

**NOVEC 2024-2025 Annual Report**



**POWERING  
PROGRESS**







# POWERING PROGRESS

NOVEC has powered Northern Virginia for more than 41 years. With a rich history as a widely respected leader in the electric utility industry, it ranks as the largest distribution electric cooperative in the country, measured by sales.

As the future approaches at breakneck speed, NOVEC is innovating to prepare for the next generation of challenges. The region's energy demands are changing daily. NOVEC continues to focus on maximizing efficiencies to maintain reliability and keep costs down.

The 651-square-mile NOVEC service area encompasses diverse geographic and environmental conditions, including urban, suburban, and rural regions. As we power into the future, the Co-op is equipped to reliably serve all our members.





# MESSAGE FROM THE CHAIRMAN OF THE BOARD

## Dear NOVEC Members,

In a year full of changes at the Cooperative, I am pleased that NOVEC continues its tradition of excellence in service to its members without missing a beat. Reliability and value remain at the core of the mission to serve our members.

You will see this mission at work every day. For example, lineworkers — our most visible community ambassadors — may be found high on electric poles, in bucket trucks, or working on the ground to maintain our excellent reliability ratings. You'll see new equipment being installed, like the Advanced Meters, designed to better monitor peak loads and respond to outages. There's also internal work that you won't see, such as modernizing business systems to increase efficiency and continuously improving cybersecurity to protect your data.

We welcome Kristen Senechal as our new President and CEO. The Board of Directors

is confident that her expertise and passion will continue to propel NOVEC forward. She brings a wealth of experience and a fresh perspective that will be invaluable as we navigate the challenges and opportunities ahead. We have faith that she will build on the Co-op's rock-solid history and take NOVEC into the future with a steady hand.

On behalf of the Board, I also would like to extend our heartfelt gratitude to our former President and CEO David Schleicher for his exceptional leadership and unwavering commitment to NOVEC's mission. His vision and dedication have been instrumental in driving our success and positioning us as a leader in the energy sector.

We look forward to working closely with Kristen and supporting her in her new role. Thank you to our members for your continued support and engagement with NOVEC.



A handwritten signature of Wade C. House in black ink.

**Wade C. House**  
Chairman of the Board





*NOVEC Board Chairman Wade House attends the Gaff-n-Go Rodeo event to show his support for the competitors.*





*President and CEO Kristen Senechal visits the NOVEC Biomass Electric Generating Facility in Halifax County.*

# MESSAGE FROM THE PRESIDENT AND CEO

## Dear NOVEC Members,

I am honored to address you as the new president and CEO of NOVEC.

We value the members of this Cooperative, and it has been my pleasure to meet many of you. I look forward to meeting many more at community events and, of course, our Annual Meeting.

My focus as I settle into my new role will be on continuing to provide reliable energy solutions at a reasonable cost. We have an amazing team that works hard for you 365 days a year to keep your lights on with affordability always in mind.

It's also been a great experience getting to know the NOVEC workforce. I will continue to emphasize living our values of safety, integrity, accountability, teamwork, excellence, and innovation. Safety is our most important value, of course, and it will

continue to be at the core of each and every decision we make on the job. It's exciting to work with our talented team of engineers, lineworkers, power supply experts, and professionals in dozens of other roles to build on our achievements and explore new opportunities moving forward.

As I step into this role, I also want to acknowledge the leadership and dedication of my predecessor, David Schleicher, who guided NOVEC through three successful years. His commitment to excellence has set a strong foundation to continue to build our future.

Thank you for your continued support and trust in NOVEC. Together, we will meet the evolving needs of our members and ensure a bright future for all.



A handwritten signature in black ink that reads "Kristen Senechal".

**Kristen Senechal**  
President and CEO



# CONTINUING PROGRESS

## Advanced Metering Infrastructure (AMI)

NOVEC first began installing advanced meters for members in 2021 and continues to make steady progress on the rollout. The meters provide and securely communicate daily energy use, voltage information, and power supply disruptions to NOVEC. NOVEC's SmartHub mobile app makes it easy for members to review their data.

Advanced meters improve service reliability through faster outage response and reduce operating costs — and vehicle emissions — by eliminating truck traffic for meter readings.



## 3 KEY AMI BENEFITS FOR NOVEC MEMBERS

**50,273 Advanced Meters Installed**

All statistics through Dec. 31, 2024

**1**

### Control over energy bills

Advanced meters capture data in real-time. Through SmartHub, members can privately and securely review how much energy is being used 24/7.

**2**

### Quick and safe customer service

The NOVEC team can receive meter readings remotely. They can start or stop service without having to visit the home or business in most locations.

**3**

### Detect power outages faster

If the power goes out, advanced meters identify service disruptions almost instantly in most cases and notify NOVEC. The outage information helps NOVEC restore power more quickly.



