

Letter from the Chairman



To Our Stakeholders:

During 2015, the hard work of our employees enabled us to meet the high standards of reliability that our customers expect. We power the lives and livelihoods of 10 million people across our region. We work with government, business, and strategic partners to keep our communities vibrant by providing customers with dependable energy service.

We are meeting the needs of a new generation of customers by providing cleaner sources of energy, such as solar and wind power. We are sustaining the growth of our business by reducing our carbon footprint, making smart use of natural resources, minimizing waste, engaging stakeholders, and remaining a vital part of the communities we serve. In the past year, we invested \$10 million in nonprofit organizations, and our employees donated 8,400 hours of their time to participate in company-sponsored volunteer programs.

We continue to build out our gas-delivery system to meet the high demand for cost-effective and energy-efficient natural gas. With our help, more than 5,200 large buildings in New York City have been converted from oil to cleaner natural gas in the past four years. That's equivalent to taking 1.2 million cars off the road. We've also installed more resilient cables, poles that can withstand winds up to 110 miles per hour, and flood-proof equipment that has helped us to avoid nearly 100,000 customer power outages in the past two years.

Customers are requesting more power options, including clean energy sources. We've focused on expanding our renewable energy portfolio. We're the fifth-largest solar producer in North America. We expanded into the wind business in 2015 with projects in South Dakota and Nebraska, and Con Edison Solutions entered the residential rooftop solar business. We firmly believe our sustainable business model puts us on a solid and profitable path.

We are constantly aligning our business with an eye toward a new energy future. As a result, we created a subsidiary, Con Edison Transmission, to focus on new electric and gas transmission—an area where we see significant potential for growth. This new business will allow us to offer customers a wide range of cost-efficient energy supplies.

Bringing new benefits to customers is an essential part of our mission. Our new Digital Customer Experience will give customers more accurate, detailed information across multiple channels. In 2017, we will begin to install smart meters throughout New York City and Westchester County, starting on Staten Island. These digital meters will let customers monitor their energy use, giving them more choice, control, and convenience. Detailed usage information, coupled with high-bill alerts, will give customers all the information they need to make wiser energy decisions that benefit the environment.

As our Sustainability Report shows, we are determined to sustain our growth and maintain our status as an industry leader through innovation, operational excellence, and superior service to our customers while ensuring our future as a next-generation energy company.

—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 companies, with approximately \$13 billion in annual revenues and \$45 billion in assets. For more than 180 years, we have served the world's most dynamic and demanding marketplace—metropolitan New York. We provide a wide range of energy-related products and services to our customers through two regulated energy companies and our competitive energy businesses.

All six subsidiaries are listed below along with some 2015 highlights:

- [Consolidated Edison Company of New York, Inc. \(CECONY\)](http://www.coned.com/)**, (<http://www.coned.com/>) a regulated energy company providing electric, gas, and steam service in New York City and Westchester County, New York. Last year, we added more than 3,500 Wi-Fi thermostats representing about 3.5 megawatts of power to help meet residential customer demands. We also installed nine multistage gas regulator stations, upgraded one regulator station, and installed more than 16 miles of gas main. And our steam operations connected five new customers, including the World Trade Center Transportation Hub.
- [Orange & Rockland Utilities, Inc. \(O&R\)](http://www.oru.com/index.html)**, (<http://www.oru.com/index.html>) a regulated energy company serving customers in a 1,350-square-mile area in southeastern New York State and adjacent sections of northern New Jersey and northeastern Pennsylvania. Last year, O&R developed an online, one-stop customer marketplace for energy-efficiency products and services, and became one of the nation's first energy companies to test robotics to inspect live gas transmission mains.
- [Con Edison Solutions \(CES\)](http://www.conedsolutions.com/Home.aspx)**, (<http://www.conedsolutions.com/Home.aspx>) a retail energy supply and services company. Last year, we launched a pilot program to lease high-efficiency solar systems to homeowners in New York State. We also awarded a micro grid, energy efficiency, and solar project in Stamford, Connecticut, and a project to develop energy efficiency proposals for seven U.S. Veterans Administration hospitals.
- [Con Edison Energy \(CEE\)](http://www.conedenergy.com/)**, (<http://www.conedenergy.com/>) a wholesale energy supply company. We installed \$778 million in renewable energy projects last year.
- [Con Edison Development \(CED\)](http://www.coneddev.com/)**, (<http://www.coneddev.com/>) a company that participates in infrastructure projects. Last year, we completed development and construction on seven projects, totaling 265 megawatts DC and bringing total capacity of renewable projects to 933 megawatts DC.
- [Con Edison Transmission \(CET\)](http://coned.com/tp/)**, (<http://coned.com/tp/>) our newest company, which offers customers more diverse, low-cost energy supplies.



[Read our 2015 Annual Report.](http://investor.conedison.com/phoenix.zhtml?c=61493&p=irol-reportsannual)

REVENUE BY BUSINESS

8,832

1,709

629

663

182

1,383

REVENUE BY BUSINESS

(MILLION \$)

• CECONY ELECTRIC	\$8,832
• CECONY GAS	\$1,709
• CECONY STEAM	\$629
• O&R ELECTRIC	\$663
• O&R GAS	\$182
• CEBS (CES, CEE, CED, CET)	\$1,383



Sustainability Strategy

Our strategy is to ensure that sustainability goals, objectives, and plans are embedded within our business strategy and operations. To that end, we have developed a tighter integration between our sustainability priorities and our long-range planning.

During the past year we worked with BSR, a leading sustainability consulting firm, to help us refresh our materiality assessment and determine our key sustainability priorities.

The 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 and safety \(http://coned.dev.limusdesign.com/safety-and-environment/employee-health-safety/\)](http://coned.dev.limusdesign.com/safety-and-environment/employee-health-safety/)
- [Public safety \(http://coned.dev.limusdesign.com/safety-and-environment/public-safety/\)](http://coned.dev.limusdesign.com/safety-and-environment/public-safety/)
- [GHG emissions reductions \(http://coned.dev.limusdesign.com/safety-and-environment/gng-emissions-reductions-introduction/\)](http://coned.dev.limusdesign.com/safety-and-environment/gng-emissions-reductions-introduction/)
- [Non-GHG emissions reductions \(http://coned.dev.limusdesign.com/safety-and-environment/air-quality-non-ghg-emissions/\)](http://coned.dev.limusdesign.com/safety-and-environment/air-quality-non-ghg-emissions/)
- [Waste management \(http://coned.dev.limusdesign.com/safety-and-environment/waste-management/\)](http://coned.dev.limusdesign.com/safety-and-environment/waste-management/)
- [Habitat and Biodiversity \(http://coned.dev.limusdesign.com/safety-and-environment/habitat-biodiversity/\)](http://coned.dev.limusdesign.com/safety-and-environment/habitat-biodiversity/)
- [Electric vehicles \(http://coned.dev.limusdesign.com/safety-and-environment/electric-vehicles/\)](http://coned.dev.limusdesign.com/safety-and-environment/electric-vehicles/)
- [Oil to gas conversions \(http://coned.dev.limusdesign.com/safety-and-environment/oil-to-gas-conversions/\)](http://coned.dev.limusdesign.com/safety-and-environment/oil-to-gas-conversions/)
- [Water conservation \(http://coned.dev.limusdesign.com/safety-and-environment/water/\)](http://coned.dev.limusdesign.com/safety-and-environment/water/)
- [ISO certification \(http://coned.dev.limusdesign.com/safety-and-environment/iso-certification/\)](http://coned.dev.limusdesign.com/safety-and-environment/iso-certification/)



Operational Excellence

- [Physical/Cybersecurity and data privacy \(http://coned.dev.limusdesign.com/operational-excellence/physical-cybersecurity-data-privacy/\)](http://coned.dev.limusdesign.com/operational-excellence/physical-cybersecurity-data-privacy/)
- [Ethical business practices \(http://coned.dev.limusdesign.com/operational-excellence/ethical-business-practices/\)](http://coned.dev.limusdesign.com/operational-excellence/ethical-business-practices/)
- [Climate resilience \(http://coned.dev.limusdesign.com/operational-excellence/climate-resilience/\)](http://coned.dev.limusdesign.com/operational-excellence/climate-resilience/)
- [Core system upgrades \(http://coned.dev.limusdesign.com/operational-excellence/core-system-upgrades/\)](http://coned.dev.limusdesign.com/operational-excellence/core-system-upgrades/)
- [Supply chain \(http://coned.dev.limusdesign.com/operational-excellence/supply-chain/\)](http://coned.dev.limusdesign.com/operational-excellence/supply-chain/)
- [Sustainability governance \(http://coned.dev.limusdesign.com/operational-excellence/governance/\)](http://coned.dev.limusdesign.com/operational-excellence/governance/)

Customer & Community

- [Stakeholder engagement and collaboration \(http://coned.dev.limusdesign.com/customer-and-community/stakeholder-engagement-collaboration/\)](http://coned.dev.limusdesign.com/customer-and-community/stakeholder-engagement-collaboration/)
- [Distributed Energy Resources \(http://coned.dev.limusdesign.com/customer-and-community/distributed-energy-resources/\)](http://coned.dev.limusdesign.com/customer-and-community/distributed-energy-resources/)
- [Talent attraction, development, and retention \(http://coned.dev.limusdesign.com/customer-and-community/talent-attraction-development-retention/\)](http://coned.dev.limusdesign.com/customer-and-community/talent-attraction-development-retention/)
- [Workforce diversity and inclusion \(http://coned.dev.limusdesign.com/customer-and-community/workforce-diversity-inclusion/\)](http://coned.dev.limusdesign.com/customer-and-community/workforce-diversity-inclusion/)
- [Training and professional development \(http://coned.dev.limusdesign.com/customer-and-community/training-professional-development/\)](http://coned.dev.limusdesign.com/customer-and-community/training-professional-development/)
- [Volunteerism \(http://coned.dev.limusdesign.com/customer-and-community/volunteerism/\)](http://coned.dev.limusdesign.com/customer-and-community/volunteerism/)

Awards & Recognition

We received many prestigious awards for operational excellence and projects that promote safety and respect for the environment. Here are a few:

ReliabilityOne Awards

We won the PA Consulting ReliabilityOne Award for Outstanding System-Wide Reliability for the eighth consecutive year, as well as the Regional ReliabilityOne Award for the Northeast. Both are presented annually to companies that deliver the most reliable electric service to customers.

DiversityInc / Hermes Creative Awards

DiversityInc recognized us as a top energy company for hiring, training, and promoting a diverse workforce. Our videos on diversity and safety received Hermes Creative Awards in 2016.

