



Consolidated Edison, Inc.

Investor Update
March 21, 2023



Investor Relations

Available Information

On February 16, 2023, Consolidated Edison, Inc. issued a press release reporting its 2022 earnings and filed with the Securities and Exchange Commission the company's 2022 Form 10-K. This presentation should be read together with, and is qualified in its entirety by reference to, the earnings press release and the Form 10-K. Copies of the earnings press release and the Form 10-K are available at: 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, that the proposed sale of the Clean Energy Businesses may not occur on the contemplated terms, timeline or at all, 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) and, for the Clean Energy Businesses (CEBs), adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA), 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, 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 impact of the anticipated sale of the Clean Energy Businesses, the impairment loss related to Con Edison's investment in Stagecoach, the loss from the sale of a renewable electric project, the effects of the Clean Energy Businesses' HLBV accounting for tax equity investors in certain renewable and sustainable electric projects and mark-to-market accounting and the related tax impact of such HLBV accounting and mark-to-market accounting on the parent company. Adjusted EBITDA for the CEBs refers to the CEBs' net income for common stock, excluding the effects of HLBV and mark-to-market accounting, before interest, taxes, depreciation and amortization plus the pre-tax equivalent of production tax credits. Management uses adjusted earnings and adjusted EPS 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 uses the CEBs' adjusted EBITDA to evaluate the performance of the CEBs. Management believes that these non-GAAP financial measures are also useful and meaningful to investors to facilitate their analysis of the financial performance of Con Edison and the CEBs.

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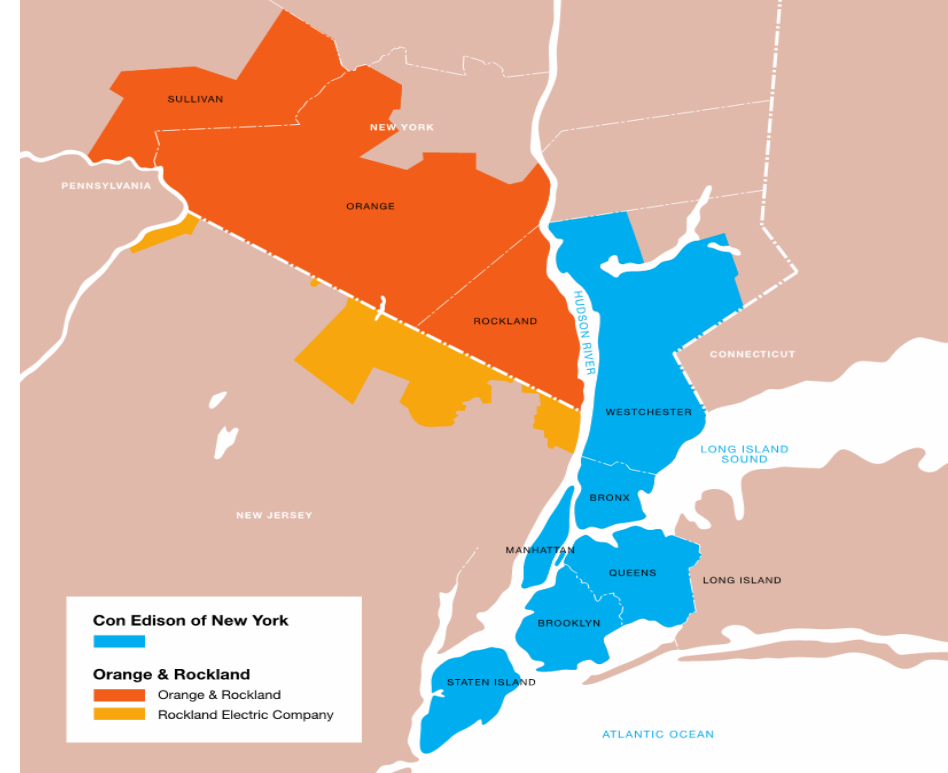
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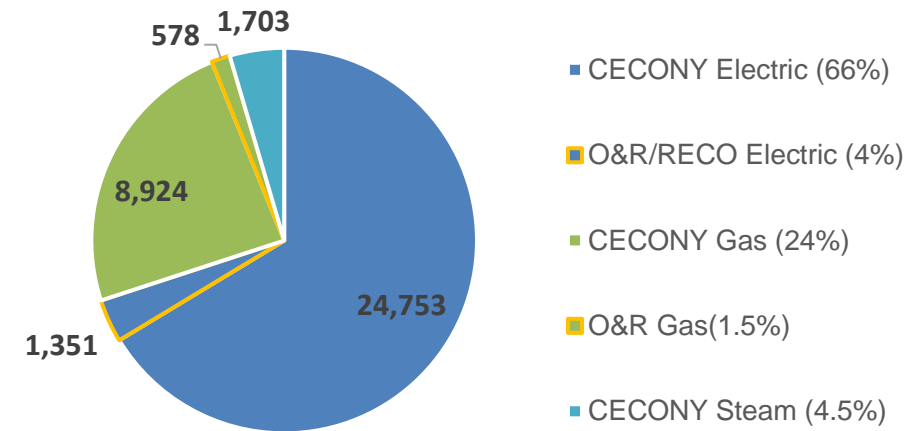
conEdison.com

