

Con Edison TCFD Disclosure



“Con Edison is leading the way into the clean energy future. In this new decade, customers not only want reliable power, but greener, smarter energy, and a grid that stands up to climate change. The path forward requires clear vision, bold action, and unparalleled expertise.

We’re making the grid more resilient and flexible, and protecting our neighborhoods by investing in our core infrastructure. We’re advancing New York’s clean energy goals and slashing carbon emissions nationwide by committing to renewables and ground-breaking clean-energy technologies.”

John McAvoy

Chairman, President, and Chief Executive Officer

INTRODUCTION

The Task Force on Climate-related Financial Disclosures (TCFD) chaired by Michael Bloomberg, former Mayor of New York City, was launched by the Financial Stability Board in 2015 to help investors understand their financial exposure to climate risk and help companies disclose this information in a clear and consistent way.

Many investors have endorsed TCFD standards and encouraged companies to adopt TCFD guidelines for climate-related disclosures.

TCFD recommendations include guidelines for how companies should disclose their climate-related governance, strategy, risk management, and targets and metrics. Consolidated Edison, Inc. (Con Edison or the Company) and its subsidiaries’ approach to these four pillars are discussed in this document.

More information about TCFD can be found at this link <https://www.fsb-tcfid.org/>

Con Edison TCFD Disclosure

	Topic	Response
Governance	Describe the board's oversight of climate-related risks and opportunities	<p>The Company is firmly committed to sustainability which is broadly overseen by the Board. The Board reviews and discusses various sustainability topics throughout the year and routinely considers environmental issues (including climate issues) and assesses how they impact the Company's operations, strategies and risk profile. In 2019, the Board's strategy meeting focused on climate change. In addition, the Board has delegated to the appropriate committees, responsibility for the specific sustainability categories relating to the oversight of risks with which such committees are charged. The primary responsibility of the Safety, Environment, Operations and Sustainability Committee is to oversee the Company's efforts relating to corporate responsibility and sustainability, which includes operating in a safe, environmentally sensitive and socially responsible manner, guarding the health and safety of Company employees and the public, supporting the development and success of Company employees, delivering value to customers and fostering growth to meet the expectations of investors.</p> <p>Additional references: 2020 Proxy p. 14, 21 2019 Sustainability Report</p>
	Describe management's role in assessing and managing climate-related risks and opportunities	<p>Development of five-year capital budget, long-range plan, Climate Change Vulnerability Study and Implementation Plan, Enterprise Risk Management assessments and mitigation plans; regular meetings of VP-level ESG Committee and a Sustainability Leadership Council; participation in trade group sustainability initiatives. Executive compensation is tied to several climate-related key performance indicators.</p> <p>Additional references: 2019 Sustainability Report 2019 10-K p. 7, 15, 33, 36-39 2020 Proxy Appendix A</p>
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	<p>New York State clean energy goals include:</p> <p>New York State Green New Deal Goals</p> <ul style="list-style-type: none"> • 100% carbon-free power by 2040 • 70% renewable electricity by 2030 • 40% carbon emissions reductions by 2030 • 80% carbon emissions reductions by 2050 <p>New York State Renewable Energy Development Goals</p> <ul style="list-style-type: none"> • 6,000 megawatts of distributed solar deployment by 2025 • 3,000 megawatts of energy storage by 2030 • 9,000 megawatts of offshore wind by 2035 • New large-scale, wind and solar resources procured by renewable energy credits through New York State Energy Research and Development Authority <p>Additional references: Climate Change Vulnerability Study (CCVS)</p>

