

QUARTERLY FINANCIAL REPORT

March 31, 2024

**CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION
QUARTERLY FINANCIAL REPORT - March 31, 2024**

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CALIFORNIA ISO SUMMARY, DISCUSSION AND COMMENTARY

For the quarter ended March 31, 2024

Results of Operations (page 1)

Revenues

Total operating revenues for the quarter were \$58.9 million, just short of the quarter's \$59.0 million budget. GMC collections and other revenues were in line with expected amounts. 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 in the quarter were \$4.5 million less the budgeted amount of \$62.0 million. The lower expense amount is primarily due to actual headcount running approximately 47 positions less than budgeted, which generated approximately \$2.3 million in savings. 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 expense. The "Other" category was over budget during the quarter due to non-capitalizable software and computer purchases.

Total other income in the quarter came in approximately \$0.1 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)

\$13.9 million for projects was approved in the first quarter out of the annual \$25.0 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 in Q1 2024 were \$4.4 billion.

CALIFORNIA ISO

Statement of Operations

For the quarter ended March 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	\$ 45,624	\$ 47,258	\$ 45,624	\$ 47,258	\$ 45,684
Other revenues	13,263	13,502	13,263	13,502	13,271
Total operating revenues	58,887	60,760	58,887	60,760	58,955
<u>Operating expenses:</u>					
Salaries and benefits	44,093	44,919	44,093	44,919	46,421
Building, leases and facility	368	427	368	427	509
Insurance	335	305	335	305	302
Third party vendor contracts	4,116	4,122	4,116	4,122	4,666
Consulting and contracting services	5,932	5,849	5,932	5,849	7,443
Legal and audit	145	193	145	193	804
Training, travel and professional dues	440	578	440	578	1,210
Other	2,023	672	2,023	672	644
Total operating expenses	57,452	57,065	57,452	57,065	61,999
Operating income before depreciation and amortization	1,435	3,695	1,435	3,695	(3,044)
<u>Depreciation and amortization</u>	6,000	7,093	6,000	7,093	6,000
Net operating income (loss)	(4,565)	(3,398)	(4,565)	(3,398)	(9,044)
<u>Other income (expenses)</u>					
Interest income & other	2,178	5,200	2,178	5,200	2,251
Interest expense	(1,074)	(1,104)	(1,074)	(1,104)	(1,074)
Total other income (expenses)	1,104	4,096	1,104	4,096	1,177
Excess (deficiency) of revenues over expenses	\$ (3,461)	\$ 698	\$ (3,461)	\$ 698	\$ (7,867)
Number of full-time employees			712	668	759

CALIFORNIA ISO

Balance Sheet

As of March 31, 2024
(dollars in thousands)

	Current Quarter 03/31/2024	Prior Year 12/31/2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents, including restricted amounts	\$ 879,941	\$ 1,002,472
Accounts receivable	33,945	28,979
Short-term Investments, including restricted amounts	17,203	18,143
Other current assets	11,920	6,760
Total current Assets	<u>943,009</u>	<u>1,056,354</u>
NONCURRENT ASSETS		
Long-term investments, including restricted amounts	243,223	252,215
Fixed assets, net	134,762	127,727
Other assets	15,679	18,652
Total noncurrent assets	<u>393,664</u>	<u>398,594</u>
TOTAL ASSETS	<u>\$ 1,336,673</u>	<u>\$ 1,454,948</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	8,669	14,407
Accrued salaries and compensated absences	23,336	50,164
Current portion of long-term debt	8,805	8,770
Due to market participants	935,224	1,014,691
Total current liabilities	<u>976,034</u>	<u>1,088,032</u>
NONCURRENT LIABILITIES		
Long-term debt, net of current portion	139,085	147,890
Employee retirement plan obligations	5,954	6,762
Total noncurrent liabilities	<u>145,039</u>	<u>154,652</u>
TOTAL LIABILITIES	<u>1,121,073</u>	<u>1,242,684</u>
TOTAL NET ASSETS	<u>215,600</u>	<u>212,264</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,336,673</u>	<u>\$ 1,454,948</u>

Capital Projects Report

For the quarter ended March 31, 2024

(\$ in thousands)

