

Chairman's Letter

Con Edison is dedicated to making a transformational impact on the environment, our region, and the lives of the 10 million people we serve. This past year demonstrated our commitment to being a leader and innovator in the critical area of sustainability: socially, environmentally, and economically.

Our three priorities—safety, operational excellence, and the customer experience—are our guiding principles for protecting the environment, maintaining our best-in-class reliability, and managing customer costs. From our relentless focus on public and employee safety to our ever-expanding renewable energy projects, we are delivering results for our customers, employees, communities, and shareholders.

Safety is the cornerstone of all that we do at Con Edison. We continue our efforts to achieve our goal of zero-harm, both for our employees and for the public we serve. Many departments are going injury free for months, years, and now decades.

When it comes to a cleaner, more efficient future, Con Edison is delivering for our customers – and the planet. Reducing carbon emissions and expanding our renewable energy sources is vital to our long-term sustainability. That's why we've positioned ourselves to give customers what they expect: clean, renewable energy, while strengthening our systems to withstand the effects of severe weather.

Last year, through our Clean Energy Businesses, we added to our extensive renewables portfolio with the purchase of solar and wind projects worth more than \$2 billion. This acquisition makes us the second largest solar energy producer in North America, strengthening our leadership position in renewable energy.

That's not all. We're supporting the city and state's efforts to develop large-scale renewables, including offshore wind. We're advocating for development of renewable energy projects, along with the necessary system upgrades to bring this renewable energy to customers.

Our ever-expanding array of energy efficiency opportunities supports the state and city's clean energy goals. Our energy efficiency programs have helped more than 675,000 customers and prevented 5.5 million metric tons of carbon emissions, equal to taking more than one million cars off the road. Since 2005, we have reduced our carbon footprint by 49 percent.

We continue to make our mark for world-class reliability. Once again, we were recognized by PA Consulting Group with their ReliabilityOne Northeast Region Award for Outstanding Reliability Performance. Infrastructure investments are vital to the sustainability of our electric, steam, and gas systems. That's why we've committed to spend more than \$3.1 billion a year on utility infrastructure. Our ambitious effort to upgrade our gas system by replacing gas mains will result in reduced methane emissions and a safer system. Last year, we replaced more than 90 miles of gas main, exceeding our targets. All these efforts also ensure that our systems are prepared and resilient in the face of extreme weather.

At the same time, the customer demand for natural gas is outpacing its availability in our service area. This has forced us to stop accepting applications for new gas hookups in most of Westchester, where constraints are severe. To help fill the need, we're seeking smart solutions, such as renewable natural gas and geothermal projects, as an alternative to fossil fuels. Over the next three years, we will double the level of gas energy efficiency programs. We'll continue to seek gas infrastructure projects that can meet federal and state requirements.

Meanwhile, smart meter technology is helping us rapidly change our operations and the customer experience. Smart meters affect everything from the way customers engage with their energy use to monitoring methane leaks on our gas system. We're on track to install more than 5 million smart meters by 2022.

Also on the technology front, we are working aggressively to shield us from cyber and physical threats. We're part of a nationwide effort with federal agencies and our industry to mitigate such risks. Our focus in this area includes everything from vigorously monitoring threats to expanding the use of new prevention and detection technology.

In 2018, we continued our efforts to manage our costs, ensuring the spending decisions we make today are guided by where we want our company to be tomorrow. Our vision to build a sustainable business model has yielded the 45th consecutive year of dividend growth, delivering value for shareholders.

To create sustainable communities of the future, we are supporting tomorrow's green careers. We're introducing college students to environment and energy careers through our Con Edison Scholars Network. It's a community of Con Edison STEM Scholarship recipients from colleges and universities in our service area. Networking and professional development fosters growth and excitement for STEM careers. Another program, Green City Force, is grooming young public housing residents for green careers, including solar, urban farming, and energy efficiency.

Of course, none of this would be possible without the 15,000 women and men who dedicate their time and talent to our company. Our diversity and inclusion strategy aims to create a culture that celebrates fairness and respect for differing points of view. We're continually improving our employee resources. We recently introduced new adoption benefits to provide financial support to the adoption process, along with supporting employees' work-life balance. For women and men serving in the military Reserves or Guard, we improved our leave policy to support their military training or deployment.

Ultimately, that's what this sustainability report is about: all the hard work that our people have done to protect the environment, safeguard the public, help build sustainable communities, and deliver safe and reliable energy to our customers. It's an awesome responsibility, to be sure. And Con Edison is more than up to the task.

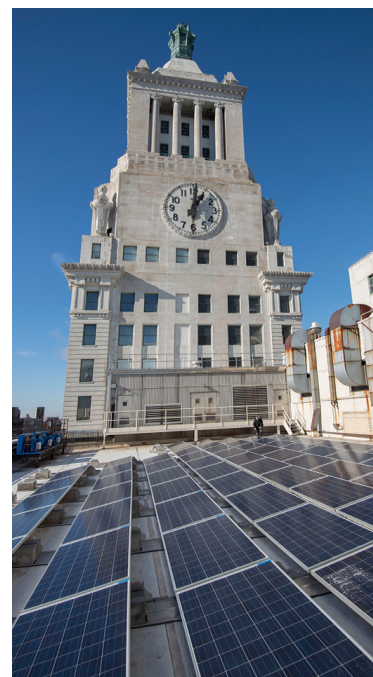
**— John McAvoy,
Chairman, President, and Chief Executive Officer, Consolidated Edison, Inc.**

Company Profile

Consolidated Edison, Inc. is one of the nation's largest investor-owned energy-delivery companies, with approximately \$12 billion in revenues and \$54 billion in assets. The company provides a wide range of energy-related products and services to its customers through the following subsidiaries:

- **Consolidated Edison Company of New York, Inc. (CECONY)** (<http://www.coned.com/>), a regulated utility providing electric, gas and steam service to customers in New York City and Westchester County, New York
- **Orange & Rockland Utilities, Inc. (O&R)** (<http://www.oru.com/index.html>), a regulated utility serving customers in a 1,300-square-mile-area in southeastern New York State and northern New Jersey
- **Con Edison Clean Energy Businesses, Inc. (CEB)** (<https://conedceb.com/>), which through its subsidiaries develops, owns and operates renewable energy infrastructure projects and provides energy-related products and services to wholesale and retail customers
- **Con Edison Transmission (CET)** (<http://www.conedtransmission.com/>), which through its subsidiaries invests in electric and natural gas transmission projects

Read our 2018 Annual Report (<http://investor.conedison.com/phoenix.zhtml?c=61493&p=irol-reportsannual>).



Revenue by Business

• CECONY Electric	\$7,971
• CECONY Gas	\$2,078
• CECONY Steam	\$631
• O&R Electric	\$642
• O&R Gas	\$249
• CEBs	\$763
• CET	\$4



Board Of Directors

	Audit Committee	Corporate Governance and Nominating Committee	Safety, Environment, Operations and Sustainability Committee	Executive Committee	Finance Committee	Management Development and Compensation Committee
George Campbell, Jr.		X	X	X		Chair
Ellen V. Futter			Co-Chair	X		
John F. Killian	Chair	X		X		X
John McAvoy				Chair		
Armando J. Olivera	X		Co-Chair		X	
Michael W. Ranger	X	Chair and Lead Director		X	X	X
Linda S. Sanford	X	X			X	
L. Frederick Sutherland	X				Chair	X
William J. Murrow			X		X	X
Deirdre Stanley		X	X			

Effective January 1, 2019.

Financial Highlights (million \$ except per-share information and statistical data)

Financial Highlights	2014	2015	2016	2017	2018
Operating revenues	\$12,919	\$12,554	\$12,075	\$12,033	\$12,337
Net income for common stock	\$1,092	\$1,193	\$1,245	\$1,525	\$1,382
Basic earnings per common share	\$3.73	\$4.07	\$4.15	\$4.97	\$4.43
Dividends per share	\$2.52	\$2.60	\$2.68	\$2.76	\$2.86
Dividend payout ratio	68%	64%	65%	56%	65%
Average common shares outstanding	292.9	293	300.4	307.1	311.7
Total assets	\$44,071	\$45,642	\$48,255	\$48,111	\$53,920
Capital expenditures	\$2,721	\$3,418	\$5,235	\$3,606	\$5,249
Common equity ratio	52.2%	52.1%	49.3%	51.1%	49.0%
Return on equity	8.8%	9.3%	9.1%	10.4%	8.8%
Market capitalization	\$19,300	\$18,800	\$22,100	\$26,100	\$24,500
Stock price per share (year end)	\$66.01	\$64.27	\$73.68	\$84.95	\$76.46
Dividend yield (year end)	3.8%	4.0%	3.6%	3.2%	3.7%
Total shareholder return	24.8%	1.4%	18.9%	19.3%	(6.6%)

Sustainability Strategy

Con Edison embeds sustainability goals, processes, and metrics into our core business strategy and operations to create lasting value for our communities and customers. To that end, we have developed a tighter integration between our sustainability priorities and our long-range planning. Additionally, we have established a Safety, Environment, Operations, and Sustainability Committee of the Board; a Vice President-level Environment, Social, and Governance Committee; and a Sustainability Leadership Council to strengthen sustainability governance across all aspects of our company.

We worked with BSR, a leading sustainability consulting firm, to help us refresh our materiality assessment and determine our key sustainability priorities.

These sustainability priorities, listed below, reflect our core business areas of focus: Safety & Environment, Operational Excellence, and Customer & Community. More details on each of these priorities can be found in this report.

Safety & Environment

- [Employee Health & Safety](https://www.conedison.com/ehs/2018-sustainability-report/safety-and-environment/employee-health-safety/) (<https://www.conedison.com/ehs/2018-sustainability-report/safety-and-environment/employee-health-safety/>)
- [Public Safety](https://www.conedison.com/ehs/2018-sustainability-report/safety-and-environment/public-safety/) (<https://www.conedison.com/ehs/2018-sustainability-report/safety-and-environment/public-safety/>)
- [GHG Emissions Reductions](https://www.conedison.com/ehs/2018-sustainability-report/safety-and-environment/ghg-emissions-reductions-introduction/) (<https://www.conedison.com/ehs/2018-sustainability-report/safety-and-environment/ghg-emissions-reductions-introduction/>)
- [Air Quality/Non-GHG Emissions](https://www.conedison.com/ehs/2018-sustainability-report/safety-and-environment/air-quality-non-ghg-emissions/) (<https://www.conedison.com/ehs/2018-sustainability-report/safety-and-environment/air-quality-non-ghg-emissions/>)
- [Waste Management](https://www.conedison.com/ehs/2018-sustainability-report/safety-and-environment/waste-management/) (<https://www.conedison.com/ehs/2018-sustainability-report/safety-and-environment/waste-management/>)
- [Habitat & Biodiversity](https://www.conedison.com/ehs/2018-sustainability-report/safety-and-environment/habitat-biodiversity/) (<https://www.conedison.com/ehs/2018-sustainability-report/safety-and-environment/habitat-biodiversity/>)
- [Electric Vehicles](https://www.conedison.com/ehs/2018-sustainability-report/safety-and-environment/electric-vehicles/) (<https://www.conedison.com/ehs/2018-sustainability-report/safety-and-environment/electric-vehicles/>)
- [Oil-to-Gas Conversions](https://www.conedison.com/ehs/2018-sustainability-report/safety-and-environment/oil-to-gas-conversions/) (<https://www.conedison.com/ehs/2018-sustainability-report/safety-and-environment/oil-to-gas-conversions/>)
- [Water](https://www.conedison.com/ehs/2018-sustainability-report/safety-and-environment/water/) (<https://www.conedison.com/ehs/2018-sustainability-report/safety-and-environment/water/>)
- [ISO Certification](https://www.conedison.com/ehs/2018-sustainability-report/safety-and-environment/iso-certification/) (<https://www.conedison.com/ehs/2018-sustainability-report/safety-and-environment/iso-certification/>)

Operational Excellence

- [Physical/Cyber Security & Data Privacy](https://www.conedison.com/ehs/2018-sustainability-report/operational-excellence/physical-cybersecurity-data-privacy/) (<https://www.conedison.com/ehs/2018-sustainability-report/operational-excellence/physical-cybersecurity-data-privacy/>)
- [Ethical Business Practices](https://www.conedison.com/ehs/2018-sustainability-report/operational-excellence/ethical-business-practices/) (<https://www.conedison.com/ehs/2018-sustainability-report/operational-excellence/ethical-business-practices/>)
- [Climate Resilience](https://www.conedison.com/ehs/2018-sustainability-report/operational-excellence/climate-resilience/) (<https://www.conedison.com/ehs/2018-sustainability-report/operational-excellence/climate-resilience/>)
- [Core System Upgrades](https://www.conedison.com/ehs/2018-sustainability-report/operational-excellence/core-system-upgrades/) (<https://www.conedison.com/ehs/2018-sustainability-report/operational-excellence/core-system-upgrades/>)



- [Supply Chain](https://www.conedison.com/ehs/2018-sustainability-report/operational-excellence/supply-chain/) (https://www.conedison.com/ehs/2018-sustainability-report/operational-excellence/supply-chain/)
- [Governance](https://www.conedison.com/ehs/2018-sustainability-report/operational-excellence/governance/) (https://www.conedison.com/ehs/2018-sustainability-report/operational-excellence/governance/)

Customer & Community

- [Stakeholder Engagement & Collaboration](https://www.conedison.com/ehs/2018-sustainability-report/customer-and-community/stakeholder-engagement-collaboration/) (https://www.conedison.com/ehs/2018-sustainability-report/customer-and-community/stakeholder-engagement-collaboration/)
 - [Energy Efficiency, Renewables, & Distributed Energy](https://www.conedison.com/ehs/2018-sustainability-report/customer-and-community/distributed-energy-resources/) (https://www.conedison.com/ehs/2018-sustainability-report/customer-and-community/distributed-energy-resources/)
 - [Talent Attraction, Development, & Retention](https://www.conedison.com/ehs/2018-sustainability-report/customer-and-community/talent-attraction-development-retention/) (https://www.conedison.com/ehs/2018-sustainability-report/customer-and-community/talent-attraction-development-retention/)
 - [Workforce Diversity & Inclusion](https://www.conedison.com/ehs/2018-sustainability-report/customer-and-community/workforce-diversity-inclusion/) (https://www.conedison.com/ehs/2018-sustainability-report/customer-and-community/workforce-diversity-inclusion/)
 - [Training & Professional Development](https://www.conedison.com/ehs/2018-sustainability-report/customer-and-community/training-professional-development/) (https://www.conedison.com/ehs/2018-sustainability-report/customer-and-community/training-professional-development/)
 - [Volunteerism](https://www.conedison.com/ehs/2018-sustainability-report/customer-and-community/volunteerism/) (https://www.conedison.com/ehs/2018-sustainability-report/customer-and-community/volunteerism/)
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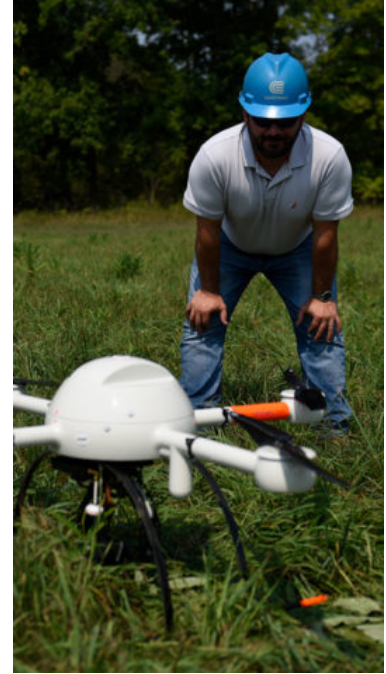
R&D/Innovation

An innovative spirit and hard work are two of our company's greatest assets. Our research and development teams work diligently to find solutions that make the workplace safer and improve our customers' quality of life. Our numerous ongoing projects are described below.

