2019

Working Together for a Clean Energy Future

SUSTAINABILITY REPORT
Working together to deliver a more accessible clean energy model that promotes healthier, more sustainable communities every day.
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As I write this, we are in the throes of a challenge like nothing we have faced in our lifetimes.

The COVID-19 pandemic has upended our lives and created uncertainty in our business in ways that most of us could not have foreseen just a few months ago.

Certainly, difficult days lie ahead. But I see reason for optimism.

What we do is as important as it ever was – maybe more so. Safe, reliable, clean energy is essential to our economy, our environment and our way of life. The events of 2020 have demonstrated how critical it is to access reliable clean energy and deliver it to customers via a smart grid capable of adapting to changing customer needs.

Although our world is changing, we remain committed to our vision of building a cleaner, smarter energy future. From Fortune 500 companies pledging to go carbon neutral to families seeking to take control over their energy use, our customers understand what’s at stake – and they’re not waiting for policymakers to set the rules and boundaries. They expect us to lead the way.

In this, our fourth annual AVANGRID Sustainability Report, I am pleased to share the many ways that, as a national clean energy leader, we are delivering on that vision of the future on our customers’ and stakeholders’ behalf.

In 2019, we continued to expand our wind generation fleet – the nation’s third largest – as our overall investment in renewable assets quadrupled to $1.4 billion. We also led the charge to bring utility-scale offshore wind production to the U.S. power grid, announcing new offshore development opportunities. Meanwhile, our Networks businesses supported their commitment to a clean energy future with a record high $1.6 billion invested in efforts to strengthen and modernize the grid infrastructure and develop innovative technologies that will serve as the backbone of our energy transformation.
In this report, you’ll find metrics that chart our progress in making a more positive impact on our environment and our communities, reflecting our organizational commitment to sustainability as we define it: acting as responsible stewards of the natural, economic and social resources that we all rely on today and will continue to rely on in the future.

We also highlight specific initiatives, partnerships and individuals that we believe demonstrate this commitment: from the Avangrid Foundation’s work in habitat preservation and conservation to grassroots initiatives by our own employees to reduce waste and preserve resources.

We focus not only on doing the right thing, but also on doing it the right way. That starts with a robust corporate governance program to ensure accountability and transparency, a commitment to ethics that reaches every corner of the organization and a culture of health and safety that extends both inside and outside the workplace.

I think you’ll see why I’m so proud of what we achieved in 2019 and doubly proud of the approximately 6,600 employees who made it happen. As we enter this new decade, I am confident that we are well positioned to deliver on the vision of a cleaner, more sustainable energy future.
Avangrid Renewables is leading the way in renewable energy as several wind and solar projects surpassed key milestones last year.

In 2019, we continued to grow our Renewables capacity with the commissioning of 831 MW of wind projects, including 605 MW in the fourth quarter. During 2019, Renewables executed 480 MW of new power purchase agreement contracts, including long-term contracts for our 215 MWdc Montague solar project in Oregon and 57 MWdc Camino solar project with 11 MW battery storage in California. Due to this activity, Avangrid Renewables has already surpassed its long-term outlook target of 2,000 MW of executed contracts between 2018 and 2022.

While there were several notable achievements in 2019, the following clean energy projects were particularly noteworthy for their contributions to greening the environment and providing clean, affordable energy on behalf of our customers while producing an economic windfall for numerous rural communities.

Avangrid Renewables built more than 800 MW of new wind projects in 2019, increasing its wind capacity by 12%.
Our Renewables Projects
Commissioned in 2019

The 307 MW Karankawa Wind Farm, located in San Patricio and Bee counties in south Texas, is Avangrid Renewables’ largest to date.

AVANGRID’s four wind farms that were commissioned in 2019 have a combined capacity of 831 MW.

Coyote Ridge Wind Farm, located in Brookings County, South Dakota, is a joint venture with the Wisconsin-based WEC Energy Group.

KARANKAWA WIND FARM
Karankawa features 124 GE wind turbines that range in capacity from 2.3 to 2.52 MW for a total project capacity of 307.06 MW. The project spans 18,000 acres with turbines hosted by 64 landowners.

The facility supplies clean electricity to Austin Energy and Nike, and helps both companies meet their sustainability commitments.

PATRIOT WIND FARM
Avangrid Renewables acquired the 226.05 MW Patriot Wind Farm in Nueces County, Texas, in 2019. The wind farm, located approximately 10 miles southwest of Corpus Christi, features 63 Vestas wind turbines ranging in capacity from 3.45 to 3.6 MW each, spanning over 11,000 acres of farmland.

MONTAGUE WIND FARM
Located in Gilliam County, Oregon, the Montague Wind Farm has a capacity of 200.85 MW and supplies clean electricity to a major consumer products company, helping our customer meet their sustainability and climate change goals.

The facility’s 56 Vestas wind turbines range in capacity from 3.45 to 3.6 MW and are currently among the largest wind turbines in the Pacific Northwest.

COYOTE RIDGE WIND FARM
The Coyote Ridge Wind Farm, located in Brookings County, South Dakota, is a joint venture with the Wisconsin-based WEC Energy Group. It consists of 39 GE wind turbines, which range in capacity from 2.3 to 2.52 MW, for a total project capacity of 97.4 MW. Coyote Ridge delivers clean electricity to a major technology company. Eighty percent of the project was sold to WEC Energy Group in an 80/20 partnership.
Bright Future for Renewables in 2020

As of December 31, 2019, Avangrid Renewables had over 700 MW of onshore wind under construction with expected completion in 2020 of the following projects: the 158 MW Otter Creek Wind Farm in Illinois, 155 MW Tatanka Ridge Wind Farm in South Dakota, 306 MW La Joya Wind Farm in New Mexico and the 81 MW Roaring Brook Wind Farm in New York. In addition, Avangrid Renewables plans to substantially expand its utility-scale solar portfolio, with at least 670 MWdc planned to enter service by 2022.

Leading in Offshore Wind

**VINEYARD WIND**

The Vineyard Wind offshore wind joint venture between Avangrid Renewables and Copenhagen Infrastructure Partners will be the first large-scale offshore wind project in the U.S. Despite a permitting delay, we remain committed to delivering this project and the clean electricity it will produce for New England.

The 800 MW offshore wind farm, to be located 15 miles south of Martha’s Vineyard, was selected by Massachusetts to provide the Commonwealth’s energy consumers with clean, renewable electricity. The clean energy from this project will allow our customers to avoid the emission of over 1.6 million metric tons of carbon dioxide annually when the project is completed. We look forward to the clarity that will come with a final Environmental Impact Statement from the U.S. Department of the Interior, so that Vineyard Wind can deliver this project to Massachusetts and kick off the new U.S. offshore energy industry.

To further demonstrate AVANGRID’s commitment to the project, Vineyard Wind celebrated the opening of a permanent office in Boston. The new workplace accommodates the company’s executive leadership and a growing staff of experts working on the contractor management, regulatory affairs and financing needed to support construction of the country’s first utility-scale offshore wind farm.

AVANGRID is excited about the opportunity to play a leading role in the growing U.S. offshore wind industry, a source of clean energy with significant job-creation potential in the United States.
PARK CITY OFFSHORE WIND FARM
Park City Wind, an 804 MW project of the Vineyard Wind joint venture, was selected in Connecticut’s first offshore RFP. We are currently negotiating a 20-year contract with the state’s electric utilities.

