California ISO | WESTERN ENERGY MARKETS

Briefing on market performance

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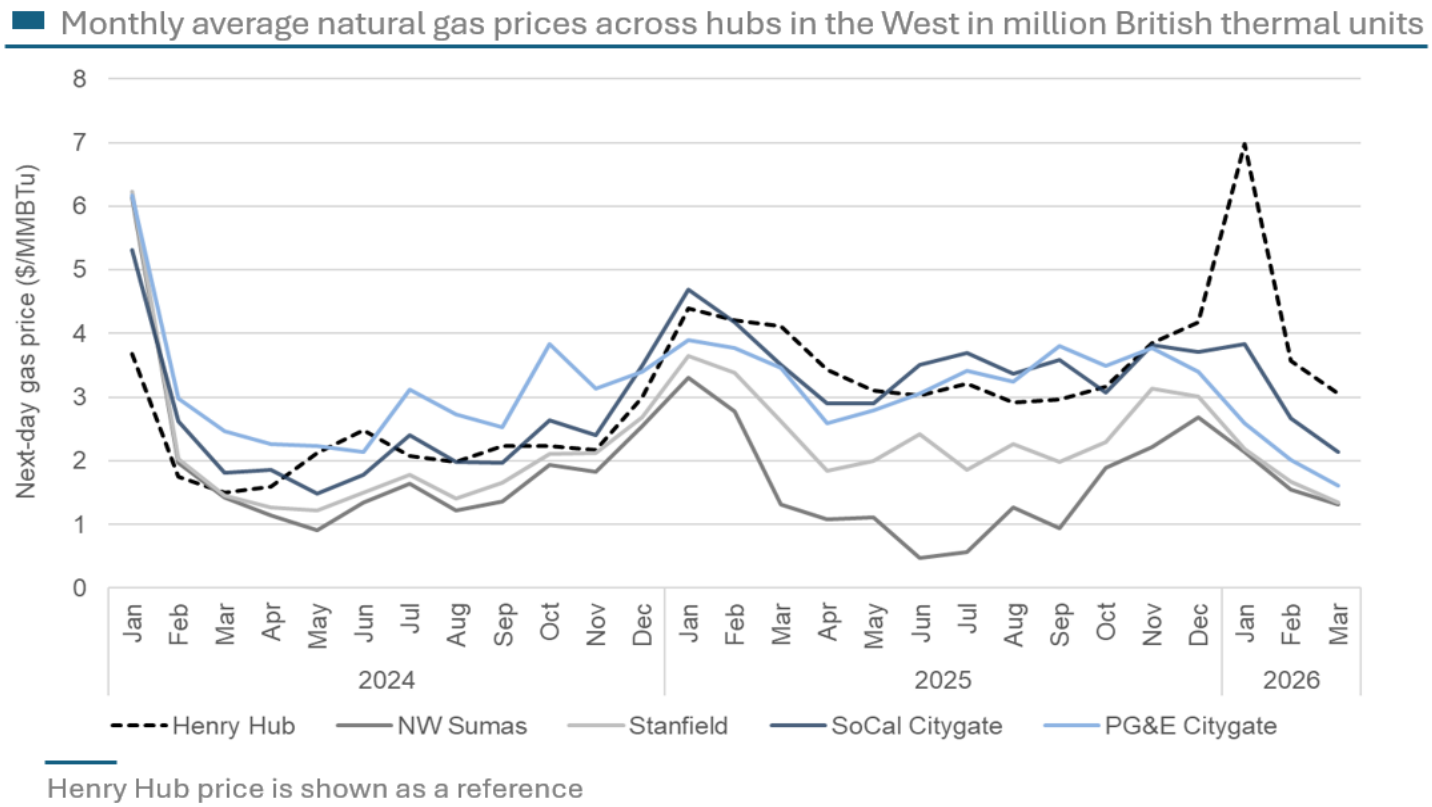
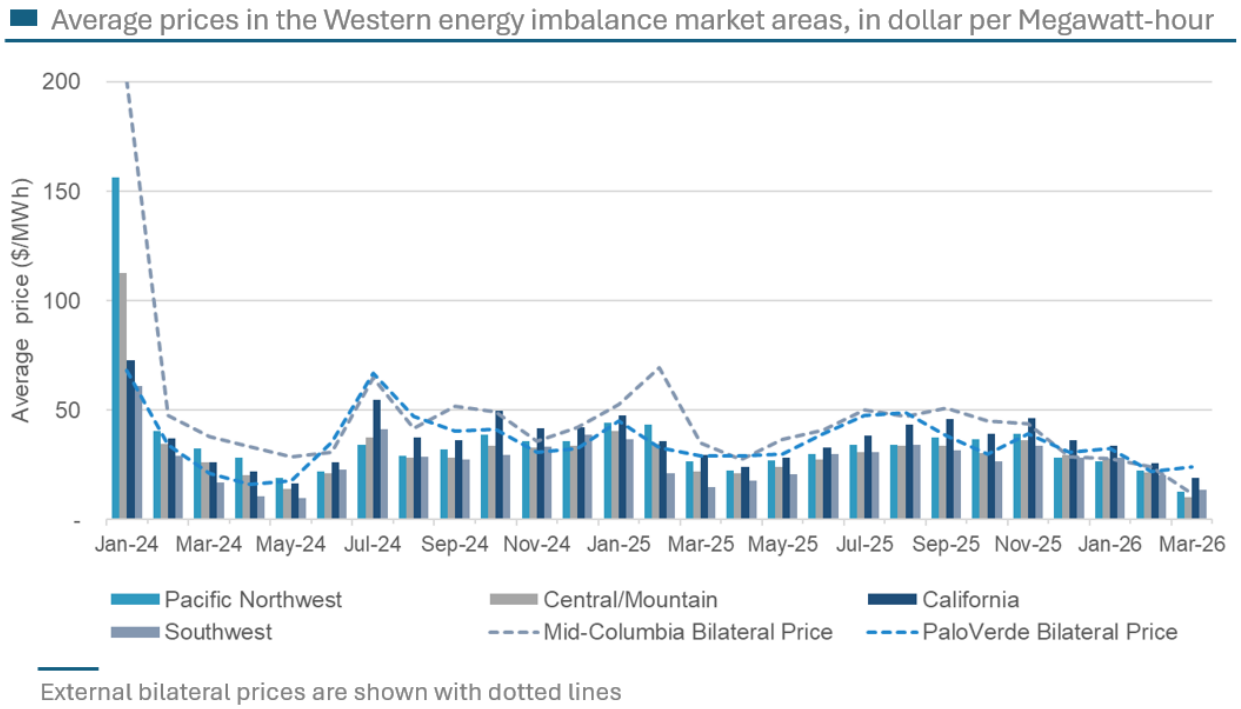
Natural gas prices across Western hubs declined in the first quarter, remaining below Henry hub levels



