



NOVEC

ENERGIZING CONNECTIONS

NOVEC Annual Report | 2025–2026



Wade C. House

Board Chairman
DISTRICT 5

BOARD OF DIRECTORS

ENERGIZED BY THE FUTURE...

“As the energy landscape continues to change, our goal is not only to keep pace with change, but to lead with purpose and reliability.” – WADE HOUSE



James Chesley

Board Vice Chairman
DISTRICT 3



Michael Ragan

Board Secretary
DISTRICT 6



Cindy Gilbride

Board Treasurer
DISTRICT 1



Brent George

DISTRICT 2



Mark Bruno

DISTRICT 4



Skip Albrite

DISTRICT 7

MESSAGE FROM THE CHAIRMAN OF THE BOARD**Dear NOVEC Members,**

On behalf of the NOVEC Board of Directors, it is my privilege to serve a cooperative that is guided by a clear mission and an ambitious vision that is centered on you, our member-owners.

Our mission is simple: To improve the quality of life for our members, employees, and communities by providing safe, reliable electricity at competitive prices. Every decision we make is rooted in delivering dependable service while being responsible for the daily operation of the resources you entrust to us.

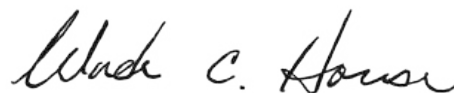
Equally important is our vision: To set the industry standard for excellence and serve as exemplary stewards of the evolving electric grid.

The board works closely with NOVEC leadership to ensure that operational efficiency, sound financial management, and strategic investments all support one central outcome: reliable, affordable electricity for our members. As a result,

NOVEC consistently maintains some of the lowest electric rates in the Commonwealth of Virginia — an achievement that reflects our unwavering focus on cost control and member value.

Being a cooperative means that every member has a voice and a stake in our success. Our mission and vision are not abstract ideas — they are practical guides that shape our policies, inform our oversight, and ensure we remain aligned with your needs and expectations.

Thank you for your trust and continued engagement with NOVEC. Together, we will continue to build a cooperative that delivers excellence today while preparing for the future.



Wade C. House
Chairman, Board of Directors
NOVEC


Kristen Senechal

President and CEO

CORPORATE OFFICERS

GUIDED BY VALUES...

“The accomplishments you’ll see highlighted throughout this annual report are possible because of the dedication of our employees and the trust of our members. Together, we continue to build a stronger cooperative guided by values that have served us well and will continue to shape our future.” — KRISTEN SENECHAL


Wilbur Rollins

 Senior Vice President
Finance and Accounting

Katharine Bond

 Vice President
Commercial Operations

Nicole T. Carter

 Vice President
Customer Engagement

Adam Chua

 Vice President
IT and Cybersecurity

Joyce E. Johnson

 Vice President
Human Resources

Thomas J. Pierpoint

 Vice President
Operations

Arnold R. Singleton

 Vice President
Engineering

Daniel P. Swingle

 Vice President
Electric System Operations

Patrick A. Toulme

 Vice President
and Corporate Counsel

MESSAGE FROM THE PRESIDENT AND CEO**Dear NOVEC Members,**

At NOVEC, our values guide how we fulfill our mission. Across our cooperative, employees demonstrate a commitment to safety, integrity, accountability, teamwork, excellence, and innovation in everything they do.

Safety: Whether maintaining our electric system, responding to outages, or serving members in the field, we are committed to protecting our employees, contractors, and members. We want to make sure that everyone returns home safely.

Integrity: You place your trust in us, and we work hard to earn that trust through honesty, transparency, and ethical conduct. We recognize the responsibility that comes with serving our communities.

Accountability: We understand that we are stewards of resources entrusted to us by the people we serve. We work hard to make thoughtful decisions, manage costs responsibly, and deliver reliable service that our members can count on.

Teamwork: Restoring power after a storm, completing major infrastructure projects, and helping members solve challenges all

require collaboration across departments and disciplines. Every member of the NOVEC family contributes their unique expertise to our shared commitment to service.

Excellence: Our employees take pride in their work and continually look for ways to improve reliability, strengthen member service, and deliver results that reflect the high standards our members expect.

Innovation: By investing in new technologies, modernizing our electric system, and seeking better ways to serve our growing communities, we are positioning NOVEC to meet changing needs while remaining focused on our cooperative mission.

Thank you for your trust, support, and partnership. We remain committed to delivering safe, reliable, and affordable electric service while investing in the future of the communities we serve.



Kristen Senechal
President and Chief Executive Officer
NOVEC

Information Technology and Cybersecurity

The Information Technology and Cybersecurity (ITC) department has implemented advanced security measures to strengthen the Co-op's cyber resilience.

OPERATIONAL RESILIENCY

Implemented a comprehensive Change Management program with formal policies, governance, and approval workflows to ensure system changes are controlled, auditable, and secure.

ACCESS SECURITY

Deployed enterprise-wide protocols to strengthen authentication controls, reduce credential risk, and streamline secure access.

THIRD-PARTY RISK MANAGEMENT

Established a Third-Party Risk Management (TPRM) framework to manage vendor risk, enforce security standards, and ensure third-party compliance and performance.

CYBERSECURITY AWARENESS AND HUMAN RISK REDUCTION

Strengthened the Cybersecurity Awareness Program through governance and continuous improvement, including targeted training, phishing simulations, annual assessments, and data-driven corrective actions to reduce employee susceptibility to cyber threats.