Named after the City of Bridgeport, Park City will be constructed in a federally designated lease area. This lease area is located 23 miles off the coast of Massachusetts on the outer continental shelf amidst the strongest winds on the East Coast. Park City Wind will not be visible from any shoreline in Connecticut, but will bring clean, renewable, energy to Connecticut residents.

Park City Wind is expected to generate approximately $890 million in direct economic benefits and thousands of jobs over the life of the project, including up to $26.5 million in workforce development initiatives. We have proposed hundreds of millions of dollars in investments in Connecticut for years to come to realize a range of infrastructure improvements and community programs.

AVANGRID RENEWABLES KITTY HAWK OFFSHORE WIND FARM
The proposed Kitty Hawk Offshore Wind Farm, currently under development and wholly owned by Avangrid Renewables, will be located off the coast of Virginia and North Carolina.

The U.S. Bureau of Ocean Energy Management (BOEM) awarded the company a 122,405-acre lease in 2017 for the development of an offshore wind farm. Initial studies suggest that the lease area could yield as much as 2,500 MW of generation capacity, enough to power approximately 700,000 average homes.

Using state-of-the-art aerial digital imaging technology, a twin-engine aircraft photographed Kitty Hawk’s expansive land lease area. Flying over the sea at 1,300 feet – so as not to disturb marine life below – the aircraft captured detailed data on offshore wildlife including birds, sharks, rays, turtles, fish and marine mammals such as whales and dolphins.

Surveys of the Kitty Hawk area are due to be completed by the end 2020, and we continue to make progress toward having the Kitty Hawk Offshore Wind Farm in commercial operation as soon as 2025.
Avangrid Networks is building the grid of the future through significant investments across electric and gas distribution, throughout our service territories in the Northeast. These investments will bring clean energy to our customers, harden the system to improve reliability, enable customers to adopt distributed energy solutions and support local economic development.

During 2019, Avangrid Networks invested $1.6 billion and completed several projects, including two new substations, a $276 million gas pipeline replacement and $225 million in system automation and technology upgrades that helped improve our infrastructure and technology platform, while maintaining system reliability and resiliency for our customers.

During the last five years, Networks has invested nearly $6.4 billion in building safe, stable and secure electric networks with greater capacity, improved reliability and resilience, with an eye toward cost-effectively meeting our customers’ needs while mitigating environmental impacts. Networks continuously improves our grid to enable new capabilities for advanced metering, substation and line automation, enhanced outage and restoration management, and customer tools while improving its flexibility for the integration and management of distributed energy resources (DER).

We are proactively modernizing the grid, so we can respond to the new ways that people want to use electric vehicles at home and on the road.
RESILIENCE PLANS

In 2019 Avangrid Networks focused on storm-hardening its electric grid to reduce damage and outages from weather events. This Resiliency Plan is a response to the increasing number and severity of storms of all types that the companies have experienced over the last several years. There is an emerging consensus that the utilities should enhance the ability of their electric distribution and transmission systems to withstand the damage caused during a weather event, bringing a renewed focus on meeting the highest standards for reliability on blue-sky days and timely restoration after storms.

In New York, our two operating companies – New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation – continued to move forward with their multi billion-dollar Resiliency Plan. This plan aims to harden the electric system so that the grid can better withstand weather events, enhance vegetation management practices so that we can reduce the risk of trees and branches coming into contact with power lines, and invest in automation technology so that operators can quickly segment and restore customers during weather events.

NEW ENGLAND CLEAN ENERGY CONNECT

The New England Clean Energy Connect (NECEC) transmission project, which will deliver 1,200 MW of hydropower from Québec to the New England power grid, continues to move forward, achieving important regulatory approvals. The proposed project, undertaken in partnership with Hydro-Québec, is expected to reduce regional carbon dioxide (CO2) emissions by 3.0-3.6 million metric tons – the equivalent of taking at least 700,000 cars off the road. It’s expected to reduce future electricity costs in Maine by $14 million to $44 million per year and enhance reliability, while creating an average 1,600 jobs per year of construction.

The project consists of approximately 145 miles of new High Voltage Direct Current (HVDC) transmission line that will tie into the New England transmission grid at a new substation to be constructed in Lewiston, Maine. Most of the line will follow an existing transmission corridor, with approximately 50 additional miles that will run through working forest in northern Maine to the Canadian border.

Construction is expected to begin later this year with an anticipated completion date of December 2022, pending receipt of permits from the Maine Department of Environmental Protection and the U.S. Army Corps of Engineers, and issuance of a Presidential Permit.

OTHER NOTABLE ACHIEVEMENTS

We also continue to focus on our continuous improvement and innovation efforts in Networks. For example, we have launched new mobile apps for customers in New York and Connecticut, making it even easier for customers to pay bills, report outages and perform other tasks with just a few clicks. The rollout is expected to continue for customers in Maine and Massachusetts in 2020.

In addition, the Networks teams have been making a concerted effort to improve storm response with data-driven strategies to improve staging of resources, resulting in improved restoration times – in the safest way possible. In 2019, we are proud to see an 11% decrease in lost-time accidents; however, we remain vigilant to ensure we are creating a safe work environment while we deliver improvements. Safety will continue to be an important focus area.

Other notable achievements from Networks include ongoing programs to replace aging natural gas pipelines, not only improving the safety and reliability of the gas distribution system, but also reducing overall methane emissions. We piloted a new “track-and-trace” system in 2019 that allows gas pipeline technicians to “see” underground infrastructure using mobile devices and augmented reality technology. This Intelligent Pipeline proof-of-concept earned recognition for Avangrid Networks as a “Top Innovator 2019” by the respected Public Utilities Fortnightly magazine.

In 2019, AVANGRID earned the Edison Electric Institute Emergency Response Award for Central Maine Power’s response to the October snow storm.
ROCHESTER AREA WETLAND PROJECT

RG&E is making a significant investment to upgrade the electricity transmission system in the Rochester region of New York, supporting future growth and economic development in the region.

To minimize environmental, agricultural and visual impacts, the new transmission lines and substation were routed along existing utility and transmission corridors. To protect resources when crossing wetlands, RG&E used timber mats, silt fencing and other environmental controls.

In 2018, RG&E also purchased a 38.6-acre parcel of land to create a 12.6-acre wetland at a cost of approximately $1.6 million to serve as further mitigation, to offset the conversion of a portion of forested wetlands to shrub-brush wetlands and to replace the affected land at a ratio of 1.5:1. The converted land has the same hydrology and drainage characteristics as the replaced wetlands and is adjacent to existing wetlands.

The new wetlands feature newly excavated ponds and were planted with 440 trees, shrub seedlings and a diverse mix of wetland grasses. The site is fully functioning as a wetland and has attracted wildlife, including geese, ducks, snakes, turtles and deer. AVANGRID will continue to monitor the site over the next 10 years.
WEATHER-RELATED INFRASTRUCTURE IMPROVEMENTS
AVANGRID continues to take a proactive approach to identifying and addressing future impacts of our changing climate and weather patterns.

In the aftermath of Tropical Storm Irene in 2011 and Super Storm Sandy in 2012, the AVANGRID companies took a hard look at how to protect our infrastructure from increasingly frequent and severe storms. After taking interim measures to protect numerous Connecticut electrical substations from storm-related impacts, coastal facilities were evaluated for risk posed by flooding and rising storm-related tidal surges. Several projects with a total investment of over $175 million were designed to deliver long-term solutions.