Con Edison delivers electricity, gas and steam to 5.1 million customers

- That's about 44% of New York State's electricity needs
- CECONY's electric system is the most reliable in the U.S.
- CECONY and O&R deliver natural gas to 1.2 million customers
- CECONY operates the largest steam distribution system in the U.S.
- Con Edison reported dividend growth for the 49th consecutive year—the longest record of any utility company in the S&P 500



Rate Base* by Commodity (\$ in millions)



*As of December 31, 2022

Achieving Clean Energy Goals

Con Edison approaches 200th anniversary with strategic moves that position it for growth and leadership in New York's clean energy transition.

- The closing of the sale of the CEBs allows Con Edison to become a pure-play regulated business
 - The transaction closed on March 1, 2023.
 - Proceeds from the sale will strengthen the company's balance sheet and offset equity needs in 2023 and 2024
 - There will be no long-term holding company debt by year end
- Solid 2022 performance, and growth projected for 2023 and beyond is funded by a sound financing plan
 - We forecast a 6.2% rate base growth over next three years
 - Adjusted earnings per share (Non-GAAP) for 2022 was \$4.57 and GAAP earnings per share was \$4.68 (see page 24 of this presentation for a reconciliation of GAAP to Non-GAAP)
 - 5% to 7% adjusted earnings per share growth forecast for next five years
 - 49 straight years of dividend increases

Achieving Clean Energy Goals

Significant progress on business priorities set Con Edison's direction and focus the company on execution in 2023 and beyond.

- Joint settlement agreement reached with the parties on CECONY Electric and Gas rate filing with a 3-year ROE of 9.25% and \$11.8 billion in new capital investment authorized
- In November 2022, as updated in February 2023, CECONY filed a request with the NYSPSC for a steam rate increase of \$141 million, effective November 2023
- O&R Electric & Gas in second year of 3-year rate plan with 9.2% ROE
- \$14.6 billion in total capital investments forecasted for 2023 through 2025 to achieve reliability, safety, and clean energy objectives

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 demonstrated leadership in the clean energy transition guides the company's ESG efforts that remain core to its strategic direction

- Con Edison's Clean Energy Commitment reflects aggressive goals from New York State, New York City and New Jersey
- We're investing nearly \$800 million in the Reliable Clean City transmission infrastructure project to deliver renewable energy from solar plants and wind farms to our customers. These projects allow for the retirement of peaker plants, reducing emissions and improving air quality in underserved areas
- Company performance on ESG exceeds industry standards as was recognized by Forbes (Best Companies for Diversity) and CPA-Zicklin Index of Corporate Political Disclosure & Accountability (top score of 100%)

New York and New Jersey's Clean Energy Vision



2025

NYS: 6 GW of private solar
NYC: 500 MW of energy storage



2035

NYS: 9 GW off-shore wind
NYC: City-owned non-emergency vehicles to be electric
NYS/NJ: All new passenger vehicles will need to be zero-emission
NJ: 100% Clean Energy



2030

NYS: 40% reduction in greenhouse gas emissions (from 1990 levels)
NYS: 70% of Electricity from Renewable Generation
NYS: 3 GW of energy storage
NYS: 10 GW of private solar
NJ: Install zero-carbon-emission space heating and cooling systems in 400,000 homes and 20,000 commercial properties



2040

NYS: 100% Zero Emissions electricity



2050

NYS: 85% reduction in greenhouse gas emissions (from 1990 levels)

Our Clean Energy Commitment: 5 Pillars



Build the grid of the future.



Empower all of our customers to meet their climate goals.



Reimagine the gas system.



Lead by reducing our company's carbon footprint.



Partner with our stakeholders.

Full Version: [Clean Energy Commitment](#)

Rate Filing Update

Summary of CECONY Electric & Gas Joint Proposal^(a)

Proposed Rate Changes and Capital Expenditures

Joint proposal reflects 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		

Other Major Provisions

- Reconciliation of pension and OPEBs, environmental remediation, uncollectible expenses, late payment fees, variable debt, 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

^(a) The Joint Proposal is subject to approval by the NYSPSC.

Additional rate plan information: [Rate Plan Information | Consolidated Edison, Inc.](#)

Summary of CECONY Steam Rate Filing

On November 22, 2022, CECONY filed a request with the NYSPSC for a steam rate increase, effective November 1, 2023. On February 10, 2023, CECONY filed an update to the November 2022 request. The most recent steam rate filing was in 2013, for a 3-year rate plan that began January 2014.

