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## **The New York Business**

**Rudy Wynter, President, New York National Grid**

**Will Hazelip, Head of US Business Development and Partnerships at NGV**

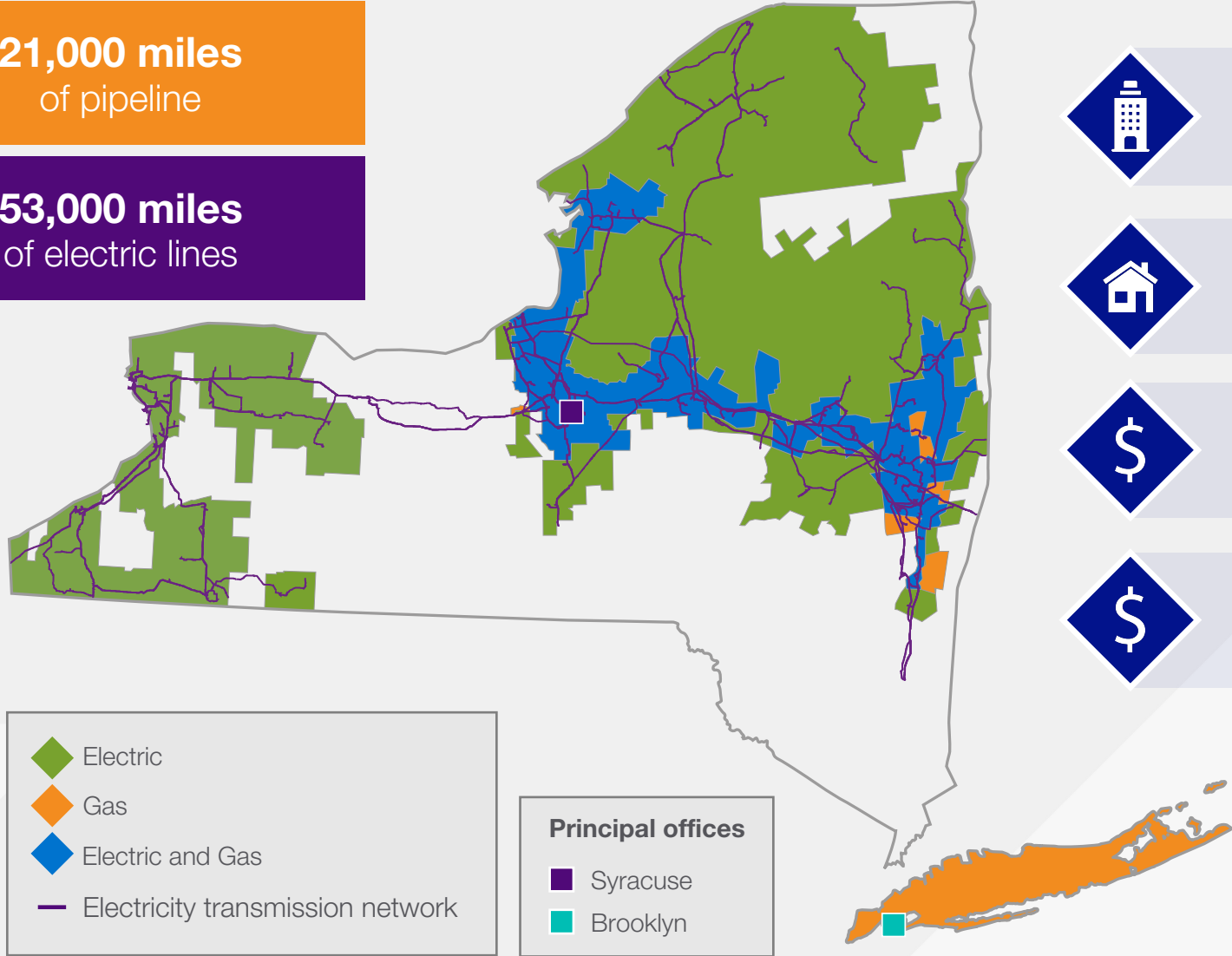
# Welcome and Overview

National Grid New York  
**65%**  
of the NGUSA  
business

**21,000 miles**  
of pipeline

**53,000 miles**  
of electric lines

**85%**  
reduction in  
GHG emissions  
by 2050



◆ Electric  
◆ Gas  
◆ Electric and Gas  
— Electricity transmission network

**Principal offices**  
■ Syracuse  
■ Brooklyn

**3**  
Operating Companies

**4.1m**  
Customers

**\$2bn**  
FY21 capex

**\$15.8bn**  
FY21 Rate Base  
8% growth from FY20

## New York – delivering for the Group

### How New York aligns to the Group 5-year financial framework:

› capex spend of **\$14bn (£10bn)**

### Delivered through:

- › Focus on efficiency
- › Strong growth opportunities

### New rates for our regulated businesses:

- › Alignment with environmental aims
- › Good sight on delivering efficiencies
- › Capex visibility under new rate agreements



# Driving efficiency across the business

Key to operational performance and affordability

## New York share of Group efficiency programme – £175 million over 3 years

- > Minimise customer bill impact
- > Control costs
- > Maximise our regulatory return

## Achieve this across gas and electric through:

- > Reducing external spend
- > Enhancing work and asset management capabilities
- > Digitalising and automating our work processes

Enabling us to deliver:

**Investing affordably** for our **customers**

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**95%**

**ROE target**  
for shareholders

New  
England  
£125m

UK ET  
& NGV  
£100m

New York  
£175m

**10%**  
more efficient  
capex  
investment





# Our growth opportunities

## Our sources of growth in New York



Gas Distribution

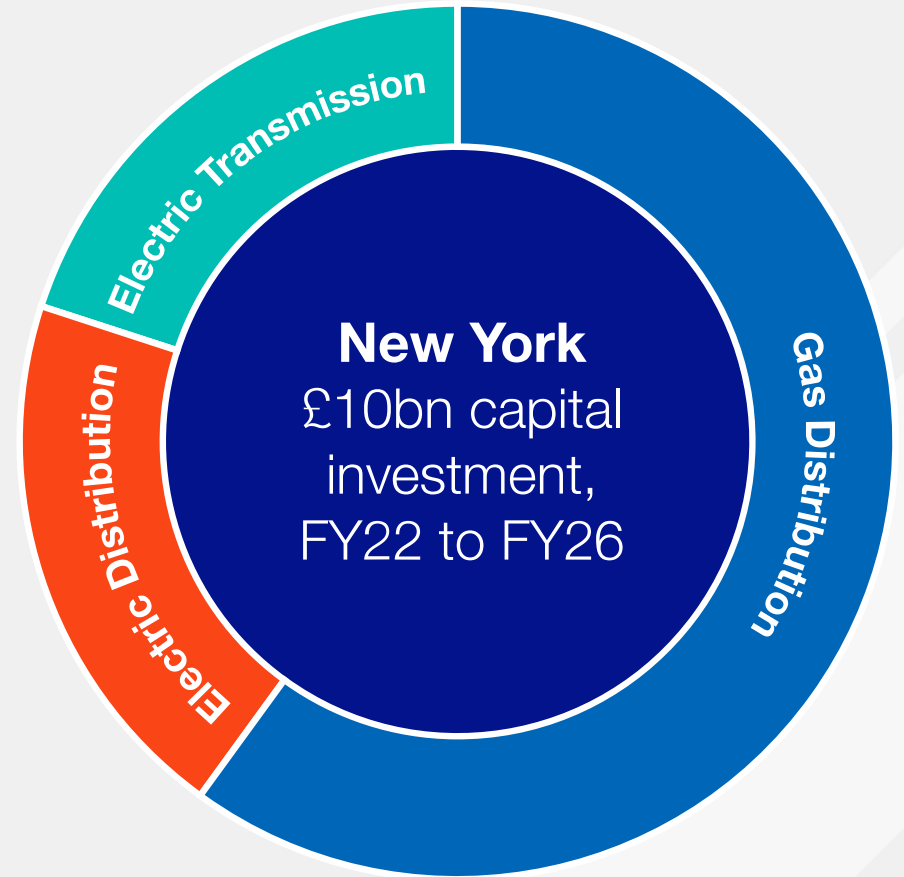


Electric Distribution



Electric Transmission

Crucial to delivering the **affordable energy** transition



# Growing the business

Our gas network

> **80%** Investment mandated for safety and reliability

> Leak Prone Pipe increases reliability

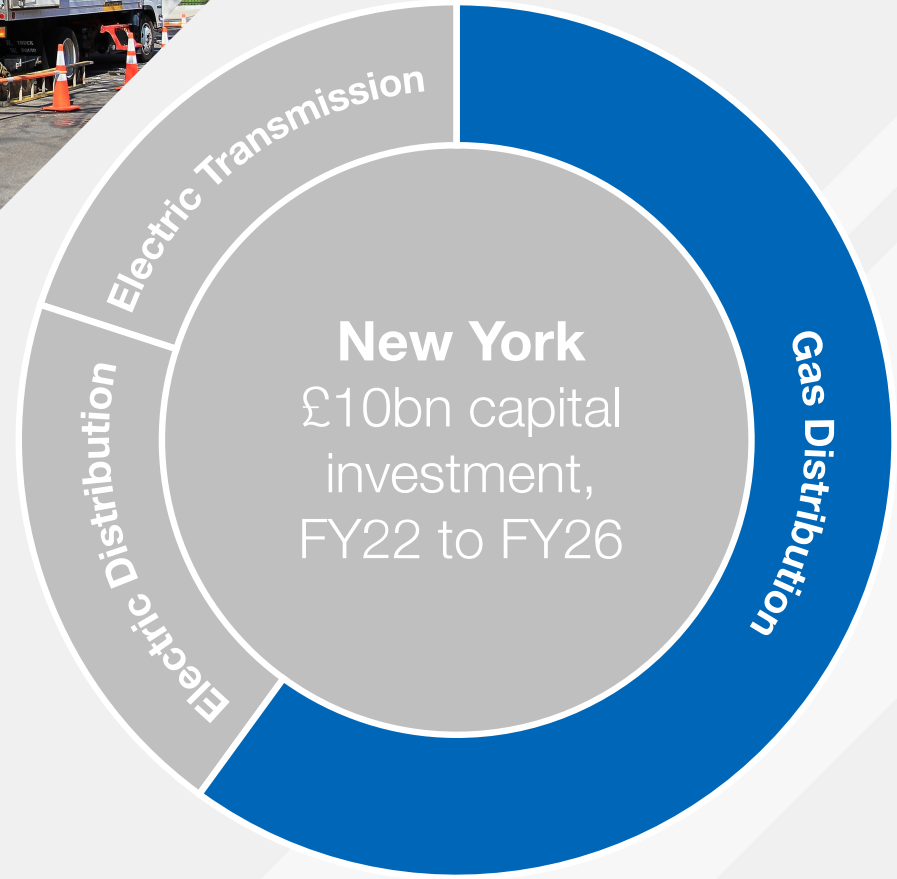
> **Reduces CO<sub>2</sub> equivalent emissions**

> Underpins growth – 5,000 miles replaced since 2011

> **Another 10-15 years to run on Leak Prone Pipe program**



**£6bn**  
in capital investment  
over the next  
5 years



# The Future of Heat

Our gas network

Leak Prone Pipe program future proofs our network for low carbon gas blending

Recently published pathways to decarbonise Downstate NY

**Role for electrification – but not practical to electrify all heating**

Gas network has a role in net zero

New York hydrogen blending project

**Blending ‘green’ hydrogen into our network**



## Pathways to Carbon-Neutral NYC:

MODERNIZE, REIMAGINE, REACH

APRIL 2021

Co-authored by National Grid, New York City Mayor's Office, and Con Edison

Envisages a future role for the gas network in a carbon neutral New York.