NRECA CYBER GOALS LEVEL 2 CYBER BADGE

The ITC team achieved the National Rural Electric Cooperative Association (NRECA) Cyber Goals Level 2 Cyber Badge. This achievement reflects successful advancement and helps strengthen NOVEC's cybersecurity posture, aligned to electric utility cooperative standards.

These efforts help protect NOVEC systems, member information, and the reliable service our communities depend on.

Safety in Action

In 2025, the Department of Environmental, Health, and Safety welcomed Jennifer Garner as the department's new director.

Keeping our NOVEC team safe at work and at home is the Cooperative's top value. Each month safety experts and representatives from the Virginia, Maryland & Delaware Association of Electrical Cooperatives (VMDAEC) lead mandatory safety sessions for employees. Field workers and office staff receive training on topics ranging from safe driving and workplace violence to unexpected encounters with unleashed dogs or wildlife. All employees also complete courses in first aid and CPR.

NOVEC continued its investment in flame-retardant clothing in 2025, ensuring that all lineworkers have a robust supply of industry-approved protective gear as they work to keep the lights on for our members.

To protect our employees and our resources, NOVEC implemented new safety protocols and state-of-the-art security systems at all NOVEC facilities.

The Cooperative also shares its expertise in electrical safety with first responders and others who may encounter high-voltage electricity in the course of their work. In 2025, outreach efforts included all-day sessions with firefighters and data center workers throughout our service area. To provide participants with a realistic perspective on electrical hazards, NOVEC's Safety Demo Trailer accompanied the outreach team and delivered impactful demonstrations.



NOVEC Line Technician Todd Embrey shares a message of electrical safety with the general public, making stops at schools and fairs throughout Northern Virginia.



Jennifer Garner, director of environmental, health, and safety talks to NOVEC employees about the Co-op's new Safety Manual.



NOVEC Lead Line Technician Matt Grenke teaches safety to Prince William Firefighters in Nokesville.

Members Weigh In

In September of 2025, NOVEC asked members to share their experiences with the Co-op. Here are a few of our favorite responses:

"For 21 years I have been a customer/member of the NOVEC family! The service is better than 99.99% and the costs have always been fair! Put me in the satisfied customer column!"

"Power outages seem to have diminished significantly in recent years. Not real long ago I had a tree fall and take out the power line, a pole, and a transformer. Your crew responded quickly and within a few hours they had replaced the pole, installed the transformer, and restored power. I was very impressed and grateful."

"I like the load management switch on my hot water heater and I'm never without hot water. I attend the yearly meetings to learn about all the new things NOVEC is doing."

"They are great. Power is always on, bills are reasonable, and when the power does go out, response time is quick."

"NOVEC is mindful that I am a member of a community that supports growth and responsible energy usage. When rates go up, I know why and whom to contact to continue conversations on how to manage my energy usage. NOVEC ROCKS!"



Customer Care Representative Ana Nieves.

NOVEC Cares

In the fall of 2025, the U.S. government experienced the longest full-government shutdown in modern history. The 43-day shutdown affected Northern Virginia disproportionately. In response, NOVEC launched the NOVEC Cares program in October to consolidate emergency assistance resources to help members manage their energy bills.

The NOVEC Cares web page at novec.com/cares, serves as a central hub for NOVEC members who may need assistance managing their energy use. Visitors can find information about NOVEC-specific programs, like Operation Round Up® (ORU), payment arrangements, and the Budget Billing Program, as well as local, state, and federal assistance resources.



NOVEC CARES IS HELPING MEMBERS

167

members received
Operation Round
Up[®] assistance
in 2025

\$74k

was added to the
2025 Operation
Round Up[®] fund

MORE THAN
29k

members
contributed to the
Operation Round
Up[®] fund in 2025

2,088

members enrolled in the
Budget Billing Program so
they could more accurately
predict their monthly bills

Electricity is essential for all our members, so affordability is a top priority. To help members keep costs down, the NOVEC Cares page has links to NOVEC's Home Energy Advisor, the Energy Resource Center, and the Energy Savings Tips page.

935

members arranged
payment plans

MORE THAN **350**

members reached out for energy
assistance from government or
charitable organizations through
links at novec.com

CashBack

In 2025, NOVEC's board of directors approved the "retirement" of \$17 million of the company's margins (profits) after reserving funds for expanding and maintaining the electric system. Current members received their share as CashBack credits on their bills, while former members received checks in the mail.



NOVEC, a not-for-profit utility, has returned \$82 million to members over the last 10 years.



Customer Service

NOVEC was recognized by Cooperative Insights as one of the highest-performing electric cooperatives in the nation for member satisfaction. For the fourth quarter of 2025, NOVEC achieved an American Customer Satisfaction Index (ACSI) score of 87 out of 100, placing it in the top quartile of electric cooperatives nationwide.

Building upon this momentum, NOVEC maintained its top-quartile status for the first quarter of 2026. This sustained high performance was reinforced by an exceptional ACSI score of 89.

Cooperative Insights, which partners with electric cooperatives across the country, conducts independent member research and provides the benchmarking data co-ops use to measure and drive service excellence. These results reaffirm NOVEC's position among the highest-performing electric cooperatives in the nation.

The recognition reflects NOVEC's ongoing focus on responsive, member-centered service, and its commitment to incorporating member feedback into continuous operational improvements.