Technology Transfer Awards

Two employees shared a Technology Transfer Award from the Electric Power Research Institute (EPRI), a national energy research organization, for developing a system that protects fish, eggs, and larvae in New York's East River near a steam and electric generating plant. The system involves putting up screens and mesh panels that reduce the plant's impact on the river, protecting both aquatic life and one of New York's wonderful natural resources. Ten of our engineers earned Technology Transfer Awards from the EPRI for research that will help energy companies protect their equipment and substations from the impact of solar storms.

Solar Power Player Award

For developing a smart grid innovation that lets customers install super-sized photovoltaic arrays and continue to receive reliable service, we won a Solar Power Player Award from the Solar Electric Power Association. The association helps energy companies integrate solar energy into their portfolios.

Tree Line USA

We received a Tree Line USA award from the Arbor Day Foundation for our commitment to proper tree pruning, planting, and care in our service area. The Tree Line USA award recognizes companies that promote the goals of safe and reliable electricity while maintaining healthy community forests.

NYC Dept. of Citywide Administrative Services

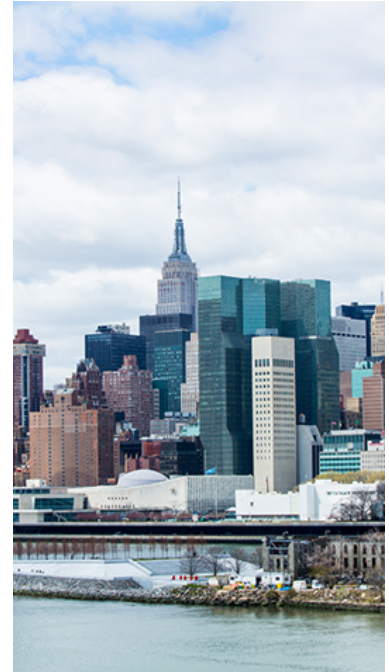
New York City's Department of Citywide Administrative Services recognized us as a standout fleet that has implemented many safer-driving practices. The agency specifically applauded our rigorous training programs, peer-to-peer driver coaching, and sharing of lessons learned from drivers and crash data.

J.D. Power

We had the highest customer satisfaction score among 11 energy companies in a J.D. Power survey. The rankings were based on reliability, corporate citizenship, price, billing and payment, communications, and customer service.

Newsweek

We ranked No. 2 among energy companies and No. 32 overall in *Newsweek* magazine's 2015 Green Rankings, which use eight criteria to measure a corporation's environmental performance. We are also an original partner of CERES (Coalition for Environmentally Responsible Economies), a national coalition of environmental organizations, investors, and other public interest groups working with companies to address sustainability.



Employee Health & Safety

We are committed to the vision of a zero-harm workplace and prevention of events that give rise to injuries. As a measurement of progress toward this vision, the company is pursuing a reduction in the OSHA incidence rate to 1.00 by 2019 (as calculated in accordance with Bureau of Labor Statistics' guidelines). The company is also specifically focused on the elimination of severe injuries, and has set a goal of zero high-hazard injuries by 2017.

The company has made significant progress in these areas, with both CECONY and O&R driving down the incidence rate and severe injury cases significantly relative to 2009. For example, CECONY saw more than 60% fewer injuries in 2015 compared with 2009, and O&R experienced more than 50% fewer OSHA recordable injuries during this same time period, which led to more people going home safely over the period.

A comprehensive safety strategy and specific improvement tactics underlie this sustained positive performance. Specific focus areas of particular relevance include:

- Building strong and constructive relationships with union leadership on safety.
- Formalizing job planning, with special emphasis on high energy jobs, in every organization.
- Fostering open communication and inclusion on every job, at every level.



The following tables illustrate the performance improvement in several key safety metrics since 2009:

OSHA RATE

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Rate	3.47	3.02	3.24	2.48	1.92	1.25	1.25	1.31	1.40
Target				2.91	2.56	2.21	1.86	1.50	1.40

ORANGE AND ROCKLAND OSHA RATE

	2008	2009	2010	2011	2012	2013	2014	2015
Rate	5.31	5.28	3.82	2.36	2.19	2.01	1.26	2.42
Target			4.91	4.42	3.54	3.02	2.50	2.00

Public Safety



Our field work meets exacting requirements for safety to keep our employees and the public unharmed. CECONY and O&R regularly communicate with customers on topics such as electric safety, gas safety, severe weather safety, downed power lines, Call 811 before you dig, and storm preparation tips.

ELECTRIC



Ongoing efforts to increase public awareness about safety continue to bear fruit: Many public safety initiatives have led to the development of strategic partnerships with subject matter experts, as well as new programs and the improvement of existing programs. For example, we installed vented manhole and service box covers to help limit the buildup of combustible gases.

We also perform extensive testing of contact voltage, otherwise known as stray voltage—a search for electrical energy where it shouldn't be found such as on traffic lights, lampposts, and sidewalk grates.

Con Edison's underground networks are surveyed for contact voltage 12 times a year, using mobile detectors. In 2015, we found and eliminated 2,791 cases of contact voltage. Of those, 902 cases (or 32%) were on non-Con Edison equipment (streetlights, electric signs, and other structures). We also performed more than 60,000 inspections of our underground system, which includes manholes, service boxes, and transformer vaults.

O&R's testing of publicly accessible electric system components and non-company metallic streetlight and traffic signal poles for contact voltage is completed once every five years. During 2015, O&R found and eliminated eight cases of contact voltage, all on company-owned equipment, and performed 37,329 tests and inspections.

GAS

Our efforts to inform the public have given us a valuable ally when it comes to gas safety. Some 56,000 odor calls were received from the public in 2015—more than double the number in 2013.

We continue to expand our public outreach and education on natural gas safety through our “Smell Gas, Act Fast” campaign—which urges people to vacate an affected area immediately and call us if they suspect a gas leak.

We will place methane detectors and alarms in dozens of homes in 2017 to test the detectors’ effectiveness in alerting residents to natural gas leaks. We believe natural gas alarms will help avoid tragedies and save lives.

We’ve also taken steps to ensure the safe, reliable operation of our gas delivery system: The number of surveys of our distribution mains has increased from once a year to once a month. We’ve also enhanced our coordination with the New York City and Westchester County fire departments when it comes to responding to gas leak calls.

Delivering safe, reliable energy and protecting the environment are always our top concerns. We work with outside experts to quantify methane emissions and provide greater transparency on gas leak monitoring and repair. The goals are to spot potential problems sooner and to better protect the public.



STEAM

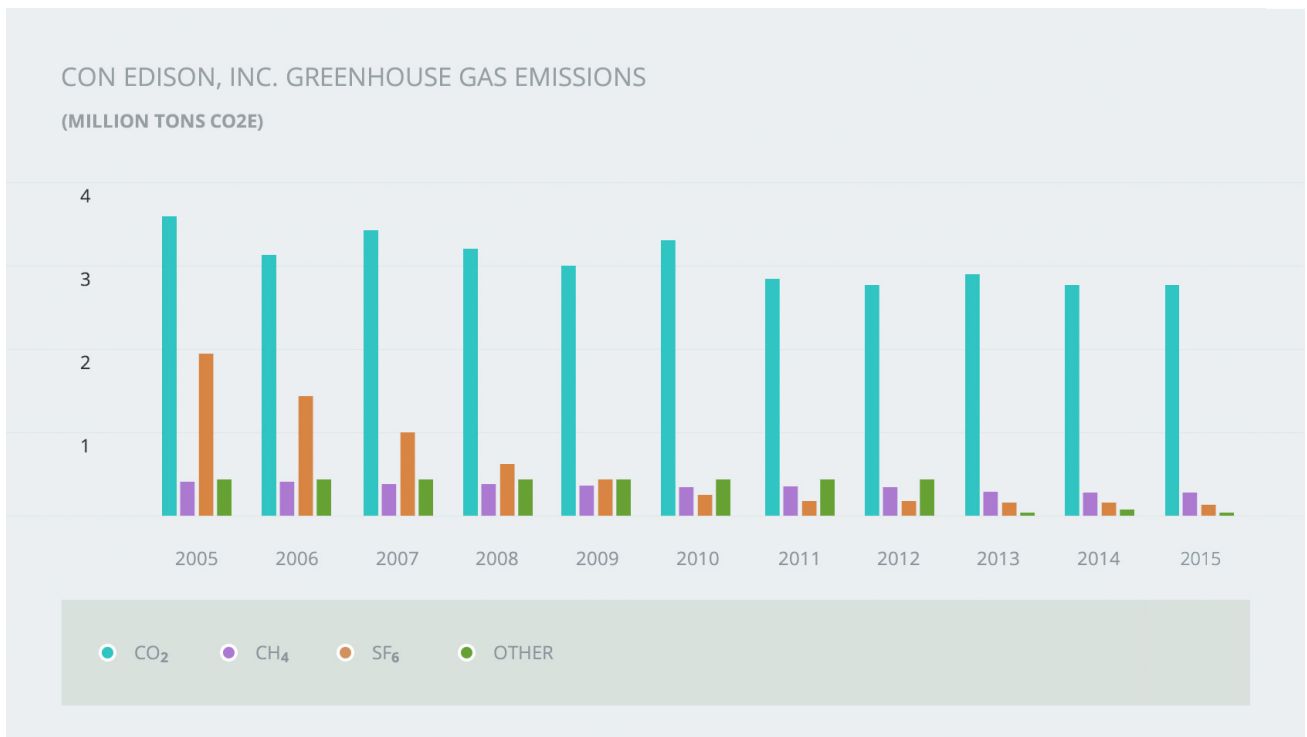


We provide steam service for approximately 2.5 million people in Manhattan through an underground network of pipes. By generating steam primarily through co-generation, we provide efficient production and reduce emissions that would otherwise be generated by localized boilers and equipment. We focus on identifying ways to lower costs to customers, maintain high reliability, improve resiliency, and protect the environment. In 2015, we continued to achieve safe and efficient operations while serving our customers' needs—maintaining an overall reliability rate of 99.98 percent and meeting a peak demand of nine million pounds on February 20.

We also worked with ULC Robotics to create a robot named SMART (Steam Mains And Inspection Robot Technology) to inspect steam mains (pipes) of at least eight inches in diameter. SMART was machined out of a block of brass and designed to pull a 500-foot tether. The tether supplies chilled air to keep the onboard electronics within their operating temperature limits while allowing the user to remotely control the robot. SMART is designed to withstand heat inside a pipe, operating at a maximum temperature of 350 degrees. It is outfitted with sensors for wall thickness measurements and multiple cameras in the front and back for visual inspection and navigation. The first of its kind, SMART is being developed to allow us to troubleshoot and proactively make repairs, eliminating potential leaks and service disruptions to our customers while increasing system reliability.