## Battery Storage Project

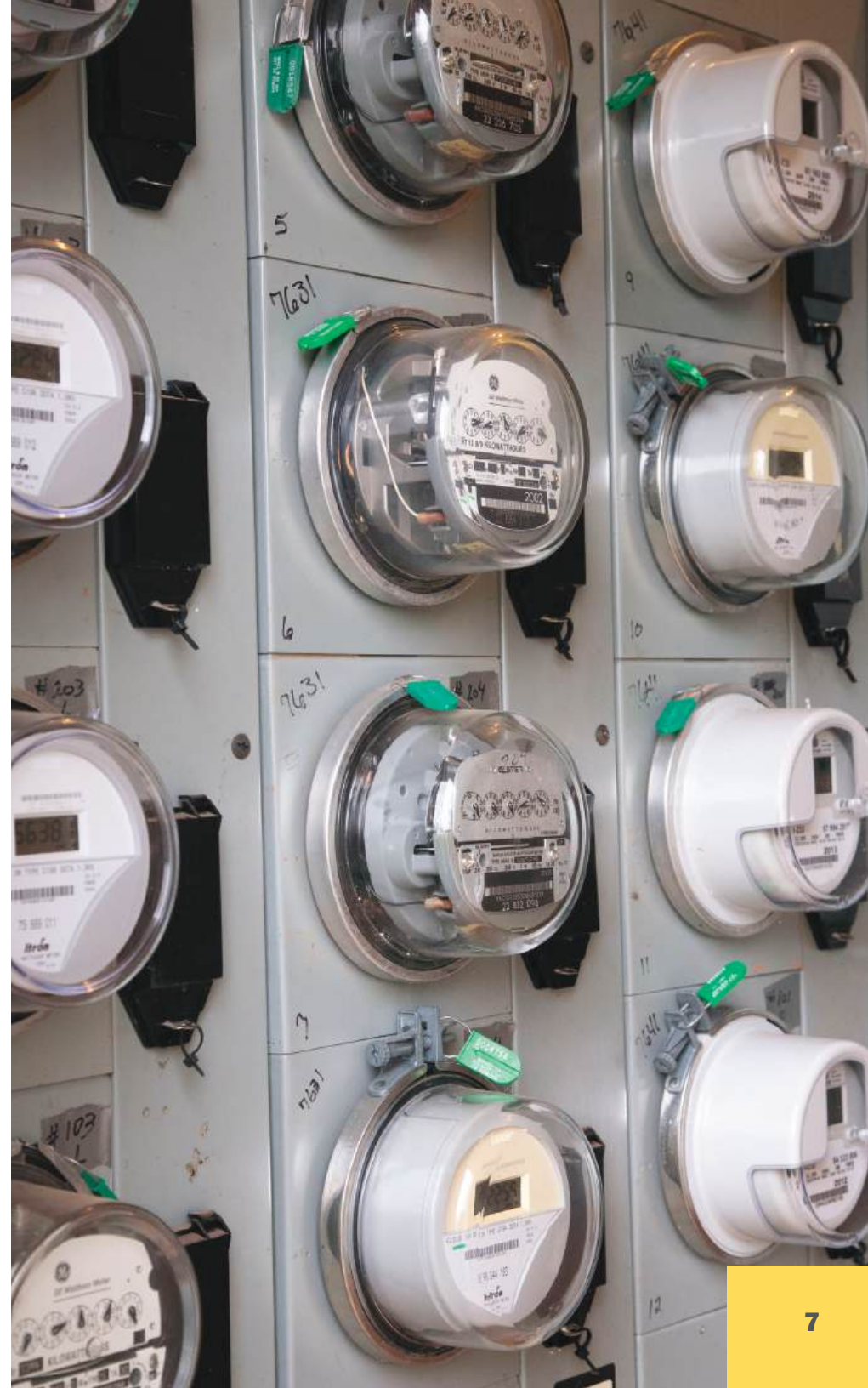
NOVEC has partnered with East Point Energy of Charlottesville, Virginia, to develop three battery-storage sites in Prince William County, and a fourth in Loudoun County. The batteries will discharge energy during times of peak member demand when electricity costs more and recharge when member demand and prices are lower. Energy from batteries stabilizes the power grid, reduces peak demand, and enhances reliability. It's one more way NOVEC is working hard to save energy — and money.

These projects are currently in the construction phase.

## Electric Vehicle (EV) Rate

Introduced in January 2023, NOVEC's EV-1 rate incentivizes residential members to charge their EV(s) during the off-peak hours of 11 p.m. to 6 a.m. Doing so reduces stress on the power grid and saves members about 50% on all electricity used during that timeframe compared to on-peak hours.

As of Dec. 31, 2024, 2,079 NOVEC members had signed up to take advantage of the lower rate.









# DIGITAL POWER SURGE

## Data Centers

Northern Virginia continues to be home to more data centers than anywhere else in the world. NOVEC serves 59 data center buildings on 30 campuses in Fairfax, Fauquier, Loudoun, and Prince William counties. Annual electric system construction for data centers totaled approximately \$180 million at the end of 2024.

Data center customers accounted for roughly 2,500 megawatts (MW) of contracted electric capacity during 2024. Another roughly 16,000 MW is in the planning or construction stages. Projected electric demand from all member segments is reflected in NOVEC's short- and long-range work plans and is shared with the Cooperative's transmission provider and regional transmission organization to facilitate broader system planning.

The proliferation of data centers is helping to stabilize NOVEC's electric rates for all members. While energy-efficiency improvements and conservation efforts have slowed residential and small commercial energy sales, data center sales more than make up for the difference.

While data centers represent more than 65% of NOVEC's energy sales, the Cooperative continues to provide power to the 181,993 non-data center members depending on it each day for reliable service.

## EXPANDING INFRASTRUCTURE

68

**Total substations**

6

**Under construction**

11

**Substations that only serve data centers**

59

**Data center buildings on 30 campuses**

348

**Miles of proprietary fiber-optic network**

70%

**Power lines are underground**

All statistics through Dec. 31, 2024

# SUSTAINABILITY & SAVINGS

## Utility-Scale Solar

In July 2024, NOVEC entered into a power purchase agreement for utility-scale photovoltaic power with Holocene Clean Energy of North Carolina. The solar-distributed generation project will add to our renewable energy portfolio and increase grid reliability.

Tracking solar panels are being installed in northwestern Prince William County and will generate up to 16 megawatts (MW) of solar power. The project is funded, in part, by the Powering Affordable Clean Energy program through the U.S. Department of Agriculture's Rural Utilities Service.

