Agenda

• Our Vision
• Rate Case Priorities
• Core Investments
• Clean & Resilient
• Customer Experience
• Revenue Requirement and Bill Impact
• Conclusion
Our Vision

• We continue to provide award-winning reliable service and safely meet our customers’ needs

• We are leading on delivering the clean energy future with our long-term Clean Energy Commitment
  – Investing to support retirement of in-city fossil fuel generation
  – Promoting energy efficiency solutions for all customers
  – Increasing electric vehicle charging in our service territory
  – Adapting to climate change with industry leading resilience plan
  – Reducing costs through innovations

• Our rate case and long-range plans include smart, multi-value investments that reflect this commitment
  – We are investing in clean energy in New York and contributing to economic recovery with a focus on disadvantaged communities
Rate Case Priorities

Core: Investments to maintain a safe and reliable system, providing a strong foundation for the clean energy future

Clean & Resilient: Investments in energy infrastructure and clean energy programs to meet the clean energy future

Customer Experience: Investments to enhance the customer experience and assist our most vulnerable customers
Core Investments

• Maintain safety and reliability
• Incorporate resiliency into design
• Support delivery of clean energy and future electrification
• Implement IT systems to protect customers and the grid and increase advanced functionality
CORE INVESTMENTS

Transmission

• Queensboro Bridge risk mitigation
  – Re-route six of twelve bridge crossings to eliminate failure on 138kV bridge span sections

• M51 and M52 oil filled feeder replacement
  – Replace two 345kV feeders running from Westchester to Manhattan to enhance clean energy and eliminate dielectric fluid leaks

• Substation transformer replacement
  – Increase replacement from three to eight transformers per year to reduce transformer failure risk

• Relay upgrade programs
  – Increase relay replacements to reduce mis-operations and improve data access for event analysis

• Reliable Clean City Projects
  – Three transmission projects that enable retirement of peaking generation units
CORE INVESTMENTS

Distribution

• Underground network systems - Primary feeders
  – Proactive replacements to maintain reliability and resiliency in the face of anticipated rising temperatures

• Non-network systems - overhead and underground residential infrastructure
  – Focus on upgrading underperforming circuits and protecting supplies to critical customers

• Transformer vault and structures modernization
  – Repair of vaults, manholes, and service boxes with structural deficiencies
CORE INVESTMENTS

Gas

• Main and service replacement programs
• AMI-enabled natural gas detectors
• Regulator station improvements
  – Includes real-time system oversight and response, overpressure protection
• Distribution programs
  – Including system reinforcement, winter load relief, and gas distribution system improvement programs
• LNG modernization
Build and operate the foundational IT infrastructure for the Company

Provide Cybersecurity protection for the company

Build Cybersecurity platforms

Build and operate applications that enable business value

IT Infrastructure

IT Platforms

IT Applications

Analytics
Mobility
CRM
Work & Asset Mgt.
Cloud
ERP

Core Investments
Information Technology
CORE INVESTMENTS

Information Technology

• **Strengthen grid security**
  – Cyber tools and infrastructure

• **Improve reliability & resiliency**
  – Cloud technologies
  – Control Center resiliency
  – Computing and network infrastructure
  – Enterprise mapping applications
  – Outage Management applications
  – Work & Asset Management applications
  – Technology Modernization
  – Analytics

• **Enhance customer experience**
  – Customer Relationship Management
  – Digital Customer Experience
  – Customer Communications

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Clean
Automated Distribution System, Distributed Energy Resource, Real time Monitoring, Control, Sensors, Analytics

Resilient
SCADA, Grid Modernization, Control Centers Hardening

Core
Cybersecurity, OMS, GIS, Customer Information System, AMI, WMS, Tech Currency
Clean & Resilient

- Clean energy programs for customers
- Investments to spur DER and prepare for electrification
- Enhanced resiliency approaches, including investments driven by our Climate Change Implementation Plan
- Gas initiatives to advance the clean energy transition
- Investments to further CLCPA
Clean Programs & Projects

