



# Consolidated Edison, Inc.

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Investor Update  
January 2024



# Investor Relations

## Available Information

On November 2, 2023, Consolidated Edison, Inc. issued a press release reporting its third quarter 2023 earnings and filed with the Securities and Exchange Commission the company's third 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 that 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.

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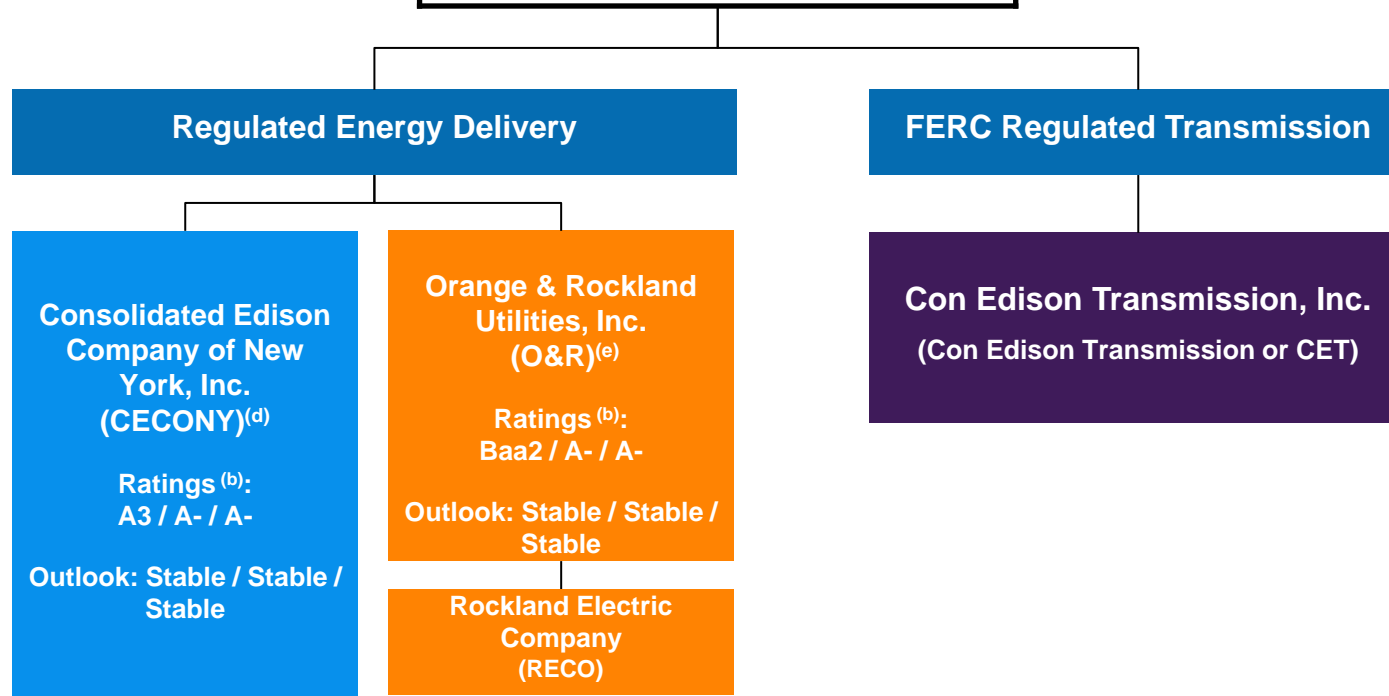
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# Organizational Structure

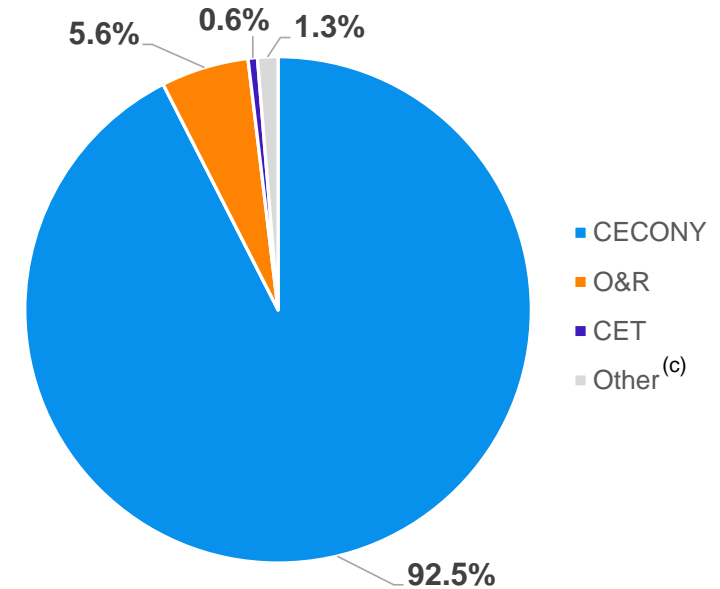


**Market Cap<sup>(a)</sup>:** \$29.5 billion  
**Ratings<sup>(b)</sup>:** Baa1 / BBB+ / BBB+  
**Outlook<sup>(b)</sup>:** Stable / Stable / Stable



