California ISO

California Independent
System Operator

QUARTERLY FINANCIAL REPORT

September 30, 2026

CAISO Public

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CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION
QUARTERLY FINANCIAL REPORT - September 30, 2026

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CALIFORNIA ISO
SUMMARY, DISCUSSION AND COMMENTARY
For the quarter ended September 30, 2026

Results of Operations (*page 1*)

Revenues

Total operating revenues through the third quarter were $232.5 million, $13.0 million higher than the budgeted amount of $ 219.5 million. GMC collections revenues were $1.8 million higher than expected amounts due to higher volumes transacted through the market. Other revenues were higher by $11.2 million, primarily due to higher than budgeted WEIM administration charges. The Company monitors variances in GMC revenues and will adjust rates, if necessary, to align actual GMC revenues closer to budget, as required by the Tariff. As a result of this review, certain GMC rates were adjusted, effective October 1, 2026.

Expenses

Actual expenses through the third quarter were $208.4 million, $2.4 million less the budgeted amount of $210.8 million. The lower expense amount is due to lower than budgeted amounts for third party vendor contracts, consulting and contracting costs, and training, travel and professional. The decreases were partially offset by higher salaries and wages, legal and audit, and other expenses. The variances are primarily due to the timing of the planned expense at this time of the year.

Total other income through this quarter came in approximately $6.7 million lower than expected due to unrealized losses on investments.

Material Changes to Assets and Liabilities (*page 2*)

Debt payments, market collateral transactions, incentive compensation payouts and annual 401k contributions were the primary contributors to changes across the company's assets and liabilities.

Capital Projects (*page 3*)

$19.7 million for projects was approved through the third quarter, out of the annual $26.0 million budget. These projects are aligned with the company's 2022-2026 Strategic Plan.

ISO Market Revenues (*pages 4 - 5*)

Gross market revenues transacted in the CAISO market through the third quarter were $11.2 billion compared to $11.0 billion for the same period in 2025.

CALIFORNIA ISO
Statement of Operations
For the quarter ended September 30, 2026
(dollars in thousands)

	Quarter		Year to Date		Year to Date Budget
	Actual	Prior Year	Actual	Prior Year	
Operating revenues:					
Grid management charge	$ 77,324	$ 68,794	$ 187,571	$ 181,317	$ 185,807
Other revenues	14,474	17,581	44,888	48,442	33,738
Total operating revenues	91,798	86,375	232,459	229,759	219,545
Operating expenses:					
Salaries and benefits	49,209	46,924	155,929	147,531	155,040
Building, leases and facility	853	863	2,127	2,019	1,993
Insurance	346	329	3,089	2,938	3,029
Third party vendor contracts	3,265	3,526	12,894	12,255	14,344
Consulting and contracting services	8,189	8,259	26,894	23,985	28,231
Legal and audit	865	593	2,699	1,485	2,137
Training, travel and professional dues	861	802	2,151	2,274	3,824
Other	811	1,021	2,649	3,158	2,232
Total operating expenses	64,399	62,317	208,432	195,645	210,830
Operating income before depreciation and amortization	27,399	24,058	24,027	34,114	8,715
Depreciation and amortization	5,566	4,954	15,073	14,542	15,000
Net operating income (loss)	21,833	19,104	8,954	19,572	(6,285)
Other income (expenses)					
Interest income & other	(3,701)	4,485	(937)	13,788	5,776
Interest expense	(988)	(1,028)	(2,977)	(3,097)	(2,977)
Total other income (expenses)	(4,689)	3,457	(3,914)	10,691	2,799
Excess (deficiency) of revenues over expenses	$ 17,144	$ 22,561	$ 5,040	$ 30,263	$ (3,486)
Number of full-time employees			764	749	790

CALIFORNIA ISO
Balance Sheet
As of September 30, 2026
(dollars in thousands)

	Current Quarter 09/30/2026	Prior Year 12/31/2025
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents, including restricted amounts	$ 860,174	$ 877,178
Accounts receivable	91,566	51,443
Short-term Investments, including restricted amounts	15,150	23,429
Other current assets	13,466	11,223
Total current Assets	980,356	963,273
NONCURRENT ASSETS		
Long-term investments, including restricted amounts	191,959	223,453
Fixed assets, net	178,923	168,303
Other assets	15,365	22,844
Total noncurrent assets	386,247	414,600
TOTAL ASSETS	$ 1,366,603	$ 1,377,873
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	5,089	21,008
Accrued salaries and compensated absences	51,883	55,540
Current portion of long-term debt	9,045	8,875
Due to market participants	923,852	919,703
Total current liabilities	989,869	1,005,126
NONCURRENT LIABILITIES		
Long-term debt, net of current portion	121,155	130,200
Employee retirement plan obligations	4,736	6,775
Other	7,687	11,939
Total noncurrent liabilities	133,578	148,914
TOTAL LIABILITIES	1,123,447	1,154,040
TOTAL NET ASSETS	243,156	223,833
TOTAL LIABILITIES AND NET ASSETS	$ 1,366,603	$ 1,377,873

