anticipated program expenditures based on project completion dates and timing of certain developed sites. |
| Electric Generation Cessation Mitigation | 23,445 | 12,500 | 3,140 | 15,640 | Reflects an increase in anticipated payments to local municipalities based on milestone events. |
| Total Utility surcharge assessments | 618,290 | 755,225 | 12,320 | 767,545 | |
| Renewable energy credit proceeds | 61,378 | 54,726 | 84,911 | 139,637 | Primarily reflects an increase in Tier One proceeds due to greater production of RECs resulting from more facilities becoming operational. |
| Zero emission credit assessments | 504,931 | 508,625 | 21,707 | 530,332 | Increase in assessment is based on program forecasted prices applied to the maximum generation allowed under the current compliance period. Updated prices will be approved by the Public Service Commission after the adoption of this budget. Such prices may vary from estimate, and if determined to be material, a mid-year budget update will be presented to the Board for approval. Since ZEC revenues and expenditures are closely correlated any such pricing update should have minimal impact on net revenue. |
| ZEC Backstop Charge | 8,324 | 24,972 | (24,972) | - | Ordered collections from the electric distribution companies' to support the Clean Energy Standard ZEC program's accumulated deficit was satisfied in FY2025. |
| Allowance auction proceeds | 349,932 | 375,487 | (70,075) | 305,412 | Reflects a decrease in anticipated auction allowance price with a slight increase in the number of allowances to be offered consistent with the FY 2026 RGGI Operating Plan. The allowance price is an average based on the last ten auction results through September 2024 plus inflationary assumptions. |

**NYSERDA
FY 2026 Budget**

| Reconciliation of Budget Changes | Actual FY 2024 | Budget FY 2025 | Change | Budget FY 2026 | Explanation for change |
|---|---------------------------|---------------------------|----------------|---------------------------|--|
| Third party reimbursements | 70,765 | 54,952 | (6,983) | 47,969 | Reflects a decrease in funding to be received from the "New Efficiency New York" and Volkswagen Settlement programs, offset in part by an increase in anticipated funding to be received through the Integrated Data Resource Order. |
| Federal grants | 9,857 | 46,973 | 35,682 | 82,655 | Primarily reflects an increase in federal grant spending for two residential home rebate programs funded through the Inflation Reduction Act. |
| Interest subsidy | 211 | 164 | (46) | 118 | (Minor change) |
| Project repayments | 684 | 325 | 71 | 396 | (Minor change) |
| Rentals from leases | 1,117 | 1,215 | 23 | 1,238 | (Minor change) |
| Fees and other income | | | | | |
| NY Green Bank | 6,880 | 5,600 | 2,180 | 7,780 | Reflects a slight increase in estimated NY Green Bank closing and undrawn fees. |
| Clean Energy Standard/Build Ready | 22,595 | 6,400 | (3,400) | 3,000 | No changes in the REC Tier-1 bid fees or Build Ready development fees anticipated to be collected in FY 2026. |
| Annual Bond Fees/Other | 194 | 187 | (3) | 184 | (Minor change) |
| Total Fees and other income | 29,669 | 12,187 | (1,223) | 10,964 | |
| Loan Interest | | | | | |
| Loan interest - NY Green Bank | 43,584 | 57,730 | 3,350 | 61,080 | Reflects an increase in anticipated loan activity including an increase in base rates underlying variable interest rate loans. |
| Loan interest - GJGNY/Other | 9,138 | 8,434 | 2,696 | 11,130 | Reflects an increase loan interest income based on anticipated loan activity. |
| Total Loan interest | 52,722 | 66,164 | 6,046 | 72,210 | |
| Interest income | 64,159 | 55,510 | 3,561 | 59,071 | Increase reflects higher cash balances available for investment and slightly lower weighted average investment yields than compared to the prior year. |
| Loss on sale of Loans and Financing Receivables | 725 | - | - | - | (No change) |
| Total Revenues | 1,866,921 | 2,225,906 | 2,406 | 2,228,313 | |
| Expenses: | | | | | |
| Salaries | 57,754 | 68,867 | 7,325 | 76,192 | Anticipated salary expense reflects higher costs due to increased staffing needs consistent with NYSERDA's growing work-scope and complexity needed to deliver on Climate Leadership and Community Protection Act (CLCPA) goals. Salaries also include a 3% COLA and performance-based pay adjustments predicated on state approval of similar awards for NYS employees. |
| Benefits | 25,381 | 25,344 | 173 | 25,518 | Anticipated fringe benefits reflect higher health premium costs based on the increased staffing & market trends, offset in part by lower compensated absence balances and lower post-employment health insurance costs based on a recent actuarial valuation. |
| Salaries and Benefits | 83,135 | 94,211 | 7,498 | 101,710 | |
| Program expenditures | | | | | |
| Market Development, Energy Efficiency and Building Electrification/ Innovation & NY-Sun | 296,424 | 367,921 | 58,623 | 426,544 | Reflects an overall increase in anticipated program activity resulting from the timing of completed project and milestone events including the startup of the anticipated Energy Efficiency & Building Electrification and Innovation & Research programs currently being petitioned with the PSC. |
| Clean Energy Standard - Tiers 1, 2, 4, & OREC | 251,655 | 259,382 | (26,281) | 233,101 | Reflects a decrease in anticipated expenditures based on project completion dates and timing of incentive payments. |
| Clean Energy Standard - ZEC | 75,564 | 68,785 | 33,738 | 102,524 | Reflects an increase in anticipated purchases of renewable energy credits under the Tier One State-mandated compliance program resulting from more facilities coming on line. |
| Regional Greenhouse Gas Initiative | 498,028 | 504,750 | 24,964 | 529,713 | Reflects an increase in forecasted prices to be applied to the maximum generation allowed under the current compliance period. |
| Regional Greenhouse Gas Initiative | 118,421 | 173,545 | 95,849 | 269,394 | Reflects an increase in anticipated expenditures based on amounts included in the FY 25-26 RGGI Operating Plan. |