NOVEC Manager, Customer Experience Christal Hardy at the 2025 BRAMtober Fest.



NOVEC Customer Care Representative Charlene Currin at the 2025 Springfield Concert Series.



Members of the NOVEC Customer Care Team celebrate the holiday season with an ugly sweater party.

120,604

CALLS AND EMAILS RECEIVED IN 2025

106,737 Calls

13,867 Emails



Reliability

OUTAGE MINUTES REDUCED

Once again, NOVEC members reported 99.99% average system reliability in 2025. NOVEC's System Average Interruption Duration Index (SAIDI) was 42 minutes, down from more than 60 minutes in 2024. SAIDI represents the minutes of non-momentary electric interruptions, per year, that the average customer experiences.

99.99%
RELIABILITY

(ASAI, Average Service
Availability Index)

42

SAIDI MINUTES

(System Average Interruption
Duration Index)

RELIABILITY PROJECT

A special task force was created to focus on pockets of rural customers — mostly in Stafford, Fauquier, and western Loudoun counties — who had historically experienced more frequent outages due to the terrain where they live. In 2025, more than 500 trees in these areas were removed to help reduce outage risk and improve reliability.

As part of the Reliability Project, NOVEC has also installed smart devices on poles in strategic locations. The devices monitor and relay precise, real-time data to NOVEC's Operations team so they can quickly identify problems and respond when outages occur. In addition, advanced equipment installed trouble spots are designed to strategically isolate a problem, turning what might have been a sustained outage into a momentary service interruption.

VEGETATION MANAGEMENT

Since trees are the number one cause of outages, proactive vegetation management is a year-round effort.



EXPANDING INFRASTRUCTURE

29

more miles of
underground
power cable
installed in 2025

23

meters per
miles of line

7,851

total miles of power
line above and
below ground

Number of substations by location:

74

Total
Substations

36

PRINCE WILLIAM

22

LOUDOUN

8

FAIRFAX

4 **FAUQUIER**

2 **STAFFORD**

1 **CITY OF MANASSAS**

1 **CITY OF MANASSAS
PARK**

5

new substations
under construction

358

miles of
proprietary fiber-
optic network

The fiber-optic network allows the System Control Center to monitor and access substation equipment remotely, and restore power quickly when outages occur.

Data Centers

Northern Virginia continues to be a leading location for data centers because of its strong infrastructure, reliable electric service, and extensive network connectivity. As data center growth continues, NOVEC remains focused on meeting demand responsibly while maintaining reliable service. Once data center developers select a location and receive local approval, NOVEC has an obligation to serve approved projects, and works to protect the interests of the residential and business members already on our system.

NOVEC recognizes large-load customers have significant energy needs, and we are always working to improve existing policies, planning tools, and operating practices designed to ensure growth is served responsibly and costs are allocated fairly.

Since 2015, the number of data center accounts served by NOVEC has grown from 14 to nearly 80. During that same period, NOVEC's residential customers experienced the smallest increase in electric bills among Virginia's electric utilities and cooperatives. This outcome reflects, in part, NOVEC's longstanding approach to assign costs appropriately to the customers that cause them.

Data center customers have been directly assigned more than \$1.7 billion in upfront

costs for dedicated infrastructure, helping ensure those costs are borne by the customers requiring the investments rather than being shifted to other members.

We continue to build on our experience, refine our approach, and improve upon our best practices to ensure:

- Rate structures and billing practices are designed to assign costs and risks to the customers who create them.
- Requirements for development help discourage speculative projects and support disciplined infrastructure planning.
- Ongoing coordination with our large-load customers, regional grid operators, power suppliers, and transmission partners to support reliable long-term planning.

These are numbers as of Dec. 31, 2025

76

data centers are served by NOVEC

33

data center campuses

18

of NOVEC's 74 substations only serve data centers

This approach reflects NOVEC's responsibility as a cooperative: to plan for growth, serve new demand responsibly, and maintain safeguards that help separate the financial and operational risks of large-load customers from the residential members who depend on us every day.

NOVEC's Continuous Improvement Program

At NOVEC, we believe the best ideas come from within. A good example is the Engineering division's Continuous Improvement Program (CIP) which is designed to give every employee a voice in shaping how we operate — from small process refinements to innovative solutions that drive efficiency, safety, company culture, and customer satisfaction.

The CIP demonstrates NOVEC's commitment to fostering a culture of collaboration, accountability, and innovation. It gives employees the opportunity to make a meaningful impact on our operations while being recognized for their contributions.

Lindsey Ellis, for instance, earned recognition for suggesting that NOVEC expand its commitment to road cleanup. Ellis's vision is for the Co-op to be responsible for one roadway in each county in NOVEC's service territory. As the idea owner, she is leading the way to make that happen.

In 2026, Distribution Designer Kim Hamlett's CIP idea addressed unsafe meter conditions in the field. She suggested more clearly defined collaboration among the Safety, Construction, Operations, Field Services, and Distribution Design departments.

Distribution Designer Wendy Hopkins-Hyre was the latest Engineering department employee recognized for her innovative idea. She suggested that NOVEC place identifying markers on electric poles that are not NOVEC-owned. The initiative would clarify ownership of 1,800 poles, for maintenance and storm restoration efforts.

Employees have shown they are invested in the CIP.

