

# Leading the Clean Energy Transition

—  
Sustainability Report 2023



# Chairman & Chief Executive Officer's Letter

Con Edison is a key partner in New York's transition to a clean energy future.

We are the largest energy provider in New York State, which has some of the nation's most ambitious climate laws. That means thinking boldly about our energy delivery systems, and expanding to accommodate new sources of renewable energy as well as increased demand for electricity as we transition away from fossil fuels. We're also focused on making our systems more resilient to extreme weather events that are occurring more frequently and with greater severity.

For more than 200 years, for generations of New Yorkers, we've provided reliable power to the millions of customers in our service territory. Today, we know that the clean energy transition is critical to New York's future. It will be a defining moment in our company's history, and for our city and region Con Edison is preparing to meet this moment.

We are dedicated to supporting the clean energy transition while maintaining a commitment to our core mission—efficiently providing safe, reliable service with a focus on our customers and the great region we serve. We recently updated our Clean Energy Commitment to align more closely with New York State and City climate laws. Our commitment reflects how we're working across all the commodities and operations of our Company to achieve a sustainable future. We have a responsibility to maintain the grid we have today while building the grid for tomorrow.

As we progress towards a clean energy future, I want to stress that sustainability is integrated into all that we do. This report is a record of the impacts our efforts have made on our stakeholders and communities—a record of achievement and progress of which we can be proud.

We are reshaping Con Edison to not only meet the state's climate and sustainability mandates, but those of our customers across the region we serve.

Increasingly, our customers are moving off energy sources derived from fossil fuels to heat their homes and power their vehicles, and we continue to deliver—through investments in our customer service system, EV charging infrastructure, and interconnection points for offshore wind. Upgrading our system to meet these standards has necessitated the major investments we've already made and will inform the ones we make in the future. We're working to help our customers have what they need to power their lives—now and in the future.

To that end, we are collaborating with elected officials, community leaders, and environmentalists—as well as engaging with environmental justice advocates, industry associations, small business owners, and customers—to help ensure all communities can benefit from this opportunity.

Our state's clean energy laws include provisions regarding environmental justice—centered on historically underserved neighborhoods and populations. In New York State, 60% of these disadvantaged communities are found in New York City. Con Edison is positioned to invest in projects and initiatives that will help to improve quality of life, reduce emissions, and promote infrastructure resiliency and reliability in these communities.

In order to lead the way to a sustainable world, we need the people who will help build it. We have met every challenge thanks to our 14,000-plus employees. It's why we're investing in our workforce, both now—we added more than 1,600 new employees in 2023—and with an eye towards the future. Our new green workforce development program supports and prepares students from underserved communities for clean energy and tech sector jobs.

Our workers mirror the communities we serve. Con Edison is filled with smart, innovative, experienced, and highly-skilled people, with the expertise and capability required for the immense task that lies ahead. We are a company committed to building and fostering a workplace that is diverse, equitable, and inclusive. This exchange of ideas, viewpoints, and backgrounds helps all employees feel welcome and respected, heard and seen—and makes us the dynamic company we are today.

This year's report reflects the serious strides we have made in our commitment to sustainability—and what has made us an industry leader in the transition to clean energy. Our dedicated team's focus on safety, operational excellence, and customer service are the backbone of Con Edison. Together, they will help carry our company, our customers, our communities, and our shareholders into the clean energy future.

**— Tim Cawley,  
Chairman, President, and Chief Executive Officer, Consolidated Edison, Inc.**

# Company Profile

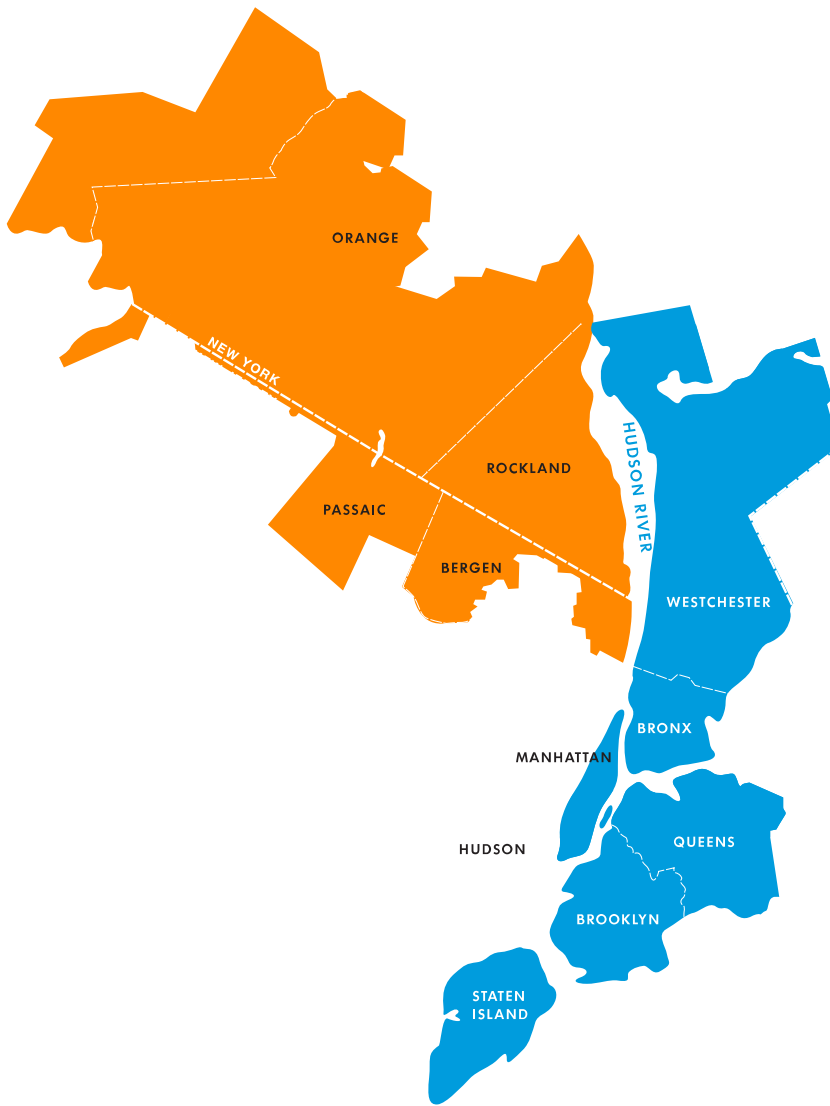


Consolidated Edison, Inc. (Con Edison) is one of the nation's largest investor-owned energy-delivery companies, with approximately \$15 billion in annual revenues and \$66 billion in assets. The company provides a wide range of energy-related products and services to its customers through the following subsidiaries:

- **[Consolidated Edison Company of New York, Inc. \(CECONY\)](http://www.coned.com/)** (<http://www.coned.com/>), a regulated utility providing electric, gas and steam service to customers in New York City and Westchester County, New York
- **[Orange & Rockland Utilities, Inc. \(O&R\)](http://www.oru.com/index.html)** (<http://www.oru.com/index.html>), a regulated utility providing electric and gas to customers in southeastern New York State and northern New Jersey
- **[Con Edison Transmission \(Con Edison Transmission or CET\)](http://www.conedtransmission.com/)** (<http://www.conedtransmission.com/>), which through its subsidiaries invests in electric transmission projects supporting Con Edison's effort to transition to clean, renewable energy and through joint ventures manages both electric and gas assets while seeking to develop electric transmission projects

[Read our Annual Report \(Consolidated Edison, Inc. – Annual Reports \(conedison.com\) \(https://investor.conedison.com/financial-information/annual-reports\).](https://investor.conedison.com/financial-information/annual-reports)





**Our Service Area**



**0.44M**

O&R Customers



ELECTRIC & GAS



**4.7M**

Con Edison Customers



ELECTRIC, GAS, & STEAM

## REVENUE BY BUSINESS

(UNIT: USD MILLIONS)

### CECONY Electric

2021	8.806
2022	9.751
2023	10.078

### CECONY Gas

2021	2.378
2022	2.924
2023	2.829

### CECONY Steam

2021	532
2022	594
2023	569

### O&R Electric

2021	681
2022	773
2023	759

### O&R Gas

2021	260
2022	312
2023	297

### CET

2021	4
2022	4
2023	4

### CEBs\*

2021	1.022
2022	1.319
2023*	129

### Other\*\*

2021	N/A
2022	N/A
2023**	4

\*On March 1, 2023, Con Edison completed the sale of all of Con Edison Clean Energy Businesses, Inc. (Clean Energy Businesses or CEBs).

\*\*Other includes the parent company, Con Edison's tax equity investments, a deferred project held for sale and consolidation adjustments.

This report contains forward-looking statements that are intended to qualify for the safe-harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements relate to, among other matters, our efforts, plans, goals, and strategies with respect to sustainability and environmental matters and the potential benefits to us and our customers from such efforts. Forward-looking statements are statements of future expectations and not facts. Words such as “forecasts,” “expects,” “estimates,” “anticipates,” “intends,” “believes,” “plans,” “will,” “target,” “guidance,” “potential,” “consider” and similar expressions identify forward-looking statements. The forward-looking statements reflect information available and assumptions at the time the statements are made, and accordingly, speak only as of that time.

Actual results or developments might differ materially from those included in the forward-looking statements because of various factors such as those identified in reports Con Edison has filed with the Securities and Exchange Commission including that Con Edison’s subsidiaries are extensively regulated and are subject to substantial penalties; its utility subsidiaries’ rate plans may not provide a reasonable return; it may be adversely affected by changes to the utility subsidiaries’ rate plans; the failure of, or damage to, its subsidiaries’ facilities could adversely affect it; a cyber-attack could adversely affect it; the failure of processes and systems, the failure to retain and attract employees and contractors, and their negative performance could adversely affect it; it is exposed to risks from the environmental consequences of its subsidiaries’ operations, including increased costs related to climate change; its ability to pay dividends or interest depends on dividends from its subsidiaries; changes to tax laws could adversely affect it; it requires access to capital markets to satisfy funding requirements; a disruption in the wholesale energy markets, increased commodity costs or failure by an energy supplier or customer could adversely affect it; it faces risks related to health epidemics and other outbreaks; its strategies may not be effective to address changes in the external business environment; it faces risks related to supply chain disruptions and inflation; and it also faces other risks that are beyond its control. Con Edison assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

## BOARD OF DIRECTORS

	Audit Committee	Corporate Governance and Nominating Committee	Safety, Environment, Operations and Sustainability Committee	Executive Committee	Finance Committee	Management Development and Compensation Committee
Tim Cawley				Chair		
Ellen V. Futter			✓	✓		
John F. Killian	Chair	✓		✓		✓
Karol V. Mason		✓	✓			
John McAvoy*			✓	✓		
Dwight A. McBride			✓			✓
William J. Mulrow			✓		✓	✓
Armando J. Olivera	✓		Chair	✓	✓	
Michael W. Ranger	✓	Chair		✓	✓	✓
Linda S. Sanford	✓	✓			✓	
Deirdre Stanley		✓				Chair
L. Frederick Sutherland	✓				Chair	✓
Catherine Zoi**			✓			

\* Until May 15, 2023.

\*\* As of February 1, 2024.



## FINANCIAL HIGHLIGHTS

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

	2021	2022	2023
<b>Operating revenues</b>	\$13,676	\$15,670	\$14,663
<b>Net income for common stock</b>	\$1,346	\$1,660	\$2,519
<b>Basic earnings per common share</b>	\$3.86	\$4.68	\$7.25
<b>Dividends per share</b>	\$3.10	\$3.16	\$3.24
<b>Dividend payout ratio</b>	80%	68%	45%
<b>Average common shares outstanding</b>	348.4	354.5	347.7
<b>Total assets</b>	\$63,116	\$69,065	\$66,331
<b>Capital investments</b>	\$3,964	\$4,465	\$4,509
<b>Common equity ratio</b>	47.4%	50.9%	49.1%
<b>Return on equity</b>	6.83%	8.05%	12.1%
<b>Market capitalization</b>	\$30,200	\$33,800	\$31,400
<b>Stock price per share (year end)</b>	\$85.32	\$95.31	\$90.97
<b>Dividend yield (year end)</b>	3.6%	3.3%	3.6%
<b>Total shareholder return</b>	23.0%	15.7%	(1.1)%

# Our Commodities



Con Edison's principal business segments are Consolidated Edison Company of New York (CECONY), a regulated electric, gas, and steam utility; Orange & Rockland Utilities (O&R), a regulated electric and gas utility; and Con Edison Transmission, Inc. (CET). **CECONY** provides electric and gas service in New York City and Westchester County. The company also provides steam service in parts of Manhattan. **O&R** provides electric service to customers in southeastern New York and adjacent areas of northern New Jersey and gas service to customers in southeastern New York. **CET**, which falls primarily under the oversight of the Federal Energy Regulatory Commission, manages, through joint ventures, both electric and gas assets while seeking to develop electric transmission projects that will bring clean, renewable electricity to customers, focusing on New York and the Northeast.

## Electric



3.7M

0.3M

Customers



660

1,300

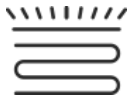
Square-mile service area



37,633

3,875

Miles of overhead distribution lines



98,789

2,363

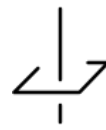
Miles of underground distribution lines



63

63

Number of distribution substations



40

15

Number of transmission substations

## Gas



1.1M

0.14M

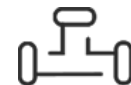
Customers



4,363

1,896

Number of miles of gas mains



380,870

107,425

Number of gas service lines

## Steam



1,530

Customers in parts of Manhattan



15,444

Number of MMlb of Steam annually



106

Number of miles of transmission,  
distribution and service piping



# Fuel Mix and Generating Capacity

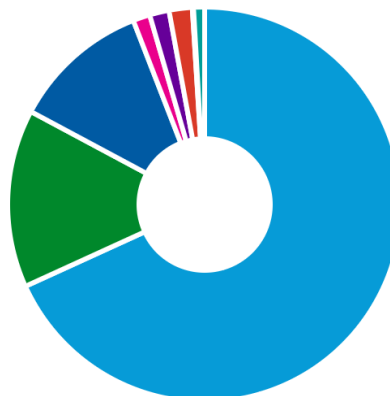


Con Edison is committed to advancing a clean energy future. We do not own coal-fired power plants and Con Edison continues to support New York's ambitious goals to transition to a low-carbon, clean energy future, which include 70% renewable electricity by 2030 and 100% carbon-free power by 2040. The fuel mix that produces the electricity delivered through our electric systems is not controlled by the Company and is allocated by the New York Independent System Operator.

## CECONY & O&R FUEL MIX ALLOCATED BY NYISO FOR 2022

CECONY AND O&R DO NOT CONTROL THEIR FUEL MIX, WHICH IS ALLOCATED BY THE NEW YORK INDEPENDENT SYSTEM OPERATOR

• Natural Gas	68.2%
• Nuclear	14.6%
• Hydro	11.3%
• Other	1.4%
• Oil	1.6%
• Wind	1.9%
• Coal	0.1%
• Solar	0.9%

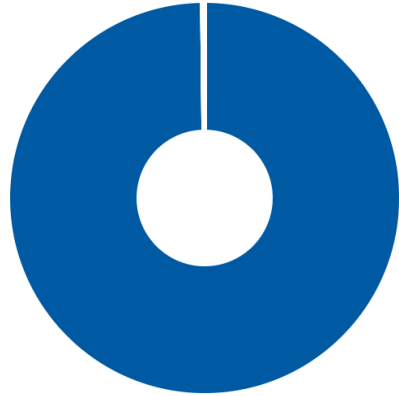


Fuel Mix is based on EIA 923 2022 data which is released in Q4 2023. 2021 data is included for year-over-year comparison.

## CON EDISON-OWNED GENERATION AT DECEMBER 31, 2023

780 MW OF CAPACITY PRODUCING 3 TWH OF ELECTRICITY

• Solar	0%
• Natural Gas	99.83%
• Wind	0%
• Petroleum	0.17%



Note: CEBs were sold on March 1, 2023. Con Edison's Solar and Wind generation are from the CEBs.

# Sustainability Strategy



Con Edison's mission is to provide energy services to our customers safely, reliably, efficiently and in keeping with our vision for a clean energy future; to provide a workplace that embraces diversity and inclusion and 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 each component of its mission, including initiatives focused on safety, operational excellence and the customer experience.

This mission guides us as we celebrate 200 years in business and look forward to future centuries of service with new challenges operating in a dense, urban service territory that is susceptible to climate change. Safety and reliability are of utmost importance to us and our customers, and to operate our critical energy systems, we rely on our diverse workforce, which is reflective of the communities we serve. Central to our mission is the clean energy transition, guided by our clean energy commitment, which is consistent with New York State's clean energy agenda.

Executing our mission enables us to continue to provide steady, predictable earnings, maintain balance sheet stability, and pay attractive dividends for our shareholders – in 2024, we raised our annualized dividend for the 50th consecutive year.

## Our Approach to Sustainability

Our strategy stems from our mission to operate sustainably as we aim to address the growing global threat of climate change and meet the requests of our customers and the public to have an increasing influence over how their energy is produced and used.

We are serving an essential role in the delivery of a clean energy future for our customers. by investing in, building, and operating reliable, resilient, and innovative energy infrastructure, supporting electrification of heating and transportation, and transitioning away from fossil fuels to support New York State's goals for a net-zero economy by 2050.

Using the robust knowledge and skillset of our employees, enabling the development and implementation of technologies needed to support our mission, supporting the voice of our customers, we believe we'll be able to carry out our vision and continue to deliver service that our customers, employees, and all stakeholders are proud to support.

As we embark on this clean energy transition, we're also mindful of the impact we're having on natural resources to sustain environmental viability for future generations. Our sustainability priorities are integrated in all our plans such as our [Climate Change Implementation Plan \(https://www.coned.com/en/our-energy-future/our-energy-vision/storm-hardening-enhancement-plan\)](https://www.coned.com/en/our-energy-future/our-energy-vision/storm-hardening-enhancement-plan) and our commodity [Long-Range Plans for our electric, gas, and steam businesses \(https://www.coned.com/en/our-energy-future/our-energy-vision/long-range-plans\)](https://www.coned.com/en/our-energy-future/our-energy-vision/long-range-plans), which are designed to help us navigate today's challenges while preparing for changes in the energy landscape.

**We are serving an essential role in enabling the delivery of a clean energy future for our customers. We are facilitating this future by investing in, building, and operating reliable, resilient, and innovative energy infrastructure, supporting electrification of heating and transportation, and transitioning away from fossil fuels to support New York State's goals for a net-zero economy by 2050.**



## Sustainability Priority Assessment

In 2023, Con Edison conducted a comprehensive sustainability priority assessment with a leading consulting firm to gain a deeper understanding of our focus areas for Environmental, Social, and Governance (ESG). This assessment involved extensive research on industry peers, sustainability reporting frameworks, ESG rating agencies, and ESG-related regulations to identify the most relevant ESG topics for Con Edison. A major component of this assessment was conducting a robust stakeholder engagement exercise to collect input and feedback from more than 20 unique internal and external stakeholder groups. These groups were engaged in interview, focus group, and survey to inform the assessment. From this research 29 ESG topics were presented throughout the assessment which were ranked by stakeholders based on the potential scale of impact.

### Environment

- Air Emissions
- Biodiversity and Land Management
- Clean Energy Transition
- Circular Economy
- Climate Risk
- Customer Energy Efficiency
- Environmental Justice
- GHG Emissions
- Water Stewardship
- Waste Management

### Social

- Clear Energy Access
- Community Engagement and Welfare
- Diversity, Equity and Inclusion
- Energy Affordability
- Energy Reliability and Resiliency
- Human Rights
- Occupational Health and Safety
- Workforce Attraction and Development

### Governance

- Business Ethics and Compliance
- Corporate Culture
- Corporate Governance
- Cybersecurity and Data Privacy
- Emergency Preparedness
- Financial Performance
- Management of the Legal and Regulatory Environment
- Physical Security
- Responsible Supply Chain
- Risk Management
- Stakeholder Engagement

Con Edison is using the results from this assessment to inform its sustainability strategy and priorities as we move forward. We will continue to engage with our stakeholders so that their feedback informs and inspires the continued sustainability of our operations.

We also performed an assessment in reference to key frameworks like the [United Nations Sustainable Development Goals](https://sdgs.un.org/goals) (<https://sdgs.un.org/goals>) to measure alignment with global standards and how the goals align to our business model. Below are six global goals most relevant to Con Edison's business operations to support the health and prosperity for people and the planet. Con Edison is committed to serving an essential role in delivering the transition to the clean energy future that our customers deserve and expect. We will accomplish this by delivering affordable and reliable energy through resilient and innovative grid infrastructure that can withstand the present and currently projected impacts of climate change.



## Clean Energy Future: Policy and Commitment

New York has long been a leader in progressive climate policies. In 2019, the State signed into law groundbreaking legislation called the Climate Leadership and Community Protection Act (CLCPA), which established ambitious new greenhouse gas emissions reductions aimed at achieving the broad goals of a zero-emissions electricity sector by 2040 and economy-wide carbon neutrality by 2050. The CLCPA also requires that between 35% and 40% of the benefits of State spending on clean energy or efficiency programs flow to newly defined disadvantaged communities, and it mandates an air monitoring program in at least four such communities. These are among the most ambitious goals in the country and political leadership throughout the state remains strongly committed to realizing them.

Even within the context of these statewide goals, New York City, which accounts for 78% of Con Edison's customer base, has one of the most ambitious plans for reducing emissions in the nation. Local Law 97 was included in the Climate Mobilization Act, passed by the City Council in April 2019 as part of the New York City Green New Deal. Local Law 97 requires most buildings over 25,000 square feet to meet new energy efficiency and greenhouse gas emissions limits by 2024 with stricter limits coming into effect in 2030.

Since the enactment of Local Law 97, New York City has through Local Law 154 banned the use of fossil fuels in new buildings of less than seven stories height beginning in 2024 and for new buildings seven stories and over beginning in 2027. These laws further the City's goal of reducing the emissions produced by the largest buildings by 40% by 2030 and 80% by 2050.

## **Our Approach to ESG**

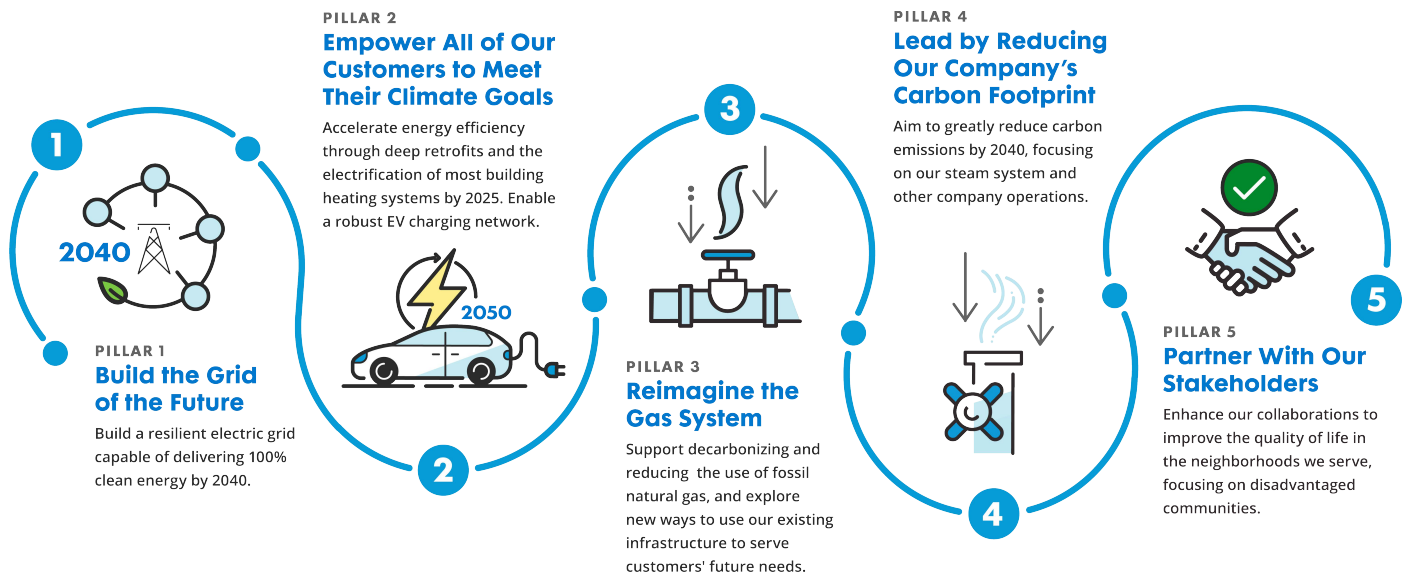
We have adopted our Environment, Social, and Governance (ESG) framework to round out our business models and assess the impacts that our decisions have not only on our operations, but also on our stakeholders and the environment. Our approach to responsible business includes identifying our key stakeholders and understanding the issues that are most relevant to them, prioritizing those issues, and responding to the priorities in a consistent and transparent way.

Our commitment to ESG matters provides a structure that supports our sustainability strategy. You will see our commitment to ESG highlighted in this year's Sustainability Report, which summarizes our efforts in each of these areas. We continue to increase transparency and improve our processes, including considering ways to enhance our disclosures procedures and increase standardization. Some important elements of our ESG strategy are summarized below. We also provide reporting information in industry-standardized formats, that can be found on our [ESG Reporting Standards page \(/esg-reporting-standards/\)](/esg-reporting-standards/).

## Environment: Our Clean Energy Commitment

Con Edison is well positioned to support the ambitious New York State and City goals through new investments in our electric grid and by partnering with our customers to support their efficiency goals and infrastructure upgrades that may be required for transitions from natural gas to electricity.

A major articulation of our strategy is our Clean Energy Commitment. Our commitment to a clean energy future is supported by five pillars, detailed below. Each pillar describes various company initiatives. To help meet the ambitious and necessary climate goals in New York State and New York City, urgency must underpin everything we do. Our work is expansive, from energy efficiency programs to supporting the electrification of buildings and homes to facilitating electric vehicle charging infrastructure. We work so that green energy can meet the needs of our diverse service territory.



Our Clean Energy Commitment is available on our website at the following link: [Our Clean Energy Commitment | Con Edison \(https://www.coned.com/en/our-energy-future/our-energy-vision/our-energy-future-commitment\)](https://www.coned.com/en/our-energy-future/our-energy-vision/our-energy-future-commitment)

## **Social: Diversity, Equity & Inclusion**

Con Edison is committed to attracting, developing, and retaining a talented, diverse workforce that reflects the great metropolitan area we serve. We value and support a wide range of employee needs and interests. The company's skilled and experienced workforce enables the company to maintain best-in-class reliability and work to achieve a clean energy future. The human capital measures we take focus on employee safety, hiring the right talent, employee development and retention, and diversity, equity and inclusion.

Con Edison strives for a diverse and inclusive workforce. A comprehensive Diversity, Equity and Inclusion (DEI) strategy underlies the corporate culture; informing how its employees engage with one another, and setting the foundation for a respectful and inclusive environment.

Our corporate Diversity, Equity, & Inclusion (DEI) program is comprised of four key elements – ongoing learning and competency building; inclusive and visible leadership support; reviewing our systems, policies, and procedures to eliminate potential barriers to inclusion; and celebrating and acknowledging the diversity of our workforce.

The [Corporate Diversity, Equity & Inclusion Action Plan \(https://www.coned.com/en/about-us/diversity/fostering-inclusive-culture\)](https://www.coned.com/en/about-us/diversity/fostering-inclusive-culture) has two-prongs: data-driven change and culture transformation. The 14-point plan is being implemented through the work of our Diversity Equity & Inclusion Task Force. The focus of this cross-functional team of employees is to closely examine metrics to truly understand the representation of our workforce and identify areas of opportunity as well as areas where we have made solid progress. It will also enable cultural transformation by challenging us to look at how we administer our systems, policies, and procedures—addressing any barriers that prevent diversity, equity and inclusion.

Our commitment to diversity and [Human Rights \(https://www.conedison.com/en/about-us/corporate-policies-practices/human-rights-statement\)](https://www.conedison.com/en/about-us/corporate-policies-practices/human-rights-statement) also extends to our supply chain. Our effort in this area helps us to increase competition within our vendor base, create millions of dollars of opportunities for minority-owned and women-owned businesses, and contribute to the economic vitality of the communities we serve.

Our people will always be our greatest strength—and the incredible range of culture, experience, and perspective makes the company stronger.

## Governance: Maintaining Sound Governance Practices

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 sustainability throughout the year and routinely reviews environmental topics, including climate change, biodiversity, environmental justice and their impact on the Company's operations, strategies, and risk profile.

In addition, the Board has delegated to the appropriate committees, responsibility for the specific sustainability categories relating to the oversight with which such committees are charged, such as the Safety, Environment, Operations and Sustainability Committee (see chart for detail).

Committees not specifically tasked with oversight of sustainability also periodically review matters related to sustainability. For instance, as part of its review of strategy and financial plans, the Finance Committee considers the financial sustainability of the Company.

Management's oversight of the Company's ESG strategy is the responsibility of the Vice President for Strategic Planning who chairs an ESG Committee, comprised of Vice Presidents and other senior staff from key areas such as Environment, Health and Safety, Supply Chain, Learning and Inclusion, Corporate Affairs, Human Resources and Law. The ESG Committee meets monthly, reviews relevant internal and external developments and advises on strategy. The Vice President for Strategic Planning reports to the CFO ensuring integration of ESG matters across the corporation.



### **Safety, Environment, Operations, and Sustainability Committee of the Board**

Oversees sustainability matters relating to safety and the environment and reviews the Company's Annual Sustainability Report prior to its publication. At each of its meetings, the Safety, Environment, Operations and Sustainability Committee reviews certain key performance indicators relating to climate risk



### **Corporate Governance and Nominating Committee of the Board**

Charged with sustainability matters relating to governance, including overseeing the Company's approach to political and lobbying activities and receiving periodic reports about the Company's political contributions, lobbying, and trade association activities.



### **Management Development and Compensation Committee of the Board**

Responsibilities include oversight of sustainability topics 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.



### **Vice President-level Environmental, Social, and Governance Committee**

Supports and advances the Company's on-going commitment to environmental, health and safety, corporate social responsibility, corporate governance, sustainability, and other public policy matters relevant to the Company (collectively "ESG Matters").



### **Employee Sustainability Culture Ambassadors (ESCA)**

Grassroots employee organization devoted to sharing information across the company and provide updates on sustainability-driven projects, share best practices from around the company, and discuss sustainability topics that are relevant.

# Awards & Recognition



Sustainability is an integral part of what we do at Con Edison. This is represented by the honors and awards we receive for our projects, company culture and practices, and operational excellence. Our companies received the following accolades in 2023:





### **ReliabilityOne**

ReliabilityOne honored us with its award for Outstanding Reliability Performance in the Northeast Region Metropolitan Service Area. We also received its award for Use of Technology and Innovation.



### **Electric Power Research Institute**

Our company received the following Electric Power Research Institute (EPRI) awards:

- Technology Transfer Awards for Mineral Oil and for Transmission Arm Vibrations.
- Cyber Security Program 183 Applied Technology Award for a collaborative effort with NYSERDA, GE, Mitre, and members of EPRI on the Industrial Control Systems Automated Digital Forensics Harvester project.



### **Newsweek**

Newsweek named us one of its Most Trustworthy Companies in America and the World.



### **Forbes**

Our company received the following plaudits from Forbes:

- Most Cyber Secure Companies
- Best Employers for Diversity
- Best In-State Employer



### **DiversityInc**

DiversityInc named us one of its Fair360 Top Regional Companies, Top Utilities, and Top Companies for Philanthropy.



### **J.D. Power Sustainability Index**

In 2023, we were recognized as the most improved in sustainability by the J.D. Power Sustainability Index.



### **Glassdoor**

We were named one of Glassdoor's 2023 top 100 companies to work for.



### **Black Enterprise**

We were named one of the Best Companies for Diversity by Black Enterprise.



### **Latina Style**

Latina Style included us on its list of the Top 50 Best Companies for Latinas.



### **Harlem YMCA**

We earned the Deloitte Corporate Community Award from the Harlem YMCA.



### **Military Times**

The Military Times named us one of its Best for Vets Employers.



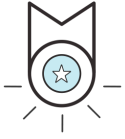
### **Disabled American Veterans**

Disabled American Veterans selected us as one of its Patriotic Employers.



### **U.S. Veterans Magazine.**

Our company was named one of the Best of the Best by U.S. Veterans Magazine.



### **VETS Indexes**

VETS Indexes named us one of its 4-star employers.



### **Employer Support of the Guard and Reserve**

Employer Support of the Guard and Reserve presented us with their Seven Seals Award.



### **Minority Supplier Development Council**

We received the Minority Supplier Development Council's award for Corporation of the Year for New York and New Jersey.



### **CS Week, Chartwell, & E Source**

CS Week, Chartwell, and E Source each gave us awards for innovation for our new credit and debit card options for 51% of residential field collection transactions.



