

Consolidated Edison, Inc.

Evercore ISI Conference Presentation

January 12-13, 2023



Available Information

On November 3, 2022, Consolidated Edison, Inc. issued a press release reporting its third quarter 2022 earnings and filed with the Securities and Exchange Commission the company's third quarter 2022 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/. (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 of 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 or failure by an energy supplier or customer could adversely affect it; it has 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; and it also faces other risks that are beyond its control, including inflation and supply chain disruptions. 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 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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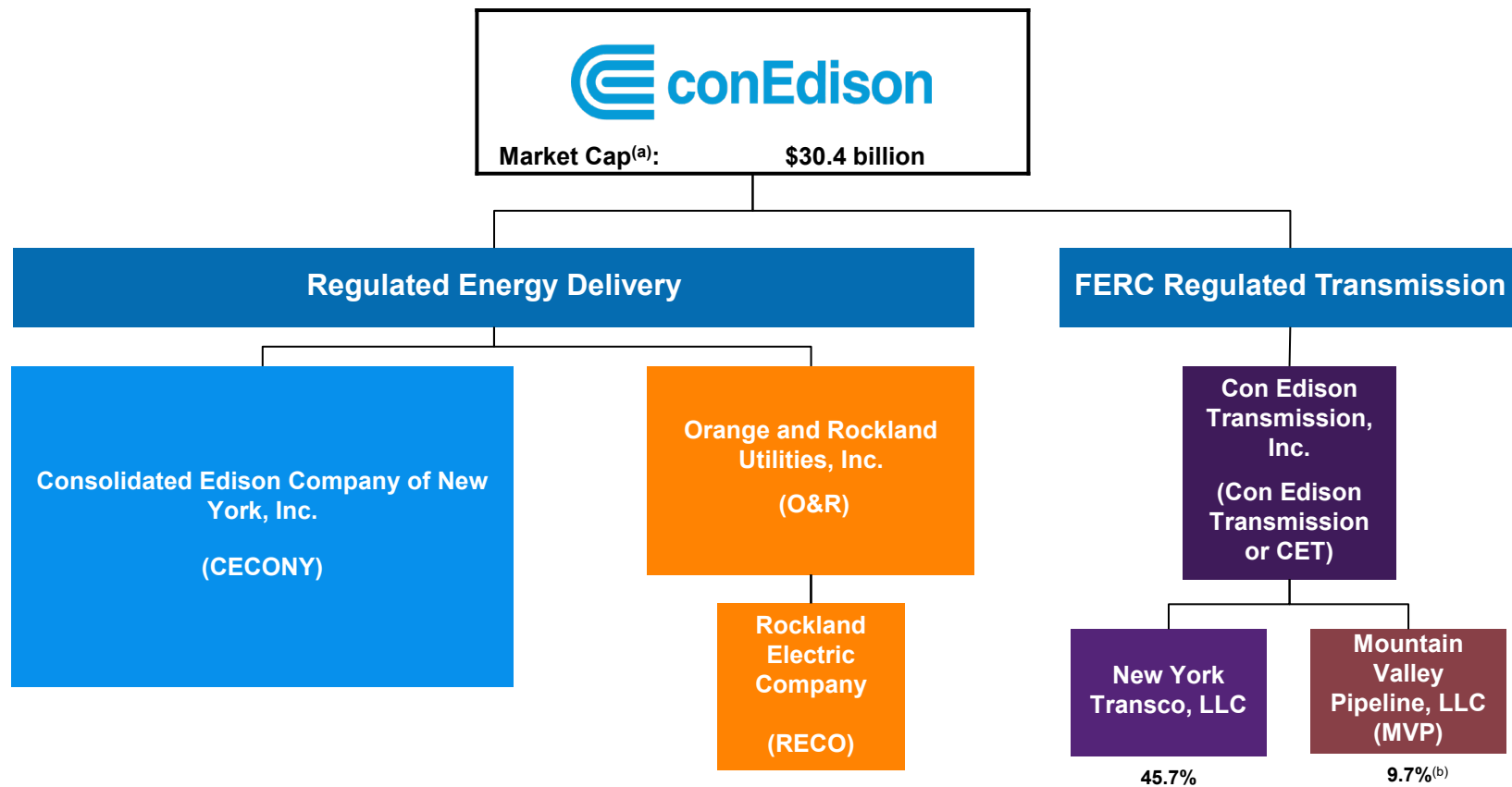
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Pro Forma Structure Focuses on Regulated T&D^(c)



(a) As of September 30, 2022.

(b) Based on the current project cost estimate and CET Gas' previous capping of its cash contributions to the joint venture, this ownership interest is expected to be reduced to 8.0 percent.

(c) Con Edison's subsidiary, Con Edison Clean Energy Businesses, Inc., is held for sale.