- Supporting customers as they transition to clean energy
  - Heating electrification make ready program to cover behind the meter electrical upgrade costs, including future proofing
  - DER make ready program to support DER adoption within disadvantaged communities and by low- and moderate-income customers
  - Continue ongoing efforts underway in New Efficiency New York (including Clean Heat) and electric vehicle statewide proceedings

- 200 MW of new 1000 MW utility-owned solar project
  - Revenues will provide bill credit for low-income bill discount customers
CLean & Resilient
Delivering Renewables & Integrating DERs

- DER Integration
  - Three linked projects focusing on customer adoption of advanced clean energy technology, best practices, and utility technology systems upgrades

- Energy Storage for the Distribution System
  - Utility-owned storage as a grid asset to increase hosting capacity, improve resiliency, and support environmental justice areas
CLEAN & RESILIENT

Electrification

• New business & EV capital programs
  – Funding for service installation for heating electrification and EV charging

• New distribution substation (Gateway Park) & associated investments
  – Forecast significant load growth in networks served by Brownsville 1 & 2 area stations
  – Proposed investments include:
    • Add capacity at Newtown with 4th supply
    • Load transfers to de-load Brownsville
    • Build Gateway Park Substation
      – Transfer 120 MW from Crown Heights (3B) to new Remsen Network
Crisis & Resilient

Extreme Weather Resiliency

- Underground network upgrades to provide improved performance during heatwaves
- Selective undergrounding of vulnerable sections of overhead distribution system that considers disadvantaged communities
- Storm harden circuits across the system
- Unit substation pad-mounted switchgear upgrades to avoid flood damage in torrential rainfall
- Upgrade underground network equipment to submersible design
Electric Tariff Updates

• Include customer costs as part of the capital costs of the selective undergrounding program
• Update language for customer sited equipment to align with flood level standards
• Clarify existing tariff language for semi-permanent structures in the public way
CLEAN & RESILIENT

Gas Initiatives

• Gas emissions reduction programs
  – Main replacement
  – AMI enabled natural gas detectors
  – Methane capture technology
  – High emissions leak surveys

• Customer programs & outreach
  – Customer education efforts on moving away from gas
  – Tariff changes/waivers to remove entitlements

• Proposed Mount Vernon RNG interconnect to gas system
• Certified Gas Procurement Pilot
• Begin phase out of declining block rates
Gas Tariff Updates

- Revisions to reduce financial incentives to choose natural gas
  - Remove concurrent connection language
  - Eliminate additional 100 feet for residential heating applicants
  - Eliminate revenue test to benefit large customers
- Revisions to facilitate Commission priorities
  - Change service line definition fine assessment practices
  - Update meter relocation refusal fees to reflect actual costs
CLEAN & RESILIENT

Climate Leadership and Community Protection Act Testimony

• Summarizes Con Edison’s clean energy investments
• Demonstrates Con Edison’s support for the clean energy transition and CLCPA
• Seeks to establish a clear record for the Commission to find that the rate plan passes CLCPA consistency review
• Discusses how the rate case filing addresses environmental justice and disadvantaged communities, including benefits
• Calculates emissions and shows reductions
Customer Experience

- Continue investments in customer systems
- Enhance communication and customer outreach
- Optimize customer data for the Company and third parties
CUSTOMER EXPERIENCE

Enhance Customer Experience

• Improve customer experience and billing
  – Complete Customer Service System project approved in prior rate case to develop comprehensive rate structures to support customer needs and regulatory programs
  – Continue investments in digital tools including website, mobile app and virtual assistants

• Enhance communication and education efforts for low-income and at-risk customers
  – Assist customers with paying their bills and understanding resources available to them
  – Personalize messaging for low-income and at-risk customers who speak another language aside from English and Spanish
CUSTOMER EXPERIENCE

Improve Customer Knowledge

• Customer Relationship Management system
  — Provides a full view of customer interactions to streamline processes and enable a tailored experience for customers and third parties

• Recommendation and Analysis tool
  — Create tools that provide recommendations, guidance, and other resources to facilitate decision-making and adoption of clean energy programs