One of those projects involves a critical part of United Illuminating’s system, Pequonnock Substation in Bridgeport. This substation was determined to have a significant risk of flood damage in a major storm event. The substation serves approximately 8,000 customers in Bridgeport and neighboring towns. The project aims to rebuild and relocate the substation to higher ground; it entered the permitting phase in 2019, and construction is expected to begin in 2020, with completion expected by the end of 2023.
### 2019 REVIEW AND OUTLOOK | OUR OPERATIONS

#### CUSTOMERS

<table>
<thead>
<tr>
<th>Service</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Customers</td>
<td>3,277,917</td>
</tr>
<tr>
<td>Electricity Customers</td>
<td>2,261,180</td>
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<tr>
<td>Natural Gas Customers</td>
<td>1,016,737</td>
</tr>
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</table>

#### ELECTRIC SERVICE

<table>
<thead>
<tr>
<th>Service</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miles of Transmission Lines</td>
<td>8,703</td>
</tr>
<tr>
<td>Miles of Distribution Lines</td>
<td>70,995</td>
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<tr>
<td>Substations</td>
<td>819</td>
</tr>
<tr>
<td>Electricity Delivered</td>
<td>36,614 GWh</td>
</tr>
</tbody>
</table>

#### NATURAL GAS SERVICE

<table>
<thead>
<tr>
<th>Service</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miles of Transmission Pipeline</td>
<td>127</td>
</tr>
<tr>
<td>Miles of Distribution Pipeline</td>
<td>23,018</td>
</tr>
<tr>
<td>Natural Gas Delivered</td>
<td>206,663,000 DTh</td>
</tr>
</tbody>
</table>

#### AVANGRID NETWORK COMPANIES

<table>
<thead>
<tr>
<th>Company</th>
<th>Location</th>
<th>Natural Gas Customers</th>
<th>Electricity Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>BERKSHIRE GAS</td>
<td>Pittsfield, MA</td>
<td>40,500</td>
<td></td>
</tr>
<tr>
<td>CENTRAL MAINE POWER</td>
<td>Augusta, ME</td>
<td>636,341</td>
<td></td>
</tr>
<tr>
<td>CONNECTICUT NATURAL GAS</td>
<td>East Hartford, CT</td>
<td>181,527</td>
<td></td>
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<tr>
<td>MAINE NATURAL GAS</td>
<td>Brunswick, ME</td>
<td>4,974</td>
<td></td>
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<tr>
<td>NEW YORK STATE ELECTRIC &amp; GAS</td>
<td>Binghamton, NY</td>
<td>902,593</td>
<td></td>
</tr>
<tr>
<td>ROCHESTER GAS AND ELECTRIC</td>
<td>Rochester, NY</td>
<td>383,592</td>
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<td>SOUTHERN CONNECTICUT GAS</td>
<td>Orange, CT</td>
<td>203,269</td>
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<tr>
<td>UNITED ILLUMINATING</td>
<td>Orange, CT</td>
<td>338,654</td>
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</tr>
</tbody>
</table>

#### FACILITIES NET CAPACITY

- Wind Farms 7,259 MW
- Hydro Power Plants 118 MW
- Solar Photovoltaic 130 MW
- Fuel Cells 13 MW
- Peaking Generators – 204 MW Klamath Co-Generation – 636 MW

1 Solar capacity is now being reported in MWdc.

2 Includes 100 MW of Klamath peaking generation.

SOURCE: AVANGRID Fact Book
Facilities:

- Corporate Offices
- Business Offices
- Wind Power: 7,259 MW
- Solar Power: 130 MW
- Thermal Generation: 840 MW
- Hydroelectric Generation: 118 MW
- Electric/Natural Gas Distribution Networks: 36,614 GWh, 206,663,000 DTh

NOTE: solid orange icon (MA) indicates natural gas distribution only.
AVANGRID brings a diverse mix of energy and emerging technology to find new, innovative and sustainable ways to power the lives of our customers.

In 2019, our Networks and Renewables divisions continued to invest in clean energy and infrastructure improvements while overseeing the health and continued development of the electricity grid.

**ACHIEVEMENTS IN 2019**

**Renewables**
- Avangrid Renewables built more than 800 MW of new wind projects in 2019, increasing its wind capacity by 12%.
- Avangrid Renewables closed the sale of 50% of two renewable projects as part of our ongoing strategic efforts to optimize our Renewables pipeline of assets.
- Avangrid Renewables mobilized to build more than 700 MW of new onshore wind projects in 2020, plus more than 360 MW of onshore wind repower projects in 2020.
- Park City Wind, our Vineyard Wind offshore joint venture to serve Connecticut, won the state’s competitive solicitation to begin negotiations on an 804 MW power purchase agreement.
- Avangrid Renewables completed several wind projects which supply Fortune 500 companies, using the wind power output to “green” their facilities.

**Networks**
- Avangrid Networks invested more than $1.6 billion for grid infrastructure investments in 2019, including asset replacement, system automation and technology upgrades.
- New York State Electric & Gas and Rochester Gas and Electric filed rate cases, focused on enhancing resiliency, smart grids and enabling clean generation.
- Avangrid Networks completed several projects, including a $276 million gas pipeline replacement and $225 million in system automation and technology.
- Avangrid Networks received recognition in *Fortnightly*’s 2019 Top Innovation projects for our Intelligent Gas pipeline initiative.
- Central Maine Power received an award from EEI for our emergency response.
- Avangrid Networks reported an 11% reduction of employee lost-time accidents compared with 2018.

**Corporate**
- AVANGRID earned the World’s Most Ethical Companies award from the Ethisphere Institute – one of only six in the Energy and Utilities sector – and the Best Corporate Governance award in the U.S. from *World Finance Magazine*.
- AVANGRID participated in the invitation-only GridEx security exercise hosted by the North American Electric Reliability Corporation – demonstrating our leadership role in cybersecurity.
- AVANGRID hosted the third annual Innovation Forum, called “Innovation for Sustainable Development,” which featured keynote addresses from national climate and energy leaders, and provided a showcase for AVANGRID employees’ innovations.
Our Purpose

Working together to deliver a more accessible clean energy model that promotes healthier, more sustainable communities every day.

Our purpose, strategy and actions are inspired by and built on three core values.

SUSTAINABLE
We seek to be a model of inspiration for creating economic, social and environmental value in our communities, and we act positively to affect local development, generate employment and give back to the community.

AGILE
We act efficiently and with agility to drive innovation and continuous improvement at both the local and global levels.

COLLABORATIVE
We value each other and our differences, and we work together toward a common purpose and mutual benefit.
A Recognized Leader in Compliance

AVANGRID was recognized as one of the World’s Most Ethical Companies in 2019 by the Ethisphere Institute, a global thought leader in defining and advancing standards for ethical business practices. The award honors companies that are committed to their critical role in influencing and driving positive change in the global business community.

This is the first time AVANGRID has been recognized for this prestigious honor, and the company was one of only six honorees in the Energy and Utilities category for 2019.

AVANGRID has also been awarded Compliance Leader Verification certification by Ethisphere Institute. Compliance Leader Verification certification is awarded exclusively to companies with best-in-industry corporate compliance programs, following an extensive assessment process. This certification is a demonstration of the importance of compliance and ethics to the company.

