

Con Edison TCFD Disclosure



“Guided by our three priorities — safety, operational excellence, and the customer experience — we are determined to fulfill every provision of our Clean Energy Commitment. Providing our customers with cleaner energy that is accessible to all, delivered by a more resilient system, is the right plan for these times. It is the right response to those who seek alternative forms of energy. And it is the right solution to the challenges posed by climate change.”

Timothy P. Cawley

Chairman, President, and Chief Executive Officer

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INTRODUCTION

The Task Force on Climate-related Financial Disclosures (TCFD) chaired by Michael Bloomberg, former Mayor of New York City, was launched by the Financial Stability Board in 2015 to help investors understand their financial exposure to climate risk and help companies disclose this information in a clear and consistent way.

Many investors have endorsed TCFD standards and encouraged companies to adopt TCFD guidelines for climate-related disclosures.

TCFD recommendations include guidelines for how companies should disclose their climate-related governance, strategy, risk management, and targets and metrics. Consolidated Edison, Inc. (Con Edison or the Company) and its subsidiaries' approach to these four pillars are discussed in this document.

More information about TCFD can be found at this link <https://www.fsb-tcfd.org/>

	Topic	Response
Governance	Describe the board's oversight of climate-related risks and opportunities	<p>The Company has a governance structure and strategy in place to harness the skills and intellect of our employees consistent with sound, sustainable business principles.</p> <p>As disclosed in our Proxy Statement, the Company is firmly committed to sustainability that is broadly overseen by the Board (see Proxy-Corporate Sustainability section). The Board reviews and discusses various sustainability topics throughout the year and routinely considers environmental matters (including climate change) and assesses how they impact the Company's operations, strategies, and risk profile.</p> <p>In 2021, the Board received reports or presentations on several sustainability and climate change-related topics, including the Con Edison of New York Climate Change Adaptation and Resiliency Plan, the Company's clean energy goals and clean energy commitment, the Company's climate resilience framework, the Company's strategy for achieving a clean energy future, and the Company's renewables strategy. In addition, the Board has delegated to the appropriate committee's responsibility for the specific sustainability categories relating to the oversight of risks with which such committees are charged. The Safety, Environment, Operations and Sustainability Committee oversees the Company's efforts relating to corporate responsibility and sustainability, which includes, but is not limited to, operating in a safe, environmentally sensitive, and socially responsible manner, guarding the health and safety of Company employees and the public, delivering value to customers, and fostering growth to meet the expectations of investors. The Safety, Environment, Operations and Sustainability Committee reviews the Company's Annual Sustainability Report prior to its publication. In discharging its responsibilities, the</p>

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		<p>Safety, Environment, Operations and Sustainability Committee reviews, at each of its meetings, certain key performance indicators relating to climate risk, including, for example, energy efficiency, dielectric fluid management, SF6 (sulfur hexafluoride) greenhouse gas emissions, environmentally beneficial electrification, and solar connections.</p> <p>Additional references: 2022 Proxy p. 17 2021 Sustainability Report</p>
	<p>Describe management's role in assessing and managing climate-related risks and opportunities</p>	<p>Development of a five-year capital budget, 10- to 20-year commodity long-range plans, a climate change resiliency and adaption plan, Enterprise Risk Management assessments and mitigation plans; regular meetings of VP-level ESG Committee and Climate Risk and Resilience Executive Committee; participation in trade group sustainability initiatives and benchmarking with other energy utility companies on resilience. Executive compensation is tied to several climate-related key performance indicators.</p> <p>Additional references: 2021 Sustainability Report 2021 10-K p. 35-39 2022 Proxy Appendix A Climate Change Implementation Plan Long Range Plans Con Edison</p>
<p>Strategy</p>	<p>Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term</p>	<p>We will take a leadership role in enabling the delivery of a clean energy future for our customers. We will do that by investing in, building, and adapting, and operating reliable, resilient, and innovative energy delivery infrastructure, advancing the electrification of heating and transportation, and aggressively transitioning away from fossil fuels to a net-zero economy by 2050, in support of the New York State and City goals.</p> <p>New York State clean energy goals include:</p> <p>Green New Deal Goals</p> <ul style="list-style-type: none"> • 100% carbon-free power by 2040 • 70% renewable electricity by 2030 • 40% carbon emissions reductions by 2030 from 1990 levels • 85% carbon emissions reductions by 2050 from 1990 levels • Dept. of Environmental Conservation NOx peaker rule <p>Renewable Energy Development Goals</p> <ul style="list-style-type: none"> • 6,000 megawatts of distributed solar deployment by 2025* • 6,000 megawatts of energy storage by 2030 • 9,000 megawatts of offshore wind by 2035 • New large-scale, wind and solar resources procured by renewable energy credits through New York State Energy Research and Development Authority

