Electric Power Research Institute, Inc.

Consolidated Financial Statements as of and for the Years Ended December 31, 2025 and 2024, Schedule of Expenditures of Federal Awards and Uniform Guidance Compliance Reports for the Year Ended December 31, 2025, and Independent Auditor's Reports

ELECTRIC POWER RESEARCH INSTITUTE, INC.

TABLE OF CONTENTS

Deloitte.

Deloitte & Touche LLP

650 South Tryon Street
Suite 1800
Charlotte, NC 28202
USA

Tel: +1 704 887 1500
www.deloitte.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Electric Power Research Institute, Inc.
Palo Alto, California

Opinion

We have audited the consolidated financial statements of Electric Power Research Institute, Inc. and subsidiaries (the "Institute" or "EPRI"), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Institute as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Institute's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Institute's ability to continue as a going concern for a reasonable period of time.

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

Report on Schedule of Expenditures of Federal Awards required by the Uniform Guidance

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2026, on our consideration of the Institute's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the Institute's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Institute's internal control over financial reporting and compliance.

Deloitte & Touche LLP

April 23, 2026

ELECTRIC POWER RESEARCH INSTITUTE, INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2025 AND 2024
(Dollars in thousands)

	2025	2024
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 53,083	$ 60,509
Investments	46,700	22,767
Receivables—members, net	21,143	17,938
Receivables—supplemental funding, net	50,868	50,967
Receivables—other, net	-	715
Other current assets	18,360	18,523
Total current assets	190,154	171,419
LONG-TERM INVESTMENTS	133,296	148,910
RIGHT OF USE ASSET	10,513	14,072
OTHER LONG-TERM ASSETS	624	493
PROPERTY, FACILITIES, BUILDING IMPROVEMENTS, AND EQUIPMENT—Net	66,421	78,879
TOTAL	$ 401,008	$ 413,773
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	$ 22,031	$ 26,177
Deferred revenue	146,527	160,954
Operating lease obligations	4,464	4,351
Deferred gain on asset disposal	1,097	1,097
Accrued liabilities	56,600	53,001
Total current liabilities	230,719	245,580
OTHER LONG-TERM LIABILITIES	4,152	3,449
ACCUMULATED POSTRETIREMENT BENEFIT OBLIGATION	4,167	4,419
LONG-TERM OPERATING LEASE OBLIGATIONS	7,264	11,175
LONG-TERM DEFERRED GAIN ON ASSET DISPOSAL	1,097	2,193
Total liabilities	247,399	266,816
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS	153,609	146,957
TOTAL	$ 401,008	$ 413,773

See notes to consolidated financial statements.

ELECTRIC POWER RESEARCH INSTITUTE, INC.

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (Dollars in thousands)

	2025	2024
CHANGES IN NET ASSETS:		
Revenues:		
Membership	$ 244,374	$ 238,547
Supplemental	261,765	250,179
Other	3,450	2,929
Total revenues	509,589	491,655
Expenses:		
Electrification and sustainable energy	55,527	52,066
Generation	79,914	82,157
Nuclear	184,375	180,695
Integrated grid and energy systems	67,382	65,980
Transmission and distribution infrastructure	67,528	64,409
Low carbon resources initiative	21,112	23,404
Climate READi	5,741	11,468
Technology innovation activities	31,903	34,494
Total expenses	513,482	514,673
OTHER INCOME:		
Investment income—net	9,489	11,341
Gain on asset disposals—net	1,056	1,097
Total other income	10,545	12,438
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	6,652	(10,580)
NET ASSETS WITHOUT DONOR RESTRICTIONS—Beginning of year	146,957	157,537
NET ASSETS WITHOUT DONOR RESTRICTIONS—End of year	$ 153,609	$ 146,957

See notes to consolidated financial statements.

ELECTRIC POWER RESEARCH INSTITUTE, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Dollars in thousands)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (Decrease) in net assets	$ 6,652	$ (10,580)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	11,667	9,463
Gain on asset disposals—net	(1,097)	(1,097)
Non-cash operating lease expense	4,355	4,358
Realized and unrealized gain on investments	(969)	(374)
Allowance for doubtful accounts	-	75
Changes in assets and liabilities:		
Receivables—members	(3,205)	(285)
Receivables—supplemental funding	99	(5,694)
Receivables—other	715	300
Other current assets	163	(2,731)
Other long-term assets	(131)	490
Accounts payable	(2,667)	(10,864)
Current and long-term deferred revenue	(14,427)	(4,498)
Accrued liabilities	3,599	4,741
Operating lease expense	(4,594)	(4,502)
Accumulated postretirement benefit obligation	(252)	(433)
Other long-term liabilities	703	327
Net cash provided by (used in) operating activities	611	(21,304)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(687)	(20,060)
Purchases of investments	(351,326)	(498,998)
Proceeds from sale and maturity of investments	343,976	551,228
Net cash (used in) provided by investing activities	(8,037)	32,170
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(7,426)	10,866
CASH AND CASH EQUIVALENTS—Beginning of year	60,509	49,643
CASH AND CASH EQUIVALENTS—End of year	$ 53,083	$ 60,509
SUPPLEMENTAL DISCLOSURES OF CASH ACTIVITIES		
Cash paid for income taxes, net	$ 734	$ -
Non-cash activities:		
Capital expenditures in accounts payable	$ 302	$ 1,031

See notes to consolidated financial statements.

1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization—The Electric Power Research Institute, Inc.'s (the "Institute" or EPRI) mission is to conduct research and development through science and technology for the benefit of society. To accomplish this objective, EPRI develops and manages research and development programs for improving energy generation, delivery, and usage. Program service expenses are direct charges to the research programs.

EPRI has been determined to be exempt from federal taxes as a scientific organization under Section 501(c)(3) of the Internal Revenue Code (the "Code"). Hence, only unrelated business income as defined in the Code and other foreign jurisdictions, are subject to federal income taxes. As of December 31, 2025, the Institute had gross net operating loss carryforwards ("NOLs") of $15M related to its unrelated business income. Subsequent to filing the 990-T for tax year 2024, an adjustment was determined to reduce the NOLs to $14M, of which $8M expires between 2033 and 2044. The remaining carryforwards of $6M have no expiration date. As of December 31, 2025, the Company had deferred tax assets of $2.9M related to these NOL's for which the Institute has provided for a full valuation allowance. In 2025, as in prior years, EPRI anticipates no significant taxable income.

The financial statements are consolidated to include the accounts of EPRI and its wholly owned subsidiaries. All intercompany accounts have been eliminated. The EPRI subsidiaries are EPRI International, Inc. and EPRI Gulf, Ltd. EPRI International, Inc. includes its subsidiary, EPRI Europe DAC. EPRI Gulf Ltd. includes its subsidiary EPRI Gulf Energy Research SPLLC.

Summary of Significant Accounting Policies

Basis of Presentation—EPRI's consolidated financial statements are prepared on the basis of accounting principles generally accepted in the United States of America (U.S. GAAP).

Cash and Cash Equivalents—EPRI generally considers all highly liquid investment instruments including U.S. Treasury bills and money market funds to be cash equivalents. Commercial paper securities with an original maturity of three months or less at the time of purchase are considered to be cash equivalents.