**NYSERDA
FY 2026 Budget**

| Reconciliation of Budget Changes | Actual FY 2024 | Budget FY 2025 | Change | Budget FY 2026 | Explanation for change |
|--|---------------------------|---------------------------|----------------|---------------------------|--|
| Other Programs | 89,166 | 145,691 | 42,440 | 188,130 | Primarily reflects increased spending for two residential home rebate programs funded by the Inflation Reduction Act. |
| Offshore Wind Development | - | 85,000 | 62,500 | 147,500 | Reflects increased investment and spending activity under the offshore wind manufacturing, major components, and port infrastructure development initiative. |
| EmPower Plus | 74,941 | 100,500 | (100,500) | - | Reflects the winddown of NYS's two year funding commitment for the EmPower+ Program. |
| Energy Storage | 26,121 | 33,365 | 24,628 | 57,993 | Reflects higher anticipated expenditures due to revised projections of project completion dates. |
| NY Bond Act | - | 49,750 | (18,805) | 30,945 | Reflects anticipated spending for the School Bus Electrification and Green Buildings programs under the 2022 NYS Bond Act initiative. |
| Volkswagen | 9,765 | 16,672 | (3,942) | 12,730 | Reflects a decrease in anticipated expenditures under the Volkswagen settlement programs. |
| West Valley | 13,668 | 24,206 | 202 | 24,408 | Reflects a slight increase in anticipated program expenditures for NYSERDA's share of federal and state spending at West Valley. |
| Energy & Environmental Analysis | 9,470 | 8,004 | (904) | 7,100 | Reflects a decrease in analytical study and modeling costs. |
| Total Program Expenditures | 1,463,223 | 1,837,571 | 192,511 | 2,030,082 | |
| Investment related expenses - NY Green Bank | 215 | 1,517 | (686) | 831 | Represents an decrease in estimated non-reimbursed investment related costs including the Community Decarbonization Fund * initiative where such expenses are anticipated to be capped for borrowers. |
| Program operating costs | 4,243 | 5,350 | 1,424 | 6,774 | Reflects an increase in professional services and temporary staffing for NY Green Bank, modeling software for Business Performance Management, and a slight increase in travel to support the increased work scope to meet CLCPA goals. |
| General & administrative expenses | 14,308 | 22,984 | 4,403 | 27,387 | Reflects higher investment in technology solutions and temporary staff services to efficiently support growing program needs, recruitment and professional development to hire, build staff skills, and expertise in priority focus areas. |
| Depreciation | 6,429 | 2,088 | (228) | 1,860 | Reflects a decrease in projected depreciation on existing capital assets which is offset in part from planned additions in FY 24-25. |
| NYS Assessments | 13,594 | 13,594 | - | 13,594 | (No change) |
| Bond interest and fees | 3,861 | 3,734 | 1,750 | 5,484 | Increase reflects scheduled interest expense payments based on higher aggregate outstanding principal balances, principally due to the recently issued 2024 Residential Solar and Energy Efficiency Financing Green Revenue Bonds. |
| Total Expenses | 1,589,008 | 1,981,049 | 206,673 | 2,187,722 | |
| Net (expense) revenue and change in net position | 277,913 | 244,858 | (204,266) | 40,591 | |
| Net position beginning of year | 1,890,681 | 2,168,594 | 244,858 | 2,413,452 | |
| Net position end of year: | | | | | |
| Restricted for specific programs | 1,052,429 | 1,238,970 | (20,883) | 1,218,088 | Reflects the cumulative effect of restricted program revenues exceeding program expenditures. Net increase is primarily due to RGGI revenues exceeding expenditures. |
| NY Green Bank Capitalization | 1,089,414 | 1,142,434 | 56,097 | 1,198,531 | Reflects the net effect of all undrawn capital, deployed capital, matured/recycled capital, and a cumulative result of revenues exceeding expenditures. |
| Net Investment in Capital Assets | 8,280 | 15,342 | (1,010) | 14,332 | Reflects anticipated asset purchases less depreciation. |
| Unrestricted | 18,471 | 16,706 | 6,386 | 23,092 | Primarily due to the substantial increase in interest earnings on investments. |
| Total net position end of year | 2,168,594 | 2,413,452 | 40,590 | 2,454,043 | |