Proposed Return on Equity and Equity Ratio

Return on equity.....10.0%
Equity ratio.....50.0%

Proposed Rate Changes and Capital Investments Update

Steam: Case number 22-S-0659

(\$ in millions)	Rate Change	Average Rate Base	Capital Expenditure
Rate Year 1 ^(a)	\$141	\$1,812	\$114
Rate Year 2 ^(b)	55	1,872	131
Rate Year 3 ^(b)	53	1,926	141
Annual levelized rate increase	97		386

(a) Rate Year 1 amounts were proposed

(b) Rate Year 2 and Rate Year 3 were provided in rate filing for illustration to facilitate settlement discussions

(\$ in millions)	Steam Case number 22-S-0659	
	Rate Year 1: Nov 2023 – Oct 2024	Nov 2022 Filing Feb 2023 Update
New infrastructure investment	\$ 18	\$ 21
Depreciation	25	26
Property taxes	73	74
ROE/Financing	4	4
Revenue to cover sales shortfall	66	63
Operating expenses	(26)	(27)
Income taxes	(33)	(36)
All other	10	16
Total Rate Increase	\$ 137	\$ 141
Rate Base	\$ 1,778	\$ 1,812
ROE	10.00%	10.00%
Equity Ratio	50%	50%

Additional rate plan information: [Rate Plan Information | Consolidated Edison, Inc.](#)

CECONY Steam Rate Filing

Summary

- Includes a new mechanism for decoupling revenues from steam consumption
- Continues full reconciliation of costs for pension and OPEBs and environmental remediation
- Requests full reconciliation of property taxes, municipal support costs, and long-term debt cost rate and continued reconciliation for uncollectible costs
- Requests reconciliation for labor and non-labor inflation rate to the extent that actual inflation rate deviates from what is assumed in the revenue requirement by 50 basis points up or down

Decarbonization Pilot Projects

Low Carbon Fuels

- Delivery of hydrogen to East River Generating Station (East River) for blending

Electric Boilers

- Installation of one electric boiler at East River

Industrial Heat Pumps

- Installation of one heat pump for feedwater heating

Hot Water Systems

- Installation of small hot water loop using existing customer as condensate source

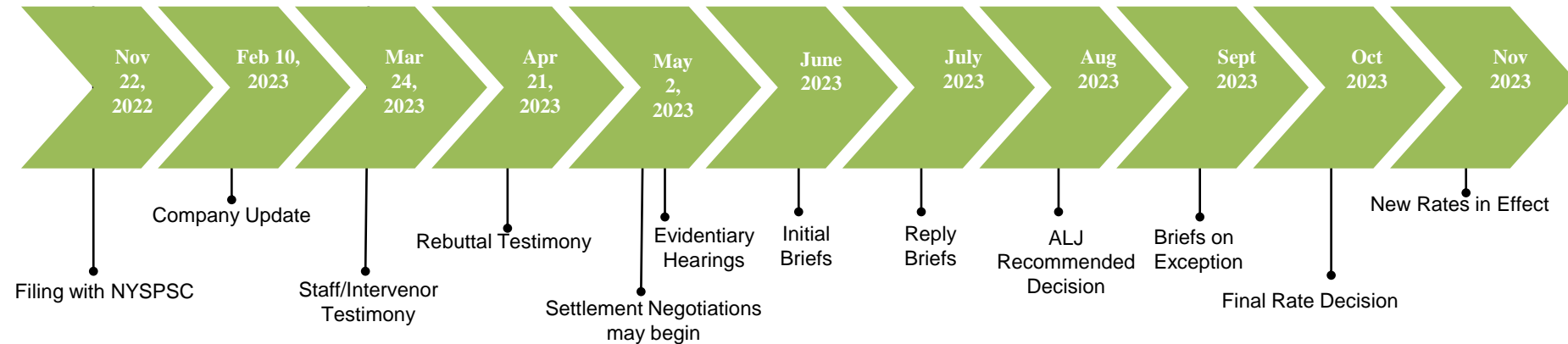
Geothermal

- Installation of a deep well geothermal heat extraction system

Carbon Capture

- Installation of single system to liquify carbon dioxide from flue gas

CECONY Steam Illustrative Timeline (a)



(a) The utilities' rate plans cover specified periods, but rates determined pursuant to a plan generally continue in effect until a new rate plan is approved by the state utility regulator. In NY, either the utility or the NYSPSC can commence a proceeding for a new rate plan, and a new rate plan filed by the utility will generally take effect automatically in approximately 11 months unless prior to such time the NYSPSC approves a rate plan. The NYSPSC may request that the utility agree to suspend its request for new rates beyond the 11 month period, but if the utility agrees then the NYSPSC typically allows the utility to recover its new rates as if they went into effect at the 11-month date.