Overview of CEB Sale and Use of Proceeds

Con Edison has concluded its strategic review of the Con Edison Clean Energy Businesses (CEBs) and has reached an agreement to sell the CEBs to a subsidiary of RWE Aktiengesellschaft (RWE)

Transaction Overview

- Con Edison has reached an agreement to sell the CEBs to RWE Renewables Americas, LLC, a subsidiary of RWE for \$6.8 billion, subject to closing adjustments
- Con Edison plans the following use of proceeds, subject to the closing of the transaction:
 - Repay \$1,050 million of parent company debt
 - Invest in CECONY and O&R
 - Subject to board approval, institute a share repurchase program
- Due to the pending transaction, Con Edison intends to:
 - Forego common equity issuances in 2022 and 2023
 - Evaluate equity needs for 2024
- At December 31, 2021, Con Edison had \$946 million in unused tax credits that can offset up to 75% of the Federal income tax liability from a gain on sale

Key Transaction Milestones

- Signing of purchase and sale agreement October 1, 2022
- Filings and Approvals:
- Hart-Scott-Rodino Filed October 28, 2022
 - FERC Filed October 28, 2022
 - Committee on Foreign Investment in the United States Filed December 22, 2022
- Third party notices and consents In process
 - Closing Expected First Half of 2023
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Regulatory Developments

Rate Case Filings Status

The Company has filed rate cases for CECONY electric, gas and steam in 2022

	Regulator	Rate Base ⁽¹⁾ (\$ millions)	Current Plan Start Date	Current Plan End Date	Status	
CECONY	Electric	NYSPSC	\$24,446	Jan 2020	Dec 2022	Rate case filed January 2022
	Gas	NYSPSC	8,717	Jan 2020	Dec 2022	Rate case filed January 2022
	Steam	NYSPSC	1,689	Jan 2014	Dec 2016	Rate case filed November 2022
O&R	O&R - NY Electric	NYSPSC	1,017	Jan 2022	Dec 2024	JP filed October 2021 & approved April 2022
	O&R - NY Gas	NYSPSC	568	Jan 2022	Dec 2024	JP filed October 2021 & approved April 2022
	Rockland Electric	NJBPU	263 ⁽²⁾	Jan 2022	Until a new rate plan is approved by NJBPU	Settlement filed December 3, 2021, and approved December 15, 2021

(1) Average rate base for 12 months ending 9/30/2022.

(2) RECOs total rate base was \$316 million including FERC regulated transmission

Summary of CECONY Electric & Gas Filing - Company Update

On January 28, 2022, CECONY submitted to the NYSPSC a rate case in support of new electric and gas rates to become effective January 1, 2023, with updates filed on April 8, 2022; DPS staff submitted testimony on May 20, 2022

Proposed Return on Equity and Equity Ratio

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

Proposed Rate Changes and Capital Investments per April 2022 Company Update

(\$ in millions)	Electric Case number 22-E-0064			Gas Case number 22-G-0065		
	Rate Change	Average Rate Base	Capital Expenditure	Rate Change	Average Rate Base	Capital Expenditure
Rate Year 1: 2023	\$1,038	\$26,408	\$3,436	\$402	\$9,697	\$1,177
Rate Year 2: 2024	744	28,762	3,698	205	10,506	1,215
Rate Year 3: 2025	615	30,786	3,529	176	11,184	1,150
Annual levelized rate increase	867			299		

Summary

- Electric and gas capital investment of \$10.7 billion and \$3.5 billion over three years, respectively
- True up of costs of pension and OPEBs, environmental remediation and storms (electric)
- Requesting full reconciliation of property taxes, municipal infrastructure support costs, uncollectibles, late payment fees, and long-term debt cost rate
- Requesting reconciliation for labor and non labor inflation rate to the extent that actual inflation rate is 160 basis points above what is assumed in the revenue requirement
- Requesting to reduce certain gas asset service lives by five years in alignment with the gas transition that is expected to result from Climate Leadership and Community Protection Act (CLCPA) implementation
- Continuation of decoupling of electric and gas revenues from electric and gas consumption
- Continuation of earnings opportunities from Earnings Adjustment Mechanisms (EAMs) and other positive incentives