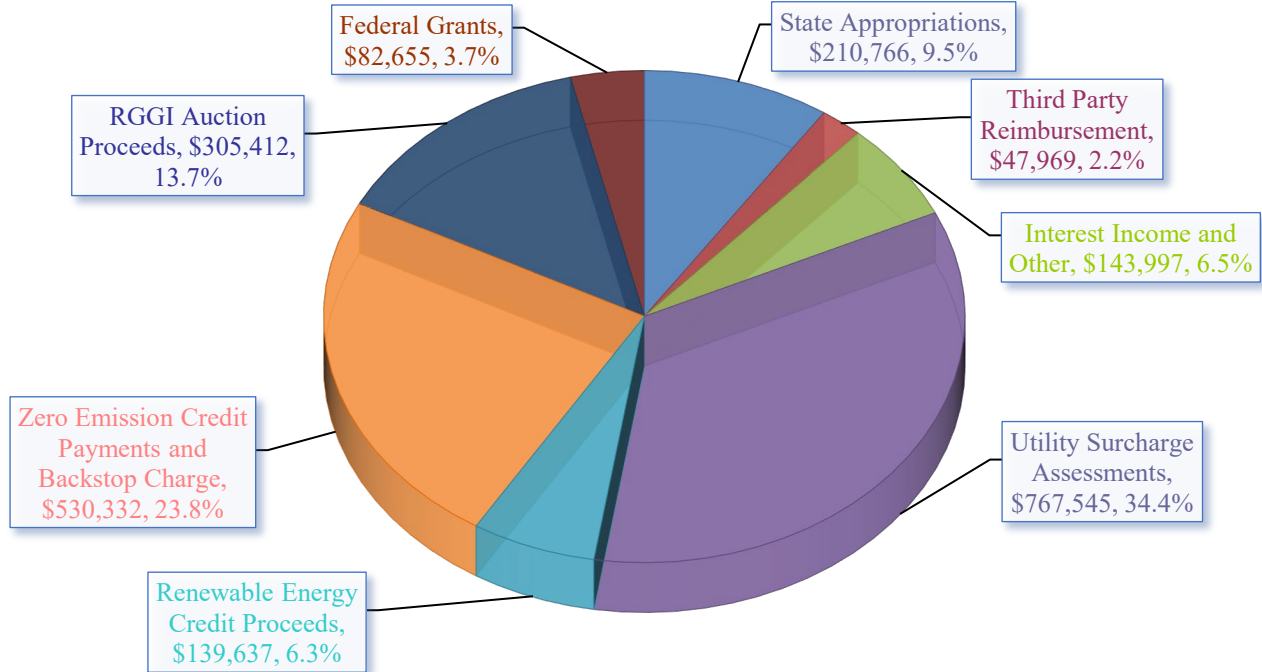
* The Community Decarbonization Fund is a NY Green Bank initiative that provides low-cost capital to affordable housing and/or disadvantaged community serving projects.

Certain amounts for FY 2024 and FY 2025 have been reclassified to conform with the FY 2026 Budget presentation and for the recent implementation of two Governmental Accounting Standards Board (GASB) pronouncements - GASB 87 and 96.

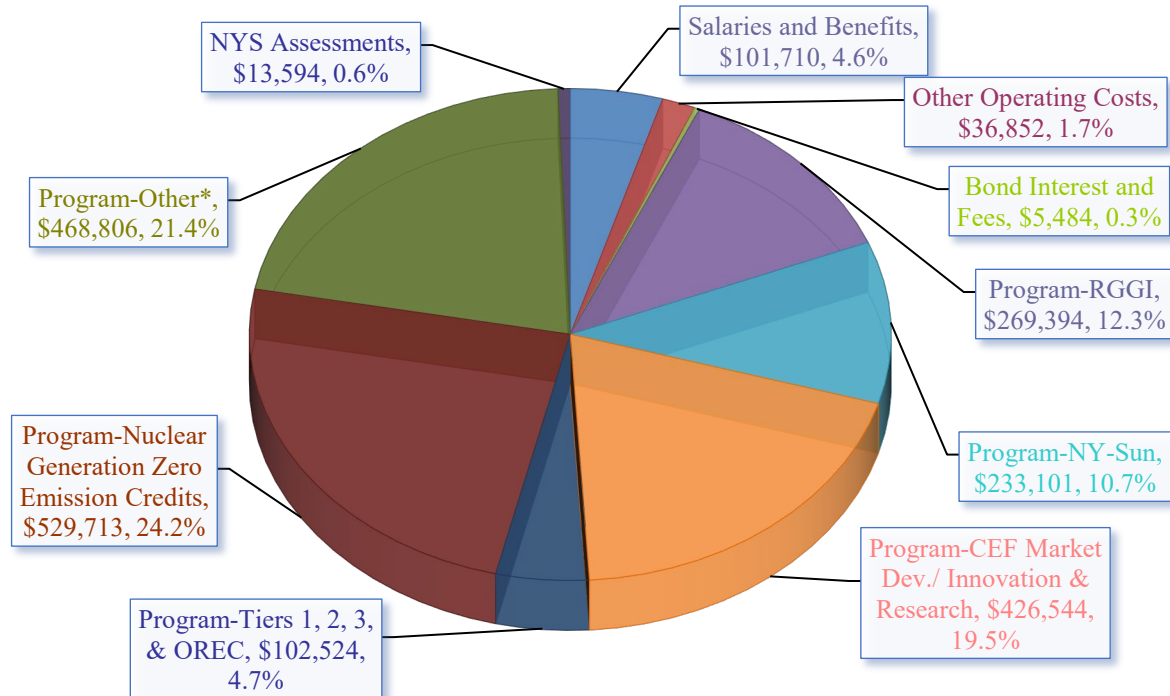
Budget FY 2026

(Amounts in Thousands)

