



Consolidated Edison, Inc.

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: <u>www.conedison.com/en/</u>. (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," "elleves," "elleves,

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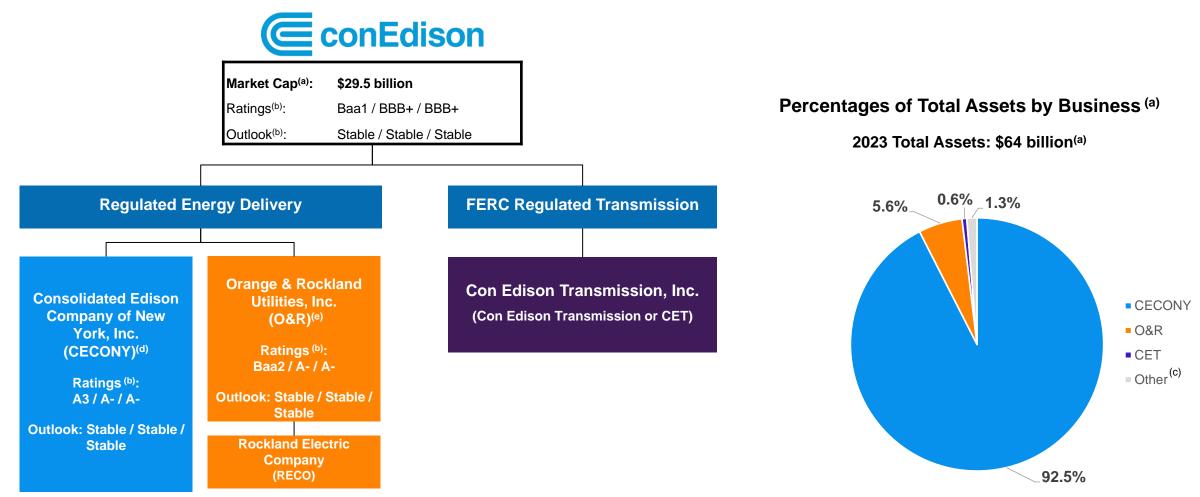
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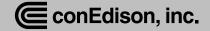
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Organizational Structure



- 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 ⁽¹⁾ (\$ millions)	Current Plan Start Date	Current Plan End Date	Status
NY	Electric	New York State Public Service Commission (NYSPSC)	\$26,095	Jan 2023	Dec 2025	Joint Proposal (JP) approved July 2023
CECONY	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 - NY Electric	NYSPSC	1,044	Jan 2022	Dec 2024	JP approved April 2022
O&R	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





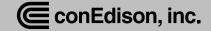
Summary of CECONY Electric and Gas Rate Plan

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 Capita	al 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





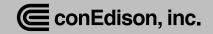
Summary of CECONY Steam Rate Plan

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				
(\$ in millions)	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

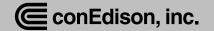
New Efficiency New York (NENY) 18-M-0084	 In July 2023, the NYSPSC <u>adopted</u> a strategic framework for Energy Efficiency and Building Electrification portfolios and directs New York utilities to file proposals in response to the framework totaling \$5 billion (\$1 billion per year for 2026-2030) 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
	 In November 2023, the NYSPSC <u>authorized</u> expanded budgets and scopes for CECONY and O&R's EV light-duty infrastructure incentive programs
Electric	 Con Edison PowerReady budget increased by \$413 million to a total of \$703 million
Vehicles, Light- Duty	 O&R PowerReady budget more than doubled to a total of \$48 million
Infrastructure 18-E-0138	 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 <u>authorized</u> 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	 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
20-G-0131	 In May 2023, CECONY and O&R filed a combined initial Gas Long-Term Plan
Gas System 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
23-G-0147	 The Utilities <u>filed</u> final plans on November 29, 2023, which are subject to NYSPSC approval





NYSPSC & NYISO Proceedings and Developments (continued)

- 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 20year 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



Climate Change Vulnerability

Study

Implementation Plan

22-E-0222



NYSPSC & NYISO Proceedings and Developments (continued)

New York Independent System Operator (NYISO)

- In July 2023, the NYISO's Short-Term Assessment of Reliability <u>report</u> 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 <u>determined</u> 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 <u>petition</u> 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 <u>Guidance Order</u> 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	Climate variables	Historical Baseline*	2030 projections	2050 projections
Days per year over 95ºF	4	17	32	Days per year over 95°F	4	18	35
Sea level rise (Inches)	-	9	16	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:

<u>CECONY Climate Change Vulnerability Study – September 2023, and CECONY Climate Change Resilience Plan</u> <u>O&R Climate Change Vulnerability Study – September 2023, and O&R Climate Change Resilience Plan</u>