## Percentages of Total Assets by Business <sup>(a)</sup>

2023 Total Assets: \$64 billion<sup>(a)</sup>



- a. As of September 30, 2023. Ratings as of November 24, 2023
- b. Senior unsecured ratings and outlook shown in order of Moody's / S&P Global Ratings (S&P) / Fitch. Ratings are not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.
- c. Other includes the parent company, Con Edison's tax equity investments, the deferred project held for sale and consolidation adjustments.
- d. CECONY delivers electricity to 3.6 million customers, gas to 1.1 million customers and steam to 1,520 customers
- e. O&R delivers electricity to 0.3 million customers and gas to 0.1 million customers

# Completed Substantial De-Risking Across Key Areas

Con Edison offers a regulated business model and one of the simplest balance sheets in the utility sector

- **Transition to pure-play regulated business**
  - Completed the bulk of non-core asset sales
  - Revenue predictability in place for all New York energy services
- **Rate base largely established through 2025**
  - Annual rate base growth of 6.1% forecasted, through 2025
  - Investments support safety, reliability, and transition to clean energy by 2050
- **Strengthened balance sheet through sale of Clean Energy Businesses**
  - Proceeds paid off all parent-level long-term debt in 2023, simplifying group's capital structure
  - Share repurchase of \$1 billion completed

# Rate Case Filings Status

The Company plans to file a rate case for O&R New York Electric and Gas in 2024

		Regulator	Rate Base <sup>(1)</sup> (\$ millions)	Current Plan Start Date	Current Plan End Date	Status
CECONY	Electric	New York State Public Service Commission (NYSPSC)	\$26,095	Jan 2023	Dec 2025	Joint Proposal (JP) approved July 2023
	Gas	NYSPSC	9,647	Jan 2023	Dec 2025	JP approved July 2023
	Steam	NYSPSC	1,799	Nov 2023	Oct 2026	JP approved November 2023
O&R	O&R - NY Electric	NYSPSC	1,044	Jan 2022	Dec 2024	JP approved April 2022
	O&R - NY Gas	NYSPSC	607	Jan 2022	Dec 2024	JP approved April 2022
	Rockland Electric	New Jersey Board of Public Utilities (NJBPU)	262	Dec 2021	N/A	Stipulation of settlement approved December 2021

(1) Average rate base for rate year 1

# Summary of CECONY Electric and Gas Rate Plan

Rate Plan includes ROE at 9.25% and equity ratio of 48%

Electric  
Case number 22-E-0064

Gas  
Case number 22-G-0065

(\$ in millions)	Rate Change	Average Rate Base	Capital Expenditure	Rate Change	Average Rate Base	Capital Expenditure
Rate Year 1: 2023	\$442	\$26,095	\$2,845	\$217	\$9,647	\$1,121
Rate Year 2: 2024	518	27,925	2,877	173	10,428	1,115
Rate Year 3: 2025	382	29,362	2,791	122	11,063	1,061
Annual levelized rate increase	457			187		

## Major Provisions

- Reconciliation of pension and OPEBs, environmental remediation, uncollectible expenses, late payment fees, variable debt, major storm costs, property taxes, and municipal infrastructure support costs
- New surcharge/sur-credit for storms, uncollectible expenses, late payment charges, and property taxes to prevent the build-up of large deferrals
- Continuation of the revenue decoupling mechanism for electric and gas service
- Continuation of provision for recovery of cost of purchased power, gas, and fuel
- Continuation of earnings opportunities from Earnings Adjustment Mechanisms (EAM) for meeting energy efficiency goals and other potential incentives
- Make whole recovery provision back to January 1, 2023 when new rates take effect

# Summary of CECONY Steam Rate Plan

Rate changes and capital expenditures for three-year period to begin November 1, 2023 and reflect 9.25% ROE, 48% equity ratio and new weather normalization mechanism

Case number 22-S-0659

<i>(\$ in millions)</i>	Rate Change	Average Rate Base	Capital Expenditures
Rate Year 1: 2023/24	\$110	\$1,799	\$106
Rate Year 2: 2024/25	44	1,848	107
Rate Year 3: 2025/26	45	1,882	105
Annual levelized rate increase	\$78		

## Major Provisions

- New weather normalization mechanism
- Continues full reconciliation of costs for pension and OPEBs and environmental remediation
- Reconciliation of property taxes, municipal infrastructure support costs, long-term debt cost, uncollectible costs, and late payment charges
- Continuation of provision for recovery of cost of fuel
- Make whole recovery back to November 1, 2023
- Framework for petitioning for additional decarbonization investments during the rate plan