Natural gas prices in the first quarter of 2026 were lower than in first quarter of 2024 and 2025.

Prices at California hubs were higher than those at Sumas and Stanfield.

Real-time prices continued to decline in first quarter of 2026, due to milder winter conditions

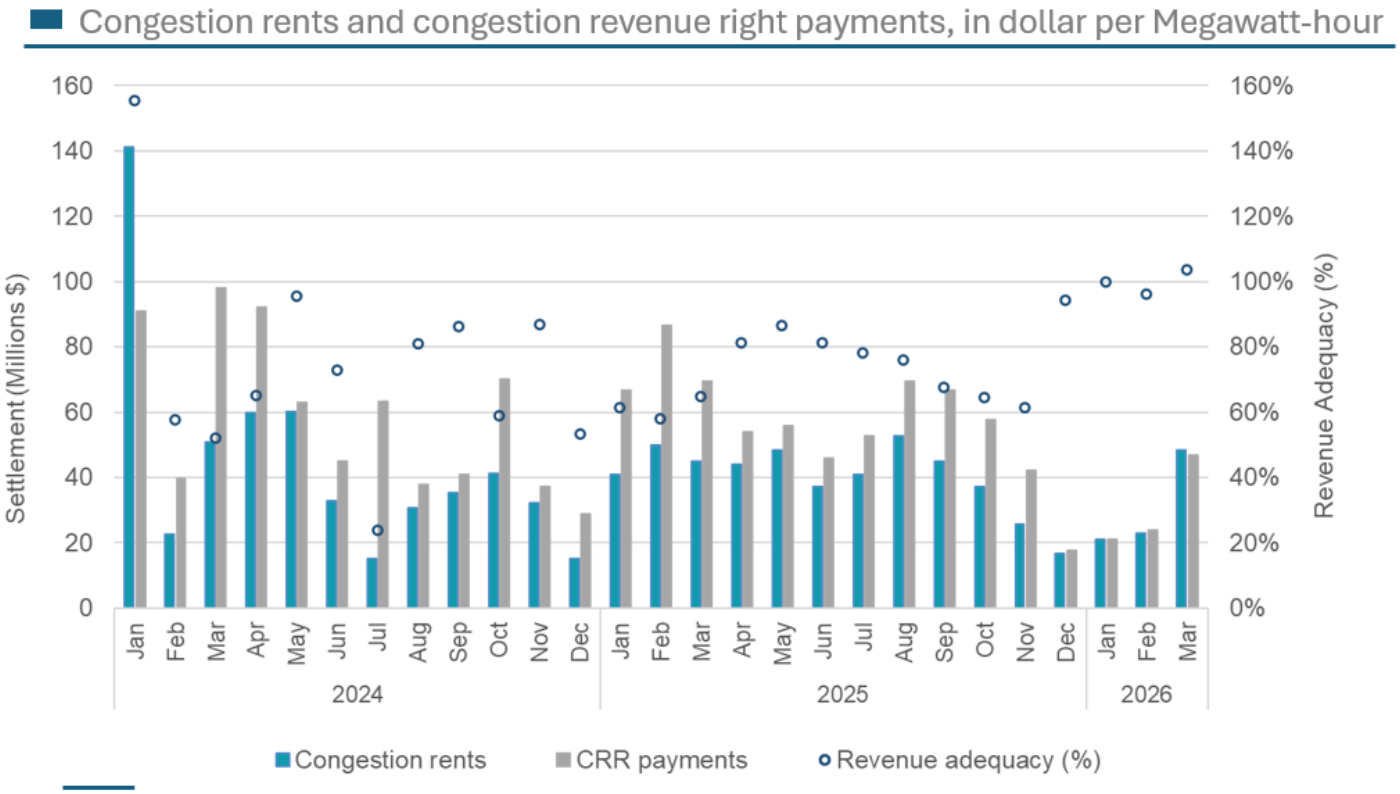


Moderate winter conditions led to lower prices across the real-time market areas.

