
QUARTERLY FINANCIAL REPORT

December 31, 2024

Preliminary and Unaudited

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION
QUARTERLY FINANCIAL REPORT - December 31, 2024 (Preliminary and Unaudited)

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CALIFORNIA ISO

SUMMARY, DISCUSSION AND COMMENTARY (Preliminary and Unaudited)

For the year ended December 31, 2024

Results of Operations (page 1)

Revenues

Total operating revenues through the year were \$261.5 million, which is \$5.1 million over the budget. GMC collections were higher by \$4.6 million primarily due to stronger actual GMC volumes than forecasted across all charge categories. Other revenues were slightly higher by \$0.3 million, primarily due to several miscellaneous revenue categories higher than budget.

Expenses

The year to date expenses is at budget at \$255.6 million. Most expense categories were under budget but these were offset by higher than anticipated non-capitalizable software and computer purchases. Salaries and benefits were under budget due to vacancies throughout the year and legal and audit were lower due to a reduced need in outside legal services. The rest of the categories were lower or close to budgeted amounts due to continued efforts to be fiscally responsible.

Total other income through the year came in approximately \$2.8 million over budget due to higher interest earnings and to unrealized gains on investments.

Material Changes to Assets and Liabilities (page 2)

There were no material changes year over year.

Capital Projects (page 3)

\$40.2 million for projects was approved for the year which matched the annual \$40.2 million budget.

ISO Market Revenues (pages 4 - 5)

Gross market revenues transacted in the CAISO market in 2024 were \$16.1 billion. The decline in market revenues from 2023 is due to significantly lower natural gas prices for much of the year.

CALIFORNIA ISO

Statement of Operations (Preliminary and Unaudited)

For the year ended December 31, 2024

(dollars in thousands)

| | Quarter | | Year to Date | | Year to Date Budget |
|-------------------------------------------------------|-------------|------------|--------------|------------|------------------------|
| | Actual | Prior Year | Actual | Prior Year | |
| <u>Operating revenues:</u> | | | | | |
| Grid management charge | \$ 50,244 | \$ 46,559 | \$ 206,409 | \$ 197,236 | \$ 201,813 |
| Other revenues | 13,901 | 12,003 | 55,043 | 53,244 | 54,572 |
| Total operating revenues | 64,145 | 58,562 | 261,452 | 250,480 | 256,385 |
| <u>Operating expenses:</u> | | | | | |
| Salaries and benefits | 54,053 | 44,646 | 191,994 | 176,636 | 194,229 |
| Building, leases and facility | 796 | 834 | 2,618 | 2,463 | 2,464 |
| Insurance | 523 | 497 | 3,243 | 2,931 | 3,120 |
| Third party vendor contracts | 3,794 | 3,440 | 15,355 | 14,311 | 15,911 |
| Consulting and contracting services | 8,367 | 9,121 | 29,419 | 27,416 | 29,521 |
| Legal and audit | 626 | 604 | 1,867 | 2,163 | 3,021 |
| Training, travel and professional dues | 1,533 | 1,085 | 3,540 | 3,058 | 4,453 |
| Other | 398 | 3,861 | 7,597 | 7,230 | 2,951 |
| Total operating expenses | 70,090 | 64,088 | 255,633 | 236,208 | 255,670 |
| Operating income before depreciation and amortization | (5,945) | (5,526) | 5,819 | 14,272 | 715 |
| <u>Depreciation and amortization</u> | 6,906 | 7,069 | 27,000 | 28,650 | 26,500 |
| Net operating income (loss) | (12,851) | (12,595) | (21,181) | (14,378) | (25,785) |
| <u>Other income (expenses)</u> | | | | | |
| Interest income & other | (1,749) | 11,697 | 11,789 | 16,682 | 9,003 |
| Interest expense | (1,064) | (1,095) | (4,267) | (4,388) | (4,267) |
| Total other income (expenses) | (2,813) | 10,602 | 7,522 | 12,294 | 4,736 |
| Excess (deficiency) of revenues over expenses | \$ (15,664) | \$ (1,993) | \$ (13,659) | \$ (2,084) | \$ (21,049) |
| Number of full-time employees | | | 726 | 710 | 759 |

CALIFORNIA ISO

Balance Sheet (Preliminary and Unaudited)

As of December 31, 2024

(dollars in thousands)

| | Current Quarter 12/31/2024 | Prior Year 12/31/2023 |
|---------------------------------------------------------|-------------------------------|----------------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents, including restricted amounts | \$ 1,057,739 | \$ 1,002,472 |
| Accounts receivable | 59,966 | 28,979 |
| Short-term Investments, including restricted amounts | 20,200 | 18,143 |
| Other current assets | 13,338 | 6,760 |
| Total current Assets | <u>1,151,243</u> | <u>1,056,354</u> |
| NONCURRENT ASSETS | | |
| Long-term investments, including restricted amounts | 236,393 | 252,215 |
| Fixed assets, net | 136,738 | 127,727 |
| Other assets | 12,781 | 18,652 |
| Total noncurrent assets | <u>385,912</u> | <u>398,594</u> |
| TOTAL ASSETS | <u><u>\$ 1,537,155</u></u> | <u><u>\$ 1,454,948</u></u> |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES | | |
| Accounts payable and accrued expenses | \$ 18,303 | \$ 14,407 |
| Accrued salaries and compensated absences | 59,498 | 50,164 |
| Current portion of long-term debt | 8,805 | 8,770 |
| Due to market participants | 1,104,899 | 1,014,691 |
| Total current liabilities | <u>1,191,505</u> | <u>1,088,032</u> |
| NONCURRENT LIABILITIES | | |
| Long-term debt, net of current portion | 139,085 | 147,890 |
| Employee retirement plan obligations | 7,033 | 6,762 |
| Total noncurrent liabilities | <u>146,118</u> | <u>154,652</u> |
| TOTAL LIABILITIES | <u>1,337,623</u> | <u>1,242,684</u> |
| TOTAL NET ASSETS | <u>199,532</u> | <u>212,264</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u><u>\$ 1,537,155</u></u> | <u><u>\$ 1,454,948</u></u> |

