
QUARTERLY FINANCIAL REPORT

June 30, 2026

CAISO Public

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

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CALIFORNIA ISO SUMMARY, DISCUSSION AND COMMENTARY

For the quarter ended June 30, 2026

Results of Operations (page 1)

Revenues

Total operating revenues through the second quarter were \$135.6 million, \$1.2 million lower than the budgeted amount of \$136.8 million. GMC collections revenues were \$6.9 million lower than expected amounts due to lower volumes transacted through the market. Other revenues were higher by \$5.7 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 through the second quarter were \$144.1 million, \$0.1 million less the budgeted amount of \$144.2 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 \$1.6 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)

\$15.4 million for projects was approved through the second 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 second quarter were \$5.1 billion compared to \$6.6 billion for the same period in 2025.

CALIFORNIA ISO

Statement of Operations

For the quarter ended June 30, 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	\$ 56,179	\$ 58,877	\$ 106,309	\$ 112,523	\$ 113,240
Other revenues	15,322	13,520	29,321	30,861	23,634
Total operating revenues	71,501	72,397	135,630	143,384	136,874
<u>Operating expenses:</u>					
Salaries and benefits	57,029	53,959	106,641	100,607	105,796
Building, leases and facility	693	733	1,274	1,156	1,294
Insurance	2,404	2,264	2,744	2,609	2,692
Third party vendor contracts	4,879	4,136	9,629	8,728	9,867
Consulting and contracting services	10,894	9,214	18,705	15,727	19,040
Legal and audit	1,753	757	1,834	891	1,369
Training, travel and professional dues	857	920	1,439	1,473	2,559
Other	1,033	1,099	1,818	2,137	1,593
Total operating expenses	79,542	73,082	144,084	133,328	144,210
Operating income before depreciation and amortization	(8,041)	(685)	(8,454)	10,056	(7,336)
<u>Depreciation and amortization</u>	3,692	4,807	8,388	9,588	8,400
Net operating income (loss)	(11,733)	(5,492)	(16,842)	468	(15,736)
<u>Other income (expenses)</u>					
Interest income & other	2,243	3,751	2,289	9,303	3,851
Interest expense	(988)	(1,028)	(1,989)	(2,069)	(1,989)
Total other income (expenses)	1,255	2,723	300	7,234	1,862
Excess (deficiency) of revenues over expenses	\$ (10,478)	\$ (2,769)	\$ (16,542)	\$ 7,702	\$ (13,874)
 Number of full-time employees			761	748	790

CALIFORNIA ISO

Balance Sheet

As of June 30, 2026
(dollars in thousands)

	Current Quarter 06/30/2026	Prior Year 12/31/2025
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents, including restricted amounts	\$ 774,922	\$ 877,178
Accounts receivable	103,303	51,443
Short-term Investments, including restricted amounts	14,717	23,429
Other current assets	13,847	11,223
Total current Assets	906,789	963,273
NONCURRENT ASSETS		
Long-term investments, including restricted amounts	199,698	223,453
Fixed assets, net	175,237	168,303
Other assets	15,285	22,844
Total noncurrent assets	390,220	414,600
TOTAL ASSETS	\$ 1,297,009	\$ 1,377,873
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	8,974	21,008
Accrued salaries and compensated absences	47,860	55,540
Current portion of long-term debt	9,045	8,875
Due to market participants	878,565	919,703
Total current liabilities	944,444	1,005,126
NONCURRENT LIABILITIES		
Long-term debt, net of current portion	121,155	130,200
Employee retirement plan obligations	5,259	6,775
Other	7,687	11,939
Total noncurrent liabilities	134,101	148,914
TOTAL LIABILITIES	1,078,545	1,154,040
TOTAL NET ASSETS	218,464	223,833
TOTAL LIABILITIES AND NET ASSETS	\$ 1,297,009	\$ 1,377,873

Capital Projects Report

For the quarter ended June 30, 2026

(\$ in thousands)