Other NYS Regulatory Proceedings

NYS Public Service Commission Regulatory Proceedings

Accelerated Renewable Energy Growth Act

- Authorize local transmission projects to achieve renewable power goals
- PSC approved CECONY's Reliable Clean City projects totaling \$780 million in cost
- 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 NY State's grid
 - Proposed Brooklyn Clean Energy Hub to meet local reliability needs and a make ready interconnection point for offshore wind

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 2040
- File a proposal by March 31, 2023 for a study of 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

- PSC will conduct midpoint reviews for both proceedings that may result in changes to existing programs, including budget/targets

Gas Planning

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

Strong Economic Performance

Refocusing Our Business: Clean Energy Businesses Sale

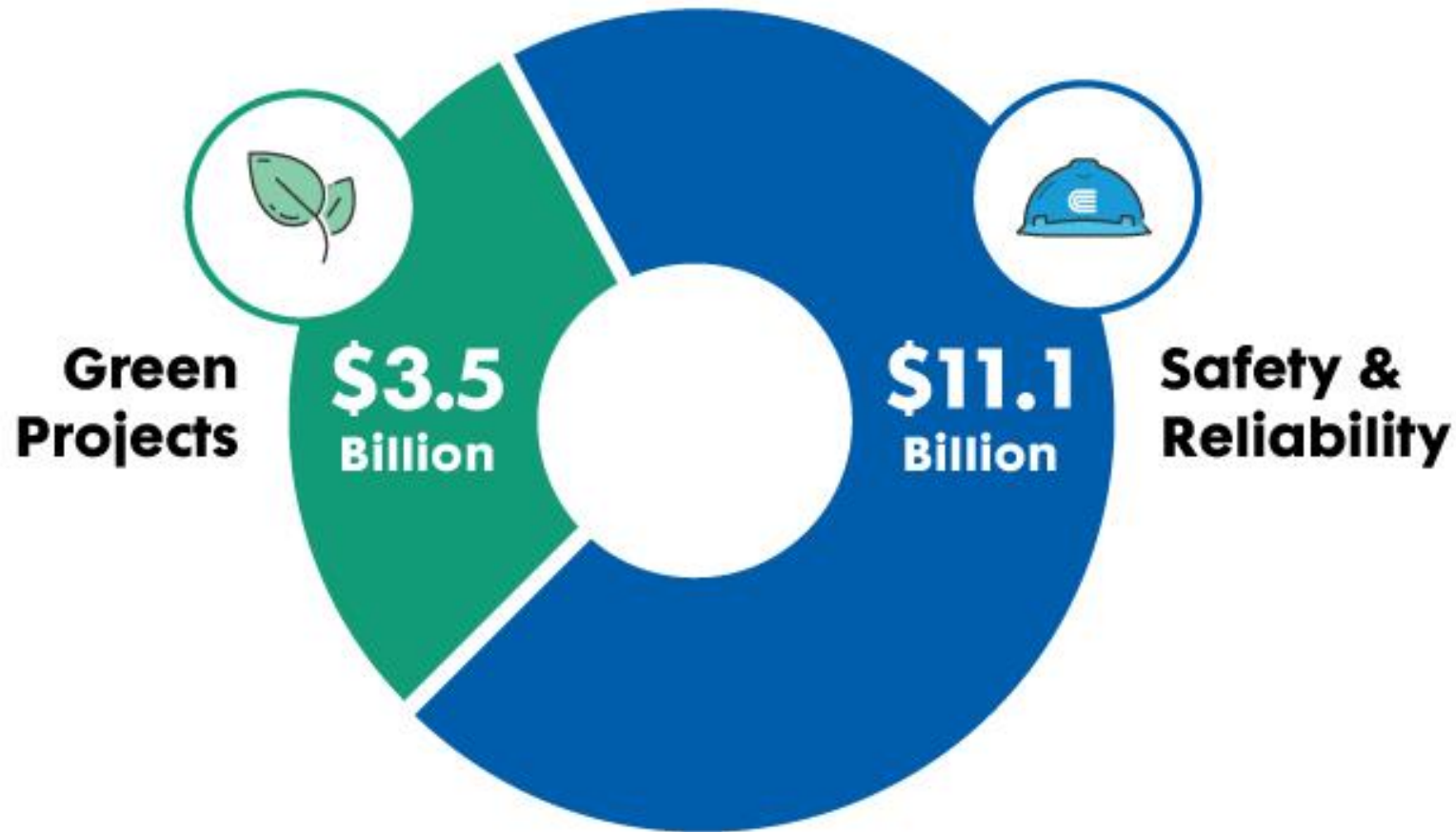
We closed the sale of substantially all of the assets of the Clean Energy Businesses to a subsidiary of RWE AG

- Con Edison can maintain focus on delivering highest value for customers throughout our region
- Con Edison plans the following use of proceeds to:
 - Repay \$1,250 million of parent company debt in 2023
 - Forego common equity issuances in 2023 and 2024
 - Repurchase up to \$1,000 million of common shares