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		<p>Transportation Goals</p> <ul style="list-style-type: none"> • 850,000 electric vehicles by 2025 • 2 million electric vehicles by 2030 <p>**Note this was increased from 3,000 MW to a target of 6,000 MW by 2030 as per Governor Hochul’s New York State of the State Address.</p> <p>New York City clean energy goals include:</p> <ul style="list-style-type: none"> • Carbon neutrality by 2050 • 100% of electricity from renewables by 2040 • Local Law 97: reduce cumulative emissions from large buildings of 25,000 square feet or more: 40% by 2030 and 80% by 2050 • Phase out fuel oil #4 by 2030 • Electric vehicle share of new vehicle registrations: 20% by 2025 <p>Additional references: 2021 Sustainability Report 2021 10-K p. 35-36 Climate Change Vulnerability Study (CCVS) Climate Change Implementation Plan</p>
	<p>Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning</p>	<p>Con Edison’s Climate Change Vulnerability Study and subsequent Climate Change Implementation Plan identified the following climate-related risks to Consolidated Edison Company of New York, Inc. (CECONY):</p> <ul style="list-style-type: none"> • Sea level rise • Coastal storm surge • Inland flooding from intense rainfall • Hurricane-strength winds, and • Extreme heat <p>Following our industry-leading Climate Change Implementation Plan, we will adapt to additional extreme weather events by investing more than \$25 billion on resiliency over the next 10 years.</p> <p>Given these climate-risks we are looking to invest in various energy efficiency and demand management programs for electric and gas.</p> <p>Additional references: 2021 Sustainability Report 2021 10-K p. 35-39 Climate Change Vulnerability Study (CCVS) Climate Change Implementation Plan</p>
	<p>Describe the potential impact of different scenarios, including a 2°c</p>	<p>Climate Change Vulnerability Study examined +2°c scenario and a +4°c scenario and identified the following climate-driven risks to CECONY:</p>

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	<p>scenario, on the organization's businesses, strategy, and financial planning</p>	<ul style="list-style-type: none"> • Sea level rise/Storm surge (Electric, Gas, Steam) • Temperature/Heat waves (Electric) • Wind (Electric) • Deluge rain/Inland flooding (Electric, Gas, Steam) <p>Following our industry-leading Climate Change Implementation Plan, we will adapt to additional extreme weather events by investing more than \$3 billion in direct climate resilience investments and \$22 billion in multivalued investments.</p> <p>Additional references: 2021 Sustainability Report 2021 10-K p. 37-39 Climate Change Vulnerability Study (CCVS) Climate Change Implementation Plan</p>
<p>Risk Management</p>	<p>Describe the organization's processes for identifying and assessing climate-related risks</p>	<p>The Company's ongoing strategic long-range planning process, Enterprise Risk Management, and Climate Change Vulnerability Study and Implementation Plan are tools of the Board and management to identify, assess and adapt to climate-related risks.</p> <p>Additional references: 2021 Sustainability Report 2022 Proxy p. 17 2021 10-K p. 37-39 Climate Change Vulnerability Study (CCVS) Climate Change Implementation Plan Long Range Plans Con Edison</p>
	<p>Describe the organization's processes for managing climate-related risks</p>	<p>The Company's ongoing strategic long-range planning process, Enterprise Risk Management, and Climate Change Vulnerability Study and Implementation Plan are tools of the Board and management to identify and assess climate-related risks. A newly created Climate Change Adaptation and Resiliency Corporate Instruction establishes clear responsibilities within our Company for climate change adaptation and resiliency efforts. It creates a new Climate Change Risk and Resilience Group, with oversight by an executive level Climate Risk and Resilience Committee. The Climate Change Risk and Resilience Group resides within the Company's Strategic Planning department and, along with the Enterprise Risk Management group, are overseen by the Chief Financial Officer.</p> <p>Additional references: 2022 Proxy p. 17 2021 10-K p. 37-39 Climate Change Vulnerability Study (CCVS) Climate Change Implementation Plan</p>
	<p>Describe how processes for identifying, assessing, and managing climate-related</p>	<p>The Company's Enterprise Risk Management (ERM) effort is a multi-disciplinary process involving all the Company's business units. ERM draws upon the Company's ongoing long-range planning process and</p>