Investments—Investments are carried at fair value. Investments are classified as short-term or long-term based on the maturity date of the investments. Investment income and realized and unrealized gains or losses on investments net of investment related expenses are reflected in the consolidated statements of activities and changes in net assets as Investment income-net.

Property, Facilities, Building Improvements, and Equipment—Buildings and improvements are depreciated over various lives, ranging from ten to thirty years, using the straight-line method. Software and computer equipment is depreciated over a range of three to seven years using the straight-line method. Equipment is depreciated using the straight-line method over a period of five years. Leasehold improvements are amortized using the straight-line method over the shorter of the terms of the respective leases or their economic lives. Equipment that is highly specialized and offers no alternative future use to EPRI or its contractors is expensed as incurred. Costs associated with individual research and development projects conducted at the facilities are charged to expense as incurred. Gains or losses from the sale or other disposition of property, facilities, and equipment are generally recorded in other income. In certain circumstances, gains may be deferred when immediate recognition is not appropriate and are recognized in future periods in accordance with the underlying transaction terms.

Other Current Assets—Other assets consist primarily of prepaid expenses and miscellaneous receivables.

Membership Revenue—Revenue from memberships is recognized on a straight-line basis over the annual membership period. Payments are received on an annual or quarterly basis.

EPRI collaborates with the electricity sector and members include electric utility companies in the United States and more than 38 other countries. While most members are electric utilities, others are businesses, government agencies, regulators and public or private entities engaged in some aspect of the generation, delivery, or use of electricity.

As a result of the adoption of Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers*, revenue from membership is recognized as an exchange transaction and includes two performance obligations, including fixed-price annual membership revenue which is recognized over time and credits available for the purchase of research materials (e.g., Existing Product Credits (EPC)) which are only available to members with multiple year membership contracts. The performance obligation related to EPC is recognized at a point in time when the incentive is used and the performance obligation complete. EPC are granted annually and unused EPC expire at the end of the membership year in which they are granted.

Supplemental Revenue—Supplemental revenue is composed of supplemental funding and other contract services and cost-reimbursable federal and state contracts and grants. Payment is received (1) in advance of costs being incurred and is recorded as deferred revenue or (2) after expenses are incurred.

Supplemental funding and other contract services include one performance obligation related to the execution of the project identified in the contract and are recognized over time when costs are incurred up to the amount of funding agreements. Revenue derived from cost-reimbursable federal and state contracts and grants are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Institute has incurred expenditures in compliance with specific contract or grant provisions. Revenues for cost-reimbursable federal and state contracts and grants, which are revenues other than revenues recognized from contracts with customers, for the year ended December 31, 2025, was $67,297,000 and for the year ended December 31, 2024, was $34,425,000.

Supplemental revenue included $530,000 in 2025 and $3,038,000 in 2024 of contractual revenue where funding had not yet been received, but related costs had been incurred on co-funding projects that are funded through agreements other than membership.

Other Revenue—Other revenue includes royalty revenue and revenue from sales of EPRI reports. Royalty revenue and revenue from sales of EPRI reports is recognized at the point of sale.

Receivables—EPRI maintains reserves for expected credit losses related to membership and supplemental funding receivables based on historical experience, current conditions, reasonable expectations of future economic conditions, and an analysis of specific customer accounts. Such reserves amounted to $186,000 as of December 31, 2025, and $186,000 as of December 31, 2024.

Use of Estimates—The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Estimates include the valuation of short-term and long-term investments carried at fair value. These estimates require judgment in determining the appropriate valuation methodologies, assessing inputs observable in the marketplace, estimating unobservable inputs when applicable, and determining the appropriate classification of investments within the fair value hierarchy. Changes in these assumptions could impact the consolidated financial statements.

Expenses—Expenses are presented by both their nature and their function in the consolidated financial statements. Direct costs are those for activities, materials or services that are directly attributable to a product, project, or service. Indirect costs are those for activities, materials or services that benefit more than one product, project or service and their precise benefits to a specific product, project or service are difficult or impossible to determine. Government funded agreements may have specific restrictions on costs which may be directly charged to the project.

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

The aggregate carrying amounts of cash and cash equivalents and investments as of December 31, 2025 and 2024, are as follows (dollars in thousands):

	2025	**2024**
Cash	$ 47,692	$ 31,351
Cash equivalents	5,391	29,158
Cash and cash equivalents	53,083	60,509
Short-term investments:		
Fixed-income securities	46,700	22,767
Total short-term investments	46,700	22,767
Long-term investments:		
Fixed-income securities	133,292	148,906
Equity securities	4	4
Total long-term investments	133,296	148,910
Total	$ 233,079	$ 232,186

EPRI's financial assets available within one year of the balance sheet date for general expenditure are as follows (dollars in thousands).

Cash and cash equivalents	$ 53,083
Receivables	72,011
Short-term investments	46,700
	$ 171,794

As part of EPRI's liquidity management, it has a policy to maintain its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, EPRI invests cash in excess of daily requirements in short-term and long-term investments. The portfolio is structured so that the Institute's near-term anticipated operating needs are met without having to liquidate securities before maturity.

Fair Value Hierarchy—EPRI follows the guidance offered by Accounting Standards Codification ASC 820-10, *Fair Value Measurement*, to estimate the fair value of its investments. ASC 820-10 establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Level 1—Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. A quoted price in an active market provides the most reliable evidence of fair value and shall be used to measure fair value whenever available.

Level 2—Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3—Inputs are unobservable inputs for the assets or liabilities. Unobservable inputs shall be used to measure fair value to the extent that the observable inputs are not available. Unobservable inputs shall be developed based on the best information available in the circumstances, which might include the reporting entity's own data.

In accordance with ASC 820, EPRI has elected to use the net asset value ("NAV") per share practical expedient to measure the fair value of certain investments. Investments measured using NAV are not classified within the fair value hierarchy. These investments are generally redeemable at NAV, subject to customary redemption notice periods. Information provided by investees is considered, and adjustments for applicable contributions and distributions are evaluated between the investee's valuation date and EPRI's measurement date.

The valuation of the Institute's investments per ASC 820-10 fair value hierarchy levels as of December 31, 2025 and 2024, are summarized as follows (dollars in thousands):

	Fair Value at Reporting Date Using				
2025	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Net Asset Value**	**Total**
Cash equivalents	$ -	$ 4,070	$ -	$ 1,321	$ 5,391
Fixed-income securities:					
Corporate debt securities	-	101,061	-	-	101,061
Commercial paper	-	5,100	-	-	5,100
Certificates of deposit	-	7,264	-	-	7,264
Foreign debt securities	-	27,382	-	-	27,382
U.S. government debt securities	-	39,185	-	-	39,185
Total fixed-income securities	-	179,992	-	-	179,992
Equity securities	4	-	-	-	4
Total	$ 4	$ 184,062	$ -	$ 1,321	$ 185,387

	Fair Value at Reporting Date Using				
2024	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Net Asset Value**	**Total**
Cash equivalents	$ -	$ 28,030	$ -	$ 1,128	$ 29,158
Fixed-income securities:					
Corporate debt securities	-	104,752	-	-	104,752
Commercial paper	-	2,382	-	-	2,382
Foreign debt securities	-	26,953	-	-	26,953
U.S. government debt securities	-	37,586	-	-	37,586
Total fixed-income securities	-	171,673	-	-	171,673
Equity securities	4	-	-	-	4
Total	$ 4	$ 199,703	$ -	$ 1,128	$ 200,835

Cash Equivalents—Cash equivalents generally include U.S. Treasury bills and money market funds. Commercial paper securities with an original maturity of three months or less at the time of purchase are considered to be cash equivalents. Money market funds are valued at net asset value. These funds seek to provide current income and daily liquidity while maintaining a stable share price of $1. These funds invest primarily in U.S. Treasuries, government agency debentures, and government collateralized repurchase agreements. The net asset value approximates the fair value of the underlying securities.

