California ISO

California Independent
System Operator

QUARTERLY FINANCIAL REPORT

September 30, 2025

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

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CALIFORNIA ISO
SUMMARY, DISCUSSION AND COMMENTARY
For the quarter ended September 30, 2025

Results of Operations (*page 1*)

Revenues

Total operating revenues through the quarter were $228.7 million, $7.0 million higher than the budgeted amount of $221.7 million. GMC revenues were $0.9 million higher than expected amounts due to slightly stronger GMC volumes. Other revenues were higher by $6.1 million, primarily due to the collection of non refundable generator interconnection project (GIP) study fees, which was not budgeted, higher forecasting fees, higher EIM administration charges and higher GIP revenues. 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 quarter were $2.7 million less than the budgeted amount of $198.1 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. Overages in the other expense category reflect unplanned non-capitalizable software costs charged to the O&M budget.

Total other income in the quarter came in approximately $7.8 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*)

$45.4 million for projects was approved through the third 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 Q3 2025 were $11.1 billion compared to $12.0 billion for the same period in 2024.

CALIFORNIA ISO
Statement of Operations
For the quarter ended September 30, 2025
(dollars in thousands)

	Quarter		Year to Date		Year to Date
	Actual	Prior Year	Actual	Prior Year	Budget
Operating revenues:					
Grid management charge	$ 68,647	$ 61,253	$ 181,159	$ 156,165	$ 180,281
Other revenues	16,711	14,217	47,557	41,029	41,459
Total operating revenues	85,358	75,470	228,716	197,194	221,740
Operating expenses:					
Salaries and benefits	46,780	43,546	147,332	137,942	146,599
Building, leases and facility	863	769	2,019	1,822	1,820
Insurance	329	301	2,938	2,720	2,864
Third party vendor contracts	3,526	3,076	12,255	11,561	13,909
Consulting and contracting services	8,259	7,999	23,985	21,051	25,147
Legal and audit	593	474	1,485	1,241	2,117
Training, travel and professional dues	804	754	2,276	2,007	3,512
Other	1,021	2,011	3,158	7,200	2,170
Total operating expenses	62,175	58,930	195,448	185,544	198,138
Operating income before depreciation and amortization	23,183	16,540	33,268	11,650	23,602
Depreciation and amortization	4,868	6,301	14,456	20,094	14,500
Net operating income (loss)	18,315	10,239	18,812	(8,444)	9,102
Other income (expenses)					
Interest income & other	4,485	9,619	13,788	13,538	6,037
Interest expense	(1,028)	(1,064)	(3,097)	(3,202)	(3,097)
Total other income (expenses)	3,457	8,555	10,691	10,336	2,940
Excess (deficiency) of revenues over expenses	$ 21,772	$ 18,794	$ 29,503	$ 1,892	$ 12,042
Number of full-time employees			749	725	777

CALIFORNIA ISO
Balance Sheet
As of September 30, 2025
(dollars in thousands)

	Current Quarter 09/30/2025	Prior Year 12/31/2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents, including restricted amounts	$ 858,958	$ 1,057,694
Accounts receivable	23,063	32,147
Short-term Investments, including restricted amounts	19,542	30,371
Other current assets	12,648	7,402
Total current Assets	914,211	1,127,614
NONCURRENT ASSETS		
Long-term investments, including restricted amounts	230,266	226,222
Fixed assets, net	155,427	143,851
Other assets	16,005	19,029
Total noncurrent assets	401,698	389,102
TOTAL ASSETS	$ 1,315,909	$ 1,516,716
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 4,851	$ 14,265
Accrued salaries and compensated absences	45,403	59,788
Current portion of long-term debt	8,875	8,805
Due to market participants	878,527	1,082,486
Total current liabilities	937,656	1,165,344
NONCURRENT LIABILITIES		
Long-term debt, net of current portion	130,200	139,085
Employee retirement plan obligations	5,388	7,216
Other	5,554	4,323
Total noncurrent liabilities	141,142	150,624
TOTAL LIABILITIES	1,078,798	1,315,968
TOTAL NET ASSETS	237,111	200,748
TOTAL LIABILITIES AND NET ASSETS	$ 1,315,909	$ 1,516,716

