

# QUARTERLY FINANCIAL REPORT

## June 30, 2024

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

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# CALIFORNIA ISO SUMMARY, DISCUSSION AND COMMENTARY

For the quarter ended June 30, 2024

## Results of Operations (*page 1*)

### **Revenues**

Total operating revenues through the quarter were \$122.1 million, which is \$2.0 million over the budget. GMC collections were higher by \$1.7 million as a result of the warmer than expected weather pattern that occurred during the second quarter. Other revenues were slightly higher by \$0.3 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 \$5.2 million under the year to date budget of \$131.5 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 \$0.6 million under budget due to lower interest earnings and 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*)

\$31.5 million for projects was approved through the second 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 Q2 2024 were \$7.2 billion.

# CALIFORNIA ISO

## Statement of Operations

For the quarter ended June 30, 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	\$ 49,306	\$ 46,680	\$ 95,032	\$ 93,938	\$ 93,285
Other revenues	14,537	13,284	27,074	26,824	26,818
Total operating revenues	63,843	59,964	122,106	120,762	120,103
<u>Operating expenses:</u>					
Salaries and benefits	50,284	40,456	94,396	85,375	99,720
Building, leases and facility	685	548	1,053	975	1,128
Insurance	2,084	1,851	2,419	2,156	2,235
Third party vendor contracts	4,369	3,564	8,485	7,686	8,872
Consulting and contracting services	7,120	5,671	13,053	11,520	14,270
Legal and audit	622	719	766	911	1,607
Training, travel and professional dues	813	709	1,255	1,287	2,204
Other	2,866	1,307	4,887	1,979	1,490
Total operating expenses	68,843	54,825	126,314	111,889	131,526
Operating income before depreciation and amortization	(5,000)	5,139	(4,208)	8,873	(11,423)
<u>Depreciation and amortization</u>	5,349	7,164	12,260	14,257	12,000
Net operating income (loss)	(10,349)	(2,025)	(16,468)	(5,384)	(23,423)
<u>Other income (expenses)</u>					
Interest income & other	1,741	1,098	3,919	6,298	4,502
Interest expense	(1,064)	(1,095)	(2,138)	(2,199)	(2,138)
Total other income (expenses)	677	3	1,781	4,099	2,364
Excess (deficiency) of revenues over expenses	\$ (9,672)	\$ (2,022)	\$ (14,687)	\$ (1,285)	\$ (21,059)
<b>Number of full-time employees</b>			718	680	759

# CALIFORNIA ISO

## Balance Sheet

As of June 30, 2024

(dollars in thousands)

	Current Quarter 06/30/2024	Prior Year 12/31/2023
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and cash equivalents, including restricted amounts	850,576	1,002,472
Accounts receivable	35,136	28,979
Short-term Investments, including restricted amounts	17,532	18,143
Other current assets	12,704	6,760
Total current Assets	<u>915,948</u>	<u>1,056,354</u>
NONCURRENT ASSETS		
Long-term investments, including restricted amounts	227,655	252,215
Fixed assets, net	132,185	127,727
Other assets	14,179	18,652
Total noncurrent assets	<u>374,019</u>	<u>398,594</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,289,967</u>	<u>\$ 1,454,948</u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	7,921	14,407
Accrued salaries and compensated absences	36,607	50,164
Current portion of long-term debt	8,805	8,770
Due to market participants	891,045	1,014,691
Total current liabilities	<u>944,378</u>	<u>1,088,032</u>
NONCURRENT LIABILITIES		
Long-term debt, net of current portion	139,085	147,890
Employee retirement plan obligations	5,549	6,762
Total noncurrent liabilities	<u>144,634</u>	<u>154,652</u>
TOTAL LIABILITIES	<u>1,089,012</u>	<u>1,242,684</u>
TOTAL NET ASSETS	<u>200,955</u>	<u>212,264</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 1,289,967</u>	<u>\$ 1,454,948</u>

## Capital Projects Report

For the quarter ended June 30, 2024

(\$ in thousands)

Project Classification	2024 Capital and Project Budget <sup>1 2</sup>	Projects Approved YTD	Remaining Budget	Expenditures YTD
Reliability and Efficient Operations	\$ 5,000	\$ 3,763	\$ 1,237	\$ 1,126
Technology Foundation Improvements	8,770	7,474	1,296	3,294
Transmission Planning- Infrastructure	1,155	2,449	(1,294)	640
Market Opportunities	21,400	15,379	6,021	539
Stakeholder Engagement and Customer Service	150	141	9	73
People and Culture (Generally O & M)	-	-	-	-
Facilities and Other projects	3,725	2,340	1,385	312
	<b>\$ 40,200</b>	<b>\$ 31,546</b>	<b>\$ 8,654</b>	<b>\$ 5,985</b>
			Expenditures on projects approved prior to 2024 <sup>3</sup> :	13,721
			Total Expenditures	<b>\$ 19,706</b>