Maintaining Safety & Reliability Focus Through the Clean Energy Transition

2023 - 2025 Forecasted Capital Investment: \$14.6 billion



Key Takeaways: Achieving Clean Energy Goals

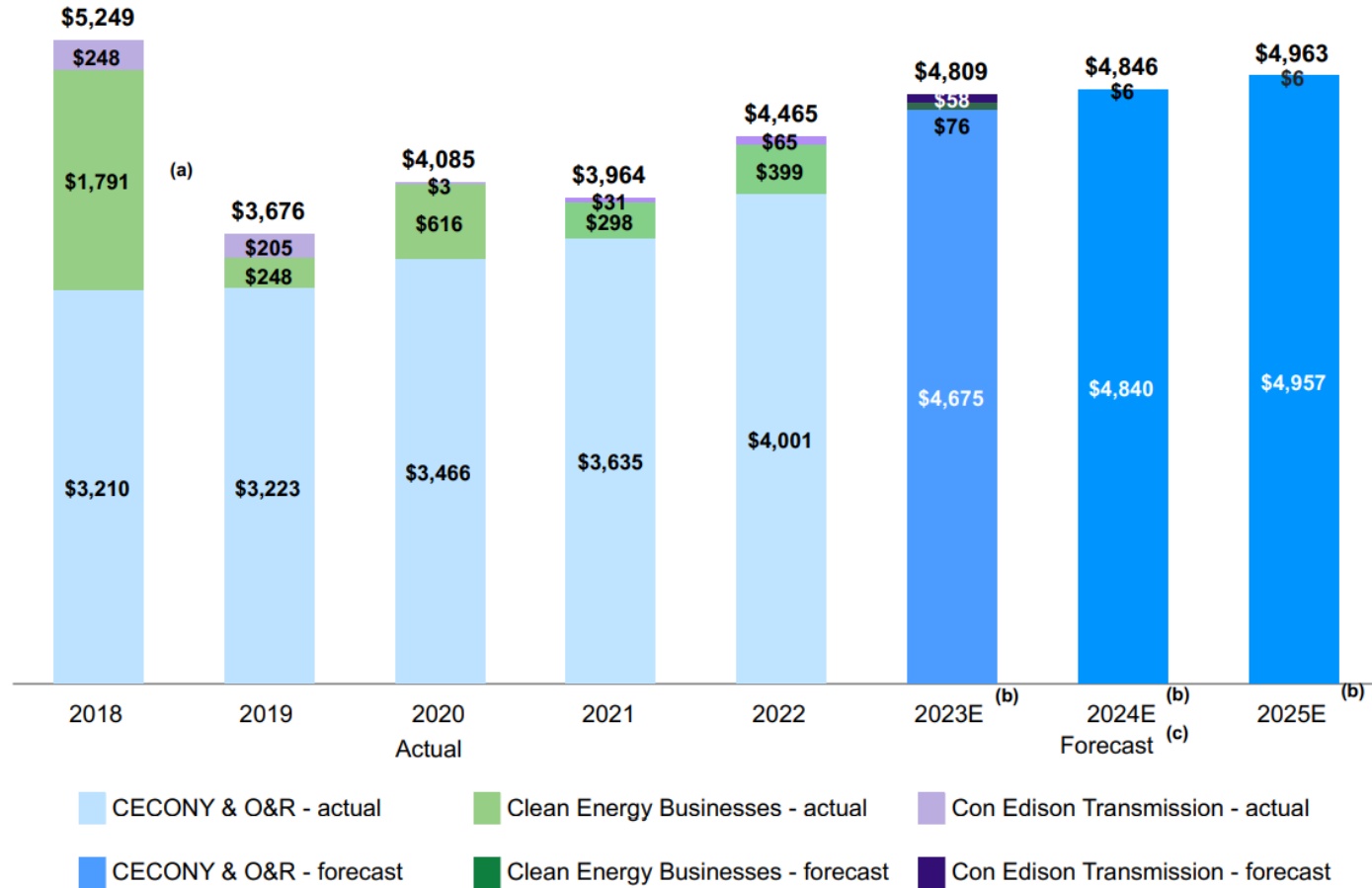
New York's aggressive clean energy goals require significant new investment in the state's energy infrastructure, creating strong growth potential for the company

Capital investment projects in current forecasts not included in CECONY Joint Proposal for electric rates

<u>Safety and Reliability Projects</u>	<u>2023 Capex</u>	<u>2024 Capex</u>	<u>2025 Capex</u>
Total (\$ in millions)	~\$320	~\$390	~\$550

- \$800 million to \$1,000 million Brooklyn Clean Energy Hub approval requested by March 16, 2023 with anticipated 2027 in-service date
- \$1,100 million Eastern Queens/Idlewild Energy Solution to be proposed with anticipated 2028 – 2030 in-service date

Capital Investments (\$ in millions)



a. 2018 includes Clean Energy Businesses' purchase of Sempra Solar Holdings, LLC.

b. Con Edison's forecast reflects the divestiture of the Clean Energy Businesses by the end of March 2023. Additionally, it reflects a signed CECONY's February 2023 Joint Proposal for new electric and gas rate plans. The Joint Proposal is subject to approval by the NYSPSC.