# NYSPSC & NYISO Proceedings and Developments

## New Efficiency New York (NENY) 18-M-0084

- In July 2023, the NYSPSC [adopted](#) a strategic framework for Energy Efficiency and Building Electrification portfolios and directs New York utilities to file proposals in response to the framework totaling \$5 billion (\$1 billion per year for 2026-2030)
- In November 2023, CECONY and O&R filed preliminary energy efficiency and electrification program proposals that total \$2.3 billion for a base program (or \$2.8 billion for an expanded program) for the five-year period

## Electric Vehicles, Light- Duty Infrastructure 18-E-0138

- In November 2023, the NYSPSC [authorized](#) expanded budgets and scopes for CECONY and O&R's EV light-duty infrastructure incentive programs
  - Con Edison PowerReady budget increased by \$413 million to a total of \$703 million
  - O&R PowerReady budget more than doubled to a total of \$48 million
- The Order also 1) expanded the medium- and heavy-duty make-ready pilot (~\$26 million for CECONY and O&R) and 2) authorized a new \$20 million micromobility make ready program for CECONY and O&R
- In November 2023, the NYSPSC [authorized](#) managed charging programs to provide incentives for charging and demand charge rebates (up to \$450 million for Con Edison and \$13.8 million for O&R)

## Gas System Planning 20-G-0131

## Gas System Long-Term Plan 23-G-0147

- NYSPSC initiated the Gas Planning Proceeding in March 2020 to evaluate opportunities to improve natural gas system planning and operational practices and to enable LDCs to meet evolving policy goals and customer expectations
- In May 2023, CECONY and O&R filed a combined initial Gas Long-Term Plan
- In July 2023, PA Consultants, on behalf of DPS Staff, filed their initial report on the combined CECONY and O&R Gas Long-Term Plan
- The Utilities [filed](#) final plans on November 29, 2023, which are subject to NYSPSC approval



# NYSPSC & NYISO Proceedings and Developments *(continued)*

## Climate Change Vulnerability Study Implementation Plan 22-E-0222

- In March 2022, the NY State legislature amended the NY Public Service Law to require all NY electric utilities to:
  - Conduct a climate change vulnerability study by September 2023 and
  - Develop and file for approval by the NYSPSC a climate vulnerability and resiliency plan that includes 10- and 20-year outlooks for resiliency
  - The law authorizes utilities to recover costs through a climate resiliency cost recovery surcharge for costs incurred outside of rate proceedings and include any unrecovered costs in base rates when base rates are reset
- CECONY and O&R updated their Climate Change Vulnerability Studies, filed on September 22, 2023
- CECONY and O&R filed Climate Change Resiliency Plans on November 21, 2023
  - Components of Resiliency Plan Filing include:
    - First five years (2025-2029) of investments submitted for approval
    - Directional resilience plans for 2030 – 2044
    - Federal resilience funding opportunities (if applicable)
  - The projects and programs filed for 2025-2029 total approximately \$900 million and \$400 million, respectively
- The NYSPSC will undertake a process to review the Companies' proposals and will accept, modify, or reject the resiliency plans by October 2024
- Electric utilities are required to file an updated climate vulnerability and resiliency plan with the NYSPSC for approval at least every five years

# NYSPSC & NYISO Proceedings and Developments *(continued)*

## New York Independent System Operator (NYISO)

- In July 2023, the NYISO's Short-Term Assessment of Reliability [report](#) cited an electric reliability need beginning in the summer of 2025 in CECONY's New York City territory due to forecasted increases in peak demand and the assumed unavailability of certain generation affected by the Peaker Rule
- In November 2023, NYISO [determined](#) that there were no viable and sufficient solutions submitted and that temporarily retaining the generators on the Gowanus 2 & 3 and Narrows 1 & 2 barges is necessary

## Climate Leadership and Community Protection Act (CLCPA) 22-M-0149

- NYSPSC to monitor implementation of the New York State law to achieve climate change goals, e.g., 70% renewable power by 2030
- In August 2023, CECONY filed a [petition](#) with the NYSPSC requesting authorization and cost recovery to construct two new substations in Jamaica, Queens (the Reliable Clean City - Idlewild Project)

## Utility Thermal Energy Network and Jobs Act 22-M-0429

- The NYSPSC initiated an order in September 2022 that directed the seven largest gas and electric companies to propose thermal energy networks pilot projects
- In September 2023, the NYSPSC issued a [Guidance Order](#) that establishes a process for utilities to provide additional details on proposed utility-owned thermal energy network (UTEN) pilot projects
- In November 2023, CECONY and O&R filed detailed UTEN pilot project proposals

# Climate Change, Unchecked

Findings from CECONY and O&R’s Climate Change Vulnerability Studies may have significant implications for each company’s electric delivery system

- CECONY and O&R each released a climate change study using the latest climate projections from NYSERDA and Columbia University
- This was the first study for O&R; CECONY built on its 2019 study

Climate variables	Historical Baseline*	2030 projections	2050 projections
Days per year over 95°F	4	17	32
Sea level rise (Inches)	–	9	16

Climate variables	Historical Baseline*	2030 projections	2050 projections
Days per year over 95°F	4	18	35
Sea level rise (Inches)	–	9	16

