

2022 Annual Report



conEdison

New York's Clean Energy Vision



2025

NYS: 6 GW of **private solar**

NYC: 500 MW of **energy storage**



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**



2035

NYS: 9 GW **offshore wind**

NYC: City-owned **vehicles** to be **electric** models
(passenger and light, medium
and non-emergency vehicles)

NYS: All new **passenger vehicles** and **trucks** sold in
New York will be **zero-emissions** models



2040

NYS: **100% zero-emissions** electricity



2050

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



Timothy P. Cawley
Chairman, President, and
Chief Executive Officer

Dear Fellow Shareholders,

Clean energy for everyone, now and for generations to come. Our company made strong progress on realizing that vision in 2022.

With New York's ambitious climate goals in mind, Con Edison has built on our foundational work of safety, operational excellence, and providing the best possible experience for customers as we shift toward a greener future. Collectively, these efforts yielded excellent results in 2022, positioning us for more growth in 2023 and the years ahead.

For our customers, we continue to safely deliver world-class reliability. Our company, now celebrating 200 years in business, powers the lives and livelihoods of 10 million people. We keep New York City and the surrounding areas' leading cultural, financial, and transportation hubs running. In 2022, we made it easier for our customers to use energy more efficiently, drive electric vehicles, and switch to electric heating.

For our employees, we continue to prioritize safety while investing in the growth and development of our teams. We are supporting and expanding our diversity, equity, and inclusion efforts to build a workforce that reflects our region. Our impressive people constantly innovate to improve everything we do.

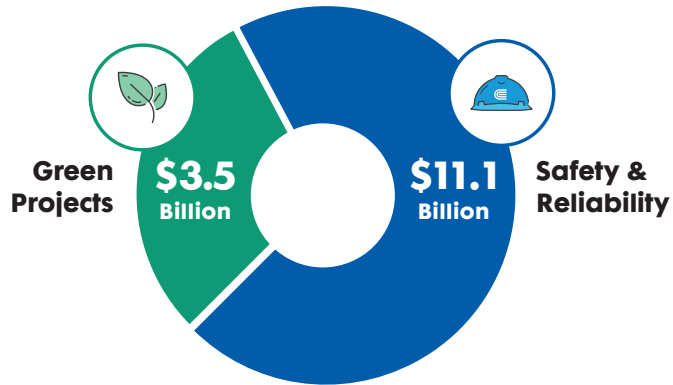
And for you, our shareholders, we continue to provide value through steady and adept management. Proceeds from the sale of our Clean Energy Businesses strengthen our balance sheet and allow us to focus more sharply on delivering service and value through our core utility businesses going forward. Our 49-year record of dividend increases is a testament to our success. You're seeing an 8-cent increase over 2022, to \$3.24 per share.

**8-cent dividend
increase over 2022 to
\$3.24 per share**

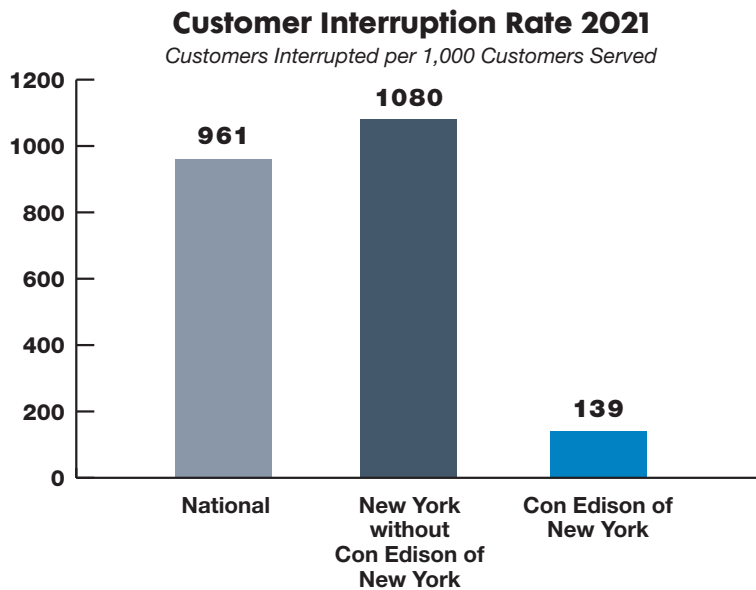
I remain tremendously proud of our work to lead the clean energy transition, and am confident we will continue creating a safer, cleaner, more resilient future for the communities we serve.

Investing in Clean Energy and Reliability

2023 - 2025 Forecasted Capital Investment: \$14.6 billion



The Most Reliable Service in the U.S.



