



# Consolidated Edison, Inc.

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AGA Financial Forum

May 21 - 22, 2023

# Investor Relations

## Available Information

On May 4, 2023, Consolidated Edison, Inc. issued a press release reporting its first quarter 2023 earnings and filed with the Securities and Exchange Commission the company's first quarter 2023 Form 10-Q. This presentation should be read together with, and is qualified in its entirety by reference to, the earnings press release and the Form 10-Q. Copies of the earnings press release and the Form 10-Q are available at: [www.conedison.com/en/](http://www.conedison.com/en/). (Select "For Investors" and then select "Press Releases" and "SEC Filings," respectively.)

## Forward-Looking Statements

This presentation contains forward-looking statements that are intended to qualify for the safe-harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are statements of future expectations and not facts. Words such as "forecasts," "expects," "estimates," "anticipates," "intends," "believes," "plans," "will," "target," "guidance," "potential," "consider" and similar expressions identify forward-looking statements. The forward-looking statements reflect information available and assumptions at the time the statements are made, and accordingly speak only as of that time. Actual results or developments might differ materially from those included in the forward-looking statements because of various factors such as those identified in reports Con Edison has filed with the Securities and Exchange Commission, including, but not limited to, the sale of the Clean Energy Businesses. Con Edison's subsidiaries are extensively regulated and are subject to substantial penalties; its utility subsidiaries' rate plans may not provide a reasonable return; it may be adversely affected by changes to the utility subsidiaries' rate plans; the failure of, or damage to, its subsidiaries' facilities could adversely affect it; a cyber-attack could adversely affect it; the failure of processes and systems and the performance and failure to retain and attract employees and contractors could adversely affect it; it is exposed to risks from the environmental consequences of its subsidiaries' operations, including increased costs related to climate change; its ability to pay dividends or interest depends on dividends from its subsidiaries; changes to tax laws could adversely affect it; it requires access to capital markets to satisfy funding requirements; a disruption in the wholesale energy markets, increased commodity costs or failure by an energy supplier or customer could adversely affect it; it may have substantial unfunded pension and other postretirement benefit liabilities; it faces risks related to health epidemics and other outbreaks, including the COVID-19 pandemic; its strategies may not be effective to address changes in the external business environment; it faces risks related to supply chain disruptions and inflation; and it also faces other risks that are beyond its control. Con Edison assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

## Non-GAAP Financial Measures

This presentation also contains financial measures, adjusted earnings and adjusted earnings per share (adjusted EPS), that are not determined in accordance with generally accepted accounting principles in the United States of America (GAAP). These non-GAAP financial measures should not be considered as an alternative to net income for common stock or net income per share, respectively, each of which is an indicator of financial performance determined in accordance with GAAP. Adjusted earnings and adjusted earnings per share exclude from net income for common stock and net income per share, respectively, certain items that Con Edison does not consider indicative of its ongoing financial performance such as the gain and other impacts related to the sale of the Clean Energy Businesses, the impairment loss related to Con Edison's investment in Mountain Valley Pipeline, the effects of HLBV accounting for tax equity investments and mark-to-market accounting and the related tax impact on the parent company. Management uses these non-GAAP financial measures to facilitate the analysis of Con Edison's financial performance as compared to its internal budgets and previous financial results and to communicate to investors and others Con Edison's expectations regarding its future earnings and dividends on its common stock. Management believes that these non-GAAP financial measures are also useful and meaningful to investors to facilitate their analysis of Con Edison's financial performance.

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# Company Highlights

- Con Edison delivers electric, gas, and steam to 5.1 million customers
- CECONY's electric system is the most reliable in the U.S.
- 5% to 7% adjusted earnings per share (non-GAAP) growth forecasted for next five years
- Upon NYSPSC approval, CECONY electric and gas plans will have rate base established through 2025, with 6% annual rate base growth forecasted
- No equity issuances through 2024 other than through the employee plans
- Aggressive New York policy initiatives driving clean energy transition will require robust investment to implement
- 49 consecutive years of dividend increases – the longest record of any S&P 500 energy companies



# Achieving Clean Energy Goals

New York's aggressive clean energy goals require significant new investment in the state's energy infrastructure, creating strong growth potential for the company.

- Con Edison's Clean Energy Commitment reflects aggressive clean energy goals from New York State and New York City that have remained strong
- CECONY is investing \$780 million in the Reliable Clean City transmission infrastructure project to deliver renewable energy from solar plants and wind farms to its customers, and facilitate the retirement of fossil peaker generating units
- CECONY was approved in April 2023 to construct \$810 million Clean Energy Hub to address local reliability needs and interconnect new clean energy resources
- \$14.6 billion in total capital investments forecasted for 2023 through 2025 to achieve reliability, safety, and clean energy objectives

# Recent Business Updates

Con Edison's strong performance record continues with strategic moves that position it for growth and leadership in New York's clean energy transition.