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

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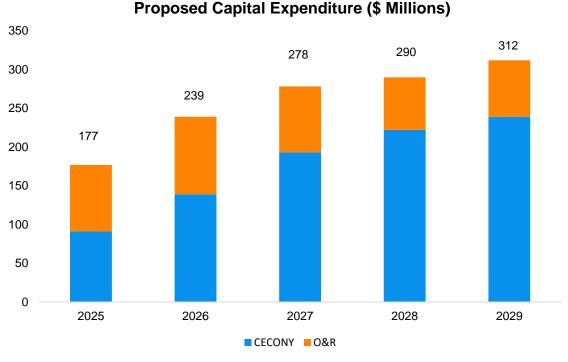
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First five years (2025-2029) of investments submitted for approval

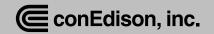
- Prevent: Harden energy infrastructure and assets against projected climate conditions to prevent outages
- **Mitigate**: Modify system design and flexibility to mitigate disruptions to customer service
- **Respond**: Operational improvements to reduce recovery timeframe in response to extreme weather

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



Source: CECONY Climate Change Resilience Plan and O&R Climate Change Resilience Plan



Preparing for Future Electric Peak Demand Growth

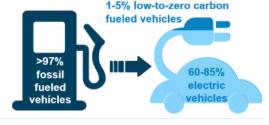
By 2043 CECONY's electric system peak demand is anticipated to increase by 51-92% and O&R's by 45% - 93%

- 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:

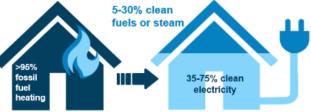
Vehicles on the road are expected to transform from more than 97% fossilfueled vehicles to 60-85% EVs and 1-5% low-to-zero carbon gaseous-fueled (fuel cell) vehicles.





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.



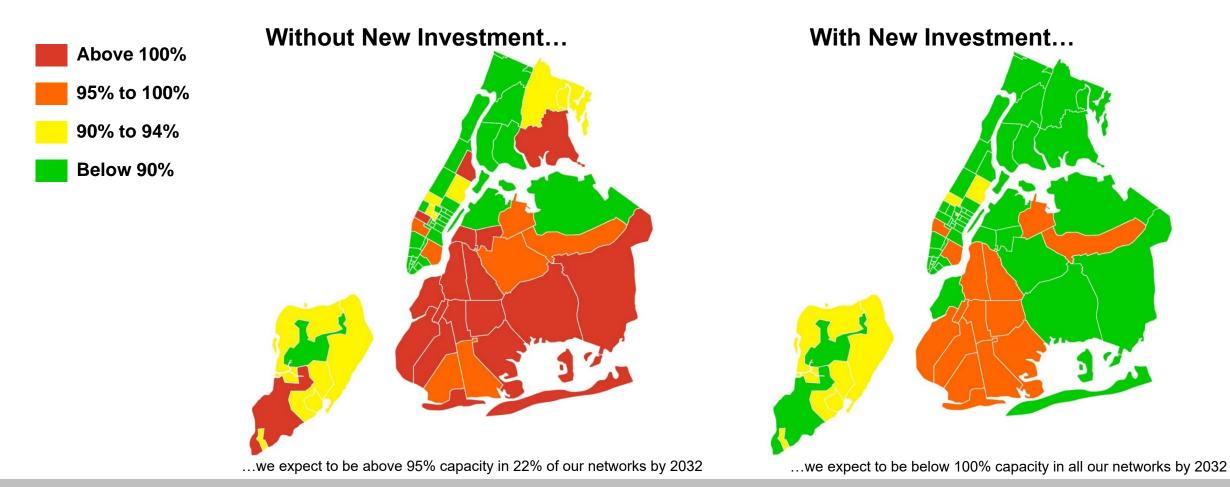
Sources: CECONY, O&R Gas Long Term Plan Update - September 2023





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







Meeting Growing Demand at CECONY

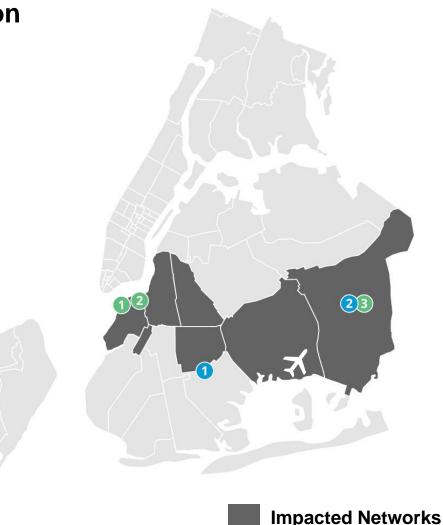
New CECONY Distribution Substations and Transmission Stations Planned : 2023 - 2033