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	<p>risks are integrated into the organization's overall risk management</p>	<p>Climate Change Vulnerability Study and Implementation Plan to identify and assess climate-related risks that are reported to and weighed by the Board.</p> <p>Additional references: 2022 Proxy p. 17 2021 10-K p. 37-39 Climate Change Vulnerability Study (CCVS) Climate Change Implementation Plan</p>
<p>Metrics and Targets</p>	<p>Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process</p>	<p>Con Edison key performance indicators related to climate risk and opportunities, which are tied to executive compensation, include:</p> <ul style="list-style-type: none"> • Capital investment • SF6 emissions reductions • Energy efficiency MWh (electric) and Dth (gas) reductions • Reliability performance measures • Gas leak inventory • Renewable portfolio production <p>Additional metrics include:</p> <ul style="list-style-type: none"> • Gas main replacement (in miles) • Methane emissions reductions • Smart meter installations <p>Additional references: 2021 Sustainability Report 2021 10-K p. 37-39 2022 Proxy Appendix A</p>
	<p>Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks</p>	<p><u>Calendar Year 2021 Emissions</u> Scope 1 – 2.79 million metric tons of CO₂e Scope 2 – 1.30 million metric tons of CO₂e Scope 3 – 31.4 million metric tons of CO₂e *</p> <p>We have reduced our carbon emissions by 53% (39.9 million metric tons of CO₂ equivalent) since 2005. Our Energy Vision is to take a leadership role in the delivery of a clean energy future for our customers. We will do that by investing in, building, and operating reliable, resilient, and innovative energy delivery infrastructure, advancing electrification of heating and transportation, and aggressively transitioning away from fossil fuels to a net-zero economy by 2050. To achieve our vision, we are committed to reducing our carbon footprint. We firmly support efforts by local, state, and federal agencies to reduce greenhouse gas emissions.</p> <p>* Scope 3: Indirect greenhouse gas emissions associated with customers using CEI products (e.g., customers' use of delivered gas)</p> <p>Additional references:</p>

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		2021 10-K p. 37-39 2021 Sustainability Report																													
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	<p>Climate-related Key Performance Indicators (2021)</p> <table border="1"> <thead> <tr> <th></th> <th>Target</th> <th>Actual</th> </tr> </thead> <tbody> <tr> <td>CECONY Capital Budget (\$ millions)</td> <td>3,479</td> <td>3,387</td> </tr> <tr> <td>CECONY SF6 Gas Emissions (Pounds)</td> <td>7,500</td> <td>5,788</td> </tr> <tr> <td>CECONY Deeper Energy Efficiency, excluding Heat Pumps (LMMBTU Gross Reduction)</td> <td>11,400,000</td> <td>13,485,222</td> </tr> <tr> <td>CECONY Reliability Performance Measures (%)</td> <td>98.5</td> <td>100</td> </tr> <tr> <td>CECONY Workable Gas Leak Inventory</td> <td>20</td> <td>4</td> </tr> <tr> <td>O&R Reduce Customer Emissions (Energy Efficiency, MWh Reduction)</td> <td>>= 60,561</td> <td>70,016</td> </tr> <tr> <td>O&R Gas Energy Efficiency (Dth Reductions)</td> <td>>= 26,860</td> <td>38,095</td> </tr> <tr> <td>O&R Gas Leak Inventory</td> <td><= 40</td> <td>23</td> </tr> <tr> <td>Clean Energy Businesses Renewable Portfolio Production (%)</td> <td>100</td> <td>102</td> </tr> </tbody> </table> <p>Additional references: 2021 Sustainability Report 2022 Proxy Appendix A</p>		Target	Actual	CECONY Capital Budget (\$ millions)	3,479	3,387	CECONY SF6 Gas Emissions (Pounds)	7,500	5,788	CECONY Deeper Energy Efficiency, excluding Heat Pumps (LMMBTU Gross Reduction)	11,400,000	13,485,222	CECONY Reliability Performance Measures (%)	98.5	100	CECONY Workable Gas Leak Inventory	20	4	O&R Reduce Customer Emissions (Energy Efficiency, MWh Reduction)	>= 60,561	70,016	O&R Gas Energy Efficiency (Dth Reductions)	>= 26,860	38,095	O&R Gas Leak Inventory	<= 40	23	Clean Energy Businesses Renewable Portfolio Production (%)	100
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GOVERNANCE