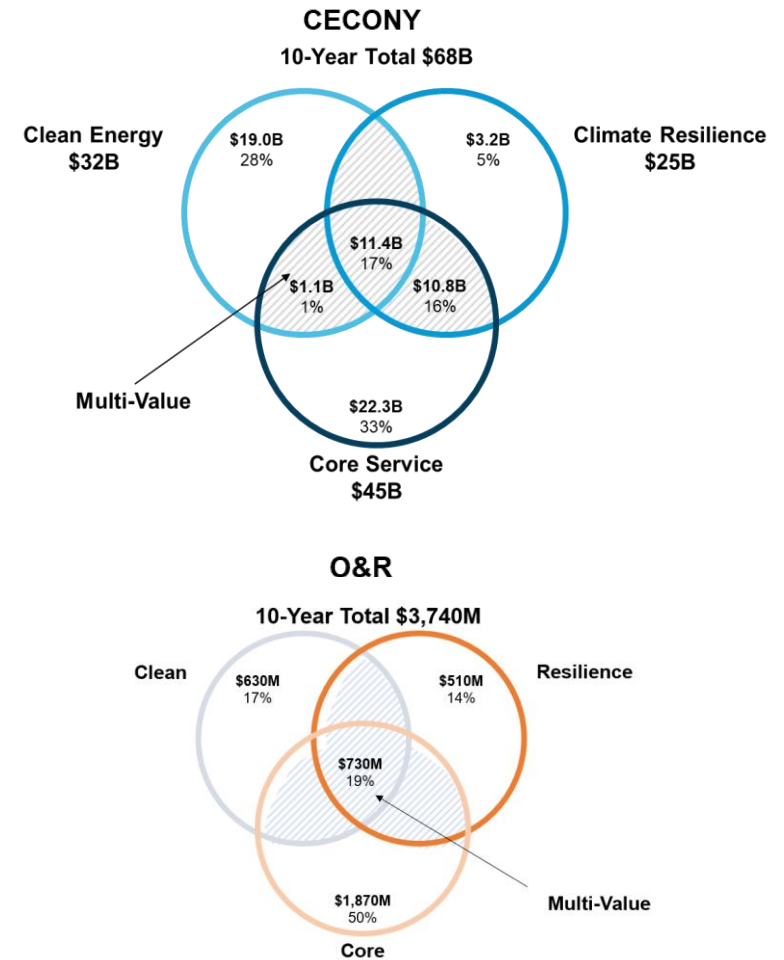
c. 2022 Form 10-K, page 31.

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

These plans guide our programs and investments through 2050. We envision \$72 billion in investments for CECONY and O&R over the next 10 years.

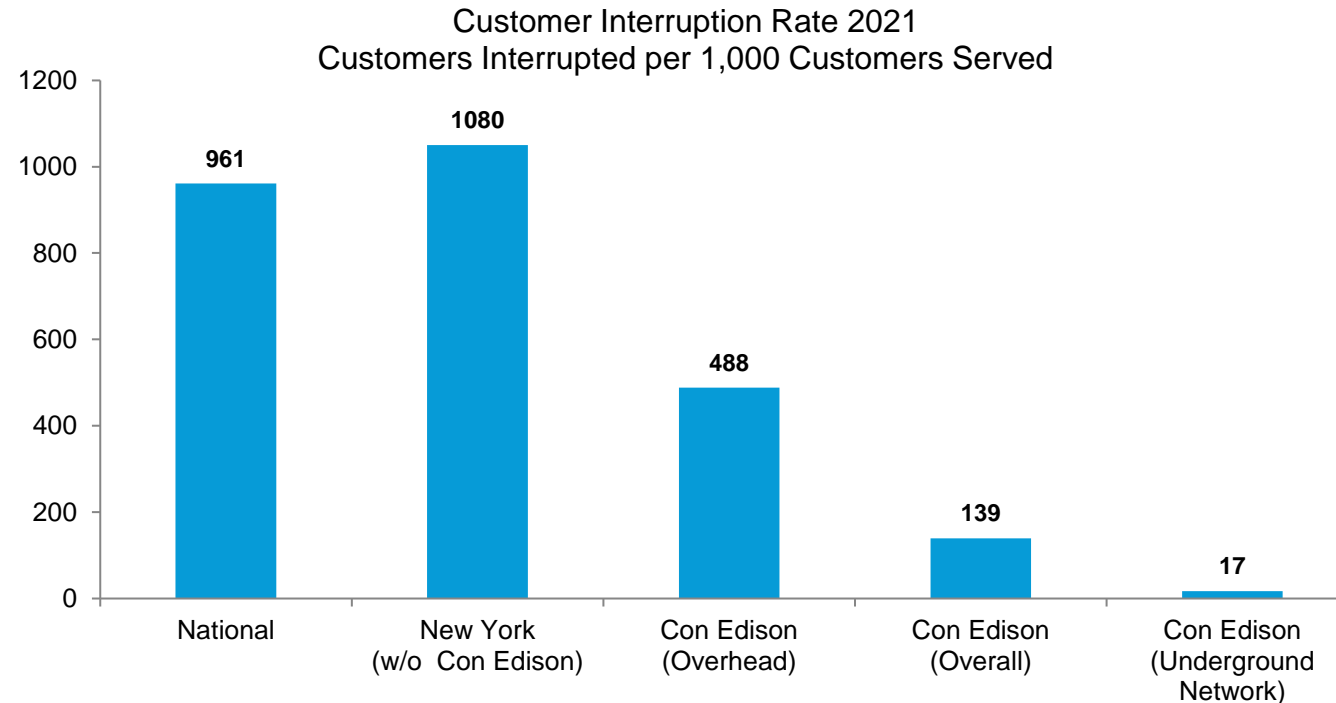
- **Clean Energy:** Economy-wide net-zero GHG emissions in our service area by 2050
- **Climate Resilience:** Increased resilience of our energy infrastructure to adapt to climate change
- **Core Service:** World-class safety, reliability, and security, while managing the rate impacts and equity challenges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

