California ISO

California Independent
System Operator

QUARTERLY FINANCIAL REPORT

September 30, 2024

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CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION
QUARTERLY FINANCIAL REPORT - September 30, 2024

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Results of Operations (*page 1*)

Revenues

Total operating revenues through the quarter were $198.5 million, which is $4.5 million over the budget. GMC collections were higher by $3.6 million as a result of the warmer than expected weather pattern that occurred through the third quarter. Other revenues were slightly higher by $0.9 million, primarily due to several miscellaneous revenue categories higher than budget. 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

The year to date expenses through the quarter are running $6.3 million under the year to date budget of $191.8 million. The primary driver of the budget surplus is due to the salary budget tied to vacant positions not being used. This surplus will be offset by the budgeted vacancy discount applied at year-end. Most of the other expense categories are in line or under budget at this point of the year due to the timing of the planned expenses. The year to date budget deficit in the Other expense category is due to higher than anticipated non-capitalizable software and computer purchases; this deficit is projected to be offset by budget surpluses in other categories by year-end.

Total other income through the quarter came in approximately $6.8 million over budget due to higher interest 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*)

$34.2 million for projects was approved through the third quarter out of the annual $40.2 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 Q3 2024 were $11.9 billion.

CALIFORNIA ISO
Statement of Operations
For the quarter ended September 30, 2024
(dollars in thousands)

	Quarter		Year to Date		Year to Date Budget
	Actual	Prior Year	Actual	Prior Year	
Operating revenues:					
Grid management charge	$ 61,253	$ 56,739	$ 156,167	$ 150,677	$ 152,590
Other revenues	15,303	14,418	42,354	41,241	41,459
Total operating revenues	76,556	71,157	198,521	191,918	194,049
Operating expenses:					
Salaries and benefits	43,420	46,614	137,816	131,989	146,172
Building, leases and facility	769	654	1,822	1,629	1,744
Insurance	301	278	2,720	2,434	2,537
Third party vendor contracts	3,076	3,185	11,561	10,871	12,342
Consulting and contracting services	7,999	6,776	21,051	18,296	20,992
Legal and audit	474	648	1,241	1,560	2,314
Training, travel and professional dues	754	686	2,007	1,972	3,353
Other	2,011	1,390	7,200	3,369	2,306
Total operating expenses	58,804	60,231	185,418	172,120	191,760
Operating income before depreciation and amortization	17,752	10,926	13,103	19,798	2,289
Depreciation and amortization	6,332	7,324	20,124	21,581	20,000
Net operating income (loss)	11,420	3,602	(7,021)	(1,783)	(17,711)
Other income (expenses)					
Interest income & other	9,619	(1,313)	13,538	4,985	6,752
Interest expense	(1,064)	(1,095)	(3,202)	(3,294)	(3,202)
Total other income (expenses)	8,555	(2,408)	10,336	1,691	3,550
Excess (deficiency) of revenues over expenses	$ 19,975	$ 1,194	$ 3,315	$ (92)	$ (14,161)
Number of full-time employees			725	696	759

CALIFORNIA ISO
Balance Sheet
As of September 30, 2024
(dollars in thousands)

	Current Quarter 09/30/2024	Prior Year 12/31/2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents, including restricted amounts	938,403	1,002,472
Accounts receivable	58,609	28,979
Short-term Investments, including restricted amounts	18,873	18,143
Other current assets	12,030	6,760
Total current Assets	1,027,915	1,056,354
NONCURRENT ASSETS		
Long-term investments, including restricted amounts	242,197	252,215
Fixed assets, net	132,346	127,727
Other assets	13,559	18,652
Total noncurrent assets	388,102	398,594
TOTAL ASSETS	$ 1,416,017	$ 1,454,948
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	4,791	14,407
Accrued salaries and compensated absences	39,258	50,164
Current portion of long-term debt	8,805	8,770
Due to market participants	998,097	1,014,691
Total current liabilities	1,050,951	1,088,032
NONCURRENT LIABILITIES		
Long-term debt, net of current portion	139,085	147,890
Employee retirement plan obligations	5,138	6,762
Total noncurrent liabilities	144,223	154,652
TOTAL LIABILITIES	1,195,174	1,242,684
TOTAL NET ASSETS	220,843	212,264
TOTAL LIABILITIES AND NET ASSETS	$ 1,416,017	$ 1,454,948

Capital Projects Report

For the quarter ended September 30, 2024

($ in thousands)