1 What is Con Edison's board oversight of climate-related risks and opportunities?

As disclosed in our Proxy Statement, the Company is firmly committed to sustainability, which is broadly overseen by the Board. The Board reviews and discusses various sustainability topics throughout the year and routinely considers environmental matters (including climate change) and assesses how they impact the Company's operations, strategies, and risk profile. In 2021, the Board received reports or presentations on several sustainability and climate change-related topics, including the Con Edison of New York Climate Change Adaptation and Resiliency Plan, the Company's clean energy goals and clean energy commitment, the Company's climate resilience framework, the Company's strategy for achieving a clean energy future, and the Company's renewables strategy. In addition, the Board has delegated to the appropriate committee's responsibility for the specific sustainability categories relating to the oversight of risks with which such committees are charged. The Safety, Environment, Operations and Sustainability Committee oversees the Company's efforts relating to corporate responsibility and sustainability, which includes, but is not limited to, operating in a safe, environmentally sensitive, and socially responsible manner, guarding the health and safety of Company employees and the public, delivering value to customers, and fostering growth to meet the expectations of investors. The Safety, Environment, Operations and Sustainability Committee reviews the Company's Annual Sustainability Report prior to its publication. In discharging its responsibilities, the

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Safety, Environment, Operations and Sustainability Committee reviews, at each of its meetings, certain key performance indicators relating to climate risk, including energy efficiency, dielectric fluid management, SF6 (sulfur hexafluoride) greenhouse gas emissions, environmentally beneficial electrification, and solar connections. In 2021, the Safety, Environment, Operations and Sustainability Committee also reviewed and discussed presentations on energy efficiency, ESG and climate change developments, and CO2 emissions indicators. The Corporate Governance and Nominating Committee is charged with oversight of governance matters and in 2021 reviewed and discussed general governance matters, including overseeing the Company's approach to political and lobbying activities and receiving periodic reports with respect to the Company's political contributions, lobbying and trade association activities. The Management, Development, and Compensation Committee's responsibilities include oversight of sustainability matters relating to human capital management. The Management, Development, and Compensation Committee annually reviews performance results as well as proposed performance indicators for the following year. The Audit Committee of the Board oversees the activities of the ERM group and the Company's ERM program. Committees not specifically tasked with oversight of sustainability also periodically review matters related to sustainability, as appropriate. As part of its review of strategy and financial plans, the Finance Committee considers the financial sustainability of the Company.

Reference: [2022 Proxy](#) p. 17

2 What is management's role in assessing and managing climate-related risks and opportunities?

As stated in our 10-K, Con Edison's mission is to provide energy services to our customers safely, reliably, efficiently and in an environmentally sound manner; to provide a workplace that allows employees to realize their full potential; to provide a fair return to our investors; and to improve the quality of life in the communities we serve. The Company has ongoing programs designed to support its mission, including initiatives focused on safety, operational excellence, the customer experience, and cost optimization.

Con Edison's principal business operations are those of Consolidated Edison Company of New York, Inc. (CECONY), Orange and Rockland Utilities, Inc. (O&R), Con Edison Clean Energy Businesses, Inc., and its subsidiaries (the Clean Energy Businesses) and Con Edison Transmission, Inc., and its subsidiaries (Con Edison Transmission). CECONY's principal business operations are its regulated electric, gas and steam delivery businesses. O&R's principal business operations are its regulated electric and gas delivery businesses. The Clean Energy Businesses develop, own, and operate renewable and energy infrastructure projects and provide energy-related products and services to wholesale and retail customers. Con Edison Transmission, through its subsidiaries, develops and invests in electric transmission projects.

As disclosed in our Proxy Statement, executive compensation is tied to several climate-related measures, including capital investment, renewable portfolio production, smart meter implementation, system reliability, emissions reductions, and gas leak inventory. Con Edison's Chief Executive Officer considers the following in making compensation recommendations: individual performance; contributions toward the Company's long-term performance; the scope of each individual's responsibilities; and compensation peer group company proxy statement data provided by the Compensation Committee of the Board's independent compensation consultant. The Company's Human Resources department also supports compensation decisions.

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Management meets with the Audit Committee of the Board several times per year to discuss internal controls and accounting matters, the Company's financial statements, filings with the Securities and Exchange Commission, earnings press releases, and the scope and results of the auditing programs of the independent accountants and of CECONY's internal auditing department.

Con Edison has established a Vice President-level Environment, Social and Governance (ESG) Committee chaired by the Vice President and Treasurer that meets monthly to discuss ESG matters.

Within Con Edison's Office of the Chief Financial Officer, our Strategic Planning and Enterprise Risk Management departments have day-to-day responsibility for addressing climate-related risks and decarbonization and resilience opportunities. Both departments provide regular updates to our senior leadership team.