Safety

We are:

- promoting a new natural gas detector we developed for home use that can detect gas at significantly lower concentrations than commercial natural gas detectors on the market; plus, these residential gas detectors can be integrated with the Advanced Metering Infrastructure (AMI) communication network
- developing a machine with advanced automated technology that allows workers to remotely perform key cable-splicing operations, the first of its kind for a utility company
- developing technology for removing breakers that will reduce the risk of exposure to potential arc flash and soft-tissue injuries
- using two ergonomic devices that reduce the risk of back injuries caused by repetitive motion or heavy work; one device is worn over a worker's clothes, the other clips onto a worker's belt



Operational Excellence

We are:

- developing a thermal imaging borescope that can be fed through manhole covers, which will improve inspections
- developing a tool that uses electrical energy to fracture rock or concrete encountered during jobs requiring excavation
- conducting non-intrusive detection for anomalies (disbondment) on the corrosion-protective coating of buried transmission pipes, a measure that will reduce dielectric fluid leaks
- collaborating with energy companies and the Department of Homeland Security to review best practices in cybersecurity at electric-steam generating plants and at our gas facilities
- endeavoring to better control voltage levels on feeder lines that run from substations to the electric distribution system, which will increase efficiency, reduce overall energy use, manage energy demand during peak periods, and help facilitate the integration of solar and other distributed energy resources

Customer Experience

We have:

- implemented testing software that can provide financial incentives to customers who charge their electric vehicles during our system's off-peak periods, and we are deploying the Connect DER meter collar to facilitate customer installations of solar generation; the meter collar fits right onto the Con Edison electric meter, avoiding the need for a separate device to meter the output of the solar panels and renewable energy credits generated
- installed advanced steam-heating control in a Long Island City building that lets occupants use a smart wall thermostat to schedule their desired apartment temperature, giving customers control to save money and increase comfort

- worked with the Fire Department of New York on a first-of-its-kind program to test the safety of lithium ion and other battery chemistries before they are installed in large city buildings
 - continued to work with New York City and the Department of Buildings to create standards and regulation for widespread customer adoption of natural gas detectors
-

Awards & Recognition

As we continue to serve our customers, promote safety, and help preserve the environment, we receive many recognitions and prestigious awards for our projects and operational excellence. Here is a sample from our list of recent honors:

- Honored for “forging the path for a new energy future,” by **The New York League of Conservation Voters**, a group that includes business leaders, politicians and environmental leaders
- Our company was recognized by **PA Consulting Group** with their ReliabilityOne Northeast Region Award for Outstanding Reliability Performance
- Our company has been recognized as one of the nation’s top employers: **Hispanic Network** named us to its “Best of the Best” list of America’s top companies; **Latina Style** selected us as one of the 50 best companies for Latinas for the 13th year; **Black Enterprise** magazine included us on their list of the top 50 companies for diversity; **Forbes** put us on their best employers list at No.176 – in the top 10 of 22 energy companies; **DiversityInc** ranked us No. 6 for top energy companies in hiring, training, and promoting a diverse workforce
- Con Edison was honored in 2018 as an Energy Star® Partner of the Year by the **Environmental Protection Agency** for our “outstanding support of Energy Star-certified products as it leverages the Energy Star certification platform to guide its customers to better energy usage decisions”
- Con Edison is No. 48 overall among U.S. companies – and No. 5 among U.S. energy companies – in **Newsweek Green Rankings**; Newsweek ranks companies based on corporate sustainability and environmental impact
- 10 Con Edison employees won Technology Transfer Awards from the **Electric Power Research Institute**, a national energy research organization
- Con Edison won the prestigious award for Outstanding Corporate Supplier Diversity Program at the 45th Anniversary Reception & Awards Program held by the **National Minority Business Council**, one of the nation’s oldest minority business development & advocacy organizations
- Con Edison scored 95 out of 100 on the **Human Rights Campaign’s** 2018 Corporate Equality Index, which rates workplaces on lesbian, gay, bisexual, and transgender equality
- Con Edison and O&R was one of **EI’s Emergency Assistance Award** winners for our response to Hurricanes Harvey and Irma
- O&R has been **United Way of Rockland County’s** largest corporate donor for 17 consecutive years, contributing \$4.5 million since partnering with the organization in 1993
- O&R became the first East Coast-based utility to be **Gold Shovel Standard**-certified; all employees who break ground as part of their job completed their excavator training
- O&R has been awarded the Tree Line USA award from the **Arbor Day Foundation** for 17 consecutive years

Sustainability is an umbrella that covers everything we do as a company.

Employee Health & Safety

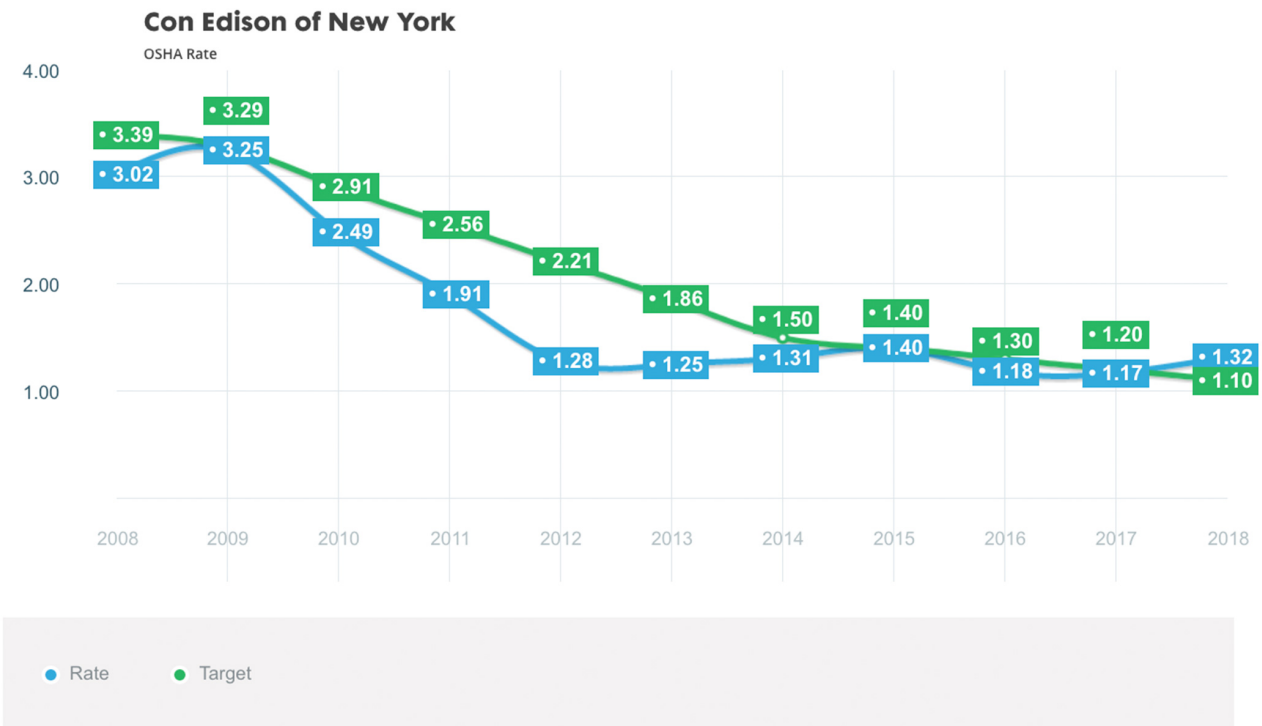
In 2018, Con Edison's injury and illness rate of 1.32 exceeded our goal of 1.10, but was still one of the top five lowest OSHA rates after the company's historically lowest rate in 2017. We had 149 recordable employee injuries last year, and experienced two high-hazard injuries. The company remains focused on achieving a zero-accident workplace, and remains committed to ensuring safety is more than a top priority, but a core principle embedded in our culture. Con Edison has reduced injuries by more than 60% since 2009. Orange and Rockland achieved its OSHA rate goal in 2018 and has seen a 69% reduction in injuries since 2009.

Among the reasons for the improvement:

- strong, constructive partnerships between management and union leadership on safety
- formalized job planning, with special emphasis on high-energy jobs, in every organization
- robust and thorough job briefings to ensure a comprehensive understanding of the risks to be assessed and mitigated on every job
- open communication and inclusion on every job at every level

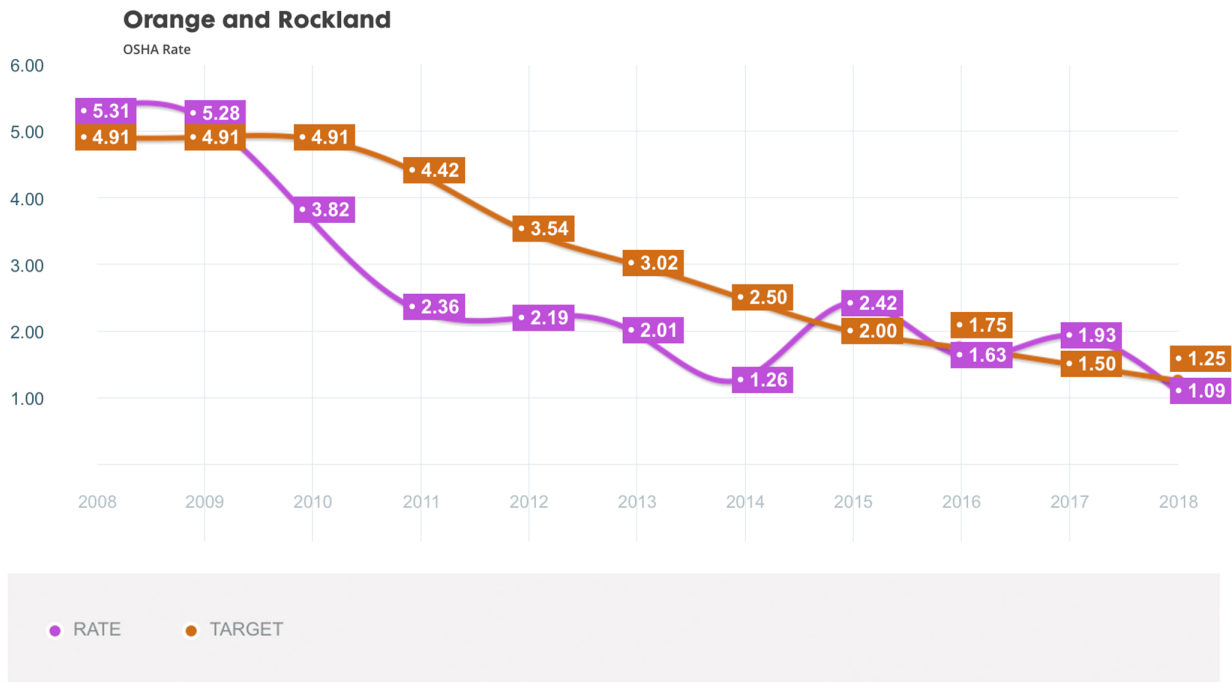


Con Edison of New York



Orange and Rockland continues our progress toward a zero-harm workplace, with continued improvement thanks to our joint union-management Corporate Safety Committee, Company Safety Team, and 12 organization-specific safety teams. O&R is seeking to have an injury and illness incidence rate in the first quartile when compared to our utility peers. In an effort to improve our motor vehicle and driver performance, we have begun using artificial intelligence drive cameras in many of our vehicles. This ensures our drivers remain focused on zero-harm. Our communications program incorporates lessons learned from these cameras, root cause analysis results (from injury and collision reviews), close call reporting, and other measures that have also contributed to our overall performance.

Orange and Rockland



Public Safety

We invested more than \$3 billion in 2018 to fortify our electric, gas, and steam infrastructure. This investment underscores our commitment to providing energy to millions of customers efficiently and responsibly while protecting the environment and keeping people safe throughout our service area.

ELECTRIC

Con Edison continues to develop tools, techniques, and management strategies to improve safety, troubleshoot problems, and increase efficiency. Distribution Engineering and Electric Operations teams developed thermal imaging for scanning secondary assets in high-activity areas for incipient faults and introduced latched vented manhole covers. These efforts complement previously existing programs including stray voltage detection, cover venting, and underground inspection.

Con Edison's underground networks are surveyed for contact voltage 12 times a year, using mobile detectors. In 2018, we found and eliminated 8,806 cases of contact voltage. Of those, 6,911 cases (78%) were on non-CECONY equipment (streetlights, electric signs, and other structures). We performed more than 16,471 inspections of our underground system (manholes, service boxes, and transformer vaults).

O&R's electric system testing is completed at least once every five years. In 2018, O&R found and eliminated one case of contact voltage, all on company-owned equipment, and performed 32,377 inspections and 27,913 tests.