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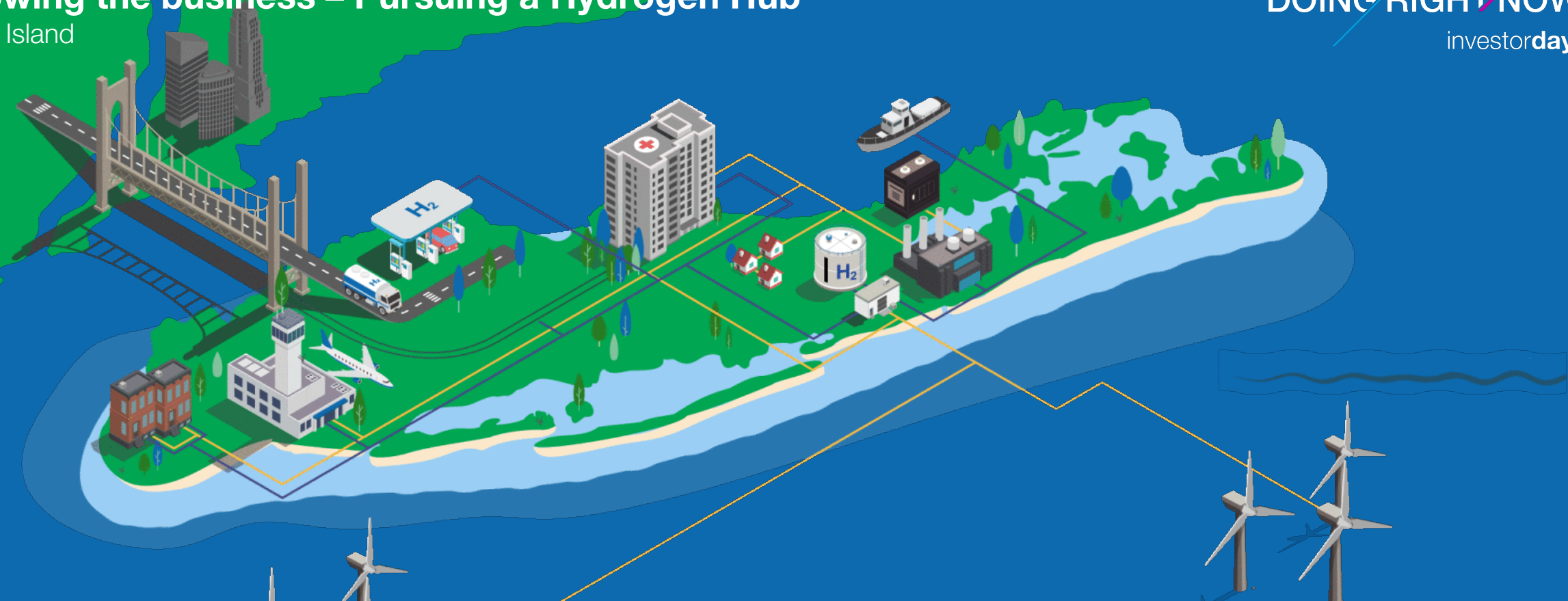
# Growing the business – Pursuing a Hydrogen Hub