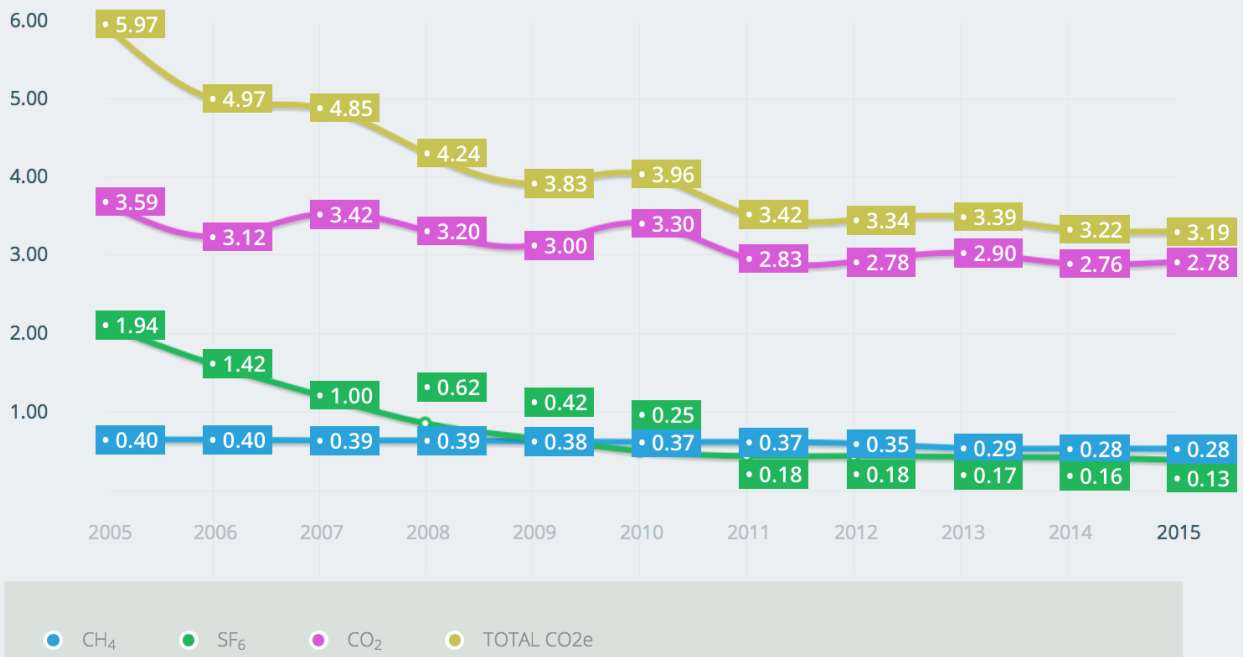
GHG Emissions Reductions – Introduction

We have reduced our carbon footprint by 48 percent since 2005—the equivalent of taking more than 500,000 vehicles off the road—and we continue to support efforts by local, state, and federal agencies and entities to make further reductions. For example, we are working with New York City to convert as many buildings as possible from heavy fuel oil to cleaner natural gas. We added natural gas firing capacity as our primary fuel to two of our large steam facilities as well, helping to reduce greenhouse gas emissions. In addition, we have worked voluntarily with the U.S. Environmental Protection Agency (USEPA) to reduce the emissions of sulfur hexafluoride, or SF₆, from our electrical equipment.



CON EDISON, INC. GREENHOUSE GAS EMISSIONS TRENDS

(MILLION METRIC TONS CO₂e)



STEAM GAS ADDITIONS CONVERSION



Con Edison customers are reaping the benefits of the Company's decision to modify two steam-generating stations in 2013 to burn natural gas as a primary fuel as opposed to No. 6 fuel oil. In 2015, the two stations combined saw a 26 percent reduction in CO₂ emissions (approximately 166,000 short tons), compared to a 2008-09 average. In addition to this reduction in emissions, savings associated with burning less costly natural gas resulted in an approximate \$96 million reduction in fuel costs, or an approximate 12 percent reduction in customer bills. All converted units remain capable of burning an alternate fuel in a supply shortage. This capability is particularly important to maintaining reliability and moderating price impacts during periods of high demand for natural gas.

ENERGY EFFICIENCY

Since 2015, we have paid out more than 34,600 rebates and incentives totaling over \$60 million to our residential and commercial customers who upgraded their building equipment and system to be more energy efficient. These programs have saved 239,000 megawatt hours (MWh) and 419,000 dekatherms (Dth) resulting in the reduction of 159,000 short tons of carbon – the equivalent of taking 27,000 cars off the road.

Since 2015:

- Our Small Business Direct Install Program saved 134,000 MWh of electricity, reduced carbon by 75,800 short tons, and paid 6,600 rebates totaling \$30 million
- Our Commercial and Industrial Program saved 67,000 MWh, 98,800 Dth, reduced carbon by 43,700 short tons, and paid 1,600 rebates totaling \$13 million
- Our Residential Program saved 11,500 MWh, 39,500 Dth, reduced carbon by 8,800 short tons, and paid 22,500 rebates totaling \$4 million
- Our Multifamily Program saved 26,300 MWh, 280,750 Dth, reduced carbon by 31,000 short tons, and paid 3,900 rebates totaling \$14 million

[Learn more about how energy-efficiency upgrades can save money and protect the environment at our Manage Energy microsite. \(http://manage-energy.coned.com/#front\)](http://manage-energy.coned.com/#front)

We're building on longstanding relationships with the customers and communities we serve to provide them with energy options that are safer, more reliable, and more cost efficient. Here are just a few examples from the past year:

We launched a program in New York City's Hispanic community that allows small businesses in Washington Heights and Inwood to become more energy-efficient and save money on their bills.



Running a hot yoga studio doesn't have to cramp your budget, as we showed a small business owner.



A family-owned Staten Island meat store known for its cold cuts and hot sausage asked for our help to become more energy efficient. See what tasteful changes we made.



We regularly offer incentives to customers who purchase eligible energy-efficient appliances for their homes. We give customers \$75 for buying eligible high-efficiency refrigerators, \$50 for dishwashers, \$30 for air conditioners, and \$20 for dehumidifiers. Owners of multi-family buildings with at least five residential units can qualify for incentives as well. The multi-family program provides incentives for upgrades to gas and electric equipment. Eligible projects include LED light fixtures, high-efficiency boilers, pipe insulation, roof insulation, and energy-management systems. Some 250,000 customers have lowered their usage and saved money since we started this program.

Find out more: <http://www.coned.com/energyefficiency/> (<http://www.coned.com/energyefficiency/>)

REDUCTION OF SF₆ EMISSIONS

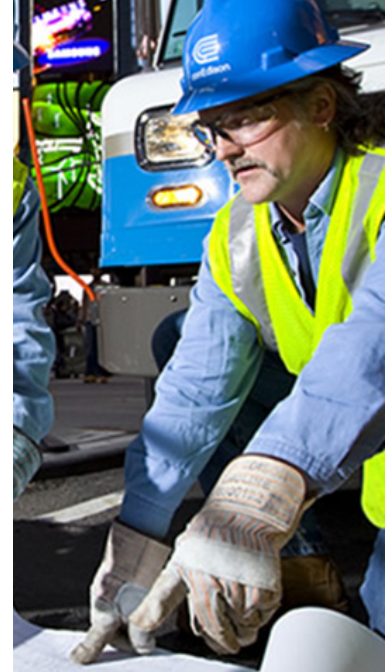
Over the past 10 years, we have significantly reduced emissions of sulfur hexafluoride, otherwise known as SF₆, a greenhouse gas that has a global warming potential more than 22,000 times that of carbon dioxide. SF₆ is a non-flammable, non-toxic gas that can remain in the atmosphere for up to 3,200 years. Currently, there is no viable alternative to SF₆, which is a highly efficient insulating medium and arc extinguisher used throughout the energy industry in various types of equipment including high voltage breakers and gas insulated switchgear. However, limiting SF₆ emissions is imperative for a cleaner environment.

Starting in 1999, in accordance with a Memorandum of Understanding between the United States Environmental Protection Agency and Con Edison, we agreed to reduce SF₆ emissions by five percent annually from a 1996 baseline. During 2015, we released about 95% less SF₆ than in 1996. Our ability to reduce SF₆ emissions resulted from maintenance programs to address SF₆ gas leaks, upgrading equipment as well as instituting best management practices for gas handling and repairs. As part of our ongoing effort to further limit SF₆ emissions, we established a Fix-It-Now team that emphasizes best management practices and prioritizing repairs. Learn more about the team:



REDUCTION OF CH₄ EMISSIONS

As part of our ongoing effort to reduce our carbon footprint and sharpen our focus on natural gas safety, we're working with the New York State Public Service Commission (PSC) and other agencies to develop a program to identify and reduce emissions from small volume, non-hazardous leaks of methane gas. Currently, non-hazardous leaks are scheduled for repair based on the availability of resources and the leak's proximity to other kinds of street-opening work. In 2015 and early 2016, we partnered with the Environmental Defense Fund to better measure non-hazardous leak emission rates and we are currently field-testing this new technology.



METHANE CHALLENGE



We are among the founding partners in the Natural Gas STAR Methane Challenge program—a voluntary partnership with the Environmental Protection Agency (EPA) that aims to reduce methane emissions and improve air quality in a cost-effective way. The program, which includes 41 energy companies, was launched at the Global Methane Forum on March 30, 2016.

We've been a founding member of the Natural Gas STAR Program since 1993, so we welcomed the chance to participate in this new partnership.

Among our efforts toward a cleaner environment, we're replacing cast iron and unprotected steel mains with plastic pipe, or rehabilitating those mains with plastic pipe inserts or liners.

CECONY is on pace to exceed its goal of replacing an average of 65 miles of cast iron and unprotected steel mains each year from 2014 to 2016. That exceeds the EPA's best management practice. O&R is committed replacing 6.5 percent or 11 miles of main by 2016 and 10 percent by 2020. That also exceeds the EPA's best management practice.

Air Quality/Non-GHG Emissions



We are also converting the generating equipment at our steam and electric generating stations to burn No. 4 oil as the backup fuel to natural gas instead of No. 6 oil, which is heavier and contains a higher concentration of criteria pollutants. All Con Edison units will be converted by the end of 2019, in order to be capable of burning No. 4 fuel oil by the winter of 2019-20 and to meet the City of New York's new requirements. With our system already burning more than 90 percent natural gas, this step further reduces the total emissions of the steam system that followed the significant gas emissions additions conversions completed in 2013.