26

innovative ideas were submitted in 2025

25

ideas were submitted in the first half of 2026

Together, these ideas show how employees across NOVEC are turning everyday observations into meaningful improvements that strengthen our operations, support our communities, and move the Co-op forward.



NOVEC engineers from left to right, John Phouminh, Ian Hobson, Cullin Anastasia, Jesus Bustillos, and Ryan Adrian.

NOVEC Subsidiaries

NOVEC SOLUTIONS AND NS TELECOMM

NOVEC Solutions (NS) and its business partners offer a variety of services to NOVEC members under the tagline “Technology for Everyday Life.” This includes a partnership with Prospect Solar to provide homeowners with installation and grid interconnection for residential solar panels. Members can save on electric bills by using energy generated by their solar panels and selling excess energy.

NS also partners with Canter Power Systems to provide residential-grade whole home backup generators.

In partnership with HomeServe, NS offers affordable home repair plans to help offset unexpected repair expenses like plumbing repairs, water heater replacements, and more. Notably, members can now lease high-efficiency HVAC systems to reduce energy costs.

A business unit of NS, NS Telecomm offers telecommunications solutions in the Northern Virginia and Washington metropolitan region, including revolutionary fiber technology that helps commercial customers save on fiber expenses.



NOVEC ENERGY SOLUTIONS

NOVEC Energy Solutions (NES) offers residents of Virginia, Maryland, Kentucky, Pennsylvania, and the District of Columbia affordable natural gas through customers' local utilities. Customers can choose between fixed, variable, and mixed rate programs with no cancellation fees, giving customers flexibility to manage costs and savings opportunities.

Together, NOVEC's subsidiaries extend the Cooperative's commitment to reliable service, practical solutions, and long-term value for members and customers.





Youth Tour 2026 delegates from Virginia, Maryland, and Delaware on Capitol Hill Day.



Youth Outreach

YOUTH TOUR

NOVEC sponsored three high school students from the region to participate in the 2026 Youth Tour. Hosted by the National Rural Electric Cooperative Association, NOVEC delegates joined nearly 2,000 students from across the country to learn about electric cooperative history, the legislative process, and the nation's capital.

At the end of the June trip, NOVEC hosted student delegates from the Virginia, Maryland & Delaware Association of Electric Cooperatives at the Gainesville Technical Center. Participants learned firsthand from employees about line operations, customer care functions, and engineering applications in the electrical industry.

Additionally, the three delegates from the 2025 Youth Tour reunited for phase two of NOVEC's program by visiting the Virginia General Assembly in Richmond in February. During the visit, students met with Virginia Delegates John McAuliff (30th District), Michelle Maldonado (20th District), Stacey Carroll (64th District), Josh Thomas (21st District), and Marty Martinez (29th District), and State Senators Danica Roem (30th District), Stella Pekarsky (36th District), and Russet Perry (31st District).

SCHOLARSHIPS

Thirteen NOVEC scholarships were awarded to graduating high school seniors in Northern Virginia in June 2026. This year, scholarship amounts were increased from \$1,500 to \$2,000 each.

The Manley Garber Scholarship was increased to \$5,000, giving the most outstanding applicant a total of \$7,000 in scholarships from the Co-op. Vaibhav Dwaraka, one of NOVEC's 2024 Youth Tour delegates, earned the top honor.

NOVEC's Halifax County Electric Generating Facility also awarded a \$1,500 scholarship to one student from that region of Virginia.



NOVEC HELPS

In 2025, NOVEC HELPS (Hands Engaged in Local Public Service) contributed a record-breaking \$85,200 to 69 veteran, youth services, social welfare, disease research and health care, and community organizations.

The 501(c)(3) organization, operated by 16 NOVEC employees, is a separate entity from the Cooperative. It raises money from employee and customer contributions, and through its annual golf tournament.

In October, 32 NOVEC employees joined NOVEC HELPS to participate in its seventh annual Day of Caring at House of Mercy in Manassas — a day dedicated to service, compassion, and community impact. During the two shifts, volunteers sorted items in the donation center, organized the thrift store, and packed items in the food pantry.



NOVEC HELPS volunteers manage the check-in table at the 2025 annual charity Golf Tournament.



Volunteers help sort food pantry donations during NOVEC HELPS 2025 Day of Caring at House of Mercy in Manassas.



NOVEC HELPS participated in the annual Reston Cardboard Boat Regatta. Proceeds from the event support the Reston Museum in its mission to protect, preserve, and interpret the history of Reston.

NOVEC HELPS contributions to our community in 2025:

\$85,200
DONATED

69 ORGANIZATIONS
ASSISTED

veterans, youth services, social welfare,
disease research and health care, and
other community organizations

COMMUNITY

The seventh Cooperative Principle is “Concern for Community.” In 2025, NOVEC donated a total of \$179,494 to 164 community organizations in and around our service territory. The Co-op sponsors groups that benefit young people, the elderly, veterans, unhoused families, and the arts. NOVEC has donated to 4-H organizations, pet shelters, therapeutic riding centers, PTOs/PTAs, sports and robotics teams, food banks and homeless shelters, Scouts, and the Hylton Performing Arts Center, to name a few.

NOVEC has also displayed its support for the Northern Virginia community by showing up. Employees have represented the Co-op at library summer reading programs, chamber of commerce events, concerts, parades, county fairs, fundraising events, and local festivals.