Long Island

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Electricity

Hydrogen

## Establishing a hydrogen hub on Long Island

15x increase in hydrogen production

Could fuel 1 GW generation

Low carbon fuel for gas network

Potential \$5bn investment over next decade

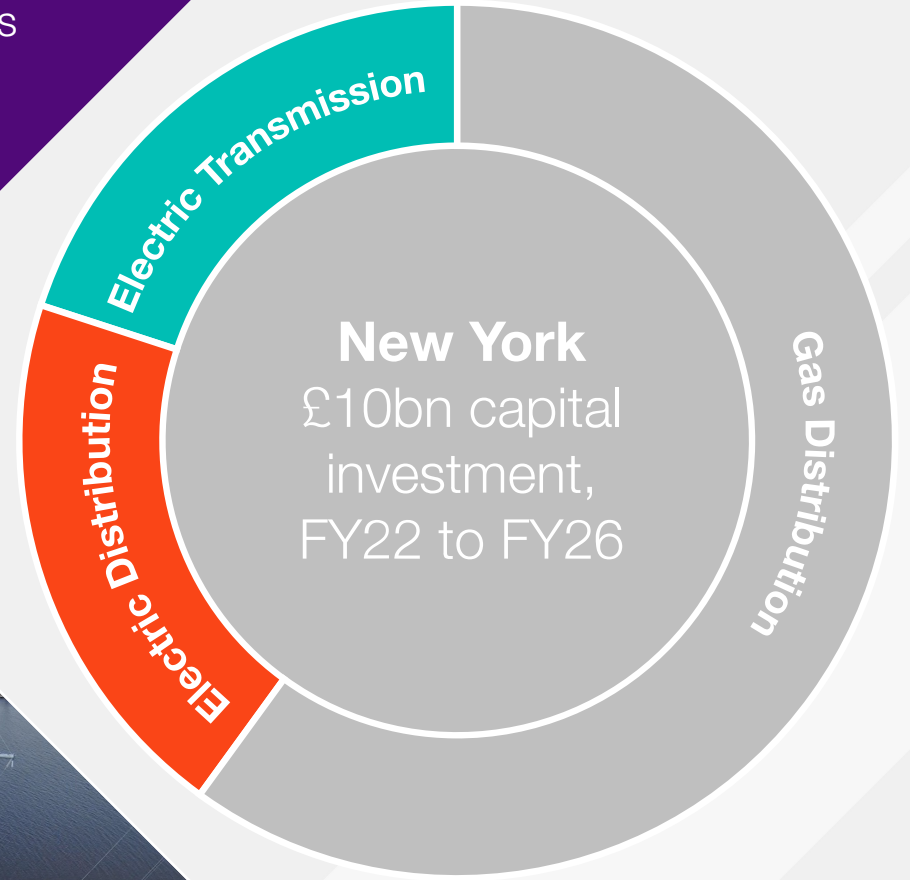


## Growing the business

Electric distribution and transmission

**£4bn**  
in capital investment  
over the next  
5 years

- **One third of capex** deployed in our electric distribution networks
- Hardening the network against storm activity – **82%** of our lines are above ground
- **900MW renewables** connected since 1998
- Another **4GW** awaiting connection to the network
- **16,000 EV charging points** over next 3 years
- Transmission upgrades – up to **\$2 billion in addition to our FY22/26 capital investment guidance**