### **Chartwell**

Chartwell also honored us with its Silver Award for Serving Vulnerable Customers, and Silver Billing and Payment Program Award



### **Energy Star**

Our company received a Marketing Excellence award from Energy Star.

## **Innovation: Awards and Patents**

- Recognized by EPRI for work associated with a NYSERDA-funded project that developed a “Industrial Control Systems Automated Digital Forensics Harvester”, a prototype tool that facilitates the automated collection of forensics data from devices running in a utility’s operational technology environment.
- Awarded a new patent for a system and method of ventilating a utility’s underground structure that uses a vented utility cover to allow for activation of an air movement system to facilitate evacuation of air at certain predetermined threshold levels.
- Awarded a new patent for a modular cable reel for separating the loading of used cable that is recyclable.
- Awarded a new two-way patent with Palo Alto Research Center for an optical monitoring system that detects corrosion of power grid components.

# Advancements in Distributed Energy, Energy Efficiency, & Renewables



In alignment with New York's climate goals, Con Edison is expanding its efforts to boost efficiency, a cornerstone of the state's objectives. Our company is investing in initiatives and projects designed to decrease emissions, lower customer bills, and meet demand. In addition, we continue to make stride with distributed energy resources, guided by our comprehensive Distributed System Implementation Plans.

## Distributed Energy

Con Edison is committed to New York State's and City's ambitious targets for Distributed Solar, Energy Storage and Zero Emissions Vehicles and continues to work with policy makers and stakeholders to remove barriers to Distributed Generation (DG) interconnection. Both [CECONY \(https://cdnc-dcxprod2-sitecore.azureedge.net/-/media/files/coned/documents/our-energy-future/our-energy-projects/distributed-system-implementation-plan.pdf?rev=4ebd0a8bcb2e4816aebcbbb9bb9f6c7d&hash=6F547843FBC72F58C159425058B65E01\)](https://cdnc-dcxprod2-sitecore.azureedge.net/-/media/files/coned/documents/our-energy-future/our-energy-projects/distributed-system-implementation-plan.pdf?rev=4ebd0a8bcb2e4816aebcbbb9bb9f6c7d&hash=6F547843FBC72F58C159425058B65E01) and [O&R \(https://www.oru.com/en/our-energy-future/our-energy-projects/distributed-system-platform\)](https://www.oru.com/en/our-energy-future/our-energy-projects/distributed-system-platform) publish Distributed System Implementation Plans, most recently in June 2023, that serves as a five-year outlook in areas such as Integrated Planning, Information Sharing and Market Services. The Implementation Plan engages stakeholders in the processes and programs that continue to shape the Distributed System Platform. At the end of 2023, our utilities had total of 1,228 megawatts of distributed energy resources connected to our electric delivery systems.

CECONY and O&R continue to work with the DG community to facilitate and streamline the interconnection process. In addition, both companies continue to publish hosting capacity maps for distributed solar, energy storage and electric vehicle development. Through the bi-annual Hosting Capacity Stakeholder Working group we continue to solicit feedback and align on approaches to increase the functionality of our hosting capacity maps. In January 2024, we updated our hosting capacity maps to capture electrification maps. These new electrification maps will provide additional information about available capacity for additional electrification use cases including winter capacity for electric heat pumps.

**At the end of 2023, our utilities had total of 1,228 megawatts of distributed energy resources connected to our electric delivery systems.**

CECONY and O&R continue to work with the New York Independent System Operator (NYISO) on its implementation of a Distributed Energy Resource (DER) Aggregator Market in compliance with FERC Order 2222. A DER Aggregator Market will allow smaller DERs that are interconnected to the distribution system to participate in the NYISO's wholesale energy market. Both companies understand the need to continue to expand the value that DERs receive from the electric grid, as well as use these resources to provide services that can enhance grid flexibility. Technology continues to be a valuable component of overall value. And through an effort by the New York State utilities, there is an increasing focus on smart inverter functionality, which is the ability for an inverter to take operating signals and adjust parameters based upon grid needs. Advanced smart inverter functionality will be central to enhancing the relationship between the distribution system and DER.

Finally, CECONY and O&R recognize the value of increased data and information sharing. Since 2021, the companies have been working with stakeholders and the New York State Public Service Commission to find a more efficient and robust exchange of system and customer data through the Integrated Energy Data Resource (IEDR) efforts. In 2023, we enabled a centralized statewide integrated hosting capacity map as part of the initial public version of the IEDR. Throughout the year, enhancements were made to centralize a repository of distributed energy resources (DERs), facilitate the siting of DERs including solar and battery storage locations, and improve the usability of the IEDR website. In 2024, we are transitioning to Phase 2 of the IEDR implementation, which includes the development of use-cases that facilitate the deployment of energy efficiency programs in Disadvantaged Communities.

## Energy Efficiency

Con Edison has been a leader in Energy Efficiency programs. CECONY and O&R offer a broad array of Energy Efficiency initiatives designed to reduce greenhouse gas emissions, lower customer bills, and give New Yorkers control over their energy choices.

In 2023, the CECONY Energy Efficiency programs spent a total of \$336 million (incentives, implementation fees and support function costs) for electric and gas customers to choose energy-saving heat pumps, HVAC, lighting, building management systems, and other equipment.

CECONY and O&R have ramped up energy efficiency programs that facilitate New York's ambitious clean energy goals, offering a broad array of initiatives designed to reduce greenhouse gas emissions, lower customer bills, and give New Yorkers control over their energy choices. We are working with partners across our service territory to better serve low- and moderate-income customers, as well as providing choices to our customers to reduce their reliance on fossil fuels through adoption of beneficial electrification technologies such as heat pumps and electric transportation. Additionally, CECONY and O&R are achieving deeper and longer-lived energy efficiency savings by targeting technology upgrades that have a greater impact.

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

### **In 2023, CECONY reduced electrical usage by 569,229 megawatt hours & saved 1,712,275 dekatherms of gas.**

In 2023, CECONY electric and gas customers who upgraded to energy-saving heat pumps, HVAC, lighting, building management systems, and other equipment received over \$287 million in incentives in 2023.

CECONY's 2023 energy efficiency programs supported customer upgrades that reduced electrical usage by 569,229 megawatt hours and saved 1,712,275 dekatherms of gas—that is the equivalent to taking more than 81,633 cars off the road or powering 46,234 homes for one year. Included in these results, are more than 5,562 customers that installed high-efficiency heat pumps under our Clean Heat Program, contributing 680 billion British Thermal Units of energy savings. Clean Heat technology is giving households and businesses new ways to reduce energy use, and CECONY is at the forefront in helping customers get more value for their money while protecting the environment.

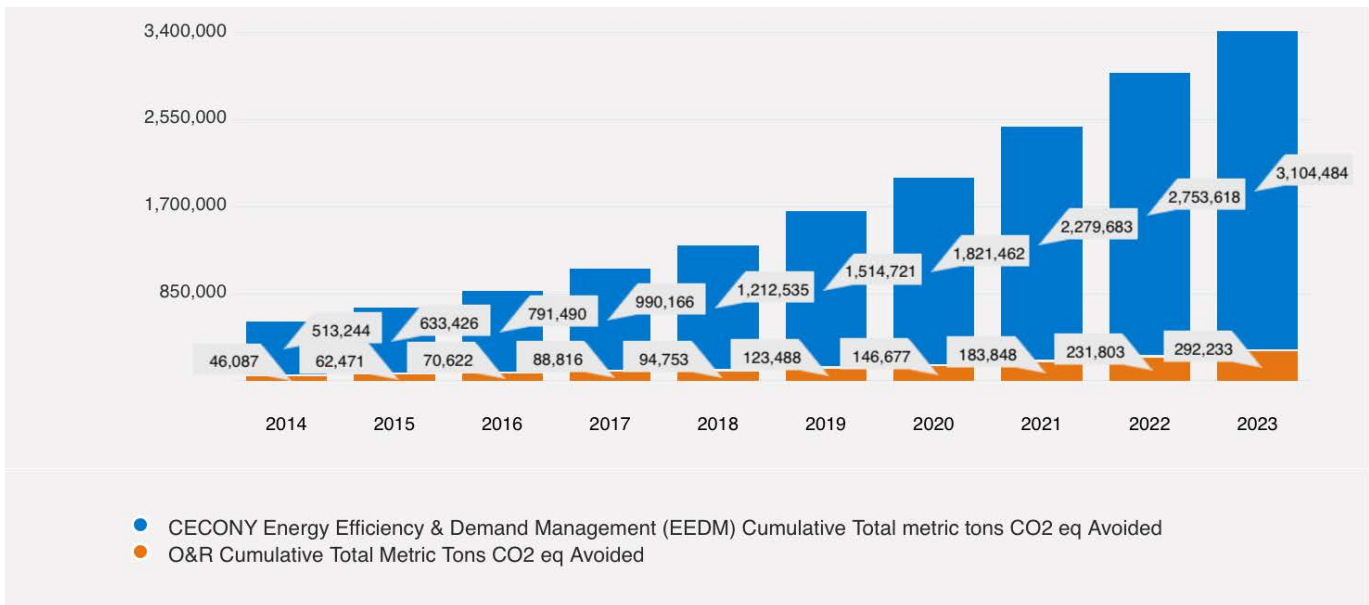
O&R customers who upgraded to high efficiency energy-saving heat pumps, HVAC, lighting, building management systems, and other energy efficient equipment received over \$14.4 million in incentives from us in 2023. In addition to the O&R customer incentives, our Rockland Electric Company (RECO) customers received over \$2.9 million in incentives, taking advantage of energy efficiency and demand response programs that helped customers reduce their energy bills, convert to clean heating technologies, reduce peak demand, and lower their carbon emissions. O&R provides instant in-store rebates on the My ORU Store, our online marketplace, to make it easy for customers to make energy efficient choices. In 2023, the MY ORU Store expanded its offerings to business and low-to-moderate income customers, providing custom offers, instant incentives, and manufacturer discounts, allowing customers to find affordable products to help them

better manage their energy use. Through multi-channel marketing, including targeted personalized emails, customers are made aware of the variety of products and programs that can help them reduce their consumption and lower their energy bills.

## In 2023, O&R reduced electrical usage by over 94,000 megawatt hours & saved over 81,000 dekatherms of gas

O&R is using technology to give households and businesses new ways to reduce their energy use, and get more value for their money, all while supporting the environment. In 2023, upgrades made by customers through our energy efficiency programs reduced electrical usage by over 94,000 megawatt hours and saved over 81,000 dekatherms of gas. Additionally, O&R saved over 35 million British Thermal Units through our Clean Heat program. This reduced our customers' carbon emissions by more than 55,000 tons, which is equivalent to taking more than 12,000 cars off the road.

### CUMULATIVE ANNUAL INCREMENTAL CO2 REDUCTIONS THROUGH ENERGY EFFICIENCY PROGRAMS (METRIC TONS)



Data is from CECONY + O&R



## Renewables

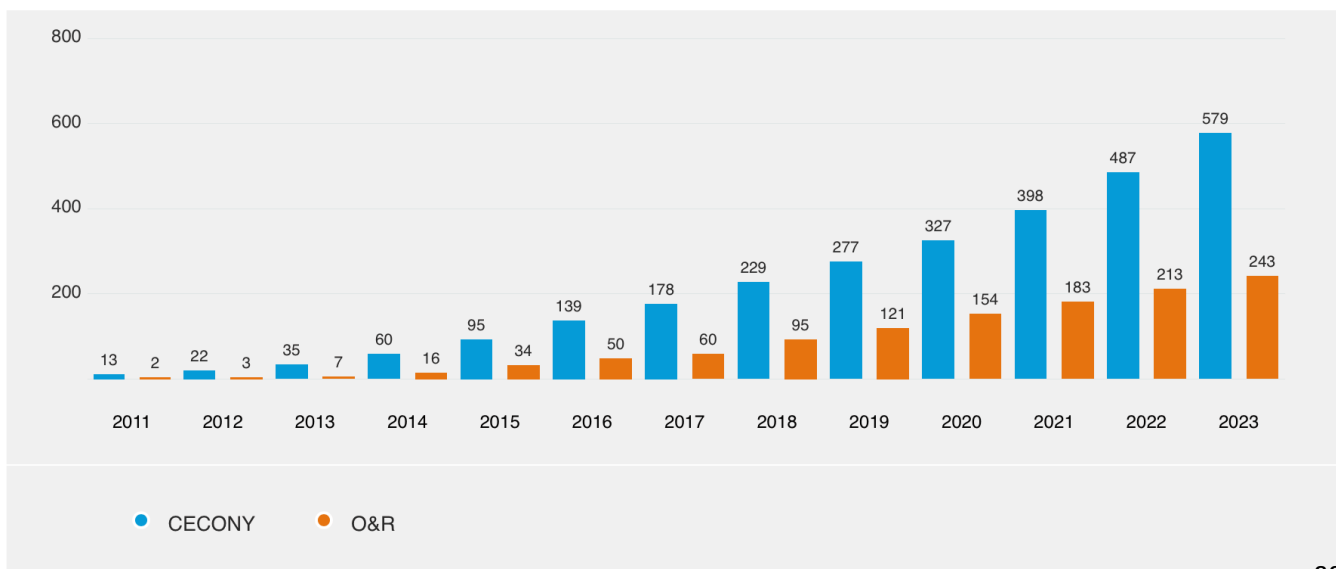
For the past decade, CECONY and O&R, along with Sustainable CUNY, government agencies, and other parties, have encouraged residents and businesses to consider solar to reduce their energy bills and protect the environment. Our customers are responding.

Our customers installed 822 megawatts (MW) (579MW for CECONY; 243MW for O&R) of clean, renewable power by year-end 2023. This total includes 64,709 CECONY installations and 13,563 O&R installations. Con Edison is working to improve access to clean energy to all our customers, regardless of income level, whether they own or rent, or whether they live in a house or an apartment. CECONY's customers installed 92.1MW of solar in 2023, setting a Company record. This is in addition to passing the cumulative 500MW milestone for solar in March 2023. O&R's customers installed 30.1MW in 2023, which is the second-highest installed annual capacity in O&R history. In 2023, O&R added 1,562 solar customers, which is the most in a year since 2016.

CECONY continues to explore opportunities to be more innovative in renewable and energy storage installations. For example, CECONY enhanced microprocessor relays to allow additional solar capacity to export power into our network systems, enabling the construction of additional community solar projects at higher capacities across its service territory.

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O&R continues to interconnect distributed energy resources (DER) at an increasing rate and is actively seeking opportunities to increase hosting capacity through Cost Sharing 2.0. "Flexible Interconnections" are a set of rules allowing multiple DER projects to share upgrade costs making it more affordable. O&R is participating in the IEEE working group designated to draft the next version of the IEEE 1547 standard for interconnection and interoperability of DERs. Through these initiatives, CECONY and O&R are helping to realize a greener energy future. As noted above, both CECONY and O&R continue efforts to expand distributed solar and other distributed energy resources throughout each service territory. The chart below shows the cumulative interconnection for distributed solar since 2011:



## Energy Storage

Con Edison is helping New York State achieve its ambitious energy storage goals of 1,500 megawatts (MW) by 2025 and 6,000 MW by 2030. Energy storage will play a critical role in our clean energy future, and we continue to actively engage with the State's Department of Public Service and the New York State Energy Research and Development Authority to support storage policy goals. CECONY and O&R seek to deploy storage using many innovative business models. When this storage is operating it will store energy produced by wind and solar, which will allow for increased reliance on these clean but intermittent sources of electricity. Many of these storage assets will participate in New York Independent System Operator (NYISO) markets to fulfill this objective. Storage connected to distribution grids also provides opportunities to defer infrastructure build, enhance local reliability, support the deployment of EV charging infrastructure, and help commercial and residential customers manage their bills.

### **New York State energy storage goals: 1,500MW by 2025 and 6,000MW by 2030**

Regulatory and legislative changes in recent years may alter the trajectory of storage deployment. A 2022 New York State Public Service Commission (NYSPPSC) ruling on the Allocated Embedded Cost of Service Methodology may lead to lower costs for charging. The Inflation Reduction Act, passed by the U.S. Congress in 2022, has increased access to generous investment tax credits for storage projects. These changes allow developers to offset some of the financial challenges presented by supply chain, commodity price, and interest rate uncertainty.

CECONY continues to address energy storage safety and zoning concerns, working closely with New York City agencies, state agencies, storage developers, and community stakeholders. The Fire Department of the City of New York used CECONY's Ozone Park battery site as a model to develop its requirements for deploying outdoor stationary battery projects in New York City and create a Certificate of Fitness training module requirement for all battery owners. The Ozone Park system was used to establish fire system requirements, emergency response and other safety related items. Additionally, we drilled with first responders to practice our response to various scenarios including a catastrophic incident.

### **Through 2023, CECONY interconnected a total of 588 distribution-connected customer energy storage systems, totaling 46.5 MW of capacity, and O&R also interconnected 537 total projects for a total of 35.5 MW. Of the 587 O&R projects, 577 were behind-the-meter residential energy storage systems, totaling 5.23 MW of capacity.**

O&R also continues to work closely with external stakeholders such as authorities having jurisdiction (AHJ), first responders and fire departments to further inform and educate on energy storage. In 2022, O&R hosted three separate emergency response personnel training sessions on proper safety protocols for lithium-ion battery energy storage systems for Rockland, Orange, and Sullivan counties. O&R wants first responders to understand the various safety aspects built into energy storage systems and their role in case of any battery emergencies. In 2024, O&R intends to hold a drill with applicable AHJs at its Pomona battery energy storage system (BESS).

Through 2023, CECONY interconnected a total of 588 distribution-connected customer energy storage systems, totaling 46.5 MW of capacity, and O&R also interconnected 537 total projects for a total of 35.5 MW. Of the 587 O&R projects, 577 were behind-the-meter residential energy storage systems, totaling 5.23 MW of capacity.

In recognition of the importance of storage deployment to the clean energy transition, CECONY, has established a new Energy Storage Organization to develop an enterprise-wide storage strategy and implementation plan. The Energy Storage Organization will create new products and deployment channels to achieve New York State's energy storage goals. This group will respond rapidly to new opportunities presented in NYSPSC orders.

## Utility-Scale Energy Storage

In 2019, CECONY and O&R issued a request for proposals (RFP) as part of our bulk solicitation program that solicited dispatch rights from utility-scale storage projects connected directly to the transmission or distribution grids. Both CECONY and O&R have continued to release further RFPs to advance state storage goals, smooth the way for renewables with variable generation profiles to take up a larger share of capacity, and provide flexibility to manage local grid contingencies.

In 2019, CECONY commissioned its first utility-owned storage project, a lithium-ion phosphate battery designed for 2 MW / 10 megawatt hours (MWh) in Ozone Park, Queens. The facility is used to meet peak local demand and reliability needs. CECONY has also requested funding and received authorization for utility-owned storage in its rate case covering 2023 -2025. In 2023, CECONY commissioned a utility-owned BESS with a capacity of 7.5 MW / 30 MWh at a Staten Island substation. In addition, we are integrating current and future BESS into utility operations with certain maintenance functions carried out with Local 1, 2 and 3 union workforces and centralizing operations for continuous monitoring and dispatch.

O&R commissioned its first utility-owned and controlled storage project in Pomona, NY in December 2020 after extensive collaboration with town officials and community first responders. The battery storage system is currently 3 MW/12 MWh with the potential to be upgraded to 3 MW/ 18 MWh. O&R currently operates the Pomona battery storage system, which has successfully provided peak demand reduction and enhanced system reliability during the summer periods (of 2021, 2022 and 2023.). As of August 2023, the NYISO granted the Pomona BESS permission to participate in the wholesale energy market. Looking ahead O&R will also be registering the Pomona BESS to operate in the NYISO Ancillary and Capacity markets.

CECONY and O&R continue to implement energy storage demonstration projects to test new business models. A total of 3 MW of such projects are operating in CECONY's service territory.

**The ISBM project plan is to install 300 solar-plus-storage systems at customer homes. The total project portfolio will be approximately 2 MW / 4.7 MWh. This project will also be the first of its kind to participate in the NYISO wholesale market. To date, the project has successfully gained permission to operate for 147 customers with a goal of all 300 customers by the end of 2024.**

Through its Innovative Storage Business Model (ISBM) demonstration project, O&R is working with Sunrun, Inc. to explore how residential solar-plus-storage systems can provide resiliency benefits to customers, provide demand relief benefits to the utility's local distribution system, and earn additional revenues from participating in NYISO wholesale markets. The ISBM project plan is to install 300 solar-plus-storage systems at customer homes. The total project portfolio will be

approximately 2 MW / 4.7 MWh. This project will also be the first of its kind to participate in the NYISO wholesale market. To date, the project has successfully gained permission to operate for 147 customers with a goal of all 300 customers by the end of 2024.

In New Jersey, O&R/RECO is working with New Jersey's Electric Distribution Companies in response to New Jersey Board of Public Utilities' "New Jersey Energy Storage Incentive Program". This program will shape New Jersey energy storage markets by encouraging energy storage deployments with incentives that are both fixed and performance-based.

### **Energy Storage through Non-Wire Solutions (NWS) /Non-Wire Alternative (NWAs)**

CECONY and O&R also support energy storage through Non-Wire Solutions (NWS) (also referred to as Non-Wires Alternatives, or NWA). Both Companies consider storage to be important assets to meet peak. At CECONY, NWS are supporting and incentivizing third-party owned and operated energy storage to meet local demand. There are currently three active program areas across seven distribution networks:

- Brooklyn-Queens Demand Management (BQDM) (Crown Heights, Ridgewood, and Richmond Hill),
- Newtown (Borden, Sunnyside, and Maspeth),
- and Jamaica (Jamaica network), along with one recently closed program area: Water Street/Plymouth (Williamsburg and Prospect Park).

CECONY's NWS portfolios have interconnected 4.8 MW of energy storage through 2023, and have additional energy storage systems under contract for commercial operation in 2024. In 2022, CECONY announced new incentives for customer-sited energy storage systems that help meet local peak demand in the BQDM program area. The BQDM program is seeking applications for up to 15 MW of grid-connected or load-following energy storage systems that will be in operation by summer 2026. In 2023, CECONY also issued a request for proposals for Energy Storage among other customer solutions to help meet local peak demand in the Jamaica network by summer 2026 and 2027.

O&R entered into a contract in 2021 for the West Warwick NWA project. This project will be owned and operated by a third-party and will use three separate energy storage systems to address distribution system constraints. The project will use batteries totaling 12 MW / 60 MWh allowing O&R to defer the construction of a new transmission/distribution substation. While the construction of the three energy storage systems was completed at the end of June 2023, the three systems are not yet in commercial operation due to a fire. O&R is working with the third-party to address the damage and to repair the system for use in the upcoming 2024 summer peak season. O&R has also held several outreach discussions with the local town and the first responders to address their concerns.

O&R plans to procure another energy storage system to meet distribution system needs in place of traditional utility investments. O&R's Sparkill project aims to defer the construction of a new circuit tie in the area. The Sparkill NWA project is expected to be in-service by summer of 2026.

# Maintaining Reliability



Reliability is a core tenet of Con Edison's operations, and we continually work to maintain and upgrade the dependable service our customers expect and rely on. We do so through initiatives such as our Advanced Meter Infrastructure (AMI) project that provided smart meters to millions across our service territory, as well as making significant investments to our systems to improve safety, reliability, and resiliency.

## **Innovating for Reliability: Advanced Meter Infrastructure**

CECONY's and O&R's Advanced Meter Infrastructure (AMI) project consists of approximately 5.2 million smart meters, composed of roughly 4 million electric smart meters and 1.2 million gas devices throughout our service territories. These smart meters have already resulted in significant environmental, operational, and customer benefits.

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

Deployment of the communications network and smart meters began in 2017. O&R completed its installations in 2020, and CECONY substantially completed smart meter installations in 2023. CECONY expects to complete its installation plan in 2024. More than 20,000 communication network devices have been installed throughout our service area.

### **To date, 5.28 Million Smart Meters have been installed**

CECONY, O&R, and their vendor developed a first-of-its-kind, battery-powered natural gas detector, integrated with the smart meter AMI communications network. Natural gas detectors are a safety device that monitor the atmosphere where utility gas pipes enter our customers' homes and buildings. They are designed to transmit an alert when localized natural gas levels indicate a potentially dangerous leak. The alert notifies gas emergency response resources and the local fire department to respond quickly.

Data from smart meters identify electric outages and restorations allowing us to avoid sending a crew to a location where power has already been restored. These avoided "truck rolls" reduce both costs and CO2 emissions. Through the end of 2023, smart meters helped us to avoid over 69,000 unnecessary truck rolls. The AMI system can also quickly notify operators of outages while enhancing the restoration communications that customers receive. In 2023, new technology was introduced that allows operators to monitor customer power quality information in real time.

AMI also lets the Company operate the system at an optimized voltage. The Company implemented voltage optimization across the CECONY service territory in 2022. Analysis shows that information from the AMI system can reduce energy usage by approximately 1.5% on average decreasing associated fuel use for committed generation resources and reducing 1.9% of total CO2 emissions. The Company is working to increase these benefits with a goal of 1.75% energy savings average across the service territory by the end of 2025.

### **CECONY will invest \$2.5 Billion in 2024**

## Investing for Reliability

In 2023, CECONY invested \$2.2 billion in our electric transmission and distribution systems in New York City and Westchester County to improve their safety, reliability, and resiliency. We invested in new customer connections and increased system capacity, including projects that facilitate the clean energy transition, replaced defective or obsolete equipment, and reduce the risk of outages due to extreme weather events and high summer demand. Examples of resiliency investments include replacing overhead lines with insulated lines that can withstand impacts of extreme weather. To prepare for summer 2023, CECONY upgraded and reinforced distribution transformers, underground feeder sections, and spans of overhead cable.

CECONY will invest roughly \$2.5 billion in 2024 on improvements in system safety, reliability, and resiliency, while continuing to invest in infrastructure upgrades needed to support clean energy goals. In preparation for summer 2024, CECONY will install cable and equipment to meet summer peak customer demand.

## In 2023, O&R invested \$300 million

In 2023, O&R invested approximately \$300 million in clean, climate resilient, and system reliability and enhancement projects including the projects below.

- Started construction of Lovett substation that will consist of a 345 kV gas insulated substation containing a four-breaker ring bus along with a new 400-MVA 345/138 kV autotransformer.
- Commenced civil construction work for the new Blooming Grove substation to replace the existing 25 MVA single-bank station with a new two-bank station which will help increase system reliability.
- Strategically replaced 6 miles of storm-prone double circuit overhead lines with underground lines including establishing two new underground mainline facilities.
- Replacing close to 6 miles of higher-strength reinforced spacer cable to the existing overhead system to enhance the overhead system.
- Installed and commissioned 268 Supervisory Control and Data Acquisition (SCADA) operated overhead switch devices, bringing the total number of devices to approximately 1,700. These remotely controlled switches help quickly reduce the number of customers impacted by a typical outage on the overhead system.



## Electric Transmission Reliability

The bulk of our underground transmission system consists of 660 miles of 69-, 138-, and 345- kilovolt feeders encased in steel pipe inundated with high-pressure dielectric fluid (a non-toxic synthetic compound similar to mineral oil). This state-of-the-art technology at the time of installation allows for very large deliveries of electricity in congested urban environments. The conductors inside our steel pipes are wrapped in paper insulation, filled, and pressurized with the dielectric fluid at a nominal pressure of 200 pounds per square inch. In some feeders the dielectric fluid is circulated and cooled to provide enhanced current-carrying capability. Approximately nine million gallons of dielectric fluid are contained within the feeder pipes and the associated pressurization and cooling plants.

In 2023, CECONY refurbished a total of 4,770 trench feet of our underground dielectric fluid-filled electric transmission cables, and in 2024 we are planning to invest \$29 million to address over 3,500 trench feet of leak-prone cables.

**In 2023, CECONY refurbished a total of 4,770 trench feet. In 2024, we plan to address over 3,500 trench feet.**

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

- We use real-time monitoring of some of the largest volume feeders to constantly check their integrity.
- We infuse our dielectric fluid with a special tracer to help us rapidly locate and uncover leaks.
- If significant leaks occur, we selectively remove feeders from service, placing them on reduced pressure to slow the leak rate.

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

We expect to continue to make significant progress in research and development to reduce the potential for future dielectric fluid spills. We are also continuing to seek approval to replace existing dielectric fluid-filled feeders with solid dielectric cable.



## Reliability Performance

CECONY is a recognized leader in electric reliability performance. While consistently earning industry awards, our overall reliability in 2023 was 99.997%, exceeding both national and New York standards. CECONY's network is nine times more reliable than the national average.

### CECONY 2023 CUSTOMER INTERRUPTION RATE

CUSTOMERS INTERRUPTED PER 1,000 CUSTOMERS SERVED

<b>National Average</b>	1,023
<b>New York (w/o Con Edison)</b>	1,080
<b>Con Edison (Overhead)</b>	467
<b>Con Edison (Overall)</b>	133
<b>Con Edison (Network)</b>	17.4

\*National and New York State numbers from 2022

CECONY's electric system boasts the largest underground network in the U.S., as well as an overhead network. Two common metrics used to measure reliability of distribution services are System Average Interruption Frequency Index (SAIFI) and Customer Average Interruption Duration Index (CAIDI).

- **SAIFI**, compiled annually, represents the number of service interruptions divided by the number of customers served.
- **CAIDI**, also compiled annually, represents the average time to restore service to interrupted customers. The CAIDI figure results from the total customer minutes of interruption divided by the total number of customers affected.

For both figures, a low number indicates a better performance.

#### 2023 NUMBERS FOR CECONY (electric)

Per 1,000 Customers Served

SAIFI: 110

CAIDI: 135 minutes

#### 2023 NUMBERS FOR O&R (electric)

Per 1,000 Customers Served

SAIFI: 1004

CAIDI: 103.8 minutes

## **Gas Infrastructure Reliability**

In 2023, CECONY removed 80 miles of cast iron and unprotected steel gas mains from its inventory. In the last five years, CECONY has replaced 451 miles of such mains. In addition to upgrades to the distribution system, CECONY continues to replace and upgrade the transmission system to maintain system reliability and comply with 2019 federal Pipeline and Hazardous Materials Safety Administration requirements.

In 2023, O&R replaced over 22 miles of leak-prone pipes. This replacement level met O&R's commitment to the New York State Public Service Commission. O&R continues to target its goal of retiring at least 66 miles over the 2022 through 2024 period.

# Addressing Climate Change Impacts



Con Edison approaches resiliency proactively. As we work to mitigate the impacts of climate change, building and maintaining reliable and resilient energy systems is crucial for our essential role in the clean energy transition. We are conducting studies to inform our planning and adaptation measures, and we are investing in upgrades to our energy systems so we can minimize the impacts of climate change on our customers.

## Physical Risks

Con Edison continues its proactive, forward-looking approach to system resiliency that was formalized as a result of Superstorm Sandy. The Companies climate resilience journey continues to reinforce insights from our 2019 Climate Change Vulnerability Study and 2020 Climate Change Implementation Plan. In September 2023, CECONY incorporated the latest climate science through an updated climate change vulnerability study as required by law. The Company plans to conduct a new climate change study at least every five-years. The Company also filed a long-term (5, 10-, and 20-year) Climate Change Resilience Plan with the NYSPSC in November 2023. O&R built on CECONY's efforts in this area and conducted its first formal climate change vulnerability study and filed its own long-term Climate Change Resilience Plan in November 2023. The latest science predicts that increasingly severe weather will occur due to climate change – in particular a rise in temperatures earlier than prior projections.

Climate change is projected to increase the intensity of weather events like deluge rain, high winds and storms that the Company will be addressing through measures and plans to prevent, mitigate, and respond. The objective is to reduce the number of customer outages and minimize the extent and length of a disruptive event. Our climate change planning and design guideline uses the latest climate science modeling and our chosen risk profile (SSP5-8.5). The climate model provides projected conditions to 2080. Through lifecycle design, the assets impacted, and adaptation measures needed can be prioritized to prepare for climate change in a timely manner. Preparation can be achieved by investing in upgrades, replacements or incorporated into new assets and infrastructure. The Company reviews climate science advancements using a dedicated climate team with executive governance. Since 2017 the Company has established a climate change working group consisting of external organizations with interest in our approach to climate change. We meet at least twice a year to inform them of our findings and plans. We encourage feedback from all our stakeholders and look for alignment on climate change adaptation as may be appropriate.