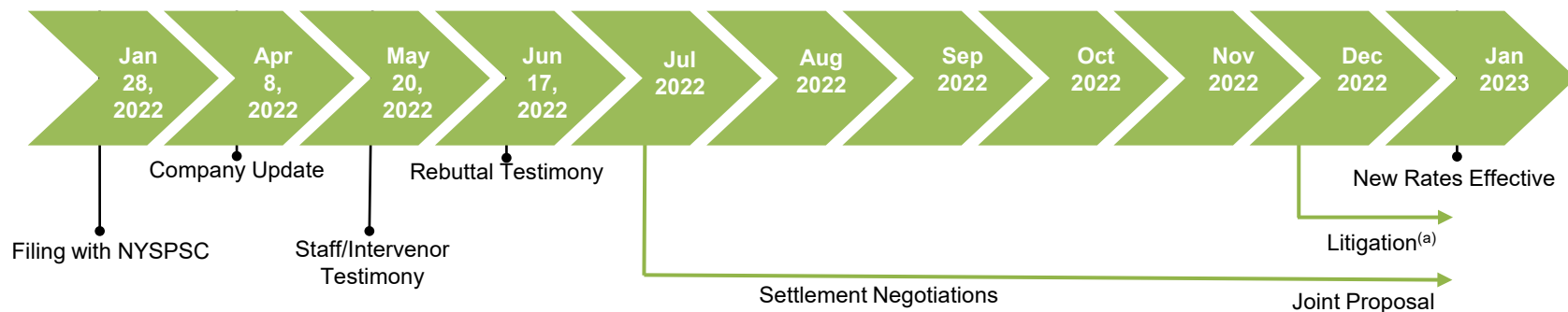
Additional rate plan information: [Rate Plan Information](#) | [Consolidated Edison, Inc.](#)

CECONY Electric & Gas Rate Filing Comparison and Timeline

On December 22, 2022, CECONY filed to extend the suspension date of its electric and gas rate cases until June 24, 2023

(\$ in millions)	Electric Case number 22-E-0064			Gas Case number 22-G-0065		
	Jan 2022 Filing	Apr 2022 Update	Staff Testimony	Jan 2022 Filing	Apr 2022 Update	Staff Testimony
Rate Year 1: Jan 2023 – Dec 2023						
New infrastructure investment	\$250	\$266	\$223	\$161	\$131	\$126
Financing costs	201	211	(51)	77	81	(13)
Property and other taxes	180	166	55	74	20	(3)
Sales revenue change	259	186	142	77	92	80
Amortization of deferred credits & costs	191	184	139	(1)	(15)	(30)
Operating expenses	79	(12)	(212)	32	13	(30)
Depreciation changes	15	16	(28)	64	64	24
Income taxes and other	24	21	10	19	16	10
Total Rate Increase	\$1,199	\$1,038	\$278	\$503	\$402	\$164
Rate Base	\$26,286	\$26,408	\$25,987	\$10,030	\$9,697	\$9,648
ROE	10.00%	10.00%	8.80%	10.00%	10.00%	8.80%
Equity Ratio	50%	50%	48%	50%	50%	48%

Estimated Timeline



a. Litigation would ensue in the event a Joint Proposal is not reached in settlement negotiations.

Summary of CECONY Steam Rate Case Filing

On November 22, 2022, CECONY filed a request with the NYSPSC for a steam rate increase, effective November 1, 2023; the prior steam filing was in 2013

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				
<i>(\$ in millions)</i>	Rate Change	Average Rate Base	Capital Expenditure	
Rate Year 1: 2023 ^(a)	\$137	\$1,778	\$113	
Rate Year 2: 2024 ^(b)	54	1,848	130	
Rate Year 3: 2025 ^(b)	49	1,912	141	
Annual levelized rate increase	94			

(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

Summary

- Capital investment of \$113 million in Rate Year 1 and \$384 million over three years
- 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 as well as continued reconciliation for uncollectible costs
- Requests symmetrical 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
- The proposal seeks an additional \$137 million in revenue to upgrade and operate the company’s steam delivery system
- Overall customer bills would rise 26 percent and the increases will vary by customer class

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

CECONY Steam Rate Filing and Timeline

	Steam Case number 22-S-0659
(\$ in millions)	
Rate Year 1: Nov 2023 – Oct 2024	Nov 2022 Filing
New infrastructure investment	\$ 18
Depreciation	25
Property taxes	73
ROE/Financing	4
Sales Revenue	66
Operating expenses	(26)
Income taxes	(33)
All other	10
Total Rate Increase	\$ 137
Rate Base	\$ 1,778
ROE	10.00%
Equity Ratio	50%