Waste Management

Hazardous

We shipped tons of hazardous waste to licensed commercial waste-handling facilities. Most of the hazardous waste is lead-contaminated sediment that comes from cleaning our underground electric facilities such as transformer vaults and manholes.

But in 1998, we launched a program for waste managed by Con Edison employees that rendered residual lead virtually inert, so that it was no longer hazardous. This process has substantially reduced the amount of hazardous waste we generate and the operating costs for cleaning over the years.

Non-hazardous

In 2015, CECONY recycled tons of non-hazardous waste, including retired fleet vehicles, forklifts, and tool carts, which were auctioned for sale or scrapped for their components. Currently 92 percent of our non-hazardous waste is recycled.

O&R's recycling program continues a longstanding relationship with Rockland ARC, a local organization that provides support for the developmentally disabled. ARC workers recycle old cables, streetlights, reflectors and meters. O&R estimates that the program has saved more than a million cubic feet in landfill space since its inception in 1991.

CON EDISON OF NEW YORK NON-HAZARDOUS WASTE GENERATION (THOUSAND TONS)

	2011	2012	2013	2014	2015
Recycled	55.3	51.5	50.7	54.2	67.9
Landfilled	5.7	5.7	5.5	4.8	5.6

CON EDISON OF NEW YORK GENERATION BY MATERIAL TYPE (HUNDRED TONS)

	Clean Fill	Garbage	Metal	C&D	Wood	Paper	Plastic
2014	426	74	17	17	5	3	1
2015	555	88	25	18	6	3	1

Habitat & Biodiversity

How do you install miles of cable between energy substations without disrupting endangered species such as the timber rattlesnake and the bog turtle in their natural habitat? We found an ingenious way to do it that didn't involve hauling in tons of heavy equipment like cranes and trucks, or wetland matting that would have disturbed the environment. Helicopter to the rescue!



Electric Vehicles

http://coned.dev.limusdesign.com/files/II.G_Electric_Vehicle.jpg Charging big fleets of electric vehicles has become more energy efficient and less costly thanks to a project we conducted with three research partners. Our engineers worked with experts from FedEx, General Electric, and Columbia University's School of Engineering to show how smart-grid technology linked to charging stations can track and manage the power flow to electric vehicles. Large energy users pay "demand charges"—fees based on the largest amount of power a customer uses at any one time during the month. Our experts devised a system to control a fleet's energy usage, which lowers the company's peak usage and reduces demand charges. That means considerable savings for a company with a large fleet—savings that can be passed on to the customers. We estimate there are nearly 4,700 electric vehicles in New York City and Westchester County. We are committed to maintaining the industry-leading reliability of electric vehicles while providing electric vehicle drivers with the power they need.



Oil to Gas Conversions

We continue to build out our gas-delivery system to meet the high demand for cost-effective and energy-efficient natural gas. We have converted more than 5,200 large buildings in New York City, 3,200 of which were burning heavy heating oil, in the past four years.

The conversions have reduced emissions of more than 400 tons of fine particulate matter. That’s equivalent to taking 1.2 million cars off the road. Fine particulate matter is a mix of chemicals, metals, and dust that can penetrate deep into the respiratory system and cause serious health problems. The New York City Department of Health estimates that fine particulate pollution caused an average of more than 2,000 deaths, about 1,500 hospital admissions for lung and heart conditions, and 5,000 emergency admissions for asthma based on levels from 2009 to 2011.



CON EDISON, INC. NYC UTILITY CUSTOMER CONVERSIONS TO GAS (FROM NO. 4 AND NO. 6 OIL ONLY)

	2011	2012	2013	2014	2015	TOTAL
CECONY	243	512	780	824	805	3,164

Water

We recognize the importance of preserving natural resources. As one of the New York City Department of Environmental Protection's largest water customers, we have ongoing initiatives to minimize our water footprint through efficiency-improvement projects. One of our steam-generating stations is reducing its water consumption through improved equipment design and water flow. We expect these design improvements to result in a reduction of more than 50 million gallons a year, which would be equivalent to approximately \$850,000 in savings to customers.

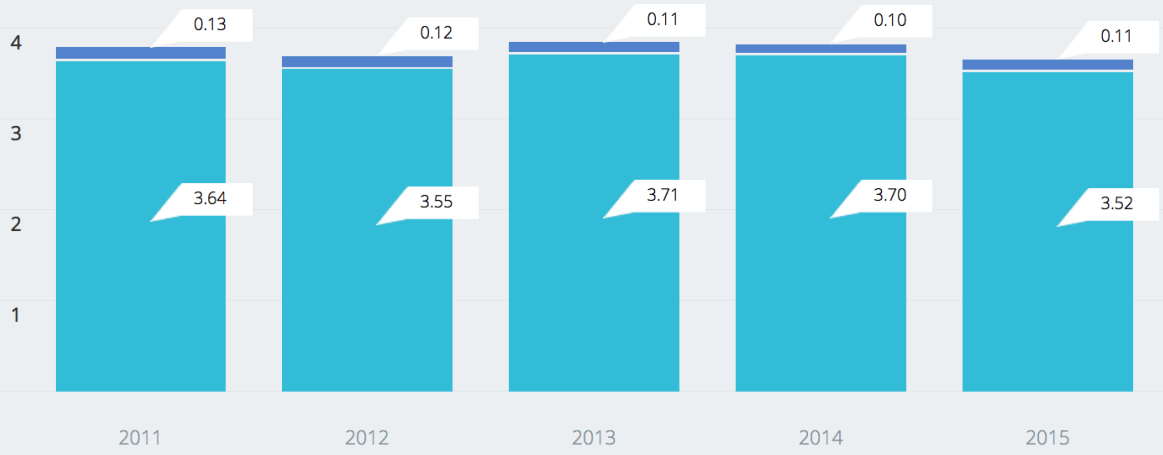
CON EDISON OF NEW YORK NYC DEP MUNICIPAL WATER USE (BILLION GALLONS)

	2011	2012	2013	2014	2015
Steam Production	3.64	3.55	3.71	3.70	3.52
Facility Use	0.13	0.12	0.11	0.10	0.11



CON EDISON OF NEW YORK DEP MUNICIPAL WATER USE

(BILLION GALLONS)



● FACILITY USE ● ENERGY PRODUCTION

ISO Certification

The International Organization for Standardization (ISO) was created to provide consistent standards for products, manufacturing processes, and management systems. ISO certification gives stakeholders a means to validate that our company is operating an effective environmental-management system. ISO also provides a framework for continual improvement throughout the company. In 2015, CECONY achieved its 13th consecutive year of companywide third-party certification by the Environmental Management System (EMS) to ISO 14001.

It's our policy to be a leader in protecting the environment and ensuring the health and safety of employees and the public. We're committed to:

- improving safety and environmental performance
- strengthening Environment, Health, and Safety (EH&S) compliance
- enhancing relationships with our stakeholders
- identifying and reducing significant EH&S risk potential
- promoting wise and effective use of natural resources

CECONY's EMS is third-party certified to the ISO 14001:2004(E), EMS Standard by Intertek Testing Services NA, Inc. CECONY's chemical laboratory operations are third-party certified to the ISO/IEC 17025:2005(E), general requirements for the competence of testing and calibration laboratories standard.



Physical Cybersecurity & Data Privacy



Cybersecurity continues to take on greater importance in our personal and working lives. We remain vigilant in our efforts to make sure that our buildings and equipment stay safe from attack and that our customers' personal information is not compromised. Because we recognize the risks associated with malicious software attacks, we maintain a comprehensive cybersecurity network designed to protect our computers, servers, business applications, and data from unauthorized access and control from internal and external threats. We also recognize that new threats pose a constant challenge to our security, so we continue to fortify our defense through investments in technology, enhancements to our cybersecurity process, and greater collaboration with law enforcement officials, regulatory agencies, and industry resources.

Computer security will always be a high priority for our company because malicious software and intrusions have become increasingly sophisticated. Those who would do harm attempt to use stealth techniques to evade and disable current detection methods. To safeguard customer information and our data and property, we have expanded the use of intrusion detection and prevention tools, as well as next-generation remote-access technology that improves authentication and heightens security. And we're making sure that our employees stay aware through ongoing training and communication.

Ethical Business Practices



Strong business ethics is a core value of our company. We also recognize that standards of business conduct are an integral component of a sustainable company. Our ethical standards are founded on values of service, honesty, concern, courtesy, excellence, and teamwork, as well as a commitment to our customers, communities, employees, and shareholders. To add more resonance to our ethics message, we formed a Values in Action Advisors network composed of 70 employees in 2015. We also required all management employees and select union members to complete a conflicts of interest survey and we created a compliance management team in 2015.

Climate Resilience



Key enhancements are being made to our core systems to help improve efficiency and overall resiliency during a major storm, and to reduce our environmental impact. Since Superstorm Sandy in October 2012, our systems have undergone a number of improvements to better serve our communities during extreme conditions—reinforcing perimeter walls, installing gates and floodwalls, and raising critical equipment. Also, to minimize customer area outages and improve operational flexibility, flood-prone locations are being reinforced to make sure we keep the power flowing during the most severe flood conditions.

Core System Upgrades

When a blizzard dumped between two and three feet of snow in our service area in January 2016, more than 1,000 power outages were averted in Brooklyn and Queens because of \$1 billion in upgrades to our infrastructure. The storm-hardening improvements began in 2013 after Superstorm Sandy and will continue through 2016. The infrastructure upgrades include “smart switches” installed along overhead wiring that has made our system more resilient by minimizing the number of customers impacted by falling power lines.

TRANSMISSION PIPE REFURBISHING

Our underground transmission system consists of 660 miles of 138 and 345 kilovolt feeders encased in steel pipe surrounded by high-pressure dielectric fluid (a non-toxic mineral oil). Approximately nine million gallons of dielectric fluid circulate through the system, cooling and insulating our feeders. The fluid moves through cooling plants at nominal pressures of 200 pounds per square inch. The conductors inside our steel pipes are wrapped in paper insulation.

Our leak-detection system is among the most sophisticated in the world:

- We use online monitoring to check the integrity of our system
- We infuse our oil with a special tracer gas to help us locate leaks
- If significant leaks occur, we remove feeders from service to allow them to be placed on reduced pressure to slow the leak rate and utilize full-time patrols to detect and repair the leaks

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. To reduce leaks from our transmission feeders, we are accelerating repairs to the coating on our pipes.