STRATEGY

3 What climate-related risks and opportunities has Con Edison identified over the short, medium, and long term?

CECONY and O&R are subject to extensive regulation by the New York Public Service Commission, which is authorized to set the terms of service and the rates the utilities charge for providing service. The Commission also exercises jurisdiction over the siting of electric transmission lines in New York State and approves mergers or other business combinations involving New York utilities. O&R's New Jersey subsidiary, Rockland Electric Company (RECO), is subject to regulation by the New Jersey Board of Public Utilities.

Con Edison and O&R support New York State's clean energy policies and goals, including plans to reduce GHG emissions from all sources in the state by 85% from 1990 levels by 2050, provide customers with 70% of their electricity from renewable resources by 2030, and increase energy efficiency. New York State's Climate Leadership and Community Protection Act (CLCPA) also requires a zero emissions "electric demand system" by 2040. We work in partnership with our customers, policymakers, various third parties, and other energy companies to seek innovative ways to realize the clean energy future. This includes exploring new ways to advance clean energy technologies through adoption of distributed energy resources, such as energy storage and solar connected to the distribution system. Con Edison and O&R have programs to reduce customer energy usage through efficiency and provide incentives for customers to install electric-powered heat pumps and electric vehicle chargers, while phasing out incentives for converting customer heating systems to natural gas. We are also developing electric transmission that will facilitate interconnection of renewable generation directly to our service territory and allow the reliable retirement of existing fossil fuel 'peaker' plants and advocating at the state level for the ability to build and own large-scale renewable generation. All of this is in addition to installing smart meters throughout our service areas and piloting new rate designs that will help customers manage their energy usage and bills.

Con Edison supports New York State clean energy goals, which include the following:

Green New Deal Goals

- 100% carbon-free power by 2040

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- 70% renewable electricity by 2030
- 40% carbon emissions reductions by 2030
- 85% carbon emissions reductions by 2050

Renewable Energy Development Goals

- 6,000 megawatts of distributed solar deployment by 2025*
- 6,000 megawatts of energy storage by 2030
- 9,000 megawatts of offshore wind by 2035
- New large-scale, wind and solar resources procured by renewable energy credits through New York State Energy Research and Development Authority

*Note this was increased from 3,000 MW to a target of 6,000 MW by 2030 as per Governor Hochul's New York [State of the State Address](#).

As noted in Item 1 and 2 above, Con Edison's governance and management has been structured to have a sharper focus on climate-related matters.

The Company's Climate Change Vulnerability Study findings, as discussed in Item 4 below, were released in December 2019, with a subsequent Climate Change Implementation Plan released in December 2020.

4 What is the impact of climate-related risks and opportunities on Con Edison's businesses, strategy, and financial planning?

As discussed in our 10-K, climate change could affect customer demand for the Company's energy services. It might also cause physical damage to the Company's facilities, disruption of operations due to more frequent and more extreme weather-related events and more severe consequences from attempting to operate during and after such events. Also, the Company's response to such events may be perceived to be below customer expectations, the Company could be required to pay substantial amounts that may not be covered by insurance to repair or replace facilities and compensate others for damages and settle any proceedings initiated by state utility regulators or other regulatory agencies.

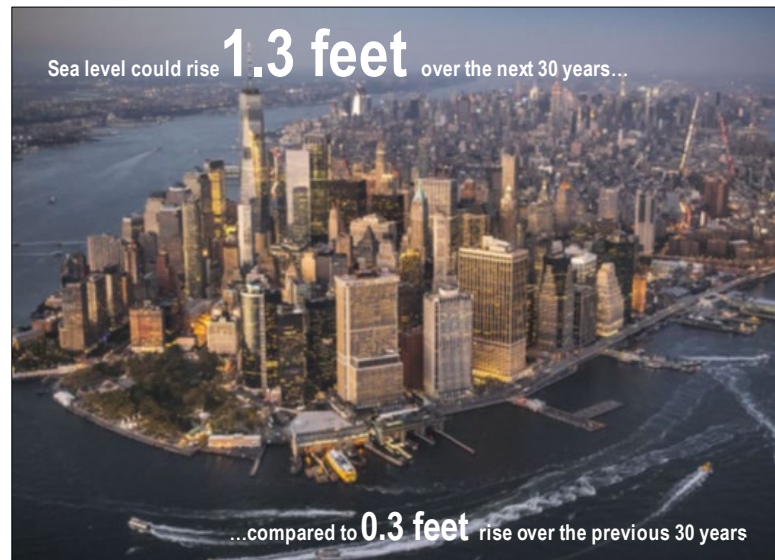
In late October 2012, Superstorm Sandy caused extensive damage to the Company's electric distribution system. Superstorm Sandy interrupted service to approximately 1.4 million of the Company's customers – more than four times the number of customers impacted by the Company's second worst storm event (Hurricane Irene in 2011) and resulted in the Companies incurring substantial response and restoration costs. Con Edison invested \$1 billion in its infrastructure in order to improve its resilience against storms like Superstorm Sandy.