Sources: PA Consulting, the New York State Public Service Commission's Annual Electric Reliability Report

CREATE THE CLEAN ENERGY FUTURE

Our Clean Energy Commitment is our way forward. To meet the ambitious and necessary climate goals in New York State and New York City, urgency must underpin everything we do. Our work is expansive, from energy efficiency programs to the electrification of buildings and homes to electric vehicle charging infrastructure. We are working to ensure green energy can meet the needs of our diverse service territory in the timeframe required to impact the effects of climate change.

Build the Grid of the Future.

By 2030, we'll invest more than \$3 billion in infrastructure to make our systems more resilient against extreme weather and to build transmission to move renewable resources from where they are generated to where they are needed.

Con Edison's grid of the future will need to accommodate additional electric demand to support more electric vehicles on the road year-round, and peak energy use in the winter once electric heating is more common. We're investing nearly \$800 million in transmission infrastructure to deliver renewable energy from solar plants and wind farms to our customers. Another \$1 billion project will establish an interconnection point so clean offshore wind power reaches the heart of the city. In Orange County, we've already brought online a new, modern \$38 million electric substation to improve reliability and better integrate clean, renewable energy.

Ensuring clean energy can be dispatched when needed will be critical to the reliability of our grid going forward, and battery storage will become an essential component of our systems. Con Edison is planning to deliver 1,000 MW of energy storage by 2030. Our expertise in delivering renewable energy reliably and efficiently positions us to own and operate large-scale renewable generation, which will help bring more renewables to market more efficiently for customers. That's why we're making the case to the state to allow us to do so.

Simultaneously, Con Edison Transmission is growing our electric transmission business. We are in the final phase of a transmission project that will bring an additional 2,100 MW of energy from upstate New York to downstate, including more renewable generation. We also have a proposal to bring offshore wind power from the south shore of Long Island to New York City and more northern areas of the state. Con Edison Transmission continues to seek transmission opportunities that bring renewables from production areas to customers across the country.

To maintain our standout reliability, we'll continue to prioritize the resiliency of our systems. In the face of ever-more extreme weather, we reassess our processes

***Invest \$3 billion by
2030 in our systems***

***Deliver 1,000 MW of
energy storage by 2030***

and reinforce our infrastructure. We have invested in a fleet of more than 100 bucket trucks and staged them to respond to widespread storm damage whenever they're needed. Crews from across the country can use those trucks upon flying into the region instead of driving their own vehicles here. The fleet will speed up outage-response time for customers and give us greater control over resources at a time when extreme weather is causing more widespread damage.

Security is essential to our infrastructure as well as our customers. So, we continue to invest in cyber and physical security measures. We've leveraged technology to tighten access to our critical facilities and collaborated with government, law enforcement, and energy sector partners to fortify the power grid.

Empower All Customers to Meet Climate Goals.

Energy efficiency is at the heart of the clean energy future. Since 2009, our rebates and incentives have helped more than 5 million customers upgrade their lighting, heating, and cooling systems. The impact is equivalent to taking more than 3 million gasoline vehicles off the road.

Commercial and multi-family buildings are two of the largest and toughest-to-tackle sources of carbon emissions, but by addressing them, we have potential to make significant progress on our climate goals. To reach the state's 2030 carbon-reduction target, Con Edison will need to invest billions in the electrification of buildings. We're working closely with partners in government at the city and state level, and with building owners and managers directly to make this happen on schedule.

On the transportation side, we want to make sure every driver in our region has access to electric vehicle charging stations. Building out charging infrastructure is the key to EV adoption, especially in urban areas. We'll increase the number of charging plugs in our region by tenfold over the next three years. And, we're looking to expand our incentives to encourage more overnight charging when energy use is low, easing strain on the grid.

***Increase the number
of charging plugs
by tenfold in the next
3 years***

Reimagine the Gas System.

1.2 million customers use our gas system for heating, hot water, and cooking. They count on us for safe, reliable, and efficient energy, and we must create a cleaner path forward for them.

Our gas transition strategy starts with working with customers to reduce their gas consumption through energy efficiency, and moving them to electric appliances wherever possible. As new all-electric buildings come online, we'll

have the grid to support their needs. We'll work to electrify older building stock, including schools and public housing, with new technology like window-unit heat pumps. We're exploring the use of low-carbon fuels, specifically for hard-to-electrify customers and large commercial customers where electrification is not practical. All of these efforts support our goals of achieving net-zero greenhouse gas emissions by 2050.

Lead by Reducing Our Carbon Footprint.

For the last two decades, we've steadfastly focused on greening our business. We've succeeded in reducing our carbon footprint, namely our directly-produced emissions, by more than 50% since 2005.

We're also working to eliminate methane emissions from our gas system, and to decarbonize our steam system, with a goal of net-zero emissions by 2040. Ultimately, we aim to power all our company facilities with 100% clean energy within the next decade.