California balancing area prices remained higher than other regions, driven primarily by internal transmission congestion and green-house-gas effect.

Prices in the first quarter of 2026 were below 2025 levels and close to external bilateral prices.

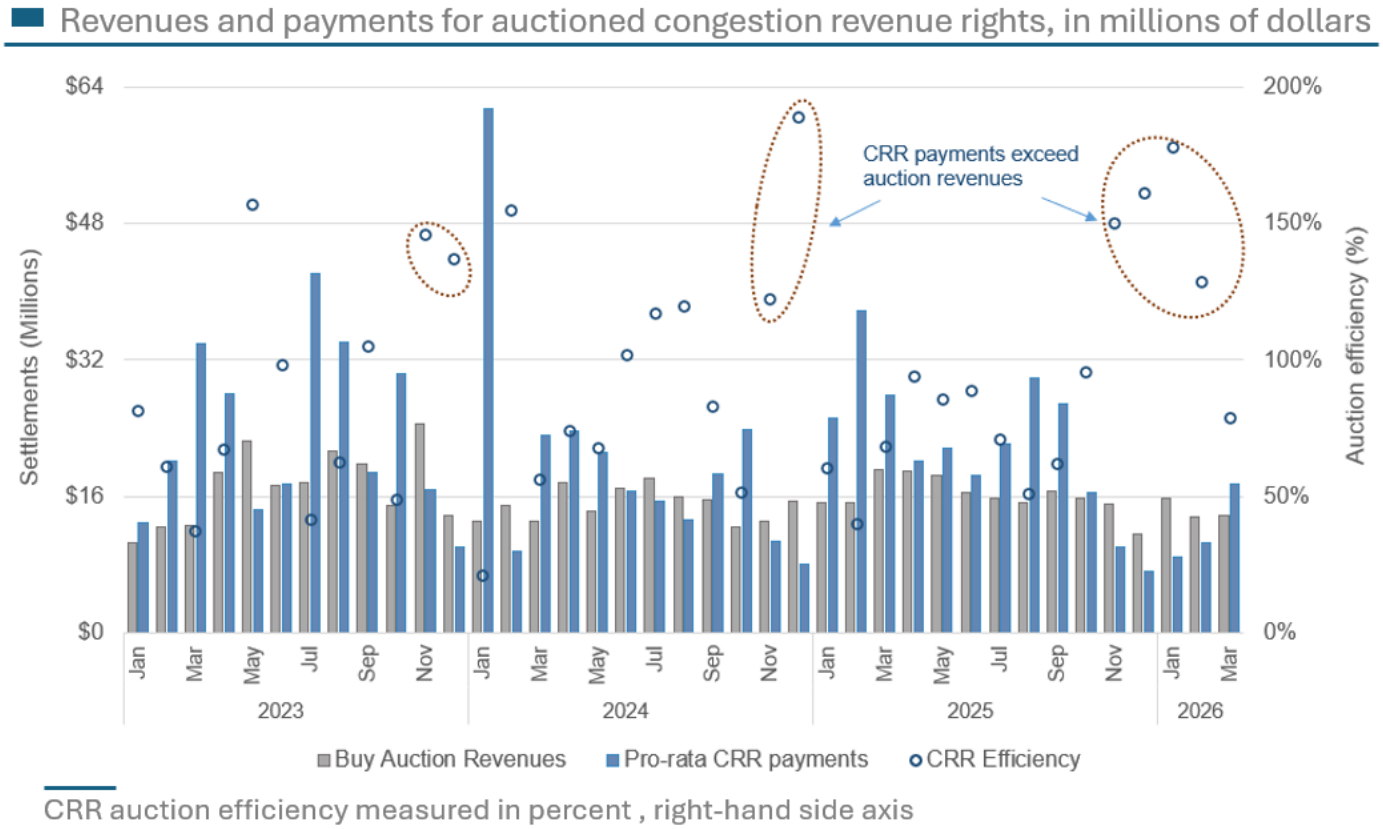
Congestion revenue rights were revenue-adequate with a $1.6 million surplus in March 2026