In December 2019, CECONY completed a Climate Change Vulnerability Study, which evaluated present-day infrastructure, design specifications and procedures under a range of potential climate futures. The study identified sea level rise, coastal storm surge, inland flooding from intense rainfall, hurricane-strength winds, and extreme heat

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to be the company's most significant climate-driven risks to its electric, gas and steam systems. The study estimated that the company might need to invest between \$1.8 billion and \$5.2 billion by 2050 on targeted programs to adapt to potential impacts from climate change. Con Edison is already using its climate change projections for decision-making in areas such as power supply forecasting and are the basis for the climate resilience strategies in the Long-Range Plans published in January 2022. In addition, the

Climate Science Points to Rising Sea Levels in NYC



company has formed a new executive-level committee focused on climate risk and resilience. While the Climate Change Implementation Plan provides a strong foundation for action, Con Edison will evolve its adaptation efforts over time based on new science and its customers' needs. It will review its climate projections annually and update them at least every five years. The company will provide regular public reporting on its progress through its annual Sustainability Report and other disclosures.

Energy efficiency programs enable customers to reduce energy consumption and lower emissions. Since 2009, more than 1 million Con Edison customers have upgraded to more efficient equipment, saving more than 7 million metric tons of carbon emissions. We plan to aggressively pursue reductions in overall energy use by tripling our energy efficiency programs and plan to invest over \$1.5 billion by 2025.

Our Advanced Metering Infrastructure (AMI) project includes the installation of 5.3 million smart meters—comprised of roughly 4.0 million electric smart meters and 1.3 million gas devices—which are being deployed across our service territories and will result in significant environmental, operational, and customer benefits. To date, approximately 4.9 million devices have been installed. 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.

We are also preparing for more electric vehicles on the road by facilitating the development of electric vehicle charging stations to all five boroughs in New York City. And we are transitioning our fleet of light-duty vehicles to electric vehicles and will explore opportunities and alternative technologies to reduce our use of fossil fuels for our medium- and heavy-duty trucks.

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Large-scale energy storage is key to keeping clean energy flowing when the sun is not shining, and the wind is not blowing. We recently partnered in a project to place a 100 MW battery storage project in Astoria, Queens. The capacity of this storage site will be 10 times greater than the amount installed in our territory today.

Additionally, through the Low-Carbon Resources Initiative, Con Edison will explore a broad spectrum of low-carbon technologies for large-scale deployment, including but not limited to, advanced renewable generation, carbon capture utilization and storage, hydrogen gas turbines and thermal power plants, and hydrogen blending in pipeline infrastructure.

5 What is the potential impact of different scenarios, including a 2°c scenario, on Con Edison's businesses, strategy, and financial planning?

In its Climate Change Vulnerability Study completed in December 2019, CECONY stress tested its present-day infrastructure, design specifications and procedures under a Representative Concentration Pathway 8.5 90th Percentile (above 4 degrees Celsius) and a Representative Concentration Pathway 4.5 10th Percentile (above 2 degrees Celsius).

Key conclusions from the study are as follows:

- CECONY's three energy systems are all vulnerable to flooding, while the electric system is additionally vulnerable to heat waves and storms.
- Even under the most severe climate scenario, a combination of currently available and proposed adaptations options can effectively provide resilience for CECONY's energy systems.
- While many of the strategies used to build resilience after

Superstorm Sandy will continue to be effective going forward, new adaptations may be needed to fully address growing climate risk.

- Much of CECONY's current analytical toolbox can help to assess and address climate risks, with opportunities to modify and improve (e.g., forward-looking reliability modeling and demand forecasting).
- Some adaptation options can be incremented gradually (e.g., increasing system delivery capacity) while others (e.g., flood height protection) require earlier decisions and monitoring of signposts via a flexible adaptation pathway framework.

Climate Data Points to Increasingly Hot Summers



Historically, the maximum daily temperature in Central Park exceeds 95 degrees 4 days per year – this could reach 11 days per year by 2030, and 23 days per year in 2050

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- Because climate science continues to advance, it is imperative that CECONY stay abreast of new developments and evaluate the potential relevance of those developments to its long-term plans.
- Many of the most effective adaptation options will involve collaboration and will need to consider interdependencies with other external agents and their plans; for example, New York City Climate Resiliency Design Guidelines, and the Climate Leadership and Community Protection Act (CLCPA).