\*Historical Baseline for 1) Days per year over 95°F is 1981-2010 (30 year); for 2) Sea level rise is 1995 - 2014

Sources:

[CECONY Climate Change Vulnerability Study – September 2023](#), and CECONY [Climate Change Resilience Plan](#)  
[O&R Climate Change Vulnerability Study – September 2023](#), and O&R [Climate Change Resilience Plan](#)

# Utility Resilience Plan Filing Overview

The NYSPSC will review the Company's proposals and will accept, modify or reject the resiliency plans by October 2024

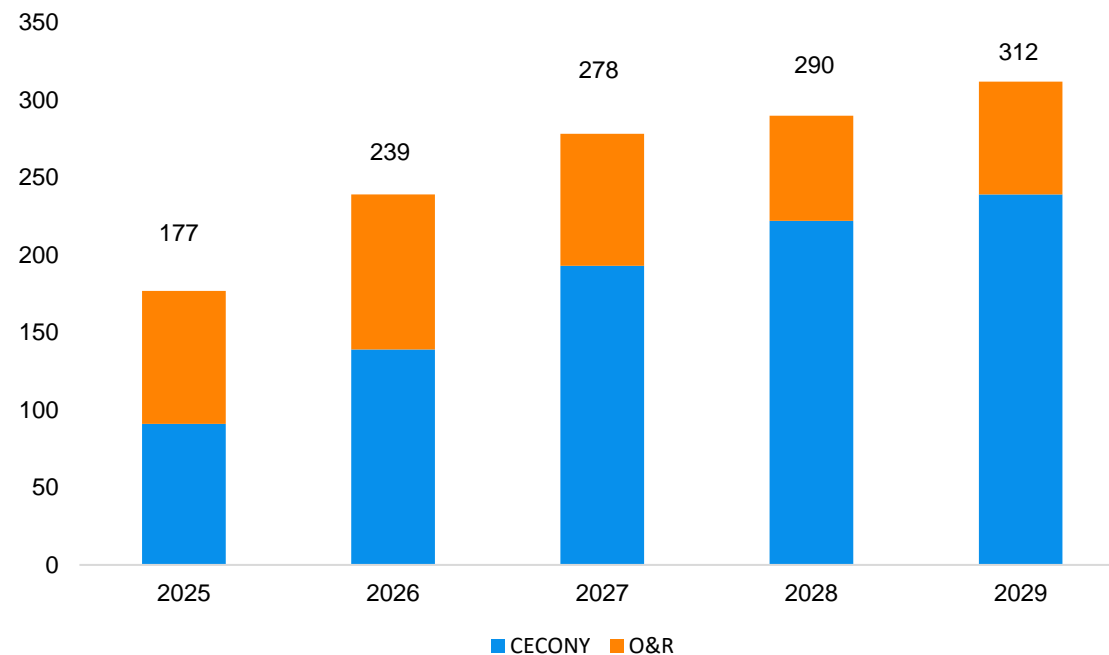
## First five years (2025-2029) of investments submitted for approval

- **Prevent:** Harden energy infrastructure and assets against projected climate conditions to prevent outages
- **Mitigate:** Modify system design and flexibility to mitigate disruptions to customer service
- **Respond:** Operational improvements to reduce recovery timeframe in response to extreme weather

## Directional resilience plans for 2030 – 2044

- Based on climate projections
- Implementation timelines (e.g., sea level rise measures moving from FEMA+3' to FEMA+5')
- Projects related to heat impacts
- Pilot programs/new designs for resilience
- Scope and estimated schedule of investments needed

Proposed Capital Expenditure (\$ Millions)



Source: CECONY [Climate Change Resilience Plan](#) and O&R [Climate Change Resilience Plan](#)

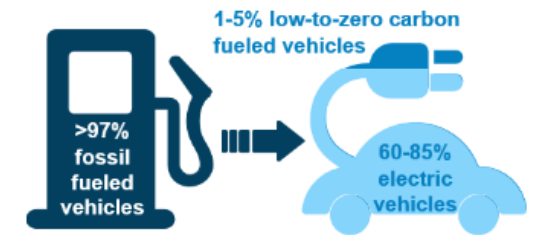
# Preparing for Future Electric Peak Demand Growth

By 2043 CECONY's electric system peak demand is anticipated to increase by 51-92% and O&R's by 45% - 93%

- Over the next 10 years, we plan to invest \$72 billion in Clean Energy, Climate Resilience and Core Service investments to advance the clean energy future that our customers expect and deserve
- Customer decisions to electrify building heating and acquire clean transportation is expected to increase electricity use
- Demand on CECONY and O&R's electric system will begin to peak in the winter by 2040 due to electric space and water heating needs and electric transportation
- In addition to the cost of meeting increased peak demand, the electric system will require additional investment to maintain grid reliability, increase grid flexibility, and balance intermittent renewables and storage systems (e.g., batteries)

## CECONY and O&R 2043 Projections:

**Vehicles** on the road are expected to transform from **more than 97% fossil-fueled** vehicles to **60-85% EVs** and **1-5% low-to-zero carbon gaseous-fueled** (fuel cell) vehicles.