- Sale of Clean Energy Businesses completed in March 2023 which catapults Con Edison into a pure-play regulated utility
  - Net proceeds offset equity needs in 2023 and 2024 and support debt paydown and share repurchases
  - There will be no long-term holding company debt on balance sheet by year-end 2023
  - Initiated \$1 billion share repurchase program
- Joint proposal, subject to NYSPSC approval, reached with the parties on CECONY electric and gas rate plans in February 2023
  - Provides rate base visibility through 2025
  - Provides ROE of 9.25% and equity ratio of 48% with \$11.8 billion in new capital investment authorized
  - Supports 5-year forecasted 5% to 7% adjusted earnings per share (non-GAAP) growth
- Staff and other parties filed testimony in the steam rate case in March 2023
  - Recommends ROE of 9.0%, equity ratio of 48%
  - The NYSDPS testimony does not support CECONY's request for a new mechanism for decoupling revenues from steam consumption



# Other Regulatory Developments

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# NYS PSC & NYISO Proceedings & Developments

## Transmission Planning

- Authorize local transmission projects to achieve renewable power goals
- NYSPSC approved CECONY's Reliable Clean City projects totaling \$780 million in costs
- Develop "Phase 2" filing for projects that increase local capacity to deliver new renewable resources
  - Proposed transmission projects would cost \$4.1 billion and add 7,700 MW of capacity to NYS grid
  - Brooklyn Clean Energy Hub approved in April 2023 by NYSPSC for \$810 million to meet local reliability needs and a future potential interconnection point for offshore wind or other renewables

## NYISO

- Propel NY Energy proposal (NY Transco and NYPA) in response to NYISO public policy solicitation to bring offshore wind energy from Long Island to NYC and Westchester/lower NYS (Long Island Public Policy Transmission Need)

## Climate Leadership and Community Protection Act (CLCPA)

- Monitor implementation of the New York State law to achieve climate change goals, e.g., 70% renewable power by 2030
- Filed a proposal on March 31, 2023 for a study on how to achieve significant reductions in carbon emissions from gas and the potential associated customer bill impacts
- Requires annual Staff report on costs

## New Efficiency New York (NENY) and Electric Vehicles

- NYSPSC will conduct midpoint reviews for both proceedings that may result in changes to existing programs, including budget/targets
- NYSPSC proceeding to expand existing programs for medium- & heavy-duty vehicles and focus on siting to meet the needs of disadvantaged communities

## Gas Planning

- 20-year gas long range supply plan is due to NYSPSC on May 31, 2023

# New York State and New York City Greenhouse Gas Emissions Reduction Laws

- NYC Local law 154: Natural gas ban for new small buildings by 2025 and for new large buildings by 2027
  - NY Governor Hochul signed into law on May 3 ban on gas use in new small buildings starting in 2026, new large buildings starting in 2029
  - Both NYC and NYS bans have exceptions for local businesses (e.g. restaurants, laundry facilities, cremation)
- NYC Local Law 97: Energy efficiency and greenhouse gas emissions limits
  - Reduce the emissions from the city's largest buildings 40% by 2030 and 80% by 2050 from 2005 levels
- NYC Mayor Adams released [PlaNYC: Getting Sustainability Done](#) laying out strategies to reduce emissions in buildings and transportation





# Reimagine the Gas System

# Our Clean Energy Commitment: 5 Pillars



## Build the Grid of the Future

Build a resilient, 22nd century electric grid that delivers 100% clean energy by 2040.



## Empower All of our Customers to Meet their Climate Goals

Accelerate energy efficiency with deep retrofits, aim to electrify the majority of building heating systems by 2050, and all-in on electric vehicles.



## Reimagine the Gas System

Decarbonize and reduce the utilization of fossil natural gas, and explore new ways to use our existing, resilient gas infrastructure to serve our customers' future needs.



## Lead by Reducing our Company's Carbon Footprint

Aim for net zero emissions (Scope 1) by 2040, focusing on decarbonizing our steam system and other company operations.



## Partner with our Stakeholders

Enhance our collaboration with our customers and stakeholders to improve the quality of life of the neighborhoods we serve and live in, focusing on disadvantaged communities.