The study estimated that CECONY might need to invest between \$1.8 billion and \$5.2 billion by 2050 on targeted programs to adapt to potential impacts from climate change. And during 2020 the Climate Change Implementation Plan (CCIP) was developed, which includes integrating climate change considerations into existing and future Company projects. As such, our recently published Long-Range Plans proposed climate resilience projects within 10 years amounting to \$3 billion in direct climate resilience investments and \$22 billion in multivalued investments that provide resiliency benefits. Any such future investments must be reviewed in conjunction with other planning requirements such as electric vehicles (EVs) and electrification. Investments must also be approved by the New York Public Service Commission, which authorized the expense associated with conducting the Climate Change Vulnerability Study and Implementation Plan.

RISK MANAGEMENT

6 What are Con Edison's processes for identifying and assessing climate-related risks?

The Company's ongoing long-range planning process, enterprise risk management process, and Climate Change Vulnerability Study and Implementation Plan are tools the Board and management use to identify and assess climate-related risks.

The Company's ongoing long-range planning process, Enterprise Risk Management, and Climate Change Vulnerability Study and Implementation Plan are tools of the Board and management to identify and assess climate-related risks.

The risk management and strategic planning teams work closely with senior management and employees across all four subsidiaries (CECONY, O&R, Con Edison Transmission, and the Clean Energy Businesses) to identify emerging issues and trends, align risk exposure to organizational priorities, promote risk informed business decisions and resource allocation, and monitor and assess known risks using quantitative metrics, sometimes known as key risk indicators.

In 2022, Enterprise Risk Management group worked closely with the Company's Climate Risk and Resiliency group to develop question prompts that were included in risk assessment forms as part of the annual risk assessment cycle. The prompts asked risk leaders to include how climate change is influencing their risk assessments, and mitigation activities. Examples of the risks that were chosen to include the prompts

included *Generator Retirement, Equipment Failure, Major Storm, Electrification of the Transportation Sector, Oil Spill and Loss of a Substation.*

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To improve our ability to navigate an increasingly dynamic business landscape, the Company enhanced its framework to include the identification and monitoring of emerging issues and trends. Review of emerging issues and trends extends our focal point, identifying threats and opportunities that may develop in the next two to ten years. The following are a few of the issues and trends that are being monitored as they develop and evolve: climate change's impact to the Company's operations, a trend towards decarbonization of heating systems, and integration of distributed energy resources and renewable generation into the traditional electric grid.

7 What are Con Edison's processes for managing climate-related risks?

The Company's ongoing long-range planning process, enterprise risk management process, and Climate Change Vulnerability Study and Implementation Plan are tools the Board and management use to identify, assess and manage climate-related risks. The Company's Strategic Planning department and Enterprise Risk Management group are overseen by the Chief Financial Officer who works broadly with hundreds of employees across operating, shared service and corporate functions to manage the risk profile.

The risk management team creates and facilitates a risk management process framework, which includes risk identification, assessment, mitigation, monitoring and reporting. The Audit Committee of the Board oversees the risk management framework and meets with the director of risk management at least annually to discuss program initiatives and to provide strategic direction for the program.

Con Edison's Board of Directors and its committees provide oversight of most material risks; these risks are managed by senior management and assessed, mitigated, monitored, and reported by employees. Public and employee safety, along with system reliability, the state of regulation within our service territories, and the viability of our business model, are some of the most important risks facing Con Edison. Material risks are discussed in our 2021 Annual Report (10-K).

8 How are processes for identifying, assessing, and managing climate-related risks integrated into Con Edison's overall risk management?

See Items 6 and 7 above.

METRICS & TARGETS

9 What metrics are used by Con Edison to assess climate-related risks and opportunities in line with its strategy and risk management process?

Con Edison key performance indicators related to climate risk and opportunities, which are tied to executive compensation, include:

- Capital investment

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- SF6 emissions reductions
- Energy efficiency MWh (electric) and Dth (gas) reductions
- Reliability performance measures
- Gas leak inventory
- Renewable portfolio production

Additional metrics include:

- Gas main replacement (in miles)
- Methane emissions reductions
- Smart meter installations

10 What are Con Edison's Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks?

Con Edison is committed to advancing a clean energy future. We do not own coal-fired power plants and 70% of the electricity produced by Company-owned generation was sourced from solar and wind in 2021.

Additionally, Con Edison supports New York's ambitious goals to transition to a low-carbon, clean energy future, which include but are not limited to 100% carbon-free power by 2040 and 70% renewable electricity by 2030. The fuel mix that produces the electricity delivered through our electric systems is not owned or controlled by the Company and is allocated by the New York Independent System Operator.