Commercial Paper—Commercial paper consists of domestic and foreign commercial paper securities with original maturities greater than three months.

Certificates of Deposit— Certificates of deposit are time-deposit instruments issued by banks that carry a fixed interest rate and a specified maturity date. Funds deposited in CDs generally must remain on deposit until maturity. CDs purchased through FDIC-insured banks are protected by federal deposit insurance up to $250,000 per depositor, per bank, per ownership category, covering both principal and accrued interest.

Corporate and Foreign Debt Securities—Corporate debt securities consist of domestic corporate bonds. Foreign debt securities consist of foreign corporate bonds. All corporate and foreign debt securities are listed on major public exchanges; however, the majority of trading volume is through dealer-based, over-the- counter markets.

U.S. Government Debt Securities—U.S. government debt securities (principally U.S. Treasury notes) and municipal debt securities (local government securities) are traded primarily through dealer-based, over-the- counter markets.

Equity Securities—Equity securities represent common stock in a corporation.

3. PROPERTY, FACILITIES, BUILDING IMPROVEMENTS, AND EQUIPMENT

Property, facilities, building improvements, and equipment as of December 31, 2025 and 2024, were as follows (dollars in thousands):

	2025	2024
Building and leasehold improvements	$ 81,076	$ 74,062
Equipment and projects in process	55,485	81,057
Software and computer equipment	50,567	33,520
Total properties, facilities, building improvements, and equipment	187,128	188,639
Less accumulated depreciation and amortization	(120,707)	(109,760)
Property, facilities, building improvements, and equipment—net	$ 66,421	$ 78,879

In September 2019, EPRI sold its leasehold interest and four buildings in Palo Alto, California and leased back a portion of the space. A portion of the net gain on the sale was deferred and will be amortized over the related lease periods. The deferred gain on the sale for the years ended December 31, 2025 and 2024, was $2,193,000 and $3,290,000, respectively. Other income includes the income recognized on the gain on the sale for the years ended December 31, 2025 and 2024, was $1,097,000 and $1,097,000, respectively.

During the year ended December 31, 2025, the Company recorded a reduction to software and computer equipment related to a settlement associated with its enterprise resource planning system implementation. Depreciation expense is recognized prospectively based on the revised asset basis and remaining useful lives. Legal fees associated with the matter were expensed as incurred and included in expenses.

The depreciation and amortization expense for the years ended December 31, 2025 and 2024, was $11,667,000 and $9,463,000, respectively.

4. ACCRUED LIABILITIES

Accrued liabilities as of December 31, 2025 and 2024, were as follows (dollars in thousands):

	2025	2024
Accrued compensation	$ 45,801	$ 45,856
Other	10,799	7,145
Total accrued liabilities	$ 56,600	$ 53,001

Accrued compensation includes incentive and pension benefits earned in 2025, to be paid during the first quarter of 2026. Other accrued liabilities include commitments related to research activities, unused disability-related leave benefits and tax liabilities.

5. NET ASSETS WITHOUT DONOR RESTRICTIONS

EPRI's net assets as of December 31, 2025 and 2024, and all activities for the years then ended were unrestricted. Net assets without donor restrictions may be designated for specific purposes by action of the board of directors. As of December 31, 2025 and 2024, no net assets were so designated by the board of directors.

6. BENEFIT PLANS

EPRI has a defined contribution pension plan for its employees. EPRI contributes a fixed percentage of eligible wages to the employee's 401(k) account. An employee contribution is not required for participation in these benefits. It is EPRI's policy to fund pension costs as earned by employees. Total expenses include pension expense in the amount of $22,003,000 for 2025 and $22,247,000 for 2024.

EPRI provides an unfunded postretirement health care benefit plan to employees meeting certain requirements. Prior to January 1, 2007, all employees who retired on or after age 55 with a minimum of five years of service and whose aggregate years of service, plus age totaled 70 years or more were covered by the plan. Effective January 1, 2007, employees are eligible only if the sum of their age plus years of service equaled or exceeded 50 years as of December 31, 2006 and, if upon their retirement from EPRI, they have completed a minimum of five years of service, are at least age 55, and their aggregate age plus years of service totaled 70 years or more. Spouses of eligible participants are also covered. No employee hired or rehired on or after January 1, 2007, is eligible for the benefit. In 2013, the plan was amended to require eligible participants to retire prior to July 1, 2014, in order to receive the benefit. Any participants who did not retire as of July 1, 2014, are no longer eligible for the benefit. Each nonofficer participant and spouse receives up to $75 monthly for medical insurance premium reimbursement. Officers who attained officer status before January 1, 2007, are required to pay 20% of the actual premium cost of the medical plan of their choice. EPRI pays the remaining 80% of the premium cost.

The 2025 expense was determined using the discount rate of 4.80%. The 2024 expense was determined using the discount rate of 5.20%.

For officers, health care cost trends used in determining the accumulated postretirement benefit obligation and costs are assumed to increase by 7.4% for 2026 and then remain at approximately 6.2% to 6.9% increases per year through 2029.

The discount rate used in determining the accumulated postretirement benefit obligation was 4.80% in 2025 and 5.20% in 2024. EPRI recognizes a net liability based on the funded status of its other postretirement benefit plan in its statements of financial position. The benefit obligation is measured by year as follows (dollars in thousands).

	2025	**2024**
Change in benefit obligation:		
Benefit obligation at end of prior year	$5,073	$5,526
Service cost	-	-
Interest cost	246	239
Actuarial (gain)	(2)	(211)
Benefits paid	(463)	(481)
Benefits obligation at end of year	4,854	5,073
Change in plan assets:		
Employer contributions	463	481
Benefits paid	(463)	(481)
Unfunded status at end of year	$4,854	$5,073
Amounts recognized in consolidated statements of financial position:		
Current liabilities	$ 687	$ 654
Noncurrent liabilities	4,167	4,419
Total amounts recognized in consolidated statements of financial position	$4,854	$5,073
Net periodic benefit costs:		
Service cost	$ -	$ -
Interest cost	246	239
Amortization of prior service cost	(173)	(173)
Amortization of net (gain) loss	(104)	(81)
Net periodic benefit cost	$ (31)	$ (15)

Expected benefit payments to retirees under the postretirement plan, over the next 10 years are summarized below (dollars in thousands):

Years Ending December 31	Amount
2026	$ 703
2027	665
2028	583
2029	530
2030	496
2031–2035	1,808
Total	$ 4,785

7. COMMITMENTS AND CONTINGENCIES

Letters of Credit—EPRI has one deposit account for one cash-secured letters of credit (LOC) in the amount of $258,000. This LOC renewed on June 26, 2025 is mandated by the state of California and is required for EPRI's disability program. There were no balances outstanding under the letters of credit at either December 31, 2025 or 2024.