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



We provide the most reliable electric service in the U.S.

Our system reliability exceeds national and New York averages



National and New York (without Con Edison) numbers from 2020

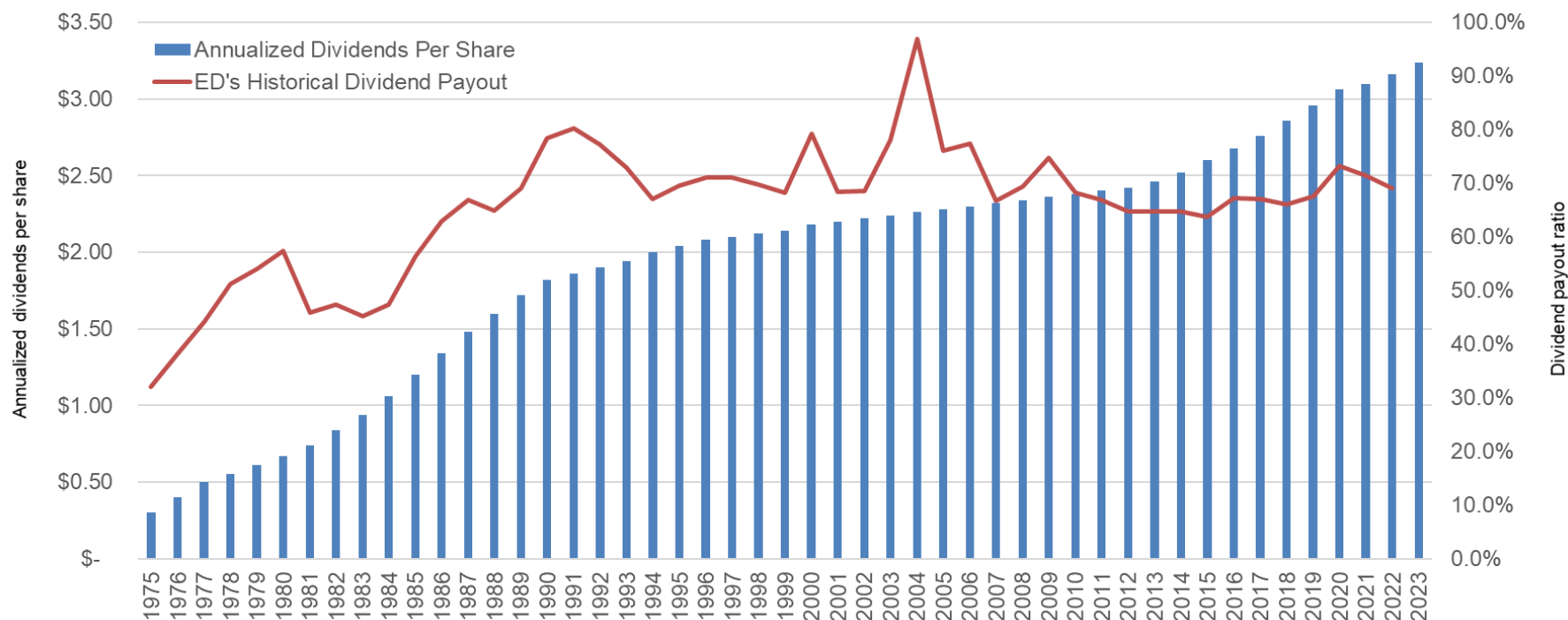
Con Edison's electric system is comprised of an overhead system as well as the largest underground network in the U.S.