Through the World’s Most Ethical Companies and Compliance Leader Verification processes, the Ethisphere Institute’s researchers and analysts conduct detailed reviews of an organization’s compliance and ethics-related initiatives, and benchmark them against corporate and industry best practices, including in the following areas:

- Ethics and compliance program resources and structure
- Employee perceptions of ethical culture
- Written standards
- Training and communications
- Risk assessment, monitoring and auditing
- Enforcement, discipline and response
- Employee knowledge of ethics and compliance concepts
- Senior leader support for the compliance environment

COMMITMENT TO ETHICS AND INTEGRITY

AVANGRID is committed to building a healthier and more accessible clean energy model. Our strategy and actions are inspired by and built on values established by the Board of Directors and articulated in the Code of Business Conduct and Ethics.

AVANGRID’s commitment creates value in a sustainable way by focusing on integrity and social responsibility in business, with the goal of benefiting our employees.

AVANGRID’s Code of Business Conduct and Ethics can be found at avangrid.com.
the customers we serve, and the communities in which we operate.

**EMBEDDED IN THE BUSINESS**

AVANGRID’s Compliance Division is independent of business and management, and reports directly to the Audit and Compliance Committee. The Compliance Division was established by the Board of Directors to oversee and monitor the company’s actions to prevent and correct illegal or fraudulent conduct. Duties include disseminating and ensuring compliance with the Code of Business Conduct and Ethics and related company policies and procedures; fostering an ethical culture against improper conduct, wrongful acts, corruption and fraud; and verifying the effectiveness of the company’s corporate compliance program while recommending improvements to achieve the highest ethical standards.

AVANGRID promotes a culture of compliance by proactively embracing preventive controls and education, and by correcting identified compliance concerns through robust, fair and transparent policies and practices. To promote transparency, the Compliance Division publishes an annual report describing its activities and new initiatives on the company’s public website. AVANGRID is committed to leadership and continuous improvement in this area.

**SUPPLIERS’ CODE OF ETHICS**

AVANGRID extends its ethical standards under the Code of Business Conduct and Ethics to all its vendors. Vendors are required by contract to comply with the Suppliers’ Code of Ethics, available on the company’s public website.

In keeping with its goal of continuous improvement, in 2019 the company’s Compliance Division continued to develop its ethics and compliance screening process for vendors. This process supplements existing due diligence practices in procurement – improving what are already considered industry-leading practices.

*Compared to the Ethics and Compliance Initiative’s 2018 Global Business Ethics Survey (finding that approximately 20% of employees, on average, believe their company has a strong ethical culture).
Transparency and a commitment to continuous improvement are cornerstones of AVANGRID’s corporate governance system.

The company’s corporate governance system is based on a commitment to ethical principles, transparency and leadership in the application of best practices in good governance. It is designed to be a working structure for principled actions, effective decision making and appropriate monitoring of both compliance and performance.

During 2019, our Board of Directors was comprised of 14 members, six of whom were independent as defined under the rules of the New York Stock Exchange. Seven of our directors were not affiliated with Iberdrola, S.A., our majority shareholder, and our CEO was our only management director.

For two consecutive years, AVANGRID has been recognized as a leader in ethical practices.

MANAGING SUSTAINABILITY

Sustainability is firmly entrenched in the values and principles that guide our board, and respect for people, safety, community and the environment is a key priority driving our business success.

AVANGRID has adopted a management approach to sustainability that engages all levels of the company, from the Board of Directors to individual employees, and embeds a commitment to sustainable development in all aspects of our business. The board oversees AVANGRID’s policies and procedures for managing sustainability and environmental, social and governance risk. Our Chief Executive Officer is responsible for sustainability and citizenship. Strategy is developed by the CEO’s office and approved by the CEO.
HIGHLIGHTS

Named one of the World’s Most Ethical Companies® for 2019 by the Ethisphere Institute, a thought leader in defining and advancing standards for ethical business practices. This is the first time AVANGRID has been recognized for this prestigious honor, and the company is one of only six honorees in the Energy and Utilities category.


Earned Compliance Leader Verification certification from the Ethisphere Institute, a third-party verification of its ethics and compliance program.

Named company with the Best Corporate Governance in the USA for 2020 by World Finance Magazine.

Named North American utility with the Best Corporate Governance for 2019 by Ethical Boardroom Magazine.

COMPREHENSIVE ANNUAL ASSESSMENT

Annually the board and its committees conduct comprehensive multi-part assessments to ensure they are operating effectively and that their processes reflect best practices.

BOARD REFRESHMENT

During 2019, the board focused on the refreshment of and proposed changes to its composition resulting from the board’s comprehensive self-evaluation and director nomination process, as well as feedback received from shareholders and stakeholders. As part of this process, the board nominated – and the shareholders elected – four new directors who complement the overall skills and capabilities of the board.

RISK MANAGEMENT OVERSIGHT

In the normal course of its business, AVANGRID is exposed to a variety of risks, including political and regulatory risks, climate-related risks, credit and investment risks, and cybersecurity and other operational risks. In connection with the board’s oversight function, the board oversees AVANGRID’s policies and procedures for managing risk and the audit and compliance and compensation, nominating and corporate governance committees regularly report to the board on such matters. A summary of the allocation of general risk oversight functions among management, the board of directors and its committees is as follows:

<table>
<thead>
<tr>
<th>Board of Directors</th>
<th>Audit and Compliance Committee</th>
<th>Compensation, Nominating and Corporate Governance Committee</th>
<th>Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continuous oversight of overall risk</td>
<td>Financial reporting</td>
<td>Compensation policies</td>
<td>Identification, assessment and management of risk</td>
</tr>
<tr>
<td>Emphasis on strategic risk</td>
<td>Internal controls and financial risk</td>
<td>Practices and incentive-related risk</td>
<td>Development of risk management infrastructure</td>
</tr>
<tr>
<td>Risk related to climate change</td>
<td>Principal operating risk</td>
<td>Organizational talent and development risk</td>
<td>-</td>
</tr>
<tr>
<td>Policies and procedures related to risk oversight</td>
<td>Compliance and ethics risk</td>
<td>Management succession risk</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Credit and investment</td>
<td>Governance structure</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Related party transactions</td>
<td>Board succession</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Political and regulatory risk</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Physical and cyber security risk</td>
<td></td>
<td>-</td>
</tr>
</tbody>
</table>
EXECUTIVE COMMITTEE
Chair: Ignacio S. Galán
The Executive Committee serves primarily to support and advise the board and may take action when the board is not in session on such matters that are not otherwise reserved for the board or the Audit and Compliance or Unaffiliated Committees.

AUDIT AND COMPLIANCE COMMITTEE
Chair: Alan D. Solomont
The Audit and Compliance Committee oversees AVANGRID’s accounting and financial reporting, and assists the board in monitoring AVANGRID’s financial systems and legal and regulatory compliance. The committee directly oversees the company’s Internal Audit Division and oversees the independence, performance and qualifications of the company’s independent registered public accounting firm. The committee is comprised solely of independent directors.

COMPENSATION, NOMINATING AND CORPORATE GOVERNANCE COMMITTEE
Chair: John Lahey
Established in 2016 as part of AVANGRID’s corporate governance enhancements, the Compensation, Nominating and Corporate Governance Committee oversees matters related to executive compensation and the company’s director nominating process and procedures, and is responsible for supervising and maintaining AVANGRID’s corporate governance system. In addition, the chair of the Compensation, Nominating and Corporate Governance Committee leads regular sessions of the independent directors.

UNAFFILIATED COMMITTEE
Chair: Robert Duffy
The Unaffiliated Committee is comprised solely of directors not affiliated with Iberdrola, S.A., our majority shareholder, and among other tasks has the primary responsibility of reviewing and approving all transactions entered into between AVANGRID and Iberdrola, S.A. or its affiliates.
AVANGRID supports the United Nations’ 17 Sustainable Development Goals (SDGs), defined by the UN for the years 2015–2030. As a best-in-class energy company, we are particularly focused on the goals targeting Affordable and Clean Energy and Climate Action.