Con Edison TCFD Disclosure

<p>Risk Management</p>		<p>CCVS Implementation Plan 2019 Sustainability Report 2019 10-K p. 7, 15, 33, 36-39</p>
	<p>Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial</p>	<p>Climate Change Vulnerability Study identified the following climate-driven risks to Consolidated Edison Company of New York, Inc. (CECONY):</p> <ul style="list-style-type: none"> • Sea level rise • Coastal storm surge • Inland flooding from intense rainfall • Hurricane-strength winds, and • Extreme heat <p>The study estimates that CECONY would need to invest between \$1.8 billion and \$5.2 billion by 2050 to protect our electric, gas and steam systems.</p> <p>Con Edison plans to invest \$1.2 billion over the next three years in our Clean Energy Businesses.</p> <p>New York State's New Efficiency: New York proceeding authorizes CECONY to invest nearly \$1 billion over five years in various energy efficiency and demand management programs for electric and gas.</p> <p>New York State has also initiated a proceeding to address investment opportunities related to electric vehicles.</p> <p>Additional references: CCVS 2019 Sustainability Report 2019 Sustainability Report 2019 10-K p. 7, 15, 33, 36-39</p>
	<p>Describe the potential impact of different scenarios, including a 2°c scenario, on the organization's businesses, strategy, and financial planning</p>	<p>Climate Change Vulnerability Study examined +2°c scenario and a 4°c scenario and identified the following climate-driven risks to CECONY:</p> <ul style="list-style-type: none"> • Sea level rise • Coastal storm surge • Inland flooding from intense rainfall • Hurricane-strength winds, and • Extreme heat <p>The study estimates that CECONY would need to invest between \$1.8 billion and \$5.2 billion by 2050 to protect our electric, gas and steam systems.</p> <p>Additional references: CCVS 2019 Sustainability Report</p>
<p>Describe the organization's processes for identifying and assessing climate-related risks</p>	<p>The Company's ongoing long-range planning process, Enterprise Risk Management, and Climate Change Vulnerability Study and Implementation Plan are tools of the Board and management to identify and assess climate-related risks.</p> <p>Additional references: 2019 10-K p. 36-39 CCVS</p>	

Con Edison TCFD Disclosure

	<p>Describe the organization's processes for managing climate-related risks</p>	<p>2019 Sustainability Report</p> <p>The Company's ongoing long-range planning process, Enterprise Risk Management, and Climate Change Vulnerability Study and Implementation Plan are tools of the Board and management to identify and assess climate-related risks. The Company's Strategic Planning department and Enterprise Risk Management department are both overseen by the Chief Financial Officer.</p> <p>Additional references: CCVS Implementation Plan 2019 Sustainability Report</p>
	<p>Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management</p>	<p>The Company's Enterprise Risk Management (ERM) effort is a multi-disciplinary process involving all the Company's business units. ERM leverages the Company's ongoing long-range planning process and Climate Change Vulnerability Study and Implementation Plan to identify and assess climate-related risks, which are reported to and weighed by the Board.</p> <p>Additional references: 2019 10-K p. 36-39 CCVS 2019 Sustainability Report</p>
<p>Metrics and Targets</p>	<p>Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process</p>	<p>Con Edison key performance indicators related to climate risk and opportunities, which are tied to executive compensation, include:</p> <ul style="list-style-type: none"> • Capital investment • SF6 emissions reductions • Energy efficiency MWh (electric) and Dth (gas) reductions • Reliability performance measures • Gas leak inventory • Renewable portfolio production <p>Additional metrics include:</p> <ul style="list-style-type: none"> • Miles of gas main replacement • Methane emissions reductions • Smart meter installations <p>Additional references: 2019 Sustainability Report CCVS 2019 Sustainability Report 2019 10-K p. 7, 15, 33, 36-39</p>
	<p>Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks</p>	<p>Scope 1 – 2.9 million metric tons Scope 2 – 1.16 million metric tons Scope 3 – 32.5 million metric tons</p> <p>Since 2005, Con Edison has reduced its direct GHG emissions by 51%, primarily through reductions in SF6, which is 24,000 times more potent than CO2. As disclosed in our 10-K, Con Edison estimates that its direct GHG emissions constitute less than 0.1 percent of the nation's</p>