GAS

As part of our ongoing effort to reduce our carbon footprint and sharpen our focus on natural gas safety, we worked with the New York State Public Service Commission, New York City, and the Environmental Defense Fund to develop a program to identify and reduce emissions from small volume, non-hazardous leaks of methane gas. This effort is not mandated by regulations. Historically, non-hazardous leaks were prioritized and scheduled for repair based on the availability of resources and other factors such as age of the leak and complexity of the repair. In 2017 and 2018, we focused on reducing the backlog of the non-hazardous leaks by successfully prioritizing and eliminating 140 out of the top 150 gas leaks. We continued to maintain historically low levels of our total leaks through 2018 and reduced the time it takes to repair all of our leaks to historically low levels.

We have significantly increased investments that modernize our gas delivery system, further enhancing public safety and reducing leaks. The investments include accelerating our cast iron and unprotected steel gas main replacement program. In 2018, we replaced 91.7 miles of such mains (the most we've ever replaced in one year). We continue to perform monthly gas leak patrols of our entire gas distribution system, and have improved our emergency response procedures by working with the Fire Department of New York as well as coordinating with key city agencies. We are also continuing to work closely with the New York City Department of Buildings to establish requirements and protocols related to gas pipe inspections in buildings and the mandated use of residential methane detectors. In 2018 we launched a pilot program to install 9,000 natural gas detectors in buildings that send a signal to our emergency response center when a leak develops.

Con Edison has a comprehensive, multi-channel and multilingual campaign to educate customers and the public at large — an estimated nine million people across New York City and Westchester County — about gas safety and the urgency of reporting gas leaks. The company reaches customers primarily through direct mailings, youth outreach efforts, advertising, digital initiatives (such as email campaigns, conEd.com and social media), and community events.

We also continued our successful media campaign, Smell Gas, Act Fast, featuring videos and social media posts that inform customers on what to do if they smell gas. The videos are in English, Spanish, Chinese, and Korean.

STEAM

We provide steam service to some 3 million people in Manhattan through an underground network of pipes. By generating steam primarily through co-generation, we provide efficient production and reduce emissions that would otherwise be generated by localized boilers and equipment. We focus on identifying ways to lower costs to customers, maintain high reliability, improve resiliency, and protect the environment.

On July 19, 2018, a steam main rupture occurred at the intersection of Fifth Ave. and 21st Street. No serious injuries occurred, though five people were treated for minor first-aid injuries and released at the scene. We immediately enacted our Corporate Emergency Response Plan mobilizing all necessary resources to mitigate the overall impact of the incident to the public, businesses, and all our customers. The cause of the rupture is still under investigation, but we are evaluating what actions can potentially be taken to better prevent such incidents.

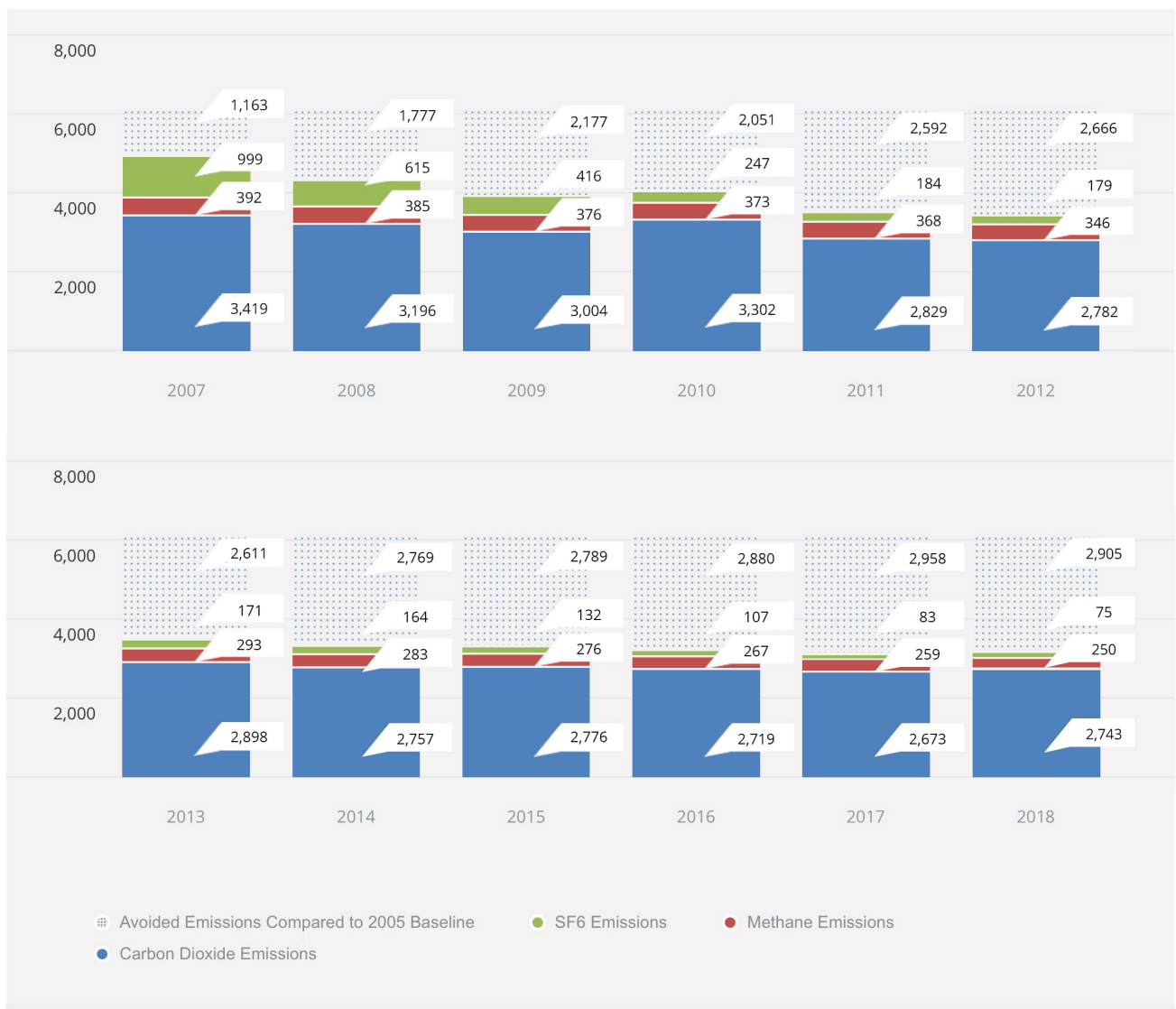
Through the remainder of 2018, we continued to strive for safe and efficient operations while meeting our customers' needs and maintaining focus on continued bill reductions. We concluded the year with an overall system reliability rate of 99.97% and met a peak demand of 7.9 million pounds of steam on January 5, 2018.

GHG Emissions Reductions

We are committed to reducing our carbon footprint and firmly support efforts by local, state, and federal agencies to reduce greenhouse gas (GHG) emissions. We have reduced our carbon emissions by 49% since 2005. Sixty percent of Con Edison's annual steam production comes from co-generation, which lowers emissions by one million tons of carbon dioxide (CO₂) per year. We work voluntarily with the U.S. Environmental Protection Agency (EPA) to lower emissions of sulfur hexafluoride (SF₆) from our electrical equipment. We joined 40 other companies as a founding partner in the EPA's Natural Gas STAR Methane Challenge Program with the aim of reducing methane emissions. Our residential methane detectors provide customers with a vital warning signal for potential gas leaks. After collaborating with the Environmental Defense Fund, we developed improvements to our leak-detection and repair programs.

We are installing smart meters in our service area, which helps lower carbon emissions through conservation voltage optimization, giving customers just the right amount of voltage they need and not more.

Con Edison, Inc. Direct GHG Emissions - Scope 1



Scope 1: Direct greenhouse gas emissions from CEI-owned or controlled sources (e.g., steam generating stations)
 30.4 million metric tons total emission avoided.

We have reduced our carbon footprint by 49 percent since 2005 – the equivalent of taking 500,000 vehicles off the road.

INDIRECT EMISSIONS

INDIRECT EMISSIONS	Indirect emissions - Scope 2 (million metric tons CO ₂ e)	Other indirect emissions or Scope 3 total (million metric tons CO ₂ e)
2018	1.24	35.0
2017	1.35	33.9
2016	1.32	41.1
2015	1.32	41.8
2014	1.09	40.9
2013	1.19	N/A
2012	1.11	N/A
2011	1.51	N/A
2010	1.37	N/A
2009	1.42	N/A

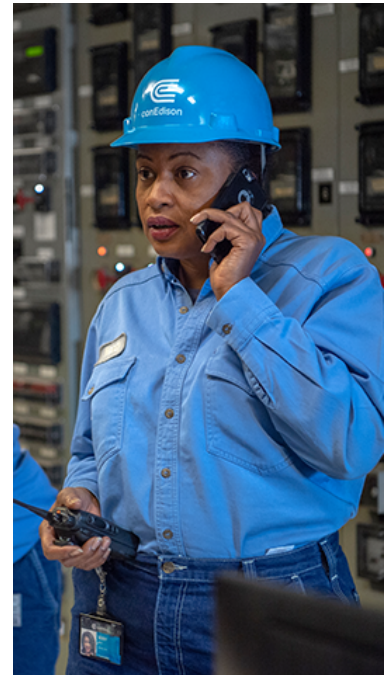
Scope 2: Indirect greenhouse gas emissions associated with delivering products to customers (e.g., electrical transmission losses)

Scope 3: Indirect greenhouse gas emissions associated with customers using CEI products (e.g., customers' use of delivered gas)

STEAM ENVIRONMENTAL EFFORTS

We strive to provide customers with FDA-quality steam, of which 60% is co-generated. Because the steam is co-generated, customers can apply for points toward their Leadership in Energy and Environmental Design (LEED) certification and increase their score in Energy Star's Portfolio Manager. Our co-generated steam reduces CO₂ emissions by approximately 25% of what would have been otherwise emitted through traditional boilers — that's equal to removing approximately 200,000 vehicles from the road every year. Our customers also benefit from the advantages of steam being a district heating system through the absence of onsite emissions and centralized investments that benefit all customer buildings. The ability of the district system to aggregate a wide variety of customer load profiles also allows for a higher average efficiency than what can be achieved at a single location.

In 2018, the steam system had a slight increase in fuel oil usage levels with 3% fuel oil use and 97% natural gas, versus the 2% fuel oil and 98% natural gas use in both 2016 and 2017. This is a result of the colder winter temperatures experienced and limitations imposed on the natural gas supply system that occur in conjunction. Steam Operations' 2018 carbon footprint was 110lb CO₂/Mlb of steam delivered to customers (1 Mlb = 1,000 lb).



ENERGY EFFICIENCY CUSTOMERS' EMISSIONS

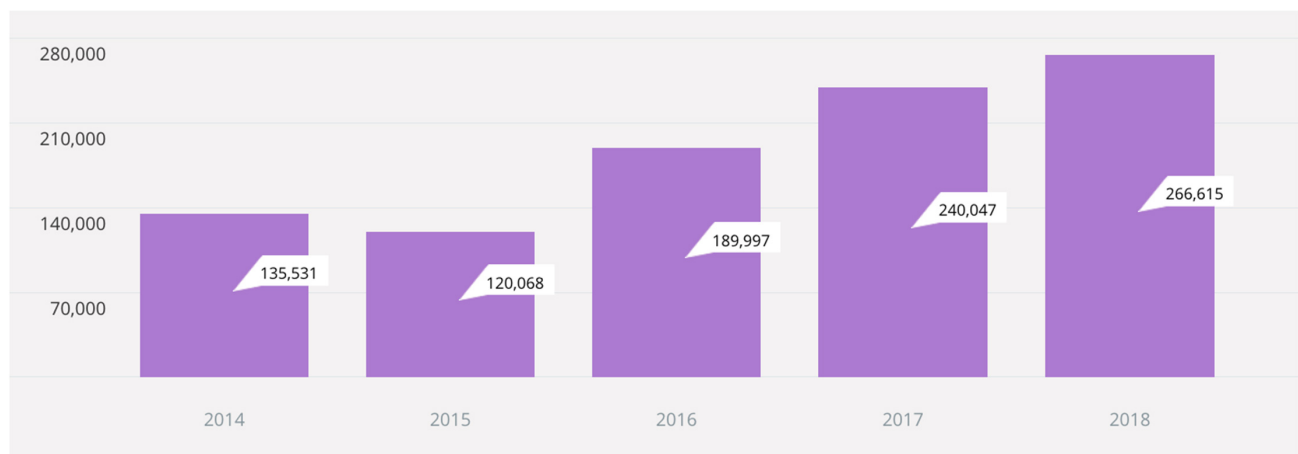
Con Edison's array of energy efficiency initiatives is designed to reduce harmful greenhouse gas emissions, lower customer bills, and give New Yorkers control over their energy choices.

Our customers are as diverse as the city we serve. That's why we have targeted, cost-effective and customer-centric energy efficiency offerings that emphasize clear benefits and impacts. We focus on four primary customer segments — commercial and industrial, small business, multifamily, and residential — designing offerings to meet each customer group's needs. This gives our customers multiple options and opportunities to reduce their energy use based on their unique needs.

Electric customers who chose energy-saving HVAC, lighting, building management systems, and other equipment received \$65.8 million in incentives in 2018, a 19% increase from the previous year. Our gas customers received \$11.1 million in incentives, a 155% increase from the previous year. Technology is giving households and businesses new ways to reduce their energy use, and we're on the forefront of helping customers get more value for their money, while protecting the environment.

Upgrades made by customers last year through our energy efficiency programs reduced electrical usage by 395,200 megawatt hours and saved 588,100 dekatherms of gas—that's equivalent to taking more than 66,000 cars off the road, or enough energy to power 37,000 homes for one year. Proposals for new electric and gas energy efficiency programs would put New Yorkers on a path toward a cleaner energy future. Reductions in carbon emissions and more renewable energy options will help New York achieve short-term targets and potentially reach 2050 clean energy goals.

Total Metric Tons of Avoided CO₂ Equivalent



Energy Services partnered with Energy Efficiency to help streamline the distributed generation process and assist customers like never before through customer engagement, technology enhancements, and business process improvement. These improvements helped us achieve a 20% increase in customer satisfaction on large distributed generation projects in 2018. Also last year, Con Edison interconnected 53 MW (about 6,000 cases) worth of distributed energy resources including solar, CHP, fuel cells, and battery storage. A large contributor to this was about 34 MW of residential solar installations.