Leases—EPRI has entered into operating leases for research, office, and storage facilities and for equipment. In 2019, EPRI sold its leasehold interest related to the property in Palo Alto, California and entered into a lease for a portion of the space. The lease expires as of December 31, 2027. Rental expense under leases for Palo Alto, Dallas, Washington D.C. and Knoxville locations was $4,820,000 and $4,747,000 in 2025 and 2024, respectively. The terms included in certain of these leases provide that EPRI is responsible for property taxes, insurance and maintenance expenses. These costs are included in the cost of operations in the statement of activities. The lease agreements may include options to extend the lease following the initial lease term.

EPRI leases certain buildings under a long-term non-cancelable operating lease. The lease agreements may include options to extend the lease following the initial lease term.

Leases with an initial term of twelve months or less are not recorded on the balance sheet. EPRI recognizes lease expense for these leases on a straight-line basis over the term of the lease.

EPRI elected a use of the risk-free interest rate as a practical expedient to determine the present value of the lease payments.

Operating lease information as of December 31, 2025 and 2024, was as follows (dollars in thousands):

	2025	2024
ROU assets—operating lease—net	$ 10,513	$ 14,072
Short term lease liability—operating lease	$ 4,464	$ 4,351
Long term lease liability—operating lease	7,264	11,175
Total lease liability	$ 11,728	$ 15,526
Cash paid for operating lease	$ 4,594	$ 4,502
Remaining lease term	35.91 months	45.83 months
Discount rate	1.58 %	1.49 %

Future minimum noncancelable operating lease commitments with initial terms of one year or more as of December 31, 2025, are as follows (dollars in thousands):

Years Ending December 31,	Total Amount
2026	$ 4,619
2027	4,795
2028	1,015
2029	797
2030	804
Total lease payments	12,030
Less imputed interest	(302)
Total lease liability—operating leases	$ 11,728

Other Commitments and Contingencies—As a matter of business practice, EPRI extends indemnification to its members, funders, and collaborators for certain contractual risks; furthermore, EPRI is required to provide certain indemnifications arising through EPRI's government contracts. In addition, through its bylaws and/or by operation of law, EPRI may owe indemnification in certain matters to members of its board of directors, officers, and employees.

Annually, EPRI authorizes the maximum amounts that may be expended on research projects. EPRI negotiates research contracts on those projects with companies and organizations that result in a contractual commitment for a given year. Such commitments cannot exceed the cumulative authorization without amending the original agreement. As of December 31, 2025, EPRI had commitments with contractors to reimburse their future research costs in the amount of approximately $53,455,000. Generally, EPRI has the right to cancel research and development contract commitments at 30 days' notice, subject to the payment of certain termination costs.

Certain research contracts are funded from federal government sources. Amounts received from these contracts are subject to audit by the awarding agencies. To date, no significant cost disallowances have resulted from such audits.

In February 2023, the Institute's management became aware that certain EPRI products subject to the U.S. Department of Energy ("DOE") nuclear export control regulations at 10 C.F.R. Part 810 ("Part 810") were misclassified, allowing them to be accessible by EPRI members and funders who were not authorized to do so under Part 810. Management began an internal investigation into the matter and submitted an initial voluntary self-disclosure ("VSD") to the DOE on March 22, 2023. EPRI filed its final voluntary self-disclosure of potential violations of 10 CFR Part 810 with the Department of Energy on May 5, 2023, and has completed a comprehensive review of its research portfolio to support accurate export control classifications. As of the end of FY 2025, EPRI has not received any communications, decisions, or notice of penalties from the federal government regarding its voluntary disclosures. EPRI understands that it is common for such reviews to take years to complete. During this period, EPRI has continued its enhanced export control classification and review process, as well as internal guidance and controls for interacting with customers who are not authorized to receive Part 810 controlled material. Additionally, EPRI has conducted further training for employees engaged in the process and export-controlled activities and dedicated internal resources to support compliance. In March 2024, the Department of Energy issued a specific authorization for an additional Chinese customer entity to have access to Part 810-controlled materials provided by EPRI, which we view as a positive sign from the federal government of its confidence in EPRI's export control compliance efforts. Management maintains its position that it does not expect the potential violations to have a material impact on the Institute's financial position, operations, and cash flows.

On February 9, 2024, EPRI management exercised its right to terminate the Institute's Master Services Agreement (Agreement or MSA) and related Statement of Work with the Institute's SAP Implementation Partner ("Partner"), alleging a repeated and material breach of the Agreement and Statement of Work. Under the provisions of the Agreement any disputes thereunder are subject to arbitration. On February 27, 2024 the Partner filed a counterclaim against EPRI citing improper termination of the Agreement by EPRI. On September 18, 2025, EPRI and Partner entered into a Settlement Agreement and Mutual Release in full resolution of EPRI's claims and the Partner's counterclaims where EPRI was to receive a payment of $5,000,000 for damages and no payment was due to the Partner. EPRI received payment on October 7, 2025. The proceeds are reflected as a reduction to the ERP system cost reflected in Property, Facilities, Building Equipment and Equipment. The related costs for outside counsel, expert witnesses and arbitration totaling $536,000 in 2025 and $813,000 in 2024 are included in Expenses.

Actions arising from the normal course of business are pending against the Institute. While the outcome of these matters is not presently determinable, in the opinion of management, these matters are not expected to have a material effect on the consolidated financial position or results of operations of the Institute and, accordingly, no provision has been made in the consolidated financial statements.

8. RELATED-PARTY TRANSACTIONS

Throughout 2025, no more than 36 of the 40 seats on EPRI's board of directors were filled by individuals who were affiliated with companies that are members of EPRI. In addition to membership funding, these member companies may also have provided supplemental funding to EPRI for certain research projects. Those member companies with representation on the board of directors during 2025 and 2024 provided approximately 45% and 48% of membership funding and 32% and 25% of supplemental funding, respectively. EPRI's receivables as of December 31, 2025, and 2024 included $15,196,000 and $13,409,000 due from these member companies, respectively. EPRI's accounts payable as of December 31, 2025, and 2024 included $609,000 and $9,000 due to these member companies, respectively.

9. EXPENSES

The table below presents expenses by both their nature and their function as of December 31, 2025 and 2024 (dollars in thousands).