## Solar-Photovoltaic (PV) Systems

Solar energy adoption among co-op members continues to rise. In 2021, fewer than 1,100 NOVEC homes had installed solar-photovoltaic (PV) systems that were connected to the power grid, accounting for 10.3 MW of power. As of May 2025, that number has steadily grown to 3,655 homes, producing 42.09 MW.

When solar panels generate more electricity than a home consumes, a net meter tracks energy use and production. Customers are billed only for the difference. With expert support from NOVEC and NOVEC Solutions, customers can enjoy savings and transition to renewable energy with confidence and ease.





# SUBSIDIARIES

## NOVEC Solutions (NS)

NS and its business partners offer NOVEC members affordable home repair plans covering key systems such as plumbing, sewer/septic lines, and water heaters. These plans provide protection against costly, unexpected repairs. NS also partners with Canter Power Systems to offer solutions for reliable residential and commercial generators. These systems provide backup power when it's needed most.

For homeowners interested in renewable energy, NOVEC Solutions maintains a long-standing and trusted partnership with Prospect Solar. Prospect Solar assists with system installation and grid interconnection, enabling customers to save on electric bills by using and selling excess energy. Together, they've launched the Orphaned Solar System (OSS) Program, helping customers revive or replace non-functional or abandoned solar installations.

## NS Telecomm

NS Telecomm, a business unit of NS, provides high-speed fiber optic data transport services to large entities such as hospitals, local governments, and schools across Northern Virginia and the Washington metro area.

NS Telecomm uses revolutionary technology that was invented and patented by NOVEC to allow data to travel in both directions on a single fiber instead of two. NS Telecomm's NS ONE-net™ data transfer multiplexers dramatically increase fiber-transmission efficiency and significantly reduce the cost of transporting data over fiber.

## NOVEC Energy Solutions (NES)

NES supplies natural gas in partnership with your local utility for both residential and commercial customers in Virginia, Maryland, Kentucky, Pennsylvania, and the District of Columbia. Cold weather and high rates can lead to high gas bills. Customers can choose a fixed rate or winter-fixed rate to offer more control over their gas bills.



# BIOMASS PLANT

## Halifax County Biomass Electric Generating Facility

The NOVEC Biomass Electric Generating Facility in Halifax County is an ongoing success story — for the Co-op and the environment. Since becoming operational in 2013, it has diverted 4.2 million tons of wood waste to generate more than 2.8 million megawatt-hours of renewable energy. The 49.9-MW plant is NOVEC's primary source of renewable energy and generates enough electricity to power 27,475 homes.

It is also an overwhelmingly positive contributor to the Halifax County community. It supports farmers by providing nourishing wood ash for their crops and offers an off-ramp for loggers with excess waste wood. The plant hosts educational programs for forestry students and high schoolers interested in forestry or manufacturing careers.



Students from Virginia Tech visited the plant in May 2024 to learn about bioenergy.



Plant employees created a reindeer display for NOVEC's sponsorship of the Lights for Hope holiday campaign. The Lights for Hope project is a community-wide effort and raises money for the Halifax County Cancer Association yearly.

## NOTABLE FACTS

The facility was  
commissioned in **2013**

The biomass  
facility uses  
approximately

**500,000**  
**TONS** of wood  
waste  
annually

Renewable  
energy is  
generated

**24/7**



## Bioenergy Day

NOVEC hosted a celebration for National Bioenergy Day on Oct. 23, 2024, acknowledging the environmental and economic benefits derived from utilizing organic materials to generate clean and renewable power 24/7. The recognition is spearheaded by the American Biomass Energy Association in collaboration with the U.S. Forest Service.

At the event, Virginia Secretary of Agriculture and Forestry Matt Lohr presented a commendation to Halifax County Biomass for environmental and economic contributions to the community.



*Dave Schleicher (left), former president and CEO of NOVEC, and Mike Davis (right), HCB fuel procurement and plant operations manager, receive a proclamation celebrating Bioenergy Day from Virginia Secretary of Agriculture and Forestry Matt Lohr.*



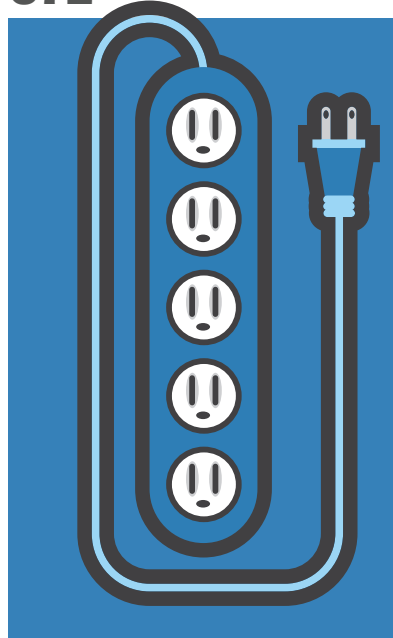
# A YEAR IN REVIEW

\*All statistics through Dec. 31, 2024, except for SmartHub and peak demand.

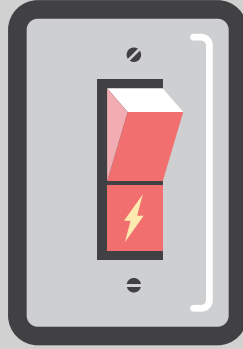
Customer Care  
Center Contacts  
**115,986**  
**calls and emails**