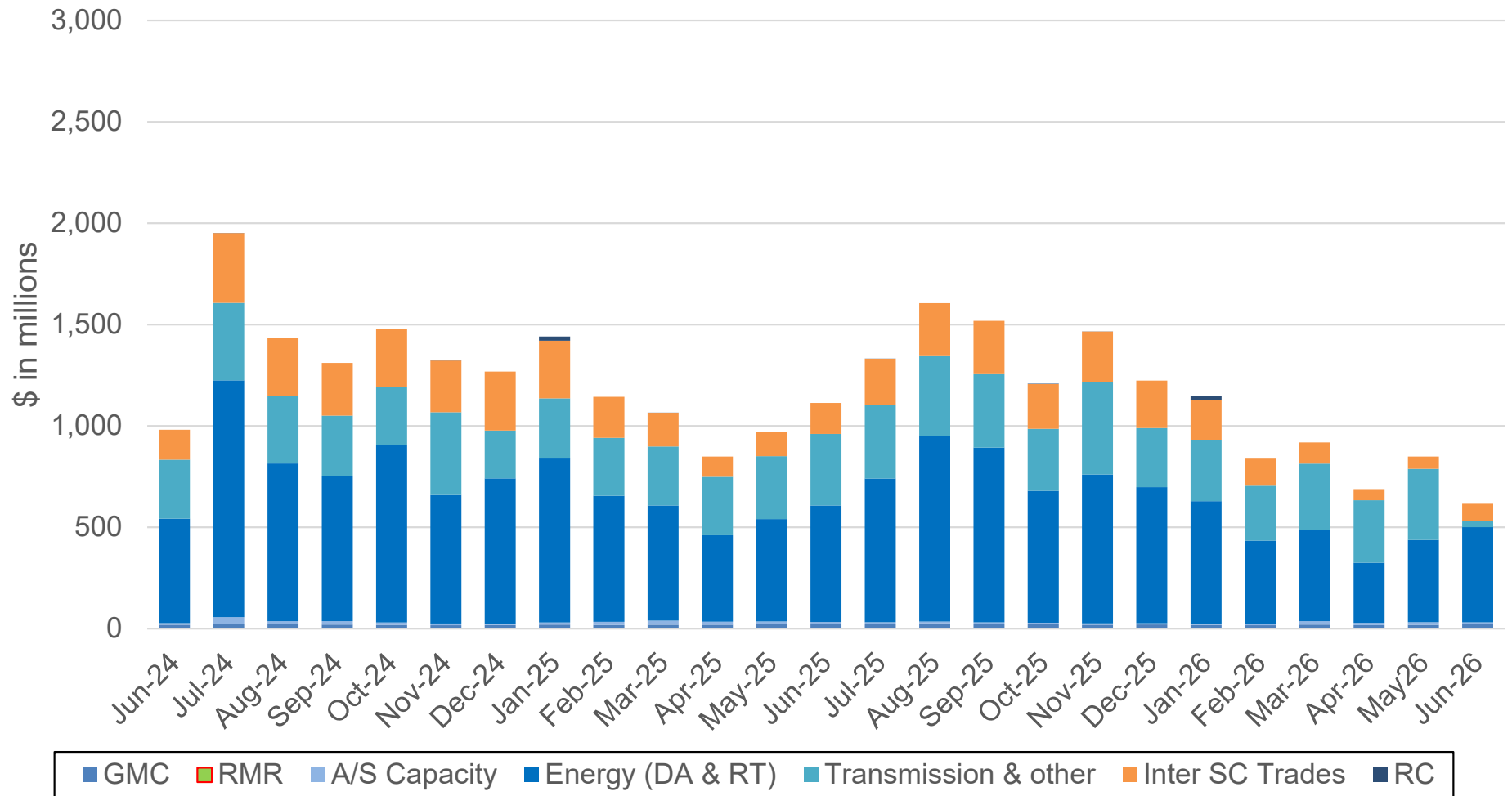
Project Classification	2026 Capital and Project Budget ^{1 2}	Projects Approved YTD	Remaining Budget	Expenditures YTD
Reliability	\$ 4,875	\$ 870	\$ 4,005	\$ 301
Technology Foundation	9,200	7,941	1,259	1,558
Infrastructure	3,000	1,495	1,505	792
Resource Adequacy	300		300	
Markets	2,800	2,182	618	50
Stakeholder Engagement	350	55	295	50
Corporate Services	500	65	435	65
Facilities and Other projects	4,975	2,771	2,204	46
	\$ 26,000	\$ 15,380	\$ 10,620	\$ 2,862
Expenditures on projects approved prior to 2026 ² :				10,201
Total Expenditures				\$ 13,063

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

June 2024 through June 2026



CAISO Market Revenues By Quarter

2nd Quarter 2024 through 2nd Quarter 2026