Con Edison TCFD Disclosure

		GHG emissions. Transportation is the largest source of GHG emissions in New York State. Additional references: 2019 10-K p. 36-39 2019 Sustainability Report																																
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	<p>Climate-related Key Performance Indicators (2019)</p> <table border="1"> <thead> <tr> <th></th> <th>Target</th> <th>Actual</th> </tr> </thead> <tbody> <tr> <td>CECONY Capital Budget (\$ millions)</td> <td>2,997</td> <td>3,000</td> </tr> <tr> <td>CECONY SF6 Gas Emissions (Pounds)</td> <td><= 8,500</td> <td>6,984</td> </tr> <tr> <td>CECONY Electric Energy Efficiency (MWh Reductions)</td> <td>>= 391,000</td> <td>561,347</td> </tr> <tr> <td>CECONY Gas Energy Efficiency (Dth Reduction)</td> <td>>= 480,000</td> <td>546,209</td> </tr> <tr> <td>CECONY Reliability Performance Measures (%)</td> <td>>= 98.5</td> <td>96.1</td> </tr> <tr> <td>CECONY Workable Gas Leak Inventory</td> <td><= 20</td> <td>5</td> </tr> <tr> <td>O&R Reduce Customer Emissions (Energy Efficiency)</td> <td>>= 43,400</td> <td>53,373</td> </tr> <tr> <td>O&R Gas Energy Efficiency (Dth Reductions)</td> <td>>= 26,860</td> <td>31,100</td> </tr> <tr> <td>O&R Gas Leak Inventory</td> <td><= 40</td> <td>23</td> </tr> <tr> <td>Clean Energy Businesses Renewable Portfolio Production (%)</td> <td>100</td> <td>98.1</td> </tr> </tbody> </table> <p>Additional references: 2019 Sustainability Report CCVS Implementation Plan 2019 10-K p. 7, 15, 33, 36-39 2020 Proxy Appendix A</p>		Target	Actual	CECONY Capital Budget (\$ millions)	2,997	3,000	CECONY SF6 Gas Emissions (Pounds)	<= 8,500	6,984	CECONY Electric Energy Efficiency (MWh Reductions)	>= 391,000	561,347	CECONY Gas Energy Efficiency (Dth Reduction)	>= 480,000	546,209	CECONY Reliability Performance Measures (%)	>= 98.5	96.1	CECONY Workable Gas Leak Inventory	<= 20	5	O&R Reduce Customer Emissions (Energy Efficiency)	>= 43,400	53,373	O&R Gas Energy Efficiency (Dth Reductions)	>= 26,860	31,100	O&R Gas Leak Inventory	<= 40	23	Clean Energy Businesses Renewable Portfolio Production (%)	100
	Target	Actual																																
CECONY Capital Budget (\$ millions)	2,997	3,000																																
CECONY SF6 Gas Emissions (Pounds)	<= 8,500	6,984																																
CECONY Electric Energy Efficiency (MWh Reductions)	>= 391,000	561,347																																
CECONY Gas Energy Efficiency (Dth Reduction)	>= 480,000	546,209																																
CECONY Reliability Performance Measures (%)	>= 98.5	96.1																																
CECONY Workable Gas Leak Inventory	<= 20	5																																
O&R Reduce Customer Emissions (Energy Efficiency)	>= 43,400	53,373																																
O&R Gas Energy Efficiency (Dth Reductions)	>= 26,860	31,100																																
O&R Gas Leak Inventory	<= 40	23																																
Clean Energy Businesses Renewable Portfolio Production (%)	100	98.1																																

GOVERNANCE

1 What is Con Edison's board oversight of climate-related risks and opportunities?

As disclosed in our Proxy Statement, the Company is firmly committed to sustainability which is broadly overseen by the Board (see Corporate Sustainability). The Board reviews and discusses various sustainability topics throughout the year and routinely considers environmental issues (including climate issues) and assesses how they impact the Company's operations, strategies and risk profile. In 2019, the Board's strategy meeting focused on climate change. The Board received a presentation on the transition to a clean energy future by an outside consultant as well as presentations on current renewable energy policy trends and the impact of climate change on operations. In addition, the Board has delegated to the appropriate committees, responsibility for the specific sustainability categories relating to the oversight of risks with which such committees are charged. The Safety, Environment, Operations and Sustainability Committee oversees sustainability issues relating to safety and the environment and reviews the Company's Annual Sustainability Report prior to its publication. In discharging its responsibilities, the Safety, Environment, Operations and Sustainability Committee reviews, at each of its meetings, certain key performance indicators relating to climate risk, including energy efficiency and environmental beneficial electrification. In 2019, the