Capital Projects Report

For the quarter ended September 30, 2026

($ in thousands)

Project Classification	2026 Capital and Project Budget[1 2]	Projects Approved YTD	Remaining Budget	Expenditures YTD
Reliability	$ 4,875	$ 2,867	$ 2,008	$ 829
Technology Foundation	9,200	8,021	1,179	3,231
Infrastructure	3,000	2,295	705	1,702
Resource Adequacy	300		300	
Markets	2,800	2,901	(101)	907
Stakeholder Engagement	350	139	211	124
Corporate Services	500	65	435	65
Facilities and Other projects	4,975	3,441	1,534	112
	$ 26,000	**$ 19,730**	**$ 6,270**	**$ 6,970**

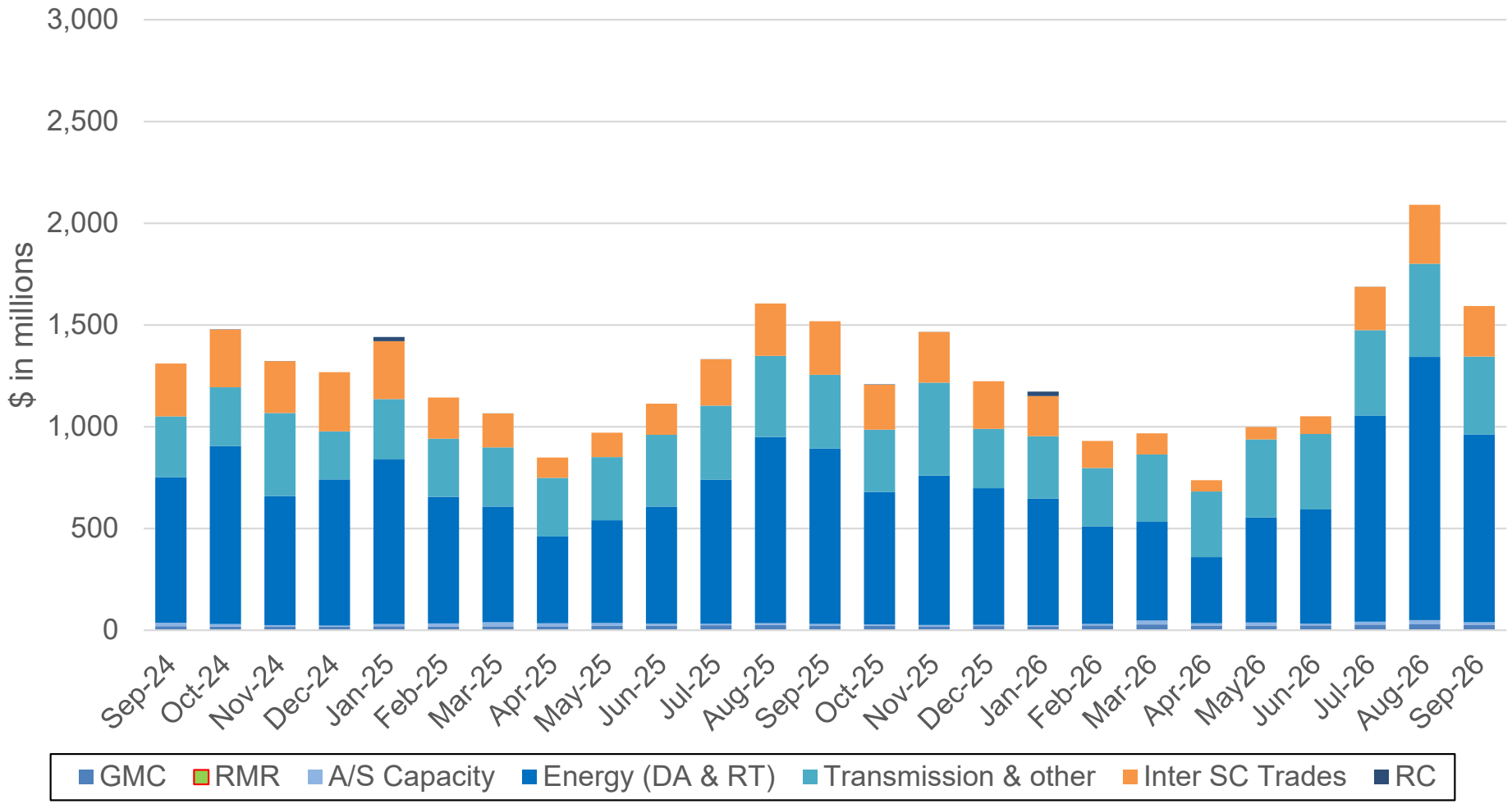
Expenditures on projects approved prior to 2026[2]:	15,498
Total Expenditures	**$ 22,468**