AVANGRID has incorporated these goals into the company’s strategy and Corporate Governance System. Pursuant to these principles, AVANGRID focuses its efforts on affordable, clean energy while nurturing sustainable communities through investments in research, development and innovation, as well as social action at the local and national levels. This is aligned with the company’s continued stewardship for action on climate. AVANGRID is committed to contributing to the social and economic development of the communities in which it operates and to the protection of the environment through its sustainable energy business model.

SUSTAINABILITY DEVELOPMENT GOAL
Affordable and Clean Energy
AVANGRID’s core energy generation activity is clean, emission-free wind and solar energy. In 2019, 90% of the installed generating capacity owned by AVANGRID was emission-free. Through the company’s smart grid technology, we are providing customers with cleaner, reliable, consistent energy, with renewables and traditional generation working together in the U.S. energy mix. We will continue to invest in clean energy.

TARGET: Increase Avangrid Renewables’ installed capacity by more than 30% by the end of 2020 compared with 2015.

SUSTAINABILITY DEVELOPMENT GOAL
Climate Action
Increased use of renewables reduces the average emissions of U.S. energy. In addition to AVANGRID’s continued growth in renewable energy capacity, the company also seeks to reduce operational emissions and energy losses in transmission and distribution.

TARGET: Reduce the intensity of carbon dioxide (CO₂) emissions from our electric generation by 25% by the end of the year 2020 compared to a year 2015 baseline, and to be carbon neutral by the end of the year 2035.

THE AVANGRID FOUNDATION
The work of the Avangrid Foundation is driven by a commitment to the UN SDGs, a common language and set of priorities for addressing the most critical social, environmental and economic challenges we face as a global community. In accordance with our global philanthropic mission, the SDGs are our guides and benchmarks, with a priority focus on (1) No Poverty, (4) Quality Education, (11) Sustainable Communities and (15) Life on Land.
In 2015, the Financial Stability Board (FSB) established the Task Force on Climate-Related Financial Disclosures (TCFD) to encourage investors to have sufficient information regarding the risks relating to climate change and the manner in which each company is managing it.

Climate change could entail various risks in the medium term, both transitional and physical (according to the types defined by the TCFD.) In June 2017, the Task Force published recommendations to include an analysis of risks and opportunities relating to climate change in annual financial reports, as well as the adjustment of the company’s strategy and governance thereto.

The 11 recommendations of the Task Force on Climate-Related Financial Disclosures are structured around four thematic areas:

- Governance
- Strategy
- Risk Management
- Metrics and Targets
GOVERNANCE
AVANGRID’s Board of Directors considers climate change to be a focus for the company. It has recently updated its Climate Change Policy in February 2019, articulating its commitment to fight against climate change and to contribute to goals 7 and 13 of the UN Sustainable Development Goals. The board oversees AVANGRID’s policies and procedures for managing sustainability and environmental, social and governance risk. The Chief Executive Officer of AVANGRID, who is a member of the AVANGRID Board, is responsible for sustainability and citizenship.

The Chief Risk Officer (CRO), who reports to the Chief Financial Officer, evaluates the risks of direct or indirect economic losses resulting from external events, including risks related to climate change. The CRO is responsible for preparing the information and reporting to the Audit and Compliance Committee as well as to the board, as appropriate.

STRATEGY AND RISK MANAGEMENT
Climate change is a key consideration in defining the company’s strategy. AVANGRID treats it not only as a risk factor, but also as an opportunity for growth through mitigation and adjustment activities during the transition toward a low-carbon economy. AVANGRID’s strategy is aligned with the objectives of the Paris Agreement, clearly committing to the decarbonization of the energy model through renewable energy, storage and smart grids, together with the commitment to achieve the SDGs. We are also investing in infrastructure to protect customers from the threat of flooding and the increasing frequency and severity of storms.

AVANGRID’s Board of Directors and senior management are committed to identifying and evaluating the risks associated with climate change to the company. Every year, the risk tolerance levels are reviewed and approved through risk policies and limits that establish the qualitative and quantitative risk appetite at the level of the group and at each of the principal businesses and corporate functions. In addition, the board regularly discusses major risks and threats and the different exposures of the group, as well as compliance with the risk policies, limits and approved indicators.

Pursuant to the General Risk Control and Management Policy, risks relating to climate change are included in the catalogue of threats. AVANGRID monitors the risks arising from climate change, which can be grouped into:

- **Physical**: Potential material impacts on facilities from more frequent and more intense storms, increase in wind speed and heat waves, and coastal flooding.

- **Transitional**: Associated with the process of global decarbonization, including regulatory changes, market prices, technologies and reputation.

- **Other**: Such as risks in the supply chain and social phenomena. We continuously monitor the threats to which our company might be exposed under several scenarios as part of our risk management process. We manage these risks by including climate projections in our planning process and evaluating different scenarios and their impacts.
In 2019, our lease payments to the 4,000+ farmers, ranchers and landowners totaled approximately $50 million. As the permanent footprint of wind farms leaves 98% of the leased land undisturbed, ranching and farming can continue on the land, right up to the base of turbines.

AVANGRID’s efforts to combat climate change are based on the development of electric energy from renewable sources, focusing innovation efforts on more efficient technologies with lower intensity of CO₂ emissions. But AVANGRID’s climate action goes beyond generation of clean energy. We are also investing in infrastructure to protect customers from the threat of flooding and the increasing frequency and severity of storms.

**METRICS AND TARGETS**

AVANGRID includes in this Sustainability Report significant indicators to report on aspects relating to climate and to the strategy of the fight against climate change, including the greenhouse gas emissions inventory; emissions intensity figures; reduction targets; energy use, intensity and mix; renewable installed capacity; use of water; and Research and Development and Innovation.

**METRICS AND TARGETS**

a) Reduce the intensity of carbon dioxide (CO₂) emissions from our electric generation by 25% by the end of the year 2020 compared to a year 2015 baseline, and to be carbon neutral by the end of the year 2035.

b) Continue to focus on renewable energy, targeting an increase in renewables installed capacity of more than 30% by the end of the year 2020 compared to a year 2015 baseline.
In 2019, the emissions intensity from our owned generation was 73 grams of CO₂ per kWh of electricity produced (162 lbs. per MWh), six times lower than the U.S. utility average in 2019.*

However, CO₂ emissions intensity increased compared to 2018, driven by an unprecedented need for power from the Klamath co-generation plant, which compensated for an atypically low level of hydroelectric generation in the Northwest last year.

As a leader in renewable energy, we are strongly committed to reducing our carbon intensity rate by investing in wind and solar generation technologies and to keeping that level well below the industry average.

Because our renewable energy facilities generate electricity with little or no emissions of CO₂ and other byproduct pollutants, our customers can receive credit for the carbon emissions they have offset through the purchase of renewable energy.

The 17,479 GWh of renewable electricity produced by AVANGRID in 2019 allowed customers to avoid 12.3 million metric tons of CO₂ emissions. That’s roughly equivalent to the emissions avoided by removing 2.6 million cars from the road for a year.**

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At AVANGRID, a culture of sustainability is growing because ideas are being turned into action. Some actions are as big and visionary as the Avangrid Renewables offshore wind turbines that will soon rise out of the Atlantic Ocean. Other actions are smaller in scale but have an impact all their own.
Large or small, the AVANGRID Sustainability Team in 2019 championed the initiatives that built pride in the company, boosted employee engagement around our sustainability goals and collaborated with people and organizations in our communities.