Con Edison TCFD Disclosure

Safety, Environment, Operations and Sustainability Committee also reviewed and discussed presentations relating to safety and customer service. The Corporate Governance and Nominating Committee is charged with sustainability matters relating to governance and in 2019 reviewed and discussed a presentation regarding governance benchmarking. The Management, Development, and Compensation Committee's responsibilities include oversight of sustainability issues relating to human capital management. The Management, Development, and Compensation Committee annually reviews performance results as well as proposed performance indicators for the following year. Committees not specifically tasked with oversight of sustainability also periodically review sustainability related issues. In 2019, the Audit Committee reviewed and discussed presentations regarding fraud prevention and detection activities and certain recommendations with respect to financial governance oversight.

2 What is management's role in assessing and managing climate-related risks and opportunities?

As stated in our 10-K, Con Edison's mission is to provide energy services to our customers safely, reliably, efficiently and in an environmentally sound manner; to provide a workplace that allows employees to realize their full potential; to provide a fair return to our investors; and to improve the quality of life in the communities we serve. The Company has ongoing programs designed to support its mission, including initiatives focused on safety, operational excellence, the customer experience and cost optimization.

Con Edison's principal business operations are those of Consolidated Edison Company of New York, Inc. (CECONY), Orange and Rockland Utilities, Inc. (O&R), Con Edison Clean Energy Businesses, Inc. and its subsidiaries (the Clean Energy Businesses) and Con Edison Transmission, Inc. and its subsidiaries (Con Edison Transmission). CECONY's principal business operations are its regulated electric, gas and steam delivery businesses. O&R's principal business operations are its regulated electric and gas delivery businesses. The Clean Energy Businesses develop, own and operate renewable and energy infrastructure projects and provide energy-related products and services to wholesale and retail customers. Con Edison Transmission invests in electric transmission facilities and gas pipeline and storage facilities.

As disclosed in our Proxy Statement, executive compensation is tied to several climate-related measures, including capital investment, renewable portfolio production, smart meter implementation, system reliability, emissions reductions and gas leak inventory. Con Edison's Chief Executive Officer considers the following in making compensation recommendations: individual performance; contributions toward the Company's long-term performance; the scope of each individual's responsibilities; and compensation peer group company proxy statement data provided by the Compensation Committee of the Board's independent compensation consultant. The Company's Human Resources department also supports compensation decisions.

Management meets with the Audit Committee of the Board several times per year to discuss internal controls and accounting matters, the Company's financial statements, filings with the Securities and Exchange Commission, earnings press releases and the scope and results of the auditing programs of the independent accountants and of CECONY's internal auditing department.

Con Edison has established a Vice President-level Environment, Social and Governance (ESG) Committee chaired by the Vice President and Treasurer that meets monthly to discuss ESG issues. Additionally, Con Edison's Sustainability Leadership Council, consisting of approximately 35 directors companywide, meets on a quarterly basis to discuss ESG topics.

Con Edison TCFD Disclosure

Within Con Edison's Office of the Chief Financial Officer, our Strategic Planning and Risk Management departments have day-to-day responsibility for addressing climate-related risks and opportunities. Both departments provide regular updates to our senior leadership team.

In 2020, Con Edison became an anchor sponsor for the Low-Carbon Resources Initiative spearheaded by the Electric Power Research Institute (EPRI) and GTI, two leading industry research and development organizations. The initiative is a 5-year, multi-stakeholder \$1 billion R&D commitment to develop pathways to advance low-carbon technologies for large-scale deployment. The goal of the initiative is to enable a risk-informed understanding of options and technologies enabling significant economy-wide decarbonization through global partnerships and demonstrations, applied engineering developments, and technology acceleration of the most promising options. Con Edison's Chairman & Chief Executive Officer, John McAvoy, is on the initiative's Board Working Group, and several Con Edison executives and directors are on the Executive Council and Technical Advisory Group.