Capital Projects Report

For the quarter ended September 30, 2025

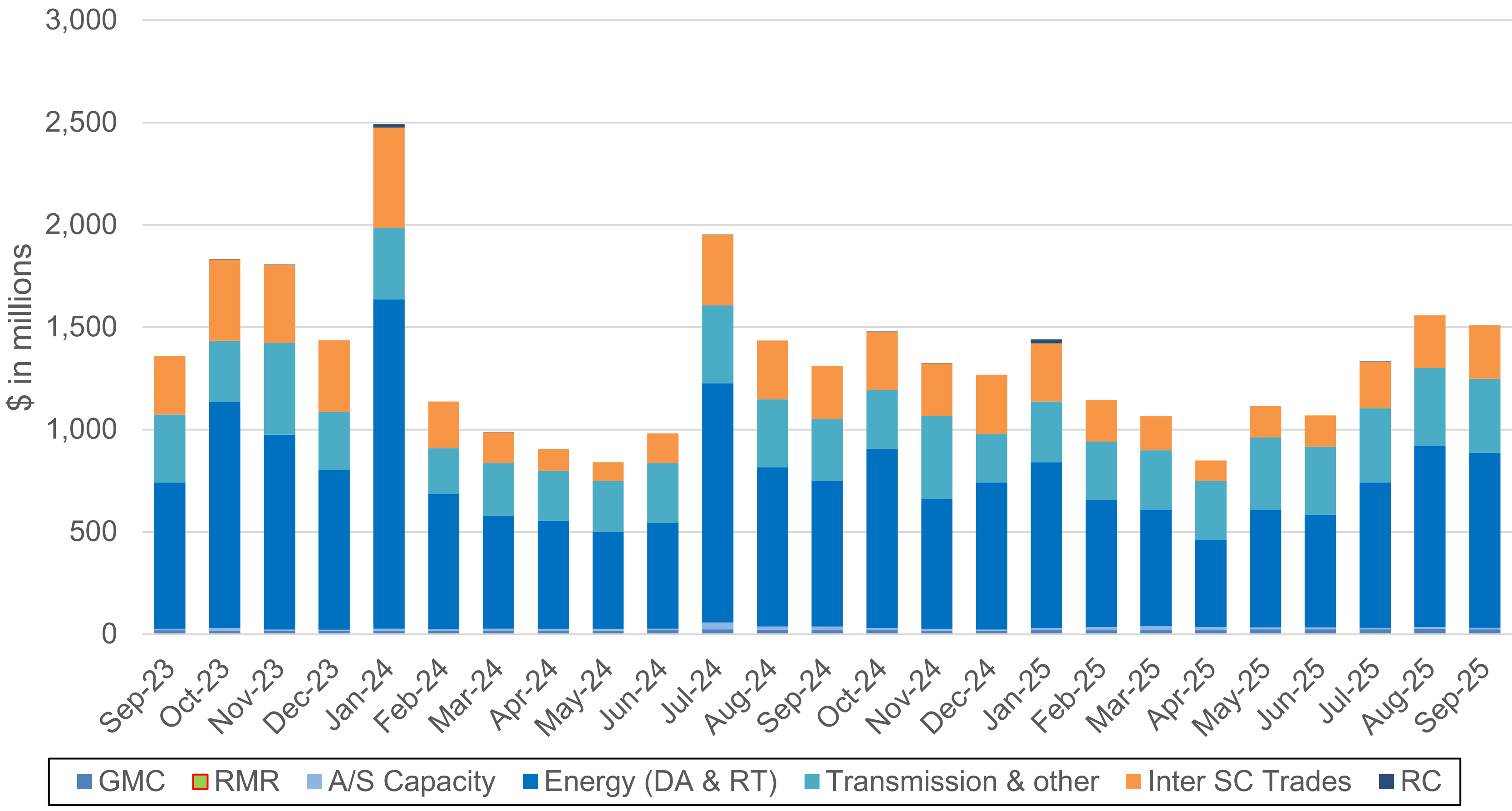
($ in thousands)

Project Classification	2025 Capital and Project Budget[1 2]	Projects Approved YTD	Remaining Budget	Expenditures YTD
Reliability and Efficient Operations	$ 10,260	$ 7,945	$ 2,315	$ 906
Technology Foundation Improvements	30,675	30,147	528	5,375
Transmission Planning- Infrastructure	2,500	3,594	(1,094)	2,413
Market Opportunities	1,600	2,490	(890)	68
Stakeholder Engagement and Customer Service	340	190	150	103
People and Culture (Generally O & M)	-	-	-	-
Facilities and Other projects	4,125	1,047	3,078	193
	$ 49,500	**$ 45,413**	**$ 4,087**	**$ 9,058**
			Expenditures on projects approved prior to 2025[2]:	14,188
			Total Expenditures	**$ 23,246**