The global derating factor was applied to contingency-type constraints for congestion revenue rights in March 2026.

Day-ahead congestion rents fell to $92 million in the first quarter of 2026, down from $214 million in 2024 and $138 million in 2025.

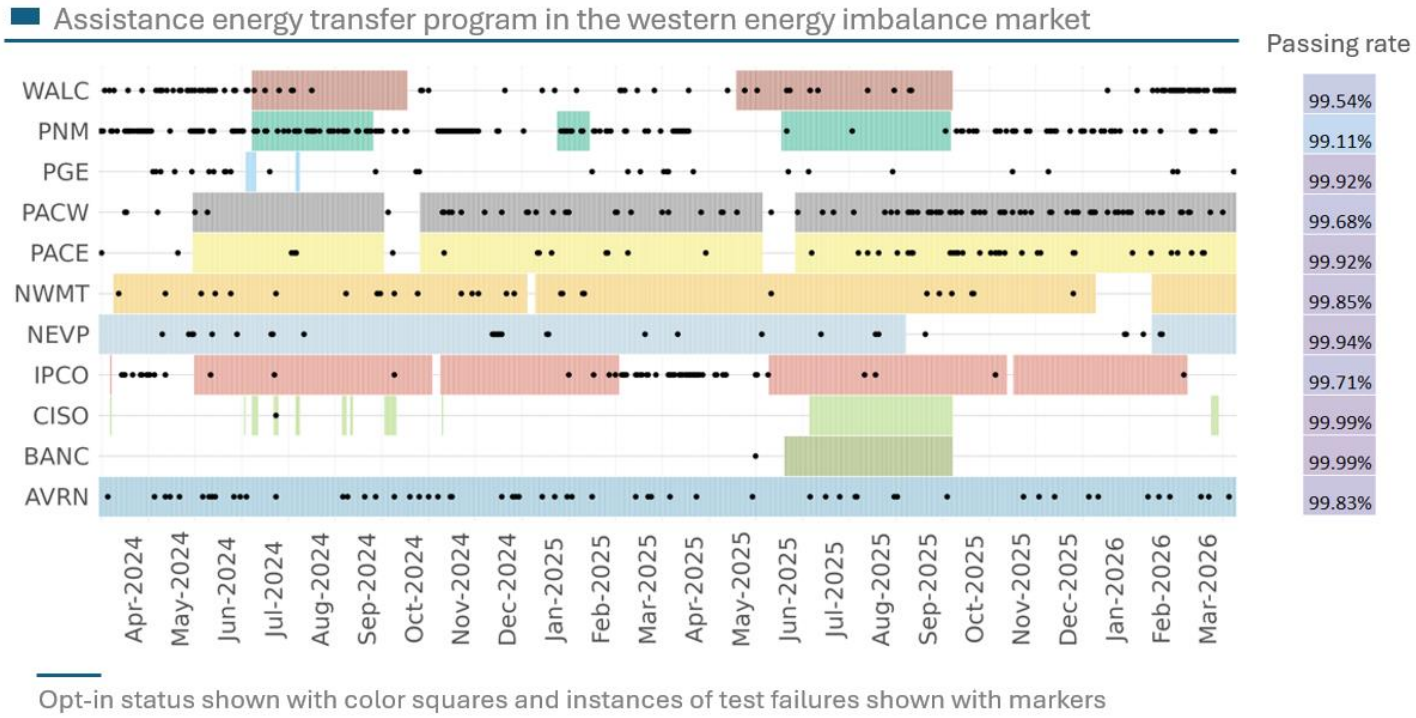
In winter months, payments were lower than auction revenues for auctioned congestion revenue rights