STRATEGY

3 What climate-related risks and opportunities has Con Edison identified over the short, medium, and long term?

CECONY and O&R are subject to extensive regulation by the New York Public Service Commission, which is authorized to set the terms of service and the rates the utilities charge for providing service. The Commission also exercises jurisdiction over the siting of electric transmission lines in New York State, and approves mergers or other business combinations involving New York utilities. O&R's New Jersey subsidiary, Rockland Electric Company (RECO), is subject to regulation by the New Jersey Board of Public Utilities.

In April 2014, the New York Public Service Commission began a multi-year process --Reform the Energy Vision (REV)-- to improve electric system efficiency and reliability, encourage renewable energy resources, support distributed energy resources (DER), and enable more customer choice. DER includes distributed generation (such as solar electric production facilities, fuel cells and micro-turbines), energy storage, demand reduction and energy efficiency programs. Following early REV proceedings, implementation of REV has shifted to separate related proceedings generally focused on three tracks – Track 1: Integrate DER into the Electric System, Track 2: Modify Ratemaking Design to Promote REV Objectives, and Track 3: Support State Energy Plan Clean Energy Goals.

Con Edison supports New York State clean energy goals, which include the following:

New York State Green New Deal Goals

- 100% carbon-free power by 2040
- 70% renewable electricity by 2030
- 40% carbon emissions reductions by 2030
- 80% carbon emissions reductions by 2050

New York State Renewable Energy Development Goals

- 6,000 megawatts of distributed solar deployment by 2025

Con Edison TCFD Disclosure

- 3,000 megawatts of energy storage by 2030
- 9,000 megawatts of offshore wind by 2035
- New large-scale, wind and solar resources procured by renewable energy credits through New York State Energy Research and Development Authority

Con Edison's estimated capital investments of approximately \$10 billion over the next three years are primarily targeted to core infrastructure upgrades to ensure safety, reliability and resiliency of our systems, expanding our renewables portfolio, and energy efficiency programs.

As noted in Item 1 and 2 above, Con Edison's governance and management has been structured to have a sharper focus on climate-related issues.

The Climate Change Vulnerability Study findings, as discussed in Item 4 below, were released in December 2019, with a subsequent implementation plan expected to be released by December 2020.

As indicated in Item 2 above, Con Edison and its peers are collaborating with industry partners such as the Electric Power Research Institute (EPRI) and GTI, two leading industry research and development organizations, to identify a range of low-carbon technologies for large-scale deployment in the future.

4 What is the impact of climate-related risks and opportunities on Con Edison's businesses, strategy, and financial planning?

As discussed in our 10-K, climate change could affect customer demand for the Company's energy services. It might also cause physical damage to the Company's facilities, disruption of operations due to more frequent and more extreme weather-related events and more severe consequences from attempting to operate during and after such events. Also, the Company's response to such events may be perceived to be below customer expectations, the Company could be required to pay substantial amounts that may not be covered by insurance to repair or replace facilities and compensate others for damages and settle any proceedings initiated by state utility regulators or other regulatory agencies.

In late October 2012, Superstorm Sandy caused extensive damage to the Utilities' electric distribution system. Superstorm Sandy interrupted service to approximately 1.4 million of the Utilities' customers – more than four times the number of customers impacted by the Utilities' second worst storm event (Hurricane Irene in 2011) and resulted in the Utilities incurring substantial response and restoration costs. Con Edison invested \$1 billion in its infrastructure in order to improve its resilience against storms like Superstorm Sandy.

Con Edison TCFD Disclosure

Con Edison's Climate Change Vulnerability Study identified sea level rise, coastal storm surge, inland flooding from intense rainfall, hurricane-strength winds and extreme heat as significant risks to its core systems.