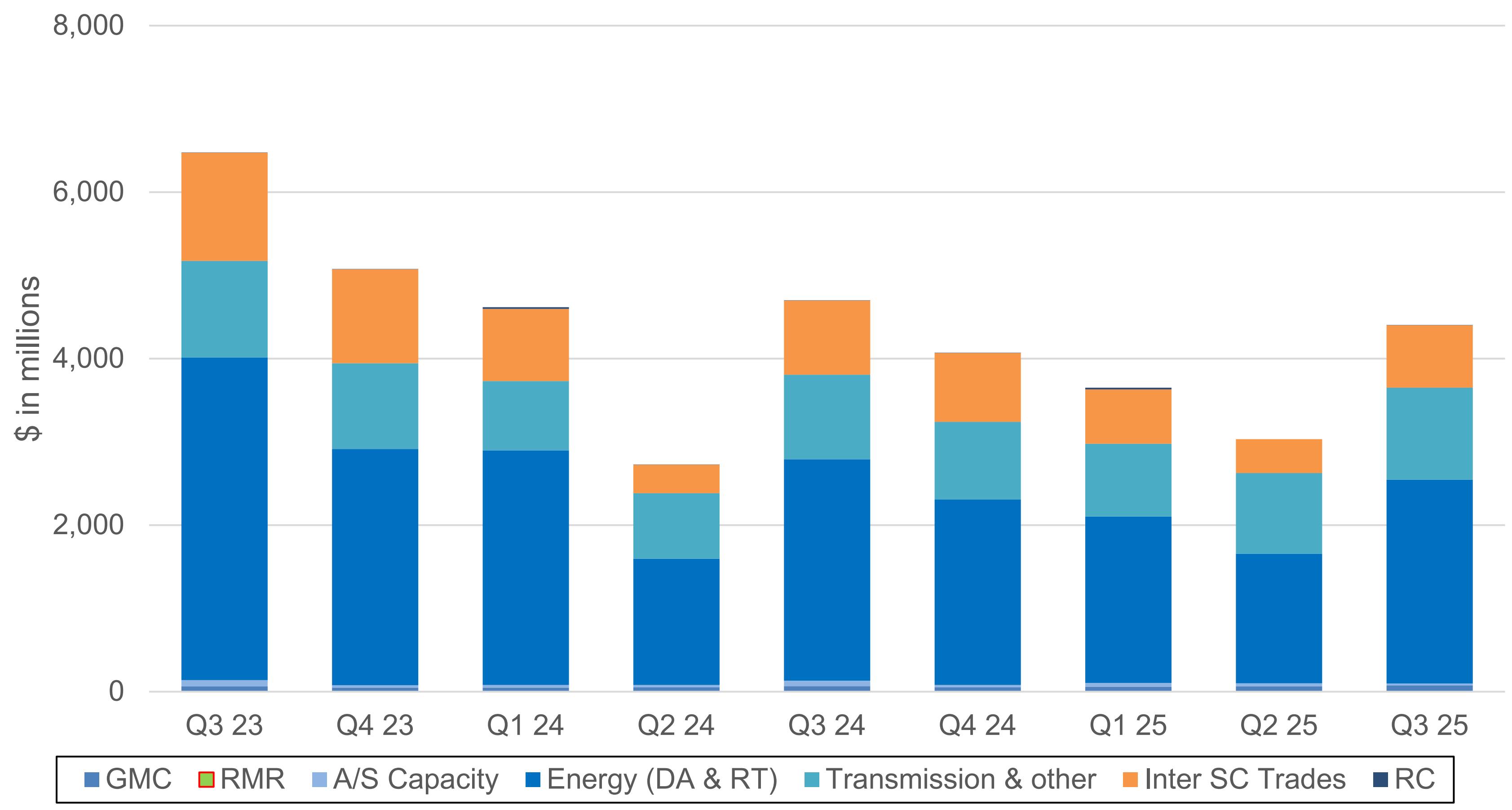
[1] The Board approved a maximum level of $30.0 million in capital and project commitments for 2025 at their December 2024 meeting. An additional $19.5M was approved in the May 2025 meeting. The sub-amounts allocated to the project classifications will vary as actual projects are approved during the 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
September 2023 through September 2025



CAISO Market Revenues By Quarter
3rd Quarter 2023 through 3rd Quarter 2025



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