# Growing the business – Smart Path Solution

Transmission in Upstate New York



2021 – **New York Power Authority** selected **National Grid** as a partner



Approved by PSC – due to commission in 2025



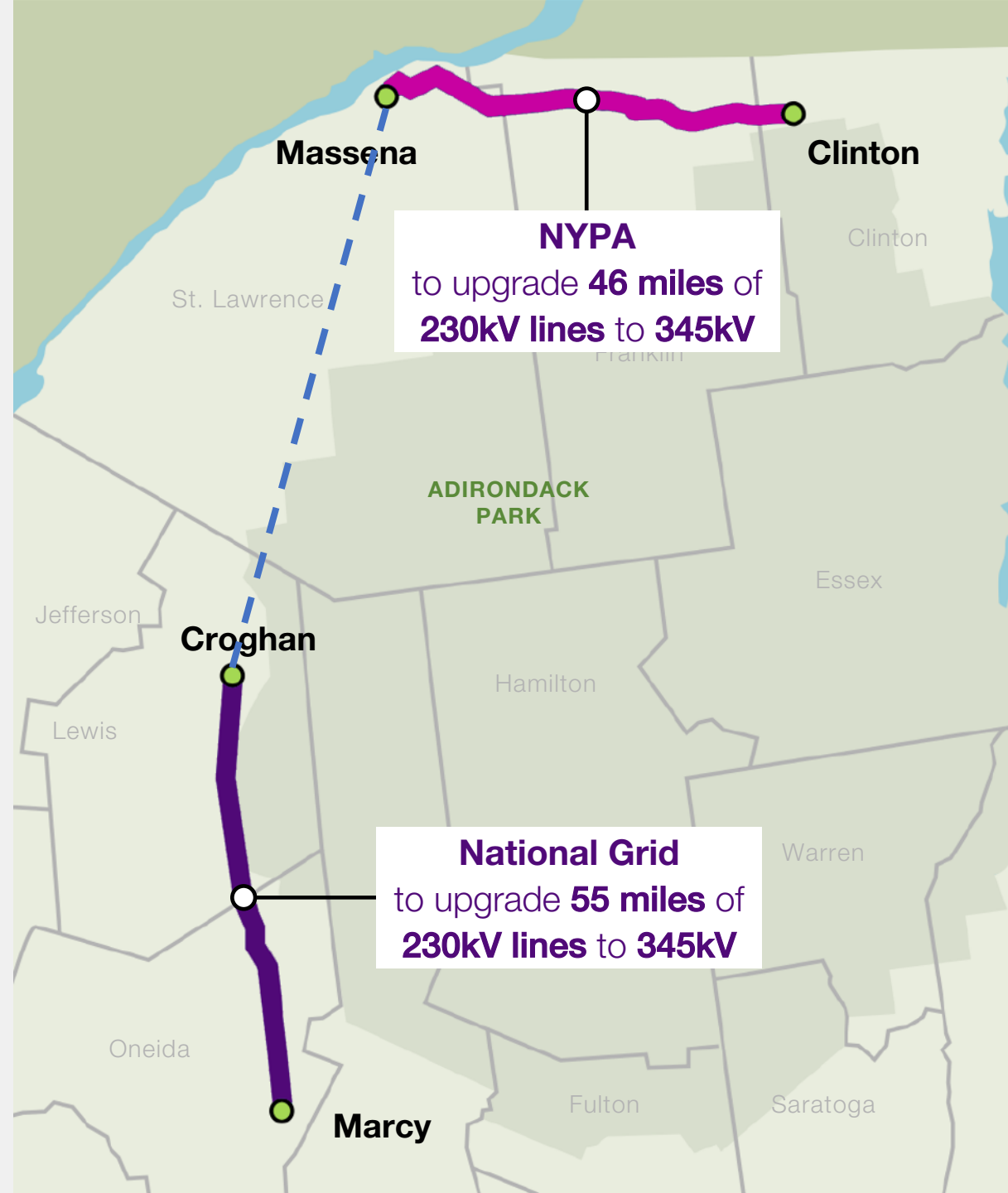
Upgrades **100+ miles** of existing transmission line

**>1 million tons of CO<sub>2</sub>**  
avoided each year

**\$500 million** investment opportunity

**1,000 MW**  
increase in renewable energy flow

**\$400 million**  
in congestion savings annually



## Growing the business

Long Island Transmission project



Connect over **3GW** of offshore wind to Long Island



Requires **3GW** new transmission to connect to NY



Bids requested **October 2021**



National Grid submitted bid under its NY Transco JV, partnering with NYPA under the name Propel New York Energy



**Expertise** with **local**, **commercial** and **technical** knowledge



Projects of  
3-6GW represent a  
**\$3-\$5 billion**  
investment  
opportunity

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# Delivering growth in New York

## Investment driven by

Regulatory agreements

Growth opportunities

Efficiency programme



New York to target £175m efficiency savings over the next **3 years** to deliver **flat, controllable costs**