# Pathways to Carbon Neutrality by 2050

Con Edison has evaluated representative pathways that differ in level of electrification and low-carbon fuels that capture possible outcomes for New York State to achieve policy goals

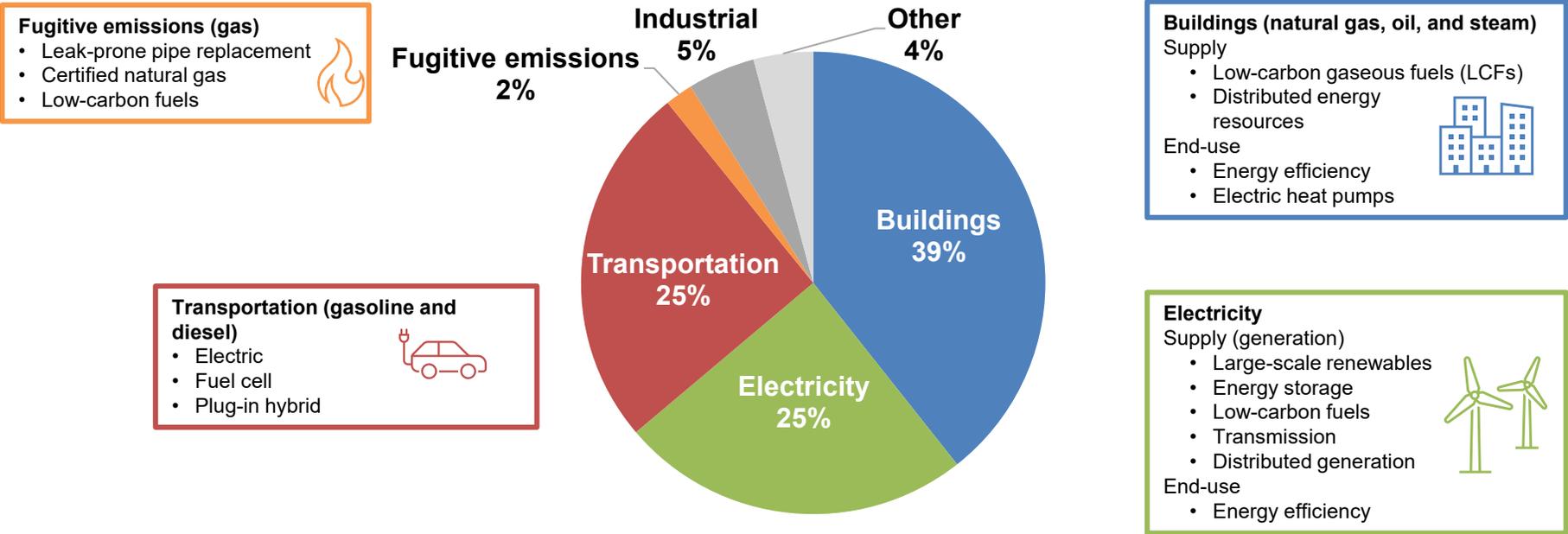
	Hybrid	Deep Electrification
<b>Description</b>	<ul style="list-style-type: none"> <li>Optimizes use of existing electric, gas and steam infrastructure</li> <li>Mitigates customer complexity and disruption</li> <li>Diversification of fuel facilitates reliability</li> </ul>	<ul style="list-style-type: none"> <li>Relies on existing technology solutions</li> <li>Eliminates emissions in the buildings sector</li> </ul>
<b>Challenges</b>	<ul style="list-style-type: none"> <li>Requires significant breakthrough in deployment of scalable low carbon fuels</li> </ul>	<ul style="list-style-type: none"> <li>Requires building codes and standards that mandate building electrification</li> <li>Requires emergence of long-duration battery storage</li> </ul>
<b>Heat pump adoption (% of floorspace)</b>	<b>43%</b>	<b>90%</b>
<b>Electric vehicle adoption (% of vehicle miles traveled for light-duty vehicles)</b>	<b>90%</b>	<b>96%</b>
<b>Increase in electric peak (% from 2022)</b>	<b>30 – 60%</b>	<b>80 – 140%</b>
<b>Low-carbon fuels delivered</b>	<b>153 TBTU</b>	<b>38 TBTU</b>

Numbers as of: May 2023

# Changing How Energy is Sourced and Consumed

To achieve NYS and NYC clean energy goals, our utilities plan to enable a fundamental change in how energy is sourced and consumed in our service territories; several potential energy solutions exist to deliver on net-zero GHG emissions by 2050