Capital Projects Report (Preliminary and Unaudited)

For the year ended December 31, 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 | \$ 7,299 | \$ (2,299) | \$ 3,108 |
| Technology Foundation Improvements | 8,770 | 9,757 | (987) | 6,224 |
| Transmission Planning- Infrastructure | 1,155 | 3,628 | (2,473) | 3,026 |
| Market Opportunities | 21,400 | 15,650 | 5,750 | 4,650 |
| Stakeholder Engagement and Customer Service | 150 | 141 | 9 | 141 |
| People and Culture (Generally O & M) | - | - | - | - |
| Facilities and Other projects | 3,725 | 3,725 | - | 722 |
| | \$ 40,200 | \$ 40,200 | \$ - | \$ 17,871 |
| Expenditures on projects approved prior to 2024 ³ : | | | | 20,047 |
| Total Expenditures | | | | \$ 37,919 |

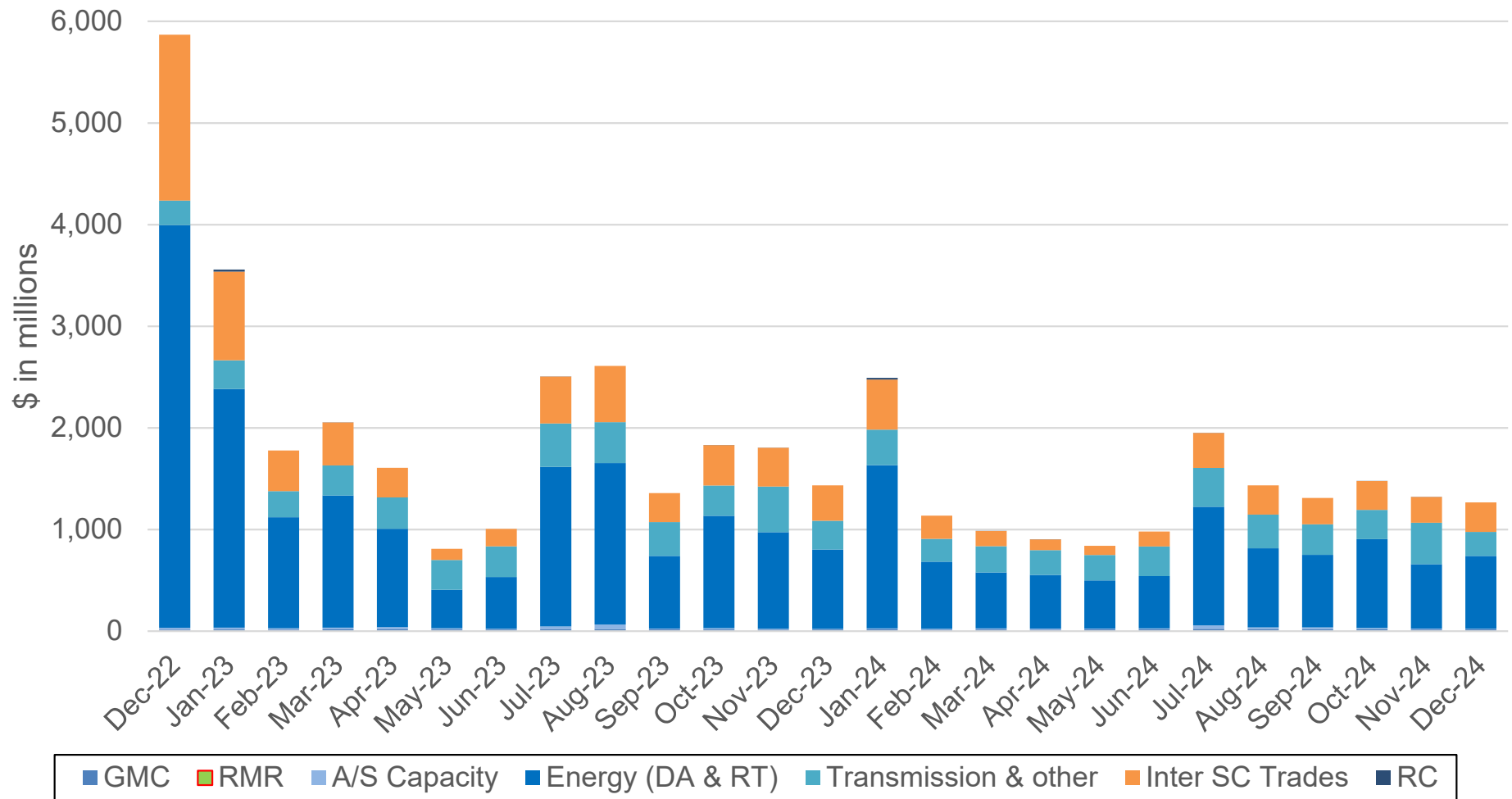
¹ The Board approved a maximum level of \$25.0 million in capital and project commitments for 2024 at their December 2023 meeting. The sub-amounts allocated to the project classifications will vary as actual projects are approved during the year by the Portfolio Steering Committee.

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

December 2022 through December 2024



CAISO Market Revenues By Quarter

4th Quarter 2022 through 4th Quarter 2024