	Program Activities									Supporting Activities	
2025	Electrification and Sustainable Energy	Generation	Nuclear	Integrated Grid and Energy Systems	Transmission and Distribution Infrastructure	Low Carbon Resources Initiative	Climate READi	Technology Innovation Activities	Programs Subtotal	Management and General	Total Expenses
Salaries and benefits	$ 19,738	$ 23,871	$ 51,539	$ 29,086	$ 23,661	$ 9,336	$ 2,716	$ 10,413	$ 170,360	$109,373	$279,733
Services and professional fees	10,238	20,341	52,928	7,107	7,987	2,069	347	8,280	109,297	6,651	115,948
Travel and meetings	2,226	4,726	13,465	3,082	2,318	1,343	273	970	28,403	5,508	33,911
Supplies and office expenses	2,720	3,965	4,589	1,137	7,833	474	154	1,170	22,042	24,597	46,639
Allocated management and general expense	20,584	26,968	61,795	26,628	25,230	7,890	2,251	11,070	182,416	(156,814)	25,602
Depreciation and amortization	21	43	59	342	499	-	-	-	964	10,685	11,649
Total expenses	$ 55,527	$ 79,914	$184,375	$ 67,382	$ 67,528	$ 21,112	$ 5,741	$ 31,903	$ 513,482	$ -	$513,482

	Program Activities									Supporting Activities	
2024	Electrification and Sustainable Energy	Generation	Nuclear	Integrated Grid and Energy Systems	Transmission and Distribution Infrastructure	Low Carbon Resources Initiative	Climate READi	Technology Innovation Activities	Programs Subtotal	Management and General	Total Expenses
Salaries and benefits	$18,669	$25,483	$ 50,700	$28,508	$22,723	$ 7,439	$ 5,232	$10,766	$169,520	$ 95,905	$265,425
Services and professional fees	7,898	22,006	54,803	6,448	10,708	6,841	846	8,834	118,384	13,497	131,881
Travel and meetings	3,917	4,904	12,282	3,341	2,511	1,116	685	1,087	29,843	5,522	35,365
Supplies and office expenses	2,951	2,658	5,667	1,672	5,436	657	197	2,273	21,511	26,482	47,993
Allocated management and general expense	18,610	27,067	57,221	25,489	22,695	7,351	4,508	11,533	174,474	(149,928)	24,546
Depreciation and amortization	21	39	22	522	336	-	-	-	940	8,523	9,463
Total expenses	$52,066	$82,157	$180,695	$65,980	$64,409	$23,404	$11,468	$34,493	$514,672	$ 1	$514,673

Management and general expense is allocated to program activities based upon actual expenses incurred by the programs.

10. SUBSEQUENT EVENTS

The Institute has evaluated subsequent events through April 23, 2026, the date the financial statements were available to be issued. No subsequent events were noted.

* * * * * *

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND UNIFORM GUIDANCE COMPLIANCE REPORTS FOR THE YEAR ENDED DECEMBER 31, 2025

Deloitte & Touche LLP

650 South Tryon Street
Suite 1800
Charlotte, NC 28202
USA

Tel: +1 704 887 1500
www.deloitte.com

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Electric Power Research Institute, Inc.
Palo Alto, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the consolidated financial statements of Electric Power Research Institute, Inc. and its subsidiaries (the "Institute" or "EPRI") which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements"), and have issued our report thereon dated April 23, 2026.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2025-001, 2025-002 and 2025-003 that we consider to be significant deficiencies.

Institute's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Institute's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Institute's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Report on Compliance and Other Matters

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

Purpose of This Report

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

Deloitte & Touche LLP

April 23, 2026

Deloitte.

Deloitte & Touche LLP

650 South Tryon Street
Suite 1800
Charlotte, NC 28202
USA

Tel: +1 704 887 1500
www.deloitte.com

REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Electric Power Research Institute, Inc.
Palo Alto, California

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Electric Power Research Institute, Inc.'s (the "Institute" or EPRI) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Institute's major federal program for the year ended December 31, 2025. The Institute's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Institute complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2025.

Basis for Opinion on the Institute's Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Institute and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Institutes' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Institute's federal program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Institute's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Institutes' compliance with the requirements of the major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Institute's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Institute's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Deloitte & Touche LLP

April 23, 2026

ELECTRIC POWER RESEARCH INSTITUTE, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

Assistance Listings Number	Federal Grantor/Pass-through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
RESEARCH AND DEVELOPMENT CLUSTER				
U.S. Department of Agriculture (USDA)				
10.069	USDA, Conservation Reserve Program (CRP) / University of Illinois	PO # 20301	$ -	$ 12,853
U.S. Department of Defense (DOD)				
12.300	U.S. DOD / Office of Naval Research (ONR)		31,682	198,102
12.300	U.S. DOD, USACE Humphreys Engineer Center Support Activity (HECSA)		111,657	265,893
12.300 Basic and Applied Scientific Research Total			143,339	463,995
12.351	U.S. DOD, DTRA / Applied Research Associates, Inc.	HDTRA1-25-F-E037	-	9,680
12.351	U.S. DOD, DTRA / Leidos, Inc.	P010348875	-	24,324
12.351	U.S. DOD, DTRA / Xator Corporation	EPRI-04109.000-01	-	43,161
12.351 Scientific Research - Combating Weapons of Mass Destruction Total			-	77,165
U.S. Air Force Research Laboratory (AFRL)				
12.800	AFRL / National Center for Defense Manufacturing and Machining (NCDMM)	AOP:5200-0046-000	834,582	1,483,665
12.800	AFRL / Concurrent Technologies Corp.	241000015S	-	298,060
12.800 Air Force Defense Research Sciences Program Total			834,582	1,781,725
12.910	U.S. Army Contracting Command (ACC-APG) / Top Grain Technologies, Inc.	W912CG24C0013.01	-	71,629
12.910	U.S. Army Contracting Command (ACC-APG) / Top Grain Technologies, Inc.	W912CG25CA008.01	-	8,166
12.910 Research and Technology Development Total			-	79,795
12.RD	U.S. DOD, USACE Humphreys Engineer Center Support Activity (HECSA)	W912HQ22C0066	10,000	131,135
12.RD	U.S. DOD, USACE Humphreys Engineer Center Support Activity (HECSA)	W912HQ25C0074	-	43,387
12.RD U.S. DOD, USACE Humphreys Engineer Center Support Activity (HECSA) Total			10,000	174,522
U.S. Department of State (DOS)				
19.017	DOS		-	6,422
19.017	DOS / Duke University	SLMAQM20CA2398	-	21,827
19.017 Environmental and Scientific Partnership and Programs Total			-	28,249
19.033	DOS		184,273	2,645,004
National Aeronautics and Space Administration (NASA)				
43.001	NASA / Analytical Mechanics Associates	So RSES.C2.06.00569.001	-	4,003
43.001	NASA / Analytical Mechanics Associates	RS-40086	-	7,112
43.001 Science Total			-	11,115
National Science Foundation (NSF)				
47.050	NSF / Division of Atmospheric and Geospace Sciences (AGS) / West Virginia University	MM000453935/PO2149779	-	19,010
U.S. Department of Energy (DOE)				
81.000	U.S. DOE, National Laboratory of the Rock (NLR)	SUB-2023-10467	-	58,207
81.000	U.S. DOE, National Nuclear Security Administration (NNSA) / Consolidated Nuclear Security, LLC (CNS)	4300185574	-	185,090
81.000	U.S. DOE, NETL, Energy Efficiency & Renewable Energy (EERE) / Lawrence Berkeley Laboratory	7724475	-	30,255
81.000	U.S. DOE, NETL, EERE / Lawrence Berkeley Laboratory	7741613	33,168	129,340
81.000	U.S. DOE, Office of Electricity (OE) / Lawrence Berkeley National Laboratory (LBNL)	7665034	-	(5,484)
81.000 U.S. DOE, Office of Electricity (OE) Total			33,168	397,408
81.008	U.S. DOE, Cybersecurity, Energy Security & Emergency Response (CESER)		1,012,632	2,988,232
81.008	U.S. DOE, CESER / Iowa State University	026633A	-	41,428
81.008	U.S. DOE, CESER / University of Illinois	CN-00083613	-	55,127
81.008 Cybersecurity, Energy Security & Emergency Response (CESER) Total			1,012,632	3,084,787