Sources: New York State Department of Public Service, PA Consulting

Dividend Aristocrat

49 consecutive years of dividend increases with a CAGR of 5.72% and a target payout of 60% to 70% of adjusted earnings

Con Edison has increased its annual dividend through six U.S. recessions



2022 vs. 2021 EPS Reconciliation by Company

Year Ended December 31, 2022

	CECONY	O&R	CEBs	CET	Other ^(e)	Total
Reported EPS – GAAP basis	\$3.92	\$0.25	\$1.08	\$—	\$(0.57)	\$4.68
Transaction costs related to the anticipated sale of the Clean Energy Businesses (pre-tax)	—	—	—	—	0.14	0.14
Income taxes (a)	—	—	—	—	(0.04)	(0.04)
Transaction costs related to the anticipated sale of the Clean Energy Businesses (net of tax)	—	—	—	—	0.10	0.10
Ceasing recording of depreciation and amortization expenses related to the anticipated sale of the Clean Energy Businesses (pre-tax)	—	—	(0.17)	—	—	(0.17)
Income taxes (b)	—	—	0.04	—	0.01	0.05
Ceasing recording of depreciation and amortization expenses related to the anticipated sale of the Clean Energy Businesses (net of tax)	—	—	(0.13)	—	0.01	(0.12)
Impact of the anticipated sale of the Clean Energy Businesses on the remeasurement of deferred state taxes and valuation allowance for deferred tax assets (net of federal taxes)	—	—	0.01	—	0.33	0.34
Impact of the anticipated sale of the Clean Energy Businesses on the remeasurement of deferred state taxes and valuation allowance for deferred tax assets (net of federal taxes)	—	—	0.01	—	0.33	0.34
Remeasurement of deferred state taxes related to prior year dispositions (net of federal taxes)	—	—	—	0.01	0.03	0.04
Remeasurement of deferred state taxes related to prior year dispositions (net of federal taxes)	—	—	—	0.01	0.03	0.04
HLBV effects (pre-tax)	—	—	(0.18)	—	0.01	(0.17)
Income taxes (c)	—	—	0.04	—	0.01	0.05
HLBV effects (net of tax)	—	—	(0.14)	—	0.02	(0.12)
Net mark-to-market losses (pre-tax)	—	—	(0.51)	—	—	(0.51)
Income taxes (d)	—	—	0.13	—	0.03	0.16
Net mark-to-market losses (net of tax)	—	—	(0.38)	—	0.03	(0.35)
Adjusted EPS – Non-GAAP basis	\$3.92	\$0.25	\$0.44	\$0.01	\$(0.05)	\$4.57

- The amount of income taxes was calculated using a combined federal and state income tax rate of 27% for the year ended December 31, 2022.
- The amount of income taxes was calculated using a combined federal and state income tax rate of 31% for the year ended December 31, 2022.
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- The amount of income taxes was calculated using a combined federal and state income tax rate of 31% for the year ended December 31, 2022.
- Includes parent company and consolidation adjustments.

Environmental, Social & Governance Resources

Recognition and Accolades

Operating Awards

- Service Reliability: PA Consulting ReliabilityOne
 - CECONY for Outstanding Reliability Performance in the Northeast Metropolitan Service Area and the Outstanding Technology & Innovation Award
 - O&R for Outstanding Reliability Performance in the Northeast Suburban/Rural Service Area and the Outstanding Customer Engagement Award
- Energy Efficiency: Environmental Protection Agency
 - 2022 ENERGY STAR Partner of the Year Award

Environmental, Social & Governance Awards

- Political Accountability: CPA-Zicklin Index of Corporate Political Disclosure and Accountability - “Trendsetter” – top score of 100%
- Diversity, Equity & Inclusion: As You Sow 2022 Racial Justice Russell 1000 Scorecard - CEI ranked 1st out of 32 companies in utility sector
- Diversity, Equity & Inclusion: Forbes Best Companies for Diversity - top 5 in utilities

Con Edison Environmental, Social & Governance Resources

- [Climate Change Resilience and Adaptation Plan](#) – January 2021
- [Climate Change Vulnerability Study](#) – December 2019
- [Diversity and Inclusion Report](#) examines Con Edison's diverse and inclusive culture
- [2022 Proxy Statement](#)
- Highlighting how the Company supports our communities through [Community Partnerships](#)
- Our Standards of Business Conduct guide our [Political Engagement](#)
- Con Edison's [Clean Energy Vision](#) looking toward a clean energy future
- [Sustainability Report](#) - Con Edison's Sustainability report
- [2022 Environmental, Social, and Governance Presentation](#)

Our ESG reporting standards (updated July 2022):

- [Edison Electric Institute / American Gas Association ESG templates](#) – Industry reporting standards
- [Sustainability Accounting Standards Board \(SASB\)](#) – Broad ESG reporting standard
- [Task Force on Climate-Related Financial Disclosures \(TCFD\)](#) – Broad ESG reporting standard
- [Equal Employment Opportunity Component 1 Report \(EEO-1\)](#) - Federal employer information report
- Our environmental impacts including carbon emissions disclosures are filed with the Carbon Disclosure Project (CDP)

Link to more ESG resources: <https://conedison.gcs-web.com/environmental-social-and-governance-esg-resources>