
QUARTERLY FINANCIAL REPORT

June 30, 2025

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION
QUARTERLY FINANCIAL REPORT - June 30, 2025

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CALIFORNIA ISO SUMMARY, DISCUSSION AND COMMENTARY

For the quarter ended June 30, 2025

Results of Operations (page 1)

Revenues

Total operating revenues through the quarter were \$142.9 million, \$5.1 million higher than the budgeted amount of \$137.8 million. GMC collections revenues were \$1.4 million higher than expected amounts due to stronger GMC volumes. Other revenues were higher by \$3.7 million, primarily due the collection of non refundable generator interconnection project (GIP) study fees, which was not budgeted, higher GIP revenues and higher forecasting fees. The Company monitors variances in GMC revenues and will adjust rates, if necessary, to align actual GMC revenues closer to budget, as required

Expenses

Actual expenses through the quarter were \$2.7 million less the budgeted amount of \$135.9 million. Most expense categories are lower than budget, which is primarily due to the timing of the planned expenses. Salaries and wages are slightly higher than budget due to unplanned payments. The Other expense category is over budget due to non-capitalizable software costs.

Total other income in the quarter came in approximately \$5.2 million higher than expected due to higher earnings and to unrealized gains 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)

\$40.8 million for projects was approved in through the second quarter out of the annual \$49.5 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 Q2 2025 were \$6.5 billion compared to \$7.3 billion for the same period in 2024.

CALIFORNIA ISO

Statement of Operations

For the quarter ended June 30, 2025
(dollars in thousands)

| | Quarter | | Year to Date | | Year to Date Budget |
|---|------------|-------------|--------------|-------------|------------------------|
| | Actual | Prior Year | Actual | Prior Year | |
| <u>Operating revenues:</u> | | | | | |
| Grid management charge | \$ 57,716 | \$ 49,172 | \$ 111,344 | \$ 94,912 | \$ 109,920 |
| Other revenues | 14,433 | 13,344 | 31,562 | 26,812 | 27,889 |
| Total operating revenues | 72,149 | 62,516 | 142,906 | 121,724 | 137,809 |
| <u>Operating expenses:</u> | | | | | |
| Salaries and benefits | 53,825 | 50,284 | 100,473 | 94,396 | 99,534 |
| Building, leases and facility | 733 | 685 | 1,156 | 1,053 | 1,141 |
| Insurance | 2,264 | 2,084 | 2,609 | 2,419 | 2,546 |
| Third party vendor contracts | 4,139 | 4,369 | 8,732 | 8,485 | 10,144 |
| Consulting and contracting services | 9,214 | 7,120 | 15,727 | 13,053 | 16,913 |
| Legal and audit | 757 | 622 | 891 | 766 | 1,356 |
| Training, travel and professional dues | 920 | 812 | 1,473 | 1,254 | 2,376 |
| Other | 1,099 | 3,167 | 2,137 | 5,189 | 1,550 |
| Total operating expenses | 72,951 | 69,143 | 133,198 | 126,615 | 135,560 |
| Operating income before depreciation and amortization | (802) | (6,627) | 9,708 | (4,891) | 2,249 |
| <u>Depreciation and amortization</u> | 4,794 | 6,882 | 9,575 | 13,792 | 9,600 |
| Net operating income (loss) | (5,596) | (13,509) | 133 | (18,683) | (7,351) |
| <u>Other income (expenses)</u> | | | | | |
| Interest income & other | 3,751 | 1,741 | 9,264 | 3,919 | 4,025 |
| Interest expense | (1,028) | (1,064) | (2,069) | (2,138) | (2,069) |
| Total other income (expenses) | 2,723 | 677 | 7,195 | 1,781 | 1,956 |
| Excess (deficiency) of revenues over expenses | \$ (2,873) | \$ (12,832) | \$ 7,328 | \$ (16,902) | \$ (5,395) |
| Number of full-time employees | | | 748 | 718 | 777 |

CALIFORNIA ISO

Balance Sheet

As of June 30, 2025
(dollars in thousands)

| | Current Quarter 06/30/2025 | Prior Year 12/31/2024 |
|---|-------------------------------|--------------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents, including restricted amounts | \$ 919,925 | \$ 1,057,694 |
| Accounts receivable | 40,740 | 32,147 |
| Short-term Investments, including restricted amounts | 18,554 | 30,371 |
| Other current assets | 13,294 | 7,402 |
| Total current Assets | 992,513 | 1,127,614 |
| NONCURRENT ASSETS | | |
| Long-term investments, including restricted amounts | 222,569 | 226,222 |
| Fixed assets, net | 149,719 | 143,851 |
| Other assets | 16,090 | 19,029 |
| Total noncurrent assets | 388,378 | 389,102 |
| TOTAL ASSETS | \$ 1,380,891 | \$ 1,516,716 |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES | | |
| Accounts payable and accrued expenses | 9,845 | 14,265 |
| Accrued salaries and compensated absences | 48,621 | 59,788 |
| Current portion of long-term debt | 8,875 | 8,805 |
| Due to market participants | 960,755 | 1,082,486 |
| Total current liabilities | 1,028,096 | 1,165,344 |
| NONCURRENT LIABILITIES | | |
| Long-term debt, net of current portion | 130,200 | 139,085 |
| Employee retirement plan obligations | 5,853 | 7,216 |
| Other | 4,323 | 4,323 |
| Total noncurrent liabilities | 140,376 | 150,624 |
| TOTAL LIABILITIES | 1,168,472 | 1,315,968 |
| TOTAL NET ASSETS | 212,419 | 200,748 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 1,380,891 | \$ 1,516,716 |