## FY22 to FY26

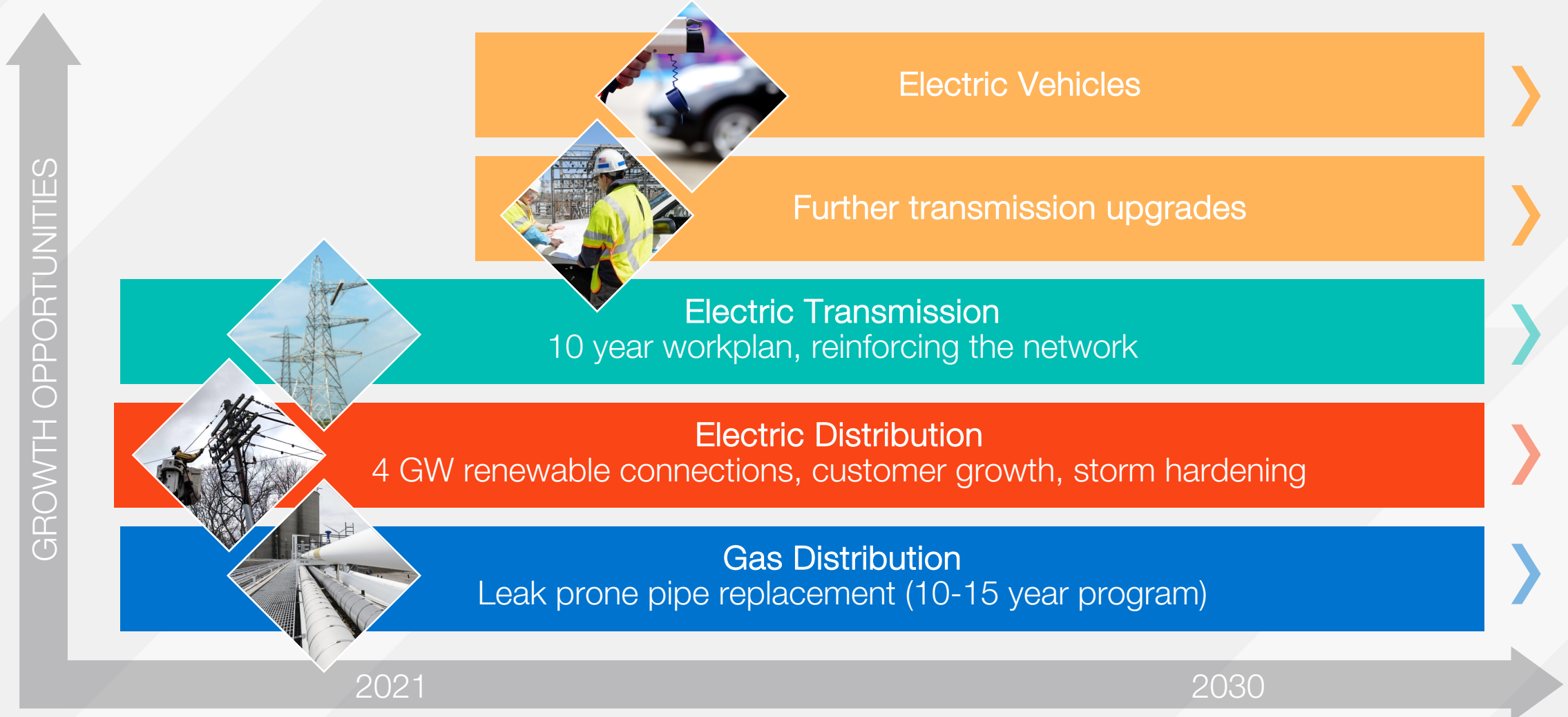
capex  
\$14bn (£10bn)

Rate base growth  
**8% CAGR**

Underlying profit growth  
**8% CAGR**



# A strong outlook for our regulated business – long term growth fundamentals



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