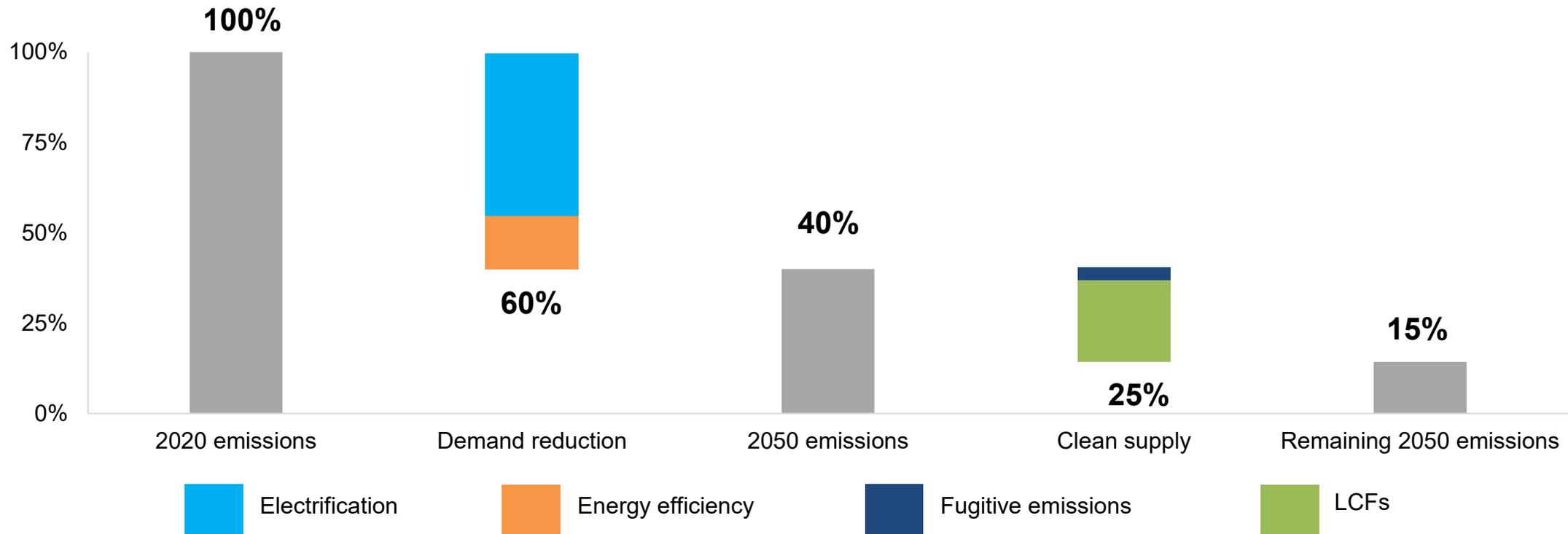
## 2020 GHG emissions (CECONY and O&R service areas)



Numbers as of: November 2022, per 2020 NYC GHG Inventory and internal analysis

# Emissions Reductions for Gas Customers

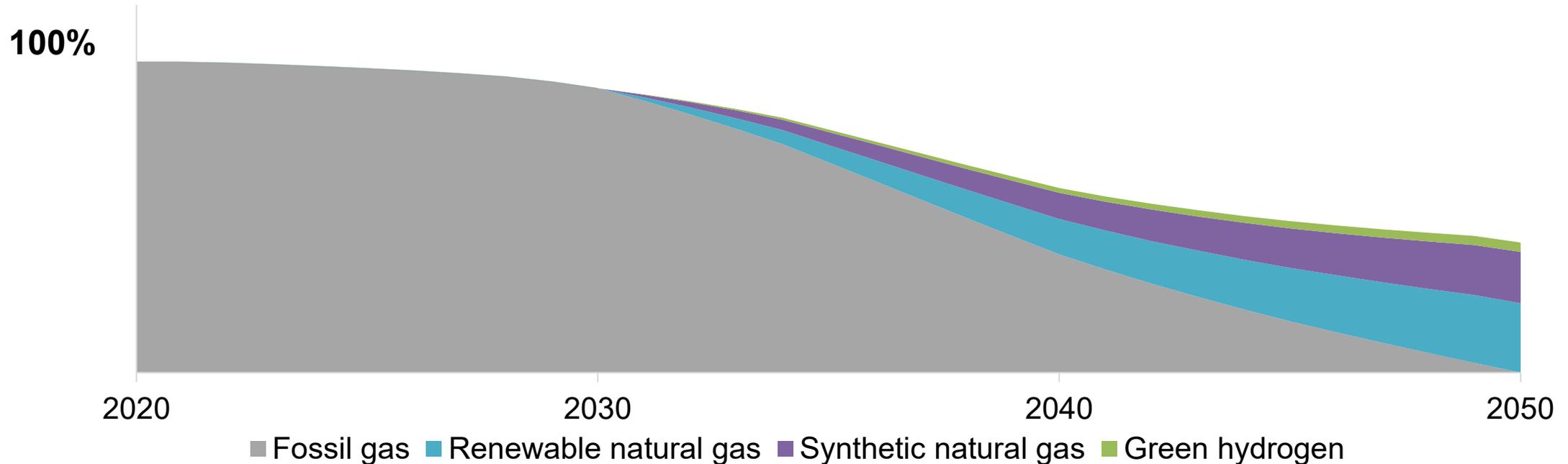
Con Edison's goal is to achieve net-zero greenhouse gas emissions through energy efficiency, electrification, and low-carbon fuels