Capital Projects Report

For the quarter ended June 30, 2025

(\$ in thousands)

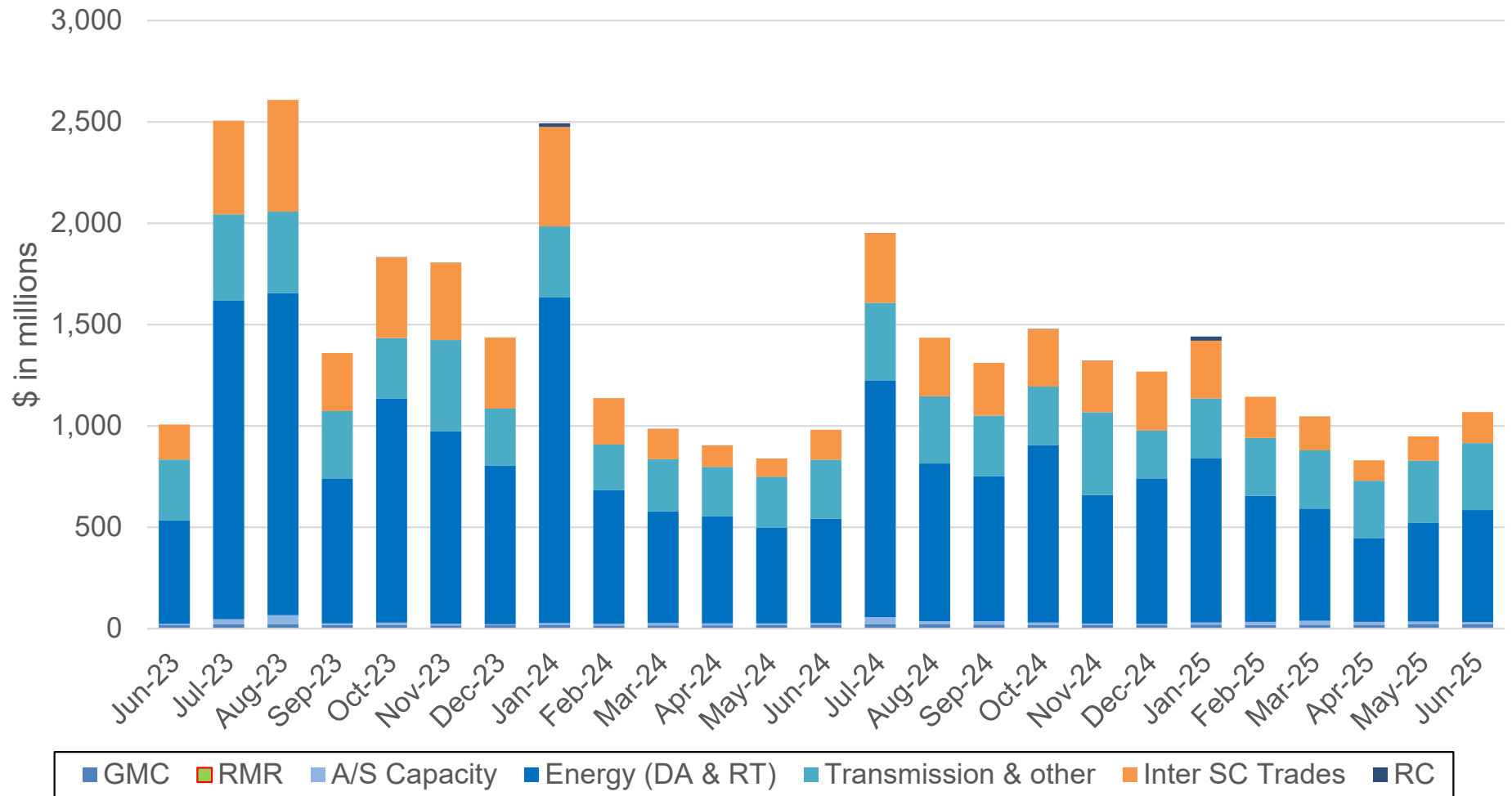
| Project Classification | 2025 Capital and Project Budget ^{1 2} | Projects Approved YTD | Remaining Budget | Expenditures YTD |
|--|--|-----------------------------|---------------------|---------------------|
| Reliability and Efficient Operations | \$ 10,260 | \$ 6,593 | \$ 3,667 | \$ 315 |
| Technology Foundation Improvements | 30,675 | 29,190 | 1,485 | 384 |
| Transmission Planning- Infrastructure | 2,500 | 2,394 | 106 | 2,149 |
| Market Opportunities | 1,600 | 1,482 | 118 | 734 |
| Stakeholder Engagement and Customer Service | 340 | 190 | 150 | 4 |
| People and Culture (Generally O & M) | - | - | - | 67 |
| Facilities and Other projects | 4,125 | 961 | 3,164 | 149 |
| | \$ 49,500 | \$ 40,810 | \$ 8,690 | \$ 3,802 |
| Expenditures on projects approved prior to 2025 ² : | | | | 9,720 |
| Total Expenditures | | | | \$ 13,522 |

¹ The Board approved a maximum level of \$30.0 million in capital and project commitments for 2025 at their December 2024 meeting. An additional \$19.5M was approved in the May 2025 meeting. The sub-amounts allocated to the project classifications will vary as actual projects are approved during the year by the Portfolio Steering.

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

June 2023 through June 2025



CAISO Market Revenues By Quarter

2nd Quarter 2023 through 2nd Quarter 2025