Customers Signed  
up for SmartHub  
**142,299** through Aug. 2025

Full-time Employees  
**372**



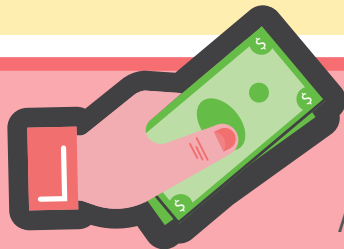
Reliability  
**99.99%**



Kilowatt-hours Sold  
**12.2 billion**

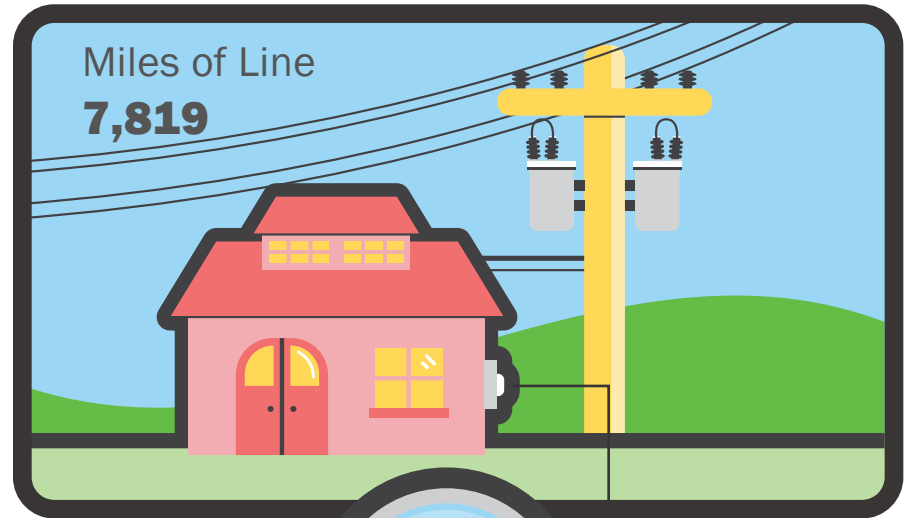


Cost of Power  
**\$733 million**



Assets  
**\$1.5 billion**

Miles of Line  
**7,819**



Meters per  
Miles of Line  
**23.2**



Total Meters  
**182,074**

Monthly average  
residential  
cost of 1,000  
kilowatt-  
hours  
**\$113.74**



Peak Demand  
**2,350**  
**megawatts**





# AWARDS & ACHIEVEMENTS

## 2024 Awards for Communication and Marketing:



2 APEX Awards



1 American Inhouse Design Award



1 Gold Spotlight on Excellence Award



1 Silver Telly Award



(Left to right) Jeremy Jenkins and Jacob Till.

### Two NOVEC lineworkers earned their Journeyman certifications

After hours of extensive training, participating in an apprenticeship program, and passing a certification exam, Line Technicians Jeremy Jenkins and Jacob Till received their Journeyman certifications.

### Three NOVEC Lineworkers completed the Lineworker Technical Apprentice Program (LTAP)

The LTAP is a four-year training program that includes eight steps, with each step featuring a 32-hour workshop held at the VMDEAC Training Center.



(Left to right) Aaron Church, Hunter Partlowe, and Damion Pope completed the LTAP.



NOVEC Key Accounts Representative Paul Tourville earned his certification as a manager in training from the Association of Energy Engineers in June 2024.



Substation Electrician Travis Thomas completed his apprenticeship in 2024.

### NOVEC was awarded the 2024 Certificate of Safety Achievement

The award was presented through the Rural Electric Safety Achievement Program of the National Rural Electric Cooperative Association (NRECA) at the January 2024 board meeting. The national recognition honors NOVEC's commitment to employee and public safety, regulatory compliance, and loss control.



Members of NOVEC's Risk Management and Security team (back row, left to right) Shawn Davis, Michael Grzewinski, Luke Cassidy, (front row, from left) Sarah Ayco, and April Goodnight showcase the Certificate of Safety Achievement from NRECA.

# RISK MANAGEMENT

## Safety

Keeping our NOVEC team safe at work and at home is our top priority, so completion of safe driving classes, courses in first aid and CPR, and attendance at comprehensive Safety Day programs are required of all employees. Field workers receive training on how to safely use a chainsaw as well as how to cope with unexpected encounters with unleashed dogs or wildlife.

NOVEC made an additional investment in flame-retardant clothing in 2024, ensuring that all lineworkers have a robust supply of state-of-the-art protective gear as they work to keep the lights on for our members.

The Cooperative also shares its expertise in electrical safety with first responders and others who may find themselves interacting with high-voltage electricity. Outreach in 2024 included all-day sessions with firefighters in Stafford County and data center workers in Prince William County. NOVEC’s Safety Demonstration Trailer shared its own message of caring for the community as it made stops at schools and fairs throughout NOVEC’s service area.

## CYBERSECURITY

### Enhanced Asset Management

**What We Did:** Deployed asset identification and vulnerability management tools.

**Result:** NOVEC has new technology in place and we are able to address security vulnerabilities much more quickly, driving a stronger cyber posture for NOVEC infrastructure.

### Cyber Resilience Recognition

**What We Did:** Achieved NRECA Co-op Cyber Secure Level 1 Badge, we are progressing to Level 2.

**Result:** Earned national recognition for strengthening cybersecurity resilience and protecting member services.

### Securing Data and AI

**What We Did:** Commenced strategic initiatives of data calibration and focused AI exploration with cybersecurity controls.

**Result:** Established pilot groups and framework development group to enable the AI and data journey for NOVEC and member services.





# COMMUNITY

## Mutual Aid

Electric cooperatives in the Southeast faced catastrophic infrastructure losses and difficult logistical hurdles during Hurricane Helene in September 2024, Winter Storm Blair in January 2025, and Winter Storm Harlow in February 2025. NOVEC honored its mutual aid agreements by deploying teams to co-ops in southwestern Virginia and North Carolina during the crises.

Their efforts aligned with the Seventh Cooperative Principle: “Cooperation Among Cooperatives.”

***‘NOVEC’s crew worked hard getting the lights on. They faced difficult conditions but felt good because they were able to help wherever they were needed.’***

**Mark DeChristopher**

NOVEC System Construction Manager



NOVEC crews worked to restore power after a February 2024 ice storm.