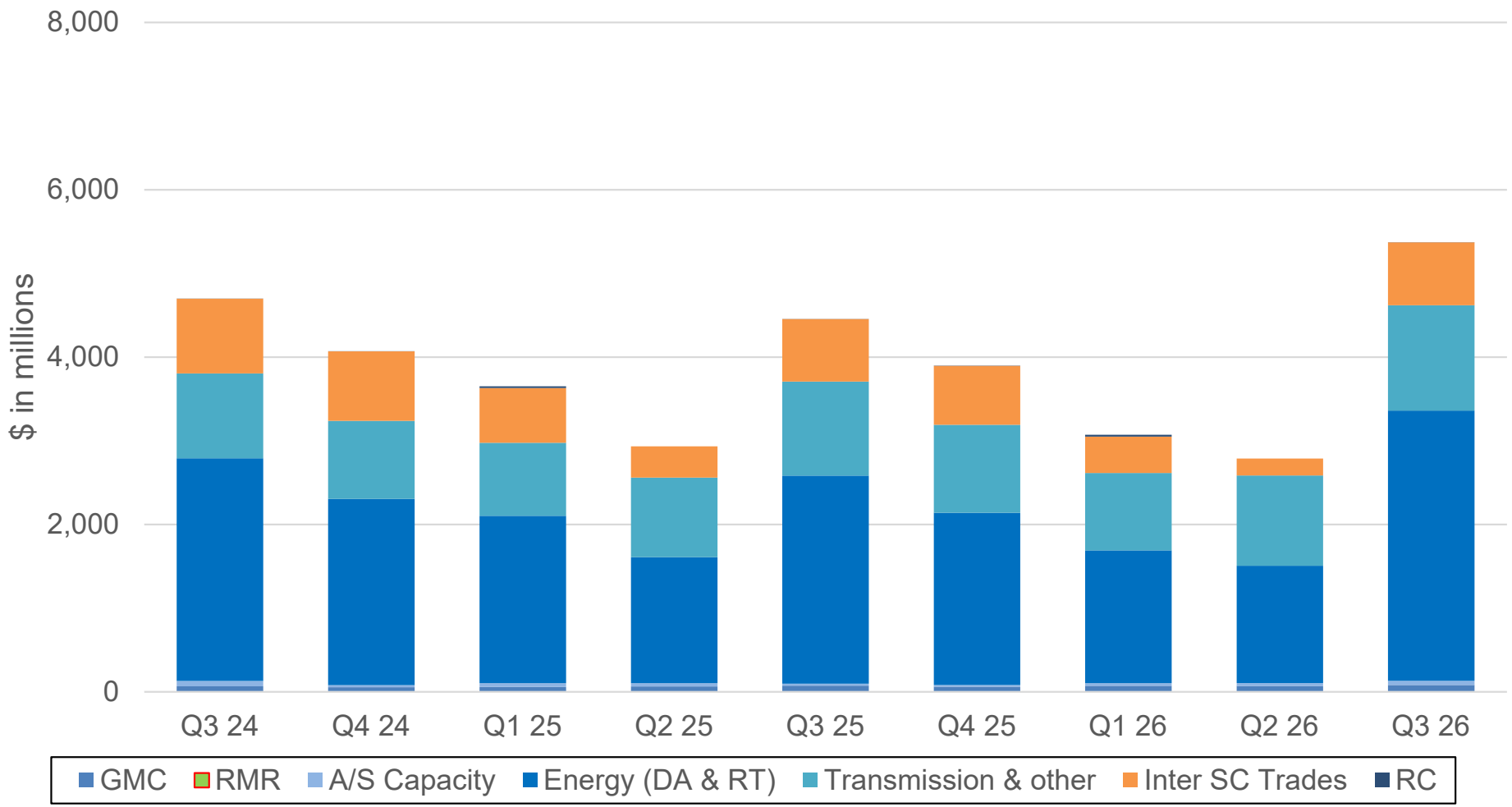
[1] The Board approved a maximum level of $26.0 million in capital and project commitments for 2026 at their December 2025 meeting. The allocation across project classifications will vary as individual projects are approved throughout the year by the Corporate Financial Committee and Portfolio Steering Committee.

[2] Expenditures on projects approved in a prior budget year. Does not include WEIM Implementation projects as those expenditures are reimbursed by the WEIM entity.

CAISO Market Revenues By Month

September 2024 through September 2026



CAISO Market Revenues By Quarter

3rd Quarter 2024 through 3rd Quarter 2026