

QUARTERLY FINANCIAL REPORT

March 31, 2026

**CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION
QUARTERLY FINANCIAL REPORT - March 31, 2026**

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CALIFORNIA ISO SUMMARY, DISCUSSION AND COMMENTARY

For the quarter ended March 31, 2026

Results of Operations (page 1)

Revenues

Total operating revenues for the quarter were \$67.0 million, \$2.1 million higher than the budgeted amount of \$64.9 million. GMC collections revenues were \$0.5 million lower than expected amounts. Other revenues were higher by \$2.6 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.

Expenses

Actual expenses in the quarter were \$2.9 million less the budgeted amount of \$67.4 million. The lower expense amount is due to lower than budgeted amounts for consulting and contracting costs, legal and audit, and training, travel and professional dues. The variances are primarily due to the timing of the planned expense at this time of the year.

Total other income in the quarter came in approximately \$1.9 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)

\$12.7 million for projects was approved in the first 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 in the first quarter of were \$2.9 billion compared to \$3.7 billion for the same quarter in 2025.

CALIFORNIA ISO

Statement of Operations

For the quarter ended March 31, 2026
(dollars in thousands)

	Quarter		Year to Date		Year to Date Budget
	Actual	Prior Year	Actual	Prior Year	
<u>Operating revenues:</u>					
Grid management charge	\$ 51,749	\$ 53,645	\$ 51,749	\$ 53,645	\$ 52,254
Other revenues	15,206	17,341	15,206	17,341	12,652
Total operating revenues	66,955	70,986	66,955	70,986	64,906
<u>Operating expenses:</u>					
Salaries and benefits	49,594	46,648	49,594	46,648	49,404
Building, leases and facility	580	423	580	423	594
Insurance	340	345	340	345	337
Third party vendor contracts	4,750	4,593	4,750	4,593	4,631
Consulting and contracting services	7,811	6,513	7,811	6,513	9,856
Legal and audit	81	134	81	134	601
Training, travel and professional dues	582	553	582	553	1,347
Other	785	1,038	785	1,038	664
Total operating expenses	64,523	60,247	64,523	60,247	67,434
Operating income before depreciation and amortization	2,432	10,739	2,432	10,739	(2,528)
<u>Depreciation and amortization</u>	5,000	4,781	5,000	4,781	5,000
Net operating income (loss)	(2,568)	5,958	(2,568)	5,958	(7,528)
<u>Other income (expenses)</u>					
Interest income & other	24	5,552	24	5,552	1,925
Interest expense	(1,001)	(1,040)	(1,001)	(1,040)	(1,001)
Total other income (expenses)	(977)	4,512	(977)	4,512	924
Excess (deficiency) of revenues over expenses	\$ (3,545)	\$ 10,470	\$ (3,545)	\$ 10,470	\$ (6,604)
Number of full-time employees			757	747	790

CALIFORNIA ISO

Balance Sheet

As of March 31, 2026
(dollars in thousands)

	Current Quarter 03/31/2026	Prior Year 12/31/2025
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents, including restricted amounts	\$ 867,676	\$ 877,178
Accounts receivable	68,257	51,443
Short-term Investments, including restricted amounts	15,628	23,429
Other current assets	12,753	11,223
Total current Assets	<u>964,314</u>	<u>963,273</u>
NONCURRENT ASSETS		
Long-term investments, including restricted amounts	211,200	223,453
Fixed assets, net	171,508	168,303
Other assets	18,528	22,844
Total noncurrent assets	<u>401,236</u>	<u>414,600</u>
TOTAL ASSETS	<u>\$ 1,365,550</u>	<u>\$ 1,377,873</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	12,910	21,008
Accrued salaries and compensated absences	57,261	55,540
Current portion of long-term debt	9,045	8,875
Due to market participants	924,963	919,703
Total current liabilities	<u>1,004,179</u>	<u>1,005,126</u>
NONCURRENT LIABILITIES		
Long-term debt, net of current portion	121,155	130,200
Employee retirement plan obligations	5,786	6,775
Other	7,687	11,939
Total noncurrent liabilities	<u>134,628</u>	<u>148,914</u>
TOTAL LIABILITIES	<u>1,138,807</u>	<u>1,154,040</u>
TOTAL NET ASSETS	<u>226,743</u>	<u>223,833</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,365,550</u>	<u>\$ 1,377,873</u>

Capital Projects Report

For the quarter ended March 31, 2026

(\$ in thousands)