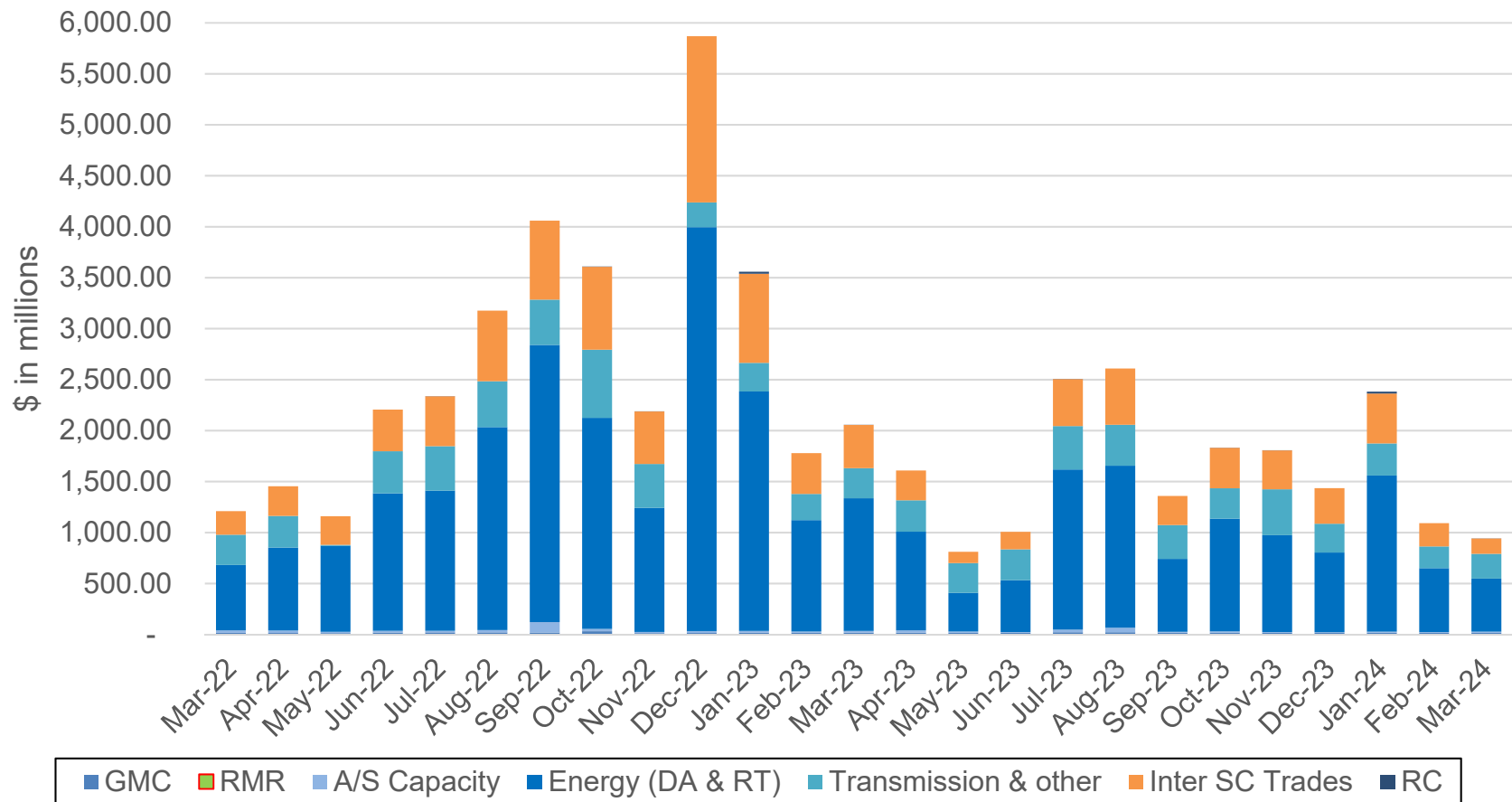
Project Classification	2024 Capital and Project Budget ^{1 2}	Projects Approved YTD	Remaining Budget	Expenditures YTD
Reliability and Efficient Operations	\$ 5,000	\$ 1,674	\$ 3,326	\$ 96
Technology Foundation Improvements	8,770	6,894	1,876	1,239
Transmission Planning- Infrastructure	1,155	853	302	153
Market Opportunities	21,400	2,064	19,336	33
Stakeholder Engagement and Customer Service	150	29	121	-
People and Culture (Generally O & M)	-	-	-	-
Facilities and Other projects	3,725	2,340	1,385	119
	\$ 40,200	\$ 13,855	\$ 26,345	\$ 1,640
			Expenditures on projects approved prior to 2024 ² :	6,533
			Total Expenditures	\$ 8,173

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 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

March 2022 through March 2024



CAISO Market Revenues By Quarter

1st Quarter 2022 through 1st Quarter 2024