The safety demo trailer brought its message to 32 locations in 2025, performing 70 to 80 demonstrations for different audiences.



NOVEC President and CEO Kristen Senechal represents NOVEC at the Fairfax County Park Authority's Springfield Nights.



NOVEC supports the Loudoun United Soccer Club.



NOVEC employees decorated trucks for holiday parades in Warrenton and Remington.



Robotics clubs enjoyed NOVEC's support in 2025.



Utility Designer Chris Bird slides at The Sweet Julia Grace Foundation fundraiser.



The engineering department's annual road clean up project has expanded to include several counties.



Gordon Adams and Matt Coleman from Key Accounts teach students about electricity at Prince William Schools' Environmental Expo.



The Co-op supports pet shelters throughout Northern Virginia.

Halifax County Biomass Electric Generating Facility

NOVEC's Halifax County Biomass (HCB) Electricity Generating Facility delivered a record-breaking 361,135 net megawatt-hours (MWh) of power — enough energy to power 27,475 homes. HCB was available to operate 91% of the year and ran at full generation capacity 90.2% of the time, an industry-leading performance.

The 49.9 MW plant is NOVEC's primary source of renewable energy and plays an important role in supporting the Cooperative's diverse power supply portfolio.

Mike Davis, manager of HCB fuel procurement and plant operations, continues to educate state and federal government officials, college and high school students, and industry representatives through facility tours and one-on-one interactions. Davis and the HCB team also advocate for biomass as a clean, efficient renewable energy source.

HCB contributes to the local economy through annual property taxes of more than \$600,000, salaries for 27 full-time positions, and over \$12 million to local forestry operations through the purchase of wood chips.



Shelia Bradley, NOVEC's community and government liaison in Halifax County (left), presents NOVEC's \$500 donation to the Halifax County Imagination Library. Accepting the check is Colleen Barnes, president, Dolly Parton's Imagination Library of Halifax County.



NOVEC donated \$500 to Halifax County's Santa for Seniors program, which brings Christmas cheer to seniors in assisted living and nursing homes. Shelia Bradley, NOVEC's community and government liaison in Halifax County (center), presents the check at the Halifax County Sheriff's Support Center.



Pittsylvania County STEM Academy students tour the biomass plant led by Mike Davis, (left) manager of HCB fuel procurement and plant operations.

In 2025, the Halifax Biomass Plant donated

\$10,680

to support the Halifax County community including: volunteer fire departments, health organizations, college scholarships, the school system, community events, and the Chamber of Commerce.



In 2025, more than

**500k
TONS**

of wood waste was diverted from open burning or landfill

**49.9
MEGAWATTS**

plant generates renewable energy

24/7

Almost

**5 MILLION
TONS**

of wood waste has been recovered since 2013

Through reliable operations, renewable power generation, and continued support for Halifax County, HCB remains an important part of NOVEC's commitment to serving customers while supporting our communities.

Employee Achievements

2025 GRADUATES OF THE LINEMAN TECHNICIAN APPRENTICESHIP PROGRAM



Cameron Bias



Connor Jost



Johnny Lanzetta



Caleb Ralston



Zane Woodward



2025 GAFF-N-GO RODEO



Anthony Kestner placed 1st in the drone competition event at International Rodeo in Kansas and he placed 2nd at Gaff-n-Go in Virginia.



(From left) Anthony Helsley, Connor Jost, Kyle Sarvis, and Evan Bache (not pictured) placed 2nd in Wire Transfer and 3rd overall in Equipment Operators.



Connor Jost placed 1st in Climbing Skills and Guy Strain Change Out.



(From left) Chris Fasenmyer, Ben Williams, and Robbie Studds placed 2nd in Hurtman Rescue.



Evan Bache placed 2nd in the Hurtman Event and Guy Strain Change Out.



Sai Krovi, NOVEC cyber security manager, led NOVEC in achieving NRECA Co-op Cyber Goals Second Level.



Jesse Staubs, NOVEC system operator, completed the Power Delivery Program from Northwest Linemen College.



John Nguyen, NOVEC senior operations research analyst, graduated from Virginia Tech with a master's degree in business administration.



Ryan Warner, NOVEC substation electrician (left), completed the System Operator Journeyman Program from Commonwealth of Virginia. Brian Fahey, system operations supervisor, proudly supports Warner in his achievement.



Warren Bonnekens, NOVEC lead fleet technician, earned his master certification in automobile and medium/heavy trucks from National Institute of Automotive Service Excellence.

Drone Technology

NOVEC's drone program took off in 2025. With Quality Assurance Manager Kevin Bowling at the helm, four employees qualified for their Federal Aviation Administration (FAA) Part 107 Remote Pilot Certificates. NOVEC currently operates three drones for inspections, documentation, and outage assessments. Captured images can be pieced together with advanced technology to create a more complete survey of an area.

Employees Kraig Smith, Brandon Baker, Tommy Baker, and Anthony Kestner work in different areas of the Co-op and use drones to support field assessments and inspections. In early 2026, seven more operators — including Bowling — earned their FAA licenses.

System Construction Manager Mark DeChristopher explained, "All the drone pilots have regular jobs; they are called in for storm work when outages occur in inaccessible areas. They can assess damage safely where it might be dangerous to do so on foot, like in high water or heavy snow. If we have major weather events, we'll recruit our drone operators."