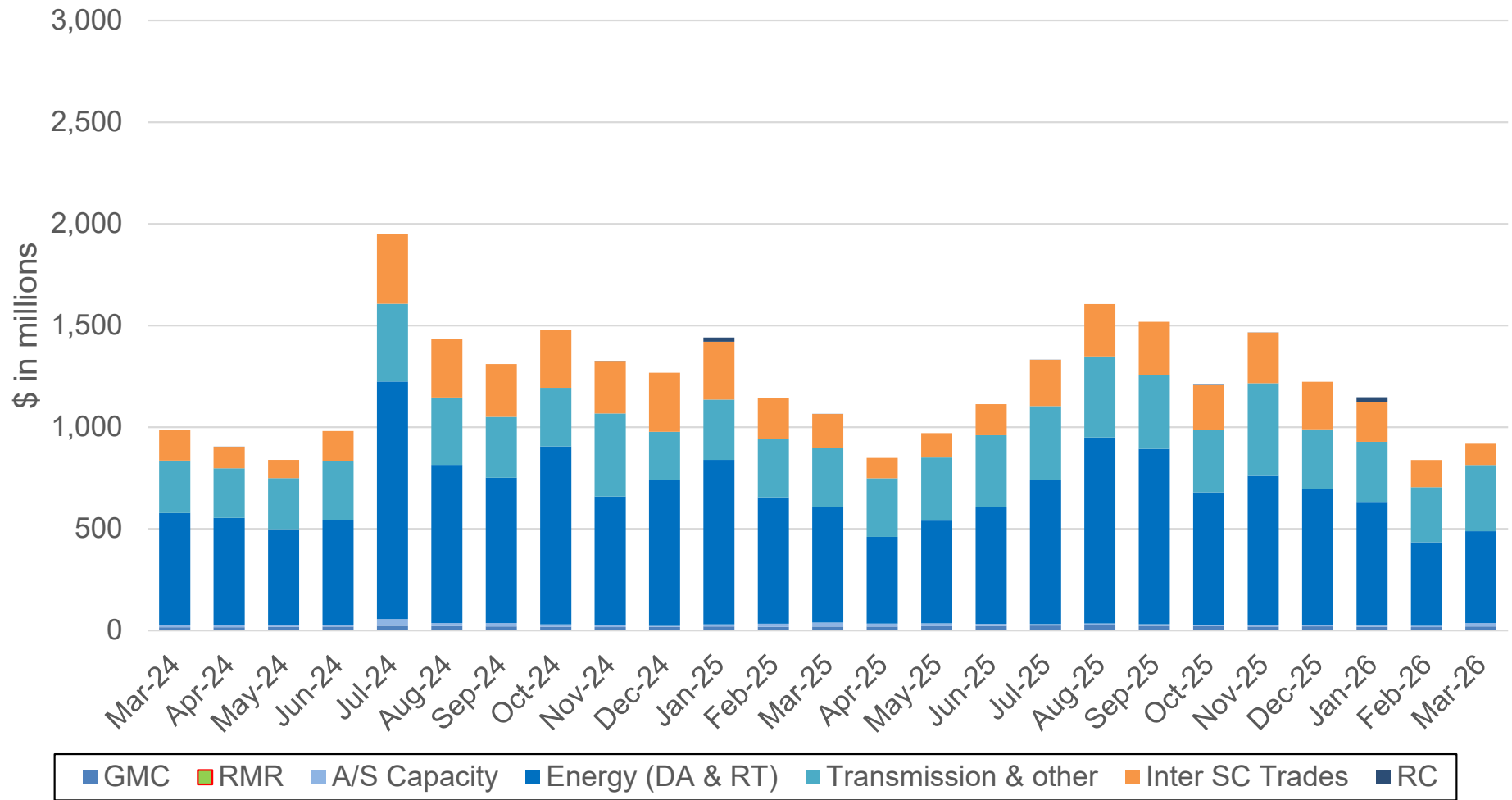
Project Classification	2026 Capital and Project Budget ^{1 2}	Projects Approved YTD	Remaining Budget	Expenditures YTD
Reliability	\$ 4,875	\$ 551	\$ 4,324	\$ 19
Technology Foundation	9,200	7,941	1,259	246
Infrastructure	3,000	745	2,255	-
Resource Adequacy	300		300	-
Markets	2,800	707	2,093	13
Stakeholder Engagement	350	34	316	3
Corporate Services	500	-	500	-
Facilities and Other projects	4,975	2,671	2,304	-
	\$ 26,000	\$ 12,650	\$ 13,350	\$ 281
			Expenditures on projects approved prior to 2026 ² :	2,590
			Total Expenditures	\$ 2,871

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

March 2024 through March 2026



CAISO Market Revenues By Quarter

1st Quarter 2024 through 1st Quarter 2026