Source of Funds



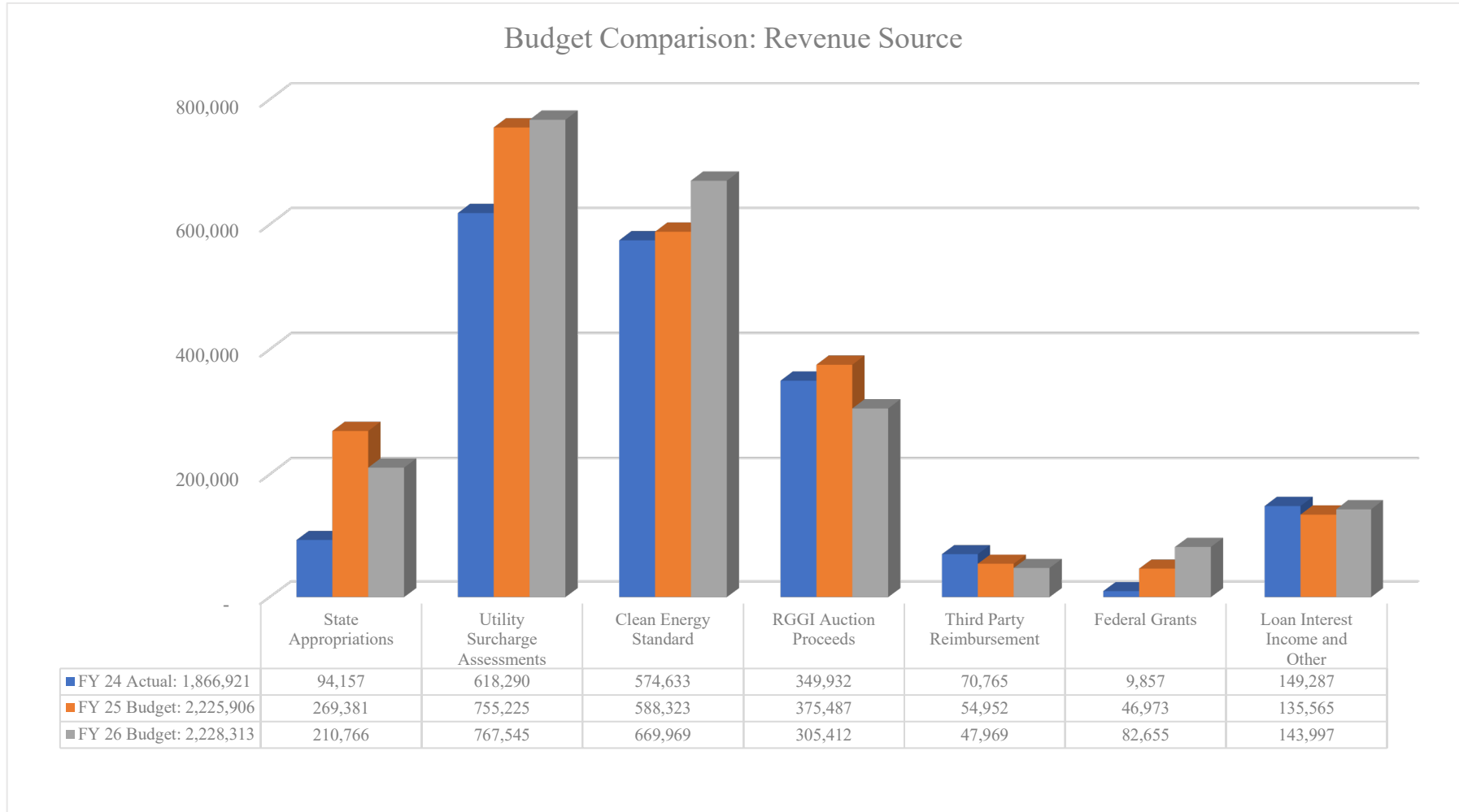
Use of Funds



*Program-Other represent an aggregate of additional programs/functions not discretely presented. These activities are primarily funded through Commission Orders, Memoranda of Understanding with various utilities pursuant to Commission Orders, State Appropriations, various third-party reimbursements, and federal energy grants.

Budget FY 2026

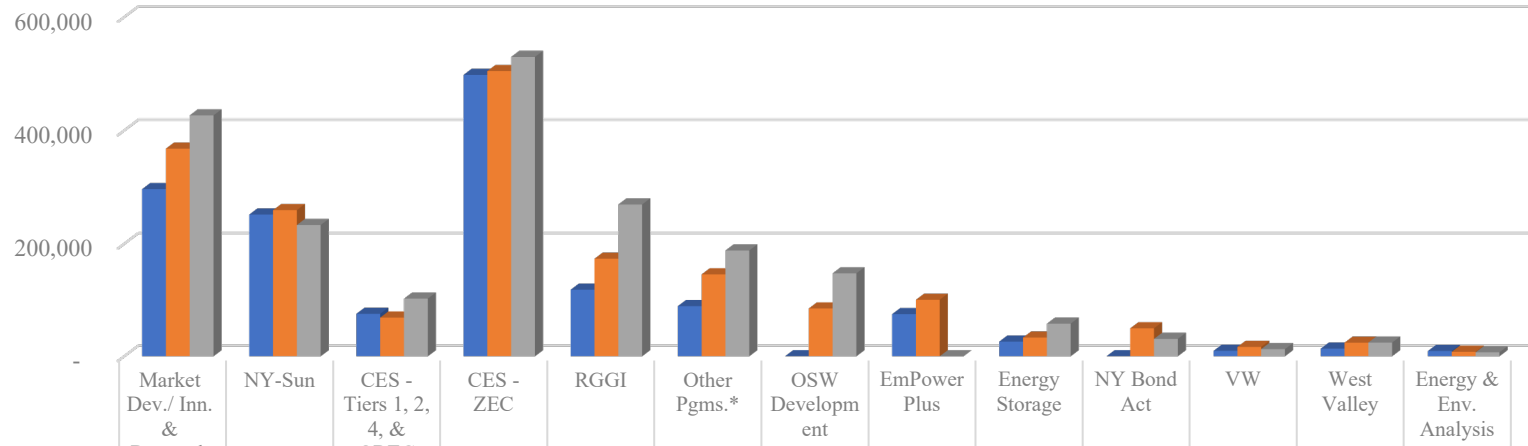
(Amounts in Thousands)



