

2022 CECONY Rate Case: Overview

March 2, 2022



Agenda

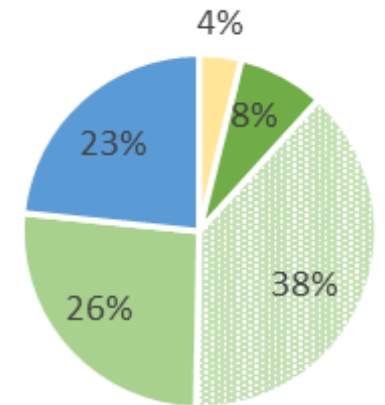
- Our Vision
- Rate Case Priorities
- Core Investments
- Clean & Resilient
- Customer Experience
- Revenue Requirement and Bill Impact
- Conclusion



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

2023 Capital Investments -
\$4.7 billion



- Customer Experience
- Electric - Clean/Resilient
- Electric - Multivalued
- Electric - Reliable
- Gas - Safe/Clean/Reliable

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

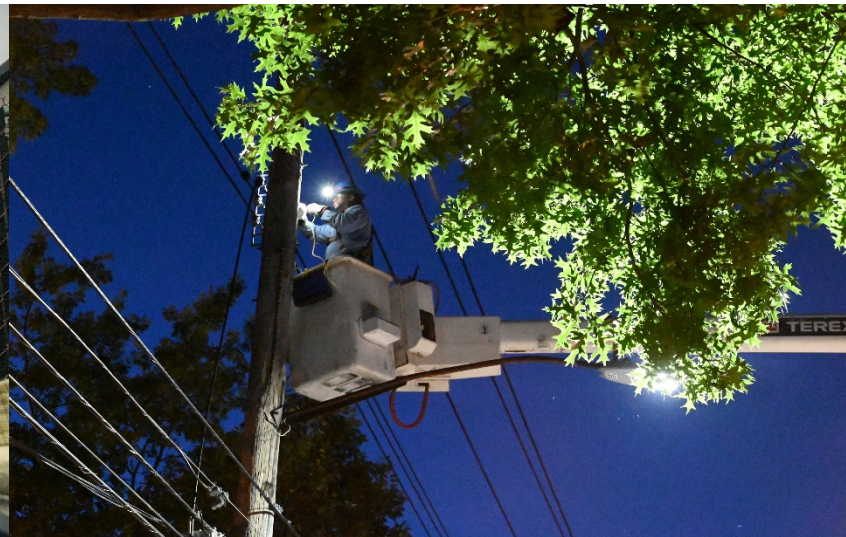


Customer Experience: Investments to enhance the customer experience and assist our most vulnerable customers



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

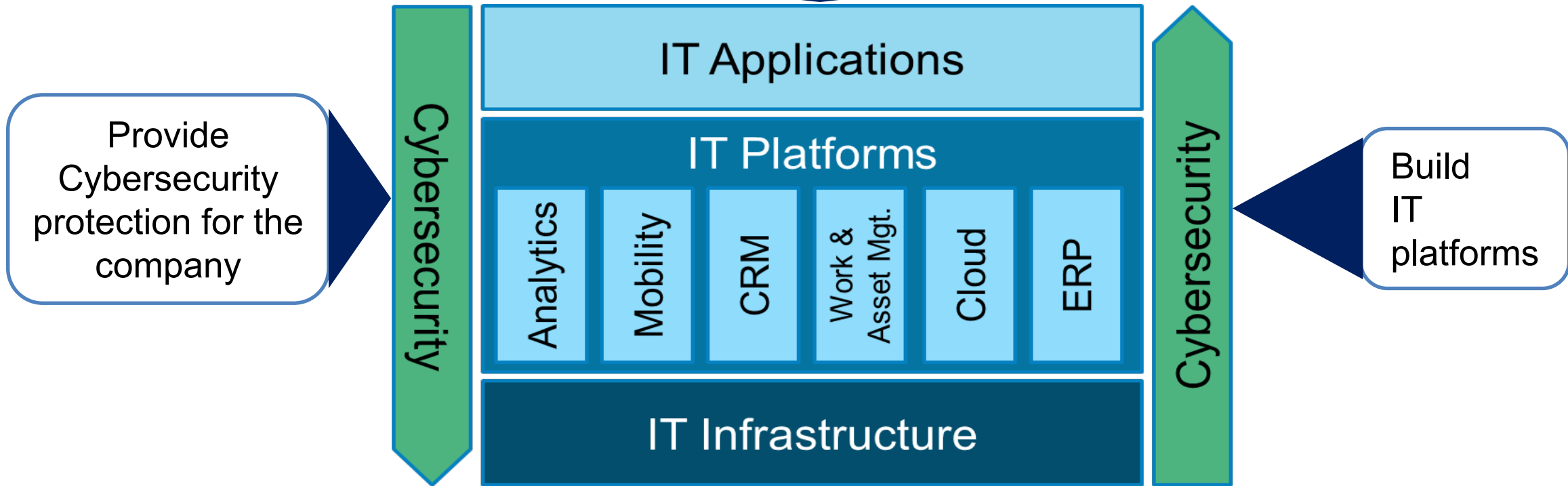
- Main and service replacement programs
- AMI-enabled natural gas detectors
- Regulator station improvements
 - Includes real-time system oversight and response, overpressure protection
- Distribution programs
 - Including system reinforcement, winter load relief, and gas distribution system improvement programs
- LNG modernization