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

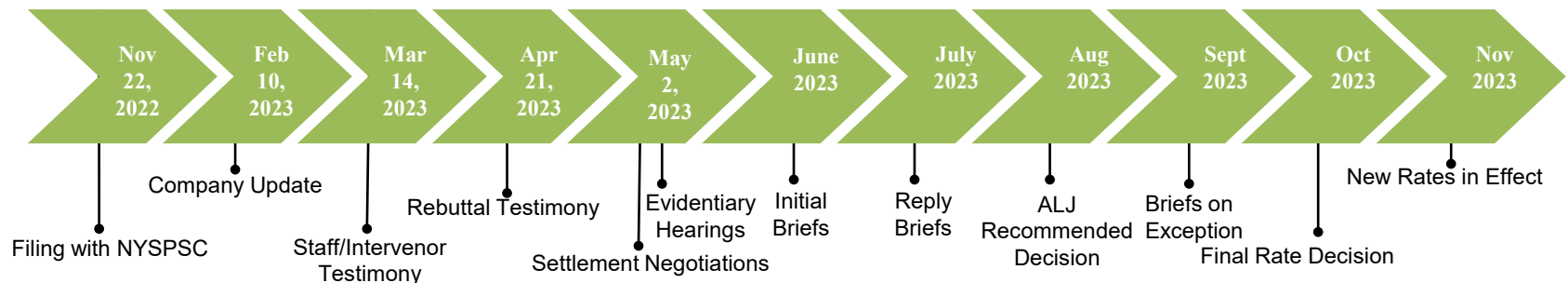
Geothermal

- Installation of a deep well geothermal heat extraction system

Carbon Capture

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

Timeline for rate setting process:



NYS Public Service Commission Regulatory Proceedings

	COMMENTARY
Resource Adequacy	<ul style="list-style-type: none"> Superseded by FERC approval of the NYISO filing to eliminate restrictions on renewable resources bidding in the capacity market
Accelerated Renewable Energy Growth Act	<ul style="list-style-type: none"> Purpose is to authorize local transmission projects to help facilitate achievement of renewable power goals PSC approved Con Edison's Reliable Clean Cities projects totaling \$780 million in cost Next step: utilities to make a "Phase 2" filing for projects that increase capacity on their local systems to allow delivery of new renewable resources <ul style="list-style-type: none"> CECONY's proposed transmission projects would cost \$4.1 billion and add 7,700MW of capacity to NY State's grid Proposed Brooklyn Clean Energy Hub to meet local reliability needs and serve as a make-ready interconnection point for future offshore wind generation
Climate Leadership and Community Protection Act	<ul style="list-style-type: none"> Monitor implementation of the State law to achieve climate change goals, e.g., 70% renewable power by 2040 Utilities to file a proposal by March 31, 2023, that analyzes how to achieve significant reductions in carbon emissions from gas use Requires annual Staff report on costs
New Efficiency New York (NENY)	<ul style="list-style-type: none"> NENY program is approaching its midway point with budgets authorized through 2025 PSC ordered an interim review on September 15, 2022, to assess the programs for potential portfolio modifications for the remaining NENY timeframe
Gas Planning	<ul style="list-style-type: none"> 20-year gas long range plan is due on May 31, 2023

Phase 2 Arrears Assistance Program

On December 23, 2022, the major NY utilities, DPS Staff and stakeholders jointly filed a proposal for Phase 2 COVID-19 arrears relief for residential and small commercial customers

CECONY

- Surcharge mechanism for recovery of eligible credit amounts
 - Estimated amount: \$388.7 million
 - Timing: 10 years

O&R

- Surcharge mechanism for recovery of eligible credit amounts
 - Estimated amount: \$2.9 million
 - Timing: 1 year

- Prior to the pandemic, aged baseline arrears were approximately \$379 million for CECONY and \$13 million for O&R
- The NY PSC approved a Phase 1 Arrears Relief program in June 2022, which authorized estimated customer credits of \$331.6 million for CECONY and \$3.8 for O&R
- The Phase 2 proposal recommends one-time arrears credits totaling \$672.1 million statewide towards reducing the COVID period arrears balances for customers ineligible for Phase 1
- CECONY and O&R agreed not to seek recovery of incremental financing costs of \$45 million incurred from March 2020 through December 2022 (exclusive of the \$11 million committed for Phase 1)

Source: [14-M-0565 Phase 2 Arrears Relief Report](#)

CECONY Files Alternative Brooklyn Clean Energy Proposal

On December 13, 2022, CECONY supplemented its April 15 Brooklyn Clean Energy Hub petition to reinforce that, in addition to furthering CLCPA goals, the project is needed to solve reliability needs that start in summer 2028

Summary

- The updated filing proposes a version of the original project focused on addressing the reliability needs and requests that the PSC approve either the original or alternative version of the project by its March 16, 2023 session
- CECONY is planning to construct a new area distribution substation (Gateway) to meet reliability needs but requires the Hub to serve as the source of the supply feeders to the Gateway substation
- CECONY's modified version of the project:
 - Reduces cost to \$810 million
 - Focuses on reliability needs
 - Omits certain elements that would have fully made the Hub “make ready” for offshore wind interconnection, and
 - Allows for adding the omitted elements during construction if offshore wind developers express interest in connecting

Source: [20-E-0197 CECONY Petition Supplement to Propose an Alternative Brooklyn Clean Energy Hub](#)