Budget FY 2026

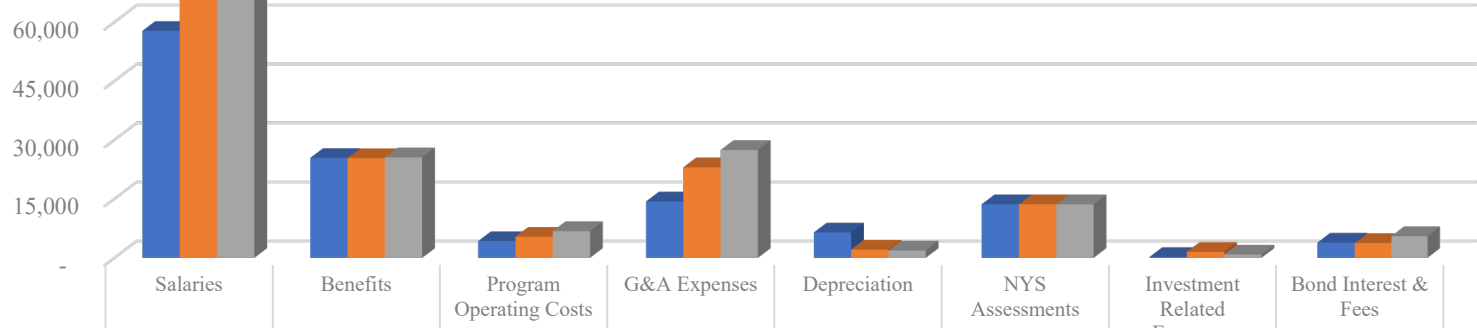
(Amounts in Thousands)

Program Expenditure



| | | | | | | | | | | | | | |
|-------------------------|---------|---------|---------|---------|---------|---------|---------|---------|--------|--------|--------|--------|-------|
| FY 24 Actual: 1,463,223 | 296,424 | 251,655 | 75,564 | 498,028 | 118,421 | 89,166 | - | 74,941 | 26,121 | - | 9,765 | 13,668 | 9,470 |
| FY 25 Budget: 1,837,571 | 367,921 | 259,382 | 68,785 | 504,750 | 173,545 | 145,691 | 85,000 | 100,500 | 33,365 | 49,750 | 16,672 | 24,206 | 8,004 |
| FY 26 Budget: 2,030,082 | 426,544 | 233,101 | 102,524 | 529,713 | 269,394 | 188,130 | 147,500 | - | 57,993 | 30,945 | 12,730 | 24,408 | 7,100 |

Other Expenditures



| | | | | | | | | |
|-----------------------|--------|--------|-------|--------|-------|--------|-------|-------|
| FY 24 Actual: 125,785 | 57,754 | 25,381 | 4,243 | 14,308 | 6,429 | 13,594 | 215 | 3,861 |
| FY 25 Budget: 143,478 | 68,867 | 25,344 | 5,350 | 22,984 | 2,088 | 13,594 | 1,517 | 3,734 |
| FY 26 Budget: 157,640 | 76,192 | 25,518 | 6,774 | 27,387 | 1,860 | 13,594 | 831 | 5,484 |

* Other Programs represent an aggregate of additional programs/functions not discretely presented. These activities are primarily funded through Commission Orders, Memoranda of Understanding with various utilities pursuant to Commission Orders, State Appropriations, various third-party reimbursements, and federal energy grants.

NYSERDA FY 2026 Budget
 Detail schedule: Salaries and benefits
 (Amounts in thousands)

| | <u>Actual</u> <u>FY 2024</u> | <u>Budget</u> <u>FY 2025</u> | <u>Change</u> | <u>Budget</u> <u>FY 2026</u> |
|---|---------------------------------|---------------------------------|------------------|---------------------------------|
| Salaries | 57,754 | 68,867 | 7,325 | 76,192 |
| Fringe Benefits: | | | | |
| Health insurance | 6,793 | 7,755 | 1,056 | 8,811 |
| Social Security/Medicare taxes | 4,268 | 4,918 | 618 | 5,536 |
| Voluntary Defined Contribution Plan | 1,431 | 1,866 | 269 | 2,135 |
| Pension | 8,258 | 4,700 | 263 | 4,963 |
| Other employee benefits | 693 | 794 | 180 | 974 |
| Compensated absence leave accruals | 1,238 | 2,609 | (1,012) | 1,597 |
| Postemployment health insurance (GASB 75) | 2,700 | 2,702 | (1,200) | 1,502 |
| sub-total benefits | <u>25,381</u> | <u>25,344</u> | <u>174</u> | <u>25,518</u> |
| Percentage of Salaries | 43.9% | 36.8% | 2.4% | 33.5% |
| Total Salaries and Benefits | <u>83,135</u> | <u>94,211</u> | <u>7,499</u> | <u>101,710</u> |