From 2016–2018, we are investing more than \$85 million to accelerate the refurbishment of anti-corrosion coatings on pipings at the rate of 6,000 trench feet per year. In 2015, we refurbished anti-corrosion coatings on pipings of approximately 3,000 trench feet. We’re also investing \$1.5 million over the next three years in spill cleanups to restore the environment. We expect to make significant progress in research and development to reduce the potential for oil spills. And we’re investing in research and development that can replace existing feeders with solid dielectric cable that can be cooled with water instead of oil.



R&D



http://coned.dev.limusdesign.com/files/III.D.2. Research_Development.jpg The New York Public Service Commission approved our five-year, nearly \$1.3 billion project in early 2016 to install smart meters and advanced communication systems throughout New York City, Westchester County, and Orange and Rockland counties. It's the biggest capital improvement project in our history. Starting in 2017, when the meters come to Westchester and Staten Island, customers will be in charge because they'll know exactly how much energy they're using. Smart meters will mean fewer estimated bills and instant turn-ons. This technology will allow us to use precisely the amount of energy we need and no more. That means customers will use less power, which will benefit the environment by reducing carbon emissions. The network will provide the capability to integrate sensors—that detect methane or stray voltage, otherwise known as contact voltage—to improve public safety. And lowering the voltage on the smart grid will lead to a potential savings in fuel costs of \$40 million a year. By 2022, we'll have nearly five million smart meters in service through an aggressive rollout plan that includes installing 5,000 meters a day.

RELIABILITY PERFORMANCE



<http://coned.dev.limusdesign.com/files/III.D.3. Reliability Performance.jpg> Two 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 yearly, and the figure represents the number of service interruptions divided by the number of customers served. CAIDI is also compiled yearly, and it represents the average time to restore interrupted customers. The CAIDI figure represents the total customer minutes of interruption divided by the total number of customers affected. For both figures, a low number indicates a better performance.

2015 numbers for CECONY (electric)

SAIFI: 0.112

CAIDI: 186 minutes

2015 numbers for O&R (electric)

SAIFI: 0.959

CAIDI: 140.1 minutes

Ongoing programs at CECONY and O&R are improving performance reliability through capital investments and better operating methods while meeting growing customer demand.

GAS MAIN REPLACEMENT



In 2015, CECONY replaced approximately 70 miles of leak-prone pipe against an annual target of 65 miles. This achieved the main replacement performance measure required under its current gas rate agreement. Under the terms of its gas rate agreement, CECONY's goal will be 70 miles in 2016. In 2015, O&R replaced nearly 18 miles of gas main, exceeding our goal and reducing active gas leaks to an all-time low.

The total gas leak backlog in 2015 was 523 leaks compared to an annual Public Service Commission goal of 750. Finally, total incoming gas leaks identified in 2015 were 9,840. A total of 11,423 repairs were made resulting in the backlog of 523 leaks described above. An estimated reduction in methane emissions of 7,000 metric tons of carbon dioxide equivalent was achieved from 2014-2015 (based upon greenhouse gas reporting per foot emission factors for pipe materials).

Supply Chain



http://coned.dev.limusdesign.com/files/III.E_Supply_Chain.jpgIn 2015, we doubled our procurement of green products compared to 2014, with approximately \$7 million of expenditures. This included items such as hybrid vehicles, low-carbon fuels, and recycled paper, toner, and carpets. We partnered with our vendors to reduce, reuse, and recycle various materials used by the company. Through our resource recovery program, we diverted close to \$11 million of waste from landfills by focusing on products such as scrap cable, transformers, and paper. We collaborated with an electrical equipment supplier to implement process improvements that yielded over 700,000 pounds of reclaimed copper. We also awarded a contract to a women-owned logistics company that is helping us to reduce our carbon footprint by optimizing the efficiency of our inbound material deliveries. To identify best practices that can strengthen our sustainability program, we joined an industry working group that includes many of the nation's largest energy companies.

Governance

http://coned.dev.limusdesign.com/files/III.F_Governance.jpg Experience has taught us that 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.

Since its inception in 1995, the Environment, Health & Safety Committee of the Board of Directors has met four times a year to review our EH&S efforts. The committee also develops strategic goals that help drive our EH&S and sustainability efforts. The EH&S vice president is responsible for developing programs to ensure compliance and work toward EH&S excellence.

Part of senior management's commitment to EH&S includes independent oversight:

- The Office of the Corporate Ombudsman, reporting directly to the Chairman, provides employees with an independent office to which they can confidentially report suspected violations of our Code of Conduct, including EH&S requirements, or ethical or legal concerns.
- Our Environment, Health and Safety Review Board consists of outside consultants who are independent attorneys. The board reports directly to the chairman.



Stakeholder Engagement & Collaboration

At Con Edison, we strive to put our customers and communities at the center of everything we do. Making their priorities our priorities is crucial to the success of our business and is a key part of our sustainability strategy.

Our diverse communities are made up of the more than 10 million people who rely on our services each day. Our customers, municipalities, advocacy organizations, employees, and shareholders are all key stakeholders whose input we seek and respond to as we move our business forward.

We engage with our stakeholders through a range of activities, including collaborative meetings on topics from advanced metering to clean energy to storm response, community involvement and investment, and employee volunteer programs. We also provide a stakeholder ombudsman to support ongoing collaboration with key groups.

In one example of a collaborative effort that helped to serve our communities, we hosted a weather summit where our own meteorologists explained to forecasters from local TV and radio how the weather affects our electrical, gas, and steam systems and what impact that has on our service to customers.



POLICY & REGULATORY IMPACT



As an energy company, Con Edison operates in a highly regulated environment and is affected by policies and regulations adopted at the federal, state, and municipal level. New York is engaged in several ongoing efforts that demonstrate the state's leadership in advancing a clean energy future, including: the Reforming the Energy Vision (REV) proceeding, which seeks to better integrate distributed energy resources into the grid and to innovate new utility business models; the Clean Energy Fund (CEF), which will support a wide range of clean energy activities implemented by the New York State Energy Research & Development Authority (NYSERDA); the Clean Energy Standard program, which will chart the state's course to generating 50 percent of its electricity from renewable energy resources by 2030; and the New York Green Bank, which seeks to leverage private capital to fund clean energy projects in the state. In addition, the state continues to participate in the Regional Greenhouse Gas Initiative and is preparing to meet the Environmental Protection Agency's Clean Power Plan, a new rule to limit CO₂ emissions from existing electric generation plants when legal challenges are resolved.

In each of these areas, Con Edison has a long history of advocating for solutions that achieve policy objectives in the most cost-effective manner for our customers.

SHAREHOLDERS

As one of the largest companies in New York State, we play a major role in the economic development of the metropolitan New York area. And in these uncertain times, association with us remains a sound investment. We're proud to say that we have increased dividends to our shareholders for 42 consecutive years. Shareholder engagement has always been a sustainability priority for us. The following is a list of some of our key activities:

- Annual meeting of shareholders
- Financial disclosures
- Active participation in industry conferences and forums
- Proactive outreach to corporate governance officials at major financial institutions
- Earnings announcements
- Press releases
- Sustainability reporting
- Responding to inquiries from socially responsible investors
- Regular discussions with top institutional investors



For more information, refer to our Shareholder Services. (<http://phx.corporate-ir.net/frame.zhtml?c=61493&p=irol-shareholder>)

	2009	2010	2011	2012	2013	2014	2015
Earnings	\$3.16	\$3.49	\$3.59	\$3.88	\$3.62	\$3.73	\$4.07
Dividends	\$2.36	\$2.38	\$2.40	\$2.42	\$2.46	\$2.52	\$2.60



STRATEGIC PARTNERSHIPS

In the past year, we have strengthened our working relationships with our strategic partners to better serve people and communities throughout the metropolitan New York area. Some examples:

Twenty-eight of our employees joined with Habitat for Humanity to build a home in Yonkers, NY, for a National Guardsman who served our country in Afghanistan.



We received a Corporate Responsibility Award for our STEM Days Out program, in which middle-school students visit the Intrepid Sea, Air, & Space Museum to learn about science, technology, engineering, and math, and our GOALS for Girls program, which enables women in STEM careers to serve as mentors for teenage girls.

We also work closely with the Hudson River Museum to introduce students to STEM careers and instill in those students an appreciation for the Hudson River's rich natural resources and aquatic life.



Distributed Energy Resources

We continue to progress toward cleaner, more efficient ways of distributing energy resources. In addition to making customers aware of energy-efficiency improvements that will help them save on their energy bills, we are working with customers and regulators to test new models for the distribution of energy. Also, we have made significant investments in renewables and large-scale battery storage.



ENERGY EFFICIENCY & DEMAND RESPONSE

We honored 20 companies in New York City and Westchester County for helping customers make upgrades to their homes to save energy and money. The honorees were chosen for their work in 2015 when Con Edison's residential customers made HVAC upgrades that saved approximately 3,000 megawatt hours of electricity and 25,000 dekatherms of gas a year. In 2015, we paid out more than 4,300 rebates totaling \$2.7 million to residential customers who upgraded their heating and cooling systems. We regularly review our programs to find new opportunities to help customers save on their energy costs. Early in 2016, we introduced a program that enabled qualified customers to receive a \$400 rebate for installing a ductless heating and cooling system that can reduce energy costs by up to 30 percent a year.

CON EDISON, INC. UTILITY CUSTOMER CUMULATIVE ENERGY SAVINGS (THOUSAND DTH AND MWH)

	2009	2010	2011	2012	2013	2014	2015
Mwh	1	62	228	405	566	765	943
DTH	0	23	191	442	751	1,060	1,356

REV PROJECTS

Reforming the Energy Vision (REV) is a combined effort by energy companies, regulators, and industry players to improve the way energy is generated and consumed in New York State. This is in response to customers' growing desire to control energy costs and usage. One key element in REV is an expanded role for energy companies, who will act as a kind of air-traffic controller, balancing the supply and demand for energy. Under REV, we'll be able to maximize the benefits of renewable energy and other distributed forms of energy. We're exploring unique business models for energy companies and service providers that encourage flexibility, innovation, value, and customer engagement. Some examples:

- A demonstration project that combines rooftop solar with battery storage to create a virtual power plant
- Incentives for homeowners for installing solar panels along with battery storage
- Home energy reports connecting customers with third-party offers for solar, smart thermostat, and energy efficiency upgrades
- Digital marketplaces for homeowners and large commercial customers to make it easier to find energy-saving products and services



REV initiatives include the Brooklyn Queens Demand Management Program. To defer building a \$1 billion substation, we're working with more than 8,000 residential and business customers in targeted neighborhoods to find solutions to achieve growth. They're also helping us to reach our goal of a 9-megawatt energy reduction in 2016. Two cases in point:

- A beverage company owner in Brooklyn is saving \$4,000 a month on lighting because of our small-business incentives. The business also added a huge solar installation for more savings
- A home-decorating warehouse in Queens is saving more than \$10,000 a year after a lighting upgrade

RENEWABLES

Con Edison Development's renewable power facilities included 32 sites in 2015, producing 748 megawatts AC—wind accounted for 153 megawatts AC, and solar for 595 megawatts AC. Con Edison Solutions facilities included 29 sites, producing 22 megawatts AC. Wind assets include full ownership of an operating facility in Ohio and construction of another facility in Massachusetts. Our reach covers six states on the East Coast, four in the Central U.S., and three on the West Coast.