O&R customers who upgraded to high efficiency energy-saving HVAC, lighting, building management systems, and other equipment received \$2.7 million in incentives from us in 2018. As a result of these upgrades, more than 6,000 O&R customers reduced their bills and lowered their carbon footprint. The My ORU Store, our online customer marketplace, provided customers with a one-stop shopping experience and introduced customers to innovative smart home technologies, including smart thermostats, along with a myriad of connected-home products, like Wi-Fi security cameras, smart plugs, wireless dimmable lighting, and electric vehicle chargers. Through My ORU Store, O&R partnered with the local water utility, SUEZ NY, to support their water conservation program by offering instant rebates to mutual customers on water and energy efficient products. The program strives to help customers save water and energy and in turn lower their utility bills.

We are on the forefront of using technology to give households and businesses new ways to reduce their energy use, get more value for their money, while protecting the environment. For example, upgrades made by customers through our energy efficiency programs reduced electrical usage by 24,000 MWh and saved 9,332 dekatherms of gas. This brought our carbon reduction to more than 103,000 tons, which is equivalent to taking more than 22,000 cars off the road.

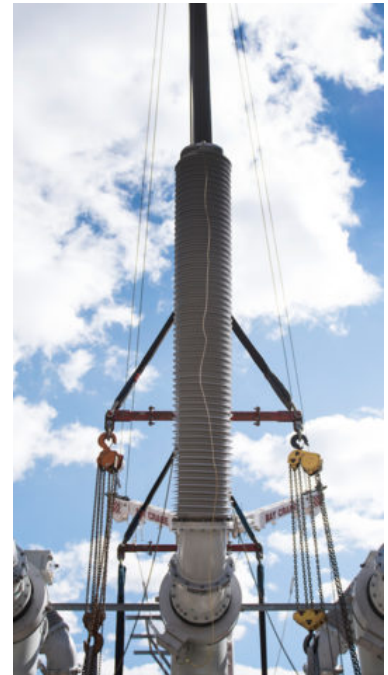
Of the total O&R rebates issued in 2018, two large projects stand out. One is the city of Middletown in Orange County. The customer upgraded lighting at all their municipal buildings, along with their LED streetlights recently purchased from O&R. The city's upgrades amount to an estimated savings of 1,685 MWh, which is equal to approximately \$225,000 per year. The other customer is a large retail company in Rockland County, who upgraded entirely to LED lighting and is estimated to save 800 MWh, equal to about \$95,000 per year.

Learn more about how energy efficiency upgrades can save money and protect the environment at our website www.oru.com/save (<http://www.oru.com/save>).

REDUCTION OF SF₆ EMISSIONS

In the past decade, we have greatly reduced emissions of SF₆ (sulfur hexafluoride), a greenhouse gas with a warming potential more than 22,000 times higher than carbon dioxide. SF₆ is a non-toxic, non-flammable gas that can remain in the atmosphere for up to 3,200 years. There is no viable alternative to SF₆, which is a highly efficient insulating medium and arc extinguisher used throughout the energy industry in different types of equipment, including high-voltage breakers and gas-insulated switchgear. But limiting SF₆ emissions is imperative for a cleaner environment.

In accordance with a 1999 Memorandum of Understanding between the U.S. Environmental Protection Agency and Con Edison, we agreed to reduce SF₆ emissions by 5% annually from a 1996 baseline. In 2018, we released about 97% less SF₆ than in 1999, well ahead of our commitment to the EPA. Our reductions in SF₆ emissions are achieved through maintenance programs that address SF₆ gas leaks and targeted replacement of our equipment. To further limit SF₆ emissions, our Fix-It-Now team makes rapid repairs a priority and emphasizes best management practices for gas handling.



Con Edison, Inc. GreenHouse Gas Emissions (Pie Chart)

• CO ₂	2.67
• CH ₄	0.26
• SF ₆	0.08

*2018 data will be available mid-April



METHANE CHALLENGE

In 2016, Con Edison joined 40 other local distribution companies as a founding partner in the EPA's Natural Gas STAR Methane Challenge program. The goal of this program is to reduce methane emissions by replacing a significant number of natural gas mains. Our participation in this program was a natural extension of our participation in the Natural Gas STAR program, which we helped found in 1993.

The Natural Gas STAR Methane Challenge program is an EPA/partner company collaboration that promotes and tracks ambitious, transparent commitments to voluntarily reduce methane emissions beyond regulatory requirements.

Our goal was to replace 4% of our cast iron and unprotected steel mains (without cathodic protection) by the end of 2018. Since entering this partnership, we have exceeded that replacement goal by more than six miles the first year, replacing 86.3 miles of main in 2017, which represents 4.3% of our total mains inventory. We also exceeded our 2018 goal of 85 miles by replacing 92 miles of mains, which represents 4.7% of the new total. (Specific details on how we would reach our goals were in our implementation plan, submitted to the EPA in 2016.) As a comparison of how we've successfully increased main replacement, between 2014 and 2016 we replaced an average of more than 70 miles of main annually.

LEAKS

Con Edison performs gas leak surveys that far exceed the survey interval requirements prescribed by Federal and NY State regulations for identifying natural gas leaks on a timely basis. And to continuously improve our leak survey process, we seek out new leak detection technology. We're evaluating the ABB MobileGuard™ technology and working with Colorado State University — an expert on methane emissions — to enhance the performance of our survey crews.

In 2016, as part of the gas rate case settlement, we committed to continue our work with the Environmental Defense Fund and others to further enhance our leak detection efforts.

Air Quality/Non-GHG Emissions

We predominantly use natural gas for energy production. However, to maintain reliability during periods of gas-system limitations, we retain a backup fuel source. While we had been using No. 6 oil as a backup fuel, two of our steam and electric generating stations have now been converted to be able to burn No. 4 oil instead. This oil is lighter and has a lower concentration of criteria pollutants. All Con Edison units will be converted to have the capability to burn a lighter oil as currently required by law, and in keeping with New York City's goal of reducing GHG emissions.

DIRECT EMISSIONS (thousand metric tons)

	NO_x	SO₂
2018	1.37	0.20
2017	1.16	0.11
2016	1.24	0.13
2015	1.49	0.32
2014	1.65	0.33
2013	1.90	0.54
2012	1.79	0.56
2011	2.17	0.93
2010	2.47	1.28
2009	2.49	1.53
2008	2.31	1.41
2007	2.79	1.92
2006	2.27	1.73
2005	3.33	2.63

Waste Management

Tons of hazardous waste are captured and shipped by Con Edison and O&R each year to licensed commercial waste-handling facilities. Much of this waste is presumed lead-contaminated and comes from cleaning our underground electric facilities, including manholes and transformer vaults. The costs of cleaning these facilities and the amount of hazardous waste generated have been reduced substantially since 1998 — the year we launched a waste program managed by our employees that rendered lead virtually inert and therefore no longer hazardous.

O&R's recycling program continues a long-established partnership with Rockland ARC, a local organization that provides support for the mentally disabled. Since 1991, O&R recycling has saved more than one million cubic feet in landfill space.

Con Edison and O&R recycle or auction for sale tons of non-hazardous waste, including retired fleet vehicles, forklifts, tool carts, old cables, streetlights, reflectors, meters, and paper products.

Con Edison of New York Waste (tons)

	2014	2015	2016	2017	2018
Hazardous waste generated	17,547	11,371	12,070	10,600	10,360
Remediation waste	545	31	18	7,195	11,939

Habitat & Biodiversity

We continue to work closely with our stakeholders to promote biodiversity and protect environmentally sensitive areas throughout the company's service territory.

Our project engineering process includes a comprehensive environmental review to identify potential impacts to wetlands, waterways, threatened and endangered species, and areas of public interest such as public parks and trees. For large-scale projects with the potential to cause adverse impacts, whether temporary or permanent, Con Edison solicits input from the impacted community and government stakeholders early in the design process to help mitigate any concerns.

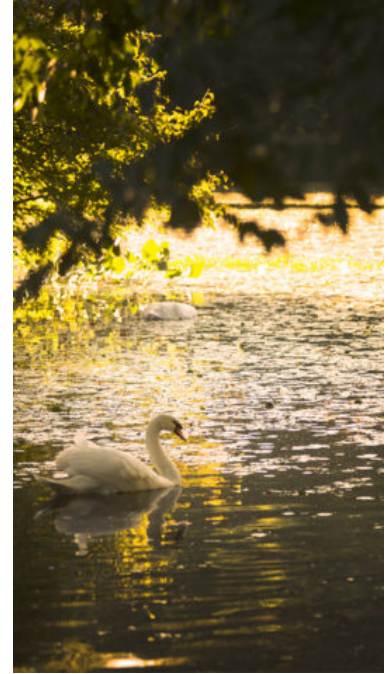
For our routine work activities, Con Edison uses proven practices, such as proper erosion and sediment controls, to protect environmentally sensitive wetlands and waterways. Our main goal is to minimize our work footprint and restore any disturbed areas to pre-construction conditions. Con Edison, working with the New York City's Department of Parks and Recreation, has developed a thorough set of rules and policies for work in and around city-owned trees and public parks. We understand how vital trees are to NYC's infrastructure and identity, contributing to clean air and water, reducing energy costs, increasing property values, and beautifying streets and parks. Additionally, Con Edison has fostered a strong relationship with the NYC Landmarks Preservation Commission to develop and protect historic districts and individual landmarks that contribute to the city's and nation's identity and heritage.

After several years, at our East River Generating Station, we successfully completed the installation and testing of a new fish protection system for a water intake tunnel. The installation of this new system has reduced Con Edison impact on the aquatic life found within the East River.

Outside of NYC, Con Edison maintains an extensive Overhead Transmission Vegetation Management program that encompasses more than 2,000 acres. Our efforts seek to encourage biological diversity by protecting native plants, selectively pruning or cutting undesirable species, and increasing public awareness for threatened and endangered species.

Con Edison is a founding member of EPRI's Power-in-Pollinator Initiative, which fosters collaboration among various utility companies throughout the country to increase the effectiveness of pollinator conservation.

Con Edison's robust natural resources program continues to provide regulatory support and guidance for our engineering and operating groups while looking for new ways the company can innovate, foster relationships, and promote sustainable construction practices.



Electric Vehicles

The company expanded SmartCharge New York in 2018, an electric vehicle (EV) off-peak charging incentive program. Con Edison provides EV owners who charge their vehicles in our service territory a free connected device that plugs into their vehicles' onboard diagnostic ports. This device reads charging information – when, where, and how much energy is consumed. Participants earned 10 cents per kilowatt hour (kWh) for any off-peak charging in our service territory, in addition to other monthly smart-charging rewards. An EV owner who drives 10,000 miles annually can earn up to \$500 per year plus an enrollment bonus of \$150. In 2018 the program acquired 0.64 megawatts (MW) in peak load reduction. As of December 2018, almost 1,800 EVs were actively enrolled in the program. Last year, the program was expanded to include medium and heavy-duty vehicles.

At the end of last year, Con Edison's fleet contained 100 plug-in vehicles comprised of 24 BEVs, 53 PHEVs, and 23 ePTO/eAPU bucket trucks/step vans. The fleet also contains more than 150 conventional hybrids, 275 vehicles operating on compressed natural gas (CNG), and nearly 1,700 vehicles running on biodiesel blends.

The EV Charging Infrastructure Project (2016-2018) is now complete at all workout locations included in the scope, with approximately 80% of the fleet supported.

- E 16th St., W 28th St., E 110th St., 3rd Ave., Victory Blvd., Astoria, College Point, TLC, Van Nest, Eastview, Rye (178 Theo Fremd)
- Each site includes four level-2 chargers (208/240V) and one DC Fast Charger (480V) installed, as well as service for five additional level-2 chargers for future needs
- Workout locations outside of Manhattan are also equipped with five level-1 chargers (110V outlets)

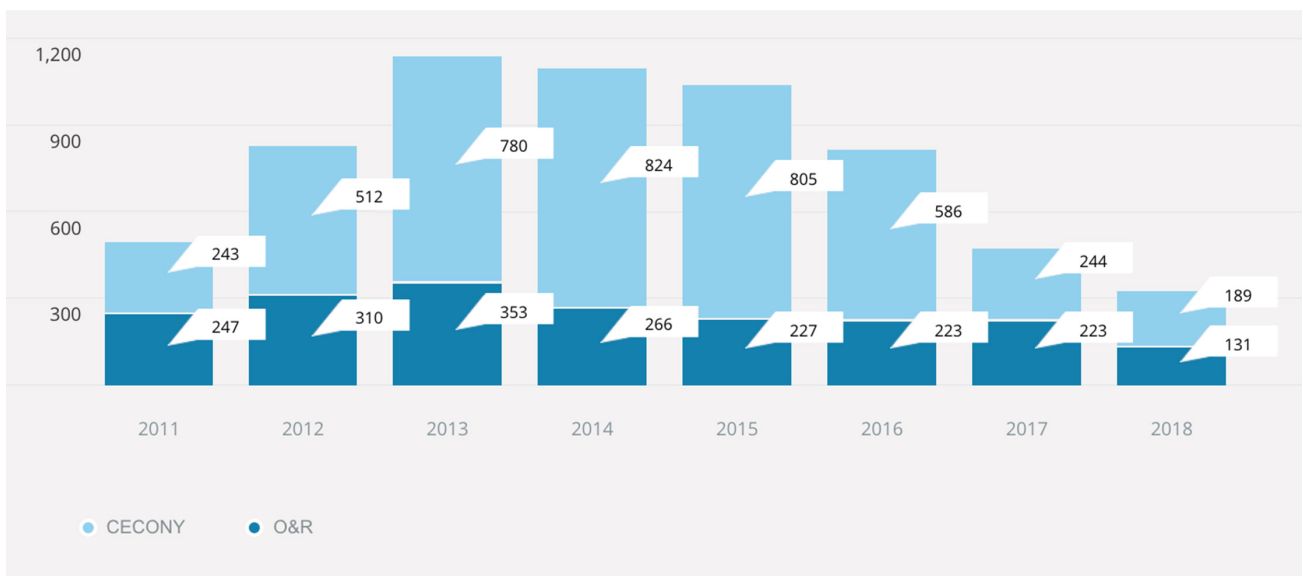
In addition, the level-2 chargers at 4 Irving Place and Astoria, were expanded and/or upgraded. Con Edison has a total of 54 level-2 chargers and 11 DC Fast Chargers currently in service to support the expanding plug-in fleet.

Oil-to-Gas Conversions

In 2018 Con Edison converted 189 buildings from heavy heating oil to gas. Since the start of our conversion program in 2011, we have converted more than 4,400 large buildings burning heavy heating oil; we also converted more than 3,200 customers from No. 2 grade oil. The company's program has kept more than 560 tons of fine particulate matter from the air, which is a significant impact on air quality within the New York City portion of our service territory. New York City has the cleanest air in five decades, largely as a result of these building conversions.