NYSERDA FY 2026 Budget
 Detail schedule: Program Expenditures
 (Amounts in thousands)

| <u>Function/Program</u> | Budget <u>FY 2026</u> | Financial Plan <u>FY 2027</u> | Financial Plan <u>FY 2028</u> | Financial Plan <u>FY 2029</u> |
|---|--------------------------|----------------------------------|----------------------------------|----------------------------------|
| Market Development/Innovation & Research/EEBE | 426,544 | 431,164 | 470,953 | 437,524 |
| NY-Sun | 233,101 | 239,917 | 282,906 | 297,979 |
| Clean Energy Standard - Tiers 1, 2, 4, & OREC | 102,524 | 302,283 | 1,123,405 | 1,509,670 |
| Clean Energy Standard - ZEC | 529,713 | 529,713 | 529,713 | 529,713 |
| Regional Greenhouse Gas Initiative | 269,394 | 275,356 | 336,362 | 216,322 |
| Other Programs | 200,860 | 168,294 | 148,550 | 93,102 |
| Offshore Wind Port Development | 147,500 | 147,500 | 95,000 | 27,000 |
| Energy Storage | 57,993 | 150,990 | 232,567 | 248,400 |
| NY Bond Act | 30,945 | 57,000 | 93,417 | 113,000 |
| West Valley | 24,408 | 24,023 | 23,947 | 23,848 |
| Energy & Environmental Analysis | 7,100 | 7,100 | 7,100 | 7,100 |
| Total | 2,030,082 | 2,333,340 | 3,343,920 | 3,503,658 |

* Other Programs represent an aggregate of additional programs/functions not discretely presented. These activities are primarily funded through Commission Orders, Memoranda of Understanding with various utilities pursuant to Commission Orders, State Appropriations, various third-party reimbursements, and federal energy grants.

NYSERDA FY 2026 Budget
 Detail schedule: Program Operating Costs
 (Amounts in thousands)

| | Actuals | Budget | | Budget |
|---|-----------------------|-----------------------|----------------------|-----------------------|
| | <u>FY 2024</u> | <u>FY 2025</u> | <u>Change</u> | <u>FY 2026</u> |
| Office Supplies, Equipment Rental, and Other | 512 | 474 | 721 | 1,195 |
| Travel and Outreach Costs | 610 | 861 | 591 | 1,452 |
| Computer Services and Software | 136 | 429 | 199 | 628 |
| Training, Recruitment & Relocation | 84 | 173 | 106 | 279 |
| Rent, Maintenance & Repairs, Utilities, Insurance | 178 | 294 | 51 | 345 |
| Professional Services: | | | | |
| STEP & Other Consulting | 507 | 230 | (35) | 195 |
| NY Green Bank | 1,145 | 1,869 | 53 | 1,922 |
| Total Professional Services | <u>1,652</u> | <u>2,099</u> | 18 | 2,117 |
| Temporary Staffing, Outside Technical Reviewer | 1,071 | 1,020 | (262) | 758 |
| Total Program Operating Costs | <u><u>4,243</u></u> | <u><u>5,350</u></u> | 1,424 | <u><u>6,774</u></u> |

NYSERDA FY 2026 Budget
 Detail schedule: General & Administrative Expenses
 (Amounts in thousands)

| | Actuals | Budget | | Budget |
|---|----------------------|----------------------|---------------------|----------------------|
| | FY 2024 | FY 2025 | Change | FY 2026 |
| Computer Services and Software | 3,935 | 7,772 | 2,202 | 9,974 |
| Temporary Staffing, Outside Technical Reviewer | 3,948 | 3,689 | 1,438 | 5,127 |
| Rent, Maintenance & Repairs, Utilities, Insurance | 1,321 | 4,562 | 329 | 4,891 |
| Training, Recruitment & Relocation | 362 | 1,395 | 162 | 1,557 |
| Professional Services: | | | | |
| Information Technology | 1,524 | 1,431 | 527 | 1,958 |
| Website support services | 969 | 734 | 232 | 966 |
| Information security | - | - | 35 | 35 |
| Marketing | 109 | 280 | - | 280 |
| Internal Audit support services | 39 | 50 | - | 50 |
| Other Consulting | 508 | 665 | (30) | 635 |
| Fiscal Agent, audit and third-party payroll and Human Resource services | 557 | 631 | (116) | 515 |
| Communication and consumer support services | 378 | 950 | (470) | 480 |
| Total Professional Services | <u>4,084</u> | <u>4,741</u> | <u>178</u> | <u>4,919</u> |
| Office Supplies, Equipment Rental, and Other | 287 | 348 | 32 | 380 |
| Travel and Outreach Costs | 371 | 477 | 62 | 539 |
| Total General & Administrative Expense | <u><u>14,308</u></u> | <u><u>22,984</u></u> | <u><u>4,403</u></u> | <u><u>27,387</u></u> |

NYSERDA FY 2026 Budget
 Detail schedule: Capital Budget
 (Amounts in thousands)

| | <u>Actual</u> <u>FY 2024</u> | <u>Budget</u> <u>FY 2025</u> | <u>Change</u> | <u>Budget</u> <u>FY 2026</u> |
|-----------------------------------|---|---|----------------------|---|
| Building improvements | 12 | 6,200 | (5,600) | 600 |
| STEP infrastructure | - | 1,500 | (1,500) | - |
| Furniture, fixtures and equipment | 404 | 220 | 2,090 | 2,310 |
| Vehicles | 80 | 112 | 43 | 155 |
| Leasehold improvements | 292 | - | 5,150 | 5,150 |
| Information technology upgrades | 57 | 1,045 | 255 | 1,300 |
| Total Capital Asset Additions | <u>845</u> | <u>9,077</u> | <u>438</u> | <u>9,515</u> |