In December 2019, CECONY completed a Climate Change Vulnerability Study, which evaluated present-day infrastructure, design specifications and procedures under a range of potential climate futures. The study identified sea level rise, coastal storm surge, inland flooding from intense rainfall, hurricane-strength winds and extreme heat to be the company's most significant climate-driven risks to its electric, gas and steam systems. The study estimates that the company might need to invest between \$1.8 billion and \$5.2 billion by 2050 on targeted programs to adapt to potential impacts from climate change. The company will further

evaluate its future climate change adaptation strategies and associated costs to develop a climate change implementation plan by the end of 2020. Any such future investments must be reviewed and approved by the New York Public Service Commission, which authorized the costs associated with conducting the Climate Change Vulnerability Study.

Con Edison continues to expand its renewables portfolio, primarily through our Clean Energy Businesses. With 2.6 GW of solar production, the Clean Energy Businesses are the 2nd largest solar producer in North America and the 7th largest in the world. We plan to invest \$400 million per year over the next three years in the Clean Energy Businesses. Meanwhile, we continue to advocate for utility ownership of renewable projects in New York.

Energy efficiency programs enable customers to reduce energy consumption and lower emissions. Since 2009, more than 1 million Con Edison customers have upgraded to more efficient equipment, saving more than 7 million metric tons of carbon emissions. We plan to aggressively pursue reductions in overall energy use by tripling our energy efficiency programs and plan to invest over \$1.5 billion by 2025.

Smart meters enhance customer service and help lower carbon emissions through conservation voltage optimization. Con Edison is halfway through its \$1.4 billion smart meter initiative, with 3 million meters installed to date.

We are also paving the way for more electric vehicles on the road by bringing electric vehicle charging stations to all five boroughs in New York City. And, we are transitioning our fleet of light-duty vehicles to electric vehicles and will explore opportunities and alternative technologies to reduce our use of fossil fuels for our medium- and heavy-duty trucks.

As indicated in Item 2 above, through our participation in the 5-year Low-Carbon Resources Initiative, Con Edison will explore a broad spectrum of low-carbon technologies for large-scale deployment, including but not limited to, advanced renewable generation, carbon capture utilization and storage, hydrogen gas turbines and thermal power plants, and hydrogen blending in pipeline infrastructure.

Con Edison TCFD Disclosure

5 What is the potential impact of different scenarios, including a 2°c scenario, on Con Edison's businesses, strategy, and financial planning?

In its Climate Change Vulnerability Study completed in December 2019, CECONY stress tested its present-day infrastructure, design specifications and procedures under a Representative Concentration Pathway 8.5 90th Percentile (above 4 degrees Celsius) and a Representative Concentration Pathway 4.5 10th Percentile (above 2 degrees Celsius).

Key conclusions from the study are as follows:

- CECONY's three energy systems are all vulnerable to flooding while the electric system is additionally vulnerable to heat waves and overhead storms.
- Even under the most severe climate scenario, a combination of currently available and proposed adaptations options can effectively provide resilience for CECONY's energy systems.
- While many of the strategies used to build resilience after Superstorm Sandy will continue to be effective going forward, new adaptations may be needed to fully address growing climate risk.
- Much of CECONY's current analytical toolbox can help to assess and address climate risks, with opportunities to modify and improve (e.g., forward-looking reliability modeling and load forecasting).
- Some adaptation options can be incremented gradually (e.g., increasing system delivery capacity) while others (e.g., flood height protection) require earlier decisions and monitoring of signposts via the flexible adaptation pathway framework.
- Because climate science continues to advance, it is imperative that CECONY keep abreast of new developments and evaluate the potential relevance of those developments to its long-term plans.
- Many of the most effective adaptation options will involve collaboration and will need to consider interdependencies with other external plans outside of Con Edison's control; for example, New York City Climate Resiliency Design Guidelines, The East Side Coastal Resiliency Project, and Climate Leadership and Community Protect Act (CLCPA).