Smith added, "Drones are a time-saver and a limb-saver. Every one of us has fallen on uneven ground or in storm conditions. This winter when we had so much ice, we were really handicapped. When we can't get to a pole to evaluate, a drone can."

Drone technology enhances NOVEC's ability to respond quickly, safely, and efficiently, especially during severe weather events.





Advanced Metering Infrastructure

The installation of Advanced Metering Infrastructure (AMI) has been a positive step for reliability. When there is an outage at your home or business, the Co-op gets an alert from your advanced meter before you can even reach for your phone to report it. That means even if you are not home when the lights go out, NOVEC can take steps to quickly restore power.

In addition to relaying information on power supply disruptions, AMI meters securely communicate daily energy use and voltage information. And the SmartHub mobile app works seamlessly with AMI technology, allowing members to review their data 24/7. Advanced meters also eliminate the need for in-person meter readings, reducing operating costs and vehicle emissions.

NOVEC first began installing advanced meters for members in 2021 and continues to make steady progress replacing outdated meters.

As of Dec. 31, 2025:

88,208

ADVANCED METERS INSTALLED

By April 30 of 2026, 101,158 had been installed. The goal is to replace all 184,000 residential and business meters.



SmartHub

SmartHub was introduced in 2022. Through SmartHub, customers can pay their bill, manage their accounts, check their energy use, report outages, or contact customer service.

149,356

active accounts use SmartHub as
of May 2026

82%

of all NOVEC members are
registered for SmartHub

Year in Review

All numbers through 2025, except Peak Demand

7,851.5

miles of line

23.45

meters per mile of line

**KILOWATT
HOURS
SOLD**

14,649,198,931

**PEAK
DEMAND**

JUNE 11, 2026

2,785

megawatts

**COST OF
POWER**

\$1,310,131,334

Monthly average
residential cost of
1,000 kilowatt-hours

\$134.09

418

EMPLOYEES

48

NEW HIRES

6

INTERNS

Vision, Mission, and Values

VISION

To set the industry standard for excellence and to serve as exemplary stewards of the evolving electric grid

MISSION

Improve the quality of life for members, employees, and communities by providing safe and reliable electricity at competitive prices

VALUES

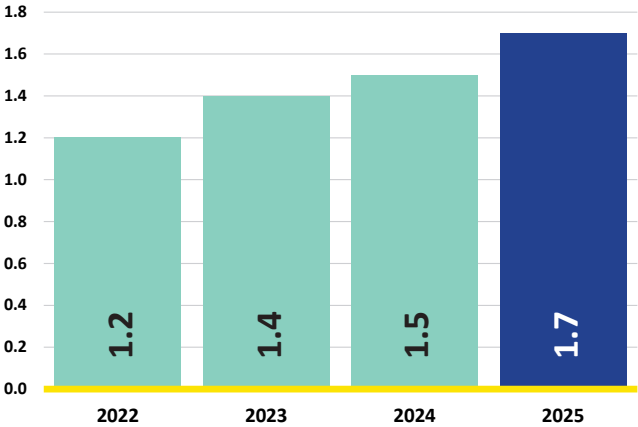
- Safety
- Integrity
- Accountability
- Teamwork
- Excellence
- Innovation

Financials at a Glance

Year ended Dec. 31, 2025

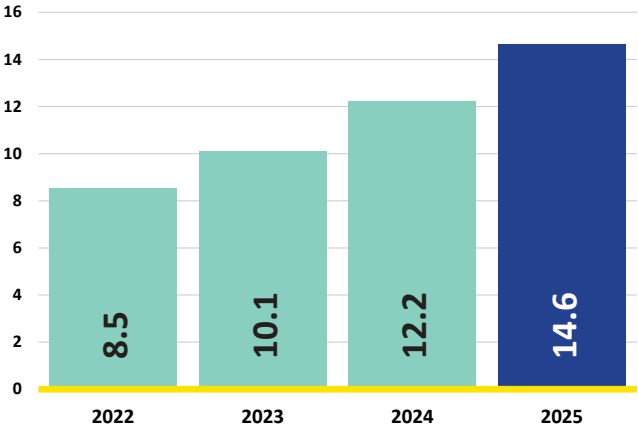
ASSETS

(billions of dollars)



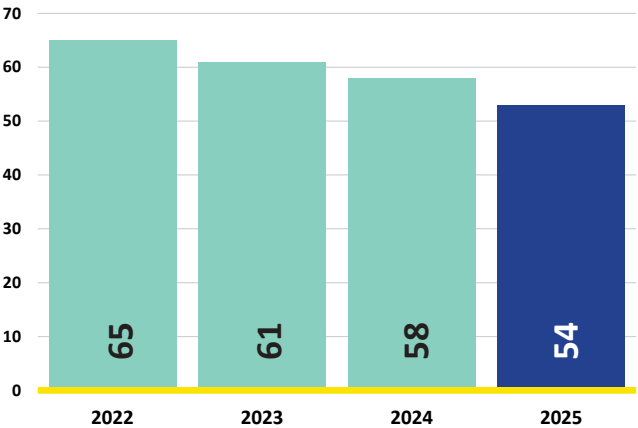
KILOWATT-HOURS SOLD

(billions)