While adhering to best practices to achieve operational excellence, the Gas Marketing and New Business teams at O&R added 1,476 new customers in 2018. These additions included 131 conversions from oil/propane to cleaner natural gas. Among the factors spurring our growth were a gas conversion rebate program, entitlement changes, and a 15-year economic feasibility analysis, up from 10 years previously. In addition to gas expansion efforts, significant community growth is expected in southeastern Orange County that will contribute to substantial use of natural gas within the next five years.

Con Edison, Inc. Utility Customer Conversions to Gas

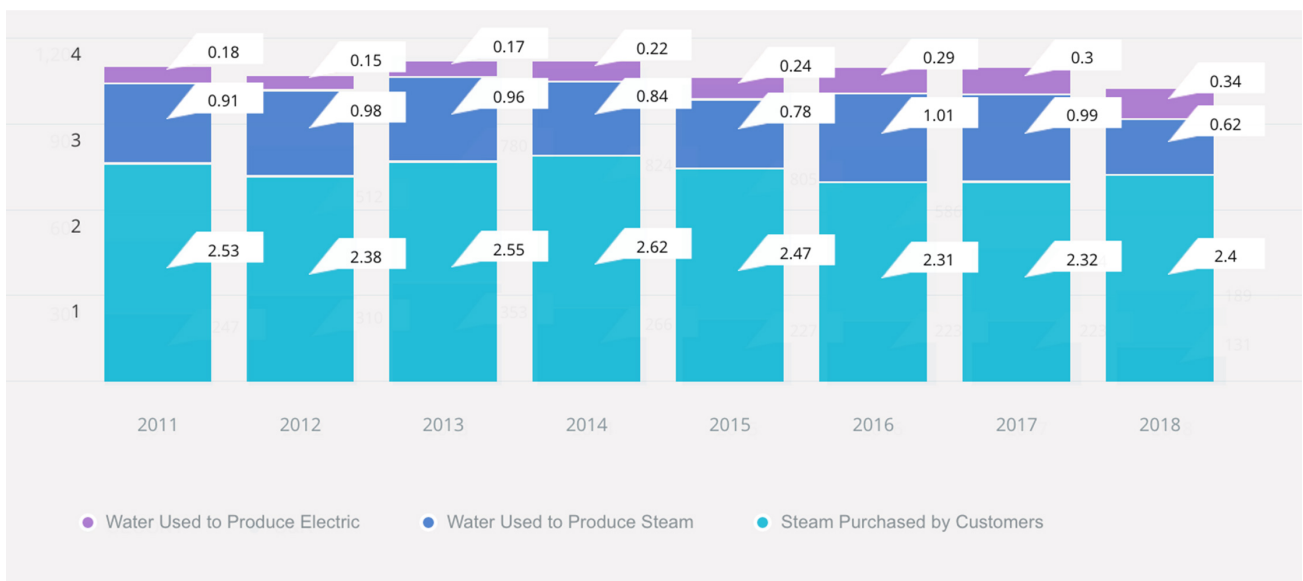


Water

We recognize the importance of preserving natural resources. As one of the New York City Department of Environmental Protection's largest water customers, it is our obligation to produce steam through the most efficient processes available to us to maximize our steam energy output from our water input. The company's overall water footprint is largely converted into steam, which is an integral source of clean, efficient energy distributed to our customers for a variety of purposes such as heat, hot water, air conditioning, sterilization, and food processing.

We have ongoing efficiency improvement initiatives to minimize our water footprint that include reducing the rate of water consumption at two of our steam generating stations.

Con Edison Steam Operations - DEP Municipal Water Use



On average, more than 65% of Steam Operations' water footprint is distributed to customers as steam energy purchased for their needs.

This chart displays steam operations data only. CECONY facility adds approximately 0.11 billion gallons in 2018, or 3% of water use.

ISO Certification

The Con Edison Environmental Management System (EMS) is certified to the International Organization for Standardization (ISO) 14001:2015 standard. The purpose of the ISO 14001:2015 standard is to provide a framework and systematic approach to environmental management. ISO 14001:2015 requires a commitment from all levels of the Con Edison organization, led by the top management, to environmental protection through pollution prevention and continuous improvement. ISO 14001 certification gives Con Edison and their stakeholders a means of verification that the EMS is operating at a world-class standard.

Con Edison through implementation of an ISO 14001 certified EMS is committed to:

- Improving safety and environmental performance
- Strengthening regulatory compliance
- Enhancing relationships with our stakeholders
- Identifying and reducing significant EH&S risk potential
- Promoting wise and effective use of natural resources

We have, over 17 consecutive years, maintained its ISO 14001 certification through a rigorous third-party certification process. In 2017, our certification was upgraded from ISO 14001:2004 to the new ISO 14001:2015 standard by a two-week audit conducted by Intertek Testing Services NA, a third-party auditor.

Our chemical laboratory operations are third party certified to the ISO/IEC 17025:2005, general requirements for the competence of testing and calibration laboratories standard.



Physical/Cyber Security & Data Privacy

New technology brings new challenges. We continue to work with local, state, and federal agencies, as well as our colleagues in the energy business, to identify and employ the latest technological tools to protect our customers and our equipment.

The threat of cybercrime has become more acute. Our data-protection efforts include 24/7 monitoring, vulnerability assessments, employee education, regular drills and phishing tests, and close cooperation with government and industry partners. We consistently earn passing grades on audits that assess our cybersecurity and data-protection standards.

Con Edison's Sidney Alvarez spoke with Vice President and Chief Information Officer Manny Cancel about how our company works with local, state, and federal agencies to protect our customers' data and our own data and equipment:

Ethical Business Practices

Our strong business ethics are founded on our corporate values and help us achieve our three priorities – safety, operational excellence, and customer service. We are committed to conducting business using the highest ethical standards. How we do business, how we treat our customers and business partners, and how we treat one another all contribute to how we are perceived in the marketplace and, ultimately, to our long-term viability. Our Values in Action Advisor network of 110 employees and our Business Ethics Council with 15 members assist the organization in maintaining a culture of integrity in their departments. We conduct ethics and compliance training for all employees. The Compliance Management team works with organizations throughout the company to build and maintain the infrastructure for our compliance programs.



Climate Resilience

Con Edison takes seriously the challenges posed by climate change, and that's why we're taking a multi-pronged approach to strengthen the reliability and resilience of our systems in the face of extreme weather.

In March of last year, back-to-back Nor'easters caused more outages in Westchester than Hurricane Irene in 2011. In response, the company has committed to invest \$100 million in Westchester to make the overhead system more storm-resilient and to address hazardous trees on private property to encourage removal and minimize outages. These efforts will improve our reliability in the same way that our \$1 billion infrastructure investments after Superstorm Sandy has prevented hundreds of thousands of outages.

When storms happen, customers expect that we bounce back quickly. To keep our electric, gas, and steam delivery systems prepared, we plan to spend more than \$3 billion a year on utility infrastructure. Substation and transmission upgrades, such as replacements of switchgear, will result in a more resilient system that emits fewer greenhouse gases.

Additionally, upgrades to our core system with smart technology is making it easier for customers to connect their own private energy sources, like solar panels and battery storage. We're on track to install more than 5 million smart meters across our territory by 2022. Smart meters are even giving customers more detailed information about their energy usage, helping alert us to gas leaks on our system, and allowing us to conserve power by optimizing voltage levels.

Renewable sources of energy also play a role in our plan to be resilient in the event of extreme weather. Take for example our new mobile-storage units that will be used by the end of the year. Just like back-up generators, when storms hit, we'll be able to move these battery units to where they are needed the most.

The resiliency of our systems is only as good as our planning. That's why we have completed an analysis of the impact of ambient temperature, humidity, precipitation, and sea level rise on our assets and processes. The analysis uses the latest available climate science to project future weather scenarios for our service territory to the year 2080. The weather scenario projections will be used to evaluate potential impacts to the company's electric, gas, and steam systems. Based on these impacts, we will review adaptation options, such as revisions to design standards and operating processes. In 2019, we also plan to complete an analysis of major events and sequential events. A consolidated report will include a risk mitigation plan and will be filed with the Public Service Commission at the end of 2019.



Core System Upgrades

The Advanced Meter Infrastructure (AMI) project is the largest project in company history. Some 5.25 million smart meters – comprised of roughly 3.9 million AMI electric meters and 1.35 million gas devices – are being deployed across our service territory and will result in significant environmental, operational, and customer benefits.

Smart meters put unprecedented control into the hands of our customers. With the company's updated website and digital customer experience, customers can see their energy usage in near real-time and make smarter, more informed decisions about managing their energy usage, controlling costs, and helping the environment.

Deployment of the communications network and smart meters began in 2017 and ends in 2022. More than 5,000 communications network devices have been installed throughout the company's entire service area. In 2017, meter installations began in Staten Island, Westchester, and Rockland County. Last year, we began installing meters in Brooklyn, Manhattan, and Orange and Sullivan Counties, while completing deployment on Staten Island. Westchester is targeted to be completed in 2019. Meter deployment in the Bronx began in January 2019, while Queens is slated to begin in July.

To date, more than 1.2 million devices have been installed. The AMI Operations Control Center is currently staffed 24/7 to monitor the communications network, as well as the meters and gas modules connected to the network.

Con Edison began working with the MTA in 2017 with its emergent MTA signal meter circuits initiative. We completed the installation of AMI meters and communications network devices on MTA signal meter circuits in Brooklyn, Manhattan, Queens, and the Bronx by the end of March 2018. We also created a monitoring dashboard that provides insight into MTA signal power events. Since November 2017, more than 100 events have been identified.

The AMI project team has worked closely with Gas Operations and the AMI vendor to develop a first-of-its-kind, battery-powered natural gas detector that is integrated with the AMI network. The natural gas detectors are safety devices that monitor the atmosphere where Con Edison's gas pipes enter our customers' homes and buildings. They provide an alert when natural gas levels in that area indicate a potential leak that could be dangerous. Through the communications network, the detectors send a wireless alert to Con Edison if a potential gas leak has been detected, allowing Con Edison and the fire department to respond quickly. A pilot program to install 9,000 detectors began in October 2018 in parts of Westchester and will begin in a part of Manhattan in 2019.

AMI will let the company operate the system at optimal voltages – known as conservation voltage optimization (CVO) – reducing total energy consumption, as well as associated power-generation emissions. Analysis shows that information from the AMI system can be leveraged to reduce energy usage across our service territory by approximately 1.5% on average, decreasing associated fuel use for committed generation resources. This results in an environmental impact of 1.9% less total CO₂ emissions, due to reduction of power generated annually by fossil fuel plants across our service territory, and 1% total carbon reductions in NY state. AMI will be providing engineers and planners with more granular data, enabling potential design and operational improvements. Con Edison began implementing CVO in Staten Island at the end of 2018 and plansto begin implementation of CVO in Westchester in 2019. CVO will continue to be implemented across our service territory through 2022.

Con Edison invested \$1.386 billion in its transmission and distribution systems in New York City and Westchester County to prepare for the summer 2019. The investment included upgrades and reinforcements of 27 network transformers and 58 overhead transformers. We also plan to upgrade 61 underground feeder sections and 262 spans of overhead cable.

Con Edison projects that peak demand for electricity in the summer of 2019 will reach 13,270 megawatts – the actual previous peak summer demand was 12,766 megawatts, seen on Sept 6, 2018. (The record is 13,322 megawatts, which occurred at 5 p.m. on July 19, 2013.) We are integrating new technology to make service more reliable. Con Edison has installed 2,500 devices in manholes to detect stray voltage, heat and carbon monoxide in underground structures, and communicate this information back to the control room. Another 3,000 are planned for 2019. These devices have already detected seven instances of energized objects in those structures. By remotely monitoring these conditions, we were able to eliminate a condition that could have led to an event or a shock. Con Edison is also using tools that take infrared images of hot spots not visible to the human eye in cables and connections. The technology helps identify problems that would otherwise go undetected and leads to prompt repairs.



ELECTRIC TRANSMISSION PIPE ENHANCEMENT

We are investing \$40 million in 2019 to totally encapsulate 6,292 linear feet (1,573 trench feet) of leak-prone transmission feeder pipe using the new refurbishment method of carbon fiber wrap application. We're addressing another 1,500 trench feet using the method of installing welded steel sleeves or barrels in corroded areas. In 2018, we refurbished a total of 8,743 trench feet of piping and invested \$14 million in spill response and remediation efforts to improve the environment. We expect to make significant progress in research and development to reduce the potential for future oil spills. We're also investing in research and development that can replace existing oil-filled feeders with solid dielectric cable.

Our underground transmission system consists of 660 miles of 69-, 138-, and 345-kilovolt feeders encased in steel pipe surrounded by high-pressure dielectric fluid (a non-toxic synthetic compound similar to mineral oil). The conductors inside our steel pipes are wrapped in paper insulation, filled with and pressurized by the dielectric fluid at a nominal pressure of 200 pounds per square inch. In some feeders the dielectric fluid is circulated and cooled to provide enhanced current-carrying capability. Approximately nine million gallons of dielectric fluid is contained within the feeders, the pressurization plants, and the cooling plants.

Our leak-detection methods are some of the most sophisticated in the world:

- We use real-time monitoring of some of the largest volume feeders to constantly check their integrity.
- We infuse our oil with a special tracer gas to help us rapidly locate and uncover leaks.
- If significant leaks occur, we often remove feeders from service to allow them to be placed on reduced pressure to slow the leak rate.
- We use proactive tracer patrols to find and repair incipient leaks before they worsen to minimize environmental impact.

To repair leaks, we excavate to uncover the feeder pipes and apply a mechanical clamp to stop the flow. Permanent repairs are complete when a concentric steel barrel is welded over the clamp and the pipe. The pipe is then re-coated before the excavation is restored.



RELIABILITY PERFORMANCE

The standards for measuring the reliability of distribution service are the System Average Interruption Frequency Index (SAIFI) and the Customer Average Interruption Duration Index (CAIDI). SAIFI is compiled annually, and the figure represents the number of service interruptions divided by the number of customers served. CAIDI, also compiled annually, represents the average time to restore service to interrupted customers. The CAIDI figure results from the total customer minutes of interruption divided by the total number of customers affected. For both figures, a low number indicates a better performance.