NYSERDA FY 2026 Budget
 Detail schedule: Debt Schedule
 (Amounts in thousands)

Purpose: Refinancing of loans issued through the Green Jobs-Green New York financing program

| | <u>Principal</u> | <u>Anticipated</u> | <u>Debt service %</u> | <u>FY 2026</u> | <u>FY 2026</u> | <u>FY 2027</u> | <u>FY 2027</u> | <u>FY 2028</u> | <u>FY 2028</u> | <u>FY 2029</u> | <u>FY 2029</u> | |
|--|------------------|---------------------|-----------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|---------------|
| | <u>Issued</u> | <u>Total</u> | <u>of Pledged</u> | <u>Debt</u> | <u>Outstanding</u> | <u>Debt</u> | <u>Outstanding</u> | <u>Debt</u> | <u>Outstanding</u> | <u>Debt</u> | <u>Outstanding</u> | |
| | | <u>Debt Service</u> | <u>Revenues</u> | <u>Service</u> | <u>Principal</u> | <u>Service</u> | <u>Principal</u> | <u>Service</u> | <u>Principal</u> | <u>Service</u> | <u>Principal</u> | |
| Residential Energy Efficiency Financing Revenue Bonds | | | | | | | | | | | | |
| Series 2013A (NYS EFC Guarantee) | 24,300 | 29,651 | 37,447 | 79.2% | 1,492 | 3,110 | 1,460 | 1,735 | 1,113 | 660 | 607 | - |
| Series 2015A | 46,358 | 53,824 | 74,814 | 71.9% | 3,560 | 14,650 | 3,443 | 11,495 | 3,393 | 8,315 | 3,384 | 5,065 |
| Series 2016A | 23,180 | 27,539 | 31,690 | 86.9% | 1,780 | 9,720 | 1,780 | 8,165 | 1,752 | 6,600 | 1,741 | 5,005 |
| Residential Solar Loan Revenue Bonds, Series 2018A | 18,500 | 21,908 | 30,732 | 71.3% | 1,221 | 2,695 | 1,082 | 1,695 | 82 | 1,695 | 82 | 1,695 |
| Residential Solar and Energy Efficiency Financing Green Revenue Bonds, Series 2019A | 15,510 | 18,339 | 24,938 | 73.5% | 860 | 2,055 | 802 | 1,305 | 739 | 590 | 590 | - |
| Residential Solar and Energy Efficiency Financing Green Revenue Bonds, Series 2020A | 16,690 | 19,859 | 26,264 | 75.6% | 1,601 | 4,400 | 1,438 | 3,065 | 1,251 | 1,885 | 1,056 | 870 |
| Residential Solar and Energy Efficiency Financing Green Revenue Bonds, Series 2022A | 25,600 | 37,431 | 43,805 | 85.4% | 2,780 | 16,420 | 2,542 | 14,580 | 2,271 | 12,935 | 2,256 | 11,225 |
| Residential Solar and Energy Efficiency Financing Green Revenue Bonds, Series 2023A | 18,905 | 28,380 | 35,749 | 79.4% | 3,066 | 14,625 | 2,763 | 12,670 | 2,456 | 10,915 | 1,968 | 9,565 |
| Residential Solar and Energy Efficiency Financing Green Revenue Bonds, Series 2024A | 46,260 | 68,503 | 86,084 | 0.795769249 | 4,248 | 44,685 | 7,336 | 39,725 | 6,563 | 35,280 | 5,889 | 31,280 |
| Total | 235,303 | 305,434 | 391,523 | 78.0% | 20,608 | 112,360 | 22,646 | 94,435 | 19,620 | 78,875 | 17,573 | 64,705 |

* No new debt issues are included in the Budget and Financial Plan as additional debt issues will require approval by the NYSERDA Board and the Public Authorities Control Board.

NYSERDA
 FY 2026 Financial Plan
 (Amounts in thousands)

| | Budget FY 2026 | Projection FY 2027 | Projection FY 2028 | Projection FY 2029 |
|--|---------------------|-----------------------|-----------------------|-----------------------|
| <u>REVENUES:</u> | | | | |
| State appropriations | \$ 210,766 | 231,450 | 215,367 | 166,950 |
| Utility surcharge assessments | 767,545 | 928,274 | 1,046,029 | 952,686 |
| Renewable energy credit proceeds | 139,637 | 353,100 | 1,257,682 | 1,703,129 |
| Zero emission credit payments | 530,332 | 529,713 | 529,713 | 529,713 |
| Allowance auction proceeds | 305,412 | 346,149 | 332,317 | 318,484 |
| Third party reimbursement | 47,969 | 18,465 | 18,465 | 18,465 |
| Federal grants | 82,655 | 123,560 | 112,402 | 77,318 |
| Other income | 143,997 | 157,804 | 175,413 | 186,324 |
| TOTAL REVENUES | 2,228,313 | 2,688,515 | 3,687,388 | 3,953,069 |
| <u>EXPENSES:</u> | | | | |
| Salaries and benefits | 101,710 | 105,275 | 108,433 | 111,686 |
| Program expenditures | 2,030,082 | 2,333,340 | 3,343,920 | 3,503,658 |
| Investment related expenses | 831 | 856 | 882 | 908 |
| Program operating costs | 6,774 | 6,897 | 7,024 | 7,155 |
| General & administrative expenses | 27,387 | 28,210 | 29,056 | 29,927 |
| Depreciation | 1,860 | 2,587 | 2,634 | 2,251 |
| NYS assessments | 13,594 | 13,594 | 13,594 | 13,594 |
| Bond interest and fees | 5,484 | 4,721 | 4,059 | 3,462 |
| TOTAL EXPENSES | 2,187,722 | 2,495,480 | 3,509,602 | 3,672,641 |
| Net (expense) revenue and change in net position | 40,591 | 193,035 | 177,786 | 280,428 |
| Net position beginning of year | 2,413,452 | 2,454,043 | 2,647,078 | 2,824,864 |
| Total net position end of year | \$ 2,454,043 | 2,647,078 | 2,824,864 | 3,105,292 |