**2 TBtu emissions reduction**

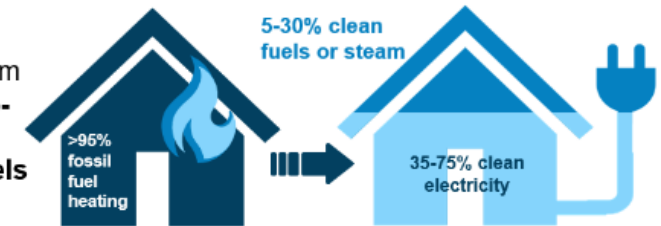


**4-8 TBtu annual emissions reduction**



**Energy efficiency** is expected to significantly increase annually from **2 TBtu to 4-8 TBtu incremental savings**.

**Building heating** is expected to transform from **more than 95% fossil-fueled** to **35-75% clean electricity-fueled** and **5-30% low-to-zero carbon gaseous fuels** or clean steam.



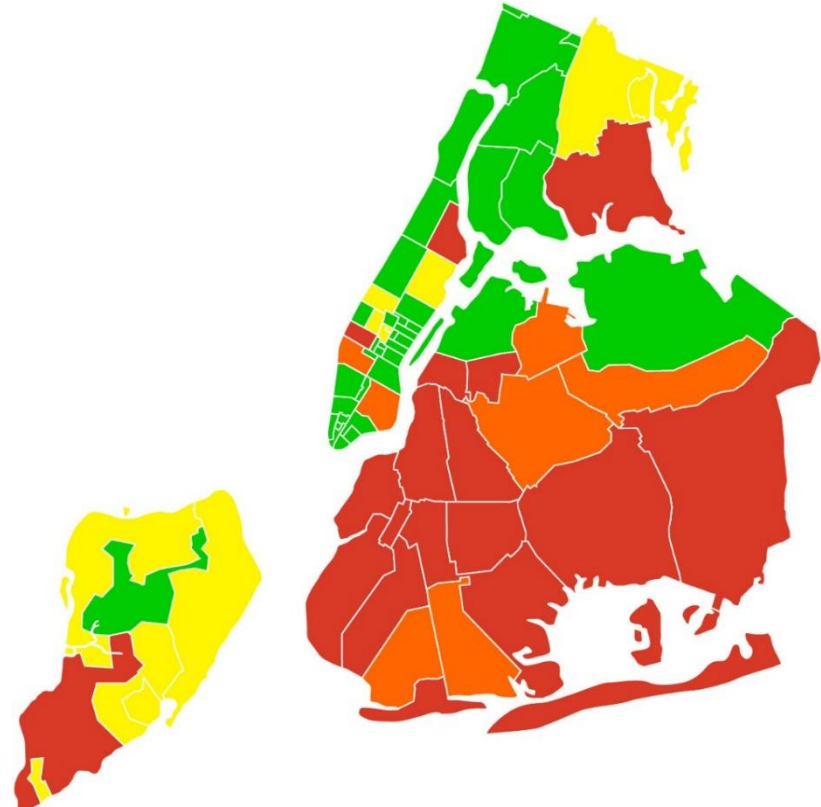
Sources: [CECONY, O&R Gas Long Term Plan Update – September 2023](#)

# Maintaining World Class Reliability: New York City Network Design Capacity

CECONY's 10-year forecasting process identifies capacity constraints due to net growth in customer demand; solutions can then be developed and vetted in regulatory processes

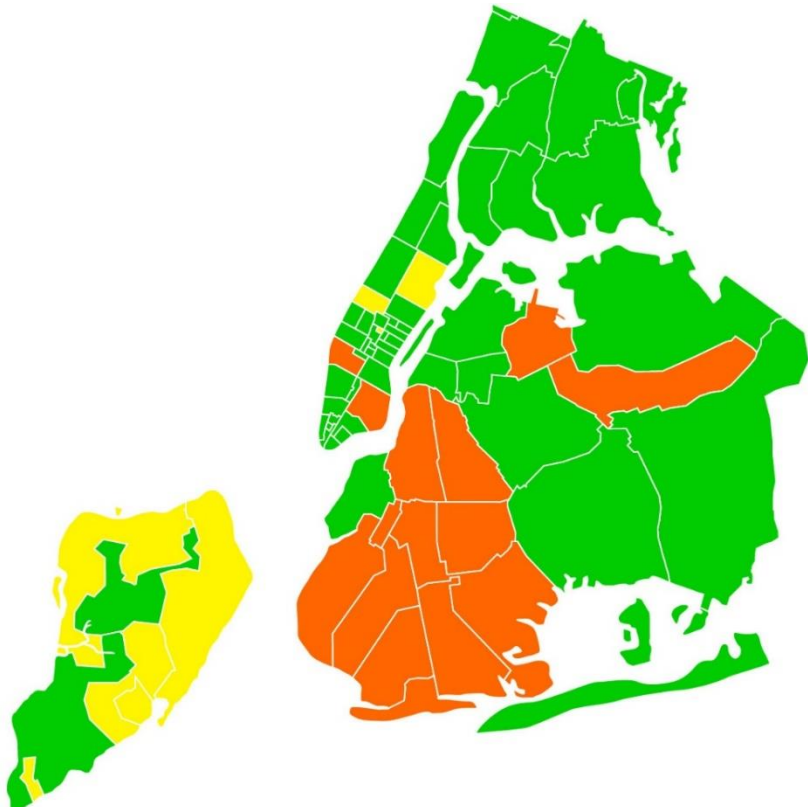
- Above 100%
- 95% to 100%
- 90% to 94%
- Below 90%