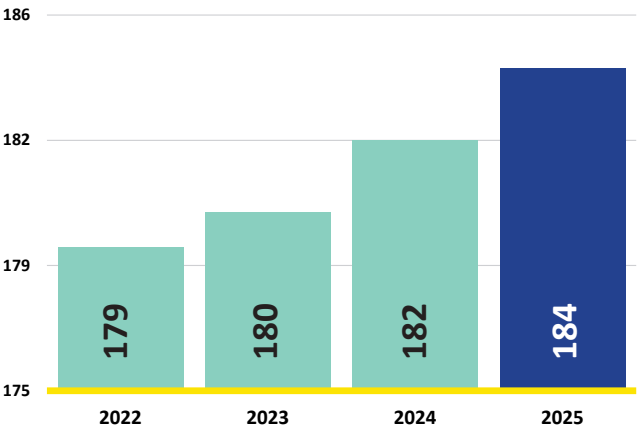
EQUITY TO ASSETS

(percent)



TOTAL METERS

(thousands)

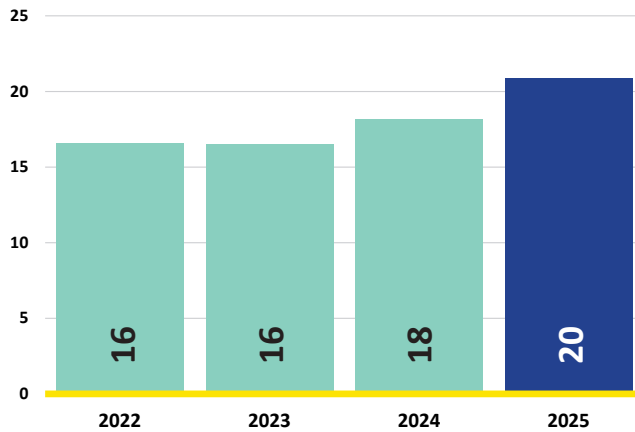


Financials at a Glance

Year ended Dec. 31, 2025

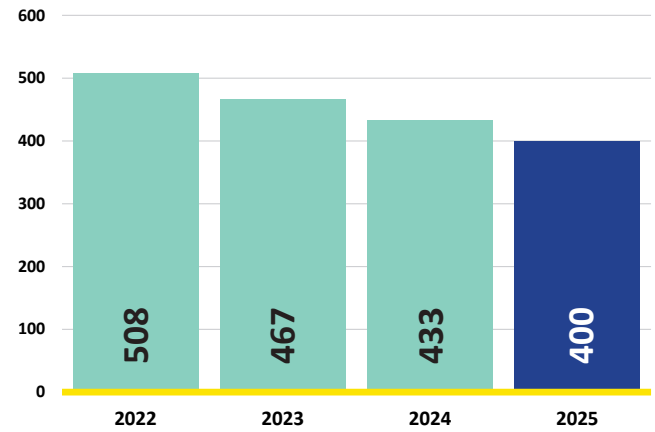
NET OPERATING MARGINS

(millions of dollars after interest expenses)



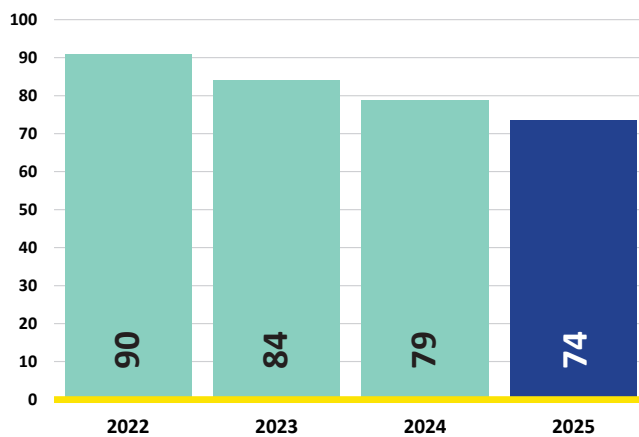
AVERAGE DEBT PER METER

(dollars)

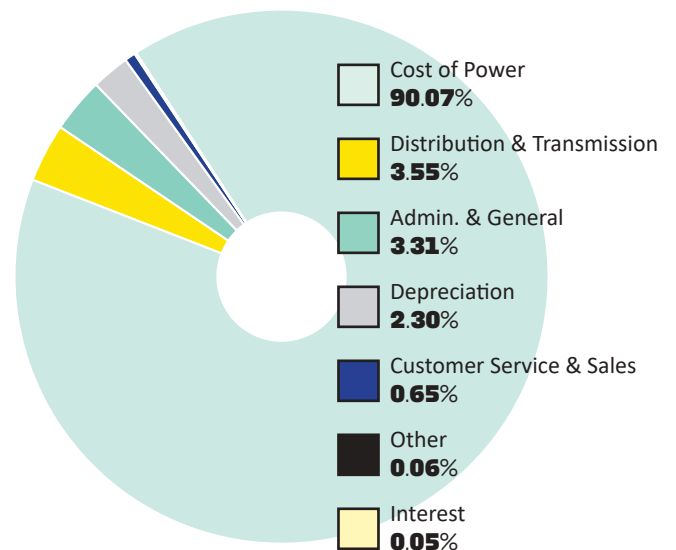


LONG-TERM DEBT

(millions of dollars)



ALLOCATION OF ELECTRIC SERVICE COST



Consolidated Balance Sheets

Dec. 31, 2025 and 2024 (in thousands)