After Hurricane Helene, NOVEC lineworkers traveled to western Virginia to help Craig-Botetourt Electric Cooperative restore power.



## Scholarships

NOVEC awarded \$21,500 in scholarships to 12 graduating high school seniors in 2025. Among the recipients was one student attending a historically Black college or university. That student earned an additional scholarship as the top applicant overall.

Jordan Fischer earned this double honor, an initial \$1,500 scholarship as well as the \$3,500 Manley Garber Scholarship, for a total of \$5,000 from the Co-op.

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



**Jordan Fischer**  
Manley Garber Scholarship Winner  
Charles J. Colgan Sr. High School  
Prince William County

## Youth Tour

NOVEC sponsored three high school students from the region to participate in the 2025 Electric Cooperative Youth Tour. Hosted by the National Rural Electric Cooperative Association, NOVEC delegates joined nearly 2,000 students from across the country in this experience. Students learned about electric cooperative history, witnessed the legislative process, and made lifelong friendships during their week-long stay in Washington.

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

Additionally, two delegates from the 2024 Electric Cooperative Youth Tour completed phase two of NOVEC's program by visiting the Virginia General Assembly in Richmond in February 2025. During the visit, students met with Del. Fernando "Marty" Martinez (29th District) and the Legislative Assistant for Del. Joshua Thomas (21st District).



2024 NOVEC Electric Cooperative Youth Tour delegates (left to right) Maddie Barbee Doerfler and Vaibhav Dwarakat traveled to Richmond to meet Virginia General Assembly representatives and learn how the state government works.



2025 Electric Cooperative Youth Tour students traveled to Washington to learn about government, history, and electric cooperatives.





*In October 2024, Shawn Davis, manager of risk management, safety, and security, and members of the safety demo trailer crew taught electrical safety to more than 35 members of Stafford County Fire and Rescue, Company 8.*



*Cub Scout Pack 1483 visited NOVEC's Loudoun Service Center in February 2024 to learn about electrical safety and careers in the utility industry. From left, Line Technicians Brady Mills and Kenny Golliher explained the purpose of lineworkers' gear to the scouts.*



*In August 2024, NOVEC HELPS joined crews from across Northern Virginia for the sixth annual Reston Museum Cardboard Boat Regatta. Approximately 40 homemade vessels participated in the races held on Lake Anne. All proceeds from this event supported the Historic Reston Museum in its mission to protect and preserve the history of Reston. NOVEC Engineer Ian Hobson captained the vessel "Powerful."*



*Almost 300 lineworkers from around the country competed in the two-day Gaff-n-Go Rodeo in Doswell, Virginia in May 2024. The NOVEC team earned top-20 finishes in 12 events.*





NOVEC partnered with CoBank to donate \$20,000 to four area food pantries. Haymarket Regional Food Pantry, Loudoun Hunger Relief, Western Fairfax Christian Ministries, and Fauquier FISH. Each organization received donations of \$5,000 as part of CoBank's Sharing Success Program. 2024 marked the 11th year NOVEC has participated in this program.



Pictured are Lineworker Kenny Golliher and his son Landen before the Loudoun United Football Club's Hometown Heroes Night game in August 2024. The two assisted match attendees with the touch-a-truck event prior to the game.



NOVEC's Electrical Safety Demonstration Team greeted visitors and answered questions about the Co-op and electrical safety at the 2024 Fauquier County Fair. Lineworker Casey Taylor showed the gathering crowd what happens when a glove is not properly prepared for linework (it catches fire). NOVEC's safety trailer engages residents of all ages at community events and schools throughout the year, in all six counties the Co-op serves.









*Quality Assurance Manager Kevin Bowling and Electric Infrastructure Project Manager Pranav Jindal worked together at the Willing Warriors Retreat pole barn during NOVEC HELPS' 2024 Day of Caring.*



*The 2024 NOVEC HELPS annual golf tournament raised a record-shattering \$50,000, which is used to support community organizations throughout NOVEC's service area.*

## NOVEC HELPS

In 2024, NOVEC HELPS (Hands Engaged in Local Public Service), contributed a record-breaking \$79,000 to 110 veteran, youth services, social welfare, disease research, healthcare, and community organizations.

The 501(c)(3) organization, operated by 15 NOVEC employees, is a separate entity from the Cooperative. It raises money from employee and member contributions and its annual golf tournament held each May.

In October, 32 NOVEC employees joined NOVEC HELPS to participate in its sixth annual Day of Caring at Willing Warriors Retreat. The day's tasks included house projects, cleaning, and landscaping across the several buildings at the retreat's country property in Haymarket, Virginia. Willing Warriors Retreat provides injured American service members, disabled veterans, and their families a home-away-from-home getaway from the medical center environment.

## Operation Round Up® (ORU)

ORU offers NOVEC members the opportunity to help their neighbors who are having trouble paying their energy bills. Co-op members can choose to round up their monthly bills to the nearest dollar each month and the change is donated to the emergency relief program. NOVEC partners with four social service agencies that work with residents to determine eligibility for emergency bill payment assistance. In 2024, 26,560 NOVEC members rounded up their bills to generate a total of \$168,554.

## Vision

Lights On! Best. Biggest. Brightest.

## Mission

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

## Values

Safety, Integrity, Excellence,  
Accountability, Teamwork,  
and Innovation.