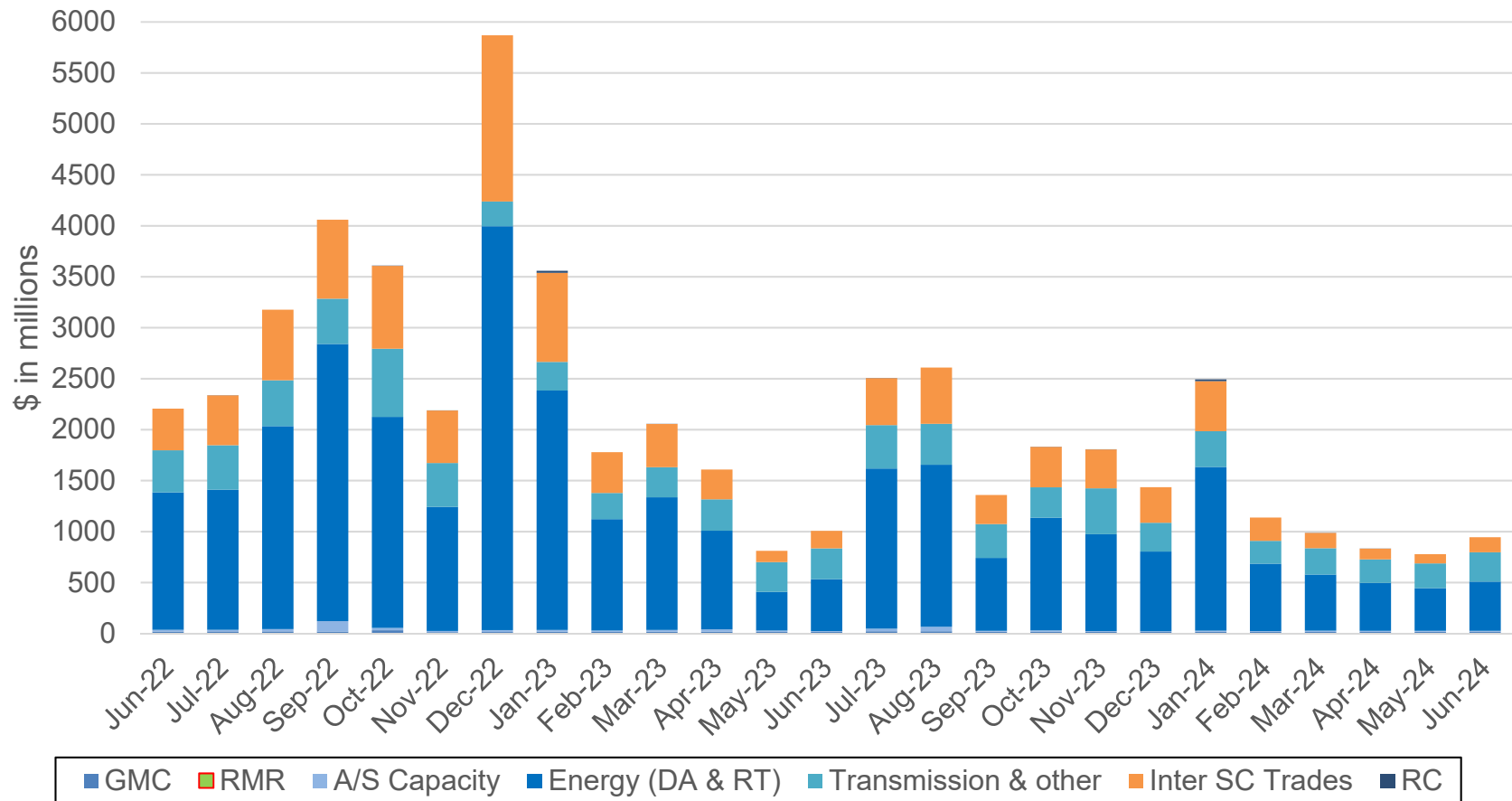
<sup>1</sup> The Board approved a maximum level of \$25.0 million in capital and project commitments for 2024 at their December 2023 meeting. The sub-amounts allocated to the project classifications will vary as actual projects are approved during the year by the Portfolio Steering Committee.

<sup>2</sup> 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.

<sup>3</sup> Expenditures on projects approved in a prior budget year. Does not include WEIM Implementation projects as those expenditures are reimbursed by

# CAISO Market Revenues By Month

## June 2022 through June 2024



# CAISO Market Revenues By Quarter

## 2nd Quarter 2022 through 2nd Quarter 2024