Assets	2025	2024
Utility plant, net of accumulated depreciation and amortization	\$1,059,719	\$946,640
Nonutility plant, net of accumulated depreciation and amortization	4,521	4,762
Total plant	\$1,064,240	951,402
Finance leases right-of-use assets, net of accumulated amortization	\$1,903	\$1,709
Investments:		
Associated organizations	5,928	6,351
Other	11,018	9,392
Total investments	\$16,946	\$15,743
Deferred income taxes, net	\$6,775	\$7,743
Current assets:		
Cash and cash equivalents	166,767	184,285
Investment securities	104,760	138,079
Accounts receivable, net of allowance for credit losses of \$2,320 in 2025 and \$2,256 in 2024	142,360	73,805
Materials and supplies inventories	61,335	60,134
Collateral deposits	34,432	29,617
Other current assets	72,246	28,649
Total current assets	\$581,900	\$514,569
Restricted cash	857	3,000
Deferred charges	13,095	4,907
Postretirement benefits, net	34,736	30,585
Total assets	\$1,720,452	\$1,529,658

Consolidated Balance Sheets

Dec. 31, 2025 and 2024 (in thousands)

Liabilities and Equities	2025	2024
Equities and margins:		
Membership fees	\$602	\$616
Patronage capital and accumulated earnings	847,755	820,983
Other equities	44,676	38,622
Accumulated other comprehensive income	26,620	20,663
Total equities and margins	\$919,653	\$880,884
Commitments and contingencies		
Long-term debt, excluding current installments	\$69,182	\$73,965
Current liabilities:		
Current installments of long-term debt	4,491	4,904
Other borrowings	2,850	2,500
Accounts payable	92,813	45,756
Consumer deposits	7,464	8,088
Short-term leases liabilities	638	564
Accrued expenses and other current liabilities	13,385	7,430
Total current liabilities	\$121,641	\$69,242
Deferred credits	599,764	496,949
Long-term lease liabilities	1,263	1,162
Accrued retirement benefits	8,949	7,456
Total liabilities	\$800,799	\$648,774
Total liabilities and equities	\$1,720,452	\$1,529,658

Consolidated Statements of Operations and Patronage Capital

Dec. 31, 2025 and 2024 (in thousands)

	2025	2024
Operating revenue	\$1,504,617	\$909,775
Operating expenses:		
Cost of power	1,326,067	749,295
Administrative and general	53,560	42,269
Depreciation and amortization	37,266	41,289
Distribution expense — operations	19,019	17,852
Distribution expense — maintenance	31,657	27,379
Consumer accounts	6,694	7,941
Customer service and information expense	2,828	2,014
Other deductions (income), net	856	568
Total operating expenses	\$1,477,947	\$888,607
Net operating margins before interest expense	\$26,670	\$21,168
Interest expense	3,048	3,213
Net operating margins after interest expense	\$23,622	\$17,955
Nonoperating margins:		
Patronage capital assigned from associated organizations	\$348	\$502
Dividends and interest income	14,707	17,959
Other nonoperating income, net	6,966	3,793
Total nonoperating margins	\$22,021	\$22,254
Net margins before income tax expense	\$45,643	\$40,209
Income tax expense	967	(543)
Net margins	\$44,676	\$40,752
Patronage capital at beginning of year	\$820,983	\$796,124
Net margins	44,676	40,752
Retirements of patronage capital	(17,904)	(15,893)
Patronage capital at end of year	\$847,755	\$820,983

Consolidated Statements of Cash Flows

Dec. 31, 2025 and 2024 (in thousands)

	2025	2024
Cash flows from operating activities:		
Cash received from consumers	\$1,538,253	\$1,073,424
Cash paid to suppliers and employees	(1,440,792)	(856,683)
Dividends, interest, and other nonoperating income	22,021	22,254
Taxes paid	(967)	(543)
Interest paid	(2,580)	(3,145)
Net cash provided by operating activities	\$115,935	\$235,307
Cash flows from investing activities:		
Purchases of utility plant and nonutility plant	(\$252,630)	(\$274,519)
Contributions in aid of construction of utility plant	101,507	114,899
Proceeds from sale of utility plant	825	971
Purchases of investment securities	(15,581)	(84,946)
Purchase of other investments and changes in collateral deposits	(5,322)	(8,116)
Proceeds from sale or maturity of investment securities	52,663	12,809
Retirements of patronage capital by associated organizations	119	254
Net cash used in investing activities	(\$118,419)	(\$238,648)
Cash flows from financing activities:		
Principal proceeds from other borrowings	\$10,350	\$500
Principal payments on long-term debt	(15,196)	(5,295)
Principal payments on finance leases	(467)	(3)
Membership fee distribution	(14)	(17)
Retirement of patronage capital	(17,904)	(15,893)
Unclaimed retirement of patronage capital	6,054	5,704
Net cash provided by (used in) financing activities	(\$17,177)	(\$15,004)
Net decrease in cash, cash equivalents and restricted cash	(\$19,661)	(\$18,345)
Cash, cash equivalents and restricted cash at beginning of year	\$187,285	\$205,630
Cash, cash equivalents, and restricted cash at end of year	\$167,624	\$187,285

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Board of Directors and Corporate Officers except Wade House, Kristen Senechal, Adam Chua, and Katharine Bond — Photos by Michael Carpenter

PAGES 9, 10, and 28

Photos by Dalton Okolo



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