## Corporate Priorities

- ✓ Service Value
- ✓ Financial Strength
- ✓ Skilled and Engaged Workforce
- ✓ Business Strategies
- ✓ Environmental Stewardship and Sustainability
- ✓ Legislative and Regulatory Relationships
- ✓ Community Investment





# BOARD OF DIRECTORS & CORPORATE OFFICERS



**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



**Wilbur Rollins**  
Senior Vice President  
Finance and Accounting



**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



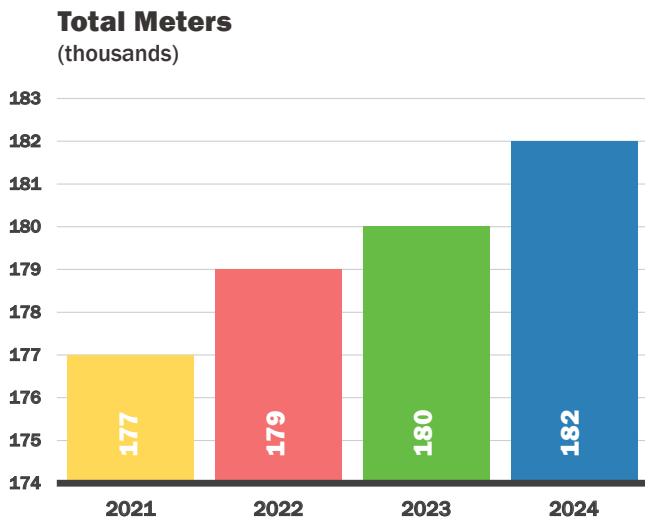
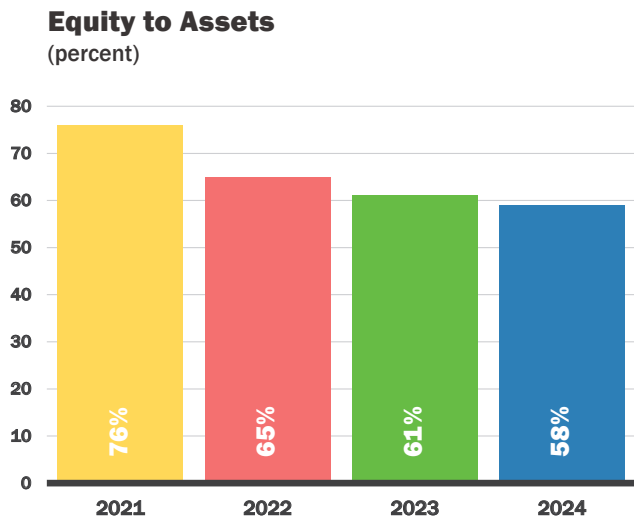
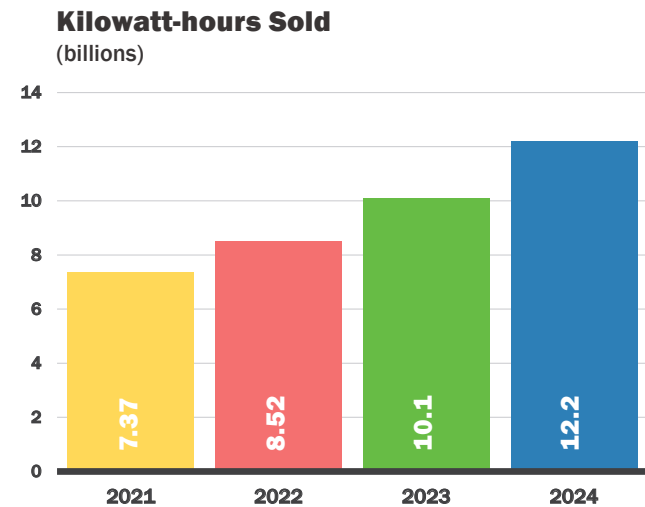
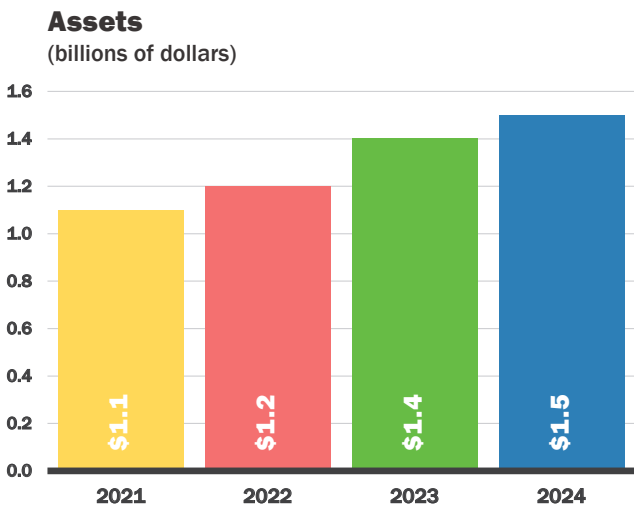
**Patrick A. Toulme**  
Vice President  
and Corporate Counsel