Project Classification	2024 Capital and Project Budget[1 2]	Projects Approved YTD	Remaining Budget	Expenditures YTD
Reliability and Efficient Operations	$ 5,000	$ 5,038	$ (38)	$ 2,355
Technology Foundation Improvements	8,770	7,874	896	3,928
Transmission Planning- Infrastructure	1,155	3,104	(1,949)	2,203
Market Opportunities	21,400	15,523	5,877	2,983
Stakeholder Engagement and Customer Service	150	141	9	125
People and Culture (Generally O & M)	-	-	-	-
Facilities and Other projects	3,725	2,540	1,185	543
	$ 40,200	**$ 34,220**	**$ 5,980**	**$ 12,137**
			Expenditures on projects approved prior to 2024[3]:	16,591
			Total Expenditures	**$ 28,728**

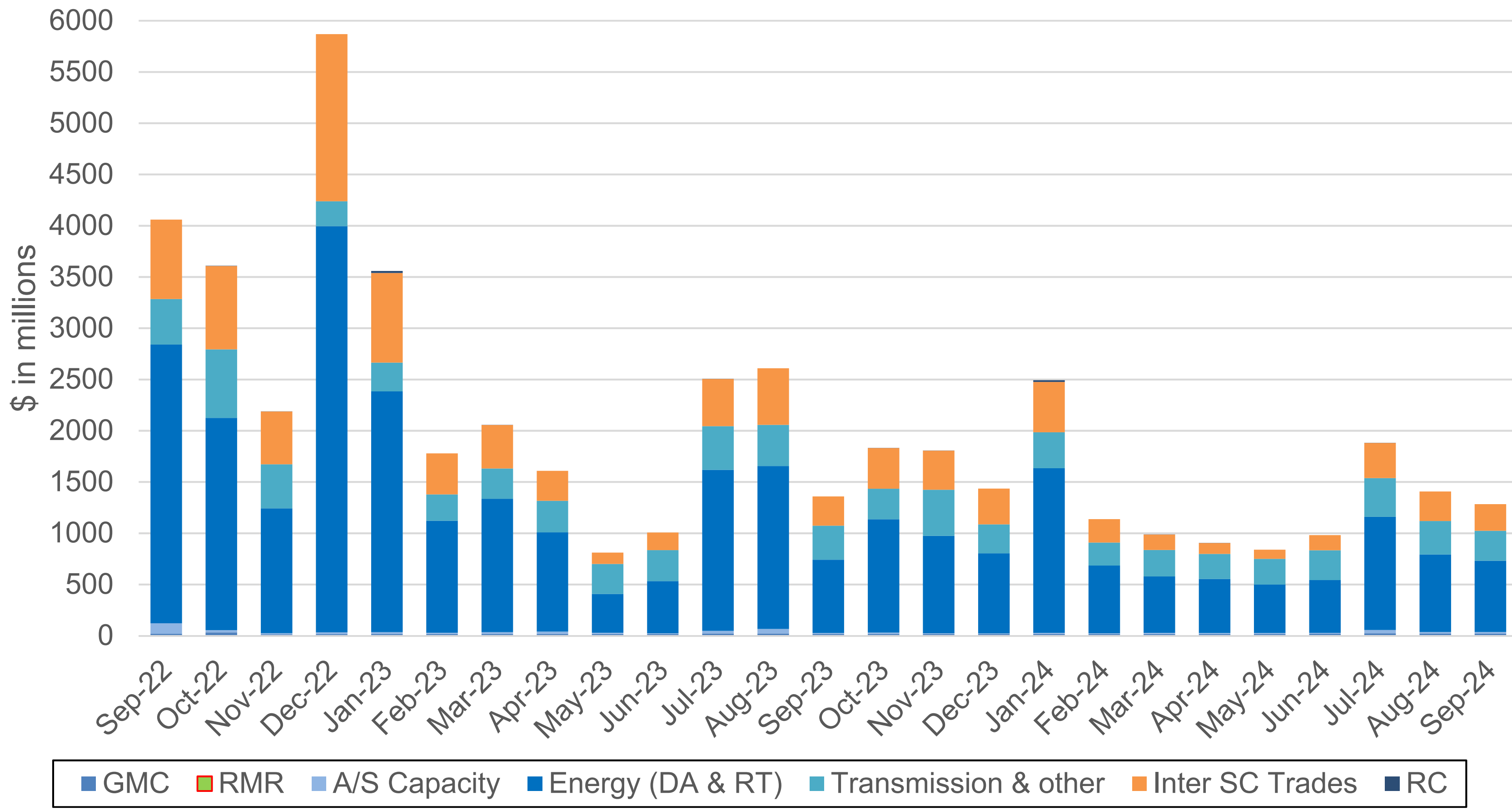
[1] The Board approved a maximum level of $25.0 million in capital and project commitments for 2024 at their December 2023 meeting. The sub-amounts allocated to the project classifications will vary as actual projects are approved during the year by the Portfolio Steering Committee.