For more information, please visit [Our Climate Change Resiliency Plan \(https://www.coned.com/en/our-energy-future/our-energy-vision/storm-hardening-enhancement-plan\)](https://www.coned.com/en/our-energy-future/our-energy-vision/storm-hardening-enhancement-plan) (CECONY), [Our Climate Change Resiliency Plan \(O&R\) \(https://www.coned.com/en/our-energy-future/our-energy-vision/storm-hardening-enhancement-plan\)](https://www.coned.com/en/our-energy-future/our-energy-vision/storm-hardening-enhancement-plan), and find our latest Task Force on Climate Related Financial Disclosures (TCFD) here: [Environmental, Social, and Governance \(ESG\) Resources | Consolidated Edison, Inc. \(/esg-reporting-standards/\)](#)

## Climate Change Risks, Resilience, and Adaptation

Our key 2023 climate change resilience accomplishments are below:

1. The Companies filed their Resilience Plan filings in November 2023 in response to recent climate legislation requiring all New York State electric utilities to conduct a vulnerability study and submit their respective climate resilience implementation plans, which included five-year rate impacts, to the New York State Public Service Commission for approval. This process provided the opportunity to separately identify climate-driven investments to reinforce the electric infrastructure. The utilities worked with NYSERDA to apply the most up-to-date climate science provided by Columbia University and maintain our risk tolerance level. Our study focuses on the 75th percentile of the SSP5-8.5 emissions scenario. CECONY used the information to determine the refinements needed to align our existing climate resilience planning efforts with the accelerated projections of climate change. O&R applied its resilience objectives to the climate data to identify its respective climate-driven adaptation measures and investment needs for its service territory.
2. Integrating climate resilience into engineering, operations, and planning in each company. Our respective Climate Change Resilience Plan filings (totaling a proposed \$1.3B in investments over the first five years) refine our efforts to prevent, mitigate and respond to ever more intense projected impacts from climate change through a proposed set of climate-data-driven programs and projects in five-, ten- and twenty-year timeframes. This plan takes into account the latest Intergovernmental Panel on Climate Change (IPCC) Shared Socioeconomic Pathway, SSP5-8.5 Scenario (i.e., a business-as-usual scenario with substantial global warming associated with high emissions) and proposes investments to adapt and mitigate future climate risks.
3. The Companies have remained active in the utility industry to advise and learn from our peers in understanding climate risks and how to adapt to them. CECONY has taken a lead role in the Electric Power Research Institute's Climate Resilience and Adaptation initiative (READi), and we continue to engage with peer utilities and other infrastructure owners and participate in resilience activities at the state and local level.

We recognize that our approach needs to be flexible as more is learned about climate change impacts from the continually evolving climate science and the increased intensity and frequency of recent regional weather events. Continued collaboration, engagement and benchmarking with our stakeholders will be key to maintaining our ability to provide safe, reliable, and resilient energy to our customers in a changing climate.

For more information, please visit [Our Climate Change Resiliency Plan \(https://www.coned.com/en/our-energy-future/our-energy-vision/storm-hardening-enhancement-plan\)](https://www.coned.com/en/our-energy-future/our-energy-vision/storm-hardening-enhancement-plan) (CECONY), [Our Climate Change Resiliency Plan \(O&R\) \(https://www.coned.com/en/our-energy-future/our-energy-vision/storm-hardening-enhancement-plan\)](https://www.coned.com/en/our-energy-future/our-energy-vision/storm-hardening-enhancement-plan), and find our latest Task Force on Climate Related Financial Disclosures (TCFD) here: [Environmental, Social, and Governance \(ESG\) Resources | Consolidated Edison, Inc. \(/esg-reporting-standards/\)](#)

## Transition Risks

To account for projected impacts of climate change, we plan to continue investing in the increased resilience of our infrastructure, that would deliver safe, secure, and reliable energy to enable net zero greenhouse gas emissions in our service territories by 2050. We expect demand on CECONY and O&R's electric system to shift to peaking in the winter due to electric space, water heating need and electric transportation. But the pace of electrification depends on policy, rates of customer adoption, and technology advancements required in a decarbonized economy.

In November 2023, the Companies issued our Gas System Long Term Plan which detailed the actions, strategies, and investments needed to transform our gas business through several decarbonization pathways. The Gas System Long-Term Plan also included implications on the electric and steam systems in these pathways, and the policy, market, and technology developments required to enable our customers to transition away from gas usage. With a focus on cost effectiveness and equity, we're working together with customers, regulators, policymakers, and other stakeholders to make this future a reality. The Plan reaffirms the Companies' Clean Energy Commitment and outlines strategic objectives in four areas: Clean Energy, Climate Resilience, Core Service, and Customer Engagement. It also emphasizes the need for continued focus and collaboration to develop solutions to meet customers' energy needs and the State's clean energy goals.

For more information, please see [CECONY's final Gas System Long-Term Plan](https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId=%7b10E81C8C-0000-C934-90EF-0FE1F033345E%7d) (<https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId=%7b10E81C8C-0000-C934-90EF-0FE1F033345E%7d>), and [O&R's Long-Range Plan](https://www.oru.com/en/our-energy-future/our-energy-vision/long-range-plan) (<https://www.oru.com/en/our-energy-future/our-energy-vision/long-range-plan>).

# Reducing the Carbon Footprint of our Facilities



Since 2021, we have committed that we will construct all new company-owned buildings so that they use only electric energy. We will also improve energy efficiency of our existing facilities to reduce our own carbon footprint.

These facilities equate to approximately 3 million square feet of office space and work locations. We're implementing other clean energy solutions at both existing facilities and new construction projects.

## **Local Law 88: Upgrade of Lighting Systems for Applicable Con Edison Facilities by 2025**

In order to meet the company's goals for implementing energy efficient lighting, and compliance with Local Law 88, which establishes standards for lighting upgrades and submetering, we are replacing all existing lighting at our facilities with energy efficient LED lighting. This lighting is approximately 50% more efficient on average than our existing lighting. Automatic lighting controls and daylight harvesting will be implemented to reduce energy used for lighting as much as feasible. Construction has been completed at our Davis Avenue, Third Avenue, and College Point sites which yielded savings of almost 45%. We plan to make similar improvements at our remaining facilities.

## **Local Law 97: Reduce emissions produced by NYC building to reach net-zero by 2050**

One of the most ambitious plans for reducing GHG emissions in the nation, Local Law 97 was part of the Climate Mobilization Act, passed by the City Council in April 2019 as part of Mayor DeBlasio's New York City Green New Deal. Under this groundbreaking law, most buildings over 25,000 square feet are required to meet new energy efficiency and GHG limits as of 2024, with stricter limits coming into effect in 2030. The goal of the law is to reduce the emissions produced by the city's largest buildings by 40 percent by 2030 and net zero by 2050. Working with a consultant, the Company continues to evaluate our facilities to prioritize building and operational improvements that reduce the greenhouse gas emissions associated with our buildings.

## **Sustainable Facility Design & Infrastructure**

CECONY and O&R incorporate sustainability and resiliency into the planning, design and construction of its new buildings and renovations of its existing facilities. For example, CECONY adopted the Leadership in Energy & Environmental Design (LEED) methodology in planning, engineering, constructing and commissioning a new-build data center. LEED certification is a rare designation for data centers. If successful, ours will be one of approximately 20 LEED-certified data centers in the U.S. and one of 70 globally. The servers at the data center have been replaced with new, energy-efficient servers. Modular air-cooled chillers were installed to cool the servers. Such chillers do not require the large amount of water consumed by an evaporative cooling tower and water-cooled chiller system, providing a sustainable solution for the often water-intensive process of cooling servers. These chillers can reduce and vary their power consumption to match the heat load of the building and provide greater system reliability. The installation of these chillers has reduced water use by more than 40%. The data center boasts 100% LED interior and exterior lighting. Other environmental design improvements include the addition of bike racks and a solar-reflective roof covering.

In 2023, CECONY completed the gut renovation of our former Van Nest Cable Lab to create modern, flexible office and support space for employees operating in the Bronx. During planning, the design was evaluated for sustainability and energy efficiency under the LEED Interior Design and Construction (Commercial Interiors) framework. The project incorporated locally-sourced materials, including recycled carpeting and an all-electric HVAC system. LED lighting and low-flow water fixtures are also features of this renovation.

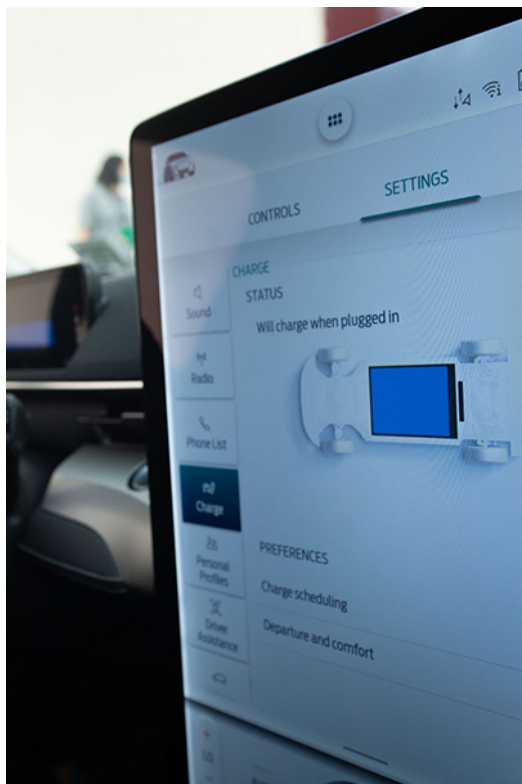
We are currently finalizing the design for two new-build service centers. The new Sherman Creek Service Center, located in the Inwood District of Manhattan, has the goal of achieving at minimum LEED Gold certification for new office construction. This new service center will include both a green roof and a solar parking canopy that will help power the facility. The facility will also have an all-electric variable refrigerant flow HVAC system in lieu of a gas-fired system. At CECONY's service center located at Worth Street, Yonkers, NY, development plans are being finalized to optimize this 8-acre former Manufactured Gas Plant (MGP) site. The site master plan includes the construction of a new service center building above the floodplain to replace the existing 1920's facility.



## **Powering Our Headquarters with Solar**

As a strong proponent of solar power, Con Edison installed its own photovoltaic electric generation system at the CECONY headquarters in 2014, on the roof of the 19th floor. One goal of the project was to integrate the largest possible PV system given the limited space available. Today, the system consists of 209 solar panels, totaling 53kW (DC) of nameplate capacity. This solar system helps power our headquarters, reducing the building's carbon footprint.

# Electric Vehicles and Supporting the Installation of Chargers



In an effort to reduce carbon emissions, Con Edison is serving an essential role to support the accelerated adoption of electric vehicles by our customers. To that end, our Company is investing in EV infrastructure—with a concerted effort to support the construction of charging stations across our service territory—through our PowerReady and SmartCharge incentive programs.

Recognizing that the transportation sector is one of the largest sources of carbon emissions in our service area and our nation, we serve an essential role in accelerating of electric vehicle (EV) adoption by our customers, as well as electrifying our own fleet.

## **PowerReady EV Incentive Program**

We know that uncertain access to EV charging is a leading barrier to our customers purchasing EVs. In order to help alleviate these concerns, in 2020 CECONY and O&R launched our PowerReady EV infrastructure incentive programs and in 2022 RECO launched our Charger Ready EV infrastructure incentive program. These programs expand access to EV charging for cars and small vans and trucks by supporting the development of widespread and visible charging stations at diverse locations across our service area such as charging hubs, retail locations, apartment buildings, and workplaces. CECONY, O&R and RECO have now supported the installation of nearly 7,000 charging plugs through PowerReady. In 2020, the Companies also launched pilot programs to incent charging infrastructure for the electrification of larger fleet vehicles such as school buses, transit buses, and delivery trucks.

The CECONY PowerReady program is now one of the country's largest utility program providing incentives for EV infrastructure buildout. A significant program expansion in November 2023 more than doubled the size of the program budgets, with authorization of a total of \$685 million of customer incentives with a goal to support the connection of about 26,000 EV charging plugs to the grid through 2025. The program expansion was a result of a growing need for charging infrastructure and successful execution by the Companies over the first phase of the program.

While EV charging incentives can assist the market development of adequate access to charging, CECONY's and O&R's managed charging programs help mitigate the impact of EV charging on the grid. CECONY and O&R have been offering the SmartCharge NY managed charging program since 2017 and 2022, respectively, providing financial rewards to participating drivers for all vehicle types in our service area when they charge outside of the peak demand periods on the grid, and overnight. This program is already one of the most successful managed charging programs in the world and continues to grow.

In November 2023 CECONY and O&R received authorization to launch a first-of-its-kind full-scale EV charger-based managed charging program for commercial customers, SmartCharge Commercial. This program, launching in early 2024, incents commercial charging station operators to reduce the electricity they use from the grid during peak hours, shifting that demand to off-peak hours and overnight. This incentive simultaneously achieves multiple goals: ingraining charging behavior that limits the impact of EV charging on the electric grid, while also providing operating cost support to station operators.

Additionally, CECONY's curbside charging demonstration project with the New York City (NYC) Department of Transportation and FLO, a designer and operator of EV charging systems, continues to outperform expectations. Since the beginning of the project in the summer of 2021, 100 publicly accessible L2 chargers have been installed. Customers have plugged their EVs into the curbside charging stations more than 110,000 times, delivering more than 2,400 MWh of driving energy and achieving of roughly 960 metric tons of CO2 avoided compared with traditional gas-powered vehicles. Site-wide utilization for the charging plugs across all five NYC boroughs in Q3 of 2023 was at 48%, four times the initial target of 12%.

## **CECONY and O&R Fleet**

In support of our Clean Energy Commitment, 100% of new light-duty vehicles purchased by CECONY and O&R are electrified vehicles. Through the retirement of existing fossil fuel vehicles, our goal is that 80% of our light-duty fleet will be electrified by 2030 and 100% by 2035. As of year-end 2023, 23.5% of CECONY's light-duty fleet was electrified vehicles, and 24.4% of O&R's light-duty fleet was electrified vehicles. We are also pursuing, through our Research and Development department, alternative technologies to reduce fossil fuels for medium and heavy-duty vehicles. During 2023, we began a pilot program to use our first all-electric bucket truck in day-to-day operations. In December 2023, we took delivery of our first fully electric Class 8 Tractor, which will be piloted in 2024.

We are expanding the current charging infrastructure to support the electrified vehicle initiative. Our plan includes the installation of higher output Level 2 and DC Fast Chargers for fleet vehicles and dedicated workplace chargers for employee's personal vehicles. There are a total of 127 fleet charging ports at CECONY premises and 34 fleet charging ports at O&R. Additionally, we will continue to increase employee workplace chargers at CECONY and O&R facilities.

# Exploring Clean Energy Pilots



Con Edison's mission to serve an essential role in the clean energy future aligns with the state of New York's ambitious approach to climate change. This approach includes requiring New York utilities to propose clean energy pilot projects within their service territories. The proposals from the Con Edison companies are intended to test solutions that will benefit our customers as well as meet the state's guidelines.

## **Consolidated Edison Company of New York, Inc. (CECONY)**

### **Utility Thermal Energy Networks Pilot Projects**

In July 2022, New York State passed the Utility Thermal Energy Networks and Jobs Act. The passage was followed by an order from the New York State Public Service Commission's (NYSPSC) in September 2022 requiring the seven largest gas and combination (electric-gas) utilities to propose at least one, and up to five, Utility Thermal Energy Network (UTEN) pilot projects within their service territories. UTEN pilot projects must include at least two standalone existing buildings, and must use the thermal network for heating, domestic hot water, and possibly cooling. CECONY released a Request for Information, in which sought ambient loop thermal network locations from existing developers. CECONY has proposed three pilot projects – Chelsea, Mount Vernon and Rockefeller Center – designed to provide unique insights that will promote learning and future promulgation of rules pertaining to UTEN. The pilot projects will develop and test solutions that can be cost-effective and scalable in the long-term by using new and innovative technologies. These technologies will then be applied to CECONY's unique dense, urban service area. Two of the three projects are in disadvantaged communities. Commencement of the full project design is scheduled for first quarter of 2024.

## **Orange and Rockland Utilities, Inc. (O&R)**

### **Utility Thermal Energy Networks Pilot Projects**

O&R filed its proposed Village of Haverstraw UTEN pilot (Haverstraw Pilot) with potential anchor customers, including the Village Hall, a local elementary school, and a large real estate development. The Haverstraw Pilot will offer a number of benefits to the Village of Haverstraw as well as learnings from UTEN deployment. O&R will be providing the new development with an electrification alternative to a new gas service, thereby avoiding an extension of the gas system. This project will inform O&R on how best to approach and partner with future real estate development projects on the use of UTENs as an alternative to natural gas. In addition, the Haverstraw Pilot aims to investigate the potential of various thermal resources; geothermal boreholes, wastewater main, and the Hudson River.

Additionally, the proposed Haverstraw Pilot project is fully located within a New York designated disadvantaged community. The UTEN will provide service to buildings in the downtown area, including residential properties, shops, restaurants, businesses, municipal facilities, parks, and recreational facilities. The new real estate development will include income restricted residential units, 40 of which will be reserved for homeless veterans. The community center houses the Village of Haverstraw Department of Youth and Family Services – which serves all residents by providing comprehensive services. It also promotes the health, safety, and well-being of all residents, while raising the quality of life for all people living in the Village’s diverse community in a spirit of non-partisanship and cooperation. Haverstraw Elementary School serves over 500 students from fourth to sixth grades. The connection of the community center and Haverstraw Elementary School to the Haverstraw Pilot should result in lower energy costs for both facilities. These savings could then be used to support additional programs to benefit the community and students.

### **Innovative Storage Business Model Demonstration Project**

As the State pursues 6,000 MW of energy storage by 2030, O&R’s innovative storage business model demonstration project is evaluating the services that behind the meter (BTM) batteries can provide across multiple use cases, thereby improving project economics. This project will help us understand how aggregated BTM batteries can provide benefits to our distribution system, New York Independent System Operator markets, and host customers. Advances in energy storage systems will further improve the efficiency of O&R’s electric delivery system and will play a critical role in adding renewable energy production to the New York grid. To date, our partner in this project, Sunrun, has installed approximately 140 units; and the program is forecasted to achieve its goal of 300 systems (~2MWs) installed in 2024.

### **Smart Home Rate Demonstration Project**

O&R piloted a new ‘interval-based’ rate in its Smart Home Rate (SHR) demonstration project. The SHR project tested how residential customers and those with customer-sited distributed energy resource assets respond to innovative pricing signals designed to incent efficient grid use. The SHR project ended in March 2023 and showed that applying a new demand-based rate structure, coupled with smart thermostat automation, successfully led to shifts in usage that reduced demand during higher priced peak periods. This demonstration project produced valuable information that will help inform the design and implementation of future demand-based pricing structures.

## Case Study - Utility Thermal Energy Networks

A utility thermal energy network (UTEN) is a system of water filled pipes owned by Con Edison that transfer heat energy between thermal resources, like geothermal boreholes or building waste heat, and customer buildings. Participating customers use the heat energy from the UTEN to connect their heat pumps to provide energy efficient heating and cooling.

The heat pump works by transferring heat from the UTEN into a building during the cold winter months and removing heat from the building into the loop during the summer. Ground source heat pumps connected to the thermal energy networks provide a highly efficient source of heating and cooling. Con Edison has proposed three such projects and aims to complete the design phase for these projects by the end of 2024. Our Chelsea and Mount Vernon projects will support customers in disadvantaged communities, while our Rockefeller Center project will help convert three large commercial buildings in midtown Manhattan from steam heating to UTEN-connected heat pumps.

These projects support our Clean Energy Commitment Pillar 3: Reimagine the Gas System. Providing clean energy alternatives to heating supports our goal to transition our gas pipelines and workforce to support the clean energy transition. [Learn more here \(https://www.coned.com/en/our-energy-future/our-energy-vision/where-we-are-going/thermal-energy-networks\)](https://www.coned.com/en/our-energy-future/our-energy-vision/where-we-are-going/thermal-energy-networks).

# Research & Development to Enhance the Clean Energy Transition



Con Edison's Research & Development department fosters a safe work environment, improves operational excellence, and provides an excellent customer experience from a different perspective than our operating groups. Our R&D teams are at the forefront of innovation and have been awarded numerous patents and awards that help us achieve our clean energy goals and provide reliable service to our customers.

An innovative spirit is one of our company's greatest assets. Our research and development (R&D) teams work diligently to find solutions that make the workplace safer, improve our operations and enhance our customers' quality of life. Many of our ongoing projects are described below.



## Operational Excellence

- Completed modifications to the Explorer 20/26 in-line inspection system that enables internal gas pipeline inspections in areas of significant liquid accumulation. The modifications will allow for more reliable results when conducting corrosion and damage inspections of live natural gas mains, and quicker remediation.
- Performed a successful demonstration of a No-Blow Flow Test Device for the gas system. The device pushes the gas through a bypass and performs the flow test without venting gas to the atmosphere, the current practice during a flow test. Flow tests are required for certain low-pressure gas main cut-outs and are performed to allow removal of a section of the gas main without customer interruption.
- Launched a year-long evaluation of high-density polyethylene (HDPE) traffic cones in an effort to improve the environmental sustainability of our work area protection set up. HDPE cones can be recycled and are made of a material that withstands hot weather.

## Customer Excellence

- Completed installation of a shipping container farm on Governor's Island in partnership with the Electric Power Research Institute (EPRI), the Governor's Island Trust, and the New York City based non-profit GrowNYC. This multi-phase project aims to: evaluate indoor food production using off-grid renewable energy, serve as an educational center for urban agriculture, and supply kale to local farmer's markets.
- Advanced the Electro-Hydraulic Fracturing (EHF) technology towards final design through additional field testing. EHF by using plasma energy to break rocks exposed during construction activities, offers a quieter and faster operation relative to using jackhammers.
- Chaired and hosted the New York Joint Utilities' Advanced Technology Working Group technical conference, which is tasked with coordinating research into advanced technologies and non-wire alternatives in support of the State's CLCPA goals.

## Clean Energy

- Deployed an extended demonstration of a completely off-grid office for both the cooling and heating seasons. The “Net Zero Tri Generation” mobile office space provides its own electricity, heating and cooling needs through specialized solar photovoltaic thermal panels integrated with a waste heat recovery system and a cooling system that uses an adsorption process of heating and cooling to replace the functions of a traditional compressor.
- Kicked off a three-year clean energy and climate initiative effort with Brookhaven National Laboratory designed to build a framework for evaluating and informing energy infrastructure resiliency under various climate change scenarios and associated extreme weather events. The effort will evaluate the coupling of energy focused climate/weather models with grid modeling and data drive outage forecasting.
- Co-hosted the *Waste Heat Energy Recovery Technologies Webinar* with the Urban Green Council. The event featured presentations by five energy recovery technology providers, who highlighted various methods of providing non-fossil decarbonization solutions that not only provide higher energy savings to conventional heating systems but can also provide earning opportunities through the Company’s Earnings Adjustment Mechanism (EAM).
- Launched a new EPRI study to assess the economic viability of switching from retail to wholesale tariffs for Distributed Energy Resource (DER) Customers. The project includes development of new tariff offerings to enable DERs to participate in the wholesale market voluntarily.

# Managing Our Emissions



New York has long been a leader in progressive climate policies and has some of the most ambitious climate change laws in the country. The state's Climate Leadership & Community Protection Act set forth targets, including reducing greenhouse gas emissions by 40% from 1990 emissions levels by 2030. We are investing across all our commodities to deliver cost-effective and low-carbon solutions to meet customers' demands.

Over 90% of CECONY's non-greenhouse gas (GHG) air emissions are associated with powering our steam system. One of the many characteristics that makes New York City unique is its reliance on steam, which provides space and hot water heating for large segments of Manhattan. The steam system customer base includes over 1,500 buildings in Manhattan, equating to roughly 500 million square feet of prominent New York City real estate. Many historic landmark high-rise buildings and major cultural institutions are steam customers that would have significant difficulty converting to another heat source. Our challenge is to continue to provide efficient steam heat to our community while decarbonizing our system to meet the [clean energy goals](https://www.coned.com/en/our-energy-future/our-energy-vision/our-energy-future-commitment) (<https://www.coned.com/en/our-energy-future/our-energy-vision/our-energy-future-commitment>) of our company and New York State.

## Air Quality / Non-GHG Emissions

We're proud to say that since 2005, we have reduced our direct emissions of nitrogen oxides (NO<sub>x</sub>) by around 70% and sulfur dioxide (SO<sub>2</sub>) by around 99%. We achieved large reductions in NO<sub>x</sub> emissions by adding natural gas capability to several generating units at our steam plants. We also make use of emissions-reducing controls such as low NO<sub>x</sub> burners. Increasing the proportion of cleaner-burning natural gas used to produce steam was a key factor in these emission reduction efforts. Our steam stations comply with New York State NO<sub>x</sub> limits, and stations monitor NO<sub>x</sub> targets throughout the year to meet these limits. We have also drastically reduced our SO<sub>2</sub> emissions by using predominantly natural gas and low-sulfur fuels. Over sixty percent of CECONY's annual steam production comes from co-generation, which reuses waste heat from boilers or gas turbines to produce additional energy. This efficient use of waste heat, in addition to advanced pollution controls on some of CECONY's units, also helps to reduce the per-unit non-GHG emissions such as NO<sub>x</sub>.

While we predominantly use natural gas for steam and electricity production (over 99% of the fuel used in our steam and electric generating units in 2023 was natural gas), we retain backup fuel sources to maintain reliability during periods of natural gas-system limitations. No. 4 oil and kerosene are the backup fuels currently used at most of our steam and electric generating stations. CECONY began the use of No. 2 oil at two of its steam generating stations towards the end of 2023, and by the end of 2024, all generating units that use No. 4 oil will be fully transitioned to No. 2 oil. No. 2 oil is lighter than No. 4 oil and has a lower concentration of criteria pollutants. Use of No. 2 oil also aligns with a New York City mandate aimed at reducing local air pollution by requiring steam and electric generating facilities to cease the use of No. 4 oil in boilers by January 1, 2025.

### Since 2005, we have reduced our emissions of NO<sub>x</sub> by 70% and SO<sub>2</sub> by 99%

Over its 141 years of operation, the fuels upon which the CECONY steam system relies have continued to evolve, from using coal as a fuel source, to heavy fuel oils, to natural gas. One of our most prominent challenges in the coming decades will be adapting our steam system for its next evolution to become a significant contributor to the decarbonized clean energy future. What alternative fuels and technologies will come next, and how will we incorporate them into our steam system? Our engineers are working on it. We're looking forward to keeping our community and stakeholders abreast of our progress toward a net-zero-emissions future.

Similar to GHG emissions, non-GHG emissions are expected to continue to follow a downward trend, as described in the decarbonization plan included in our [Steam Long Range Plan \(https://cdnc-dcxprod2-sitecore.azureedge.net/-/media/files/coned/documents/our-energy-future/our-energy-projects/steam-long-range-plan.pdf?rev=75b9e45ae4544ad4a1f39bc321608abd&hash=0EC9E41B509DC6C8A05F1290A49D83C3\)](https://cdnc-dcxprod2-sitecore.azureedge.net/-/media/files/coned/documents/our-energy-future/our-energy-projects/steam-long-range-plan.pdf?rev=75b9e45ae4544ad4a1f39bc321608abd&hash=0EC9E41B509DC6C8A05F1290A49D83C3) and [latest Steam Rate Case filing \(https://investor.conedison.com/current-plan-information\)](https://investor.conedison.com/current-plan-information). As we decarbonize our steam system, we will look to transform our energy supply through the use of various technologies and are currently exploring the use of low-carbon fuels; industrial heat pumps; electrification of boilers with clean energy; thermal storage; carbon capture and sequestration; and/or carbon offsets; among other potential methods. We will also enable a fundamental change in energy consumption by supporting energy efficiency.

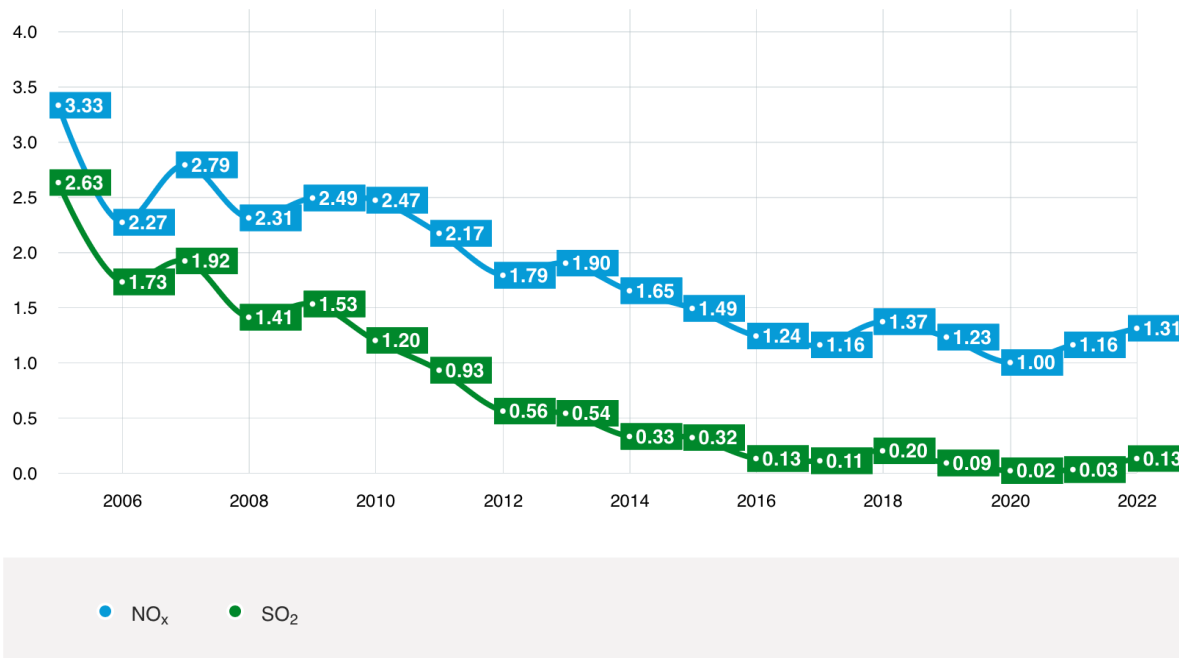
The Company's Clean Energy Commitment: Pillar 4 Aim for Net-Zero direct greenhouse gas emissions (Scope 1) by 2040 for electric co-generation from our steam system will drive steam energy efficiency programs, alternative fuels, and technology innovation opportunities we are exploring to reduce overall emissions.

In addition, as these programs and activities are implemented, we anticipate a moderate reduction in annual steam sales, which will correlate to decreased fossil fuel usage and will result in reduced emissions overall. This modest decline in sales can be contributed to electrification, customer energy efficiency, and the impact of climate change.

## Over 60% of CECONY's annual steam production comes from co-generation, which reuses waste heat.

### NON-GHG EMISSIONS

NITROGEN OXIDES (NO<sub>x</sub>) & SULFUR DIOXIDE (SO<sub>2</sub>) (THOUSANDS OF METRIC TONS)



### DIRECT EMISSIONS

(THOUSAND METRIC TONS)

	NO <sub>x</sub>	SO <sub>2</sub>
<b>2023</b>	1.27	0.03
<b>2022</b>	1.31	0.13
<b>2021</b>	1.16	0.03
<b>2020</b>	1.00	0.02
<b>2019</b>	1.23	0.09
<b>2018</b>	1.37	0.20

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

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## GHG Emissions Reductions

In 2019, New York State enacted the Climate Leadership and Community Protection Act ([CLCPA \(https://climate.ny.gov/Our-Impact/Our-Progress\)](https://climate.ny.gov/Our-Impact/Our-Progress)) that established a goal that 70 percent of the electricity procured by load serving entities regulated by the New York State Public Service Commission come from renewables by 2030. Further, the CLCPA requires the statewide electrical demand system to have zero emissions by 2040. In addition, the law established a Climate Action Council to recommend measures to attain the law's greenhouse gas (GHG) limits, including measures to reduce emissions by displacing fossil-fuel fired electricity with renewable electricity or by implementing energy efficiency measures to achieve an 85% reduction of GHG emissions by 2050 from 1990 levels. In support of the State's goals, Con Edison (the Company) is committed to serving an essential role in delivering the transition to a clean energy future, through our [Clean Energy Commitment \(https://www.coned.com/en/our-energy-future/our-energy-vision/our-energy-future-commitment\)](https://www.coned.com/en/our-energy-future/our-energy-vision/our-energy-future-commitment). We are committed to building a resilient electric grid that is capable of delivering 100% clean energy by 2040. We are aiming for net-zero Scope 1 emissions for electric co-generation from our steam system by 2040, working to decarbonizing our steam system and other company operations, and planning to reduce our fugitive methane emissions from our natural gas delivery system by 85% by 2040.

[Our Energy Vision \(https://www.coned.com/en/our-energy-future/our-energy-vision\)](https://www.coned.com/en/our-energy-future/our-energy-vision) is to serve an essential 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 infrastructure, advancing electrification of heating and transportation, and 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 GHG emissions. We have reduced our carbon emissions by 55% (43.2 million metric tons of CO<sub>2</sub> equivalent) since 2005 – equal to taking more than 500,000 vehicles off the road.

**Since 2005, we have reduced our CO<sub>2</sub> by 55% – that is equal to taking over 500,000 vehicles off the road.**

### Greenhouse Gas Assessment

In 2023, as a part of our commitment to transparent and accurate GHG inventory reporting, we engaged with an internationally recognized sustainability consultant to thoroughly evaluate our current GHG inventorying processes and methodologies. The objective was to determine whether our GHG emissions calculations and reporting:

- align with industry best practices, and national and international standards such as the GHG Reporting Protocol
- can support third-party verification.