Con Edison stress tested its present-day infrastructure, design specifications and procedures under a Representative Concentration Pathway 8.5 90th Percentile (above 4 degrees Celsius) and a Representative Concentration Pathway 4.5 10th Percentile (above 2 degrees Celsius).

The study estimates that CECONY might need to invest between \$1.8 billion and \$5.2 billion by 2050 on targeted programs to adapt to potential impacts from climate change. The company will further evaluate its future climate change adaptation strategies and associated costs to develop a climate change implementation plan by the end of 2020. Any such future investments must be reviewed and approved by the New York Public Service Commission, which authorized the costs associated with conducting the Climate Change Vulnerability Study.



Con Edison TCFD Disclosure

6 What are Con Edison's processes for identifying and assessing climate-related risks?

The Company's ongoing long-range planning process, Enterprise Risk Management, and Climate Change Vulnerability Study and Implementation Plan are tools of the Board and management to identify and assess climate-related risks.

The Company's ongoing long-range planning process, Enterprise Risk Management, and Climate Change Vulnerability Study and Implementation Plan are tools of the Board and management to identify and assess climate-related risks.

The risk management and strategic planning teams work closely with senior management and employees across all four subsidiaries (CECONY, O&R, Con Edison Transmission, and the Clean Energy Businesses) to proactively identify emerging issues and trends, align risk exposure to organizational priorities, drive risk informed business decisions and resource allocation, and monitor and assess known risks using quantitative metrics, sometimes known as key risk indicators.

To improve our ability to navigate an increasingly dynamic business landscape, in 2019, the Company enhanced its framework to include the identification and monitoring of emerging issues and trends. Review of emerging issues and trends stretches our lens of focus, identifying threats and opportunities that may develop in the next two to ten years.

The following are a few of the issues and trends that are being monitored as they develop and evolve: climate change's impact to the Company's operations, a trend towards decarbonization of heating systems, the electrification of the transportation sector, and integration of distributed energy resources and renewable generation to the traditional electric grid.

7 What are Con Edison's processes for managing climate-related risks?

The Company's ongoing long-range planning process, Enterprise Risk Management, and Climate Change Vulnerability Study and Implementation Plan are tools of the Board and management to identify, assess and manage climate-related risks. The Company's Strategic Planning department and Enterprise Risk Management department are both overseen by the Chief Financial Officer who works broadly with hundreds of employees across operating, shared service and corporate functions to manage the risk profile.

The risk management team creates and facilitates a risk management process framework, which includes risk identification, assessment, mitigation, monitoring and reporting. The Audit Committee of the Board oversees the risk management framework and meets with the director of risk management at least annually to discuss program initiatives and to provide strategic direction for the program.

Con Edison's Board of Directors and its committees provide oversight of most material risks; these risks are managed by senior management and assessed, mitigated, monitored, and reported by employees. Public and employee safety, along with system reliability, the state of regulation within our service territories, and the viability of our business model, are some of the most important risks facing Con Edison. Some of these material risks are discussed in our 2019 Annual Report.

Con Edison TCFD Disclosure

8 How are processes for identifying, assessing, and managing climate-related risks integrated into Con Edison's overall risk management?

See Items 6 and 7 above.

METRICS & TARGETS

9 What metrics are used by Con Edison to assess climate-related risks and opportunities in line with its strategy and risk management process?

Con Edison key performance indicators related to climate risk and opportunities, which are tied to executive compensation, include:

- Capital investment
- SF6 emissions reductions
- Energy efficiency MWh (electric) and Dth (gas) reductions
- Reliability performance measures
- Gas leak inventory
- Renewable portfolio production

Additional metrics include:

- Miles of gas main replacement
- Methane emissions reductions
- Smart meter installations

10 What are Con Edison's Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks?

Con Edison does not own electric generation facilities other than those used to produce steam for the Company's steam business. The facilities have an aggregate capacity of 705 MW.

Since 2005, Con Edison has reduced its direct GHG emissions by 51%, primarily through reductions in SF6, which is 24,000 times more potent than CO2.