• Customer data access and sharing
  — Ongoing funding for existing data sharing platforms and functionality improvements
Revenue Requirement & Bill Impact
### REVENUE REQUIREMENT & BILL IMPACT

### Electric and Gas Projected Rate Increase

#### 2023 Revenue Requirement Projection ($ millions)

<table>
<thead>
<tr>
<th>Rate base growth, including depreciation</th>
<th>Electric</th>
<th></th>
<th>Gas</th>
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</thead>
<tbody>
<tr>
<td>Dollars</td>
<td>$265</td>
<td>2.5%</td>
<td>$220</td>
</tr>
<tr>
<td>Percentage</td>
<td>22%</td>
<td></td>
<td>44%</td>
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<tr>
<td>Increase in ROE (10%) and equity ratio (50%)</td>
<td>200</td>
<td>1.9%</td>
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<td>O&amp;M, including pension cost</td>
<td>80</td>
<td>0.7%</td>
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<td></td>
<td>545</td>
<td>5.1%</td>
<td>330</td>
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<tr>
<td>New Investments and Other Drivers Subtotal</td>
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<td>45%</td>
<td>66%</td>
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<tr>
<td>Sales</td>
<td>260</td>
<td>2.4%</td>
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<tr>
<td>Property taxes</td>
<td>180</td>
<td>1.7%</td>
<td>75</td>
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<tr>
<td>Regulatory assets (e.g. storm deferrals)</td>
<td>215</td>
<td>2.0%</td>
<td>15</td>
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<td>Legacy Cost and Other Drivers Subtotal</td>
<td>655</td>
<td>6.1%</td>
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<td>Total Base Rate Increase</td>
<td>$1,200</td>
<td>11.2%</td>
<td>$500</td>
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ConEdison
REVENUE REQUIREMENT & BILL IMPACT

Proposed Accounting Reconciliation Provisions

- Late Payment Charges
- Write-offs of Customer Accounts Receivable Balances
- Property Taxes
- Storms
- Inflation
## REVENUE REQUIREMENT & BILL IMPACT

### Three-Year Projected Rate Increase

$ in millions

<table>
<thead>
<tr>
<th></th>
<th>Electric</th>
<th>Gas</th>
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<tbody>
<tr>
<td>Rate Year 1: 2023</td>
<td>$1,200</td>
<td>$500</td>
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<tr>
<td>Delivery</td>
<td>17.7%</td>
<td>28.1%</td>
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<tr>
<td>Total Bill</td>
<td>11.2%</td>
<td>18.2%</td>
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<tr>
<td>Rate Year 2: 2024</td>
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<td>Delivery</td>
<td>10.7%</td>
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<td>Total Bill</td>
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<td>Rate Year 3: 2025</td>
<td>$610</td>
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<td>Delivery</td>
<td>6.9%</td>
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<td>Total Bill</td>
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<td>3-Year Levelized Rate Increase</td>
<td>$985</td>
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<td>Delivery</td>
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<tr>
<td>Total Bill</td>
<td>9.2%</td>
<td>13.1%</td>
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Con Edison is committed to maintaining affordability for our most vulnerable customers.

Rate case proposals:
- Renewable energy bill credit for low-income customers
- Rate discount for small businesses impacted by COVID

Ongoing efforts:
- Recently increased low-income bill discount program
- Increased energy efficiency offerings for low- and moderate-income customers; typical annual residential consumption has fallen by approximately seven percent since 2013
- Ongoing savings achieved through Smart Meter-enabled implementation of Conservation Voltage Optimization
- Exploration of funding opportunities under federal Infrastructure Investment and Jobs Act
Conclusion

• Con Edison is leading on delivering the clean energy future by leveraging our expertise to strategically invest in infrastructure at the best value for our customers

• Our rate plan:
  – Leverages our almost 200-years reliably and safely serving New York
  – Focuses on multi-value investments to maintain our core services and deliver a clean and resilient future
  – Delivers on affordability for our most vulnerable customers
  – Advances economic recovery in our service territory through $4.7B in infrastructure investment

• We look forward to working with the Department and Stakeholders in these proceedings
Thank You