(Continued)

ELECTRIC POWER RESEARCH INSTITUTE, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

Assistance Listings Number	Federal Grantor/Pass-through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
RESEARCH AND DEVELOPMENT CLUSTER				
81.049	U.S. DOE, Office of Science (OS) / Turbine Logic	DE-SC0025034EPRI	$ -	$ 32,252
81.049	U.S. DOE, OS, Small Bus. Innovation Research (SBIR), Small Bus. Tech. Transfer (STTR) / Visimo LLC	EPRI-DE-SC0025082	-	11,439
81.049 Office of Science Financial Assistance Program Total			-	43,691
81.057	U.S. DOE, NETL, OFE / Michigan Technological University	2102021Z1	-	1,338
81.086	U.S. DOE, National Energy Technology Laboratory (NETL), Energy Efficiency & Renewable Energy (EERE)		669,914	2,080,647
81.086	U.S. DOE, NETL, EERE / Lawrence Berkeley Laboratory	7531576	-	17,718
81.086	U.S. DOE, NETL, EERE / RAPID Manufacturing Institute	2970571500-004	-	43,163
81.086	U.S. DOE, NETL, EERE / Southern Company	96430	38,339	61,941
81.086	U.S. DOE, NETL, EERE / University of Maryland	104006-Z7145202	34,376	373,396
81.086	U.S. DOE, Golden Field Office (GF), EERE		762,574	1,579,356
81.086	U.S. DOE/Advanced Manufacturing Office, EERE / Arizona State University	ASUB00001886	-	31,262
81.086	U.S. DOE/Advanced Manufacturing Office, EERE / RedoxBlox, Inc.	DE-EE0010835-EPRI	-	135,741
81.086	U.S. DOE, EERE, Office of Manuf. and Energy Supply Chains (MESC) / Electronic Recyclers Intl, Inc. (ERI)	DE-EE0011358	-	6,897
81.086	U.S. DOE, Industrial Efficiency and Decarbonization Office, EERE / Electrified Thermal Solutions, Inc.	DE-EE0011204-EPRI	-	133,627
81.086	U.S. DOE, Industrial Technologies Office (ITO), EERE / University of Wisconsin	0000003991	-	18,939
81.086 Conservation Research and Development Total			1,505,203	4,482,687
81.087	U.S. DOE, GFO, EERE		2,272,097	5,444,526
81.087	U.S. DOE, GFO, EERE / Bat Conservation International (BCI)	240614EPRI-63523	-	29,875
81.087	U.S. DOE, GFO, EERE / NYSERDA / University of Massachusetts Lowell	S51900000053342	-	39,251
81.087	U.S. DOE, GFO, EERE / University of Texas at Austin	UTAUS-SUB00001580	-	31,696
81.087	U.S. DOE, EERE Water Power Technologies Office (WPTO) / Turbine Logic	DE-EE0011043EPRI	-	11,903
81.087	U.S. DOE, EERE / Stanford University	63621858-285652	-	17,526
81.087	U.S. DOE, NETL, EERE / Southern Company	SCS Contract No. 96431	-	28,523
81.087	U.S. DOE, Wind Energy Technologies Office, EERE /NYSERDA/Rutgers, The State University	192900-133	-	2,718
81.087 Renewable Energy Research and Development Total			2,272,097	5,606,018
81.089	U.S. DOE, NETL, Fossil Energy and Carbon Management (FECM)		2,324,476	2,821,670
81.089	U.S. DOE, NETL, FECM / Univ. of Kentucky	3200004674-22-210	-	177,336
81.089	U.S. DOE, NETL, FECM / Univ. of Kentucky	3200004758-23-295	-	1,560
81.089	U.S. DOE, NETL, FECM / Univ. of Kentucky	3200005425-23-250	-	13,888
81.089	U.S. DOE, NETL, FECM / Univ. of Kentucky	3200006126-24-230	-	14,425
81.089	U.S. DOE, NETL, FECM / Univ. of Kentucky	3200006322-25-013	-	25,000
81.089	U.S. DOE, NETL, FECM / Univ. of Kentucky	3200006661-25-138	54,844	88,980
81.089	U.S. DOE, NETL, FECM / Univ. of Illinois	119285-20191	-	12,295
81.089	U.S. DOE, NETL, FECM / Fervo Energy Company	DE-FE0032384	-	12,037
81.089	U.S. DOE, NETL, FECM / RTI International	2-340-0219445-67688L	-	6,628
81.089	U.S. DOE, NETL, FECM / U.C. Berkeley	0012026	-	4,671
81.089	U.S. DOE, NETL, FECM / Washington University in St. Louis	WU-25-0097	98,975	151,797
81.089	U.S. DOE, NETL, Office of Fossil Energy (OFE)		2,891,558	5,059,404
81.089	U.S. DOE, NETL, OFE / Gas Technology Institute	SR108_PROJ NO-23178	-	72,026
81.089	U.S. DOE, NETL, OFE / Southwest Research Institute	P99009RR	20,000	24,581
81.089	U.S. DOE, NETL, OFE / University of Cincinnati	013495-002	-	8,835
81.089 Fossil Energy Research and Development Total			5,389,853	8,495,133

(Continued)

ELECTRIC POWER RESEARCH INSTITUTE, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

Assistance Listings Number	Federal Grantor/Pass-through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
RESEARCH AND DEVELOPMENT CLUSTER				
81.121	U.S. DOE, Idaho Operations (ID), Office of Nuclear Energy (NE)		$ 830,164	$ 1,831,408
81.121	U.S. DOE, ID, NE / General Atomics	PO4500093454	30,100	61,453
81.121	U.S. DOE, ID, NE / Southern Company Services, Inc.	74520	-	19,107
81.121	U.S. DOE, ID, NE / University of Michigan	SUBK00016970	-	29,316
81.121	U.S. DOE, ID, NE / University of South Carolina	22-4739	-	870
81.121	U.S. DOE, ID, NE / Kairos Power LLC	1032909	170,796	480,374
81.121	U.S. DOE, Office of Science (SC) / Oak Ridge National Laboratory / UT Battelle LLC	4000193060	-	17,116
81.121 Nuclear Energy Research, Development and Demonstration Total			1,031,060	2,439,644
81.135	U.S. DOE, ARPA-E		959,181	1,211,534
81.135	U.S. DOE, ARPA-E / Deep Isolation, Inc.	DE-AR0001797 with EPRI	-	15,539
81.135	U.S. DOE, ARPA-E / RTI International	4-340-0219009-67492L	-	30,838
81.135	U.S. DOE, ARPA-E / Siemens Corporation, Corporate Technology	236-01	-	156,680
81.135	U.S. DOE, Office of Science (SC) / Idaho National Laboratory (INL) / Battelle Energy Alliance	41798-26	-	173,899
81.135	U.S. DOE, Office of Science (SC) / Idaho National Laboratory (INL) / Battelle Energy Alliance	41798-27	-	254,448
81.135	U.S. DOE, SC / Idaho National Laboratory / Battelle Energy Alliance	41798-03	-	1,105
81.135	U.S. DOE, SC / INL / Battelle Energy Alliance	SOW-21981	-	34,569
81.135 Advanced Research Projects Agency-Energy Total			959,181	1,878,612
81.254	U.S. DOE, GFO, Grid Deployment Office (GD)		412,576	1,276,866