**Wade C. House**  
Board Chairman  
District 5

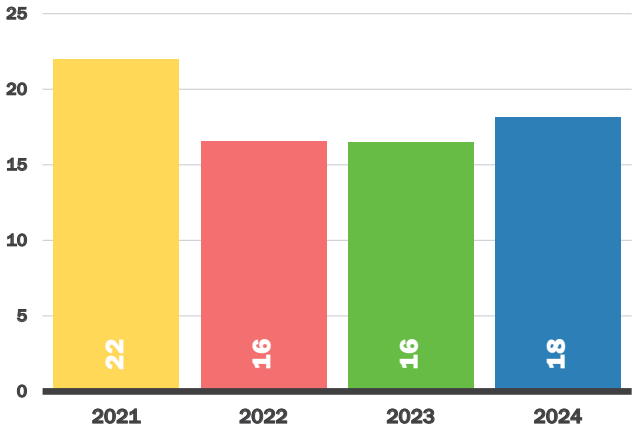


**Kristen Senechal**  
President and CEO

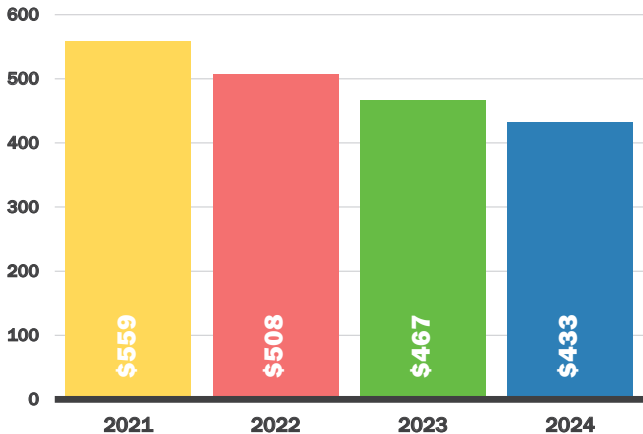




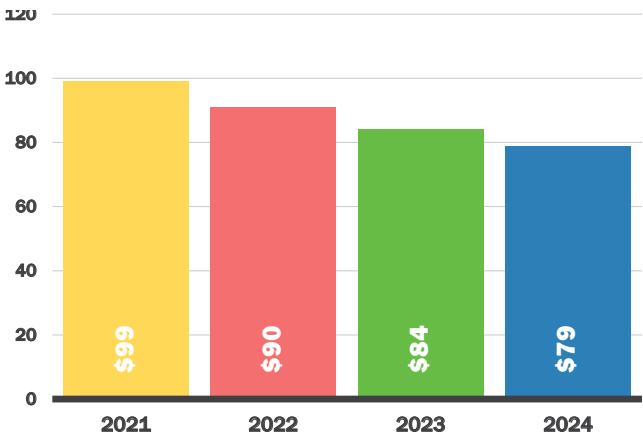
**Net Operating Margins**  
(millions of dollars after interest expenses)



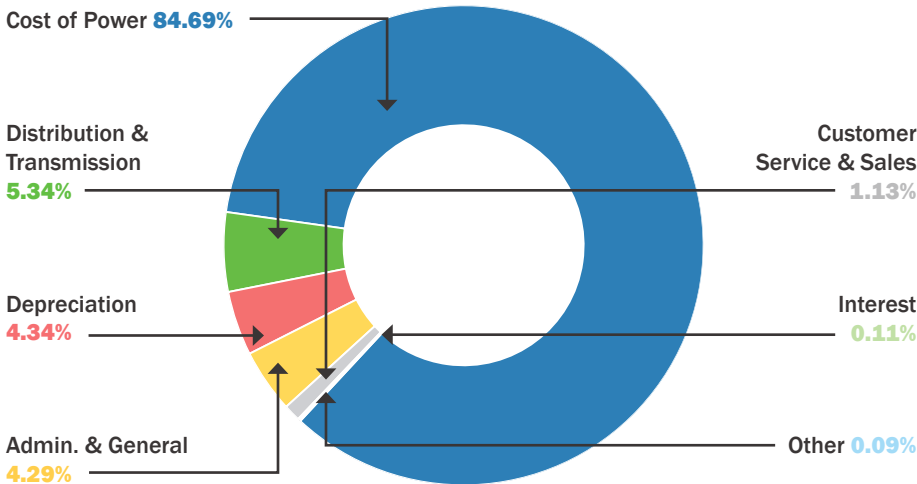
**Average Debt Per Meter**  
(dollars)



**Long-Term Debt**  
(millions of dollars)



**Allocation of Electric Service Cost**



# CONSOLIDATED BALANCE SHEETS

Dec. 31, 2024 and 2023 (in thousands)

Assets	2024	2023
Utility plant, net of accumulated depreciation and amortization	\$946,640	\$828,874
Nonutility plant, net of accumulated depreciation and amortization of \$6,134 in 2024 and \$5,561 in 2023	4,762	4,965
<b>Total plant</b>	<b>\$951,402</b>	<b>\$833,339</b>
Finance lease right-of-use assets, net of accumulated amortization	\$140	—
Operating lease right-of-use assets	1,569	2,412
<b>Investments:</b>		
Associated organizations	6,351	6,437
Other	9,392	7,686
<b>Total investments</b>	<b>\$15,743</b>	<b>\$14,123</b>
Deferred income taxes, net	\$7,743	\$7,198
<b>Current assets:</b>		
Cash and cash equivalents	184,285	202,630
Investment securities	138,079	63,733
Accounts receivable, less allowance for doubtful accounts of \$2,256 in 2024 and \$2,949 in 2023	73,805	128,393
Materials and supplies inventories	60,134	48,527
Collateral deposits	29,617	21,584
Other current assets	28,649	34,208
<b>Total current assets</b>	<b>\$514,569</b>	<b>\$499,075</b>
Restricted cash	3,000	3,000
Deferred charges	4,907	4,968
Post-retirement benefits, net	30,585	26,203
<b>Total assets</b>	<b>\$1,529,658</b>	<b>\$1,390,318</b>



# CONSOLIDATED BALANCE SHEETS

Dec. 31, 2024 and 2023 (in thousands)

	Liabilities and Equities	2024	2023
<b>Equities and margins:</b>			
Membership fees		\$616	\$633
Patronage capital and accumulated earnings		820,983	796,124
Other equities		38,622	32,918
Accumulated other comprehensive income		20,663	14,884
<b>Total equities and margins</b>		<b>\$880,884</b>	<b>\$844,559</b>
Commitments and contingencies			
Long-term debt, excluding current installments		\$73,965	\$79,251
<b>Current liabilities:</b>			
Current installments of long-term debt		4,904	4,913
Other borrowings		2,500	2,000
Accounts payable		45,756	46,707
Consumer deposits		8,088	6,677
Current installments of obligations under finance leases		26	—
Short-term operating lease liabilities		538	841
Accrued expenses and other current liabilities		7,430	8,163
<b>Total current liabilities</b>		<b>\$69,242</b>	<b>\$69,301</b>
Deferred credits		496,949	389,405
Obligations under finance leases, excluding current installments		114	—
Long-term operating lease liabilities		1,048	1,593
Accrued retirement benefits		7,456	6,209
<b>Total liabilities</b>		<b>\$648,774</b>	<b>\$545,759</b>
<b>Total liabilities and equities</b>		<b>\$1,529,658</b>	<b>\$1,390,318</b>