Information Technology



Build and operate applications that enable business value

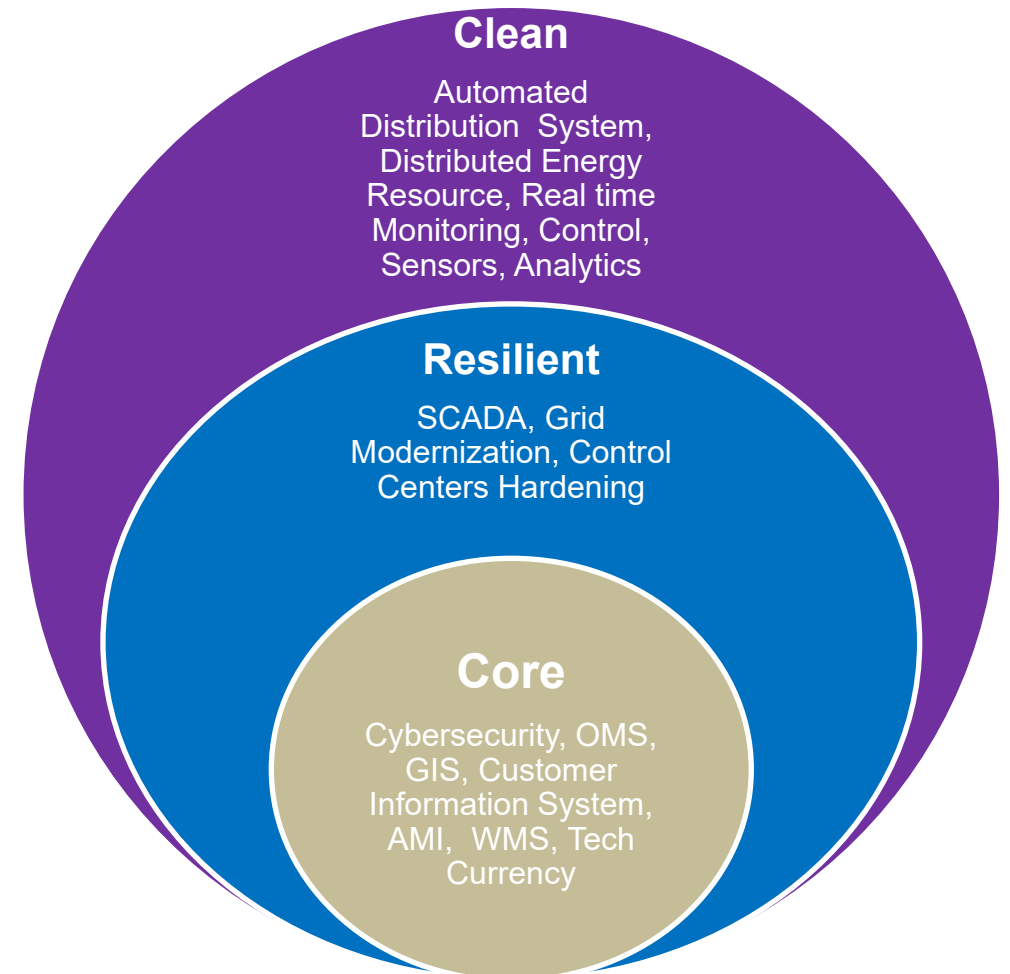


Build and operate the foundational IT infrastructure for the Company

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



Clean & Resilient

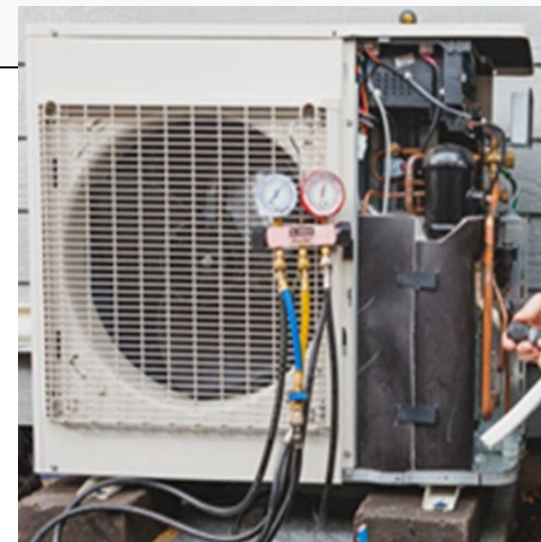
- Clean energy programs for customers