Since 2005, Con Edison has reduced its direct GHG emissions by 51%, primarily through reductions in SF6, which is 24,000 times more potent than CO2.

As disclosed in our 10-K, based on the most recent data (2018) published by the U.S. Environmental Protection Agency (EPA), Con Edison estimates that its direct GHG emissions constitute less than 0.1 percent of the nation's GHG emissions. Transportation is the largest source of GHG emissions in New York State. Con Edison's emissions of GHG in 2019 were 2.9 million metric tons. As reported in our Sustainability Report, Scope 2 and Scope 3 emissions were 1.16 million metric tons and 32.5 million metric tons, respectively, in 2019.

Con Edison TCFD Disclosure

Con Edison has participated for several years in voluntary initiatives with the EPA to reduce its methane and SF6 emissions. CECONY and O&R reduce methane emissions from the operation of their gas distribution systems through pipe maintenance and replacement programs and by introducing new technologies to reduce fugitive emissions from leaks or when work is performed on operating assets. CECONY and O&R also actively promote energy efficiency and the use of renewable generation to help their customers reduce their GHG emissions.

11 What targets are used by Con Edison to manage climate-related risks and opportunities, and performance against targets?

Climate-related Key Performance Indicators (2019)

	Target	Actual
CECONY Capital Budget (\$ millions)	2,997	3,000
CECONY SF6 Gas Emissions (Pounds)	<= 8,500	6,984
CECONY Electric Energy Efficiency (MWh Reductions)	>= 391,000	561,347
CECONY Gas Energy Efficiency (Dth Reduction)	>= 480,000	546,209
CECONY Reliability Performance Measures (%)	>= 98.5	96.1
CECONY Workable Gas Leak Inventory	<= 20	5
O&R Reduce Customer Emissions (Energy Efficiency)	>= 43,400	53,373
O&R Gas Energy Efficiency (Dth Reductions)	>= 26,860	31,100
O&R Gas Leak Inventory	<= 40	23
Clean Energy Businesses Renewable Portfolio Production (%)	100	98.1

Con Edison plans to spend more than \$3 billion a year over the next three years on core infrastructure upgrades to keep our electric, gas and steam delivery systems robust and ready for the future. We will also invest \$400 million per year over the next three years in our Clean Energy Businesses, and plan to aggressively pursue reductions in overall energy use by tripling our energy efficiency programs and invest over \$1.5 billion by 2025.

Additionally, Con Edison's \$1.4 billion smart meter initiative is targeting 5.3 million installations by 2022. More than 2.8 million installations have been completed to date.

As discussed in Item 5 above, our Climate Change Vulnerability Study estimates that the Company might need to invest between \$1.8 billion and \$5.2 billion by 2050 on targeted programs to adapt to potential impacts from climate change. The Company will further evaluate its future climate change adaptation strategies and associated costs to develop a climate change implementation plan by the end of 2020. Any such future investments must be reviewed and approved by the New York Public Service Commission, which authorized the costs associated with conducting the Climate Change Vulnerability Study.

As noted in Item 10 above, Con Edison has already significantly reduced its GHG emissions and the Company has very limited ownership of electric generating facilities, which are used to support its steam business. To continue reducing emissions, in addition to the SF6 emissions key performance indicator cited above, we plan to reduce methane emissions 82% by 2036 by replacing 90 miles of gas main pipe annually. In 2019, more than 97 miles of gas main were replaced.

Con Edison plans to spend more than \$3 billion a year over the next three years on core infrastructure upgrades and \$1.2 billion during that same period in our Clean Energy Businesses, in addition to over \$1.5 billion by 2025 in energy efficiency programs.

Con Edison TCFD Disclosure

CONTACT

Jan Childress
Director of Investor Relations
212.460.6611
childressj@coned.com

Harun Asad
Manager of Sustainability
212.460.6168
asadh@coned.com

Olivia Webb
Manager of Investor Relations
212-460-3431
webbo@coned.com