Without New Investment...



...we expect to be above 95% capacity in 22% of our networks by 2032

With New Investment...



...we expect to be below 100% capacity in all our networks by 2032

# Meeting Growing Demand at CECONY

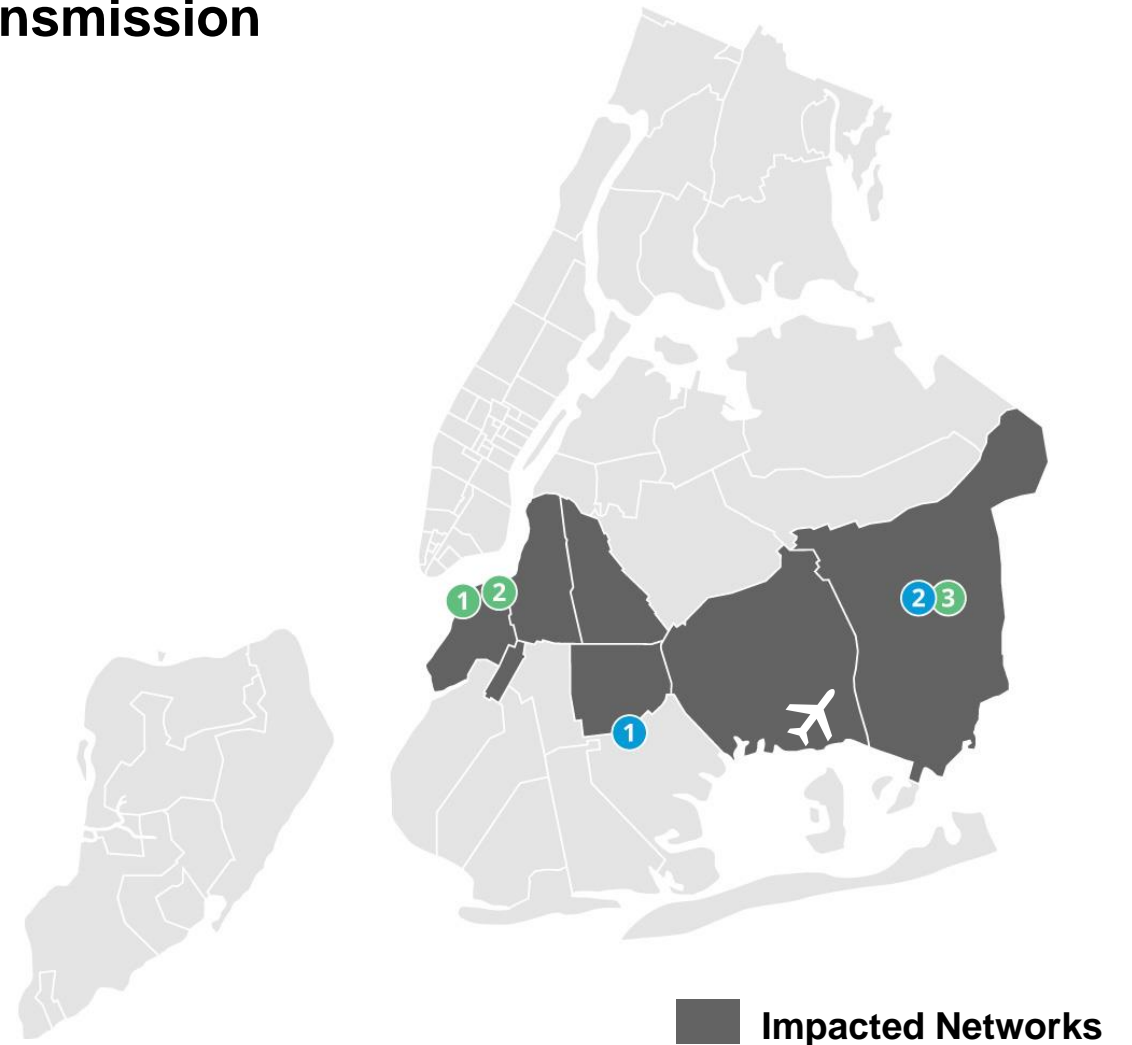
## New CECONY Distribution Substations and Transmission Stations Planned : 2023 - 2033