- Investments to spur DER and prepare for electrification
- Enhanced resiliency approaches, including investments driven by our Climate Change Implementation Plan
- Gas initiatives to advance the clean energy transition
- Investments to further CLCPA



CLEAN & RESILIENT

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

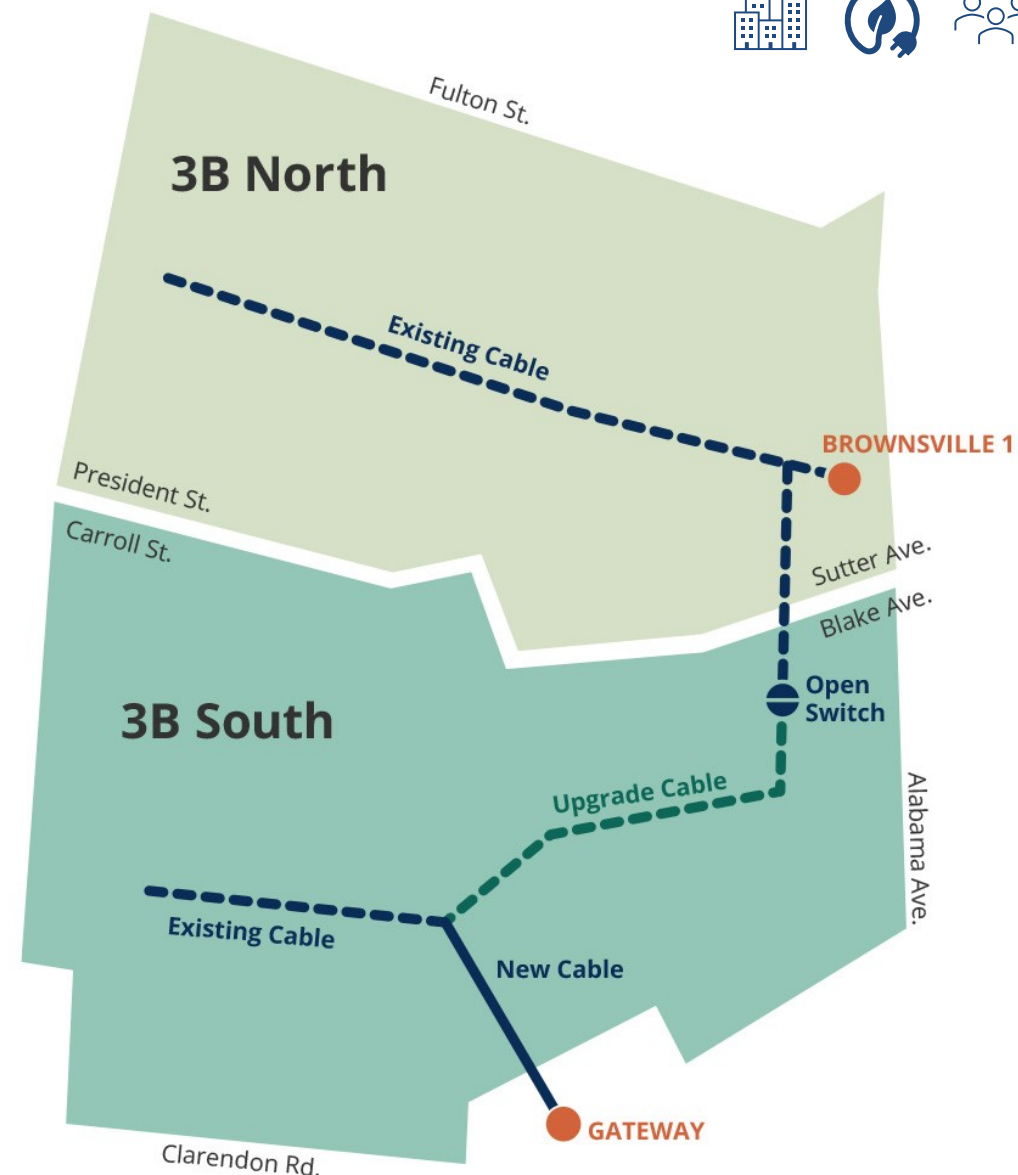
Delivering Renewables & Integrating DERs