### Scope 3

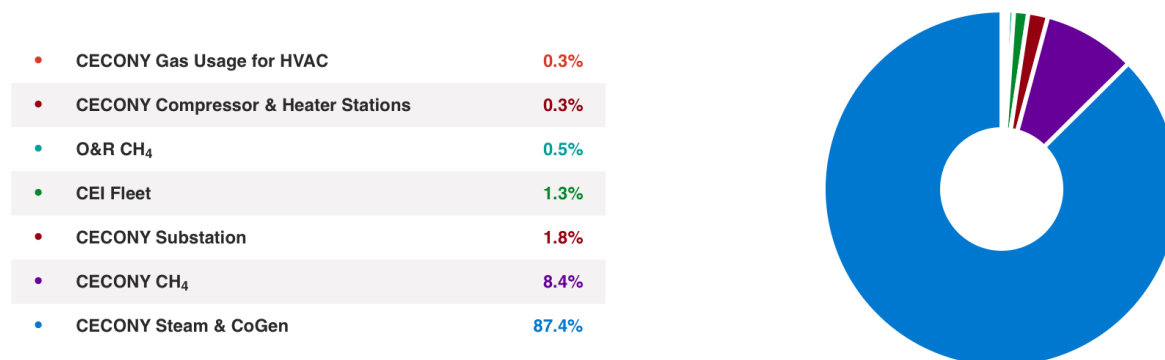
The GHG assessment identified additional potential Scope 3 categories for reporting moving forward: purchased goods and services, capital goods, upstream transportation and distribution, waste generated in operations, business travel, employee commuting, and investments. In 2024, we will further assess this gap, using screening calculations to inform material Scope 3 categories for subsequent GHG inventories.

### Third-Party Verification

In 2024, we anticipate building a GHG inventory baseline for the year 2019 that will be evaluated by an independent third-party organization for alignment with the GHG Reporting Protocol and serve as a potential framework for annual GHG inventories moving forward.

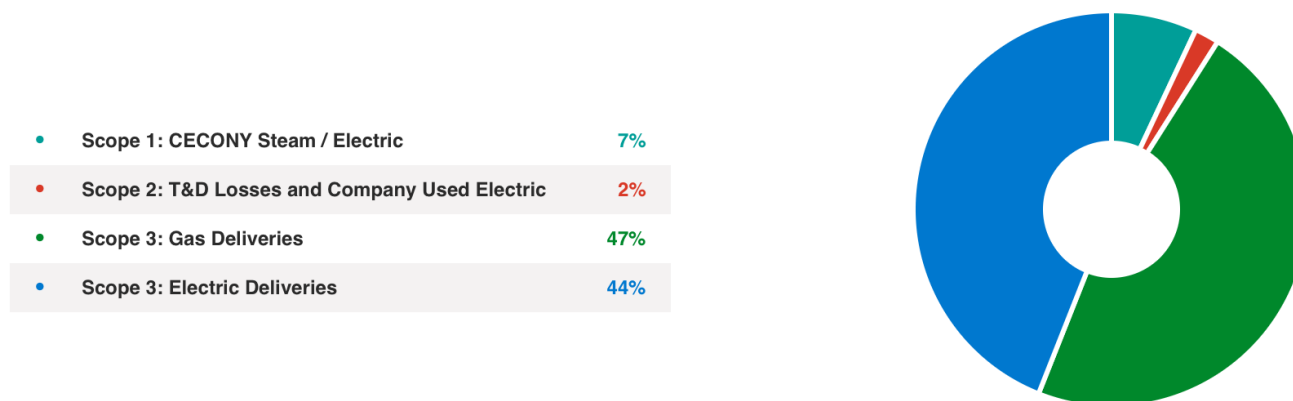
Con Edison recognizes the [international standard \(https://ghgprotocol.org/\)](https://ghgprotocol.org/) for delineating emission sources into various categories of “scope” based on whether the company was directly responsible or indirectly responsible for the GHG emissions. These categories are broken into 3 scopes of emissions:

## 2023 CON EDISON, INC. DIRECT GHG EMISSIONS - SCOPE 1



Scope 1 emissions are those GHGs emitted into the atmosphere by Company-owned or-controlled assets. As with our non-GHG emissions, the majority of Con Edison’s Scope 1 emissions (87%) result from CECONY’s operation of steam, electric, and co-generation plants, where fossil fuel is combusted, and GHGs are emitted as a result. Additionally, fugitive Scope 1 emissions occur when pressurized equipment and infrastructure containing GHGs has a controlled or uncontrolled emission into the atmosphere. Fugitive Scope 1 emissions are principally composed of SF<sub>6</sub> from electric distribution equipment (2%), and methane (CH<sub>4</sub>) from the Company’s natural gas distribution system (8% CECONY; 1% Orange & Rockland). The Company’s vehicle fleet is also a source, albeit relatively small (1%) for Scope 1 emissions.

## CON EDISON, INC. DIRECT AND INDIRECT GHG EMISSIONS - SCOPE 1, 2, AND 3



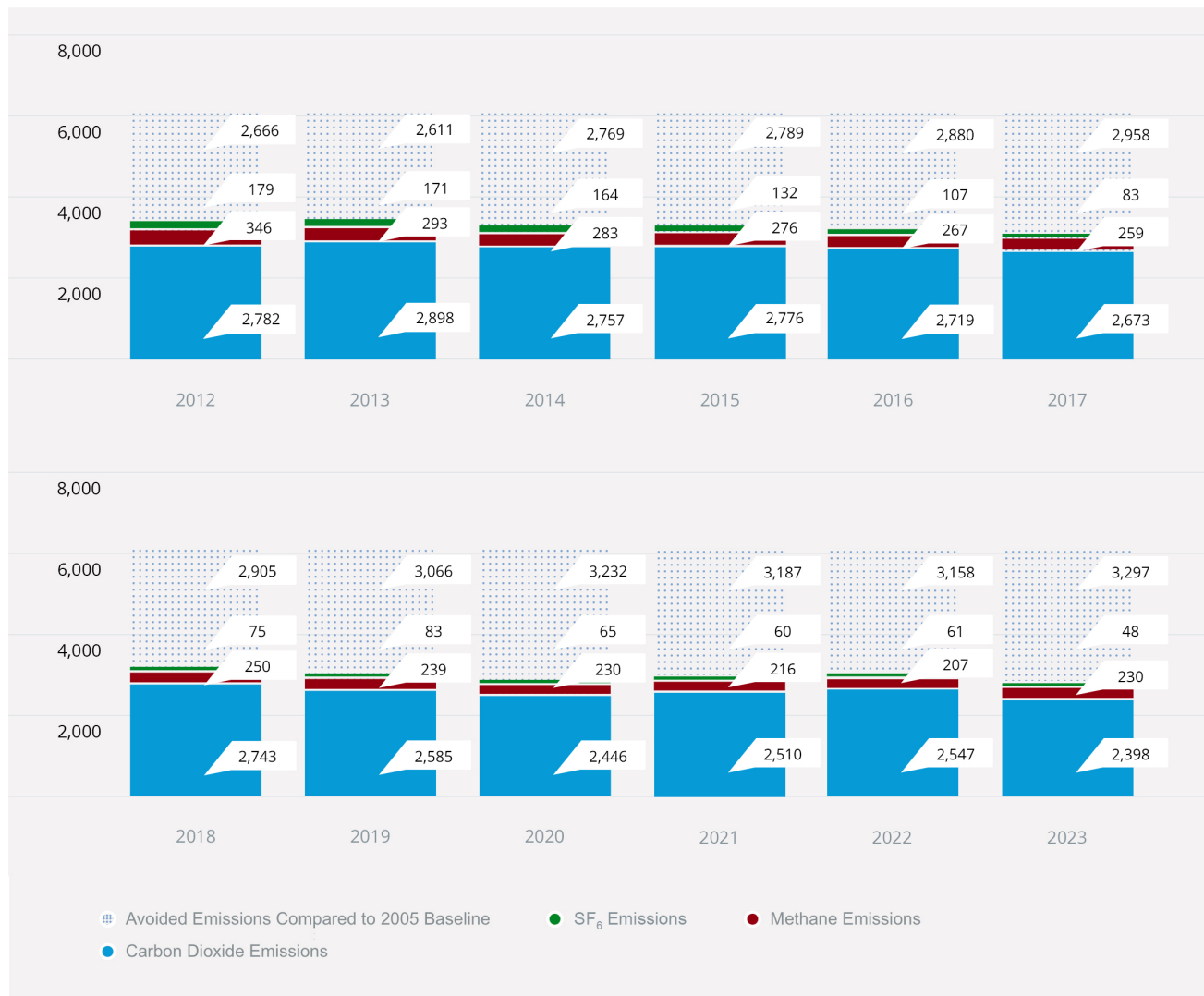
The chart above presents the proportion of our Scope 1, 2 and 3 emissions, focusing on the Scope 3 emissions from the delivery to and use of electricity and gas by our customers (not including emissions associated with our supply chain or methane emissions “upstream” from the production and delivery of natural gas to the “city gate”).

- Our Scope 1 emissions comprised largely of steam, electric, and co-generation plant operations, which together make up 7% of our total GHG emissions,
- Scope 2 emissions are associated with T&D losses and comprise 2%,
- The majority (91%) of our total GHG emissions are Scope 3, nearly evenly split between the emissions associated with generating the electricity (44%) and customer combustion of natural gas (47%) that we deliver.



## CON EDISON, INC. DIRECT GHG EMISSIONS - SCOPE 1

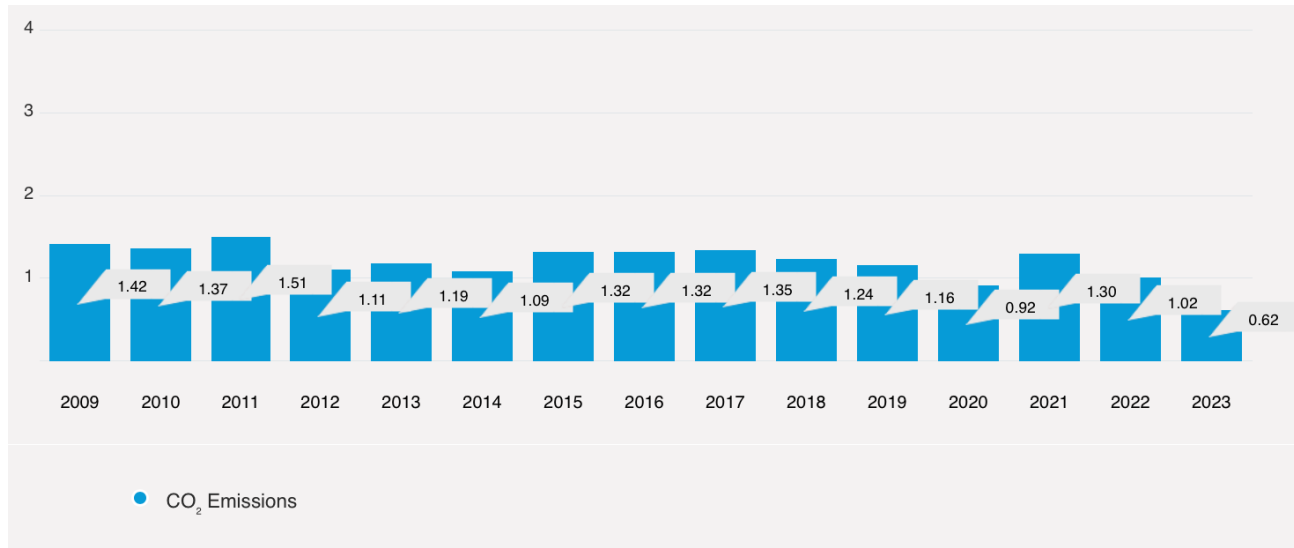
(THOUSAND METRIC TONS CO<sub>2</sub>e)



This chart above presents Con Edison Inc. Scope 1 GHG emissions trend data from 2011 through 2023. They show a trending increase in avoided GHG emissions compared to a 2005 baseline, including significant reductions in SF<sub>6</sub> and methane. Carbon dioxide emissions, which are largely from the steam, electric, and co-generation plant operations have been reduced over this time by switching to natural gas as a fuel source. Planning for future decarbonization efforts to drive further GHG reductions in these plants is underway and we look forward to sharing our findings.

## CON EDISON, INC. DIRECT GHG EMISSIONS - SCOPE 2

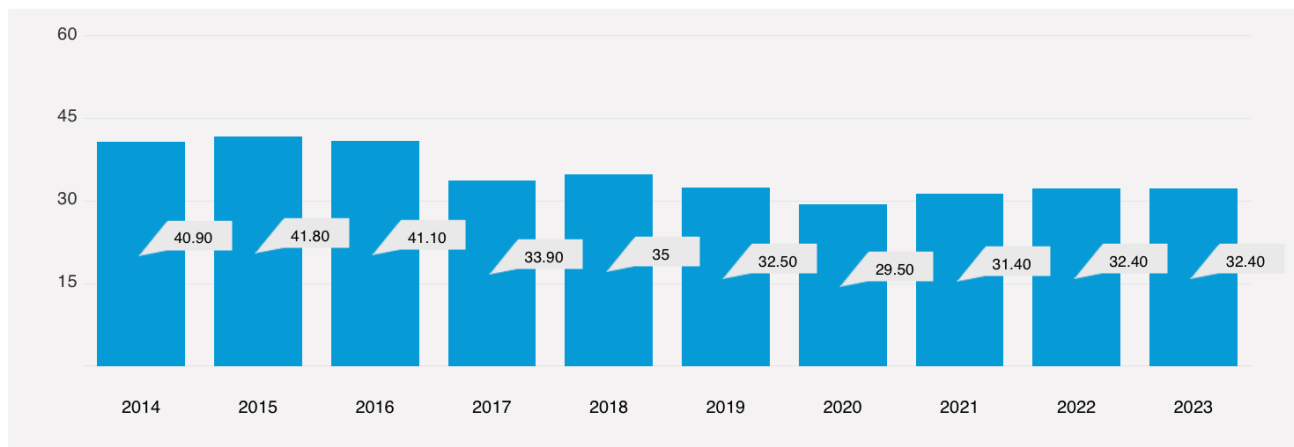
(MILLION METRIC TONS CO<sub>2</sub>e)



Scope 2 emissions are indirect GHG emissions from the generation of purchased electricity consumed by the Company. The consumption of electrical power at Company facilities necessitates, in part, that an upstream power generator combusts fossil fuels to generate electricity, which, in turn, leads to greenhouse gas emissions. For Con Edison, nearly all Scope 2 emissions originate as electric consumption by Company-owned assets, and losses in electric distribution and transmission (T&D losses).

## CON EDISON, INC. DIRECT GHG EMISSIONS - SCOPE 3

(MILLION METRIC TONS CO<sub>2</sub>e)



Scope 3 emissions represent indirect GHG emissions from sources not owned or controlled by the Company, which include, among other things, indirect emissions generated as a result of customers using Con Edison's services. The vast majority of Con Edison's Scope 3 emissions indirectly relate to the delivery of electricity and gas to our customers, which results in GHG emissions from either the upstream generators supplying the electricity, or the Company's customers' combustion of gas. Another, and more difficult to calculate component of Con Edison's Scope 3 emissions include the emissions resulting from the Company's supply chain; specifically, those emissions resulting from the production of material, transportation, and labor associated with Company suppliers.

## Steam Environmental Efforts

We provide customers with U.S. Food and Drug Administration quality steam, of which over 60% was co-generated in 2023. Because the steam is co-generated, customers can apply for points toward Leadership in Energy and Environmental Design (LEED) certification of their buildings and increase their score in Energy Star’s portfolio manager. Our co-generated steam reduces carbon emissions by approximately 25% of what would have been otherwise emitted through traditional boilers—that is equal to removing approximately 200,000 vehicles from the road every year.

Our customers also benefit from the advantages of a centralized district steam system, which reduces onsite emissions from boilers in customer buildings. These centralized investments benefit all customer buildings. The district system’s ability to aggregate a wide variety of customer load profiles also allows for a higher average efficiency than what can be achieved at a single location. All these benefits are reflected in the most recent [NYC Local Law 97](https://www1.nyc.gov/site/sustainablebuildings/l197/local-law-97.page) (<https://www1.nyc.gov/site/sustainablebuildings/l197/local-law-97.page>), in which our district steam system was identified as the lowest greenhouse gas emitting energy source per unit of energy delivered.

We are taking a more forward-thinking approach, conducting research, and evaluating opportunities for more efficient generation and customer programs, while using existing and emerging technologies. To continue supporting our customers in a changing environment, Steam Operations has been proactive in several efforts, such as benchmarking with district steam systems in other cities that are using their district energy networks to achieve their carbon reduction goals. We have also been an active member in discussions and studies as regulations for the city and state plans evolve.

Steam Operations established an internal cross-functional team, dedicated to evaluating the feasibility of carbon- reduction technologies and strategies with the existing steam system. These include alternative fuel sources, carbon capture, production via electric boilers and industrial heat pumps using available renewable energy, expanding and/or converting to hot water systems, wasted heat recovery sources, and other emission reduction technologies such as thermal energy storage. Moreover, the Company has partnered with the National Renewable Energy Laboratory (NREL) to investigate a large-scale geothermal project at our East River campus.

As part of the approved Steam Rate Case 22-S-0659, the Company received preliminary funding to begin developing two decarbonization demonstration projects and to conduct two critical studies that will pave the way towards the Clean Energy Future.

Decarbonization demonstration projects:

- An industrial heat pump project at our East River Station – this technology will use heat from the East River, as well as adjacent waste heat sources, to inject thermal energy into our steam system. Once online, it is expected to be one of the largest heat pumps in the world!
- A district hot water loop project – this extension to our system would use waste energy from an existing steam customer and provide thermal energy to neighboring buildings, to help the buildings eliminate their use of fossil fuels. This district energy system strategy is currently being used in various systems in Europe and can be adapted for use in our steam system.

Decarbonization studies:

- Customer Electrification Challenges – A team of consultants was hired to visit ten buildings in our steam service territory, and prepare a comparative engineering and cost analysis for each to convert to electric service. The results of this study will identify any the complexities that buildings may face when converting from their existing onsite boiler-based systems. Moreover, detailed cost analyses will be performed for each to determine the overall cost impacts and economic options for each building. Results will be used for energy efficiency incentive creation as well as clean energy marketing efforts.
- Steam Decarbonization Study – A team of consultants was hired to build on the existing Clean Energy Future planning work done by Con Edison to date. This study will evaluate each generation location, all applicable decarbonization technologies, as well as the future energy need forecasts to determine a year-over-year phasing plan for all generation assets. This team will help establish the future roadmap our business will use to reduce the carbon intensity of our system and continue to improve our Local Law 97 coefficient on behalf of our customers.

Moving into the future, we are expecting to build and launch a portfolio of additional demonstration projects for the technologies that seem most promising for carbon-free steam generation. We will work closely with key stakeholders and customers so that our steam system remains a viable and clean energy option for our existing and new customers.

## Reduction of SF<sub>6</sub> Emissions

In accordance with a 1999 memorandum of understanding between the U.S. Environmental Protection Agency (EPA) and CECONY, we agreed to reduce our emissions of SF<sub>6</sub> gas (sulfur hexafluoride) by 5% annually from our 1996 baseline. In 2023, we released about 98% less SF<sub>6</sub> than in 1996, well ahead of our commitment to the EPA. SF<sub>6</sub> is a nontoxic, nonflammable greenhouse gas, with a warming potential more than 22,000 times higher than carbon dioxide. SF<sub>6</sub> can remain in the atmosphere for up to 3,200 years. It is also a highly efficient insulating medium and arc extinguisher used throughout the electric industry in different types of equipment, including high-voltage breakers and gas-insulated switchgear.

**In 2023, we released about 98.72% less SF<sub>6</sub> than in 1996, well ahead of our commitment to the EPA.**

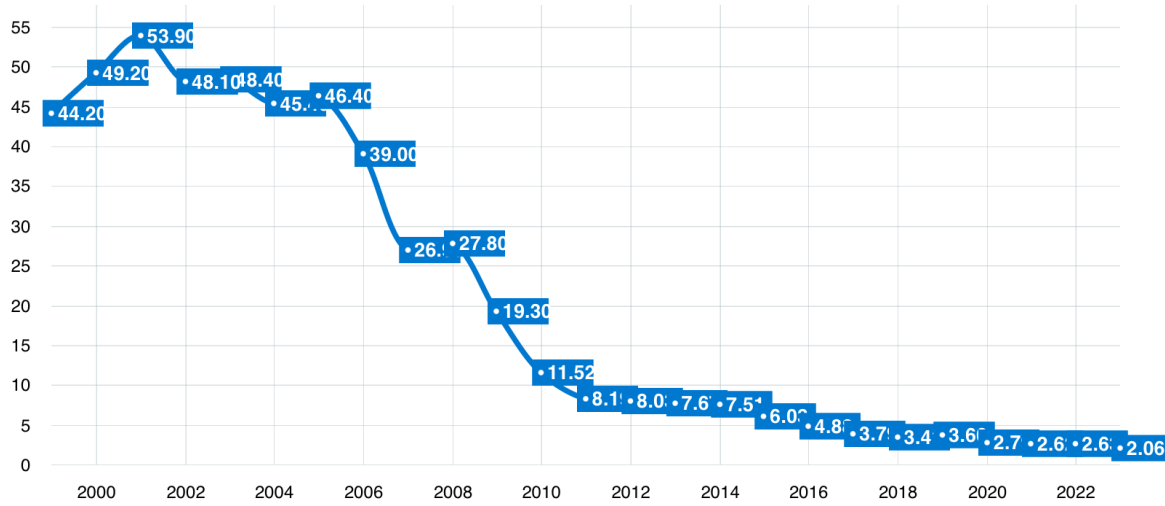
Research is underway, particularly in Europe, to find equally efficient alternative gases. but Con Edison has not yet identified substitutes that would replace the SF<sub>6</sub> in existing high voltage equipment. Con Edison is a member of the Electric Power Research Institute (EPRI) where we benchmark with peer utilities and stay informed of industry updates. EPRI is supporting research to identify alternative gases as well. Some utilities in the United States have replaced SF<sub>6</sub>-containing equipment, but those programs have been limited to lower voltage classes of equipment than those used in CECONY's electric system. Therefore, at the present time, limiting emissions is the best strategy for contributing to a healthier environment and helping to reduce global warming.

While we have greatly reduced our emissions in the past decades, we continue to cut our remaining emissions. We established a five-year plan at the start of 2020 to reduce SF<sub>6</sub> emissions by 500 pounds annually. This is a rate of more than 5% annually from current levels. So far, we have achieved 5% annual reductions in 2020, 2021, 2022 and 2023.

To reduce SF<sub>6</sub> emissions, we use programs developed by a dedicated team that established a process to address leaking equipment in a timely matter. For example, a team of specially trained technicians constantly monitors the emissions of all equipment to enable quick and efficient detection and repair of SF<sub>6</sub>-containing equipment. The team also uses cameras designed to detect SF<sub>6</sub> to monitor equipment. We follow best management practices for handling SF<sub>6</sub> gas with minimal emissions, including using innovative leak-sealing techniques to make the necessary repairs. We also have several targeted programs to retire or replace older SF<sub>6</sub> equipment with new SF<sub>6</sub>-containing equipment, including circuit breakers, automatic ground switches and gas-insulated switchgear. New SF<sub>6</sub>-containing equipment used in replacements typically has a much lower leakage rate than earlier technologies.

# CECONY SF<sub>6</sub> LEAKAGE RATE HISTORY

% NAMEPLATE CAPACITY



Note: The above chart shows the leakage rate (pounds of SF<sub>6</sub> leaked divided by the nameplate capacity of the system), which is based on the percentage of the total amount of SF<sub>6</sub> gas in the electric equipment (nameplate capacity) of our electric system. The data is presented this way so that our performance can be compared to other electric systems that might be larger or smaller.

## Natural Gas Leaks

CECONY performs gas leakage surveys more frequently than prescribed by federal and New York State regulations. Our accelerated survey effort is supported by an aggressive leak repair program that also repairs leaks much sooner than the timeframes required by New York State regulations (Code). The leak repair program addresses Type 1 leaks, which are an immediate hazard and thus repair work has to commence as soon as a leak is discovered to eliminate the hazard, Type 2A and Type 2 leaks, which are not an immediate hazard and thus repair work can be scheduled and completed in a prescribed timeframe, and Type 3 leaks, which are non-hazardous; the Code does not require that Type 3 leaks be repaired at all. The table below highlights the beneficial environmental impact (avoided emissions) of CECONY adopting a more comprehensive leak identification and repair program with shorter repair intervals for leak repair (based on actual average repair timeframes) compared to Code requirements.

Leak Type	2023 Average Repair Timeframe (days)	Leak Repair Code Requirement	2023 Avoided Emissions (cubic feet)
<b>Type 1</b>	4	Inspect daily until permanent repair is complete	N/A
<b>Type 2A</b>	15	6 months	15,064,968
<b>Type 2</b>	16	Within 1 year	40,151,102
<b>Type 3</b>	27	None	68,307,737
<b>Total Leaks</b>	<b>16</b>		<b>123,523,808</b>

This proactive leak identification and rapid repair program significantly reduces the amount of natural gas emissions that would have occurred had CECONY simply adhered to Code repair requirements. The program reduced annual emissions from leaks by approximately 123 million cubic feet, or about an 89% reduction compared to the emissions that would occur under the New York State-mandated timelines. (This estimation is conservative because it assumes Type 3 leaks have a 12-month repair cycle when in fact, the Code does not require Type 3 leaks to be repaired at all.) CECONY has estimated the emissions using emission rates determined by a study of CECONY's gas distribution system undertaken by the Environmental Defense Fund (EDF) and performed by Colorado State University, a nationally recognized leader in the field of emission detection and quantification.

To enhance the effectiveness of our overall leak identification process, CECONY is investigating new advanced leak detection technologies, and pursuing an enhanced leak identification process through collaborative research. Moreover, CECONY sought and gained approval for funding high emissions gas leakage surveys using advanced leak detection technologies to survey at least one-third of its distribution system each calendar year.

CECONY is also using cross-compression technology to capture natural gas during main replacement activities. The captured gas is transferred to other portions of the piping system so that the gas is not emitted into the atmosphere. Although the use of this technology is currently limited to the higher-pressure portions of the distribution system, CECONY

is committed to expanding its use going forward. We are also evaluating the benefit of smaller compressor unit for applications not suitable for the full-size unit currently in use. O&R used the same technology for its main replacement program in 2023.

CECONY's and O&R leak management initiatives have also incorporated the benefits of smart meter installations. Natural gas detectors that use the smart meter network to alert us of natural gas leaks are being installed on every gas service in the system. These detectors are being installed near piping points of entry where the gas service enters the building. CECONY and O&R worked with a gas-detector manufacturer to innovate these first-of-its-kind gas detectors. By the end of 2023, more than 223,000 detectors had been installed and 3,400 leaks had been detected and repaired in CECONY's service territory— potentially preventing dangerous incidents and reducing emissions. These state-of-the-art devices can detect natural gas at levels as low as 10 percent of the lower explosive limit. Additionally, O&R is in the middle of a three-year program and on track to install approximately 15,400 natural gas detectors by the end of 2024. As of the end of 2023, O&R installed 8,713 units. Not only do these detectors sound an alarm at customer locations, they also automatically alert CECONY's and O&R's Gas Emergency Response Center, prompting a rapid safety response as well as the quick mitigation of any associated methane emissions.

Additionally, O&R performs annual leak surveys of its distribution system that exceed code requirements to detect methane emissions and make associated repairs to the gas system. O&R is evaluating several initiatives to meet the requirement under New York's Climate Leadership and Community Protection Act of having net-zero carbon emissions economy-wide in New York State by 2050. We are also exploring new tools and technologies that would aid in mitigating emissions during normal operations and continue to conduct field trials of enhanced leak detection tools.

## **Methane Challenge**

In 2016, CECONY joined forty other gas local distribution companies as a founding partner in the EPA's Natural Gas STAR Methane Challenge. The goal of this program is to encourage companies to commit publicly to reducing methane emissions by replacing a substantial number of natural gas mains.

Our goal is to replace 4% of our cast iron and unprotected steel mains each year. Since 2017, we have replaced 629 miles of such mains, which included a 5% replacement rate for 2023. The replacement of mains made from cast iron and unprotected steel with mains made from plastic leads to methane emission reductions. As of 2023, we have reduced our gas system methane emissions by 57% from the 1990 baseline.

Likewise, O&R has significantly reduced methane emissions for over 20 years. O&R has had an aggressive gas main replacement program since 1998, replacing over 472 miles of leak prone pipe in that time. O&R's low pressure/ cast iron gas system was completely retired in 2018, eliminating a significant source of methane emissions. As an indication of the success of this main replacement program, O&R went from a year-end leak backlog of over 650 gas leaks in 2012 to a zero-gas leak backlog at year-end 2023. At current replacement rates, O&R expects to retire our remaining bare steel pipe and Aldyl plastic pipe (an older type of plastic pipe) by approximately 2030.

In 2016, Orange and Rockland Utilities, Inc. (O&R) entered into the Methane Challenge. O&R committed to replacing cast iron and unprotected steel main and services with plastic at an annual rate of 6.5%. To date, on average, O&R has replaced targeted mains and services at an annual rate of 6.85%. O&R continues to report under this voluntary program for data keeping and tracking purposes.



# Managing Waste



CECONY and O&R continue to minimize waste by emphasizing an end-of-life mindset during job planning that considers minimizing future waste streams during each phase of work, including project and process design, purchasing, transportation, use, and waste disposal.

## Solid Waste

The solid waste recycling programs at CECONY and O&R are supported by corporate policies aimed at reducing the amount of non-hazardous waste that we produce. The vast majority of our solid waste streams, including retired fleet vehicles, forklifts, tool carts, old cables, streetlights, reflectors, meters, and paper products, are recycled or auctioned. We require source separation of a variety of waste streams, including cable, paper, wood, plastic and certain metals.

The majority of the excavated soil from street excavation at CECONY and O&R is recycled through our approved Treatment, Storage and Disposal Facilities. The excavated material is tested to confirm that it meets state requirements and then reused as backfill and underlayment within our service territory. This helps to keep excavated material out of our landfills.

## **Hazardous Waste**

Over the past 25 years, CECONY has drastically reduced the volume of hazardous waste generated through our lead waste stabilization process. In 1998, the New York State Department of Environmental Conservation approved its request to develop a process that stabilizes lead waste that would otherwise be considered hazardous, resulting in a greatly reduced volume disposed as a non-hazardous solid waste. The process was first implemented in the early 2000s and we regularly confirm the efficacy of our lead waste stabilization through sampling. In 2023, our processes reduced our hazardous waste stream by more than 37,478 tons.

Even with the tremendous strides thus far, we are still committed to reducing our hazardous waste generation even further. For 2024, our Board of Trustees has endorsed efforts to reduce the remainder of our routinely generated lead waste, which we plan to tackle in multiple ways. One effort underway is mapping our underground structures and cables that may still contain lead. This tool will be able to help us make informed decisions as to whether we can handle waste generated from these structures as non-hazardous which we have traditionally assumed to be hazardous in the past. We are also examining ways to expand our lead waste stabilization program to apply the process to even more of our work.

Another hazardous waste reduction effort in the upcoming year is to further reduce the remaining polychlorinated biphenyl (PCB) concentration in our system. Historically associated with our electric equipment, we have already retrofitted our transformers with non-PCB dielectric fluid and have been removing the rest of our PCB-containing equipment as we make upgrades and repairs to our system. We are now looking at comprehensively mapping our remaining PCB-containing equipment so that we can strategically target their complete removal.

With these two efforts combined, we hope to reduce our hazardous generation by over 90%.

For other potentially hazardous waste we may encounter, we continue to use our Chemical Lab to identify the presence of any contamination requiring special treatment. This characterization process allows us to properly handle, containerize and dispose of these wastes. By doing so, we minimize the risks to human health and the environment that can result from misclassifying waste.

## **Radioactive Waste**

At CECONY and O&R, we recognize that the management and disposal of radioactive waste is an important issue.

While we do not routinely generate radioactive waste, we do have procedures in place that provide guidelines for its management and proper disposal so that we are prepared should we encounter this type of waste. We maintain a Radiation Safety Officer as well as Radioactive Waste Material subject matter expert on staff to address management and disposal matters.

## Emerging Waste Streams

CECONY and O&R are working with regulators and industry leaders to plan for emerging waste streams associated with renewable technologies such as solar panels, electric vehicle batteries, and wind turbines.

Additionally, CECONY and O&R continue to monitor regulatory developments on the classification of solar panels as universal waste, and for the handling of waste containing per-and polyfluoroalkyl substances (more commonly referred to as PFAS). There has been a regulatory change in the classification of some aerosol cans as universal waste and CECONY is assessing the feasibility to use this change for the Company.