(Continued)

ELECTRIC POWER RESEARCH INSTITUTE, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

Assistance Listings Number	Federal Grantor/Pass-through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
RESEARCH AND DEVELOPMENT CLUSTER				
81.255	U.S. DOE, Office of Clean Energy Demonstrations (OCED) / Westinghouse Electric Company LLC	PO1000707928	$ -	$ 157,682
81.255	U.S. DOE, OCED / Nomad Transportable Power Systems, Inc.	DE-OE0000952	-	100,750
81.255	U.S. DOE, OCED / Wisconsin Power & Light Co.	CSA No. 59391	-	165,585
	81.255 Clean Energy Demonstrations Program Total		-	424,017
81.RD	U.S. DOE, Battelle for the Mgmt. and Operation of Pacific Northwest Nat. Lab. / Battelle Memorial Institute	765233	140	132,955
81.RD	U.S. DOE, Battelle for the Mgmt. and Operation of Pacific Northwest Nat. Lab. / Battelle Memorial Institute	786626	-	197,141
81.RD	U.S. DOE, Battelle for the Mgmt. and Operation of Pacific Northwest Nat. Lab. / Battelle Memorial Institute	795274	-	3,321
81.RD	U.S. DOE, Battelle for the Mgmt. and Operation of Pacific Northwest Nat. Lab. / Battelle Memorial Institute	612018	-	170,033
81.RD	U.S. DOE, Battelle for the Mgmt. and Operation of Pacific Northwest Nat. Lab. / Battelle Memorial Institute	736834	-	145,445
81.RD	U.S. DOE, Idaho Operations Office	89243218CNE000001	1,557,695	1,963,429
	81.RD Clean Energy Demonstrations Program Total		1,557,835	2,612,324
U.S. Deptartment of Homeland Security (DHS)				
97.108	DHS / HS, Research, Testing, Evaluation, and Demonstration of Technolog		228,239	1,768,952
U.S Agency for International Development (USAID)				
98.001	USAID / Chemonics International, Inc.	72067424C00001/SubTO-1142-TO1	-	7,989
TOTAL - RESEARCH AND DEVELOPMENT			15,574,038	37,812,899
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 15,574,038	$ 37,812,899

See notes to Schedule of Expenditures of Federal Awards. (Concluded)

1. The negative amounts shown in the SEFA resulted from adjustments or credits made in the normal course of business to amounts reported as expenditures in prior fiscal years.

ELECTRIC POWER RESEARCH INSTITUTE, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards (the “Schedule”) has been prepared from Electric Power Research Institute Inc.’s, (the “Institute” or EPRI) accounting records and is presented on the accrual basis of accounting in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). The purpose of the Schedule is to present a summary of those activities of EPRI for the year ended December 31, 2025 which have been partially financed by the U.S. government (federal awards). For purposes of the Schedule, federal awards include all assistance entered into directly between EPRI and the federal government and between EPRI and other primary recipients of federal government funding (pass-through). Amounts Passed-Through to Subrecipients are included in Total Federal Expenditures. In addition to Total Federal Expenditures, EPRI reported $6,661,655 in cost share spending on these federal awards during the year ended December 31, 2025. Because the Schedule presents only a selected portion of the activities of the Institute, it is not intended to, and does not, present either the consolidated financial position, changes in net assets, or cash flows of the Institute.

2. DE MINIMIS COST RATE

The Institute has not elected to use the de minimis cost rate of up to 15% as covered in §200.414(f) Indirect (F&A) costs of the Uniform Guidance.

3. NONCASH FEDERAL AWARDS

During the year ended December 31, 2025, the Institute did not receive any federal nonmonetary assistance.

4. TERMINATED AWARDS

During the year ended December 31, 2025, the Institute excluded $428,000 of costs from its Schedule of Expenditures of Federal Awards related to five federal awards that are currently under termination appeals with the U.S. Department of Energy. These incurred costs have not been invoiced to the agency while pending resolution of the appeals.

If the termination appeals are resolved favorably, the Institute may invoice the related costs to the sponsoring agency in accordance with award terms. If the terminations are upheld, the Institute will address the disposition of such costs as part of the award closeout process.

ELECTRIC POWER RESEARCH INSTITUTE, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

SECTION I—SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	______	yes	X	no
Significant deficiency(ies) identified?	X	yes	______	none reported
Noncompliance material to financial statements noted?	______	yes	X	no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?	______	yes	X	no
Significant deficiency(ies) identified?	______	yes	X	none reported
Type of auditor's report issued on compliance for major federal program:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	______	yes	X	no

Identification of major federal program:

Assistance Listings Number(s):	Various			
Name of Federal Program or Cluster:	Research and Development Cluster			
Dollar threshold used to distinguish between Type A and Type B programs:	$1,134,387			
Auditee qualified as low-risk auditee?	X	yes	______	no

SECTION II—FINANCIAL STATEMENT FINDINGS

Finding Reference Number 2025-001- Significant Deficiency in SAP S/4 Change Management Control

Criteria – COSO Internal Control Principle 11 notes "The organization selects and develops general control activities over technology to support the achievement of objectives." Management is responsible for designing, implementing, and maintaining effective internal controls over change management for systems relevant to financial reporting.

Condition – The Institute's SAP S/4 change management control was not operating effectively during the fiscal year 2025. The production client and system parameter in SAP S/4 was set to "OFF", resulting in changes not being appropriately monitored.

Cause – Resulting from the implementation of SAP S/4, client and system setting changes were not appropriately logged, monitored or approved by management due to oversight.

Effect – Due to the significant deficiency identified above the following risk was not fully addressed throughout the year:

- Inappropriate changes are made to application systems or programs that contain relevant automated controls (i.e., configurable settings, automated algorithms, automated calculations, and automated data extraction) and/or report logic.

This could increase risk of unauthorized client copy/export/import activity, potentially leading to sensitive data exposure, unintended system changes, and disruption to production operations.

Recommendation – As of December 31, 2025, Management has remediated this significant deficiency. It is recommended that Management continue remediation efforts by consistently executing existing controls related to the monitoring of SAP S/4.

View of Responsible officials – See attached corrective action plan.

Finding Reference Number 2025-002- Significant Deficiency in SAP S/4 DEBUG access management

Criteria – COSO Internal Control Principle 11 notes "The organization selects and develops general control activities over technology to support the achievement of objectives." Management is responsible for designing, implementing, and maintaining effective internal controls over change management for systems relevant to financial reporting.

Condition – The Institute's SAP S/4 logical security and change management control was not operating effectively during the fiscal year 2025. There were several DEBUG assignments granted that were not approved, reviewed, or monitored.

Cause –Resulting from the implementation of SAP S/4, DEBUG access was granted to more users than normal. However, supporting documentation for the access granted was not consistently maintained and the appropriate monitoring was not performed.