### Distribution Substations

1. Brooklyn, Gateway Park, 2028
2. Queens, Idlewild Area Station, 2028

### Transmission Stations

1. Brooklyn, Vinegar Hill + Plymouth St., 2025
2. Brooklyn, Brooklyn Clean Energy Hub, 2027
3. Queens, Eastern Queens, 2028

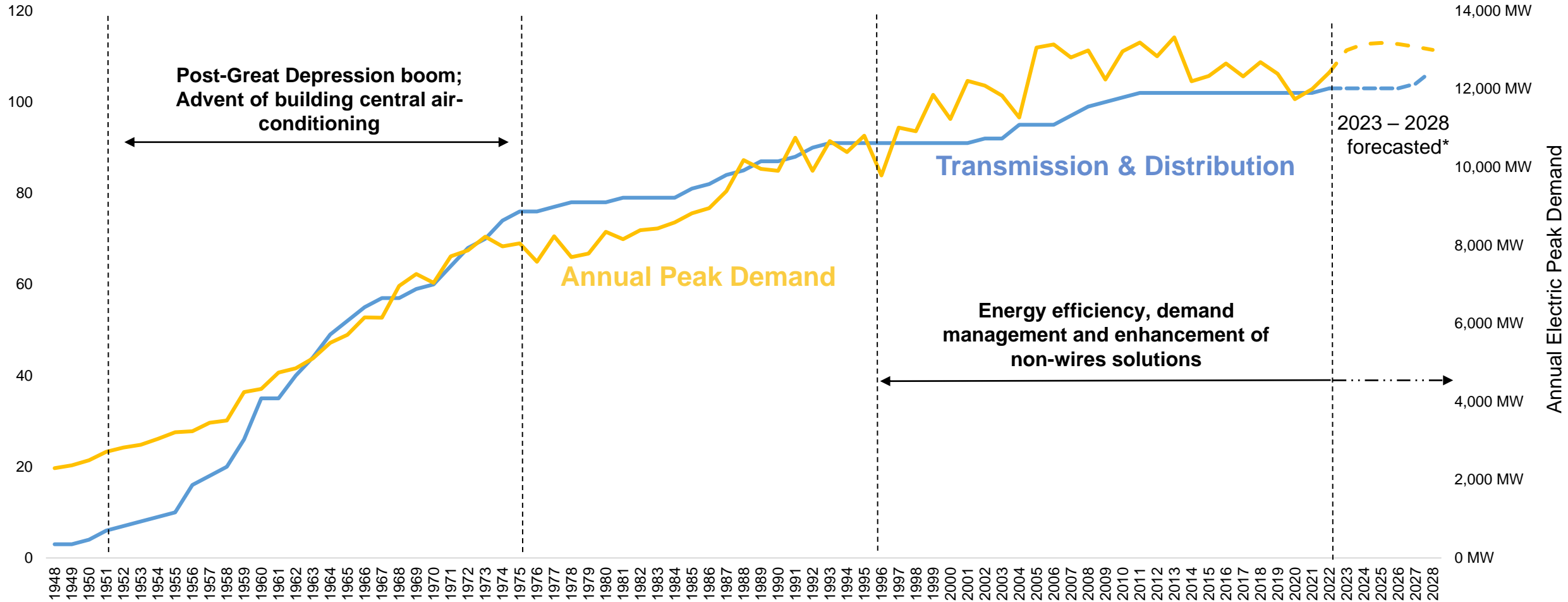


Projects are reflected in CECONY's three-year capital investment forecasts

# CECONY Major Substation Construction Program

We plan to continue growing our electric infrastructure to prepare for peak demand growth