## Reducing Wastes

Similar to our hazardous waste stream tracking system, we recently developed a non-hazardous waste tracking system to increase visibility and governance of all of our waste streams and expect to implement the system in 2024. In parallel, our efforts in 2023 focused on establishing baselines for all waste streams including those that were not previously tracked. The baseline data as well as the tracking systems we are developing will assist us in targeting opportunities for waste reduction and future reduction goals.

CECONY's engineering design for the Vinegar Hill Substation (pictured below) recently reduced solid waste/construction debris through the repurposing of the former Hudson Avenue Tank Farm wall as the substation security wall. Innovative solutions such as this reduce demolition costs and reduce truck traffic and pollution in our service territory.



During the construction of the Blooming Grove Substation the significant reuse of brush, rock, and excavated soil allowed O&R to improve threatened and endangered species habitat onsite, while avoiding at least \$1 million in solid waste landfill disposal costs. The success of this project is expected to provide a working template for similar results on future projects.

## **E-Waste**

CECONY and O&R's Information Technology (IT) department is committed to reducing its computers, electronic media, and electronic equipment waste (e-waste) footprint through environmentally friendly methods of recycling or reuse. Our e-waste disposals are rigorously tracked with multiple audit checkpoints to confirm that all personnel are following defined standards developed in a partnership between our Environmental Health & Safety and IT departments.

CECONY and O&R's IT department recognizes the importance of this issue and is committed to doing its part to protect the environment. Recycling e-waste is an important step towards reducing the environmental impact of electronic waste. By recycling e-waste, we can recover valuable materials and reduce the amount of waste that ends up in landfills. We also ensure any recycling facilities we utilize for e-waste are meticulously vetted and approved by an internal committee to ensure they comply with the highest environmental standards.

We are entering into a new phase of e-waste management and will introduce changes to optimize our practices and processes. The benefits from these changes include greater transparency from generation to recycling and disposal while allowing us to better quantify and analyze our generated e-waste.

In 2023, we recycled over 134,000 pounds of e-waste. This achievement is significant and demonstrates our commitment to protecting the environment and highlights the steps we are taking to help reach a circular economy. To that end, in a new contract with our incoming e-waste recycling vendor, we are ensuring any IT equipment that may not serve our needs anymore are remarketed when possible so that they can be reused first. We are also exploring opportunities to donate salvageable computing equipment to organizations in need of technology. By donating these items, we can help bridge the digital divide and provide access to technology to those in need.

# Water Use, Conservation, and Quality



Protecting water resources both upstream and downstream of our use is a priority in our approach to a sustainable future. New York City is fortunate to be located in a water-rich environment, but the abundance of such a natural resource does not reduce the value of deliberate efforts to protect it for all who live within our communities.



## Water Use & Conservation

The city's water is supplied from three upstate reservoir systems (Delaware, Catskill, and Croton) that have a combined capacity of 550 billion gallons of water, according to the New York City Department of Environmental Protection (NYCDEP). Projections from the Company's updated 2023 Climate Change Vulnerability Study predict that precipitation will increase in the coming years, including a higher rate of extreme precipitation events. In 2024, we are committed to reviewing our role in water management to protect water quality, reducing water consumption, to working within our communities in developing our water management programs. The vast majority of CECONY's water footprint is converted into a product, steam, which is an integral source of efficient energy.

Steam is distributed to our customers for a variety of uses, such as heat, hot water, air conditioning, sterilization, and food processing. As one of NYCDEP's largest water customers, we are committed to minimizing the amount of water used to produce steam. We aim to reduce our water footprint by improving the efficiency of our steam system and implementing water treatment system enhancements. As part of our policy, personnel in Steam Operations use water efficiently and economically at all times, and management oversees the water use program. Currently, Steam Operations tracks water usage versus steam produced to manage overall water consumption. It is anticipated that monthly data will be tracked and trended. We are in the process of realigning targets due to new treatment systems and operating profiles. If drought conditions impact our operations, Steam Operations has a drought emergency procedure that requires the stations to monitor water use and comply with water-use restrictions.

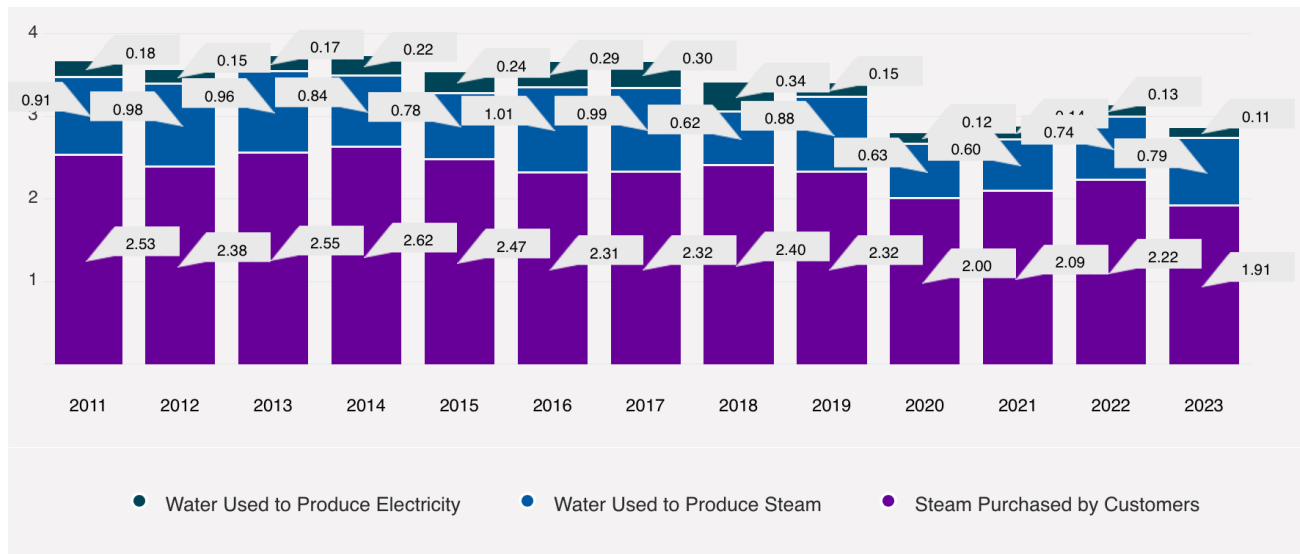
### **The vast majority of CECONY's water footprint is converted into a product, steam, which is an integral source of efficient energy.**

Our water use has decreased by more than 20% over the past decade. This is due in part to a decrease in demand for steam, but also to several major technology upgrades that have reduced our water consumption in ways that continue into 2024. At the East River Generating Station, we completed the installation of ultrafiltration (UF) and reverse-osmosis (RO) filtration systems for two of our generating units. Before upgrading the system to include UF, larger amounts of water and chemicals were required to maintain operating performance. Now, our UF and RO filtration systems efficiently remove minerals and debris from the water, enabling us to reduce our overall water consumption and use water more efficiently. We are already seeing savings of approximately 10 million gallons of water each month and expect to see more savings as we continue upgrading the RO filtration systems at the station in 2024.

As part of our decarbonization efforts, we are evaluating and starting to implement various energy efficiency measures on our production side, distribution side and customer side that are expected to improve our performance and reduce steam usage and water usage. Specifically, we have existing energy efficiency programs as well as proposed steam energy efficiency programs that will reduce our overall water consumption through reduced customer demand. At East River Generating Station, we continue to work to increase the recovery of the RO system to exceed 90% through a project that was implemented in June 2023 along with a research and development effort that is looking to incorporate Capacitive Electrodialysis Reversal (C-EDR) treatment technology into the water treatment process. This technology can purify water that is currently discarded as part of the water treatment process so that it can be reused to create steam. The water used to produce steam must be exceptionally pure. The current process results in a certain amount of reject water from the RO system that is properly discharged as effluent in accordance with applicable permits. C-EDR has the potential to refilter 95% of the RO reject water to be of sufficient quality to be sent to the final water treatment stage to produce steam. C-EDR reduces energy consumption while providing high quality boiler and steam distribution make up water at a fraction of the cost of existing RO or demineralizer technologies. We are preparing to pilot C-EDR at several locations in our water treatment process at the start of 2024.

## CON EDISON STEAM OPERATIONS - DEP MUNICIPAL WATER USE

(BILLION GALLONS)



Note: This chart displays steam operations data only.

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

## Water Quality and Effluent Management

At Con Edison, it is our policy to comply with all federal, state, and local wastewater discharge regulations. At CECONY, we responsibly manage our effluent, which is primarily discharged from our steam plants into the Hudson River or East River. Every CECONY steam plant has a State Pollution Discharge Elimination System (SPDES) permit from the NYSDEC that allows our facilities to discharge water into the river, subject to designated criteria for each station. The SPDES permit specifies the location, sample type, frequency, and limit(s) of each effluent parameter to be monitored and establishes effluent parameters and discharge limitations for pollutants. Each facility monitors compliance with these limitations and other requirements through continuous monitoring and sampling as specified in the permit and reports the results to the NYSDEC. In addition, the Company has detailed incident response and corrective action policies and plans in place to comply with its SPDES permits, and a non-compliance with any SPDES permit requirement is reported promptly.

## **Preventing Spills to Waterways**

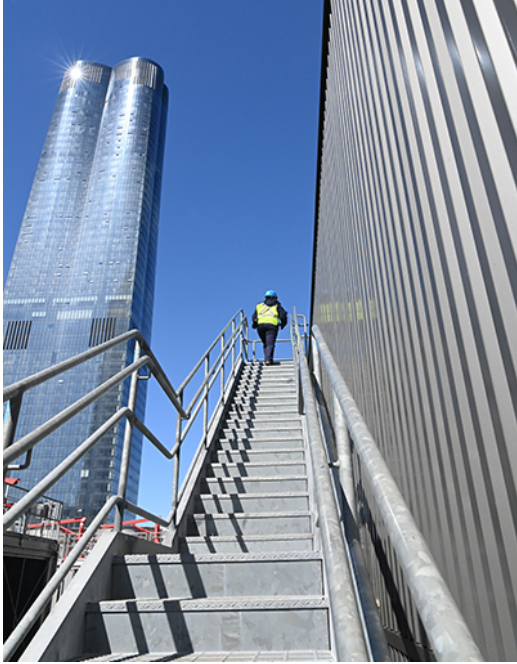
Utility operations entail the use of certain equipment that contains oil. These operations include the storage of petroleum fuels needed to maintain utility service during gas supply contingencies and the use of dielectric fluids (mineral oil or natural and synthetic esters) to provide electrical insulation, suppress arcing and serve as a coolant for operating equipment. Although the risk is still present in our operations, CECONY has robust plans designed to contain oil spills as quickly as possible before they reach waterways and impact the aquatic environment. In 2023, CECONY completed 108 Spill Prevention and Countermeasure Control (SPCC) inspections and recertified 83 EPA-mandated SPCC plans. Additionally, CECONY has completed construction of 320 containment structures for oil-containing large power transformers (LPTs) in Area Substations.

CECONY and O&R also maintain spill prevention, management, and reporting measures. These include leak detection systems; oil-filled asset monitoring systems; facility and asset inspection and repair programs; spill management training; dedicated response employees; drills and exercises; operations-specific response plans; and contracted land and water remediation resources. As applicable, these measures are periodically assessed, benchmarked, and updated for best practices.

Beginning in 2024, the company identified “Oil Release to Waterway” as an Enterprise Risk, enhancing organizational focus on strategically mitigating the risk. In establishing “Oil Release to Waterway” as an Enterprise Risk, CECONY has created greater accountability for mitigation of this risk, with programmatic reporting to the Board of Directors.



# Enabling Responsible Land Management and Reuse



As appropriate, Con Edison evaluates the environmental condition of the properties it owns, formerly owned, or manages. Our investigation and remediation efforts include outreach and engagement with local communities, stakeholders, elected officials, and government agencies. This is meant to help identify and address the potential impacts of former and current company operations in a manner that is consistent with applicable regulatory and legal standards as well as each property's current or anticipated future use.

## Remediation - Engaging Communities, Transforming Properties

CECONY and O&R formerly owned, own, or manage numerous real properties in the greater New York City area. Among these are former electric generation and distribution facilities and former Manufactured Gas Plants (MGPs), that were operated as early as the mid-1800s until the mid-twentieth century to convert coal to gas for lighting, cooking, and other uses prior to the widespread use of electricity and the advent of natural gas pipelines. Due to changes in generation technology, demand, and user distribution, these facilities were relocated, consolidated with other operations, or retired. Properties that have been consolidated or are no longer serving a utility function are available either for re-use for another utility function within the company or may be considered surplus. Surplus property may be divested so that it can serve a new productive function in the community in which it is located. Many former properties, particularly the former MGPs, were divested decades ago prior to the modern era of environmental cleanup standards and regulations.

CECONY and O&R are committed to investigating and remediating impacts from their former operations in a manner that is consistent with the associated properties' current or anticipated future use and applicable law, while at the same time benefiting the communities where they were located. In support of these commitments and goals, currently or formerly owned utility properties are investigated and remediated as necessary by a dedicated staff of scientists, engineers, and technical experts (the Remediation Group), that has been in place since the early 1990s. The work performed by the Remediation Group has matured into a comprehensive Site Investigation and Remediation (SIR) program that includes a community outreach component as described further below. The SIR program staff lead the company's efforts to investigate these properties for the presence of historic operations impacts, and if necessary, undertake remediation in close coordination with federal, state, and local regulators. The company develops comprehensive work plans to complete investigations and remediation in accordance with applicable laws, regulations, and cleanup standards. Where possible, we seek to coordinate such activities with third-party redevelopment plans to achieve efficient remedies that repurpose the sites for productive use.

We work diligently to manage the SIR Program in a cost-effective, prudent and regulatorily consistent manner. Towards this goal, Con Edison and O&R prepare and submit required annual reports to the New York State Public Service Commission that present in detail the company's management of the SIR program. Specifically, these detailed reports describe the measures that the Remediation group takes to manage the SIR program in a manner that is consistent with established administrative and accounting controls as well as regulatory requirements, track the company's progress in investigating and remediating properties, and provide anticipated cost and schedule projections for the coming year. In addition, on an annual and quarterly basis, the company sets and re-evaluates its financial reserves to account for the reasonably estimable and probable cost projections associated with the rehabilitation of its SIR program sites through investigation and remediation, as applicable.

A robust community outreach effort is a key component of our remediation and redevelopment programs. We meet regularly with property owners, community stakeholders, elected officials, and government agencies to discuss stakeholders' concerns. Public information sessions, notices, and project updates are critical components of our comprehensive approach. Project milestones and public reports are regularly posted on our [our MGP web page \(http://coned.com/mgp\)](http://coned.com/mgp) and in site-specific publicly accessible document repositories within the nearby community. The company also has a dedicated hotline to address community questions, which is particularly helpful during remediation work. Additionally, we seek input from elected officials, non-governmental organizations and local community members in advance of and during remediation planning and implementation stages.

Con Edison's rehabilitation strategy for properties formerly used for utility operations that the company still owns includes seeking their redevelopment, as appropriate, in support of New York State Climate Leadership and Community Protection Act (CLCPA) sustainability-related initiatives. Such projects include an energy hub to help support renewable energy interconnections, battery storage facilities, and charging stations for electric vehicles. The redevelopment projects entail

assessments of existing conditions, remediating identified residual contamination to applicable standards, and construction / installation of new facilities.

To prepare for the sale of real property that is owned by the company but no longer needed, we perform certain activities, including an environmental assessment or investigation, the implementation of remedial action if deemed necessary, and ultimately, formal reclassification to “non-utility” status. The SIR activities identified by the SIR program staff and implemented at the properties are developed to comply with relevant regulatory mandates of minimizing impacts to human health and the environment as appropriate for their use or anticipated use, while at the same time considering benefits to the communities where they are located.

Environmental assessments are typically conducted by our SIR program staff and follows a multi-step process. Initially, data and information are obtained about the history of a property prior to ownership and during the company’s development and operations on the property. Due to the long industrial history of certain parcels, the next stage of assessment often entails site investigation and serves to determine the current environmental conditions. The findings from the assessment or investigation are used to determine what, if any, remedial action may be necessary to render the property suitable for potential sale. These determinations are made based on the intended future use/re-use of the property, land management activities for non-utility properties and applicable regulatory requirements. Decisions regarding remedial actions are typically made in consultation with the New York State Department of Environmental Conservation (DEC) by an integrated company team of technical and management staff, which usually includes senior SIR program staff, Real Estate, Law, Facilities, Community Relations, and Corporate Affairs.

## Highlights

Below are some highlights that exemplify our remediation, land use and management activities. The examples listed were implemented during the last five years, with the exception of East 173rd St. MGP, which was completed in 2009.

- A major sustainability project that is underway is the Brooklyn Clean Energy Hub (“BCEH”) that will help facilitate interconnections for third-party off-site renewable clean energy projects (including offshore wind) and enhance CECONY’s electric grid. The site of the BCEH is the former Hudson Avenue Generation Station, which included a steam generation plant, electrical switch house, gas turbine electric generation peaking units, and a Major Oil Storage Facility (MOSF). In addition to the BCEH, the former MOSF was redeveloped as a new electrical substation (Vinegar Hill Substation) to support interconnections and prepare the local grid for increased demand.
- The East 173rd Street MGP Works remedial action completed by CECONY was pivotal in supporting the New York City’s Parks Department redevelopment initiative for Starlight Park (Bronx) for use by the local communities, which included soccer and baseball fields, public green space, and walking and exercise trails. Selection of the remedy entailed a robust community outreach and participation by Bronx River Alliance, a community advocacy group. CECONY worked closely with community groups and NYSDEC to address public concerns.
- In Peekskill, CECONY remediated a portion of a former MGP site located in a growing hi-tech manufacturing community on the city’s waterfront. Contaminated soil was removed from a privately-owned vacant lot, and the subject properties are ready for future development. CECONY is preparing to return to a separate area downgradient from this site to dredge MGP-impacted sediment from the adjacent Peekskill Bay. The dredging project will include the removal of broken-down piers and a sunken barge, enhancing bay access. CECONY solicited and incorporated community input into this clean-up plan, which will enhance the environment and quality of life in the area.
- CECONY has made a positive impact in the waterways in Queens, specifically Flushing Creek. Sediments containing contaminants were successfully excavated from the area of the creek bed adjacent to the former Flushing Industrial Park, which we operated from 1923 to the 1980s. CECONY restored the dredged area with clean granular fill material and received closure from DEC and DOH. Remediation of the creek sediments was conducted in coordination with third-party developer’s substantial high-rise residential redevelopment project.
- In the Bronx, CECONY has been collaborating with the New York City Economic Development Corporation (EDC) on the remediation of a former MGP site located on the Hunts Point peninsula. The former MGP is being remediated through the New York State Brownfield Cleanup Program, parcel by parcel, with EDC constructing storm hardening measures in coordination with the remediation work. The remediated parcels have been and are expected to enhance the use of the peninsula through waterfront greenspace, modernized food distribution centers, and other community-benefiting infrastructure.
- Remedial action was recently completed at the former Port Chester Substation, a non-utility property located in Westchester County. Completion of the remedy represents the final step of the SIR process at this property and allows it to potentially be sold through a competitive bidding process.

## Minimizing Impact

In addition, Con Edison actively and routinely assesses current and ongoing operations to identify and implement practices to help minimize impacts to the properties, the environment and surrounding communities. These assessments include periodic reviews of the current processes / activities and management of materials, with a focus on eliminating and reducing waste and identifying, where feasible, more environmentally compatible products used during operations. The following is an example of waste minimization that was put into practice during a remediation/redevelopment initiative:

- Recently, CECONY sought a Beneficial Use Determination (BUD) to support the efficient redevelopment of two properties simultaneously. Its application to the DEC for a BUD entailed the re-classification of surplus soil generated during redevelopment of a non-utility CECONY property located in eastern Queens County (Brinkerhoff property) for use as backfill during remediation/closure of a former Major Oil Storage Facility (MOSF) located in Brooklyn (Hudson Avenue Generation Station). DEC approved the BUD application. Re-use of the soil both avoided the need to transport and dispose of clean material from the Brinkerhoff property at landfills and benefitted the Hudson Avenue MOSF closure by substantially reducing the number of truck miles (and associated emissions) that would have been needed had backfill been procured from a distant clean fill source. This also reduced the cost of soil backfill necessary for redevelopment of the former MOSF as a new electrical substation.

As a complement to its waste reduction initiatives and as a proactive measure to support responsible waste management and help limit potential future liabilities, CECONY has developed a robust program to regularly review and assess the treatment, storage, and disposal facilities (TSDFs) to which it sends its wastes. This program entails obtaining and reviewing the TSDFs' operating permits; records associated with the past performance of each facility to help identify performance issues or violations; financial records; and changes in operational process(es), as well as physical inspections of the TSDFs. These reviews and assessments are used to develop and maintain a comprehensive list of Con Edison-approved TSDFs that must be used for waste management activities throughout CECONY during the course of business operations, including all its contractors and subcontractors.

# Protecting Habitat & Enhancing Biodiversity



As we find ourselves facing the effects of rapid climate change, biodiverse ecosystems are crucial for the health of our planet. As the company maintains thousands of acres in New York City and Westchester County, we are in a unique position to protect and enhance the region's diversity of plant, insect, and animal life.

## Biodiversity

Biological diversity or biodiversity refers to the vast variety of plants and animals on Earth. In 2023, severe climate change impacts have been experienced across the northeast, especially within our territory. One of the main effects of climate change has been biodiversity loss. Natural habitat where biodiversity decreased is susceptible to consequences such as species extinction, invasive species recruitment, and lower habitat resiliency. Con Edison's territory encompasses unique environments like wetlands, lush woodlands, meadows, and various waterways that we are committed to helping protect.

In recent years our company developed, implemented various initiatives, and strengthened our policy and procedures to protect biodiversity & natural habitat, shown in our [2023 Biodiversity Action Plan \(https://investor.conedison.com/static-files/6e116464-029d-4924-a10f-d22b72a6bfdc\)](https://investor.conedison.com/static-files/6e116464-029d-4924-a10f-d22b72a6bfdc). Recently we released a progress update in our [2023 Biodiversity Action Plan \(https://investor.conedison.com/static-files/6e116464-029d-4924-a10f-d22b72a6bfdc\)](https://investor.conedison.com/static-files/6e116464-029d-4924-a10f-d22b72a6bfdc) showcasing the work we've accomplished so far. We will continue to build upon the accomplishments we've made in 2023.

*"CECONY, Orange & Rockland, and Con Edison Transmission are committed to promoting and supporting biodiversity in our service territories. As a corporation with deep roots in our communities, we have the power to protect high biodiversity value areas to foster a thriving natural environment. We are focused on reducing our emissions and pollution impacts and implementing sustainable design practices. We set high expectations in our operations and are aiming for a "net-positive impact" on biodiversity. This responsibility is supported by our Board of Directors and aligns with our mission to improve the quality of life in the communities we serve."* – Venetia A. Lannon, Vice President, Environment, Health & Safety.

### Biodiversity Programs

Con Edison has developed programs to help minimize environmental impacts and implement potential net-positive benefits to areas where we operate. Listed below are various programs that we have developed into policy for our workers:

- **Transmission Right-of-Way Vegetation Management Plan** – helps mitigate the volume of maintenance work performed in our more than 8,100 acres of rights-of-way to reduce impacts on native species.
- **Biodiversity Baseline Value Assessment** – Evaluate the species richness inside our electric transmission line rights-of-ways.
- **Invasive Species Management Plan** – Helps identify invasives for field workers and sets guidelines for their removal.
- **Rewild Company Land** – Target to rewild three acres of company land by the end of 2024.
- **Sustainable design engineering protocol** – systematically identify and help mitigate biodiversity risks in early design stages of a project.

Con Edison has established a framework to promote the early identification of biodiversity concerns and emphasizes the development of safe, sustainable design alternatives and mitigation strategies early during the design phase of a project. More information regarding the project support team that implements best-practice mitigation hierarchy strategies is explained in our [2023 Biodiversity Action Plan \(https://investor.conedison.com/static-files/6e116464-029d-4924-a10f-d22b72a6bfdc\)](https://investor.conedison.com/static-files/6e116464-029d-4924-a10f-d22b72a6bfdc). Our policy, procedures and guidelines reflect these considerations by educating employees how to protect habitat and biodiversity during design, construction, operations, and maintenance.



## Consolidated Edison Company of New York, Inc. (CECONY)

CECONY's rewilding program kicked off with building 1.1 acres of natural habitat at two facilities, our Eastview Service Center and our Rye Headquarters. CECONY's rewilding initiative focuses on identifying unutilized areas on our property and reintroducing native plants to the location. Our team designed two native species seed mixes, one that focused on general pollinator friendly plants that would be utilized by a wide diversity of local bees and butterflies, and one specifically preferred by Monarch Butterflies, such as common milkweed. The Power in Pollinator initiative created by EPRI is a program that will help promote education about the importance of CECONY's rewilding. CECONY is a major partner and promoter of the initiative. Throughout the summer after planting, our natural resources scientists monitored the growth and integrity of new habitat and found many thriving ecosystems have been established.

Looking forward, we plan to rewild more sites and reach our goal of 3 acres by the end of 2024. As CECONY identifies more potential sites our focus will include environmental justice areas to help enhance the environment in disadvantaged communities. Our focus will include areas in Staten Island, Brooklyn, Westchester, the Bronx, and Queens.

Last year, we collaborated with the State University of New York College of Environmental Science and Forestry (SUNY ESF) to initiate a four-year Biodiversity Assessment Study on 60 acres of our electric transmission line Rights-of-Way. This assessment was initiated to analyze the ecosystem contributions our rights-of-way provides and collect baseline biodiversity data to measure the richness and community composition of native species. At the end of 2023, SUNY ESF presented their findings to our natural resources team, some of their key findings are listed below:

- 684 insect pollinators (bees and flies) composing at least 95 unique species (35 genera) were sampled across CECONY sites in Summer 2023.
- 54 bird species were observed across CECONY sites in Summer 2023.
- 277 plant species in 175 genera were documented across CECONY sites in Summer 2023. Many native herbaceous flowering species (e.g., forbs) known to provide pollen and nectar resources to native bees, such as yarrow, wrinkle-leaved goldenrod, wood sorrel, and ground strawberry, were found at 66% of the sites or more.
- The two sites with the greatest plant species richness were found in Kent and Wappingers Falls, New York. The Kent site supported at least 15 native forbs and nine native shrub species that are beneficial to bees, such as black raspberry, highbush blueberry, and white meadowsweet. Wappingers Falls site supported 25 native forbs, with various goldenrods, wood sorrel, and wild geranium detected the most frequently.
- Two very rare and under-sampled bees, *Epeoloides Pilosulus* & *Nomada Electella* were collected in Putnam Valley.
- A single individual of the Golden Northern bumble bee (*Bombus Fervidus*) was sampled, a species that was listed as "vulnerable" on *The IUCN Red List of Threatened Species* in 2014.

Our rights-of-way act as an excellent habitat for many pollinator species because of the shrub and semi-forest composition which is not found in the areas adjacent to our rights-of-way.

Additionally, CECONY filed our transmission line territory to be certified with a Candidate Conservation Agreement with Assurances (CCAA), to continue providing healthy habitat for Monarch butterflies, a species currently considered for federal listing.



## **Orange & Rockland Utilities, Inc (O&R)**

In the Spring of 2023, SUNY ESF initiated a four-year Biodiversity Index Study in which seventeen O&R Biodiversity Enhancement Areas and control sites, including transmission line rights-of-way, substations, and facility greenspaces, were evaluated to determine the ecosystem contribution of restored areas (referred to as biodiversity enhancement areas) to plant and pollinator abundance and diversity. Biodiversity Enhancement Area is an area that's designed to become native plant rich and abundant such that interaction diversity with native wildlife increases.

According to the 2023 report prepared by SUNY ESF, the baseline study found that 263 plants species and 949 species of insect pollinators, composed of 87 unique species, were sampled across all seventeen sites. In total, there were 240 unique plant-insect interactions recorded.

In summary, SUNY ESF indicated that the O&R Biodiversity Enhancement Areas had higher pollinator abundance (2.7x greater) and slightly higher richness (1.23x greater). This suggests that the restoration efforts by O&R at the Biodiversity Enhancement Areas may be promoting ideal habitat for local insect pollinators. Middletown Operating Center and Deerpark Substation showed the greatest abundance of insect pollinators, and since these sites have had the most growing seasons of all sites, it suggests that the newly created areas will also show the same relative success over the next number of years. Three more years remain in the study. Abundance and richness are expected to increase across all sites and therefore further suggest enhancement efforts are aiding biodiversity.

O&R also established nine new Biodiversity Enhancement Areas within its service territory:

- Six within overhead electric transmission line rights-of-way,
- Two within substation parcels, and
- One facility-owned parcel

Collectively, over 700 pounds of native seed mixtures were sown to create the 10.25 acres of new Biodiversity Enhancement Area. O&R also added more than 1,000 native trees, shrubs, and herbaceous plantings. All locations were additionally enhanced via the strategic incorporation of microhabitat areas, avian perching zones, bee and wasp nesting cavities, and artificial bird nesting boxes.

### **Project Highlight:**

The Kaitlyn's Rights-of-Way Enhancement Area is approximately 1.10 acres in size and is located beneath a transmission line between Monsey Heights Road and New County Road in the Town of Monsey, Rockland County, New York. This area is owned by O&R and is maintained as an overhead transmission rights-of-way. This parcel was partially comprised of a monoculture of bamboo, a New York State Department of Environmental Conservation noxious species, that increased the threat of outages and service interruptions. As such, increased vegetation management work, as well as customer complaints and reduced biodiversity, were occurring in this area.

Construction started on the Kaitlyn's Rights-of-Way Enhancement Area in 2023. The area was rototilled three times, re-graded, and seeded with a native seed mixture. A bamboo barrier was also added to reduce and eliminate the species from spreading. Invasive species management is ongoing, and education and awareness signs were added to the area. The remainder of the work is expected to be completed in 2024.

### **External Education and Awareness:**

O&R installed two native plant gardens at elementary schools within the service territory, including:

- Northvale Elementary School, Northvale, Bergen County, NJ
- Eldorado Elementary School. Spring Valley, Rockland County, NJ

This installation included students' participation and instruction on the importance of native plants and habitats for enabling interaction in biodiversity. Additionally, O&R celebrated multiple ecological days with the community in 2023, including:

- World Bee Day: May 20th, 2023 – Stony Point Elementary School, Stony Point, Rockland County, NY
- National Moth Week: July 20 – 28th, 2023 – All One All Farm, Goshen, Orange County, NY

## **Con Edison Transmission, Inc. (CET)**

CET continues its efforts to advance the Company's Clean Energy Commitment through growth in electric transmission projects. CET's portfolio of investments includes New York Transco, a joint venture among affiliates of the four New York investor-owned utilities. In 2023, NY Transco energized the New York Energy Solution (NYES) and Rock Tavern to Sugarloaf (RTS) projects, totaling 67 miles of new 345kV transmission and four new substations in the Hudson Valley area that are serving New York customers. These projects, working with other upgrades, relieve historic congestion on New York's bulk electric system, while facilitating the delivery of clean energy resources.

Throughout construction, NY Transco implemented a number of special precautions to protect biodiversity and the environment.

Upon completing NYES and RTS construction, New York (NY) Transco fully restored all disturbed areas, including the transmission corridor, laydown yards, and substations, by removing all protective wooden construction mats and construction-related equipment, and revegetating with native species. Throughout this process, NY Transco retained an Agricultural and Environmental Inspector to oversee all activities related to restoration. The NY Transco team will monitor the progress of restoration over the next two years, to confirm that grass continues to grow, vegetation blooms, and the agricultural landscape thrives in and around its assets (picture below).

In addition, NY Transco's commitment to biodiversity led to a partnership with The Wetland Trust, Inc. (TWT) in support of the not-for profit's annual Blanding's turtle nest protection and habitat monitoring program at two Hudson Valley locations outside the corridor. Through this important program, TWT staff and community volunteers monitor expectant females on their nesting areas in spring and protect their eggs from predation using temporary wire nest covers. TWT monitors these covers daily and releases the new hatchlings back to their wetland.



In the photos above, the left shows a portion of the NYES corridor as our crews prepared to remove the existing lattice structures. On the right is the same location today with the new monopoles in place and site restoration underway.

In addition to the completion of the NYES and RTS projects, an estimated \$3 billion NY Transco project developed in collaboration with the New York Power Authority – Propel NY Energy – was selected by the New York Independent System Operator (NYISO) in a recent competitive public policy transmission solicitation. Propel NY Energy includes 90 miles of new underground and submarine high voltage transmission lines and four new stations through parts of Long Island, New York City and Westchester County that will bolster area reliability and resiliency and help deliver more clean energy into the statewide electric grid, including offshore wind.