Effect – Due to the significant deficiency identified above the following risk was not fully addressed throughout the year:

- Inappropriate changes are made to application systems or programs that contain relevant automated controls (i.e., configurable settings, automated algorithms, automated calculations, and automated data extraction) and/or report logic.
- Users have access privileges beyond those necessary to perform their assigned duties, which may create improper segregation of duties.

Inappropriate debug assignments could expose sensitive data, enable unauthorized elevated access, and destabilize production through excessive logging, leading to security incidents, compliance issues, and/or outages.

Recommendation – It is recommended that Management continue remediation efforts, including, but not limited to, restricting user access in accordance with the principle of least privilege based on job responsibilities, and consistently executing existing controls related to the approval, review, and monitoring of user access throughout the year.

View of Responsible officials – See attached corrective action plan.

Finding Reference Number 2025-003- Significant Deficiency in SAP Logical Security and Change Management Controls Aggregation

Criteria – COSO Internal Control Principle 11 notes “The organization selects and develops general control activities over technology to support the achievement of objectives.” Management is responsible for designing, implementing, and maintaining effective internal controls over logical security and change management for systems relevant to financial reporting.

Condition – The Institute’s SAP logical security and change management controls were not designed, implemented, and/or operating effectively during the fiscal year 2025. Specifically, the following controls were deemed to be deficient resulting in aggregate to be a significant deficiency:

- Privileged-level access (e.g., security administrators) within SAP is not authorized and appropriately restricted.
- Invalid testing of the security model as part of the SAS S/4 system implementation led to inappropriate access in the system. Inappropriate access was not identified, reviewed and updated timely.
- Power profiles SAP_ALL and SAP_NEW were not adequately secured to authorized users / accounts.
- Change management configurations were not set to enforce adherence to the process for logging and administering changes in SAP.
- Emergency access to SAP for approval, logging and monitoring of activity was not consistently followed.

Cause – Resulting from the implementation of SAP S/4 Hana, inadequate testing of the SAP S/4 security model was performed due to oversight.

Effect – Due to the logical security and change management deficiencies identified above, the following risks were not fully addressed through the period in review:

- Inappropriate changes are made to application systems or programs that contain relevant automated controls (i.e., configurable settings, automated algorithms, automated calculations, and automated data extraction) and/or report logic.
- Users have access privileges beyond those necessary to perform their assigned duties, which may create improper segregation of duties.
- Data converted from legacy systems or previous versions introduces data errors if the conversion transfers incomplete, redundant, obsolete, or inaccurate data.

This could increase risk of unauthorized client copy/export/import activity, potentially leading to sensitive data exposure, unintended system changes, and potential to enable unauthorized elevated access, unintended system changes, disruption to production operations, and destabilize production through excessive logging, leading to security incidents, compliance issues, and/or outages.

Recommendation – During the period under review, Management has implemented controls and remediated certain identified deficiencies. It is recommended that Management continue remediation efforts, including, but not limited to, restricting user access in accordance with the principle of least privilege based on job responsibilities, and consistently executing existing controls related to the approval, review, and monitoring of user access throughout the year.

View of Responsible officials – See attached corrective action plan.

SECTION III—FEDERAL AWARD FINDINGS AND QUESTIONED COST

No matters are reportable.

APPENDIX A

Corrective Action Plan for the Year Ended December 31, 2025

Finding – 2025-001

Financial Statement Finding – SAP S/4 Change Management Control

Condition – The Institute's SAP S/4 change management control was not operating effectively during the fiscal year 2025. The production client and system parameter in SAP S/4 was set to "OFF", resulting in changes not being appropriately monitored.

Corrective Action Plan - This issue has been remediated as of December 31, 2025. The SAP S/4 system setting was corrected, and appropriate monitoring processes have been reinstated. Management will continue to advance remediation efforts by consistently executing controls related to SAP S/4 monitoring, ensuring that all critical configuration changes are accurately logged, reviewed, and approved.

Contact Person – Swati Daji
Executive Vice President, Chief Financial, Risk & Operations Officer

Finding – 2025-002
Financial Statement Finding – **SAP S/4 DEBUG Access Management**
Condition – The Institute's SAP S/4 logical security and change management control was not operating effectively during the fiscal year 2025. There were several DEBUG assignments granted that were not approved, reviewed, or monitored.

Corrective Action Plan – In response to this issue, enhanced controls are being implemented to prevent unauthorized debug access. Debug access has been removed from all roles, including the firefighter role. Any assignment of the debug role must be specifically requested and will adhere to the firefighter process, which is subject to rigorous review and monitoring. The firefighter process is further being strengthened with a requirement for explicit signature following the review of downloaded logs. These actions were completed on or before April 15, 2026.
Contact Person – Swati Daji
Executive Vice President, Chief Financial, Risk & Operations Officer

Finding – 2025-003
Financial Statements Finding – SAP Logical Security and Change Management Controls Aggregation
Condition – The Institute's SAP logical security and change management controls were not designed, implemented, and/or operating effectively during the fiscal year 2025. Specifically, the following controls were deemed to be deficient resulting in aggregate to be a significant deficiency:

- Privileged-level access (e.g., security administrators) within SAP is not authorized and appropriately restricted.
- Invalid testing of the security model as part of the SAS S/4 system implementation led to inappropriate access in the system. Inappropriate access was not identified, reviewed and updated timely.
- Power profiles SAP_ALL and SAP_NEW were not adequately secured to authorized users / accounts.
- Change management configurations were not set to enforce adherence to the process for logging and administering changes in SAP.
- Emergency access to SAP for approval, logging and monitoring of activity was not consistently followed.

Corrective Action Plan – Management acknowledges multiple control deficiencies relating to SAP logical security and change management. Remediation of several underlying issues occurred during the year; for example, additional monitoring was established for powerful SAP profiles, and inappropriate privileged accounts in Active Directory were removed (completion in early January 2026).
Additional corrective measures include reinforcing user access restrictions (limiting powerful system profiles and improving periodic access reviews), tightening emergency access procedures (ensuring all elevated access is pre-approved and promptly reviewed), enhancing oversight of change management (including comprehensive data migration testing and approvals) were completed on or before April 15, 2026.

Management is dedicated to maintaining a strong SAP security environment.

Contact Person – Swati Daji
Executive Vice President, Chief Financial, Risk & Operations Officer

ELECTRIC POWER RESEARCH INSTITUTE, INC.

SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2024

Fiscal Year	Finding Number	Description	ALN Number	Questioned Costs	Contact Person	Explanations	Correction Status
2024	2024-001	Finding of Noncompliance- For the fiscal year ended December 31, 2024, there were publications released with reference to research and development project activities funded by DOE that did not include the required legal disclaimer and (or) acknowledgement statement in pursuant with DOE grant contractual provisions.	R&D Cluster	N/A	Jennifer Hill, Government Controller	In April 2025, EPRI initiated a cross-functional, system-based approach for managing non-governmental publications, implemented centralized ECM storage and quarterly manual SEFA publication reviews with follow-ups for missing acknowledgements. The prior-year noncompliance issue was resolved through manual review and process, with no recurrence noted in FY25. EPRI is also pursuing automated workflows enhance pre-release reviews, which will be implemented in Q2 2026.	Fully Remediated