The Team, a dedicated group of 40+ volunteers from around the company, has several guiding principles. The Team:

- supports AVANGRID’s objective to reduce emissions intensity by 25% by 2020 and to be carbon neutral by 2035.
- believes in a sustainable energy future for the U.S.
- promotes energy conservation. Methods include use of renewable energy, reduction in the use of valuable natural resources, use of electric, hybrid or compressed natural gas vehicles.
- supports responsible environmental policies.
- supports recycling and reuse of materials when possible.

Above all, the Team empowers all employees to be part of a sustainable culture at work and at home.

**ACHIEVEMENTS IN 2019 INCLUDED:**

- Collaborating with General Services to remove Styrofoam containers from all AVANGRID cafeterias and replacing them with paper containers that are easier to recycle. This reduces the amount of greenhouse gases used in production by 28%.
- Championing a new company policy to allow employees owning an electric vehicle to use company charging stations.
- Holding the second “E-Bike 4U” contest, where more than 400 employees were eligible to win an electric bike.
- Organizing and hosting three Sustainability/Wellness Expos across the company. Nearly 1,000 employees participated and learned how our community partners are improving sustainability with AVANGRID’s help. Many test drove EVs and e-bikes and were inspired by AVANGRID colleagues working on sustainability initiatives.
- Lighting fairs where employees purchased highly efficient light-emitting diode (LED) light bulbs at a reduced cost, volunteerism focused on a cleaner environment and recycling efforts were all popular events in 2019 organized by the Sustainability Team.

**SUPPORTING CLEAN RENEWABLE ENERGY**

In New York State, New York State Electric & Gas (NYSEG) and Rochester Gas and Electric (RG&E) provided customers with an opportunity to support clean, renewable wind energy. Customers can sign up to cover the cost to deliver 200 kWh or more of wind energy to the New York power grid.

In 2019, NYSEG and RG&E customers supported enough clean, renewable wind energy to offset the equivalent of 29,838 metric tons of CO2. That’s equivalent to the CO2 emissions from consuming 3,357,550 gallons of gasoline or the equivalent CO2 emission from meeting the energy needs of about 3,443 typical U.S. homes for an entire year.*

**N.Y. WIND ENERGY 2019 PROGRAM RESULTS**

<table>
<thead>
<tr>
<th></th>
<th>Wind Power Distributed</th>
<th>Customers Participating</th>
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<tbody>
<tr>
<td>NYSEG</td>
<td>28,584,150 Kwh</td>
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<tr>
<td>RG&amp;E</td>
<td>13,617,912 Kwh</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td>42,202,062 Kwh</td>
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</tbody>
</table>

* Source: U.S. Environmental Protection Agency, Greenhouse Gas Equivalent Calculator. epa.gov/energy/greenhouse-gas-equivalencies-calculator
AVANGRID is committed to recycling waste, managing resources and reducing the amount of harmful emissions in our facilities and service territories.

FLEET
AVANGRID has pledged to integrate Plug-In Hybrid Electric Vehicles (PHEV) and Electric Vehicles (EV) into the fleet to assess their capabilities in different vocations and geographical regions. In 2019, AVANGRID integrated two new PHEVs and eight new EVs from various vehicle manufacturers.

To assist in increasing and encouraging the purchase and use of PHEVs and EVs, AVANGRID has installed charging stations at multiple company locations – allowing employees to charge their PHEV or EV at no cost.

Last year, AVANGRID introduced bucket trucks with hybrid electric and/or idle mitigation technology. This technology enables the aerial device and other ancillary items to operate off stored electricity without requiring the truck engine to idle. Not only does this reduce the carbon footprint of the vehicle, but it also results in less environmental noise, which is safer for the work crews and less disturbing to the customers.
AVANGRID plans to increase its charging infrastructure from 36 stations to 91 stations. In 2020, AVANGRID will be embarking on an Idle Smart Campaign, highlighting the impact of unnecessary engine idling on the environment.

To underscore AVANGRID’s commitment and to encourage a change in behavior – AVANGRID is inviting employees to sign a pledge to reduce engine idling in both company and employee owned vehicles.

WASTE

We are excited to continue our drive toward the Sustainable Office. The program aims to increase recycling and reduce waste. For example, we have eliminated all Styrofoam containers from our seven cafeterias and have replaced them with environmentally friendly products, compostable wares and other recycled products. Many products, such as cups containing eggs, yogurt and fruit, look like clear plastic but are produced from “green ware” made from plants.

Looking to the future, our cafeteria service will be running promotions on the use of reusable coffee cups to further reduce waste. Other efforts will transition away from paper towels to hand dryers in restrooms, increase community recycling facilities and continue the replacement of conventional lighting with LEDs.

WATER

Water is a basic and irreplaceable natural resource integral to AVANGRID’s business. The company’s awareness of this dependency and of the risks arising from water shortages has led it to set itself the objective of ensuring an increasingly rational and sustainable use of this resource.

In 2019, AVANGRID facilities used approximately 3.7 million cubic meters of water. The water is predominantly used in the steam cooling process at Klamath, our combined cycle co-generation plant in Oregon. Klamath Cogen is one of the nation’s most efficient and competitive plants and produces both electricity and steam. Recycled municipal wastewater supplied by a treatment plant is used for cooling, and approximately two thirds evaporates.

With 90% of AVANGRID’s installed capacity being wind and solar that do not need water to generate electricity, we have one of the lowest water use intensities per MWh generated in the United States.
As an energy company committed to expanding our fleet of renewable energy resources for our customers and partners, and supporting initiatives that focus on sustainable energy models, we value stewardship and conservation in numerous ways across the business.

We actively partner with nonprofit conservation and environmental organizations to deliver energy and new projects and work collaboratively and transparently with regulatory agencies at the local, state and federal levels. That commitment to healthier, sustainable communities begins with strict compliance with environmental laws, regulations and applicable industry standards. But it’s important to look beyond those obligations to see how we can be a long-term partner with the communities where we live, work and play, and actively protect and promote wildlife and their habitats.

Our Networks business continues to invest in a long-term integrated plan for protected species. Our Renewables business has a long legacy of engaging conservation leaders and local community input that help guide our decisions for development of new project sites. We invest in extensive programs for the protection of wildlife as part of how we operate our fleet. In 2019, our investments included funding of studies (e.g., Wind Wildlife Research Fund and eagle technology and physiology research), habitat mitigation (e.g., committed to preservation of Indiana bat habitat) and avoidance and minimization measures (e.g., siting design and curtailment procedures).

Preserving ecosystems and biological diversity is essential for sustainable development and is an extension of our core values integrated into our day-to-day environmental management practices. Some 2019 examples include:

**PARTNERING WITH VERMONT AUTHORITIES TO STUDY BLACK BEAR HABITAT**

At Avangrid Renewables, we strive to ensure that every wind farm is designed to minimize its impact on surrounding ecosystems. The Deerfield Wind Farm in Vermont, located in the Green Mountain National Forest, is the first wind farm in the nation on U.S. Forest Service land. It is an ideal site for generating wind power, but the ridgelines that host the turbines are also home to a beech tree habitat, which provides an important food resource for a variety of mammals, including black bears.