NY Transco expects to apply its environmental protection, biodiversity and restoration best practices in the construction of Propel NY Energy. The number one priority of Propel NY Energy is the health and safety of its crews, the environment, and the area communities. The project team is conducting detailed environmental studies and working with federal, state and local agencies and stakeholders to help ensure that its engineering and design, construction, and future operations minimize impacts to the surrounding environment. Impacts from construction are temporary and restoration and other plans will put temporarily disturbed areas back to original or better condition. Additionally, this project is critical to improving the overall environment by helping unlock the delivery of clean energy thereby reducing carbon emissions and improving overall air quality and environmental conditions.

## Future for 2024 & Beyond

### CECONY

For updates please refer to our [Biodiversity Action Plan \(https://investor.conedison.com/static-files/6e116464-029d-4924-a10f-d22b72a6bfdc\)](https://investor.conedison.com/static-files/6e116464-029d-4924-a10f-d22b72a6bfdc). Later in 2024, we are planning to rewild more sites for a total rewilded area of at least three acres, using approximately 60 native herbaceous species that will attract butterflies and other pollinators, and add native habitat to areas which are susceptible to flooding as a mitigation method. Bioswales and berms will be developed on different sites to mitigate the impact of rising sea levels and climate change while also enhancing manicured areas to incorporate new habitat. Bioswales are channels designed to contain, concentrate and convey stormwater runoff, while removing debris and pollution. They are used to reduce flooding and recharge groundwater at more natural rates. Berms are mounds of natural soil used to exclude stormwater runoff from selected areas.

Expanding on our collaboration with SUNY ESF, CECONY will develop a biodiversity risk assessment identifying what sections of our Rights-of-way could be most susceptible to degradation by climate change, human development, invasive species, and other aspects that would diminish the available environment.

CECONY is also considering implementing two living shoreline projects in Brooklyn and Queens at our Newtown Creek and Flushing Creek stations. These projects can enhance the waterfront area by decreasing our bulkhead footprint and installing a natural slope with tidal marsh to simulate the native habitat that was originally growing within the NYC region. These areas can also help buffer against sea level rise and reduce wave energy while also promoting habitat creation for surrounding species.

CECONY will also be completing an impingement and entrainment study at our 59th Street station that will assess what species are inhabiting the areas below our facility while testing if there are impacts to the area.

### O&R

In 2024, O&R will continue building the three new initiatives, including:

1. Development and implementation of an Avian Protection Program – O&R anticipates drafting and finalizing an avian protection plan that addresses three key areas: (a) reducing avian collisions with powerlines, (b) reducing service interruptions, and (c) increasing education and awareness.
2. Bumble Bee Diversity – O&R will be working with SUNY ESF to sample and define the abundance and diversity of native bumble bee populations along overhead electric transmission line rights-of-ways within the service territory in preparation for inclusion into the Bumble Bee CCAA.
3. Green shoreline armoring – In 2024, O&R expects to complete its first green armoring project along a stream shoreline in Haverstraw, Rockland County, New York. Pole 57 along Transmission Line Y88 involves hard armoring for protection, however, it also includes the use of interstitial spacing to install native shrubs that benefit local birds and pollinator species. This project may serve as an example for future shoreline armoring projects if proven successful.

Lastly, ten additional biodiversity enhancement areas are planned in 2024 and are expected to total over five acres.

# ISO Certification



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**Intertek**

CECONY Environmental Management System (EMS) has been certified to the International Organization for Standardization (ISO) 14001:2015 standard since 2002. The purpose of the ISO 14001:2015 standard is to provide a framework and systematic approach to environmental management. ISO 14001:2015 requires a commitment from all levels of CECONY, led by top management, to environmental protection through pollution prevention and continuous improvement. ISO 14001 certification gives CECONY and its stakeholders a means of verification that the EMS is operating at a world-class standard.

## ISO Certification

Through the implementation of an ISO 14001 certified EMS, CECONY is committed to:

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

We have, over 20 consecutive years, maintained our ISO 14001 certification through a rigorous third-party certification process. In 2023, we were re-certified to the ISO 14001:2015 standard through a two-week audit conducted by Intertek Testing Services NA. A climate change audit theme shone light on our operational facilities and programmatic efforts to reduce environmental impacts. The results of the audit confirmed our environmental management processes exceed the standard's requirements.

Our chemical laboratory operations are certified by a third party to the ISO/IEC 17025:2017, general requirements for the competence of testing, and calibration laboratories standard.

# Embedding Health & Safety into Our Culture



CECONY and O&R's core business is to operate one of the world's largest energy delivery systems - safely. The most important thing that we do is protect the health and safety of all of lives we impact - our employees (including our contractors), our customers, and members of the public.



## Employee Health & Safety

Safety is built into every decision that we make. Our Safety Management System is built upon a strong culture with safety at its core. A robust foundation of industry-relevant policies, procedures and standards sets high expectations for our employee and contractor workforce that are continually monitored through a network of systems, programs and initiatives to measure performance and facilitate continuous improvement.

Key highlights from Con Edison's Safety Management System include:

- A robust library of Corporate Environmental, Health & Safety Procedures (CEHSPs) that establishes the playbook to working safely and maintaining compliance with regulatory standards
- Accompanying General Environmental, Health & Safety Instructions (GEHSIs) that distill regulatory jargon into plain language, making compliance requirements more accessible to the general workforce
- A comprehensive Environmental Health & Safety Training Program for new hires, veteran employees and contractors that covers a wide variety of subjects ranging from topics mandated by the Occupational Safety and Health Administration (OSHA) to safety-related soft skills and leadership programs such as "Promoting A Safety Conscious Mindset at Work"
- A Safety & Health Information Management System (SHIMS) that serves as the Corporate system of record for all health and safety-related incidents, including injuries, illnesses, near misses, etc., and provides insightful data for trending and analysis
- A Safety Leadership System (SLS) that provides a 360 organizational safety performance overview with comprehensive metrics beyond the OSHA Total Recordable Incident Rate (TRIR) that identifies granular areas of focus to strengthen safety culture and encourage vertical safety engagement across the organization
- Con Edison's Time Out Program, a pioneering initiative that empowers all company employees and contractors with the ability to stop a job to review and resolve potential safety-related concerns prior to commencing with work
- A Close Call Program that proactively provides a means for employees and contractors to openly communicate EH&S concerns without the fear of disciplinary action, which saw a 10% increase in submissions from 2022 into 2023
- Speak Up Resources that promotes and supports a psychologically safe work environment where employees can express concerns without fear of retaliation

At Con Edison, we recognize that leading the transformation to zero-harm for our people, community, and planet requires commitment from us all. We continue to drive our workforce's engagement in building and sustaining a mature, forward-looking safety culture. We listen to feedback from all stakeholders and strive to maintain a psychologically-safe environment that encourages frank self-assessment, unfiltered communication, and prompt corrective action when warranted. To this end, in 2023 we developed a new Safety Affirmation Statement, intended to focus on and serve as a personalized reminder of why we work safely, both individually and collectively:

"We care enough to do our very best to protect and preserve the health and safety of ourselves, our coworkers, and the diverse communities we serve so that we may all safely return to what really matters – our families, friends and loved ones – each and every day as we build the workforce of tomorrow."



## By the Numbers

The people of Con Edison know that safety is about much more than the numbers. Safety is about us, our people, first and foremost, always. However, we also understand that what gets measured gets done, and we're passionate about continually improving safety performance in all areas. Thanks to the hard work and dedication of our workforce, in 2023, CECONY achieved an injury and illness rate of 1.00, which represents one of the best TRIRs in company history and met our target for the year. Overall, recordable injuries at CECONY have reduced by 74% since 2009. This improvement can be attributed to our many programs, initiatives and best practices, which are thoughtfully designed, implemented and periodically revisited to help us remain focused in the right areas. One notable highlight includes our sustained emphasis on daily and routine stretching and ergonomic programs that helped us realize a 33% reduction of ergonomic-related injuries since program implementation in 2021. Even as the overall number of injuries has been trending lower, CECONY did experience three significant high-hazard injuries in 2023, up from one in 2022. The persistence of high-hazard injuries highlights the need to continually evolve Con Edison's Safety Management System, and precipitated key efforts initiated in 2023 to focus on high energy hazard recognition, mitigation and control that will continue into 2024 and beyond.

In 2023, we pivoted towards a short- and long-term safety strategy that incorporates elements of energy based safety to identify sources of high-hazard energy on job sites and the capacity to "fail safely." We also expanded alignment with the Edison Electric Institute's (EEI) Safety Classification and Learning Model to enhance injury and illness case reviews and grow our understanding and knowledge of Serious Injury & Fatality (SIF) criteria to direct learnings aimed at preventing high hazard injuries. O&R continued to work towards zero harm for our employees with an injury rate of 1.24, one significant high-hazard injury and a 78% reduction in injuries and illnesses since 2009. At O&R, there were 15 recordable injuries and illnesses, which was the fifth lowest number in its history. In 2023 CECONY expanded the Safety Leadership System (SLS), a dynamic platform designed to improve safety performance, to all major organizations in the Company. The system collects and analyzes leading and lagging safety indicators with the goal of establishing a safety performance rate metric that provides a more comprehensive view of organizational and individual safety performance. Data shows that the system is working by increasing engagement with our safety programs in all areas.

In addition to many of the previously mentioned programs, O&R continues its progress toward a zero-harm workplace thanks to the joint union-management Corporate Safety Committee, Company Safety Team, and 12 organization-specific safety teams. In 2023, these teams collaborated to develop a customized significant high-hazard injury prevention program. The diversity of these teams strengthens our efforts and support from our employees. Additionally, our daily warm-up program continues to demonstrate success; we have decreased our soft tissue injuries by 83% and our days lost due to soft tissue injuries by 34% since the inception of the program. Our communications program has been lauded by our users for its quality and timeliness. Our communications program incorporates lessons learned from our industry and peers, root cause analysis results (from injury and collision reviews), close call reporting, and other measures that have also boosted our overall performance.

## Since 2009, injuries have reduced by 74% at CECONY.

Driving down the injury/illness rate isn't the only area where progress was made. CECONY successfully met several other safety-related Key Performance Indicators (KPIs) in 2023 including:

- Public safety – related equipment failures (86 actual vs 170 Target)
- System safety – operating errors (43 actual vs 44 Target)
- Motor vehicle collisions (265 actual vs 280 Target)

- Contractor OSHA incidence rate\* (0.84 actual vs 1.00 Target)

Achieving these Safety KPIs results from our multidisciplinary approach and commitment to safety at all levels. Regardless of whether we are building a splice, investigating a leak, designing critical system specifications or ordering new equipment, we are thinking about and integrating safety into the way we work. Our operational focus on improving system reliability and safety is paying dividends in reducing equipment failures, just as procedural adherence and attention to detail helps to keep us aligned with key work practices thereby mitigating instances associated with operating errors. Driving in and around our service territory can be especially challenging at times, particularly in areas with dense population and congested traffic, which is typical for us. As new technology and our metropolitan culture continues to evolve, we continue to face new challenges on our journey to reduce motor vehicle collisions. Driver safety ride-a-longs, targeted training and driving simulators are just some examples of the tools we use to raise awareness, improve driving safety skills and contribute to the overall reduction of motor vehicle collisions in 2023.

Con Edison partners with an extensive network of contractors to achieve our goals and better serve our key stakeholders. These contractors are held to the same safety standards as are our own employees. Our contractor oversight program begins with a thorough prequalification process and includes engagement activities throughout the duration of their work activities. We routinely engage with our contractors at multiple levels beginning with our team of field inspectors who document performance using our Contractor Oversight System, up through our Contractor Compliance Committee that takes action to ensure our standards are being met. CECONY's Construction organization also hosts Contractor Safety Seminars for our largest contractor partners to communicate key feedback and information regarding safety performance, trends, best practices, and lessons learned. Contractors working under CECONY's Construction organization demonstrated their commitment to safety in 2023 and achieved the Contractor OSHA Incidence Rate target of  $\leq 1$  with a collective year end actual rate of 0.84. CECONY is currently working on a new Safety Leadership System module for our contractors that will help compare safety performance, using both leading and lagging indicators in the near future.

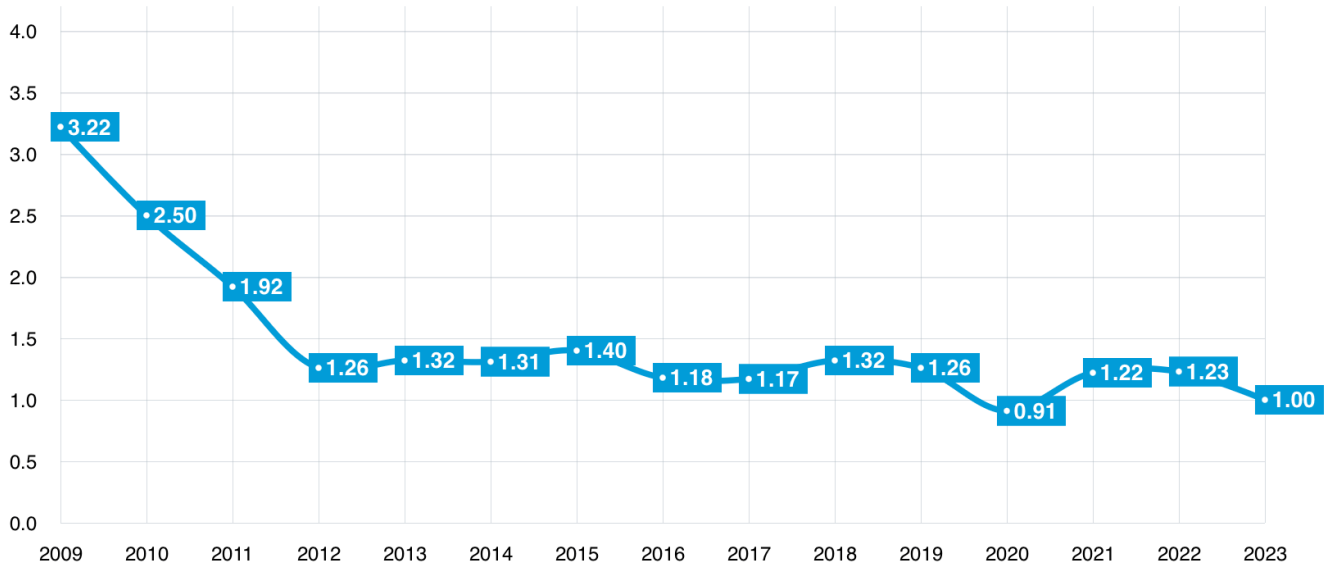
## **Since 2009, injuries and illnesses have reduced by 78% at O&R.**

Our response to EH&S challenges needs to be just as dynamic as the fast-paced, ever-evolving service territory in which we operate. Whether we're responding to last summer's Canadian wildfire smoke conditions or taking additional precautions to prevent lithium-ion battery-related fires that have recently plagued New York City, we quickly get up to speed and make the necessary adjustments to safely keep our operations going and protect our people. We're proactive about emerging issues – for example, we are field-testing available technologies to mitigate heat illnesses associated with sustained higher temperatures due to climate change, and engaging with third-party professional organizations to better understand injury trends and best practices. Safety is a journey at Con Edison, and we're committed to being in the forefront of progress for the sake of everyone whose lives we touch.

The Utilities' cultivation of a zero-harm workplace drives their initiatives to instill a safety conscious mindset in all employees and reduce incidents. At CECONY, there were 157 recordable injuries and employee illnesses (138 injuries and 19 illnesses, respectively) in 2022, which was the third lowest number of injuries and illnesses in its history. At O&R, there were 15 recordable injuries and illnesses, which was the fifth lowest number in its history. The Utilities' efforts have resulted in an estimated reduction of more than 6,000 injuries since 2009.

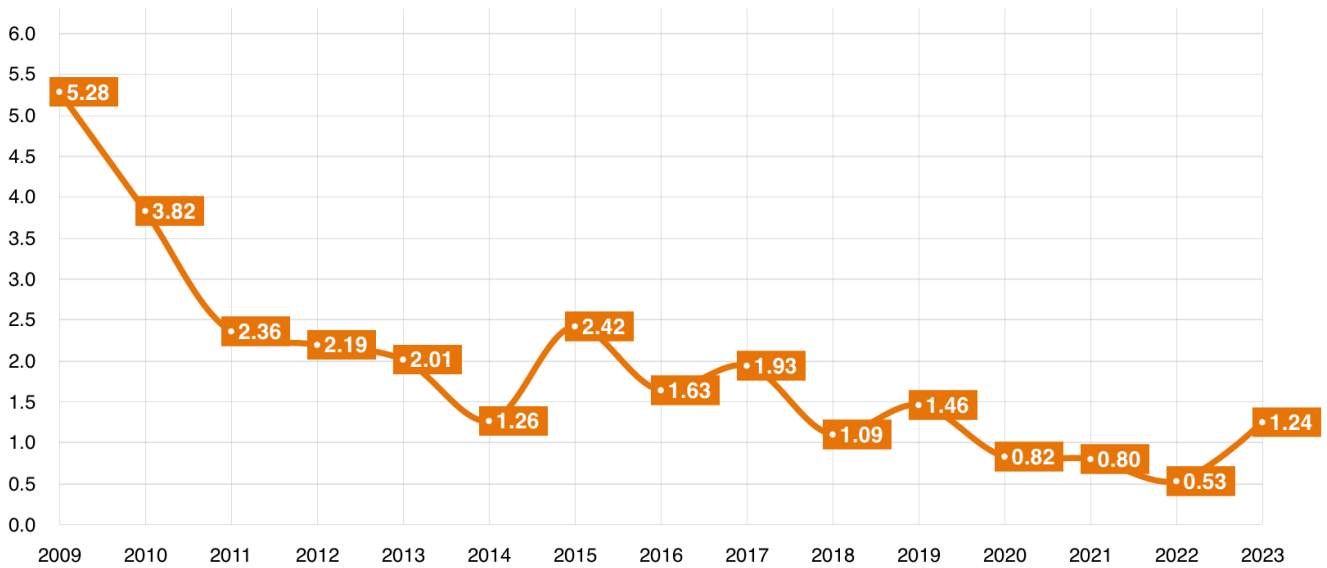
## CON EDISON OF NEW YORK

### OSHA INCIDENT RATE



## ORANGE AND ROCKLAND

### OSHA INCIDENT RATE



## Case Study - Safety Leadership System for Contractors

We are expanding our use of technology in our commitment to safety for our employees and contractors. Con Edison developed an innovative system to optimize safety performance. The Safety Leadership System (SLS) was implemented for our field employees in 2023 with positive engagement and results. The association of Edison Illuminating Companies (AEIC) has recognized this system with two prestigious awards. The AEIC is the electric utility industry's longest serving and preeminent association of leading operations experts. Our combined safety efforts, including the implementation of SLS, resulted in our best employee OSHA rate performance ever in 2023. We are extending this approach to our contractors.

Expanding on the concept of the Bradley Curve, SLS promotes and rewards proactive safety actions, such as coaching and reporting of near misses, and it correlates these leading indicators to incident prevention and a healthy safety culture. SLS also provides a hub for safety related data from multiple sources. This allows for improved data analytics and more actionable information for supervisors, managers, and safety leaders.

The contractor version of SLS has been implemented in our Construction organization, which manages our largest contractor workforce. The program is in the pilot stages for Electric Operations, and the plan is for all other business units to follow suit. Our goal is to use SLS to organize safety data related to our contractors and to measure safety performance on a relative baseline. This visibility will help us to implement effective preventive measures, facilitate objective discussions for continuous improvement, and uphold the safety of our employees and contractors as a core value.

# Protecting Public Safety



At CECONY, we invested about \$4.19 billion in 2023 to fortify our electric, gas, and steam infrastructure. In addition, O&R invested \$296.8 million in 2023 to fortify our electric and gas infrastructure. This investment underscores our commitment to providing energy to millions of customers efficiently and responsibly while protecting the environment and keeping people safe throughout our service area.

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## Electric

CECONY continues to develop tools, techniques, and management strategies to improve safety, troubleshoot problems, and increase efficiency. In 2023, Electric Operations' Distribution Engineering team applied data analytics to pressure and temperature sensor data to assess network transformer health. The team identified 1,055 network transformers that warranted a field evaluation and proactively replaced 158 network transformers that demonstrated signatures of a future failure. These actions further the Company's efforts on sustaining public and employee safety, as well as grid reliability. The Company collaborated with a transformer manufacturer to develop, test, and adopt a more reliable, oil-free network transformer design. The oil-free network transformer design greatly reduces the likelihood of a fire and release of oil to the environment during failure. The My Inspection Application (MIA) was deployed by the company to streamline data sharing of field inspections with engineers for evaluation. The mobile and desktop app allows users to upload photos and videos relating to underground structures, overhead structures (poles, equipment), unit substation equipment or URD structures. MIA also contains a photo library where users can see images and related data improving the speed with which we can identify and remove safety risks. CECONY also continues to work to reduce manhole events with multiple programs including its industry -recognized vented, latched manholes that reduce the severity of manhole events.

CECONY's underground networks are surveyed for contact voltage 12 times a year, using mobile detectors. In 2023, we found and eliminated 8,034 cases of contact voltage. Of those, 7,220 cases (90%) were on non-CECONY equipment (streetlights, electric signs, and other structures). We also performed more than 34,394 inspections of our underground structures (manholes, service boxes, and transformer vaults).

O&R's stray voltage program is completed on a five-year cycle, where 20% of our distribution assets are inspected and tested yearly. The exceptions to this program are streetlights and transmission facilities that are inspected yearly. In 2023, O&R performed 34,198 inspections and 28,121 tests.

## Gas

### CECONY

CECONY's strategy for public safety risk mitigation includes the elements of prevention, enhanced detection, and best-in-class response. Many of its initiatives are industry leading and on the cutting edge of technology.

#### *Prevention*

CECONY continues to significantly invest in its Gas Infrastructure Replacement or Reduction program to remove small diameter cast iron and unprotected steel gas mains from inventory. CECONY has removed 451 miles of such mains from inventory in the last five years. Along with other enhanced quality measures, the Company requires 100% independent inspections of all plastic joints installed to confirm quality and compliance. Furthermore, CECONY has a robust and proactive damage prevention program that promotes awareness in the contractor community and applies predictive analytics for additional contractor oversight before street work is performed near critical facilities.

#### *Detection*

CECONY performs monthly gas leak surveys of its 4,360-mile gas distribution system, far in excess of the traditional annual survey performed in the industry. The frequency of these surveys allows for detection of leaks in the system as they occur, so that repairs can be scheduled in a timely manner. In 2023, the company also implemented a new advanced leak detection program which surveys one-third of our system each year in addition to our monthly gas leak surveys. This program helps with leak detection and with prioritizing the repair of the highest emitting leaks.

Additionally, the company has been installing first of their kind natural gas detectors, which are integrated with the advanced metering infrastructure. These detectors automatically notify the Gas Emergency Response Center of potential public safety emergencies that require immediate attention. We piloted these detectors in 2018 and have installed over 223,000 detectors thus far.

The company plans to install detectors in every remaining gas customer's building over the next two years. Since 2017 the company's service line inspection program has also expanded the scope of leak detection on our system through the inspection of service piping from the point of entry of the service to the outlet of the meter(s). This program has also aided in the prevention of leaks by identifying piping that is in poor condition before leaks occur.

Furthermore, CECONY has a comprehensive, multichannel, and multilingual campaign to educate customers and the public at large—an estimated 10 million people in New York City and Westchester County—about gas safety and the urgency of reporting gas leaks. We reach customers primarily through direct mailings, youth outreach efforts, advertising, digital initiatives (such as email campaigns, conEd.com and social media), and community events. We are also continuing our successful media campaign, "Smell Gas, Act Fast," featuring videos and social media posts that inform customers on what to do if they smell gas. The videos are in English, Spanish, Chinese, and Korean.

#### *Response*

In 2023, CECONY responded to gas leaks across the system within 30 minutes, 97% of the time.

Furthermore, our close relationship with the Fire Department of New York and Westchester County Emergency Services has ensured that every event is responded to with the utmost urgency and is mitigated quickly. Additionally, the company completed an isolation valve program in 2022, installing valves as well as implementing a newly developed technology, emergency main stop-off stations (EMSOS), to allow us to quickly isolate over 500 of our most critical customers in the case of an emergency.

## **In 2023, CECONY responded to gas leaks within 30mins, 97% of the time.**

### **O&R**

O&R has continued our focus on enhancing public safety by modernizing our gas delivery system. Through our main replacement program, the company replaces leak-prone pipe with more resilient materials, further improving system safety and reducing fugitive methane emissions. In 2023, more than 22 miles of gas main were replaced.

The company has a comprehensive campaign to educate customers and the public at large about gas safety, safe digging practices and the urgency of reporting gas leaks. We reach customers primarily through direct mailings, advertising, digital initiatives, and community events. By providing education to and direct oversight of those performing excavation work near our gas system, we continued to see good performance relative to third-party excavator damages of our underground system.

Enhanced safety and emergent response to gas related safety calls continues to be a top priority to the company. In 2023, O&R responded to gas leaks and carbon monoxide calls across the system within 30 minutes, more than 88% of the time and within 45 minutes more than 98% of the time. O&R has several initiatives, including a first-of-their-kind natural gas detector program, where the company is installing these devices at the point of entry to the customer premise. These alarms notify the customer via a local alarm as well automatically notify our Gas Emergency Response Center room if there is a gas leak via the AMI network to minimize response time.

O&R conducts several system inspections and leak surveys, including service line inspections to identify if there is corrosion within indoor piping and take necessary remedial action when required. We regularly perform gas leak patrols of our distribution system, proactively repairing leaks in a timely fashion and keeping our end of year open leak count to single digits.

O&R continues to develop its Gas Outage Management System that electronically records and transmits outage information, providing accurate information required to manage outages and providing timely information to all stakeholders, ultimately reducing restoration times. This system replaces manual, time consuming processes and enables improved estimated time to restoration, improves customer safety and reliability of the O&R gas system for all customers, including those in disadvantaged communities.



## Steam

CECONY continues to apply its “prevent, detect, and respond” risk mitigation strategy to have a deliberate focus on public safety. Many of these initiatives are industry leading. For the “prevent” element of the strategy, CECONY continues significant investments in its steam system assessment and main inspection programs. The programs apply advanced data analytics to identify areas where specific infrastructure investment is needed. Starting in 2019, CECONY began using the first generation of its current assessment model and since then has inspected approximately 22,800 feet of steam main to date. CECONY also commissioned a full-scale computational dynamic fluid flow model, known as the Kongsberg model. This model simulates the flow of steam and condensate through the piping system using actual field conditions reported from various field measurement devices. This model is the first of its kind in the industry and can alert our Engineering and Operations teams to potential conditions that might increase the risk of a water hammer. The model will continue to be validated with field measurement devices as it is gradually put into meaningful operations and planning use. Besides these preventive efforts, CECONY also has a robust monthly customer seminar program which educates our customers on how to use our steam service properly and safely in their buildings.

**In 2023, CECONY responded to reports of vapor conditions across the system within 45 minutes, 91.02% of the time. Steam Operations has consistently met this critical response time goal.**

CECONY’s “detect” risk mitigation strategy includes performing weekly visual surveys of its 105-mile steam distribution system. CECONY also developed and is enhancing our Remote Monitoring System (RMS). The sensors associated with the RMS have the capability to detect defective steam traps, and excessive water levels within our RMS-equipped steam manholes, as well as the performance of drainage pumps. The RMS automatically notifies our Steam Troubleshoot Dispatch Center of operating conditions that need prompt attention to prevent public safety emergencies. In 2023, we successfully conducted field tests on the remote terminal units for the RMS, and in 2024 will focus our research and development efforts on producing robust ancillary instrumentation.

CECONY’s “respond” risk mitigation strategy includes rapid response, repair, and partnership with external agencies.

In 2023, CECONY responded to reports of vapor conditions across the system within 45 minutes, 91.02% of the time. Steam Operations has consistently met this critical response time goal.

An important element of our respond risk mitigation strategy is maintaining a close relationship between CECONY and many of the first responders and government agencies, including the New York City Fire Department and Office of Emergency Management. Overall, CECONY conducted twelve training sessions for public and emergency officials on the proper response to steam incidents. CECONY also met with various agencies throughout the year to familiarize them with the steam system, hazard recognition methods, and the Company’s internal emergency response procedures. We also conduct drills to test our emergency response process/procedure for steam safety incidents as well as potential oil spill events.

## Research & Development: Safety

- Tested and finalized the product concept for an one-way distribution cable splicing machine that will improve safety by reducing worker time in underground electrical enclosed spaces and will enhance reliability by decreasing variation in the quality of machine-made splices. Further prototype testing will continue in 2024.
- Demonstrated successful completion of milestones to the Endcap Splicing Machine, which enables live cable endcapping to be conducted from above the electrical underground structure through remote control. This machine will reduce the risk of exposure to our workforce and provide a more consistent endcap splice.
- Deployed an electronic job briefing application for field testing to help reduce the probability of high hazard injuries and promote completion of comprehensive job briefings. The application enhances reviewing capability, approval tracking, and is designed to be integrated with other company systems.
- Conducted the first U.S. field demonstration of a new natural gas detector that can detect gas at 10% of the lower explosive limit of methane and send an alarm to the company's Advanced Metering Infrastructure network.

# Addressing Environmental Justice



CECONY and O&R are privileged to serve some of the most diverse communities in the world. We understand the importance of serving the greater good and considering the potential environmental impacts of our activities and investments on all customers.

## Our Commitment

Our commitment to environmental justice (EJ) is reflected in our [Clean Energy Commitment](https://www.coned.com/en/our-energy-future/our-energy-vision/our-energy-future-commitment) (<https://www.coned.com/en/our-energy-future/our-energy-vision/our-energy-future-commitment>) and [Policy Statement on Environmental Justice](https://www.conedison.com/en/about-us/corporate-policies-practices/environmental-justice-policy) (<https://www.conedison.com/en/about-us/corporate-policies-practices/environmental-justice-policy>), and our employees demonstrated purposeful efforts to better engage with the communities we serve. In 2022, CECONY and O&R established an internal EJ Working Group and Executive Steering Committee to develop educational resources and a roadmap for embedding an equity lens into our work. The Companies are working towards increasing partnerships with disadvantaged communities, which are communities that may bear disproportionate burdens of adverse health effects, environmental pollution, impacts of climate change, or that comprise of high-concentrations of low- and moderate- income households. The EJ Working Group consists of members from various organizations across CECONY and O&R, including engineering, operations, customer service, legal, regulatory, and support organizations. In addition, the Steering Committee members are executives from across the companies. The executive sponsor of the EJ Working Group reports annually to the Board of Directors about the Companies' progress in addressing environmental justice concerns.

The Companies are developing initiatives to better integrate the consideration of impacts on disadvantaged communities in planning and operational activities so as to engage these communities, understand their needs and concerns, and to help steer clear of operations that may disproportionately burden them. In addition, the Companies are supporting EJ-adjacent efforts, such as initiatives related to the Clean Energy Commitment, the philanthropic grants administered by the Strategic Partnerships section of Corporate Affairs, and Talent Management's workforce development programs designed to provide opportunities for residents of disadvantaged communities.

## Case Study - Reliable Clean City

In 2023, we completed our first Reliable Clean City project in Queens. As the region transitions away from fossil fuels, our customers' need for electricity will grow. The first-generation of Reliable Clean City projects represent an investment of approximately \$800 million in electric infrastructure, enabling the retirement of some of the City's less efficient, higher-polluting "peaker" power generation plants, located in the area, and helping to connect our customers to more efficient, cleaner energy generation, including renewable sources like hydroelectric dams, solar energy plants, and wind farms. These projects directly support disadvantaged communities that may have been impacted by criteria pollutants due to infrastructure, such as peaker plants, which this project helps to retire.

In Queens, we upgraded electric substations in Corona and Long Island City and connected them through a six-mile underground transmission line. The new transmission line helps connect customers to 300 MW of additional energy capacity. Throughout the project, we prioritized community involvement, developed multilingual education campaigns and garnered the support of many local elected officials. Thanks to these efforts, the project was completed on time and under-budget, showing that when our communities are onboard, major infrastructure improvements can be delivered even faster.

# Elevating Community & Stakeholder Engagement



Con Edison has been interwoven into New York’s communities for 200 years. We are always looking for new and better ways to engage with our stakeholders. Such engagement becomes all the more important during the clean energy transition, which will touch the lives of all New Yorkers.

The simple fact is we will need the support of all our stakeholders to achieve New York State’s goal of 100 percent clean energy by 2040. We believe this transition will bring huge benefits and opportunities to the communities we serve, and we are constantly on the lookout for ways to maximize those local benefits.

## Stakeholder Engagement & Collaboration

Much of the work we do is highly visible: our crews are on – and under – New York’s streets every day. That work is made possible in part by our close working relationships with community groups, chambers of commerce, and local development corporations. Through these relationships we are better able to coordinate our projects and capital investments, inform our customers of the benefits of technologies such as smart meters and energy efficiency upgrades, and offer local businesses opportunities for doing business with Con Edison and taking advantage of the clean energy transition.

Additionally, we cultivate relationships with environmental advocacy and justice groups, consumer advocates, and groups representing large customers, giving us an opportunity to listen to their priorities and address their concerns. Our stakeholder relationships become especially critical during emergencies and outages. We seek to further strengthen our relationships with our communities and stakeholders as New York’s clean energy transition gathers speed.