In 2015, the Con Edison Solutions' residential solar pilot program focused on downstate New York markets and included 515 customer leases and 44 systems installed. We partnered with SunPower, and the SunPower dealer network, to offer the highest-efficiency product in the market. We expect to meet our pilot target for systems sold in the second quarter of 2016, with all systems installed by the fourth quarter of 2016. Customer response has exceeded expectations, with the highest sales on Staten Island and in Queens and Orange counties. We're considering moving forward with a post-pilot offer for residential solar in New York.

CECONY and O&R have joined forces with four other energy companies and three of America's leading solar development companies to form a Solar Progress Partnership. The goals are to encourage more solar development in metropolitan New York and to ensure that adequate funding is available to maintain a safe, reliable, and resilient power grid.

CECONY customers now generate more than 100 megawatts of cleaner, renewable power with solar panels on roofs in New York City and Westchester County. As of April 2016, our customers had completed 8,415 solar projects on houses, condos, skyscrapers, and warehouses, generating enough energy to power about 16,000 homes a year. As more customers look for clean energy options and ways to lower their bills, the amount of solar generation in our service area has increased dramatically. At the end of 2010, the amount was only 8.5 megawatts. In 2015 alone, customers like George and John Utley installed nearly 35 megawatts of solar energy. Meet the Utley brothers, who own a manufacturing company.



The Utley brothers' company paid as much as \$10,000 a month for electricity in the summer of 2015. They expect to reap substantial savings this summer after placing 80 solar panels, which produce 20 kilowatts, atop their factory.



CUMULATIVE UTILITY CUSTOMER MW INSTALLATION

	2011	2012	2013	2014	2015
CECONY	141	153	173	219	259
O&R	32	39	45	54	72

LARGE SCALE BATTERY STORAGE



We're working with our commercial customers to help them install batteries in a manner that complies with standards set by the Fire Department of New York (FDNY) and the New York City Department of Buildings. Since this is a new technology, our team developed a comprehensive testing program—to give fire crews a better understanding of how to handle a possible battery-related fire and to aid the building department in developing codes needed for permit applications to install batteries. Our team devised tests using a lead-acid battery to determine how a burning battery responds to water streams and suppressant foam because the FDNY was concerned about the potential for a battery explosion. Tests showed that battery fires could be extinguished through conventional fire-fighting techniques. As a result, the building department voted in June 2015 to include lead-acid battery energy-storage installations in the "standard practice" category of New York City's buildings code.

Talent Attraction, Development & Retention

Our employees reflect the diversity of the communities we serve—47 percent are minorities and 20 percent are women. Of the 991 employees hired in 2015, 51 percent were minorities and 26 percent were women. Minorities accounted for 46 percent of all promotions in 2015. Twenty-one percent of those promoted were women. The percentage of minorities who are general managers, directors, or above rose from 28 percent to 30 percent in 2015. Women comprised 30 percent of those who are general managers, directors, or above in 2015, which is up from 29 percent in 2014.

Achieving a diverse culture starts with attracting and recruiting a broad range of candidates who represent the vast diversity of the communities we serve. Our strategy is to seek talented potential candidates from a variety of sources:

- The Internet
- Targeted job fairs
- Partnerships with academic institutions
- Professional industry associations
- The military
- Specialty firms and other organizations



By partnering with colleges and universities, we tap into the next generation of employees who will help us lead, grow, and develop innovative and creative solutions for our customers. We recently launched the Hiring College Graduates pilot program to recruit a diverse group of college graduates into management positions, specifically into the new “entry professional” title. In 2015, we hired eight entry-level professionals, of which 25 percent were women and 75 percent were minorities.

CON EDISON, INC. MINORITY AND WOMEN EMPLOYEE SHARE OF WORKFORCE

	2009	2010	2011	2012	2013	2014	2015
Minority	42%	43%	44%	45%	45%	46%	47%
Women	18%	18%	19%	19%	20%	20%	20%

Workforce Diversity & Inclusion



The diversity of our nearly 15,000 employees has been, and continues to be, essential to our success as a company. We remain committed to providing our employees with a workplace that fosters a culture of inclusion, equity, and respect for all. In furtherance of that goal, equal employment opportunities, affirmative action, and diversity and inclusion are fundamental principles at our company. Our commitment to these principles is as essential as our mission of providing energy services to our customers safely, reliably, and efficiently.

In 2015, we set the groundwork for our new diversity and inclusion strategy. Creating an inclusive culture helps us recruit and retain the best of the best. It invites each of us to speak up and voice our ideas and perspectives, listen to each other, and value our individual strengths. An inclusive culture expands our possibilities for the future.

Hispanic Network magazine named us to its Best of the Best roster of the nation's top companies. *Latina Style* magazine selected us as one of the 50 best companies for Latinas for the 11th year. We won a place on *Black Enterprise* magazine's list of the Top 40 Companies for diversity. For the first time, we made *Business Insider's* annual list of the 50 Best Companies to Work for in America. We're on *Corporate Responsibility's* annual list of 100 Best Corporate Citizens. *DiversityInc* has recognized us as a top energy company for hiring, training, and promoting a diverse workforce. And our videos on diversity and safety won 2016 Hermes Creative Awards.

Read our 2015 Diversity & Inclusion Annual Report at <http://coned.com/diversity>. (<http://coned.com/diversity/diversity-report-2015.pdf>)



Training & Professional Development



In 2015, our employees had the opportunity to attend 11 Strategic Issues Seminars including “Energize Your Career,” which focused on the career-development process. We’re committed to helping employees plan and achieve their professional goals. We offer coaching, career counseling, and workshops to all employees on topics such as interviewing skills, resume writing, effective communication, and conflict management. Sessions offered include Development Plan Workshop, Managing Workplace Conflict, Situational Leadership, Leadership Challenge, and Business Academy.

Our three formal mentoring programs—Executive, Corporate, and Women in Nontraditional Careers (WINC)—support the development of a diverse and inclusive workforce. In 2015, for the first time, the Corporate and WINC programs held a joint introductory session to promote greater networking and engagement. Our tuition aid program reimburses eligible employees who seek higher education to enhance their careers. Employees may qualify for up to 100 percent reimbursement of tuition costs after earning a degree.

In 2015, 636 employees took advantage of tuition aid. Of those employees, 62 percent were minorities and 36 percent were women. Also in 2015, 129 employees earned their degrees through the tuition aid program. Of those employees, 67 percent were minorities and more than 30 percent were women.

In the past year, we launched a web-based diversity and inclusion training course for all employees. The Office of Diversity and Inclusion also conducted in-person training for more than 3,500 employees across the company. And to help prepare our field

supervisors for the increasing diversity of people, technology, and processes on the job, we launched the Leadership Academy for Supervisors to provide them with the skills and knowledge to become more effective leaders.

CON EDISON, INC. MINORITY AND WOMEN EMPLOYEE SHARE OF PROMOTIONS

	2009	2010	2011	2012	2013	2014	2015
Minority	47%	45%	41%	51%	50%	48%	47%
Women	13%	15%	15%	21%	18%	24%	21%

Volunteerism



Our volunteer program gives employees, retirees, and their families a chance to donate their own time and resources to make a difference in the communities we serve. Our volunteers participate in diverse and innovative activities at nonprofits throughout New York City and Westchester County. In 2015, 582 of our employees and retirees donated 8,387 volunteer hours at 181 events. At one such event, nearly 50 of our employees contributed more than 170 volunteer hours at the Gowanus Canal Conservancy in Brooklyn – composting, painting a mural, and planting trees.

COMPANY OVERVIEW

Consolidated Edison, Inc., is one of the nation's largest investor-owned energy companies, with approximately \$13 billion in annual revenues and \$45 billion in assets. For more than 180 years, we have served the world's most dynamic and demanding marketplace—metropolitan New York. We provide a wide range of energy-related products and services to our customers through two regulated energy companies and our competitive energy businesses (CEBs).

COMPANY PROFILES

CON EDISON OF NEW YORK (CECONY)

CECONY is a regulated energy company providing electric, gas, and steam service in New York City and Westchester County, New York. Last year, we added more than 3,500 Wi-Fi thermostats representing about 3.5 megawatts of power to help meet residential customer demands. We also installed nine multistage gas regulator stations, upgraded one regulator station, and installed more than 16 miles of gas main. And our steam operations connected five new customers, including the World Trade Center Transportation Hub.

O&R is a regulated energy company serving customers in a 1,350-square-mile area in southeastern New York State and adjacent sections of northern New Jersey and northeastern Pennsylvania. Last year, O&R developed an online, one-stop customer marketplace for energy-efficiency products and services, and became one of the nation's first energy companies to test robotics to inspect live gas transmissions mains.

CES is a retail energy supply and services company. Last year, it launched a pilot program to lease high-efficiency solar systems to homeowners in New York State. It also awarded a micro grid, energy efficiency, and solar project in Stamford, Connecticut, and a project to develop energy efficiency proposals for seven U.S. Veterans Administration hospitals.

CED is a company that participates in infrastructure projects. Last year, it completed development and construction on seven projects, totaling 265 megawatts DC, and bringing total capacity of renewable projects to 933 megawatts DC.

CEE is a wholesale energy supply company. It installed \$778 million in renewable energy projects last year.

CON EDISON TRANSMISSIONS (CET)

CET is our newest company, which offers customers more diverse, low-cost energy supplies.