As part of the permitting process, Avangrid Renewables entered into a mitigation agreement with the Vermont Agency of Natural Resources and Vermont Natural Resources Council. The plan includes funding for conservation easements, limiting routine maintenance hours and restricting unnecessary motor vehicle access in addition to funding research into the impacts of wind farm
operations on black bear behavior. Preliminary results from that research project (demonstrated in the photo, taken from a wildlife camera near our turbines, above) indicate continued wildlife presence within the wind plant. We look forward to sharing the full results when they are available in the future.

**AERIAL SURVEYS TO GATHER WILDLIFE DATA**

State-of-the-art aerial surveys were conducted in 2019 over a patch of ocean about 24 miles off the coast of North Carolina, where Avangrid Renewables performed a rigorous process to study our Kitty Hawk offshore wind farm lease area. Early in 2019, we began to gather detailed data on offshore wildlife including birds, sharks, rays, turtles, fish and marine mammals like whales and dolphins.

Vendors specializing in ultra-high-resolution aerial wildlife surveys worked alongside environmental specialists to carry out these high-tech digital surveys over a lease area that covers more than 200 square miles of ocean.

One survey was completed each month this year, using powerful digital imaging systems mounted on twin-engine survey aircraft. Flying over the sea at an altitude of 1,300 feet so as not to disturb the wildlife, tens of thousands of detailed images were taken during flights that lasted up to five hours.

Back on the ground, the images were downloaded, processed and then studied by experienced image analysts.

Over large survey areas such as Kitty Hawk, most images will show a blank seascape. Where the images have recorded wildlife, analysts are able to identify the species, exact numbers, accurate direction of travel and precise GPS locations.

For an experienced analyst, spotting and identifying whales, dolphins and sharks can be straightforward. But seabirds, which are generally much smaller, are equally important to detect and identify. Despite the images being taken at altitude from a moving aircraft, they are detailed enough for ornithologists to identify and even distinguish between species of very small birds, such as red phalaropes and red-necked phalaropes, and razorbills and Atlantic puffins.

For certain species, differences in plumage provide clues that can tell analysts if the birds are adult or juvenile, and even their flight height can be deduced. A team of taxonomic experts analyzes each species group. In March, photos captured the dolphins pictured at left.

The Deerfield Wind Farm in Vermont, located in the Green Mountain National Forest, is the first wind farm in the nation on U.S. Forest Service land.
UTILIZING GEOFENCING TECHNOLOGY AT WIND FARMS

At our Manzana Wind Power Project in Southern California, we’ve deployed a handful of innovative technologies to evaluate their effectiveness as part of the company’s exploration of effective avian risk management strategies. From high-precision optical technology to identify protected avian species and evaluate flight paths to sound-based detection and deterrent systems, Manzana has also implemented a technology to help protect the largest land birds in North America, the California condors. The condor population dwindled to just 27 in the mid-1980s due to habitat loss, poaching and lead poisoning from the consumption of hunting ammunition left in the carcasses of field-dressed kill. An aggressive recovery program led by the U.S. Fish and Wildlife Service (USFWS) more than 30 years ago has helped the condor population rebound, and the wild flock’s range has expanded in the Southwest.

The USFWS has outfitted most free-flying condors with a radio transmitter, GPS transmitter or both to track their locations. This technology provides the opportunity to detect and respond to a potential collision risk at Manzana. Avangrid Renewable has contracted with Alta Environmental Services (AES) to monitor condor movements using a geofence technology.

Essentially, two layers of virtual fence were established around the wind farm. When a condor-mounted GPS transmitter crosses the outer fence, a notification is sent to a nearby AES biologist, who begins tracking the bird electronically. If the condor subsequently crosses the inner fence, the monitor will notify our National Control Center in order to curtail turbines until the bird has departed the area within the inner fence. Utilizing this type of technology allows for important risk management for both the species and the operation of the wind farm and enables remote monitoring and implementation. Even as the remote monitoring capabilities are innovative and high-tech, our operations personnel are always on the alert for potential wildlife concerns at the site and coordinate closely with the wildlife compliance team.

Of all large-scale energy sources, wind has one of the lowest impacts on wildlife, but the above are just some examples of how we work proactively address potential concerns and follow the science.
In 2019, AVANGRID’s Human Resources team established a new vision of “Destination AVANGRID” – which aims to establish AVANGRID as a destination where talented and committed people want to build long-term careers, support an exceptionally engaged culture where everyone is enabled to do their best work, and ensure long-term growth and a sustainable workforce through talent planning and development processes.

AVANGRID is committed to investing in programs that enable us to attract the best people, unleash their potential, value and reward them, champion their well-being and foster meaningful connections both within AVANGRID and with the communities we serve. We encourage the personal and professional development of our employees through a multicultural and diverse working environment, continuous training and measures to promote employee engagement, well-being and equal opportunity.

**ATTRACTING OUR TALENT**

AVANGRID’s talent acquisition approach enables us to attract the right people for the right roles at the right time. In 2019, we made a targeted investment in our talent acquisition team, enhancing resources, technology and strategic partnerships. New technology allows us to leverage nationwide talent pool data to tailor recruitment strategies and drive proactive workforce planning.

Strategic partnerships included LinkedIn to grow brand awareness, Indeed to increase ethnically diverse employees in corporate management in the U.S., and to help change the way these candidates gain entry into the business world.

AVANGRID’s robust Talent Acquisition team is comprised of a diverse group of experienced advisors who are committed to our hiring managers, our candidates and AVANGRID’s business objectives.
ENGAGING OUR TALENT
In 2019, AVANGRID continued its dialog with employees on their ideas about areas of organizational strength and opportunities to improve our culture and work environment. Participation in the 2019 Loop employee engagement survey increased 8% over the previous year. To truly understand the employee feedback in The Loop, AVANGRID worked across the company to identify a group of employee leaders within the organization. These team leaders, known as Engagement Leads, were responsible for promoting survey awareness and participation, as well as assisting broader groups of managers and business leaders in the analysis of survey data and in planning specific actions to address the opportunity areas with employees. Action plans were created at both the department and organization levels, and commitments were shared broadly so that employees would know how their feedback was being acted upon and understood.

SPOTLIGHT ON LEADERSHIP DEVELOPMENT: THE AGILE PROGRAM
The AVANGRID Innovation & Learning Enterprise (AGILE) Talent Program is a cohort-based rotational program designed to develop the next generation of AVANGRID innovators and leaders. Participants are selected for a structured two-year career journey of job rotations through various departments at AVANGRID to prepare them for roles with greater responsibilities when they graduate from the program. Participants develop business acumen and leadership skills by working on a broad variety of strategic business initiatives.

In 2019, AVANGRID graduated seven members from AGILE’s first cohort. Graduates moved on to permanent roles across AVANGRID, including Innovation, Legal, Business Development, IT and Digital Development.

AGILE program participants develop mentoring partnerships with AVANGRID business leaders, experience rotations in different geographic locations across the U.S., receive targeted guidance and coaching, and develop a personal vision for their career development within their own strategic capabilities. The program drives employees to attempt new and challenging tasks as they refine their career interests and offers participants unique opportunities to work with and learn from colleagues across AVANGRID’s lines of business.

Your voice matters!
Survey Open: June 3 to June 21
GROWING OUR TALENT

Our employees provide the energy and innovation that drive AVANGRID. That is why it is a priority to attract and develop a highly engaged workforce with quality training and development resources. Our work in this area is focused on four dimensions:

- Developing leadership succession and talent management plans to ensure we grow and develop our internal talent to meet future needs.
- Developing first-class early career programs to ensure we secure the right people in the right roles with the right skills for a sustainability business.
- Developing modern training and development solutions that leverage new technologies to ensure we fuel our employees’ desire to grow and meet the needs of our customers.
- Enacting leadership and professional development solutions to enhance skills and capability now and in the future.