## Policy & Regulatory Impact

CECONY and O&R support New York State's clean energy policies and goals, including plans outlined under the CLCPA to reduce statewide GHG emissions 85% from 1990 levels by 2050 and provide customers with 100% of their energy from emission free resources by 2040.

Stakeholder engagement and collaboration are a key part of our policy and regulatory work. We work in partnership with our customers, policymakers, consumer advocates, 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 resources, including energy storage and solar, and facilitating the interconnection of renewable energy projects like offshore wind. We are also thinking more boldly about our electric system, planning and preparing to build the grid of the future, including with the new Brooklyn Clean Energy Hub, the Gateway substation in East New York, and the Reliable Clean City Idlewild project to build a new transmission substation and distribution substation, and install new and reconfigure existing distribution feeders in southeastern Queens. CECONY and O&R have programs to reduce fossil fuel usage, providing incentives for customers to install electric-powered heat pumps and electric vehicle chargers. We are also advocating at the New York State-level for the ability to own large-scale renewable generation. All of this is in addition to installing smart meters throughout our service areas, launching a new customer service system, and piloting new rate designs that help customers manage their energy usage and bills.

We are an active participant in regulatory proceedings, including those that seek to expand energy efficiency, address affordability through low-income bill discount programs, develop offshore wind transmission interconnections, establish transmission policy to advance clean energy objectives, provide customers with high efficiency electric heating options, amend regulatory structures to achieve CLCPA targets, enhance system resiliency considering climate change, and grow the electric vehicles sector by building and enabling the needed electric vehicle charging infrastructure. We work with regulators, customers, and other stakeholders to develop solutions that will promote a clean energy future in a cost-effective way for all New Yorkers. We also regularly engage with key stakeholders on various regulatory and clean energy issues. Additionally, we advocate for many of these policies through the legislative process at

## **Community Development & Strategic Partnerships**

Con Edison supports organizations and causes that champion a clean and equitable energy future for all New Yorkers. Our philanthropic initiatives power the vitality of our communities in New York City and Westchester, Rockland, Orange, and Sullivan Counties to advocate for equity and support the gaps that exist in state-designated disadvantaged communities.

In 2023 we realigned our charitable investments to reflect our core business goals and values. This work led to a three-year plan to refocus community partnership investments in nonprofits who share our vision to combat the effects of climate change, advance social justice in the communities we serve, and prepare our communities for green jobs across our service territory.

Last year Con Edison provided over \$15 million to more than 600 nonprofit organizations across our service territories. In keeping with our focus on the clean energy transition, we increased our investments in groups tackling climate change adaptation efforts, environmental justice, and stewardship initiatives.

Here we highlight a few of the organizations we support:

### **CECONY's Container Garden on Governors Island**

In partnership with Electric Power Research Institute (EPRI), the Trust for Governors Island, and GrowNYC, our Research and Development team built a container garden on Governors Island. This project was conceived by EPRI, whose mission is to conduct research, development, and demonstration projects. EPRI's goal was to build a container garden to study the effects of indoor farming on the grid. But the garden is more than a demonstration project. Operated by the Trust for Governors Island and GrowNYC, it'll grow fresh, reliable produce year-round within 320 square feet, or the equivalent of 2.5 acres of land. The farm is also innovating in its use of fresh water, saving as much as 95% more than normal farms. It will also expand food access to produce kale, basil, mint, bok choy and more. GrowNYC, who empowers New Yorkers with equitable access to fresh and locally grown food, will distribute produce from Governors Island to local communities and neighborhoods across the boroughs.

### **Solar One's Environmental Education Center**

CECONY proudly sponsored Solar One's new environmental education center, which broke ground in the summer of 2023. Located along the waterfront—at Stuyvesant Cove Park—this new facility is intended to become a model of resiliency for hurricanes, storm surges, and other extreme weather events. It will feature advanced sustainable building engineering and design components and generate off the grid solar electricity, including Solar One's Urban Green Lab. An education destination for thousands of NYC public school children, this new environmental education hub will provide indoor and outdoor experiences to learn about sustainability, climate change, and resiliency.

### **Nature Conservancy's New York Forest Program**

CECONY supported the Nature Conservancy's Future Forest NYC program to help ensure the future of NYC's urban forest—and the social & environmental benefits it provides—can deliver equitable outcomes. Additional program efforts include the creation of the NYC Urban Forest Agenda, which advocates for more urban forestry careers, while serving communities with less access to formal higher education. Crucial to the success of the Forest for All NYC campaign, was the creation of a coalition of agencies, nonprofit organizations, and companies like CECONY working together to advance the NYC Urban Forest Agenda.

## **Lower Eastside Ecology Center's E-Waste Program**

This year marked the 20th anniversary of the Lower Eastside Ecology Center's e-waste reuse and recycling program, the only free e-waste program run by a nonprofit organization in New York City. Starting in 2003, this program has diverted over 10.5 million pounds of unwanted electronics from landfills or incineration. The E-Waste program offers free collection of unwanted electronics to New Yorkers through pop-up events across different boroughs including Manhattan, Brooklyn, and Queens. Thanks to CECONY's support, the e-waste program delivered over 21 events throughout the year, which collected over 150,000 pounds of unwanted electronics, while reaching over 4,000 households.

## **Nyack Pollinator Pathway**

The Nyack Pollinator Pathway creates habitat for birds, bees and butterflies, one garden at a time! This pathway expanded its network of gardens throughout Nyack, creating a fuller and more tightly woven patchwork quilt of pollinator habitat to support innumerable species of birds, bees, and butterflies. Working with the Nyack Plaza Apartments, an affordable housing community, O&R installed two pollinator gardens in visible public areas of their property. We are also assisting the Nyack Community Garden to double the size of their pollinator plantings surrounding their space. These pollinator gardens will reduce the effects of environmental fragmentation and will also beautify underutilized natural landscapes for Nyack residents with fewer resources. Furthermore, the Village of Nyack has asked the Nyack Pollinator Pathways to help convert three empty lots within Nyack that currently contain turf grass and invasive species into meadows of native pollinator-friendly grasses and perennials.



## Community Involvement

CECONY has a team of Regional & Community Affairs (RCA) staff dedicated to each of the five NYC boroughs and Westchester County. These professionals have close working relationships with CECONY's government partners and long-standing, productive relationships with community stakeholders.

Our RCA team is committed to:

- Attending monthly meetings with of all NYC community boards
- Attending at least annual meetings with Westchester municipalities
- Meeting with all newly elected officials throughout CECONY service territories
- Helping ensure project-based coordination and communication throughout the year

The RCA staff meet regularly with each of NYC's 59 community boards. These community boards represent their communities on quality-of-life issues. RCA consults extensively with the community boards on proposed and ongoing projects in the communities at the monthly District Service Cabinet meetings and other community board meetings that are open to the public. Westchester RCA also meets regularly with its municipal partners on the same matters. Each region maintains an extensive portfolio of non-profit partners, and overall RCA provides meaningful financial support to hundreds of groups across the five boroughs and Westchester.

CECONY subject matter experts working within the CECONY's operating groups are involved in RCA's outreach process with local communities regarding projects affecting the respective regions. Several notable projects currently underway are our Reliable Clean City projects and the construction of the Brooklyn Clean Energy Hub. The subject matter experts engage with the communities to advise about the importance of the work we are doing to reinforce, or make more resilient, the energy systems that serve our customers in their areas. Also, they can advise on more technical matters to the extent the communities want that information.

RCA logs, tracks, and reports on community-related outreach activity through our customer relationship management platform. The metrics generated demonstrate our high level of interaction with external community stakeholders and our excellent level of responsiveness. CECONY policy requires that RCA update the contact information for all elected officials as well as government and community stakeholders in the service territories twice annually so that all contacts are identified and maintained.

It is the responsibility of our senior Corporate Affairs personnel to coordinate regularly with government officials at all levels of government, including the NYC Mayor, NYC City Hall staff, Westchester County executive and county government, high-level government agencies and key elected officials.

## Regional & Community Affairs Governance

Several policies govern RCA community engagement and outreach. These include our Corporate Affairs Crisis Communications Plan and our Guidelines for Communications with the Public During Load Management Power Outages. These policies state that our RCA team will reach out to elected officials and other community stakeholders whenever electric outage thresholds are met within certain timeframes. CECONY's electric emergency response plan and the accompanying estimated time of restoration protocol also dictate that Government Relations and Regional & Community

Affairs must contact stakeholders as outage thresholds are reached. In particular, these policies state that RCA must specifically schedule operator-assisted calls with stakeholders once thresholds are met.

Similarly, the gas emergency response plan references Corporate Affairs crisis communications plan and its outreach provisions. It is CECONY policy that Corporate Affairs is responsible for releasing statements regarding gas-related emergencies to the news agencies and alerting municipal authorities of the emergency's status.

## **Government Approvals**

When CECONY seeks to renew NYS Department of Environmental Conservation (DEC) permits such as those used by waterfront steam plants, State DEC Commissioner Policy 29 dictates that CECONY develop a Public Participation Plan (PPP) if the operations at the permitted facility would impact environmental justice areas. DEC requires, among other outreach, public meetings, email, and other alerts to local stakeholders, as well as the creation of public-facing websites and local repositories for project-based information.

Similarly, as part of CECONY's Manufactured Gas Plant (MGP) program, we work closely with DEC and the NYS Department of Health to test and, where appropriate, remediate, MGP sites located on current or former Con Edison properties. As part of these ongoing MGP obligations, CECONY must develop a Citizen Participation Plan (CPP) for each MGP site. These CPPs require that we keep impacted community stakeholders informed about CECONY's environmental evaluation and response program for these sites throughout the investigative and remediation processes. The stakeholders include all elected officials, NYC community boards, municipal officials, nearby property owners and tenants, and other civic and community representatives. We endeavor to address and resolve concerns raised by affected local stakeholders and hold public meetings. The Company has a [dedicated webpage \(http://www.coned.com/mgp\)](http://www.coned.com/mgp) that posts pertinent information on MGP site developments and a toll-free number (877-602-6633).

## **Community Outreach and Environmental Justice**

Some of RCA's priorities into the future are outlined in Con Edison's [Clean Energy Commitment \(CEC\)](https://www.coned.com/en/our-energy-future/our-energy-vision/our-energy-future-commitment) (<https://www.coned.com/en/our-energy-future/our-energy-vision/our-energy-future-commitment>), which states the Company's commitment to "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." The CEC describes several initiatives, including the following:

- Advocate for cost effectiveness and partner with [...] governmental partners, and other stakeholders to prioritize affordability for [low- and moderate-income] customers throughout the transition to a clean energy future
- Continue to engage environmental justice advocates to build bridges within disadvantaged communities and enhance our efforts to provide equitable distribution of benefits when designing programs and implementing projects
- Collaborate with interested stakeholders, including local municipalities and the real estate community, to identify key changes needed to foster a more "electrification ready" environment

As detailed in our [Human Rights Statement \(https://www.conedison.com/en/about-us/corporate-policies-practices/human-rights-statement\)](https://www.conedison.com/en/about-us/corporate-policies-practices/human-rights-statement), "Con Edison seeks to engage a broad range of perspectives and voices to help us to better understand the needs and expectations of our stakeholders. Through collaboration, we strive to deliver better outcomes that strengthen our community engagement while also building trust with the communities in which we serve."

## **Supporting Customers**

In 2023 CECONY and O&R continued providing energy bill payment assistance programs to vulnerable and low-income customers. The following are key assistance programs provided in 2023:

### **Energy Affordability Program**

CECONY's Energy Affordability Program (EAP) provides monthly electric and gas bill discounts to low-income customers. To maximize its reach, the company partners with social service agencies in New York City and Westchester County to enroll customers receiving benefits from 14 different public assistance programs. In addition, CECONY executes various communication campaigns to prompt eligible customers to enroll in the EAP. At the end of 2023, there were 477,498 customers across the Company's service territory in the EAP – approximately 15.3% of residential customers. Over the course of 2023, the EAP provided \$265.5 million in bill discounts to help make bills more affordable for our most vulnerable customers, representing a 54.1% increase over discount spending in 2022.

O&R's Energy Affordability Program also provides monthly electric and gas bill discount to low-income customers. At the end of 2023, there were 15,544 customers across O&R's service territory in the EAP – approximately 7.5% of residential customers. Over the course of 2023, the EAP provided \$18.8 million in bill discounts to help make bills more affordable for O&R's most vulnerable customers, representing a 19.9% increase over discount spending in 2022.

### **Electric and Gas Bill Relief Program – Phase 2**

CECONY and O&R partnered with the New York State Department of Public Service, other utilities and stakeholders from across New York State to implement a second phase of the Electric and Gas Bill Relief Program (EGBRP) in 2023 that provided residential and small commercial customers with one-time bill credits to cover arrears accumulated during the COVID-19 pandemic. In total, 198,478 CECONY customers received \$340.8 million in bill credits through the EGBRP in 2023, and 1,805 O&R customers received \$2.3 million in bill credits through the EGBRP in 2023.

### **Payment Assistance Options**

Throughout 2023 CECONY and O&R conducted customer outreach and education campaigns to encourage customers having trouble paying energy bills to consider a deferred payment agreement to pay off past due balances over time with no interest or fees and improving budgeting of energy costs through enrollment in the level payment program. At the end of 2023, 157,116 CECONY customers were participating in a deferred payment agreement, representing a 20% increase over the end of 2022 and 8,822 O&R customers representing a 3.6% increase over the end of 2022.

### **EnergyShare**

Through its EnergyShare program, CECONY provides up to an additional \$200 benefit to low-income customers who have made at least one payment in the previous 12 months and are income-qualified. EnergyShare bill credits are made possible by voluntary monetary contributions from CECONY employees and customers. The program typically opens in January each year and remains through the winter months; however, since March of 2020 the program has remained open year-round in an effort to further assist customers through the COVID-19 pandemic. In 2023, 1,163 customers received assistance from the energy share program, for a total amount of assistance of \$207,805.

### **Energy Efficiency Programs**

In recent years the state of New York, CECONY, O&R and other utilities have collaborated to create a low-and moderate-income (LMI) portfolio of energy efficiency programs to improve engagement and deliver energy efficiency and associated bill savings to LMI customers and communities. As part of this statewide effort, CECONY and O&R's program offerings in 2023 consisted of:

1. CECONY and O&R provided incentives for energy efficiency upgrades in existing multifamily buildings ranging from whole building retrofits to single measure upgrades
2. CECONY and O&R furnished customer referrals and outreach support for energy efficiency upgrades in existing 1-4 family homes through the New York State Energy Research and Development Administration's EmPower Program
3. CECONY offered energy efficiency "Starter Kits" to customers receiving bill payment assistance through the Energy Affordability Program
4. CECONY and O&R delivered LED lightbulbs to food banks for distribution to customers
5. CECONY incorporated the Smart Kids program into its LMI portfolio in 2023. The program targets Title 1 schools, and teaches students energy-saving practices through curriculum-integrated lessons and hands-on activities using kits containing energy efficiency equipment.

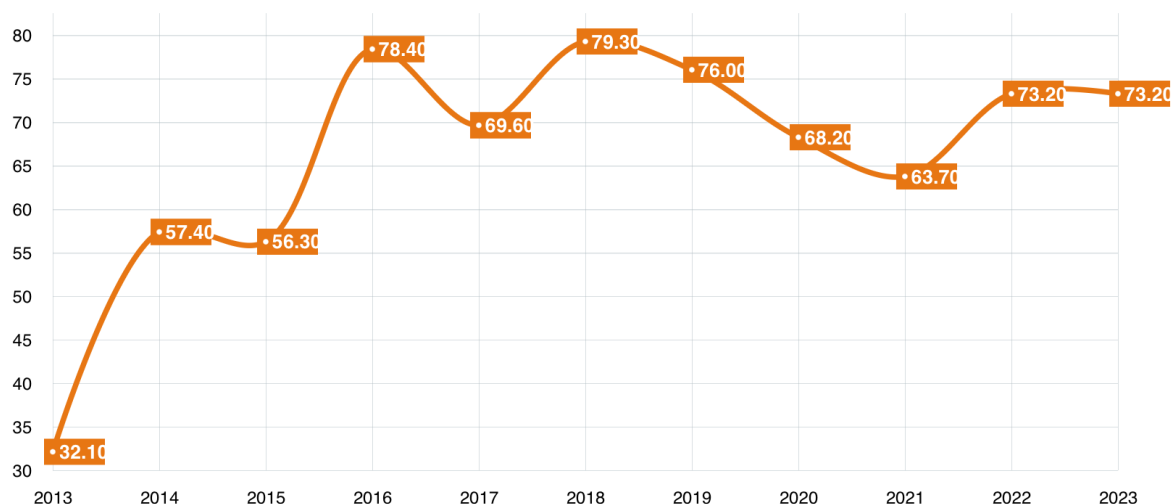
## Shareholders

Consolidated Edison is the longest continuously listed company on the New York Stock Exchange. And with the January 2024 dividend increase we have increased dividends to shareholders for 50 consecutive years. In January 2024, the Board of Directors declared a quarterly dividend of 83 cents a share on its common stock, or \$3.32 per share on an annualized basis — an increase of 8 cents over the previous annualized dividend of \$3.24 a share. Since 1974, dividends have grown at a compounded annual growth rate (CAGR) of 5.65 percent.

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

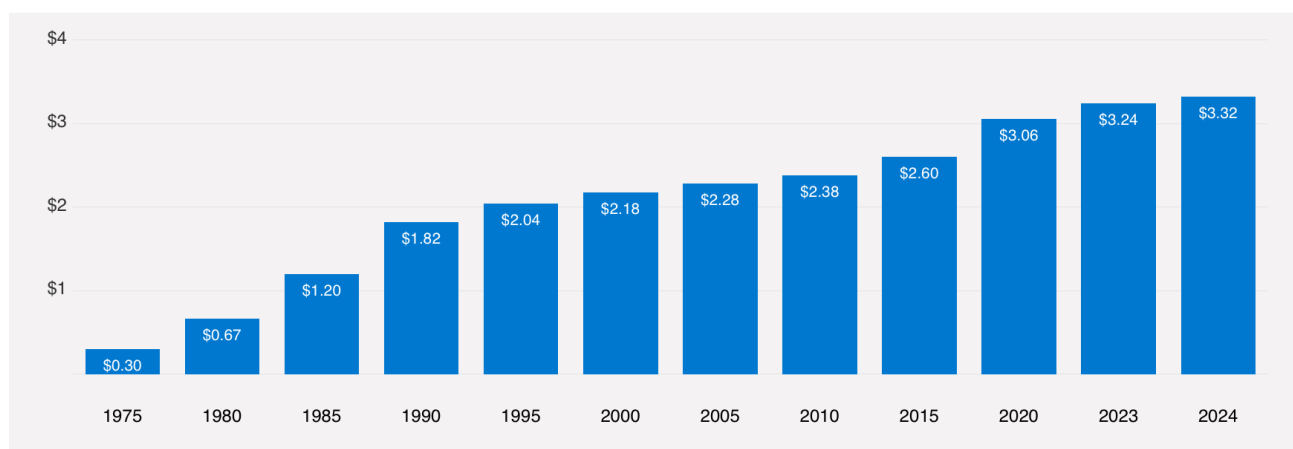
### CON EDISON, INC. DIVIDEND ARISTOCRAT - ED'S HISTORICAL DIVIDEND PAYOUT

DIVIDEND PAYOUT RATIO %



### CON EDISON, INC. DIVIDEND ARISTOCRAT - ANNUALIZED DIVIDENDS PER SHARE

USD \$



## Stockholder Engagement

### Overview

Regular communication with our stockholders enables the company to better understand their viewpoints and to obtain feedback regarding issues that are of interest to them. The company continued to engage in a hybrid format with stockholders. We value stockholder input and are committed to considering such input when making executive compensation and governance decisions.

The chart below represents certain actions that the company takes before, during and after the annual meeting.

1. Annual Meeting	2. Post-Annual Meeting	3. Off-season Engagement and Evaluation of Best Practices	4. Engagement Prior to Annual Meeting
Stockholders may engage with Board members and senior management	Review voting results in light of existing practices, as well as feedback received from stockholders during proxy engagement season and annual meeting	Engage with stockholders to better understand their viewpoints and inform Board and committee discussions	Seek feedback on potential matters for stockholder consideration at the annual meeting
Stockholders may ask questions and voice opinions about the Company, its practices, policies and operations	Review corporate governance trends, regulatory developments and the Company's corporate governance documents, policies and procedures	Explore corporate ESG best practices	Discuss stockholder proposals with proponents, when appropriate
Voting results for management and stockholder proposals are determined	Determine topics for discussion during off-season stockholder engagement	Report results of stockholder engagement team activities to Corporate Governance and Nominating Committee and the Board	Publish annual report and proxy statement
		Evaluate and discuss potential changes to Company executive compensation and governance practices and disclosures	

### 2023 Stockholder Engagement Highlights

During 2023, Con Edison held its fourth annual ESG webinar and participated in nearly 600 meetings, including investor conferences and virtual and in-person roadshows targeting the U.S., Europe, Japan, and Australia, with a broad range of stockholders, including index funds, union and public pension funds, actively-managed funds, ESG-focused funds, and stockholder advisory firms.

During 2023, the company engaged virtually with stockholders holding in aggregate 30% of shares outstanding.

Key topics of shareholder engagement included the regulatory proceedings for CECONY and O&R, sale of the Clean Energy Businesses and use of proceeds, our utilities' Climate Change Adaptation and Resiliency Plans, the company's corporate strategy, the company's pursuit of net-zero-carbon-emission goals, capital expenditure outlook, diversity, equity, and inclusion, disclosure practices (including ESG standardized reporting), corporate governance, political spending and lobbying practices, and operations and financial matters.

In response to stockholder feedback received during 2023, the company:

- Continued to enhance disclosures concerning political lobbying activities, resulting in a sustained CPA-Zicklin Index for Corporate Political Disclosure and Accountability score of 100 – one of only seven companies in the S&P 500 to score 100%
- Tracked clean-energy regulatory proceedings that increasingly are being conducted outside of rate filings
- Focused on diversity, equity and inclusion and, as a result, ranked 6th in the Utility sector and 64th overall in As You Sow's 2023 Racial Justice Public 3000 scorecard;
- Further refined the disclosures in its proxy to, among other things, provide clearer and more accessible information on cybersecurity risk oversight

<b>Members of Core Stockholder Engagement Team</b>	<b>Others Included in Stockholder Engagement Efforts</b>
Chief Financial Officer	CEO and subsidiary Presidents
Treasurer	Other senior officers and business unit heads
Investor Relations	Office of the Corporate Secretary
	Environment, Health & Safety Department
	Corporate Affairs
	Strategic Planning

Throughout the year, the company communicates stockholder feedback to the Board and its committees, and the Board considers this feedback in making its decisions.

## **Volunteer Programs**

While our primary job is to keep energy flowing to our customers, safely, reliably, and in a way that supports New York's climate goals, our company and employees do much more than that for the community—on and off the clock. Through volunteerism Con Edison employees power the communities where they live and work.

We believe in the power of giving. Our robust volunteer program speaks to Con Edison's commitment to enhancing the vitality of the communities we serve.

In 2023, more than 400 Con Edison employees dedicated 3,600 hours of their time to nonprofit organizations across our service territory.

We focused our efforts on environmental stewardship, coastal clean-ups, tree canopies and urban gardens to supply people with healthy food options, enhancing the neighborhoods where Con Edison employees live and work.

In addition, the Con Edison Law Department has a robust Pro Bono program. Pro bono is a core value of the legal profession, and the Law Department works diligently to provide legal services to underserved and unrepresented members of our community. In 2023, lawyers and legal professionals in the Law Department participated in twelve pro bono events, devoting approximately 350 hours of free legal services to those in need. This includes a "Utility Day of Service" event in November during which Con Edison partnered with Edison Electric Institute, Pro Bono Institute, and ten other utility companies for a day of service.



# Addressing Human Rights



At Con Edison, we are committed to respecting and protecting the human rights of everyone. Our [Statement on Human Rights](https://www.conedison.com/en/about-us/corporate-policies-practices/human-rights-statement) (<https://www.conedison.com/en/about-us/corporate-policies-practices/human-rights-statement>) explains our position and commitments to respect labor rights, including the prohibition of forced and child labor.

## Addressing Human Rights

We conduct our business ethically, respectfully, and in accordance with all relevant laws and regulations. We prioritize the health and safety of not only our employees but also our contractors, communities and others we engage with. Con Edison supports the social supply chain standards and principles contained within the International Bill of Human Rights, the Organization for Economic Cooperation and Development’s “Guidelines for Multinational Enterprises”, and the International Labor Organization’s “Declaration on Fundamental Principles and Rights at Work.”

Con Edison seeks to establish and maintain relationships only with entities that uphold our principles and values. Our recently implemented supply chain Third-Party Risk Management (TPRM) program is intended to help screen all new and existing vendors to verify the supplier has their own Human Rights Policy or can attest to ours.

We continue to advance our efforts on diversity, equity and inclusion with the help of our Office of Diversity and Inclusion, Executive DEI Council, DEI Taskforce, and other DEI champions across the company. Based on our fundamental values and beliefs, this statement on Human Rights is a confirmation of our company’s commitment to respect the human rights of our employees, customers, suppliers, and communities. We require all our stakeholders to show compliance with these principles.

## Commitment

Our commitment to human rights is aligned with the United Nations' Universal Declaration of Human Rights and is reflected in our [Standards of Business Conduct \(https://cdnc-dcxprod2-sitecore.azureedge.net/-/media/files/conedison/standards-of-business-conduct.pdf\)](https://cdnc-dcxprod2-sitecore.azureedge.net/-/media/files/conedison/standards-of-business-conduct.pdf), our policies on Equal Employment Opportunity, sexual harassment, employment of veterans and people with disabilities, and our [Vendor Standards of Business Conduct \(https://apps.coned.com/supplychain/supplierpolicies/VENDOR\\_CODE\\_OF\\_CONDUCT.pdf\)](https://apps.coned.com/supplychain/supplierpolicies/VENDOR_CODE_OF_CONDUCT.pdf) within our legal contracts. We require all our suppliers to attest to the Vendor Standards of Business Conduct and follow all laws and business practices that require minimum living wages, non-discrimination, and other areas that protect the safety and human rights of workers. Human rights violations by a supplier or partner will be addressed by our company with the goal of adopting corrective measures and, in cases in which such measures are not taken, the company reserves the right to discontinue or reconsider the respective commercial relationship.

Please use the following link for more information on our Human Rights Statement: [Human Rights Statement | Con Edison, Inc. \(https://www.conedison.com/en/about-us/corporate-policies-practices/human-rights-statement\)](https://www.conedison.com/en/about-us/corporate-policies-practices/human-rights-statement)

# Leveraging Supply Chain Best Practices



Our Supply Chain organization addresses sustainability in response to climate change and in support of the company's shift to a clean energy future. We focus on renewable sources and efficiency in our procurement activities with the goal of a greener and more robust Supply Chain.

We supported the shift to clean energy in 2023 through our procurements, working closely with our suppliers and finding opportunities to improve our supply chain. We foster supplier engagement and education to increase sustainability in our procurement activities leading to improvement, better practices, and GHG reductions.

## Our Investments in a Clean Energy Future

In 2023, Supply Chain's sustainability-related investments in clean energy and grid modernization included the following: \$90 million toward the Brooklyn Clean Energy Hub, \$36 million in energy efficiency and demand management contracts, \$145 million in smart meter AMI contracts, and \$15 million in electric vehicles and EV charging infrastructure contracts.

## **Supporting Sustainability Through Our Vendors**

Our goal is to enhance business practices by minimizing our waste streams, reusing materials, and finding new recycling opportunities. We maintained our collaboration with our most critical materials suppliers to improve business processes by monitoring and lowering the environmental impacts associated with their energy consumption, waste, and effects on natural resources and transportation. We also regularly engaged suppliers and experts who are experienced in managing the environmental and social impacts of their supply chain to learn from them and improve our program.

In 2023, we expanded an initiative to refurbish and reuse obsolete furniture that would have previously been sent to landfill. Old office material was stripped to its structural core and then remanufactured; 216 workstations were purchased back by CECONY at a 20% cost savings. This project conserved 172,800 pounds of raw materials, prevented 59,616 pounds of landfill waste, avoided release of 152,280 pounds of CO<sub>2</sub> into the environment, and had energy savings that could power over 2,000 homes for one day. This exemplifies our ongoing commitment to reduce landfill waste, reduce costs, and improve our carbon footprint. We are currently developing a green procurement policy to address process and product-related requirements. We are exploring additional opportunities to implement this circular economy model within our supply chain.

Con Edison is also committed to the downstream impact of our operations. Our Investment Recovery Program coordinates the sale and/or divestment of surplus, scrap, and end-of-life equipment and material as an essential component of our sustainability priorities. Investment recovery is also committed to finding solutions to mitigate supply chain disruptions. As such, we expanded contract services with a transformer remanufacturing supplier to help mitigate the risk of shortages of critical equipment that had been affected by long lead times on new material orders. Through this partnership, CECONY increased the total weight of transformers shipped to be remanufactured by 133% and increased the total amount of transformer oil reconditioned (i.e., reused) by 159% since 2022.

In 2023, we targeted 53 suppliers (representing 86% of 2022 spend) with an annual Environmental, Social, Governance (ESG) assessment, and achieved a 64% response rate. Our targeted suppliers represent our most critical suppliers, top spend, and greatest environmental impact. Our goal is to achieve a 90% response rate to our supplier sustainability assessment by 2025. The responses to the ESG assessment allow us to evaluate the environmental impact and collaborate with suppliers to understand and support the enhancement of their ESG performance in line with our company's overall objectives and goals.

## **Partnering with Our Industry Peers**

Cooperation from procurement, suppliers, advocates, and thought leaders is essential for supply chain sustainability to be effective. In 2023, Con Edison remained a member of the Sustainable Supply Chain Alliance (SSCA) and the Sustainable Purchasing Leadership Council (SPLC). The SSCA is a group of major utilities and suppliers in the electric utility industry, that collaborate to apply supply chain best practices to improve sustainability. The SPLC fosters collaboration with a global community and have a demonstrated history of creating and implementing successful sustainable purchasing strategies for companies and organizations, enabling their members to plan, execute, report, and influence markets to improve business resilience. The SSCA and SPLC support sustainable procurement and the transition to a net zero economy that transforms society.

## **Creating an Ecosystem for Innovation and Opportunity**

The United Nations Sustainable Development Goals (SDG) framework is a well-regarded plan for action that has been adopted by prominent corporations and United Nations members to address issues such as eliminating extreme poverty, fighting inequality and injustice, and preserving the environment. In 2023, Supply Chain maintained sustainability initiatives that are consistent with SDG 11, 12, and 17 (covering Sustainable Cities and Communities, Responsible Consumption and Production, and Partnerships for the Goals, respectively).

In 2023, we invited our top 150 suppliers to join a five-part training series on greenhouse gas emissions led by the SSCA. We value transparency and keeping our suppliers aware of our shared responsibility is important to us.

## Supporting Our Community Through Supplier Diversity

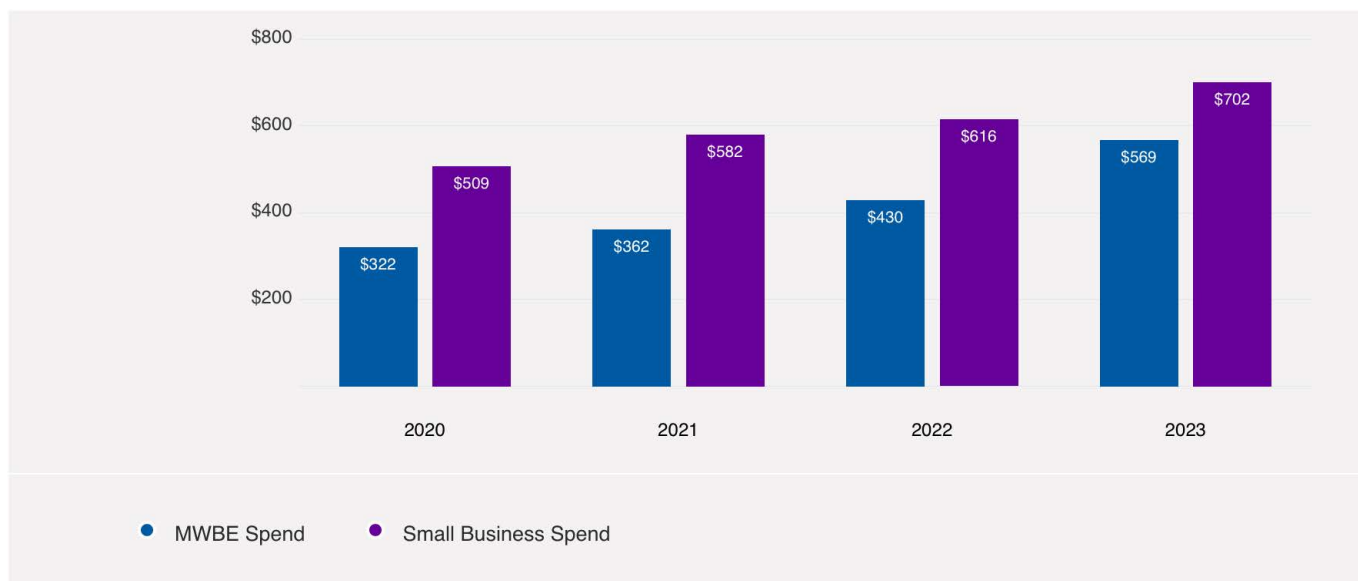
Our commitment to the community is demonstrated through our increasing spend with diverse suppliers. We recognize supplier diversity as an opportunity to leverage the dollars we spend to spark economic growth within our service territory. In 2023, we spent \$569M with diverse suppliers and \$702 million with small businesses, creating a positive impact on the communities we serve. Over the past 55 years, CECONY has developed a network of suppliers that contributes to a strong and sustainable business model where we can all thrive. We appreciate the collaboration and range of perspectives our partners bring, which leads to more impactful and innovative solutions for our customers.