# Transform Gas Demand and Supply

Con Edison's goal is to reduce overall gas demand and adopt 100% low-carbon fuels to achieve net-zero greenhouse gas emissions by 2050.

### Utility Gas Supply (Distribution System)



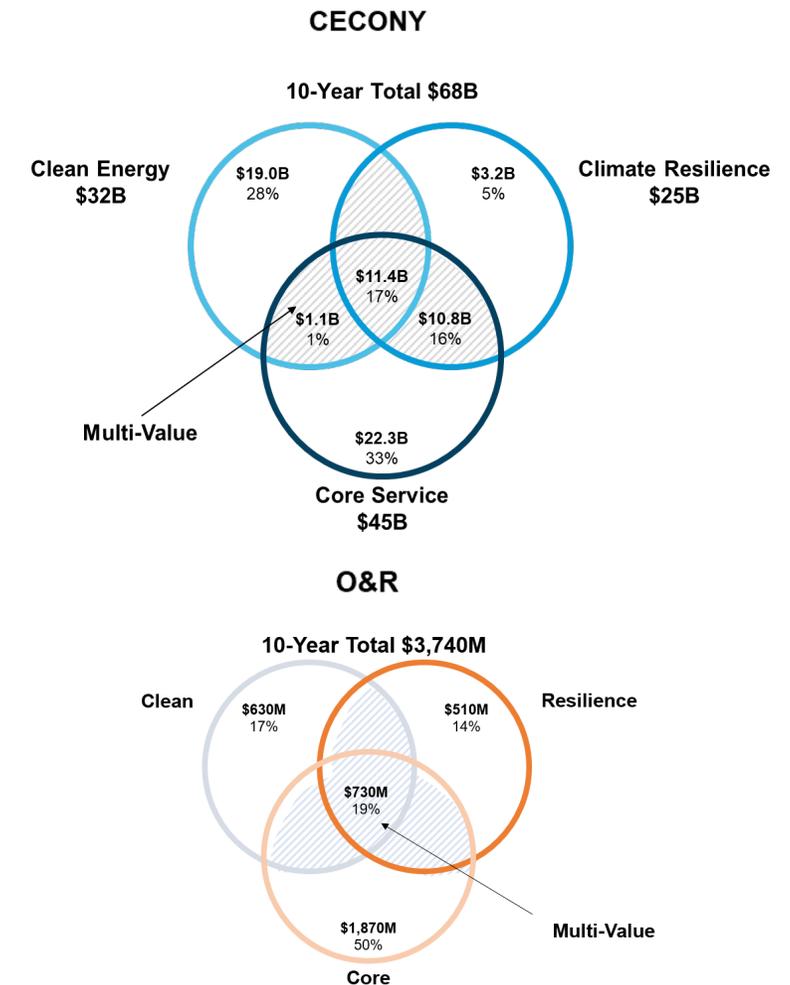
# CECONY Summer & Winter System Peaks Will Shift

- Summer electric peak demand for 2023 is forecasted around 13,000 MW
- Winter electric peak demand for 2022/2023 is forecasted around 8,700 MW
- CECONY expects summer and winter electric peaks to both grow due to the electrification of heat, hot water, stove tops/ovens, dryers, and vehicles
- **CECONY expects to be a winter-peaking electric utility by 2040**

# Long-range Plans for a Safe, Reliable and Sustainable Future

Long-range plans for electric, gas and steam guide our programs and investments through 2050. We envision \$72 billion in investments for CECONY and O&R over the next 10 years.

- **Clean Energy:** Economy-wide net-zero GHG emissions in our service area by 2050
- **Climate Resilience:** Increased resilience of our energy infrastructure to adapt to climate change
- **Core Service:** World-class safety, reliability, and security, while managing the rate impacts and equity challenges of the energy transition
- **Customer Engagement:** Industry-leading customer experience and facilitation through the energy transition



Source: [Long Range Plans | Con Edison](#)