REVENUE BY BUSINESS

(MILLION \$)

• CECONY ELECTRIC	\$8,832
• CECONY GAS	\$1,709
• CECONY STEAM	\$629
• O&R ELECTRIC	\$663
• O&R GAS	\$182
• CEBS (CES, CEE, CED, CET)	\$1,383



BOARD OF DIRECTORS

DATA SNAPSHOT **COMPANY OVERVIEW**

	Audit Committee	Corporate Governance and Nominating Committee	Environment, Health and Safety Committee	Executive Committee	Finance Committee	Management Development and Compensation Committee	Operations Oversight Committee
Vincent Calarco	Chair	✗		✗		✗	
George Campbell, Jr.		✗		✗		Chair	✗
Michael J. Del Giudice	✗	Chair and Lead Director		✗		✗	
Ellen V. Futter			Chair				✗
John F. Killian	✗	✗				✗	
John McAvoy				Chair			
Armando J. Olivera			✗		✗		✗
Michael W. Ranger	✗				✗		Chair
Linda S. Sanford		✗	✗		✗		
L. Frederick Sutherland	✗				Chair	✗	

OUR BUSINESS

FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS

(MILLION \$, EXCEPT PER SHARE INFORMATION AND STATISTICAL DATA)

	2013	2014	2015
Operating revenues	\$12,354	\$12,919	\$12,554
Net income for common stock	\$1,062	\$1,092	\$1,193
Basic earnings per common share	\$3.62	\$3.73	\$4.07
Dividends per share	\$2.46	\$2.52	\$2.60
Dividend payout ratio	68%	68%	64%
Average common shares outstanding	292.9	292.9	293
Total assets	\$40,647	\$44,377	\$45,642
Capital expenditures	\$2,648	\$2,721	\$3,418
Common equity ratio	53.9%	52.1%	52.1%
Return on equity	8.9%	8.8%	9.3%
Market capitalization	\$16,200	\$19,300	\$18,800
Stock price per share (year end)	\$55.28	\$66.01	\$64.27
Dividend yield (year end)	4.5%	3.8%	4.0%
Total shareholder return	3.8%	24.8%	1.4%

SHAREHOLDERS



WORKFORCE DEVELOPMENT

TRAINING

490,257 hours of instructor-led, skill-based and leadership training

164,519 hours of eLearning

781,649 hours of documents on-the-job training

129 employees taking part in a mentoring program

594 employees taking advantage of tuition aid

DIVERSITY**2013****2014****2015**

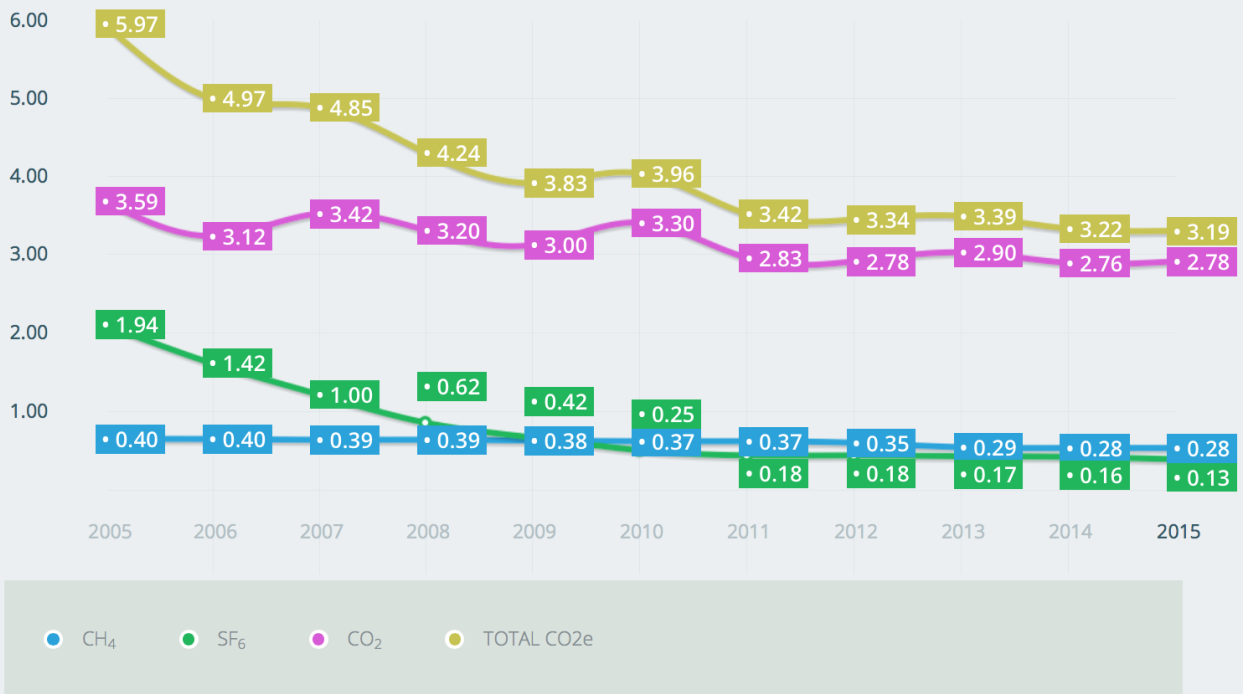
Total workforce	14,653	14,601	14,805
Minorities in the workforce	6,639	6,733	6,890
Minority share	45%	46%	47%
Women in the workforce	2,942	2,920	3,009
Women share	20%	20%	20%
Officer positions	59	57	59
Minorities in officer positions	15	18	21
Minority officer share	26%	32%	36%
Women in officer positions	16	14	15
Women officer share	27%	25%	25%

ENVIRONMENTAL PERFORMANCE

AIR

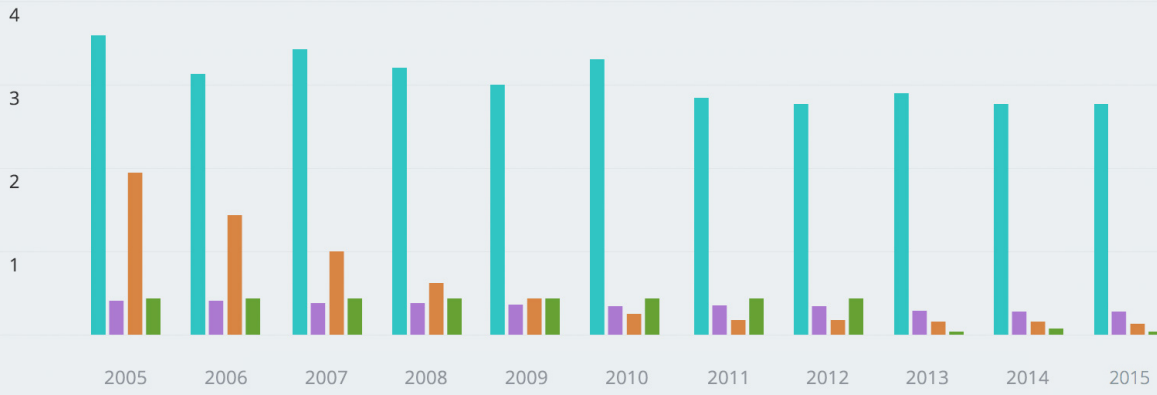
CON EDISON, INC. GREENHOUSE GAS EMISSIONS TRENDS

(MILLION METRIC TONS CO₂e)



CON EDISON, INC. GREENHOUSE GAS EMISSIONS

(MILLION TONS CO₂E)



● CO₂ ● CH₄ ● SF₆ ● OTHER

DIRECT EMISSIONS

(THOUSAND METRIC TONS)

	NO_x	SO₂
2005	3.33	2.63
2006	2.27	1.73
2007	2.79	1.92
2008	2.31	1.41
2009	2.49	1.53
2010	2.47	1.28
2011	2.17	0.93
2012	1.79	0.56
2013	1.9	0.54
2014	1.65	0.33
2015	1.49	0.32

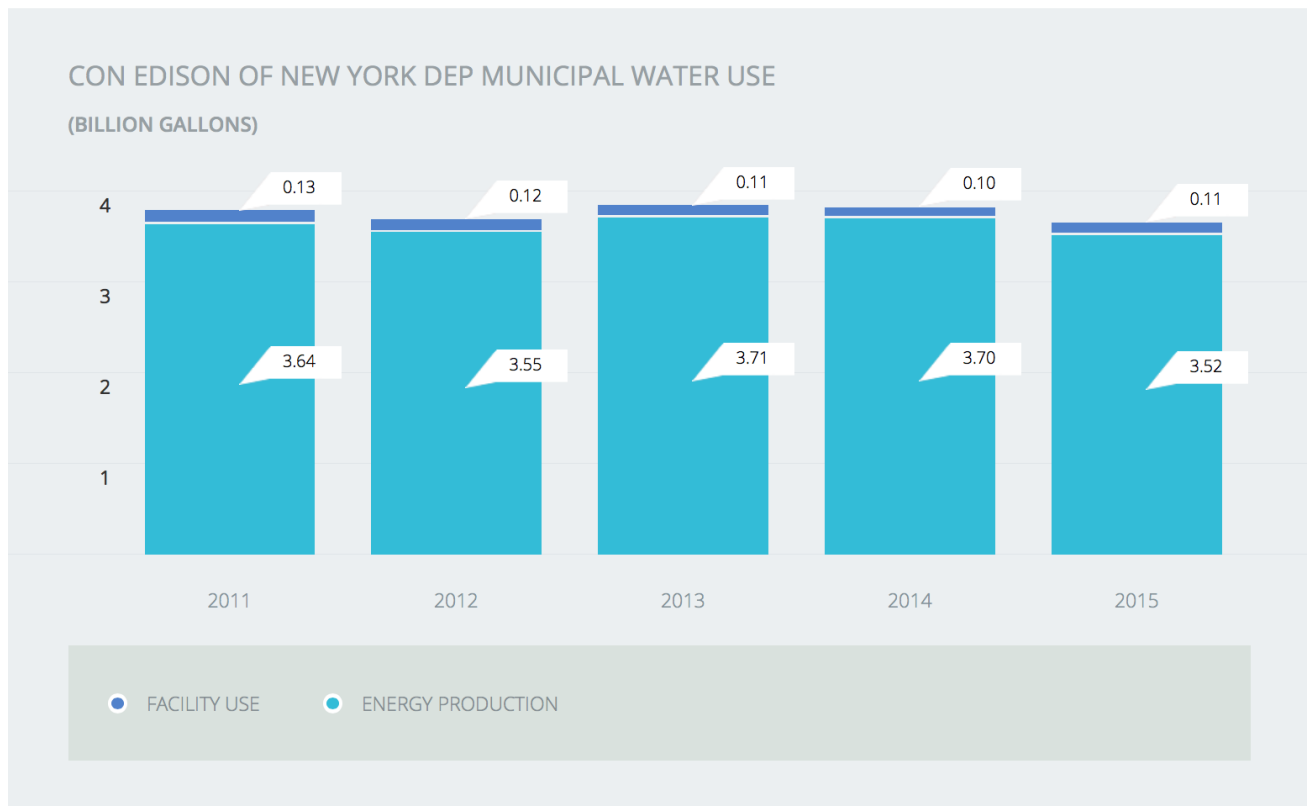
INDIRECT GHG EMISSIONS

(MILLION METRIC TONS)