[2] The Board approved an additional budget for EDAM/DAME projects of $15.2 million at their March 2024 meeting. This supplemental project budget is included in the Market Opportunities portfolio.

[3] 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 2022 through September 2024



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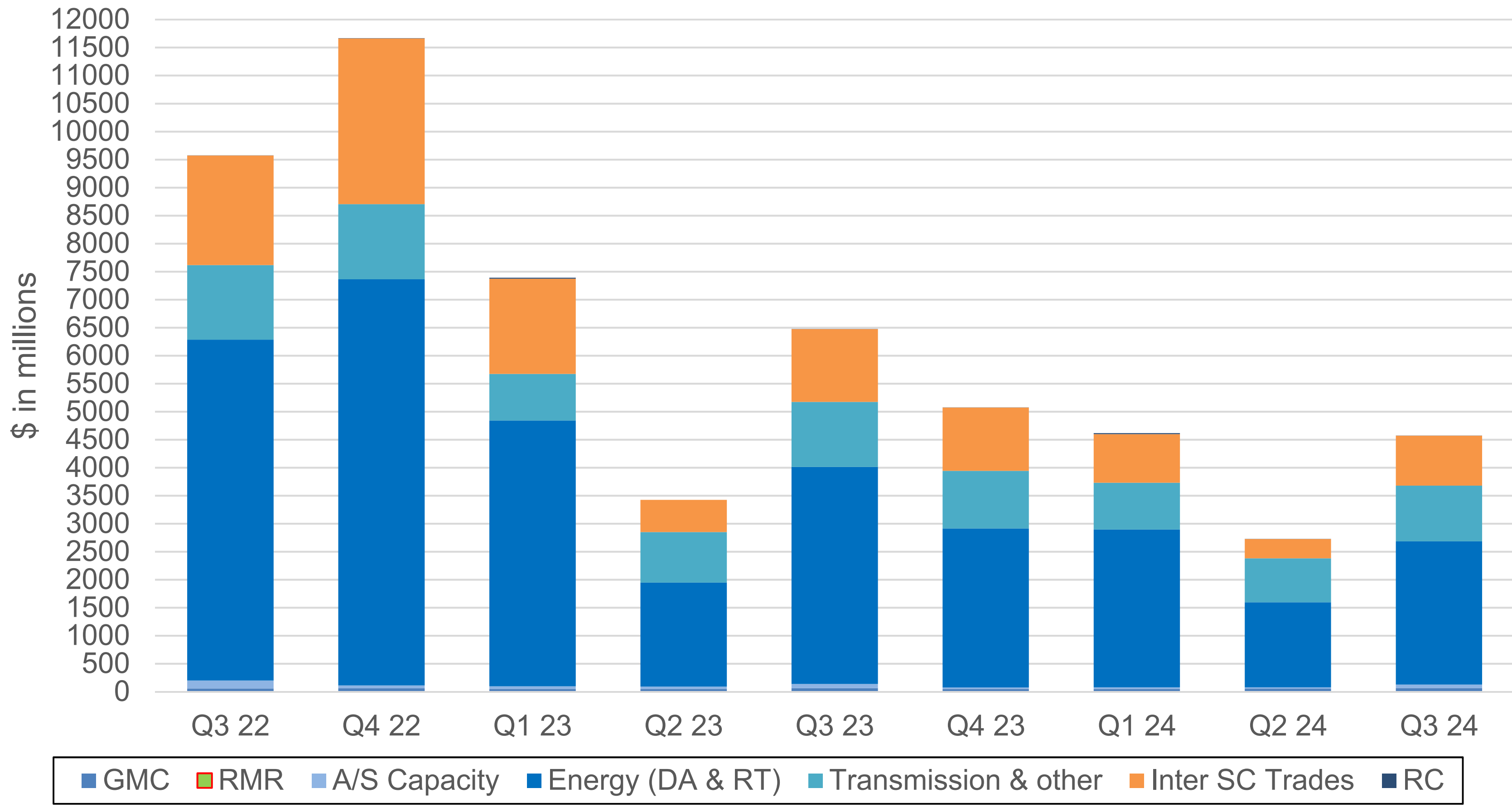
CAISO Market Revenues By Quarter
3rd Quarter 2022 through 3rd Quarter 2024



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