We're making our commitment visible on the streets by purchasing only electric light-duty vehicles. We continue to look at alternative technologies to reduce fossil fuels for our truck fleet. Today, we're operating one of the nation's first all-electric bucket trucks. Another is expected to be delivered this year.

Power all our company facilities with 100% clean energy in the next decade

PARTNER WITH OUR STAKEHOLDERS

Collaborations and partnerships with our stakeholders are the keys to uncovering different perspectives, limitless potential, and critical support.

Diversity and Sustainability of Our Supply Chain.

Last year alone, we spent more than \$420 million with minority- and women-owned businesses. We were proud to be named the 2022 Local Corporation of the Year by the New York & New Jersey Minority Supplier Development Council. We're a partner in the Clean Energy Academy, which prepares participants to enter the green-collar workforce as energy efficiency professionals. It's part of an ecosystem of programs we've developed called Green Energy Opportunities to support our commitment to supplier diversity and growing participation in our energy efficiency programs.

Spent \$420 million with minority- and women-owned businesses in 2022

Environmental Justice.

To deliver a more just energy future, we're focused on disadvantaged communities who have been overburdened by pollution. We advocate for and support community solar power programs. We've formed an Environmental Justice Working Group to bring an equity lens to all we do. This group complements our advocacy work at the state and federal levels, as well as our operational efforts, to ensure the costs and benefits of new investments are borne equitably.

Charitable Giving.

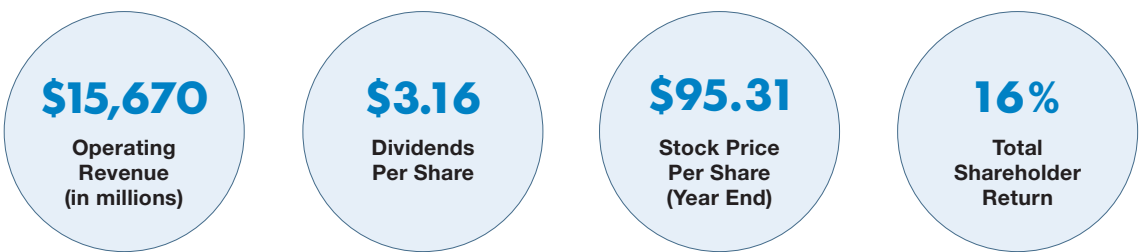
To enhance the quality of life in our communities, we gave \$12.6 million to more than 600 nonprofits in our service territory last year. Our support for environmental groups grew for the fifth year. Some of our beneficiaries include the NYC Wildflower Project, The Friends of the High Line, and the City Growers' Bee Corps youth program, which concentrate on biodiversity and fortifying ecosystems that protect life. Additionally, we connect our people with opportunities to give back through volunteering and by matching employee donations.

***Gave \$12.6 million to
600 nonprofits in 2022***

Our Dedicated and Diverse Workforce.

Our nearly 14,000 employees are at the heart of everything we do. Their unparalleled expertise drives our exceptional performance and successes. We're laser-focused on cultivating a more equitable, inclusive, and diverse culture, and increasing the representation of people of color and women from entry-level positions through corporate leadership. Con Edison has been recognized as a Forbes Best Company for Diversity and was named a Top 100 corporation by the Human Rights Campaign for adopting equitable workplace policies, practices, and benefits for LGBTQ+ employees.

Financial Highlights 2022



STRONG FINANCIAL OUTLOOK

Our fiscal discipline will continue to serve us well as we transition to the clean energy future and ensure our customers reap the long-term benefits of a cleaner, more equitable future. We are ready to deliver those needed investments and provide returns to you, our investors.

Our new rate cases for electric, gas, and steam services set up the structure for programs and finances over the next several years, positioning our company to remain competitive and keep our service reliable and efficient.

Still, the clean energy future will put pressure on customer bills. While these increases are burdensome, our efforts to create efficiencies and our thoughtful, consistent, clear communications, demonstrate our concern for customers. We're committed to keeping our customers informed about ways to manage bills, reduce energy use, and take advantage of bill relief and other incentive programs offered by the state. We will also pursue funding for some of the transition costs through federal and state tax incentives or grant programs in order to reduce costs for customers. Affordability remains an important part of our mission.

Strong corporate governance practices and our board with diverse skills, ethnicity, and gender makeup, will keep us sustainable and enable us to deliver great things.

Ever optimistic, I believe that the very best is yet to come. I'm confident Con Edison has the talent, technology, and tenacity to deliver a more equitable, clean energy future that's worthy of our customers and the great region we serve, now and for generations to come.

Thank you for your support.



Timothy P. Cawley

Chairman, President, and Chief Executive Officer