During winter months, the auction efficiency tends to be higher given lower levels of congestion while auction revenues remain stable.

From January 2023 through March 2026, auction efficiency has been greater than 100 percent in 14 months (36 percent of the time).

The assistance energy transfer program has been used by 11 different entities

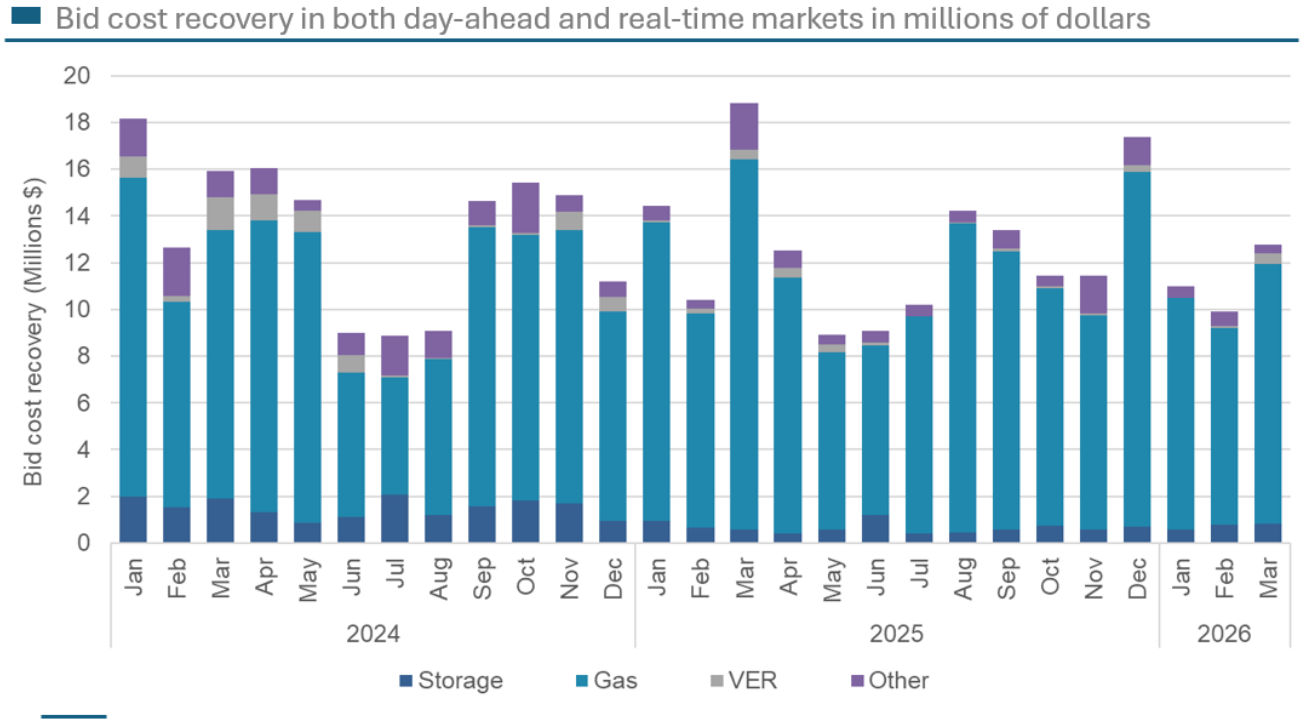


This program enables areas to receive energy transfers when they do not meet the resource sufficiency requirements.