NYSERDA
 FY 2026 Cash-Based Budget
 (Amounts in thousands)

| | Functions/Programs | | | | | | | | |
|---|---|---------------------|----------------|-----------------------------|----------------|---------------------------------------|----------------|----------------|------------------------------------|
| | Market Development / Innovation & Research | NY Green Bank | NY-Sun | Clean Energy Standard | RGGI | Energy & Environmental Analysis | West Valley | Other | FY 2026 Cash Budget |
| RECEIPTS: | | | | | | | | | |
| State appropriations | \$ - | - | - | 148,429 | 1,000 | 150 | 25,800 | 35,387 | 210,766 |
| Utility surcharge assessments | 397,715 | - | 232,071 | 10,284 | - | 18,610 | - | 108,865 | 767,545 |
| Renewable energy credit proceeds | - | - | - | 137,162 | - | - | - | 2,475 | 139,637 |
| Zero emission credit payments | - | - | - | 530,332 | - | - | - | - | 530,332 |
| Clean energy standard backstop charge | - | - | - | - | - | - | - | - | - |
| Allowance auction proceeds | - | - | - | - | 305,412 | - | - | - | 305,412 |
| Third party reimbursement | 18,000 | - | - | - | - | - | 2,465 | 27,504 | 47,969 |
| Federal grants | - | - | - | - | - | 3,012 | - | 79,643 | 82,655 |
| QECB interest subsidy | - | - | - | - | - | - | - | 118 | 118 |
| Project repayments | - | - | - | - | - | - | - | 396 | 396 |
| Rentals from leases | - | - | - | - | - | - | - | 1,238 | 1,238 |
| Fees and other income | - | 7,780 | - | 3,000 | - | - | - | 184 | 10,964 |
| Loan interest | - | 61,080 | - | - | - | - | - | 11,130 | 72,210 |
| Loan principal repayments | - | 264,620 | - | - | - | - | - | 30,212 | 294,832 |
| Interest income | 2,965 | 7,100 | 1,439 | 8,008 | 29,957 | - | - | 9,602 | 59,071 |
| TOTAL REVENUES | 418,680 | 340,580 | 233,510 | 837,215 | 336,369 | 21,772 | 28,265 | 306,754 | 2,523,145 |
| DISBURSEMENTS: | | | | | | | | | |
| Salaries and benefits | 26,635 | 12,733 | 3,115 | 14,374 | 16,938 | 10,525 | 2,717 | 14,673 | 101,710 |
| Program expenditures | 426,544 | - | 233,101 | 788,532 | 269,394 | 7,100 | 24,408 | 281,003 | 2,030,082 |
| Investment related expenses | - | 831 | - | - | - | - | - | - | 831 |
| Other Operating costs | 530 | 2,634 | 252 | 680 | 420 | 1,011 | 149 | 1,098 | 6,774 |
| General & administrative expenses | 7,178 | 3,349 | 838 | 3,871 | 4,577 | 2,837 | 746 | 3,991 | 27,387 |
| Capital asset additions | 2,491 | 1,191 | 291 | 1,345 | 1,584 | 985 | 254 | 1,373 | 9,514 |
| Deployed Capital | - | 251,140 | - | - | - | - | - | - | 251,140 |
| Bond interest and fees | - | - | - | - | - | - | - | 6,297 | 6,297 |
| Principal bond payment | - | - | - | - | - | - | - | - | - |
| Loan purchases | - | - | - | - | - | - | - | 71,712 | 71,712 |
| NYS Assessments | 2,904 | 124 | 1,495 | 5,088 | 1,837 | 136 | 177 | 1,833 | 13,594 |
| TOTAL EXPENSES | 466,282 | 272,002 | 239,092 | 813,890 | 294,750 | 22,594 | 28,451 | 381,980 | 2,519,041 |
| Net (expense) revenue and change in cash position | (47,602) | 68,578 | (5,582) | 23,325 | 41,619 | (822) | (186) | (75,226) | 4,104 |
| Cash and investments, beginning of year | 95,546 | 116,570 | 69,150 | 145,446 | 590,088 | 2,479 | - | 116,481 | 1,135,760 |
| Inter-program transfers | 19,773 | - | - | - | (70,273) | - | - | 50,500 | - |
| Cash and investments, end of year | \$ 67,717 | 185,148 | 63,568 | 168,771 | 561,434 | 1,657 | (186) | 91,755 | 1,139,864 |