Through our Green Energy Opportunities and Clean Energy Academy programs, we have created an ecosystem of stakeholders that support CECONY's commitments to diversity and our vision for a clean energy future. The Clean Energy Academy is a partnership between our Customer Clean Energy Programs (formerly Energy Efficiency Programs), Willdan Energy Solutions, the New York State Energy Research & Development Authority (NYSERDA), and non-profit organizations including WeAct for Environmental Justice, the Fortune Society, Green City Force, and Non-traditional Employment for Women.

We are working with others to leverage energy efficiency projects paid for by CECONY to create contract opportunities for MWBE subcontractors and jobs for low-income New York City housing residents. So far, this program has created over \$30 million in contract opportunities for MWBE subcontractors. The Clean Energy Academy has trained 437 New Yorkers from disadvantaged communities, and 288 from Priority Populations [of which 212 are from low-income households,] in electrical and mechanical building systems, such as lighting, HVAC, and refrigeration. We will continue to work with our partners to support and grow this program; in fact, the program has already secured \$3.6 million to train more than 1,600 students. The Clean Energy Academy has trained 1,020 graduates so far and has obtained funding to train 640 more participants in the next year. This innovative initiative supports our diversity goals while helping Con Edison achieve its goals to lower energy use and associated costs for customers.

### SUPPLIER DIVERSITY EXPENDITURES

MWBE / SMALL BUSINESS SPEND (\$MILLIONS)



## Supply Chain Risk Management and Monitoring

In support of our company's commitment to sustainability, our Supply Chain organization engages our suppliers so that they reflect our values and conduct their business ethically, with integrity, and in compliance with applicable laws and regulations. Con Edison views its suppliers as strategic partners and expects that all suppliers, their subcontractors, and employees conduct themselves in alignment with our corporate values. In 2023, Supply Chain modified its vendor qualification process to expand the number and types of risks evaluated, in line with third-party risk management principles. This includes evaluating sustainability risks and improving our ability to track and monitor non-compliance, sustainability metrics including external certifications (i.e., ISO 14001), and other trends among our suppliers. Currently, our Third-Party Risk Management (TPRM) program is focused on qualifying all new and existing vendors. An inherent risk questionnaire is completed internally, which determines the need for additional disclosures through due diligence questionnaires (DDQs) depending on the type of vendor and the potential for risk. Any indication of risk based on reported past events must be documented. The vendor must also prove that they have a mitigation strategy in place, including sufficient training, that lowers any related risk to an acceptable level. As we collect more data on our suppliers' qualifications, programs, and external certifications, we intend to compile sustainability data that will illustrate the environmental and social responsibility and governance practices of our suppliers and inform our processes moving forward. This method for evaluating and tracking risk in our supply chain will help give us clarity and enhance our supplier performance. So far, we have completed sustainability DDQ reviews for 278 suppliers, confirming the supplier has a human rights policy and a sustainability program in place or attestation to compliance with ours.

## Business Ethics in Our Supply Chain

Con Edison requires all suppliers to attest to our [Vendor Standards of Business Conduct \(VSBC\)](https://apps.coned.com/supplychain/supplierpolicies/VENDOR_CODE_OF_CONDUCT.pdf) ([https://apps.coned.com/supplychain/supplierpolicies/VENDOR\\_CODE\\_OF\\_CONDUCT.pdf](https://apps.coned.com/supplychain/supplierpolicies/VENDOR_CODE_OF_CONDUCT.pdf)) that outlines the terms and expectations of behavior we have for our suppliers. Under the terms of the VSBC, all suppliers are subject to review by our internal or external auditors, and any supplier determined by Con Edison to be in violation of our Vendor Standards of Business Conduct provisions are subject to contract termination or suspension.

We uphold the value of human rights, fair labor practices, environmental management, and anti-corruption policies, as outlined in our [Statement on Human Rights](https://www.conedison.com/en/about-us/corporate-policies-practices/human-rights-statement) (<https://www.conedison.com/en/about-us/corporate-policies-practices/human-rights-statement>).

The VSBC and Statement on Human Rights affirm our commitment and set clear standards for suppliers who conduct business with Con Edison. We prohibit suppliers and their subcontractors from using forced or child labor and any form of coercion or trafficking. Our standards comply with laws and business practices that require minimum living wages, non-discrimination, and other areas that protect the safety and human rights of workers.



# Attracting, Developing & Retaining Employees



The women and men at Con Edison are our most valuable resource. They enable us to reliably, safely and responsibly provide energy to our customers. In order for the company to meet its strategic objectives, it is critical that we consistently attract, develop, and retain talented employees who possess a broad array of skills, backgrounds, and experiences. As we build and engage a successful workforce, we are mindful of the importance of diversity as a key driver of innovation and high performance, and therefore our goal is to capitalize on these benefits while also resembling the communities we serve.



## Attraction

Con Edison continues to stand out as an employer of choice. We offer exciting career opportunities in an environment that prioritizes training and coaching and extends support at every level. In 2023, 1,677 new employees joined the company – the highest level of hiring the company has experienced in 50 years. Our new hires consisted of a broadly diverse population which included 33 percent women (the highest number of women hired in recorded history) and 69 percent people of color.

Our talent acquisition strategies are designed to attract and engage candidates from many sources, including job fairs, social media, professional industry associations, military organizations, partnerships with educational institutions, and relationships with state and local agencies. Our partnerships are important because they enable us to develop a diverse pipeline of top candidates throughout our recruiting footprint. Our collaborations with Nontraditional Employment for Women (NEW), Hour Children and Helmets to Hardhats are key resources in helping us attract women to non-traditional jobs. We also work with community, nonprofit, and professional groups, including the Society of Women Engineers (SWE), National Society of Black Engineers (NSBE), Society of Hispanic Professional Engineers (SHPE), Reform Brooklyn, Kips Bay Boys & Girls Club Event, Brooklyn Clean Energy Career Summit, National Urban League, New Women New Yorkers, LAESA-SHPE City College Foundation, Black Young Professional (BYP) Network, Hire New York, Workforce 1 Industrial & Transportation, West Point Transition Assistance, State Senator sponsored job fairs and American Association of Blacks in Energy (AABE). We partnered with the neurodiverse community through Opportunities for a Better Tomorrow, A Chance at Life Tech, and Tech Kids Unlimited. We also partnered with Bottomless Closet, CodePath, Summer Youth Employment Program (SYEP), Ladders for Leaders, with several New York City Career and Technical High Schools to support curriculum development and develop strong school-to-industry pipelines.

It's an exciting time to join the Con Edison team as we are serving an essential role in the transition into the clean energy future. Through our Leadership Development Program (LDP), recent college graduates gain leadership skills and practical hands-on experience to promote critical thinking and analysis. Our 2023 LDP cohort had 50 percent women and 69 percent people of color.

Veterans continue to be an important part of our talent pipeline. In 2023, we hired about 80 veterans and current members of the National Guard and Reserves. At the national level, Con Edison is an active member of Veterans in Energy and we have continued to partner with the Veterans Administration to market career opportunities to disabled veterans. We continue to cultivate our network of veteran strategic partners to help build and support our veteran pipeline that includes The Soldier for Life, Ft Dix, Ft Drum NY, Camp Humphries, Korea, Fleet and Family Services (US Navy and Marine Corps) Groton CT, and Newport RI, Airman for Life (US Air Force) Yokota, Japan, NYC and NYS Department of Military Affairs, The Wounded Warrior Project, and US Military Reserve Centers in the Tri-State Area.

In 2023, among other awards, Con Edison was recognized for its veteran hiring efforts in the Military Times – “Best for Vets” designation for the sixth year in a row, US Veterans Magazine “Best of the Best Award” for the fifth year in a row, Vets Index 2023 “Four Star Award” for the third year in a row, and Employer Support of the Guard and Reserve, presented “Seven Seals” awards to our Senior Vice President of CECONY, and the President and CEO of O&R. The company's active and growing employee resource group, Veterans of Con Edison, continues to positively impact our work in attracting veterans to our team.

The Company's unionized workforce is governed by three different collective bargaining agreements, which afford our employees highly competitive wages and benefits and numerous opportunities for advancement. In partnership with our unions, the Company promotes a culture of safety and quality of life through joint labor-management committees and other initiatives.

## Development & Retention

We care about our employees, and we are committed to their success. We make it a priority to help them enhance their skills and knowledge to propel their growth and career development, including honing leadership competencies, attending continuing education classes, and providing tuition reimbursement.

Helping our employees reach their full potential has long been a priority, and our dedicated training campuses and robust tuition aid program reflect our commitment to the development and career advancement of our workforce.

One of the ways Con Edison emphasizes the importance of employees focusing on their career aspirations and professional development is through Individual Development Plans (IDP). We encourage employees to collaborate with their managers in creating formal plans that outline their individual development goals and the action steps necessary to achieve them. For several years Con Edison's key performance indicators (KPIs) have included a goal for > 85% of all employees on succession plans to have IDPs. An IDP workshop is offered to guide employees through every stage of this process.

Mentoring is an important component of Con Edison's development of leaders. Our corporate and executive mentoring programs provide opportunities to connect senior leaders with newer or less experienced leaders to share insights and professional guidance, while also growing important networks across the company. The 2023 executive mentoring program included 104 participants, with 25 mentors and 79 mentees. The 2023 corporate mentoring program included 188 participants, with 41 mentors and 147 mentees. Con Edison's TEAM and LEAD programs support employees who are transitioning from union roles to supervisory positions. In 2023, 517 TEAM participants and 59 LEAD participants were partnered with mentors who are experienced employees to help them in their development and growth. Con Edison's Leadership Development Program is a comprehensive, 18-month rotational program that introduces recent college graduates to the dynamic world of energy. In 2023, each of the 54 leadership development program participants were partnered with both peer mentors and experienced mentors to support their successful transition into the Company.

We understand the critical role that sponsorship plays in career development and advancement. In 2021 we launched our Executive Sponsorship Program, a 24-month experience designed for high potential leaders. The program supports high participation among women and people of color. Providing underrepresented groups with executive connections is an important step in our efforts to develop our employees and build a broadly diverse and inclusive leadership team. We successfully concluded this pilot program in 2023 and launched the second cohort for the executive sponsorship program that will continue into 2025, supporting 25 sponsorship pairs (for a total of 50 participants across every major organization in Con Edison.)

Our comprehensive leadership and professional development portfolio of programs and classes provides employees with the opportunity to develop key competencies to empower their leadership development and professional skills. To encourage wide spread career development, our suite of career management resources includes internal and external training to enhance job knowledge, career development workshops, and a robust online career management site. Our career development series features a variety of classes to support employee career planning and mobility.

Our leadership curriculum is designed to improve the ability of managers to lead employees effectively and inclusively, handle problems creatively, and shepherd teams to elevated performance. In 2023, more than 9,000 employees attended our leadership and career development programs and continue to benefit from an array of tools, assessments and resources that assist with their professional development.

The Company strives to promote a culture where employees are supported in navigating conflict. Con Edison's Conflict Management team provides a safe place where employees can seek advice and support around conflict. The team

provides workshops and training on developing conflict competency with individual employees, small groups, and teams to foster understanding and map pathways forward in a manner that is founded in respect, inclusion, and psychological safety.

With 2023 turnover at approximately 6.7 percent, our historically low annual turnover rate continues. We attribute these results to our persistent focus on diversity, equity and inclusion, employee development, and commitment to fostering a culture where everyone feels welcomed and valued.

## Skills Training

Our workforce must have the right skills, knowledge, and capabilities to work in a safe manner while meeting the needs of our customers. To achieve this goal, we provide continuous state-of-the-art training and development to our employees in a wide variety of areas. The company offers robust technical training programs in electric, gas, steam, engineering, transmission, customer operations, and driver training. These programs maintain our employee skills, knowledge, and performance are maintained at the highest standards. The Learning Center (TLC), situated in Long Island City, fosters a culture of continuous improvement, centered on safety, operational excellence, diversity, equity and inclusion, and enhancing the customer experience.

With safety as our key business priority, we partner with our operating organizations to strengthen their focus on a zero-harm culture. The guiding principles for operational excellence are integrated into our curriculum and highlight the need to respect the complexity, power, and unforgiving nature of our energy systems and encourage all to manage them safely. This effort includes a focus on Human Performance Improvement (HPI) tools, psychological safety, and cyber security awareness.

**In 2023, our digital learning transformation continued to flourish and impact learning at Con Edison. The opportunity to leverage technology enhances curriculum content and provides employees with a richer learning experience. Our expanding digital portfolio incorporates various assets, including the addition of 72 digital tools and 13 virtual classes over the past year, to strengthen the learning environment.**

In 2023, TLC collaborated with internal business partners and stakeholders to meet the high-volume demand for training and testing by safely and successfully training and testing 341 new entry-level utility workers. Our Purposeful Field Visit (PFV) program supports efforts to enhance the learning experience, using insights from actual events to assess potential gaps in training curriculum, and provides opportunities for real-time constructive feedback.

Training Effectiveness Committees are the liaison between operating areas and TLC; they serve to enhance, improve, and sustain quality and consistency in training. Regular meetings with subject matter experts from various operating groups allow for collective review of training activities, including curriculum, new policies and procedures, annual goals, career paths, and assessments to ensure consistency, relevance, and effectiveness in required training.

In 2023, our digital learning transformation continued to flourish and impact learning at Con Edison. The opportunity to leverage technology enhances curriculum content and provides employees with a richer learning experience. Our expanding digital portfolio incorporates various assets, including the addition of 72 digital tools and 13 virtual classes over the past year, to strengthen the learning environment.

Our strategic focus on developing our people benefits our employees and helps us attract and retain a diverse and inclusive workforce at all levels.

## TRAINING

	2018	2019	2020	2021	2022	2023
<b>Hours of instructor-led, skill-based and leadership training</b>	544,557	543,706	497,602	527,101	613,414	683,765
<b>Hours of eLearning</b>	132,490	121,861	159,318	149,809	157,823	164,718
<b>Employees taking advantage of tuition aid</b>	572	575	538	485	405	404

## Case Study – Clean Energy Academy

Con Edison's Clean Energy Academy is a clean energy workforce development program that provides community members with training to support the clean energy economy in our region. The program is made possible through our partnership with Willdan. The goal of the Academy is to provide a pathway to train individuals who want to enter the clean energy workforce and help existing professionals advance their careers in the energy efficiency and building electrification industry. To-date, 70% of our graduates come from priority populations that include: veterans; individuals with disabilities; low-income individuals; incumbent or unemployed fossil fuel workers; returning citizens (previously incarcerated individuals); homeless individuals; and single parents.

The Academy is funded by the NYSERDA Clean Technology Training program, through which we have secured over three million dollars to support various curriculums in conjunction with our partners. Our trainings support a variety of local partner organizations with varying needs. Each curriculum that we offer aligns with Con Edison's clean energy goals. At the inception of the program, our curriculum focused on traditional energy conservation measures like lighting and controls. As the business evolves, our programs have shifted to focus on building envelopes and weatherization and heat pumps. Clean job creation is integral to bolstering an economy that will foster a sustainable future for our communities.

We are proud to have grown rapidly since the Academy's start in January 2020. Our first cohort included 30 students from Green City Force, a Brooklyn-based organization with a mission to provide sustainability-focused career training to young people living in low-income housing. Since 2020, over 900 students have successfully graduated from the Academy. Over 150 graduates have been hired by Con Edison or our implementation and participating contractors. Apart from certain in-person intensives, our trainings have been virtual since the onset of the COVID-19 pandemic, and our approach is ever-evolving to best fit our students' needs. We offered an asynchronous coursework style for the first time in 2023. We are excited to explore augmented and virtual reality training in 2024, which simulates hands-on learning experiences. In the past year, we doubled our enrollment and look forward to continuing this momentum into 2024.

# Advancing Diversity, Equity & Inclusion



Con Edison is committed to the principles of diversity, equity and inclusion. We aim to foster a culture in which our many backgrounds, experiences, and perspectives are accepted, valued, and respected. A diverse and inclusive company is a robust and thriving company, where everyone is able to reach their full potential.

## Advancing Diversity, Equity and Inclusion

Our corporate-wide DEI vision, mission, and strategy focuses on four strategic goals: 1) ongoing learning and competency building; 2) inclusive and visible leadership support; 3) reviewing our systems, policies, and procedures to eliminate potential barriers to inclusion; and 4) celebrating and acknowledging our diverse and inclusive workforce. This framework is designed to cause company leaders and employees to work together to implement measures that prioritize a proactive and ongoing effort to promote a positive work culture where we are tapping the full talent of our workforce and creating an environment that nurtures all employees' development. Our goal is to create and sustain an environment where employees are psychologically safe and thriving.

In 2023, we completed our second biennial "Culture of Inclusion" Survey. The survey highlighted improvement in our overall inclusion score and emphasized impartiality as one of our strengths. A sense of belonging – a key driver of inclusion – again rated high, at 84%. Psychological safety – the belief that one can speak up and openly, and another factor in inclusion – came through as an area where still more could be done. Pay and benefits was and is top of mind for most employees as it is in the broader society. We have already implemented changes towards improvement, and we will remain focused on this area through continuing review of our compensation structure. We also responded by creating classes for field workers as well as managers at different levels, including executives. This is key to building momentum towards an even greater transformation of our corporate culture. It involves backing up our commitments with action by implementing equitable practices, systems, policies, and processes that support and sustain engagement, fairness and belonging. It also means ensuring that our leaders can effectively develop and lead a diverse and inclusive workforce. We are focused on providing leaders with the right tools and resources needed to support their leadership, including providing programs in leading with courage, psychological safety and speaking up for inclusion.

Building a more equitable workplace requires that we track and measure our results, and that we are always exploring new ways to improve our performance. Data helps us identify existing gaps and also areas where we excel. Our grassroots networks, such as Employee Resource Groups and Local DEI Councils serve as champions, facilitating critical conversations to increase awareness about cultural differences and to assist with recruiting and career development efforts. Our initiatives have been successful, but the work continues and we remain committed to the journey.

Our people will always be our greatest strength—and the incredible range of culture, experience, and perspective makes the company stronger.

To learn more, read our [Annual Diversity & Inclusion Report \(https://www.coned.com/en/about-us/diversity\)](https://www.coned.com/en/about-us/diversity)

### DIVERSITY

	2018	2019	2020	2021	2022	2023
<b>Total workforce</b>	14,955	14,596	14,063	13,871	14,319	14,592
<b>Management</b>	6,424	6,394	6,317	6,287	6,333	6,328
<b>Union</b>	8,531	8,202	7,746	7,584	7,986	8,264

<b>People of Color in the workforce</b>	7,220	7,080	6,892	6,890	7,398	7,821
<b>People of Color share</b>	48%	49%	49%	50%	52%	54%
<b>Women in the workforce</b>	3,179	3,123	3,083	3,036	3,239	3,386
<b>Women share</b>	21%	21%	22%	22%	23%	23%
<b>General Managers, Directors and Above</b>	270	282	255	287	285	224
<b>People of Color in GMs, Directors and Above</b>	78	80	73	85	88	85
<b>People of Color Share</b>	28%	28%	29%	30%	31%	38%
<b>Women in GMs, Directors and Above</b>	84	89	79	98	95	86
<b>Women Share</b>	31%	32%	31%	34%	33%	38%



# ESG Governance



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

## ESG Governance

With that in mind, Con Edison's Board of Directors has committees that oversee various aspects of the Company's operations. Currently, the Board of Directors has six standing committees:

- (i) the Audit Committee,
- (ii) the Corporate Governance and Nominating Committee,
- (iii) the Executive Committee,
- (iv) the Finance Committee,
- (v) the Management Development and Compensation Committee, and
- (vi) the Safety, Environment, Operations and Sustainability Committee (SEOS Committee).

Further information about each of which can be found here: [Con Edison | Board of Directors \(https://www.conedison.com/en/about-us/corporate-governance/board-of-directors\)](https://www.conedison.com/en/about-us/corporate-governance/board-of-directors)

The primary responsibility of the SEOS Committee is to oversee our 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 SEOS Committee, which meets at least four times a year, reviews at each of its meetings certain key performance indicators relating to climate risk, energy efficiency, dielectric fluid management, SF<sub>6</sub> gas emissions, environmentally beneficial electrification and solar connections.

In 2023, the company's Board of Directors also received presentations that covered climate-related issues such as the company's clean energy goals and clean energy commitment, climate resilience framework, strategy for achieving a clean energy future, and renewables strategy.

At the management level, the company's EH&S vice president, together with senior management, is responsible for developing strategic goals and programs for compliance and to support its commitment and continued work to achieve EH&S goals and operational excellence. As detailed in our [Sustainability Strategy \(https://lite.conedison.com/ehs/2022-sustainability-report/report-introduction/sustainability-strategy/\)](https://lite.conedison.com/ehs/2022-sustainability-report/report-introduction/sustainability-strategy/), the company's SEOS, Management Development and Compensation, and Corporate Governance and Nominating Committees work to strengthen sustainability across all aspects of the Company.

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

Our environment, health, and safety quality review board (EH&S QRB) includes an outside consultant who is an independent attorney. The EH&S QRB reports directly to the company's President. The role of the EH&S QRB is to review the company's management of both regulatory and internal requirements and assess whether its implementation is consistent with its commitment to environmental excellence.

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

For further details visit: [Con Edison | Political Engagement \(https://www.conedison.com/en/about-us/corporate-governance/political-engagement\)](https://www.conedison.com/en/about-us/corporate-governance/political-engagement)

# Managing Enterprise Risk



The cornerstone of Con Edison's enterprise risk management program is its governance practices, which are designed to manage relevant and material risks to its strategy and operations, and to recognize emerging issues and trends that may shape future risk exposure.

## Managing Enterprise Risk

The enterprise risk management program was established to help protect the company's long-term value for its shareholders, customers, and the communities it serves. The risk management team works closely with senior management and employees across all three principal subsidiaries (CECONY, O&R and CET) to identify emerging issues and trends, align risk exposure to organizational priorities, support risk-informed business decisions and resource allocation, and monitor and assess known risks using quantitative metrics, known as key risk indicators. The cornerstone of Con Edison's enterprise risk management program is its governance practices, which are designed to manage relevant and material risks to its strategy and operations, and to recognize emerging issues and trends that may shape future risk exposure. The team is led by the Director of Enterprise Risk Management. The Director reports to the Chief Financial Officer and works broadly with hundreds of employees across operating, shared services, and corporate functions to manage the risk profile.

The team creates and facilitates a risk management process framework, that 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.

The Board of Directors and its Committees provide oversight of the company's material risks. These risks are managed by senior management. 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. Our top risks are assessed quarterly and monitored using key risk indicators. Our risk portfolios examine our risks to identify and implement specific projects, programs, or initiatives to address them. Our programs for risk mitigation embody the elements of our core service as we invest in and develop a clean and resilient system. The ability to manage and mitigate risk is critical as the evolution of our infrastructure further serves as a foundation to a clean energy future. The Company's material risks are discussed in Con Edison's 2023 Annual Report.

As the company continues to create a more sustainable, clean energy future for our customers, the enterprise risk framework improves our ability to navigate an increasingly dynamic business landscape through a process to identify and monitor relevant emerging issues and trends. Review of emerging issues and trends extends our focus, identifying threats and opportunities that may develop in the next two to ten years. The program evaluates the risks and opportunities and capture these impacts annually in the Emerging Issues and Trends Insights report.

# Supporting Ethical Business Practices



Our strong business ethics are founded on our corporate values and help us achieve our three principles—safety, operational excellence, and customer experience. We are committed to conducting business with the highest ethical standards.

How we do business and how we treat our customers, business partners, and one another all contribute to our reputation and long-term viability. Our Values in Action advisor network of 115 employees and our Business Ethics Council with 14 members assist the organization in maintaining a culture of integrity.

## Standards of Business

Our corporate values are at the heart of our Standards of Business Conduct. Our Standards of Business Conduct explain the behaviors expected of the employees of Con Edison and reinforces our corporate values. Our individual commitment to support and uphold them in every aspect of our work is the foundation of our culture of integrity.

Based on the laws, regulations, and company policies we need to know and follow, our Standards of Business Conduct serve as a framework for ethical decision-making and direct us to the appropriate resources when we need help or more information. To learn more, please read our [Standards of Business Conduct \(coned.com\)](https://www.coned.com/-/media/files/conedison/standards-of-business-conduct.pdf).  
(<https://www.coned.com/-/media/files/conedison/standards-of-business-conduct.pdf>)

## Training

The 2023 Standards of Business Conduct training featured an interactive game format where employees visited virtual office locations to identify ethics-related issues.

In 2023, Business Ethics & Compliance raised awareness of ethics-related resources with an online quiz developed to test employees' knowledge of ethics and compliance, fraud prevention, privacy compliance, and cyber security.

In 2023, Business Ethics & Compliance also completed a technology upgrade in support of conflicts of interest disclosures providing more in-depth analysis.

Additionally in 2023, Business Ethics & Compliance continued to engage with colleagues to find new ways to keep ethical behavior top of mind:

- Hosted a fireside chat between our Chief Ethics and Compliance Officer (CECO) and the CECO of a major corporation
- Provided data privacy tips to protect against identity theft, minimize data loss, and prevent data breaches by encrypting data when appropriate
- Added a video on accepting gifts to our library of Ethics Zone microlearning videos to help mitigate identified risks to the company

## Compliance Management

In 2023, Compliance Management improved the Company's compliance posture by focusing on compliance risk and governance:

- Compliance Management worked with business units to identify compliance risks, assess present condition, and develop mitigation strategies.
- Compliance Management hosted a compliance summit demonstrating effective compliance practices across the organization.
- Policy Management expanded its use of technology providing efficient change management and improved accessibility of policies and procedures across the company.
- In 2023, the Quality Center of Excellence (QCoE) developed a quality management training program for the quality community geared toward the development of quality management expertise within the company.

## **Privacy Compliance**

We are committed to securing the personal and private information entrusted to us by employees, customers, and others. In 2023, the Privacy Compliance team continued to implement elements of the Privacy Compliance program and framework. As part of that effort, the Privacy Compliance team enhanced the company's data classification policy to four sensitivity categories providing training and guidance for appropriate labeling of data. Privacy Compliance partnered with a number of Con Edison organizations to develop appropriate policies, processes, and controls for the use of artificial intelligence, the procurement of third parties who process personal information on Con Edison's behalf, and the use of tools to collect and honor customer privacy preferences.

## **Fraud Risk Management**

Con Edison has an enterprise-wide fraud risk management program to deter, prevent and detect fraud by raising employee awareness through training and communication, conducting fraud risk assessments and performing fraud data analytics.

For concerns or questions about an ethics and compliance issue, employees can contact the [Ethics Helpline](https://www.coned.com/en/about-us/company-information/ethics-and-business-conduct) (<https://www.coned.com/en/about-us/company-information/ethics-and-business-conduct>) anytime.



## Political Contributions

Our engagement in the political process is grounded in and guided by our commitment to our Standards of Business Conduct. Our efforts in this regard meet high ethical standards, are done in accordance with strict company procedures and guidelines, and in a manner that demonstrates accountability and transparency. These efforts have earned Con Edison perfect 100% scores on the CPA-Zicklin Index of Corporate Political Disclosure and Accountability every year since 2021.

### Political Contributions

No corporate funds are used directly for political contributions to candidates, political parties, or political committees other than contributions to the Consolidated Edison, Inc. Employees' Political Action Committee (CEIPAC). No corporate payments have been made, nor do we intend to make payments, to influence the outcome of ballot measures. Additionally, neither Con Edison nor CEIPAC makes independent expenditures in support of or in opposition to, candidates, political parties, or ballot measures. Also, Con Edison does not contribute to "independent expenditure" committees organized under section 527 of the Internal Revenue Code.

### Industry Groups and Trade Associations

Con Edison is a member of several trade associations that may engage in political activities or make political contributions to federal and state candidates and political committees. Con Edison's main purpose of membership in trade associations is the business, technical, and industry benefits these organizations provide. Trade organizations take a wide variety of positions on many political matters, not all of which Con Edison supports.

In 2023, Con Edison paid membership dues in excess of \$25,000 to industry groups and trade associations that spent a percentage of those dues on lobbying. See a list of these [industry groups and trade associations](https://www.conedison.com/en/about-us/corporate-governance/political-engagement) (<https://www.conedison.com/en/about-us/corporate-governance/political-engagement>).

In addition to lobbying, some industry groups and trade associations use a portion of Con Edison's membership dues for election-related purposes. Included on Con Edison's [Political Engagement](https://www.conedison.com/en/about-us/corporate-governance/political-engagement) (<https://www.conedison.com/en/about-us/corporate-governance/political-engagement>) website is the information hawse have been able to obtain to date. Additional information will be added should it become available.

For more information on trade associations, industry groups and Con Edison's lobbying activities please [visit our website](https://www.conedison.com/en/about-us/corporate-governance/political-engagement) (<https://www.conedison.com/en/about-us/corporate-governance/political-engagement>).

# Strengthening our Physical & Cybersecurity Efforts



At Con Edison, security is of the utmost importance. We approach cyber security and data protection proactively due to the potential risks they pose to our company.

This also applies to physical security, where measures are taken to protect our employees, customers, and equipment. To that end, we employ technology, strategies, and assessments, as well as provide regular employee training and education.

## Cybersecurity & Data Privacy

New technology brings new challenges, and cybersecurity has been identified as a key enterprise risk for the company. Our information security group, deploys cybersecurity tools designed to identify and prevent attacks both externally and internally. The company complies with regulatory cybersecurity requirements and works with local, state, and federal agencies, as well as our colleagues in the energy business, to identify and employ the technological tools designed to protect our customers and our equipment. We collaborate with these partners to share threat information and best practices, and conduct joint cybersecurity drills. Internally, management provides an annual presentation and monthly updates on cybersecurity risks to the Board, and the Audit Committee reviews more in-depth cybersecurity matters and risks semi-annually.

With the increasing threat of cybercrime, we continue to work towards strengthening our cyber security and data-protection efforts. They include monitoring, vulnerability assessments, employee education, regular drills, and phishing tests. We also conduct regular external security audits and vulnerability assessments of our systems, products, and practices affecting user data.

The company continues to advance data privacy through monitoring regulated activities related to personal data collection, use, and sharing; and maintaining compliance with applicable data privacy laws and privacy policies. Our privacy team, led by our Chief Privacy Officer, continues to guide IT and key business teams employing “Privacy by Design” principles to contemplate and mitigate data privacy risks at the time of system or process design and implementation. The privacy team is responsible for the company’s appropriate handling of customer and employee personal information and regularly trains and educates teams across the organization to maintain awareness and careful attention to protective measures. The company remains focused on the evolving data privacy regulatory landscape, taking proactive measures and building forward- looking tools and processes in anticipation of more individual-centered business requirements.

To hear more about our cybersecurity program and other topics, visit <https://soundcloud.com/con-edison> (<https://soundcloud.com/con-edison>)

## **Physical Security**

Physical security has also been identified as a key enterprise risk for the company in light of evolving technologies. Our security teams work with local, state, and federal agencies, as well as our colleagues in the energy business, to identify and employ the technological tools to protect our customers and our equipment. We collaborate with these partners to share threat information and best practices and conduct large-scale joint cybersecurity and physical security drills to help protect our commodities against attacks.

The Board receives regular updates as to physical security risks from management. Additionally, at CECONY, in collaboration with Environmental Health and Safety, a summary of serious employee and/or contractor incidents are communicated to management for dissemination to their employees.

Both cybersecurity and physical security use a layered mitigation strategy which includes 24/7 monitoring, vulnerability assessments, employee education, regular drills, and audits to reinforce the security rules. In 2023, Corporate Security gave 120 Security Awareness presentations, reaching 4,551 employees. This included four active shooter drills.

We monitor approximately 2,000 cameras, intrusion detection systems, duress alarms, and a card access system to restrict access. The company employs hundreds of contract security guards, both armed and unarmed, throughout the system.

As for grid resiliency, there have been no material violations or fines due to non-compliance with physical security standards or regulations.