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

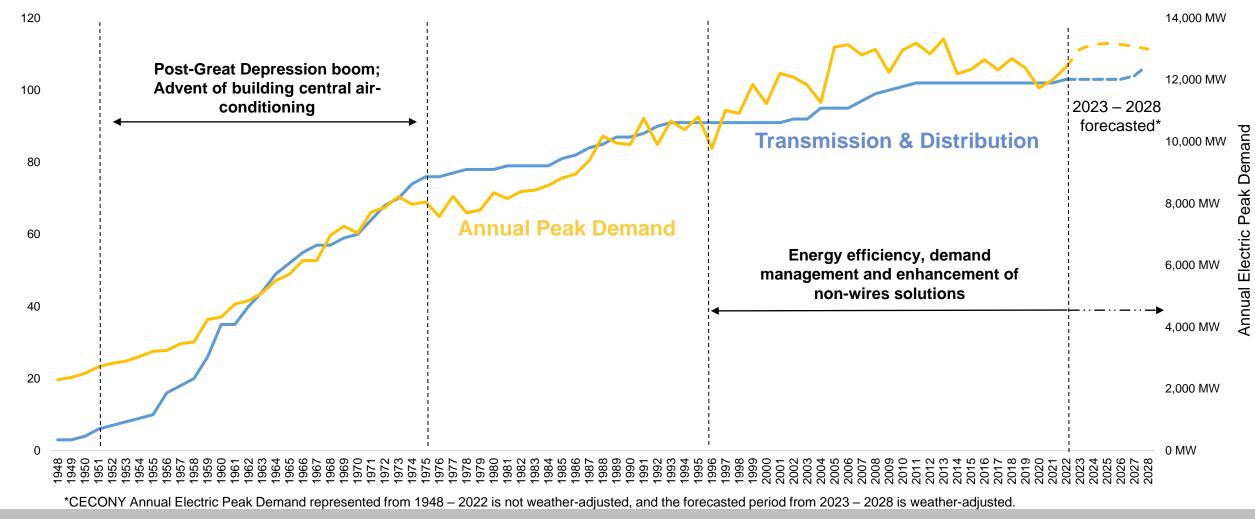




CECONY Major Substation Construction Program

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



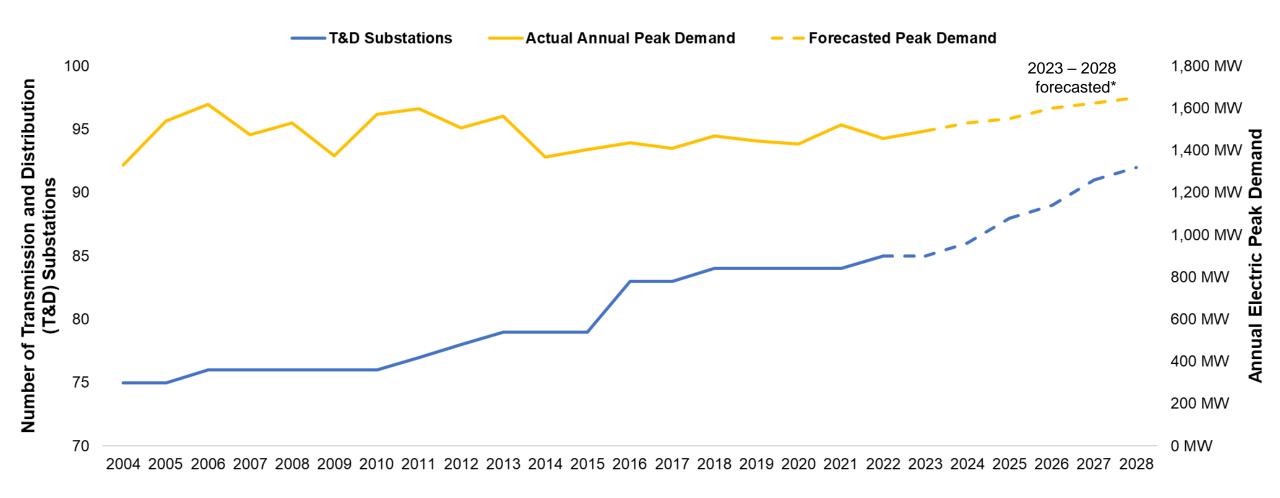


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O&R Major Substation Construction Program

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.

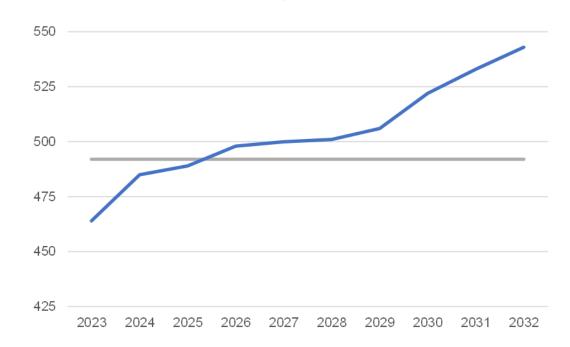




Reliable Clean City-Proposed Idlewild Project

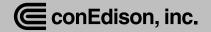
CECONY filed a Petition on August 22 requesting authorization and cost recovery to create a new network, construct a new Eastern Queens Transmission Substation and a new Idlewild Area Substation (Idlewild)

- \$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



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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