# CONSOLIDATED STATEMENTS OF OPERATIONS AND PATRONAGE CAPITAL

Dec. 31, 2024 and 2023 (in thousands)

	2024	2023
<b>Operating revenue:</b>	\$909,775	\$889,038
<b>Operating expenses:</b>		
Cost of power	749,295	739,894
Administrative and general	42,269	39,535
Depreciation and amortization	41,289	34,885
Distribution expense — maintenance	27,379	27,090
Distribution expense — operations	17,852	17,605
Consumer accounts	7,941	8,273
Customer service and information expense	2,014	2,035
Other deductions, net	568	694
<b>Total operating expenses</b>	<b>\$888,607</b>	<b>\$870,011</b>
<b>Net operating margins before interest expense</b>	<b>\$21,168</b>	<b>\$19,027</b>
Interest expense	3,213	3,871
<b>Net operating margins after interest expense</b>	<b>\$17,955</b>	<b>\$15,156</b>
<b>Nonoperating margins:</b>		
Patronage capital assigned from associated organizations	\$502	\$694
Dividends and interest income	17,959	9,322
Other nonoperating income, net	3,793	2,641
<b>Total nonoperating margins</b>	<b>\$22,254</b>	<b>\$12,657</b>
<b>Net margins before income tax expense</b>	<b>\$40,209</b>	<b>\$27,813</b>
Income tax benefit	(543)	(95)
<b>Net margins</b>	<b>\$40,752</b>	<b>\$27,908</b>
Patronage capital at beginning of year	\$796,124	\$779,544
Net margins	40,752	27,908
Retirements of patronage capital	(15,893)	(11,328)
<b>Patronage capital at end of year</b>	<b>\$820,983</b>	<b>\$796,124</b>



# CONSOLIDATED STATEMENTS OF CASH FLOWS

Dec. 31, 2024 and 2023 (in thousands)

	2024	2023
<b>Cash flows from operating activities:</b>		
Cash received from consumers	\$1,073,424	\$1,126,148
Cash paid to suppliers and employees	(856,683)	(858,110)
Dividends, interest, and other nonoperating income	22,254	10,911
Tax benefits	(543)	(1)
Interest paid	(3,154)	(3,825)
<b>Net cash provided by operating activities</b>	<b>\$235,307</b>	<b>\$275,123</b>
<b>Cash flows from investing activities:</b>		
Purchases of utility plant and nonutility plant	(\$274,519)	(\$151,442)
Contributions in aid of construction of utility plant	114,899	89,203
Proceeds from sale of utility plant	971	3,602
Purchases of investment securities	(84,946)	(16,688)
Purchases of other investments and changes in collateral deposits	(8,116)	(3,038)
Proceeds from sale or maturity of investment securities	12,809	14,713
Retirements of patronage capital by associated organizations	254	451
<b>Net cash used in investing activities</b>	<b>(\$238,648)</b>	<b>(\$63,199)</b>
<b>Cash flows from financing activities:</b>		
Principal proceeds from other borrowings	\$500	\$2,000
Principal payments on other borrowings	—	(52,236)
Principal payments on long-term debt	(5,295)	(6,672)
Principal payments on finance leases	(3)	—
Membership fee distributions	(17)	(17)
Retirement of patronage capital	(15,893)	(11,328)
Unclaimed retirement of patronage capital	5,704	3,438
<b>Net cash provided by (used in) financing activities</b>	<b>(\$15,004)</b>	<b>(\$64,815)</b>
<b>Net increase (decrease) in cash, cash equivalents, and restricted cash</b>	<b>(\$18,345)</b>	<b>\$147,109</b>
<b>Cash, cash equivalents, and restricted cash at beginning of year</b>	<b>\$205,630</b>	<b>\$58,521</b>
<b>Cash, cash equivalents, and restricted cash at end of year</b>	<b>\$187,285</b>	<b>\$205,630</b>



## Non-discrimination Statement

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the State or local Agency that administers the program or contact USDA through the Telecommunications Relay Service at 711 (voice and TTY). Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [How to File a Program Discrimination Complaint](#) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Mail Stop 9410, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov).

USDA is an equal opportunity provider, employer, and lender.





## Photography Credits

Photographs in this Annual Report were provided by NOVEC staff with these exceptions:

### **PAGES 2, 5, 24, 25**

Wade House and Kristen Senechal — Photos by Tina Leu

### **PAGE 10**

Photo provided by Prospect Solar

### **PAGE 25**

Board of Directors and Corporate Officers except Wade House and Kristen Senechal — Photos by Michael Carpenter



NOVEC, headquartered in Manassas, Virginia, is a not-for-profit electric utility corporation that supplies and distributes electricity and energy-related services to more than 182,000 metered customers in Clarke, Fairfax, Fauquier, Loudoun, Prince William, and Stafford counties, the Town of Clifton, and the City of Manassas Park. It is the nation's largest electric cooperative when measured by 2023 megawatt hour sales. For questions concerning the Cooperative: call NOVEC's Customer Care Center at 703-335-0500, Monday through Friday, from 7:45 a.m. to 5:30 p.m.; visit [novec.com](http://novec.com); or send mail to NOVEC, P.O. Box 2710, Manassas, VA 20108.