2018 NUMBERS FOR CECONY (electric)

SAIFI: 0.120
CAIDI: 164.9 minutes

2018 NUMBERS FOR O&R (electric)

SAIFI: 1.125
CAIDI: 107 minutes



GAS MAIN REPLACEMENT



In 2018, Con Edison replaced more than 90 miles of cast iron and unprotected steel pipe. This replacement level exceeded our company's commitment to the New York State Public Service Commission by more than six miles and was the company's highest ever in a single year. It also met the 4% replacement rate that we targeted in accordance with the EPA's Methane Challenge.

Methane is the primary element in natural gas and a major greenhouse gas. Replacement of cast iron and unprotected steel pipe with polyethylene plastic pipe or protected steel pipe prevented an estimated 12.0 million cubic feet of annual natural gas leakage.

In 2018, O&R replaced 27 miles of leak-prone pipes, after eliminating all cast iron pipes in Rockland County in 2017.

Supply Chain

Our supply chain activities involve more than just the procurement of goods and services — they are also a means to support our commitments to safety, environmental stewardship, social responsibility, cost savings, and operational excellence.

We partner with our utility industry colleagues, our customers, and vendor base to develop and promote the implementation of sustainable supply chain best practices. These benchmarks enable us to save money and achieve reductions in our carbon footprint and our use of water and energy, while also reducing the amount of waste generated. In 2018, we diverted more than 13 thousand pounds of waste from landfills. We also sold items such as scrap cable, meters, transformers, and paper to recyclers to recover more than \$10 million.

Last year, we purchased more than \$5 million of environmentally-friendly products (such as hybrid vehicles, low-carbon fuels, recycled paper, toner, and carpet) and awarded more than \$1 million in contracts to support infrastructure for electric vehicle charging stations. In support of our energy efficiency goals, we issued 12 contracts worth more than \$18 million for demand management and battery storage projects.

We consider our vendors to be essential partners in our operations and we work to ensure that they meet our standards for safety and social responsibility. Construction vendors involved in excavation work are required to enroll in the Gold Shovel Safety Certification Program. All vendors who do business with Con Edison are required to abide by our Vendor Code of Business Conduct, which outlines our standards for ethics, human rights, labor laws, environmental management, and supplier diversity.

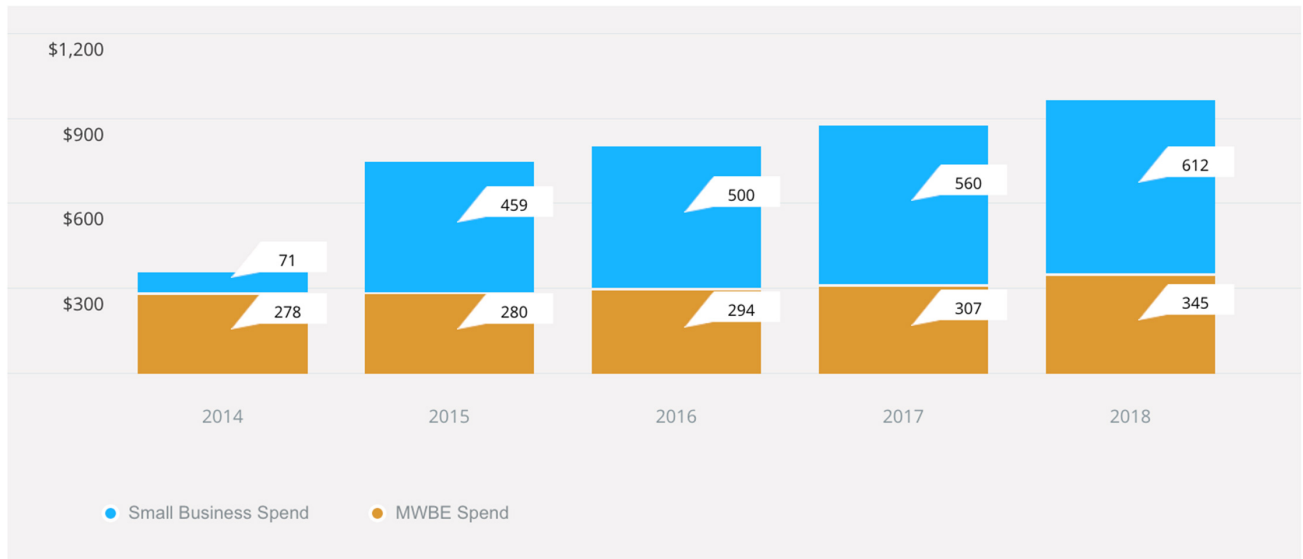
We also engage with our vendors through our active participation in the Electric Utility Industry Sustainable Supply Chain Alliance. The utilities within this organization represent supply chain departments with aggregate annual spending of more than \$50 billion. Con Edison recently took on a leadership role within this organization. By collaborating with supply chain leaders and suppliers, Con Edison is able to spark innovation and increase the adoption of sustainable supply chain best practices throughout our industry.

Con Edison recognizes the impact small businesses have on job creation in our service territory. That's why we are committed to supporting them through our Supplier Diversity program. In 2018, we purchased \$345 million in goods and services from women- and minority-owned companies. Including expenditures from non-diverse small businesses, our outreach efforts yielded more than \$620 million in annual spend.

In recognition of the positive contributions made by our Supplier Diversity & Sustainability program within the communities we serve, our company won awards from the New York/New Jersey Chapter of the National Minority Supplier Development Council, the Long Island Hispanic Chamber of Commerce, and the New Jersey Board of Public Utilities Supplier Diversity Development Council.



Supplier Diversity Expenditures



Governance

Experience has taught us that the combination of a solid financial foundation, operational excellence, the highest ethical standards, and the utmost regard for our employees and the people and communities we serve are the bedrock qualities of a successful company.

A standing committee of the company's Board of Directors, referred to as the Planning and Environmental Committee, existed as early as 1973. In 1995, this committee became the company's Environment, Health and Safety Committee ("EH&S Committee"), whose primary responsibility was to oversee the company's efforts relating to the protection of the environment, sustainability, and the health and safety of company employees and the public. At the end of 2018, the EH&S Committee was dissolved and as of January 1, 2019, the company established a newly constituted Safety, Environment, Operations and Sustainability Committee ("SEOS Committee"). The primary responsibility of the SEOS Committee is to oversee our efforts relating to corporate responsibility and sustainability, ensuring we operate in a safe, environmentally sensitive and socially responsible manner, guard the health and safety of employees and the public, support the development and success of employees, deliver value to customers and fostering growth to meet the expectations of investors, among other responsibilities. The EH&S Committee consistently met at least four times a year. Similarly, the SEOS Committee will meet at least four times a year. At the management level, the company's EH&S vice president, together with senior management, is responsible for developing strategic goals and programs to ensure compliance and support the company's commitment and continued work to achieve EH&S and operational excellence. As detailed in our [Sustainability Strategy \(/report-introduction/sustainability-strategy/\)](#), the company's Environment, Social, and Governance Committee works to strengthen sustainability across all aspects of the company.

Part of senior management's commitment to safety, the environment, operational excellence and sustainability includes independent oversight. The Office of the Corporate Ombudsman, reporting directly to the chairman, provides employees with an independent office to which they may confidentially report suspected violations of our Standards of Business Conduct, including ethical, legal, sustainability or EH&S concerns.

Our Environment, Health & Safety Review Board ("EH&S Review Board") consists of outside consultants who are independent attorneys. The EH&S Review Board reports directly to the chairman. The role of the EH&S Review Board is to review the company's management of both regulatory and internal requirements and assess whether its implementation is consistent with the company's commitment to strive for excellence.

Public policy decisions can have significant implications for our customers, the energy systems we manage, and the future direction of our company. That's why we participate in the political process, adhering to all the national, state, and local laws and regulations. Our engagement in the political process is grounded in and guided by our commitment to our Standards of Business Conduct.

For further details: <https://www.conedison.com/en/about-us/corporate-governance/political-engagement>
(<https://www.conedison.com/en/about-us/corporate-governance/political-engagement>)

Stakeholder Engagement & Collaboration

Con Edison works closely with local communities to keep them informed, address their concerns, and convey our company's operational mission. We inform local community groups – including business improvement districts, chambers of commerce, and local development corporations – about major capital projects, new initiatives such as smart meters, energy efficiency programs, and how to do business with Con Edison. We coordinate with operating departments to respond to inquiries about topics like construction noise, service restoration, and outages. We maintain close working relationships with local stakeholders so Con Edison remains aware of changes and new developments in the communities we serve. These relationships are also critical to our coordination during emergencies and they help us collaborate on new initiatives.

POLICY & REGULATORY IMPACT

Con Edison and O&R support New York State's clean energy policies and goals, including plans to reduce GHG emissions 40% from 1990 levels by 2030, provide customers with 70% of their energy from renewable resources by 2030, and increase energy efficiency.

We work in partnership with our customers, various third parties, and other energy companies to seek innovative ways to bring a clean energy future. This includes exploring new ways to advance clean energy technologies through adoption of distributed resources including energy storage and solar connected to the distribution system; we are also developing a solar program for low-income customers. We are installing smart meters throughout our service areas, and piloting new rate designs that will help customers manage their energy usage and bills.

We're active in regulatory proceedings, including those which seek to expand energy efficiency, develop offshore wind, and advance transportation electrification. We work with regulators, customers, and other stakeholders to develop solutions that will advance a clean energy future in a cost-effective way for all New Yorkers.

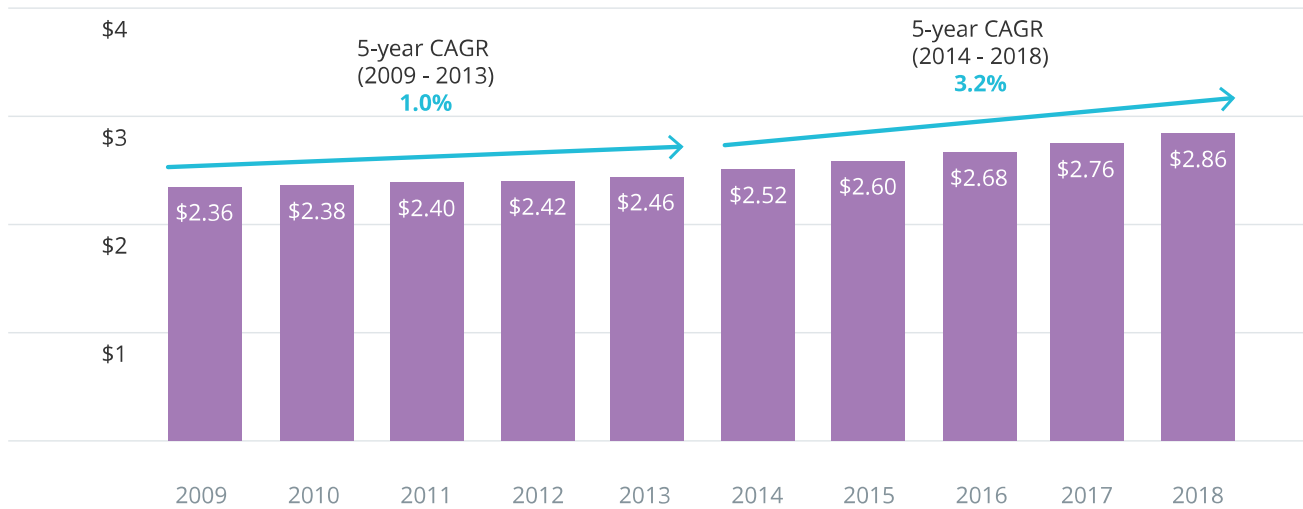
SHAREHOLDERS

We are the longest-listed company on the New York Stock Exchange and have increased dividends to shareholders for 45 consecutive years.

For more information, refer to our [Shareholder Services page \(https://www.conedison.com/en/investors/shareholder-services\)](https://www.conedison.com/en/investors/shareholder-services).

Con Edison, Inc. Dividend Growth for Shareholders

(per share)



STRATEGIC PARTNERSHIPS

We are proud to support hundreds of nonprofit organizations across New York City and Westchester. Our partnerships strengthen the neighborhoods we serve by offering cash grants, employee volunteers, and more.

Materials for the Arts

Materials for the Arts (MFTA) gives New York City a unique opportunity to celebrate sustainability through an arts lens. At MFTA, other people's trash becomes treasure through creative reuse, inspired education, and unlimited imagination. MFTA shifts perspectives on waste through resource recovery. Their goal is to make an impact on those who interact with their facility, materials, and learning experiences, while making a larger impact on the global carbon footprint. Their programs change lives. Student projects change the world.

Green City Force

Through Green City Force's service corps, young public housing residents facing major barriers to employment serve as AmeriCorps members who make low-income public housing communities more environmentally sustainable and healthier. The corps provides hands-on experience, trainings toward professional certifications, opportunities to practice communication and leadership, and a full set of wraparound supportive services, including career counseling and regular access to certified social workers. Service is designed to help corps members gain exposure to, and enter, green careers, such as energy efficiency, sustainable construction, solar, urban farming, composting, and public health.

Tappan Zee High School's Robotics Club, SOBOTZ

Tappan Zee High School's Robotics Club, SOBOTZ, gives students the opportunity to collaborate with technical and non-technical community mentors in an exciting learning environment. Working together, they put their science, technology, engineering, and math skills to the test with the goal of placing in the FIRST Robotics Competition. Last year, SOBOTZ's robot won three awards – the Tesla-Carson Rookie All-Star Award at the FIRST World Championship in Detroit, the Rookie Inspiration Award at the Hudson Valley Regional Competition, and the Rookie All-Star Award at the School-Business Partnership of Long Island, Inc., hosted by Hofstra University. Orange & Rockland is a proud supporter of this award-winning team.

Energy Efficiency, Renewables & Distributed Energy

As part of our commitment to alternative forms of energy, Con Edison Clean Energy Businesses has invested approximately \$5.8 billion in renewable projects in 17 states. Con Edison Development added 1,230 megawatts of aggregate capacity (MW AC) of renewable projects to our portfolio, for a total of 2,588 MW AC at the end of 2018. Last year, the company purchased solar and wind plants from Sempra Energy worth \$2.1 billion, which makes us one of the top three largest owners of solar photovoltaic assets in North America.

Renewable sources, such as solar and wind, produce energy when the sun is shining or the wind is blowing. That makes battery storage especially important to store power when it is produced and deliver it when it is needed. Storage can help ensure reliability and can reduce peak demand.

Sixteen percent of electricity used by O&R customers was generated from renewable energy resources in 2017. We continue to make our customers aware of energy efficiency improvements that will help them save money on their bills and give them more control over their energy usage. We work regularly with customers and regulators to test new models for the distribution of energy.