In support of the State goals, Con Edison is committed to leading and enabling the transition to a clean energy future, through our updated [Clean Energy Commitment](#). We are committed to building a resilient, 22nd Century electric grid that can deliver 100% clean energy by 2040. We are aiming for net-zero Scope 1 Emissions by 2040, by decarbonizing our steam

system and other company operations and reducing our fugitive methane emissions from our natural gas delivery system to net zero by 2040. Since 2005, Con Edison has reduced its direct GHG emissions by 53%. Con Edison's Scope 1 emissions of GHG in 2021 were 2.79 million metric tons of CO₂e. As reported in our Sustainability Report, Scope 2, and Scope 3* emissions were 1.30 million metric tons of CO₂e and 31.4 million

The 5 Pillars of our Expanded Clean Energy Commitment

Build the Grid of the Future

Build a resilient, 22nd century electric grid that delivers 100% clean energy by 2040.

Empower All of our Customers to Meet their Climate Goals

Accelerate energy efficiency with deep retrofits, aim to electrify the majority of building heating systems by 2050, and all-in on electric vehicles.

Reimagine the Gas System

Decarbonize and reduce the utilization of fossil natural gas, and explore new ways to use our existing, resilient gas infrastructure to serve our customers' future needs.

Lead by Reducing our Company's Carbon Footprint

Aim for net zero emissions (Scope 1) by 2040, focusing on decarbonizing our steam system and other company operations.

Partner with our Stakeholders

Enhance our collaboration with our customers and stakeholders to improve the quality of life of the neighborhoods we serve and live in, focusing on disadvantaged communities.



Con Edison TCFD Disclosure

metric tons of CO₂e, respectively, in 2021.

Con Edison has participated for several years in voluntary initiatives with the EPA to reduce its methane and SF6 emissions. CECONY and O&R reduce methane emissions from the operation of their gas distribution systems through pipe maintenance and replacement programs and by introducing new technologies to reduce fugitive emissions from leaks or when work is performed on operating assets. CECONY and O&R also actively promote energy efficiency and the use of renewable electric generation to help their customers reduce their GHG emissions.

Since 2005, Con Edison has reduced its direct GHG emissions by 53%.

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

11 What targets are used by Con Edison to manage climate-related risks and opportunities, and performance against targets?

Climate-related Key Performance Indicators (2021)

	Target	Actual
CECONY Capital Budget (\$ millions)	3,295	3,212
CECONY SF6 Gas Emissions (Pounds)	<= 8,000	6,172
CECONY Electric Energy Efficiency (LMMBTU Reduction)	>20,084,450	22,039,296
CECONY Reliability Performance Measures (%)	>= 98.5	100
CECONY Workable Gas Leak Inventory	<= 20	5
O&R Reduce Customer Emissions (Energy Efficiency, MWh Reduction)	>= 49,557	59,369
O&R Gas Energy Efficiency (Dth Reductions)	>= 26,860	32,563
O&R Gas Leak Inventory	<= 40	23
Clean Energy Businesses Renewable Portfolio Production (%)	100	102

To maintain our world-class reliability, we plan to invest around \$4 billion every year in our electric-, gas-, and steam-delivery systems. We use a risk-based approach to maximize the impact of our investments. We also plan to aggressively pursue reductions in overall energy use by tripling our energy efficiency programs and investing over \$1.5 billion by 2025.

Additionally, Con Edison's \$1.4 billion smart meter initiative targets 5.3 million gas and electric meter installations by 2022.

As discussed in Item 5 above, our Climate Change Vulnerability Study estimated that the Company might need to invest between \$1.8 billion and \$5.2 billion by 2050 on targeted programs to adapt to potential impacts from climate change. And during 2020 the Climate Change Implementation Plan (CCIP) was activated, which includes integrating climate change considerations into existing and future Company projects.

To maintain our world-class reliability, we plan to invest around \$4 billion every year on our electric, gas, and steam-delivery systems. We use a risk-based approach to maximize the impact of our investments.

Con Edison TCFD Disclosure

Any such future investments must be approved by the New York Public Service Commission, which authorized the costs associated with conducting the Climate Change Vulnerability Study and Implementation Plan.

As noted in Item 10 above, Con Edison has already significantly reduced its GHG emissions and the Company has very limited ownership of electric generating facilities, which are used to support its steam business. To continue reducing emissions, through our Clean Energy Commitment we will continue to track our progress towards achieving net-zero emissions (Scope 1) by 2040, focusing on decarbonizing our steam system and other company operations.

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