While some entities use this program mainly for summer conditions, other entities opted in consistently throughout the seasons. This program was extended for 2026 and beyond.

The highest aggregate monthly surcharges assessed were $1 million in September 2025 and $0.5 million in July 2024.

Bid cost recovery in the ISO markets declined 23 percent in the first quarter of 2026 compared to 2025

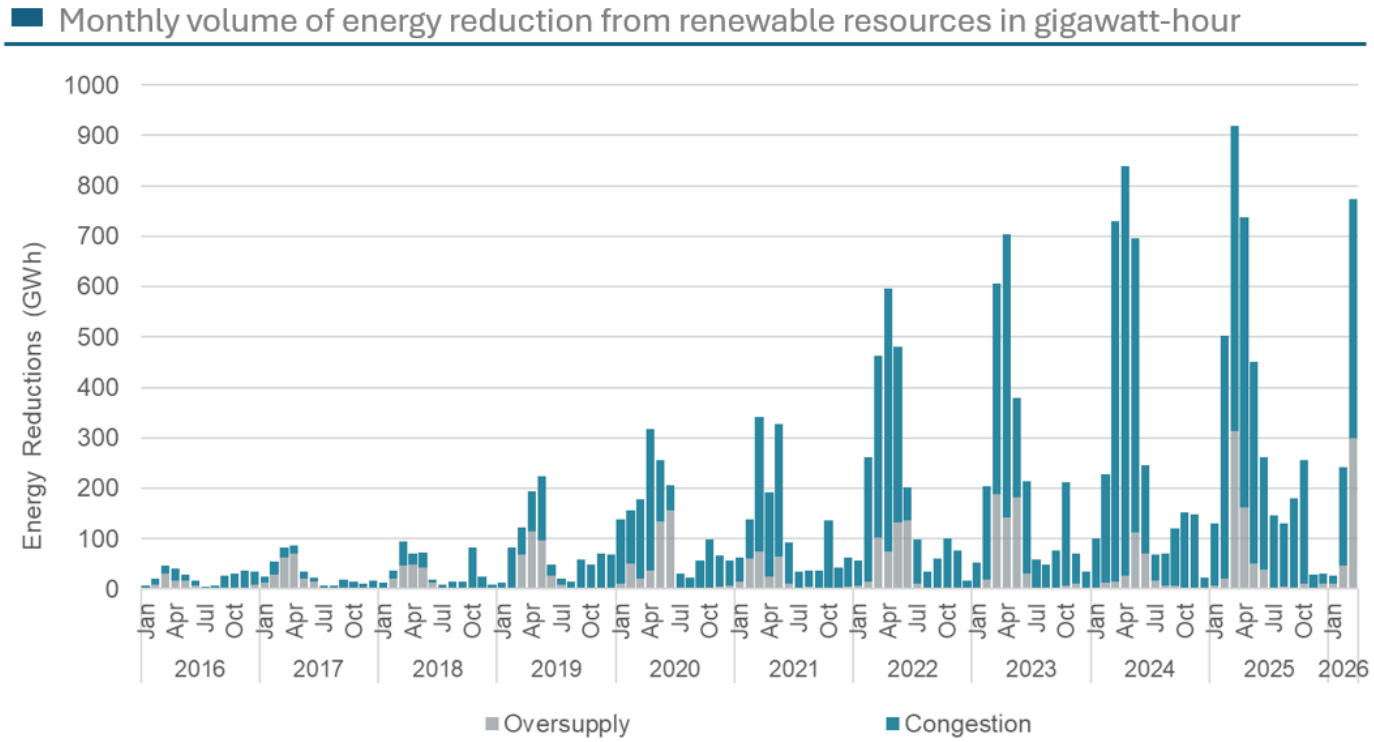


Bid cost recovery in the ISO area accounts for about 90 percent of the total.

Storage resources represent roughly 8 percent of total costs, while gas resources account for approximately 81 percent.

More than 90 percent of storage-related bid cost recovery was incurred in the real-time market.

The volume of renewable energy reduced through the market has been steadily increasing over the years



The highest levels of energy reduction occur between March and May, when demand is moderate and renewable and hydro generation increase.

About 80% of reduction is driven by congestion management, and 94% of all energy reduction is from solar resources.

The annual volume of energy reductions in 2025 is about 4.5 percent of total renewable production.