ENERGY EFFICIENCY & DEMAND RESPONSE

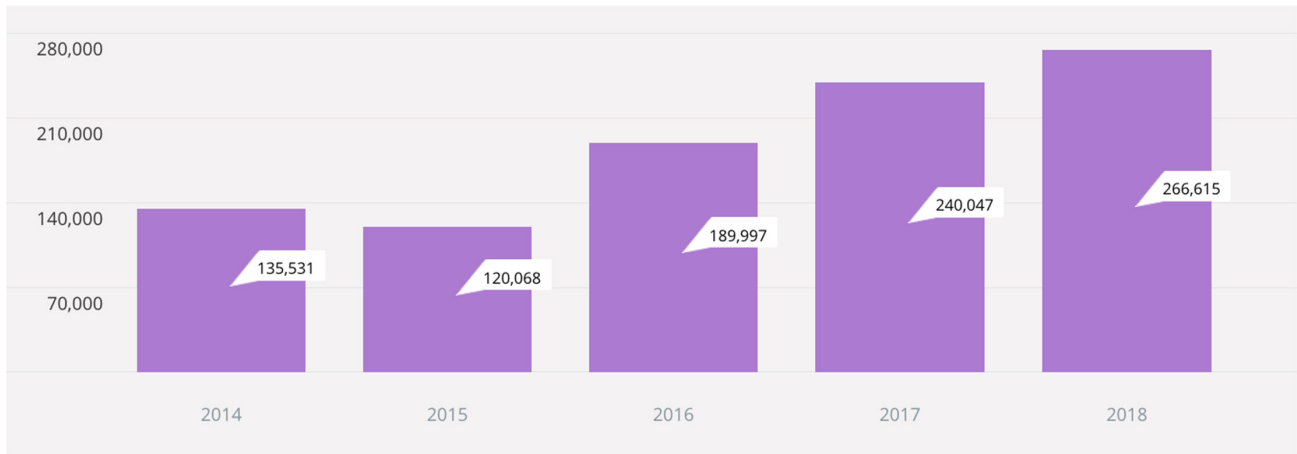
Con Edison's broad array of energy efficiency initiatives is designed to reduce harmful greenhouse gas emissions, lower customer bills, and give New Yorkers control over their energy choices.

Our customers are as diverse as the area we serve. That's why we have targeted efficiency programs to help us deliver cost-effective and customer-centric energy efficiency offerings that emphasize the clear benefits and impacts of energy efficiency. We focus on four primary customer segments — commercial and industrial, small business, multifamily, and residential — designing our offerings to meet each customer group's needs. Our goal is to give customers multiple options and opportunities to reduce their energy use.

Electric customers who chose energy-saving HVAC, lighting, building management systems, and other equipment received \$65.8 million in incentives in 2018, a 19% increase from the previous year. Our gas customers received \$11.1 million in incentives, a 155% increase from the previous year. Technology is giving households and businesses new ways to reduce energy use, and we're in the forefront in helping customers get more value for their money while protecting the environment. Upgrades made by customers last year through our energy efficiency programs reduced electrical usage by 395,200 megawatt hours and saved 588,100 dekatherms of gas — that's equivalent to taking more than 66,000 cars off the road for one year or powering 37,000 homes for one year. The proposals would put New Yorkers on a path toward a cleaner energy future, with reductions in carbon emissions and more renewable energy options that achieve goals in both the short term and potentially through 2050.



Total Metric Tons of Avoided CO₂ Equivalent



Energy Services partnered with Energy Efficiency to help streamline the distributed generation process and assist customers like never before through customer engagement, technology enhancements, and business process improvement. These improvements helped us achieve a 20 percent increase in customer satisfaction on large distributed generation projects in 2018. Also in 2018, Con Edison interconnected 53 megawatts (about 6,000 cases) worth of Distributed Energy Resources including solar, CHP, fuel cells, and battery storage. A large contributor to this was about 34 MW of residential solar installations.

O&R customers who upgraded to high efficiency energy-saving HVAC, lighting, building management systems, and other equipment received \$2.7 million in incentives from us in 2018. As a result of these upgrades, more than 6,000 O&R customers reduced their bills and lowered their carbon footprint. The My ORU Store, our online customer marketplace, provided customers with a one-stop shopping experience and introduced customers to innovative smart home technologies, including smart thermostats, along with a myriad of connected-home products, like Wi-Fi security cameras, smart plugs, wireless dimmable lighting, and electric vehicle chargers. Through My ORU Store, O&R partnered with the local water utility, SUEZ NY, to support their water conservation program by offering instant rebates to mutual customers on water and energy efficient products. The program strives to help customers save water and energy and in turn lower their utility bills.

We are on the forefront of using technology to give households and businesses new ways to reduce their energy use, get more value for their money, while protecting the environment. For example, upgrades made by customers through our energy efficiency programs reduced electrical usage by 24,000 MWh and saved 9,332 dekatherms of gas. This brought our carbon reduction to more than 103,000 tons, which is equivalent to taking more than 22,000 cars off the road.

Of the total O&R rebates issued in 2018, two large projects stand out. One is the city of Middletown in Orange County. The customer upgraded lighting at all their municipal buildings, along with their LED streetlights recently purchased from O&R. The city's upgrades amount to an estimated savings of 1,685 MWh, which is equal to approximately \$225,000 per year. The other customer is a large retail company in Rockland County, who upgraded entirely to LED lighting and is estimated to save 800 MWh, equal to about \$95,000 per year.

Learn more about how energy efficiency upgrades can save money and protect the environment at our website www.oru.com/save (<http://www.oru.com/save>).

REFORMING THE ENERGY VISION PROJECTS

Con Edison continues to take a leading role in making distributed energy resources (DERs) available to customers. Our Brooklyn-Queens Demand Management project aligns strongly with New York's Reforming the Energy Vision initiative. Instead of spending \$1.2 billion to build a substation to serve Brooklyn and Queens, we issued an RFI that provided alternative forms of energy. We awarded contracts and procured smart thermostats, lighting controls, batteries, and other distributed energy resources to meet the demands of customers during the peak period of 4:00 p.m. to midnight while easing the burden on our substations.

Additionally, our Customer Energy Solutions group is running new business model demonstrations in the areas of storage integration; electric vehicle (EV) infrastructure; community distributed generation; energy efficiency/DER marketplaces for residential and commercial customers; and delivering energy services to low- and middle-income (LMI) customers. For example, two front-of-the-meter storage projects, which demonstrate both grid support and energy market revenue-sharing partners, were selected through a rigorous RFI process and are in the construction stage. Three LMI demonstration projects are progressing, with two finalized by the PSC, including a community solar project. Three EV infrastructure projects that facilitate growth and reduce barriers to EV ownership are expected to be completed in 2019, including a project in White Plains where electric school buses will feed battery power back into the grid. The residential marketplace site, marketplace.coned.com (<https://marketplace.coned.com/>), has 25 product categories that include a "pick my solar" module; we also have a new EV comparison shopping site, cars.coned.com (<https://cars.coned.com/>).



RENEWABLES

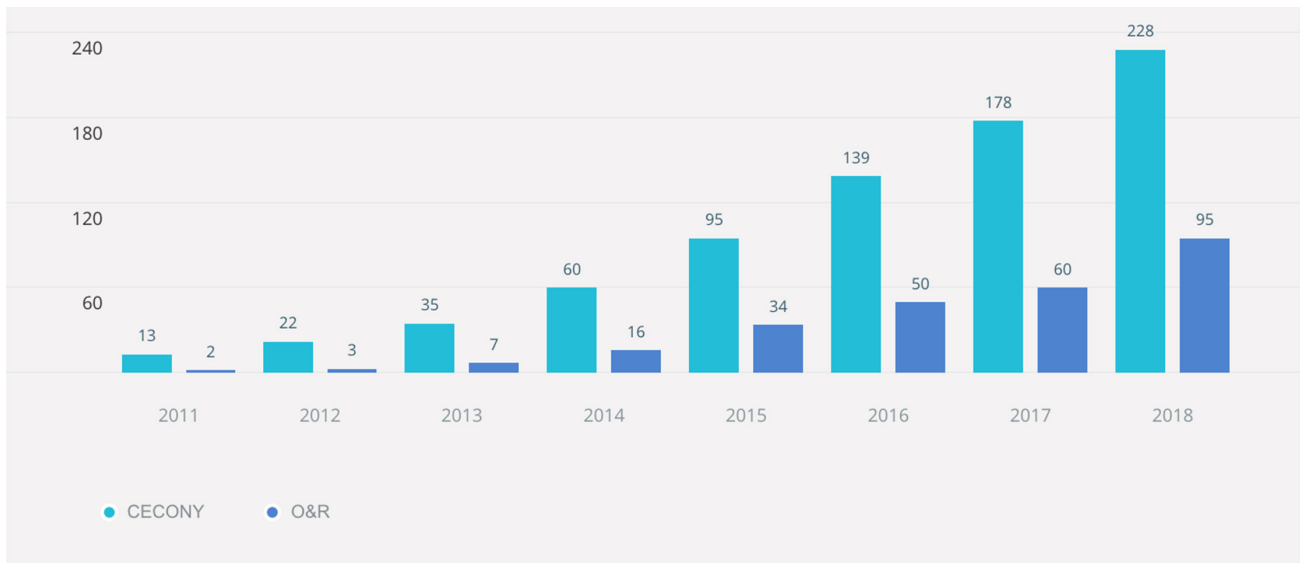
Con Edison and O&R continue to support New York State's ambitious clean energy policies, including the state's goal to source 50% of its energy from renewable resources by 2030. New York State has recently expressed an interest in raising the 2030 renewable energy goal to 70%.

For the past decade, Con Edison and O&R along with Sustainable CUNY (at the City University of New York), government agencies, and other parties, have encouraged residents and businesses to consider solar to reduce their energy bills and protect the environment. Our customers are responding, using the power of the sun to have generated by year-end 2018 more than 228 megawatts of clean, renewable power through 23,588 Con Edison installations, and 95 megawatts through just over 7,500 O&R installations – enough to power more than 24,000 homes.

Con Edison believes that all customers, regardless of their income level or whether they live in a house or an apartment, should have access to clean energy. In striving for this, we are working to make renewable energy available to low-income customers by installing solar panels on company roof space and grounds, then transferring the solar power to those customers via bill credits. Resources should be online in 2019. The New York Public Service Commission says this innovative solar program "is filling a niche that hasn't been fully served in the state."

O&R continues to work on technology advances in the interconnection process to assist customers with technical evaluations of large (greater than 50 kilowatts) and small (less than 50 kilowatts) projects. O&R is connecting community DG and battery storage projects. The company is participating in an innovative project developed at the University of Vermont that received a \$1.8 million award from the U.S. Department of Energy SunShot Initiative. As part of this project, O&R will help develop the technology and strategy to improve the electric grid's ability to accommodate power generated from renewable energy sources. The award, one of only 13 given nationally, is part of SunShot's newest program called Enabling Extreme Real-Time Grid Integration of Solar Energy, or ENERGISE.

Cumulative Utility Customer Solar MW Installation



ENERGY STORAGE

Con Edison and O&R are supporting the state's ambitious energy storage goals of 1,500 megawatts (MW) by 2025 and 3,000 MW by 2030 across a variety of efforts. We actively engaged with the Department of Public Service and the New York State Energy Research and Development Authority (NYSERDA) on the Energy Storage Roadmap, which culminated in December with the Public Service Commission issuing an order on storage. As part of the order, we will develop and deploy at least 310 MW of utility-scale storage connected directly to the grid. Through this project and others, we will continue to engage with the PSC, NYSERDA, and storage stakeholders to help advance the state's energy storage vision. We actively advocate for cost-effective storage deployments that complement our existing efforts, other state clean energy goals, and benefit the grid and all customers. We are already engaged with energy storage across a variety of projects and programs by supporting state policy goals, testing new business models, building utility capabilities, engaging third party providers, and supporting customers.

We continue to support individual customer storage projects by improving the interconnection process. By the end of 2018, Con Edison had interconnected a total of 30 behind-the-meter storage systems, totaling 2,800 kW of capacity, and O&R also interconnected 30 BTM energy storage systems, totaling 233 kW of capacity.

In 2018, Con Edison commissioned its first utility-owned storage project, a lithium-iron phosphate battery installation designed for 2 MW / 12 MWh in Ozone Park, Queens. The battery was built to support load relief in the Brooklyn Queens Demand Management area. Building on this model, we requested funding for six utility-owned energy storage projects totaling 31.5 MW / 120 MWh in the recent Con Edison rate case filing. These projects will be located at and connected directly to utility substations across the service territory. Proposed sites were chosen to provide diverse geographic and use-case experience, including grid support. In the same filing, Con Edison also proposed a 10 MW / 40 MWh turnkey energy storage docking facility. This project will allow third-party developers to install storage at the facility to directly access the grid and associated market revenues. Additionally, electric vehicle (EV) DC fast chargers will be co-located on the site, allowing us to gain a better understanding of how energy storage can help facilitate the adoption of EV charging on the grid.

Con Edison continues to implement energy storage demonstration projects to test new storage business models. Con Edison is advancing its Storage on Demand demonstration, a 1.5MW / 4 MWh mobile storage model that will deploy via three separate 500kW / 1.34 MWh mobile storage trailers to areas of grid need – in locations that may have otherwise been served by utility diesel generators. The 4 MW / 4 MWh customer-sited front-of-the-meter business model demonstration, Beyond BTM, will be deployed across four customer sites to provide grid support by summer 2019. Each project will provide distribution load and voltage relief and reduce network peak demand while testing the ability to garner revenues for participating in New York Independent System Operator markets. Through its Innovative Storage Business Model demonstration project, O&R is working with partners to develop innovative business models for driving down the cost of energy storage investments by enabling storage assets to participate in multiple markets, providing benefits and incentives to multiple stakeholders.

Con Edison and O&R also support energy storage through non-wires solutions (sometimes referred to as non-wires alternatives) program procurements. Both companies consider and often include storage as part of the program's load relief solution portfolios. Con Edison has incentivized 300 kW / 1.2 MWh of storage at the Marcus Garvey apartment complex in Brooklyn as part of its Brooklyn Queens Demand Management Program (BQDM) and is expecting an additional 4MW / 16MWh system at another BQDM location by summer 2019. Con Edison is currently engaged in storage procurement discussions for its Water/Plymouth Streets project, and we're evaluating additional storage projects as part of our other active solicitations for non-wires solutions.