- 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

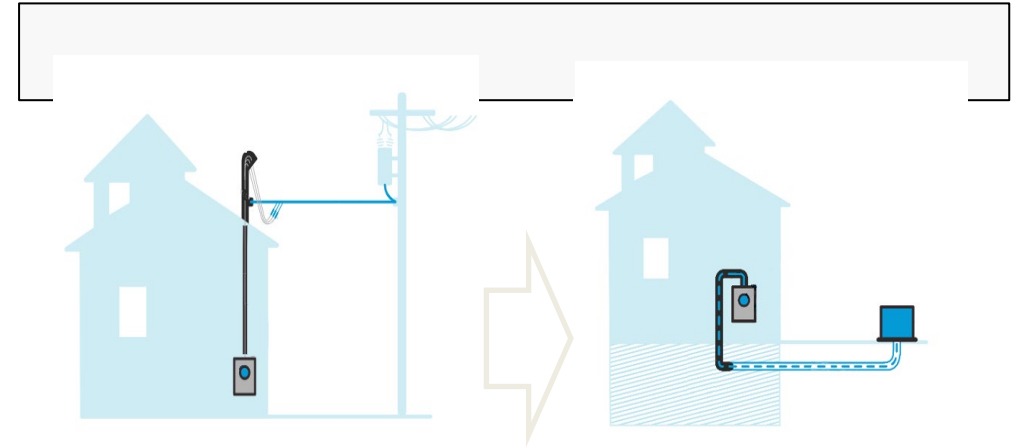
- New business & EV capital programs
 - Funding for service installation for heating electrification and EV charging
- New distribution substation (Gateway Park) & associated investments
 - Forecast significant load growth in networks served by Brownsville 1 & 2 area stations
 - Proposed investments 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



CLEAN & 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)

	Electric			Gas		
	Dollars	Total Bill Impact	Percentage	Dollars	Total Bill Impact	Percentage
Rate base growth, including depreciation	\$ 265	2.5%	22%	\$ 220	8.0%	44%
Increase in ROE (10%) and equity ratio (50%)	200	1.9%	17%	80	2.9%	16%
O&M, including pension cost	80	0.7%	7%	30	1.1%	6%
New Investments and Other Drivers Subtotal	545	5.1%	45%	330	12.0%	66%
Sales	260	2.4%	22%	80	2.9%	16%
Property taxes	180	1.7%	15%	75	2.7%	15%
Regulatory assets (e.g. storm deferrals)	215	2.0%	18%	15	0.6%	3%
Legacy Cost and Other Drivers Subtotal	655	6.1%	55%	170	6.2%	34%
Total Base Rate Increase	\$ 1,200	11.2%	100%	\$ 500	18.2%	100%

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

	Electric	Gas
Rate Year 1: 2023	\$1,200	\$500
Delivery	17.7%	28.1%
Total Bill	11.2%	18.2%
Rate Year 2: 2024	\$850	\$235
Delivery	10.7%	10.2%
Total Bill	7.2%	7.1%
Rate Year 3: 2025	\$610	\$220
Delivery	6.9%	8.6%
Total Bill	4.8%	6.2%
3-Year Levelized Rate Increase	\$985	\$365
Delivery	14.5%	20.4%
Total Bill	9.2%	13.1%



REVENUE REQUIREMENT & BILL IMPACT

Maintaining Affordability

- 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