Other indirect emissions or Scope 3 total
(million metric tons)Energy efficiency reductions
(thousand metric tons)

2009		0.4
2010		33
2011		94
2012		104
2013		99
2014	40.9	118
2015	41.8	107

WATER



WATER QUALITY

2014

2015

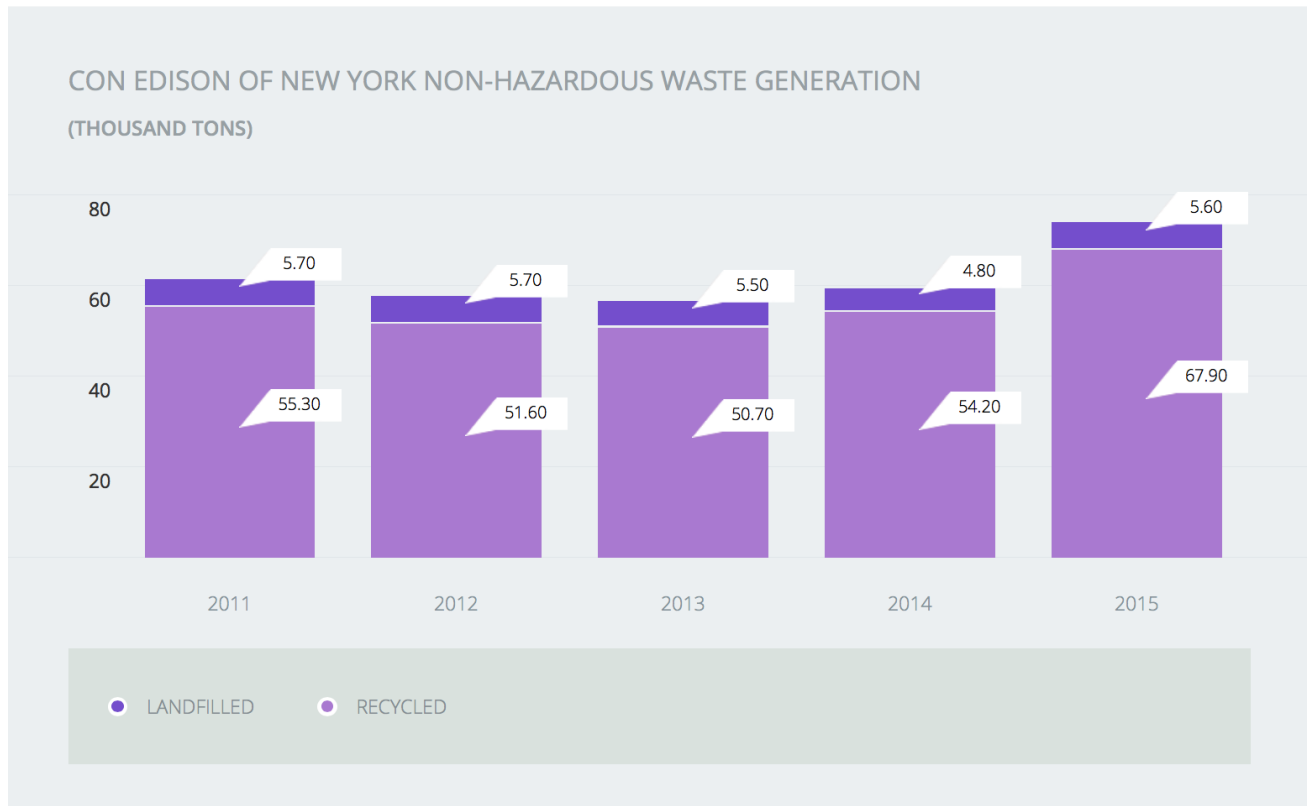
SPDES exceedances

1

3

CON EDISON OF NEW YORK ENVIRONMENTAL RELEASES	2014	2015
Dielectric fluid released to environment (gallons)	43,439	27,669
Reportable oil spills	569	678
Reportable-quantity chemical spills	30	34

RESOURCE CONSERVATION



CON EDISON OF NEW YORK WASTE
(TONS)

	2014	2015
Non-hazardous waste generated	59,069	73,462
Non-hazardous waste recycled	54,234	67,847
Hazardous waste generated	18,092	11,402

CON EDISON OF NEW YORK ENERGY CONSUMPTION
(MILLION BTUS)**2014****2015**

Facility electric consumption

313,785**326,033**

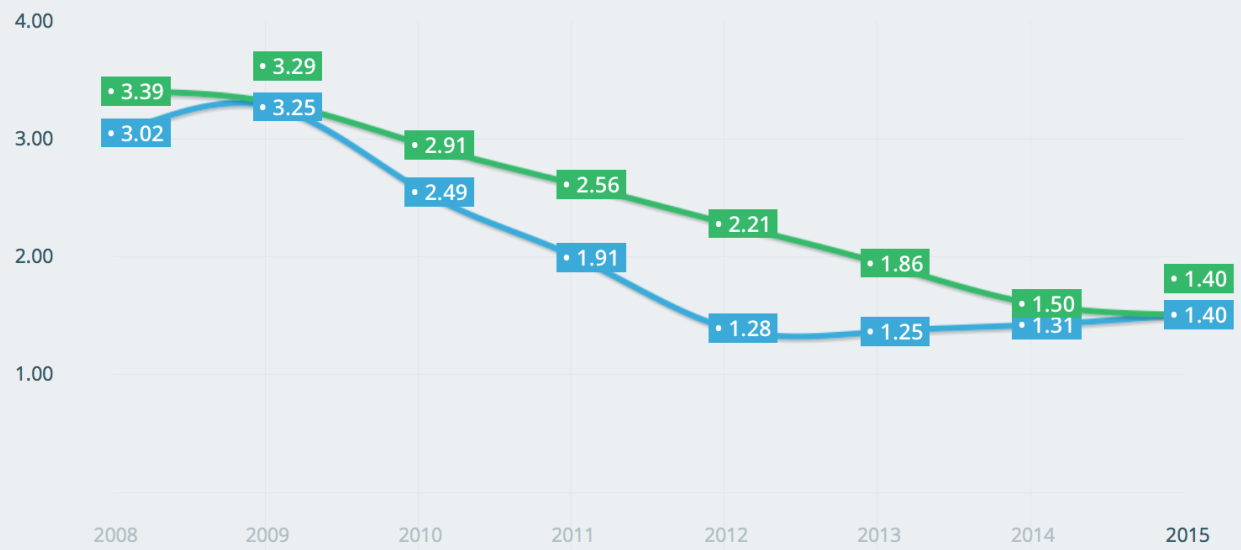
Facility gas consumption

158,037**153,028**

STAKEHOLDER ENGAGEMENT

EMPLOYEE SAFETY

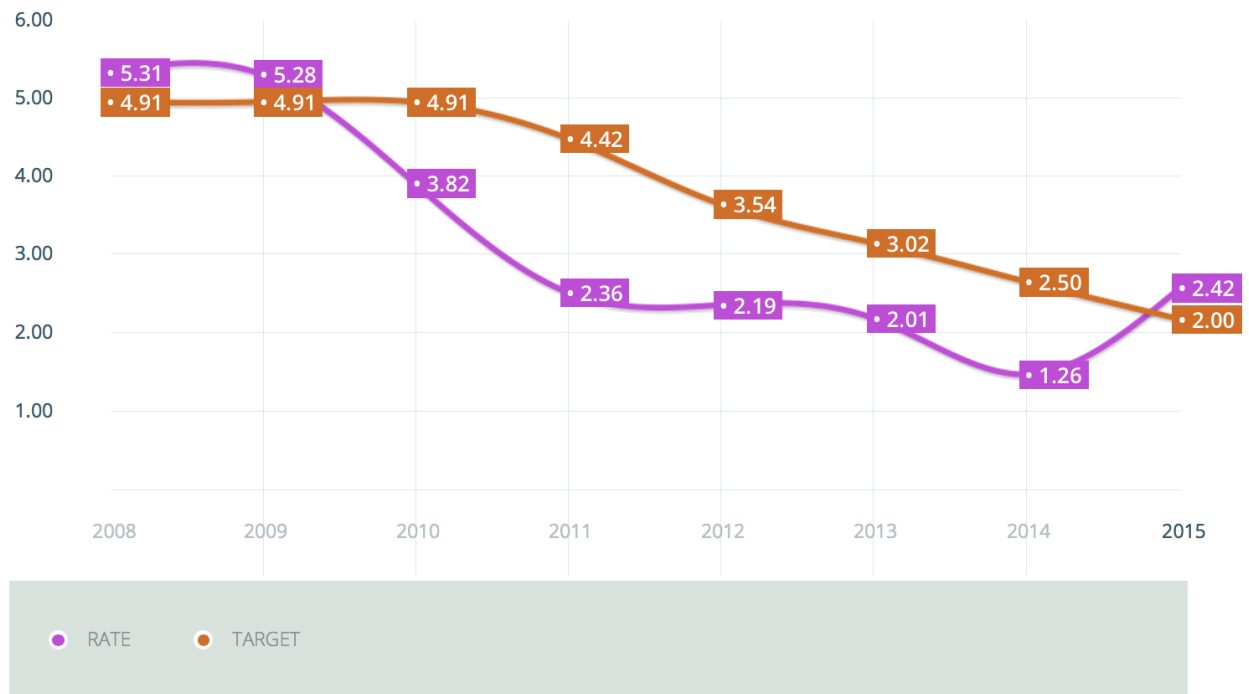
OSHA RATE



● RATE ● TARGET

ORANGE AND ROCKLAND

OSHA RATE



CORPORATE CULTURE

CORPORATE CULTURE

CON EDISON OF NEW YORK CULTURAL IMPERATIVES

Openness, fairness and trust

Cost consciousness

Enhancing stakeholder relationships

SUPPLIER DIVERSITY

CON EDISON, INC. SUPPLIERS

	2013	2014	2015
Green spend	> \$3 million	> \$3 million	\$6.9 million
Minority / women-owned supplier spend	> \$288 million	> \$286 million	\$280 million