O&R has two open procurements for energy storage systems to meet distribution system needs in place of traditional wires solutions. O&R's Monsey project will aim to defer the upgrade of an existing substation. Due to extensive load growth in the Monsey area, the current substation does not have adequate capacity to serve the forecasted load. The Monsey non-wires alternative will aim to deploy a portfolio of 15MW / 58MWh batteries at three separate locations in the Monsey area to defer the upgrade of this substation. O&R's Pomona energy storage system will be utility owned and installed on property jointly owned by Con Edison and O&R. The project will aim to deploy a 3MW / 12MWh battery to defer the construction of a new transmission/distribution substation. O&R is soliciting vendors for two additional non-wires alternatives RFPs (Blooming Grove and West Haverstraw). These two projects may also include battery storage projects in their technology portfolio.

Con Edison continues to take the lead in addressing battery safety concerns, working closely with the city's Department of Buildings, the Fire Department of New York (FDNY), battery technology developers, and NYSERDA. Con Edison and NYSERDA previously partnered on an effort to better characterize battery hazards, along with testing suppression agent performance through burn tests by an independent lab. Con Edison has also conducted tests jointly with FDNY at their training facility. Con Edison continues to work with these stakeholders to advance understanding of battery operations, safety requirements, and emergency response procedures.

Energy storage is a transformational technology that can provide numerous benefits to the electric system, and ultimately, to electric customers. Con Edison and O&R envision a future where storage provides support to the distribution system, enables the operation of intermittent renewable resources, and reduces GHG emissions and other local emissions. Declining costs and broader proliferation of storage will help customers and communities adopt these technologies. Storage will allow for customers to manage their usage, participate in energy programs, and respond to more cost-reflective rate designs, such as hourly pricing and demand-based rate structures. Storage supports the integration of new applications, like EV charging.

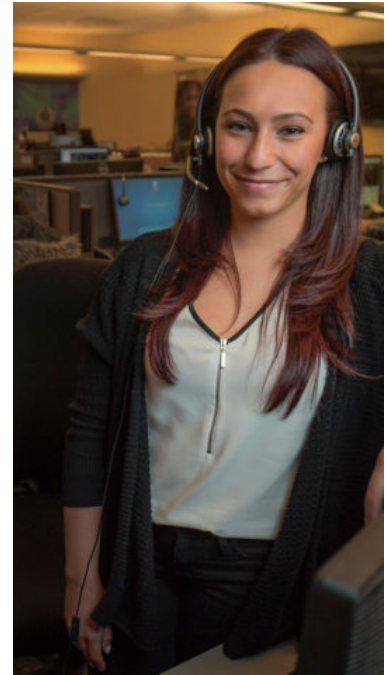
Talent Attraction, Development & Retention

We continually look at who we are, how we work, and how we engage with each other to make sure we are valuing and including the talents, skills, backgrounds, and experiences of our diverse team. We regularly examine and strengthen our policies and procedures, especially those related to our talent-management processes.

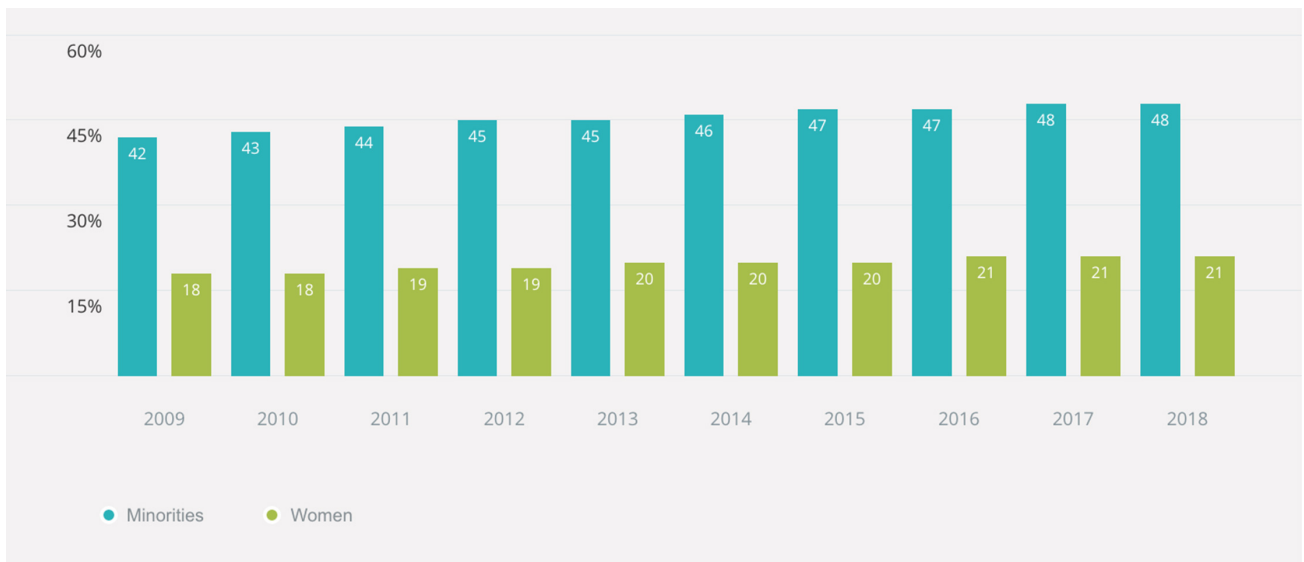
Our overall compensation philosophy is to provide compensation and benefit opportunities that are aligned with overall company performance and business conditions. Our intent is to align employee performance with the interest of our customers and shareholders by compensating employees fairly based on their contributions to the our success. Among the benefits we offer are retirement and health benefits, as well as tuition assistance, adoption assistance, and wellness programs. The majority of Con Edison's workforce is employed full time.

In an effort to attract, develop, and retain a diverse and inclusive workforce, we accomplished the following in 2018:

- strategically recruited women in non-traditional careers, veterans, and people with disabilities through our continued partnership with programs such as:
 - Big Brothers Big Sisters' STEM education mentorships
 - Nassau Community College's URGENT Women, which trains women seeking careers in energy
 - Power Your Future, a company recruitment event focused on educating female candidates from partner programs about nontraditional career opportunities
 - U.S. Army's Soldier for Life, which provides veterans the resources to learn necessary skills for natural gas jobs
- awarded as a Best for Vets company by the Military Times in recognition of our supportive culture for veterans – ranked No. 48 out of 100 top companies
- honored for our veteran recruitment and retention efforts with the Pro Patria Award from the New York State Committee of the Employee Support for Guard and Reserves. It is the highest award bestowed by the state for companies supporting its employees who are veterans
- recognized as a Patriotic Employer by the Secretary of Defense Employer Support of The Guard and Reserve for contributing to national security and protecting liberty and freedom by supporting employee participation in America's National Guard and Reserve
- Moms ON IT and Dads Matter help parents balance work and family with new benefits and resources, including backup childcare services, eldercare solutions, and awareness of the NY State Paid Family Leave Policies. Working with the Employee Wellness Center's Well Baby Care Program, we opened three additional lactation rooms across the company
- continued to support the development of a diverse and inclusive workplace by offering tuition reimbursement, internal and external training to enhance job-related skills, mentoring and coaching, career counseling workshops, and online career management resources
- continued to offer conflict management resources that include mediation, training, and coaching to empower employees to accept responsibility for their own performance and their relationships with others



Con Edison, Inc. Minorities and Women in the Workplace



Workforce Diversity & Inclusion

Con Edison benefits from a diverse talent pool by virtue of doing business in one of the most dynamic regions in the world, where people come from all over the globe to live and work.

It takes a conscious and sustained effort to cultivate a workplace where people in our diverse workforce feel safe, valued, included, and able to contribute to his or her full potential. Inclusion is neither simple, nor does it happen based on a one-time change. Rather, creating and maintaining an inclusive culture is an ongoing process that requires continuous self-reflection and improvement, and this is what we are doing.

We continue to look for new ways to ensure that everyone is included. Every person's unique voice, talent, background, capability, and culture must be acknowledged, valued, and nurtured for the good of our customers and our company. Diversity and inclusion empower us all to see more clearly, think more broadly and engage more fully as we evolve, innovate, and imagine the future ahead.

Hispanic Network magazine named us one of its Best of the Best of the nation's top companies. *Latina Style* selected us as one of the 50 best companies for Latinas. We earned a place on *Black Enterprise* magazine's list of the top 50 companies for diversity.

To learn more, read our [2018 Diversity & Inclusion Report](https://www.coned.com/-/media/files/coned/documents/about-us/diversity/diversity-report-2018.pdf) (https://www.coned.com/-/media/files/coned/documents/about-us/diversity/diversity-report-2018.pdf).

Diversity

Diversity	2014	2015	2016	2017	2018
Total workforce	14,637	14,805	14,941	15,255	14,955
Management	5,866	5,983	6,151	6,430	6,424
Union	8,771	8,822	8,790	8,825	8,531
Minorities in the workforce	6,733	6,890	7,025	7,317	7,220
Minority share	46%	47%	47%	48%	48%
Women in the workforce	2,946	3,009	3,063	3,210	3,179
Women share	20%	20%	21%	21%	21%
General Managers, Directors and Above	240	255	253	266	270
Minorities in GMs, Directors and Above	68	77	75	78	78
Minority Share	28%	30%	30%	29%	28%
Women in GMs, Directors and Above	69	78	77	82	84
Women Share	29%	31%	30%	31%	31%

Training & Professional Development

As the company faces many new and emerging challenges, it is more critical than ever to ensure that our workforce is up-to-date with the skills, knowledge, and capabilities to work safely, with operational excellence, and in a manner that ensures customer satisfaction. To achieve this goal, we provide continuous state-of-the-art training and development to our employees in a wide variety of areas.

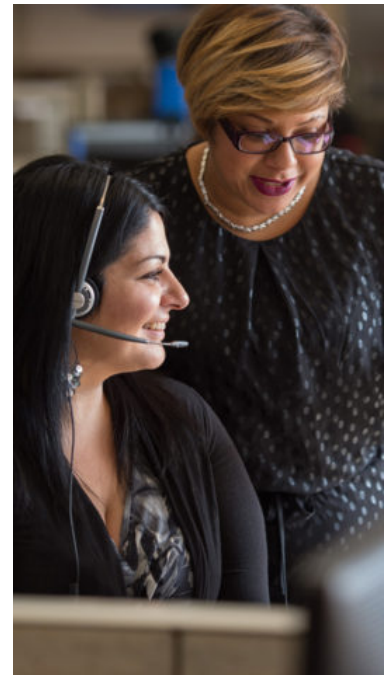
Through the Learning Center (TLC), the company offers robust training programs in gas, electric, and steam operations. The training ensures employees' skills, knowledge, and performance are maintained at the highest levels. We are focused on preparing our employees to work effectively, efficiently, safely, and in a way that is compliant with vast numbers of policies, procedures, and regulatory expectations. To that end, TLC fosters a work culture of safety and operational excellence, by making improvements to our learning experiences. For example, our new initiative, which we call Purposeful Field Visits, uses real-life events as focal points for field visits to assess potential gaps or requirements in related training. When out in the field conducting field visits, TLC staff is also able to talk with workers about ideas on safety improvements. In addition, we partnered with Gas Operations and others to establish a computer testing lab that is compliant with the Northeast Gas Association and regulatory requirements.

Our training is helping to support the company's three priorities. For example, we integrated Operational Excellence guiding principles on wallet cards and into our training curriculum, along with video segments on electronic screens. This initiative highlights the need to respect the complexity, power, and unforgiving nature of our energy systems, and encourages all to manage them safely. This effort includes a focus on Human Performance Improvement (HPI) tools and safety precursors. Also to support the company's safety priority, we launched a defensive driving skills initiative to help reduce motor vehicle accidents. The program includes sharing driving safety messages on the monthly organizational safety call, a recently-introduced driving simulator, which reinforces defensive driving techniques, and a voluntary safe-driving pledge.

The use of technology in the learning process is becoming more and more significant in our training offerings. We created a digital learning strategy to transform curriculum, improve employee access to training, and enhance the employee experience. This multi-year capital project, integrating digital technologies into our training platforms, will allow us to train and develop highly competent employees who are prepared for the future needs of our customers. We are developing digital content, including e-books, technical training videos, micro learning, and virtual- and augmented-reality modules. More than 25 new digital learning tools will be added in 2019.

At all leadership levels, we continue to pay significant attention to the development of employees who demonstrate high potential and high performance in the execution of their work duties. Guided by competencies that are tailored to the level of the leader, emerging leaders are provided with a broad array of training options that prepare them to meet current responsibilities and future challenges. Development efforts include more than 450 course offerings in leadership and professional development, career planning, performance management, and mini-workshops – all designed to improve the ability of managers to lead employees effectively, handle problems creatively, and lead teams to elevated performance. More than 10,000 employees attended these programs and more than 4,700 unique visitors used the Career Management Resource Center site. Employees also benefit from an array of tools, assessments and resources that assist with career counseling and development planning. We also restructured our executive mentoring program to introduce mentoring circles led by company executives who drive robust and meaningful discussions about many leadership challenges facing the company.

The company's training and development strategy fosters a highly engaged workforce that produces strong performance. It also supports a high retention environment where we get to keep our best employees. Similarly, it enhances the company's reputation and profile, and therefore makes the company more attractive to potential new recruits.



Training

Training	2016	2017	2018
Hours of instructor-led, skill-based and leadership training	604,173	703,385	544,557
Hours of eLearning	173,182	157,197	132,490
Employees taking part in a mentoring program	97	114	77
Employees taking advantage of tuition aid	607	589	572

Volunteerism

Enhancing the fabric of our communities is not only what we do, it's who we are. We provide financial support, in-kind contributions, and board service to hundreds of nonprofits dedicated to the arts, environmental stewardship, community, civics, and education.

Employees at Con Edison and O&R donate their own time and resources through our volunteer program to give back to the communities we serve. During 2018, 820 Con Edison and O&R employees volunteered 7,800 hours of their own time at over 240 company-sponsored events. Whether it's helping at a soup kitchen, cleaning up parks, planting and pruning trees, mentoring students, serving disadvantaged people, rehabilitating homes for veterans, career coaching, or any number of other activities, volunteering gives our employees renewed energy, fulfillment and the happiness of knowing they made a difference in their community.

A dedicated employee engagement platform makes it easy for employees, as well as retirees and their families, to choose how to give back.