Number of Transmission Stations and Distribution Substations

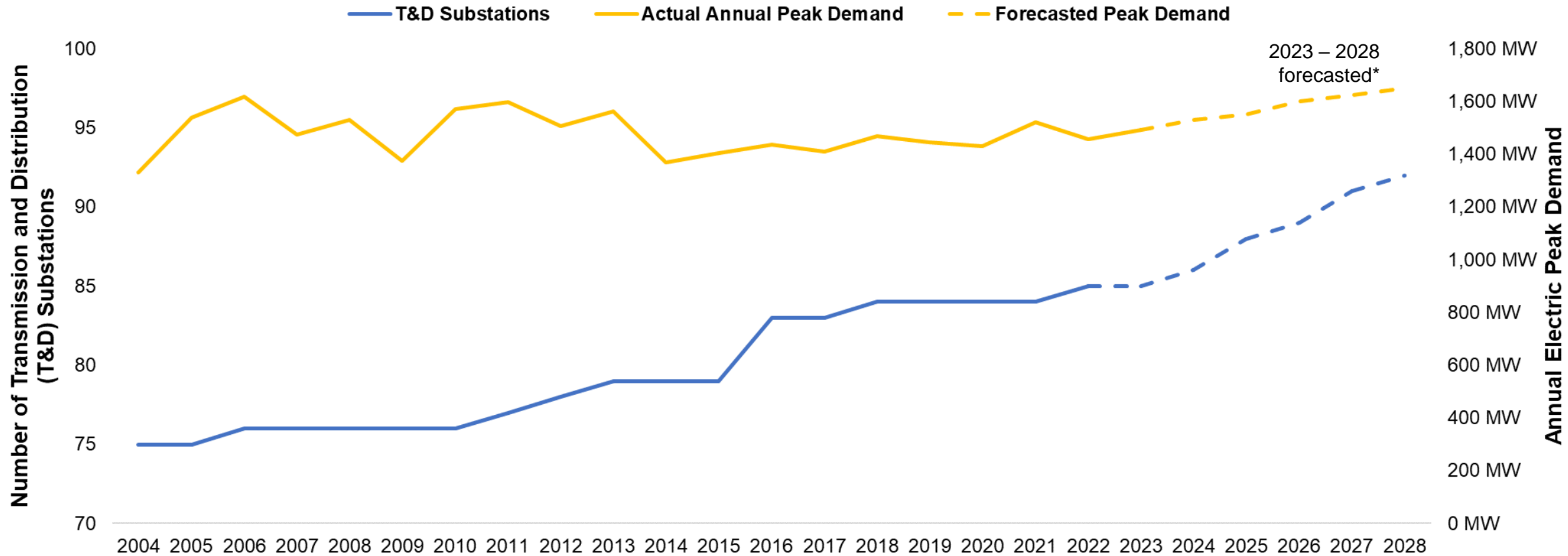


\*CECONY Annual Electric Peak Demand represented from 1948 – 2022 is not weather-adjusted, and the forecasted period from 2023 – 2028 is weather-adjusted.



# O&R Major Substation Construction Program

We plan to continue growing our electric infrastructure to maintain reliability



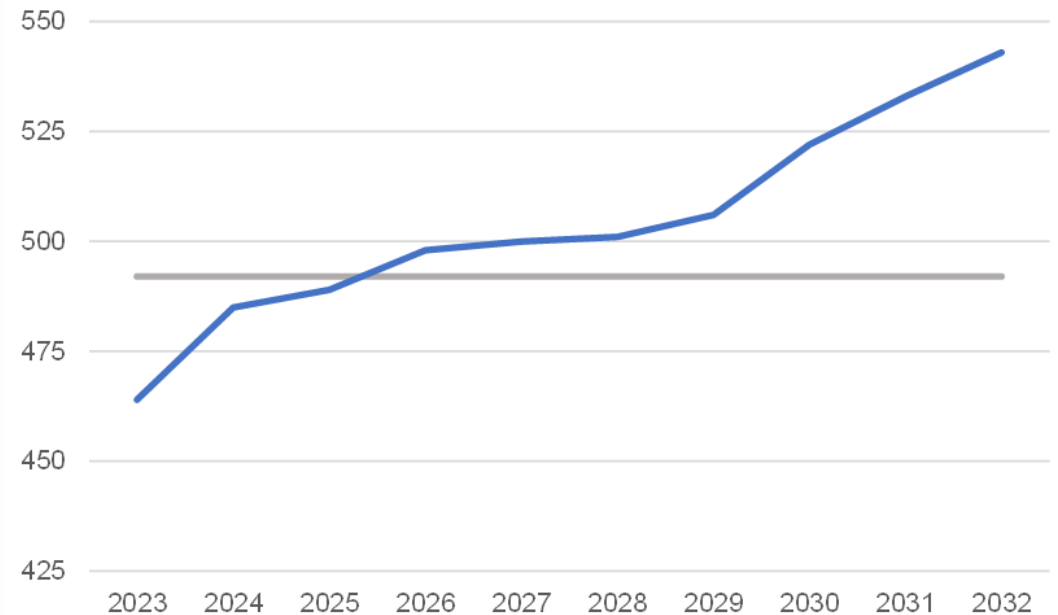
\*O&R Annual Electric Peak Demand represented from 2004-2022 is not weather-adjusted, and the forecasted period from 2023 – 2028 is weather-adjusted.

# Reliable Clean City-Proposed Idlewild Project

CECONY filed a Petition on August 22 requesting authorization and cost recovery to create a new network, construct a new Eastern Queens Transmission Substation and a new Idlewild Area Substation (Idlewild)

- **\$1.2 billion** project required due to increased load forecast driven by vehicle electrification and projected economic growth in the area which will exceed current capabilities by over 50 MW by 2032
- Cost recovery through surcharge or base rates
- Projected in-service date is **May 2028**
- Idlewild will increase the network reliability in the area and provide capacity for future load growth
- Supports New York State's and CLCPA electrification goals as well as creation of new points of interconnection for energy storage and future clean energy projects

Jamaica 10-year Outlook



Source: Petition of Consolidated Edison Company of New York, Inc. for Authorization and Cost Recovery for the Reliable Clean City – Idlewild Project, August 22, 2023



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