WomENergy BUSINESS RESOURCE GROUP

WomENergy, a business resource group with a mission to unleash the potential of women to drive business results for AVANGRID, was in its second year of growth in 2019 thanks to the expertise and commitment of the group’s local leaders and members.

WomENergy creates a diverse internal network of women across the company, empowers women with a strong support system including mentoring, networking, volunteering and development opportunities. The group acts as a catalyst to build an inclusive culture of belonging in the workplace.

Hundreds of women participated in WomENergy in 2019, and events and webinars covered topics such as career coaching, the importance of taking charge of your own growth and development, giving back to local communities, and celebrations of diversity and inclusion during International Women’s Day.

In honor of Earth Day in 2019, WomENergy organized five volunteer Day of Service events to clean parks, preserves, city streets and waterways in four AVANGRID communities. WomENergy partnered with:

- New Haven Land Trust in New Haven, Connecticut
- Pine Tree Society in Rome, Maine
- New York State Canal Corporation and Corn Hill Navigation in Rochester, New York
- SOLVE in Portland, Oregon

AVANGRID encourages the personal and professional development of its people through a multicultural and diverse working environment, continuous training and measures to promote work-life balance and equal opportunity.
During 2019, AVANGRID created One AVANGRID EH&S, an initiative designed to leverage inherent synergies related to environmental, health and safety compliance and increase alignment and efficiency within our Networks and Renewables businesses.

ONE AVANGRID EH&S WILL DO THE FOLLOWING:
- Align to achieve common EH&S goals and accelerate business performance.
- Leverage the EH&S organization’s regional presence.
- Ensure alignment with company strategy and cross-business coordination.
- Provide greater visibility to the environmental function at a corporate level.

Providing a safe and healthy workplace is our commitment to our employees, our communities, our customers and our investors.

Daily emphasis on the importance of a safe workplace – and everyone’s role in supporting it – builds employee confidence, motivation and productivity. A safe workplace encourages an environment where creativity and innovation can flourish.

SAFETY AS A CORE VALUE
AVANGRID continued its work in 2019 to further embed a safety culture initiative across the company. To understand the effectiveness of the culture initiative, Environmental Health & Safety (EH&S) surveyed all AVANGRID employees for the second time in three years. Through the survey, employees identified recognition as an effective way to expand safety culture. As a result, EH&S created the Safety Excellence Awards and the Spot Recognition Program to recognize exemplary and proactive safety behavior.

The Safety Excellence Awards recognize "Safety Champions" within AVANGRID in the following categories: employee, manager, team and best safety innovation at the Annual Safety Summit. In addition, the Spot Recognition Program encourages managers and supervisors to recognize, individually and in team meetings, employees who are exemplifying behaviors and actions in their day-to-day work that model the Learning and Improving Safety Culture initiative.

These programs are building critical skills for managers and supervisors to instill and boost engagement with a learning and improving culture for all employees. As a result, we are seeing leading indicators improve, which in turn drives improved safety performance.
OHSAS & VPP CERTIFICATION

AVANGRID laid the groundwork for the transition to a new ISO 45001 health and safety management system standard during 2019, while maintaining OHSAS 18001 certification without any major noncomformances. Additionally, both Networks and Renewables conducted gap assessments in preparation for the new ISO standard.

This system drives continuous improvement and ensures processes are in place for all levels of the organization, including contractors, to set expectations and ensure sustainability. Notably, Klamath Energy, part of Avangrid Renewables, maintains its Oregon OSHA Voluntary Protection Plan (VPP) Star certification, a hallmark that similarly recognizes effective implementation of management systems and injury rates below industry averages.

The company expects to certify under the new ISO 45001 health and safety standard in 2020.

HEALTH AND WELLNESS INITIATIVES

A true culture of health and safety is dependent on not only a strong safety program, but also a program that focuses on employee wellbeing. Healthier employees are at lower risk of injury from industrial exposure and perform work more safely with lower rates of absenteeism.

AVANGRID’s Health and Wellbeing program focuses on the physical, emotional, social and financial health of the employee. During 2019, we kicked off the year with a weight management program initiative. To foster engagement with Health and Wellbeing, we provided a wellness portal that employees could access on their phones to participate in physical and social activity step challenges. We also provided onsite prevention and risk reduction programs, such as biometric screenings and flu shots.

Financial health is equally important. Therefore, we developed programs with our 401k vendor that included a financial website and one-on-one sessions with an advisor. The year was rounded out by providing programs for personal resiliency and emotional intelligence.

DOCUMENTED SAFETY OBSERVATIONS AND COMPLIANCE INSPECTIONS

(Note: Observation method changed in 2018 to focus on quality, not quantity)

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<th>Year</th>
<th>2019</th>
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<th>2017</th>
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<tr>
<td>Number of Employees Trained in Health and Safety Standards</td>
<td>6,243</td>
<td>6,000</td>
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<tr>
<td>Documented Safety Observations and Compliance Inspections</td>
<td>16,850</td>
<td>14,011</td>
<td>24,790</td>
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</table>
SPOTLIGHT: VIRTUAL REALITY TRAINING

In the world of wind energy, operational constraints and risk factors can limit practice opportunities working inside wind turbines. Some technical tasks or safety procedures are hazardous when working on actual equipment, potentially putting our technicians at risk. Enter virtual reality training.

In 2019, AVANGRID began developing virtual reality training for the next generation of wind technicians. Learners will wear goggles to see and interact with a computer-generated simulation of a three-dimensional image or environment. Unlike a traditional computer interface, learners feel like they are inside the experience and can interact with and manipulate items within the 3D world.

Virtual reality, 360 video and augmented reality provide immersive, experiential instruction when traditional hands-on training is too difficult, costly or risky. It provides employees with the ability to practice and demonstrate competence as many times as it takes in a safe space.

EARLY INTERVENTION

In January 2019, we launched an early intervention pilot program which provided athletic trainers onsite to work with employees on maintaining their strength and flexibility. The intent of the program is to help employees deal with minor aches and pains, work-related or not, before they become significant issues requiring them to seek medical treatment or lose time. This is done through quick and thorough assessments for musculoskeletal sprains/strains and to providing education on stretching, proper work postures and body mechanics. Throughout the year the trainer worked with more than 100 employees who had potential work-related injuries. Of the hundred employees, 73% of the issues were resolved without the employees being seen by a physician or having further pain.

As we look to expand the early intervention program into other areas of the business, we believe that this work, in combination with our ErgoPower training programs started last year, will help us reduce soft tissue injuries to our field workforce. We intend to embed this training in our apprentice training programs to ensure employees are building the right habits early in their development.
AVANGRID is committed to sustainability through our investments and initiatives in our communities.

Economic development and community revitalization go hand in hand, and we can play an important role in upgrading infrastructure on a local level to jump-start growth. AVANGRID is dedicated to being a good neighbor and community partner, which includes not only helping businesses thrive, but providing affordable tools to ensure a cleaner, smarter energy future.

Economic development projects encourage energy-efficient economic growth to help existing businesses grow and attract new businesses to our communities. We partner with various local, regional and state stakeholders to forge public-private partnerships to promote sustainable economic growth in our communities. AVANGRID will continue to work in a collaborative manner with our economic development and community partners to help promote a strong and healthy economy across our service areas.

**NEIGHBORHOOD ASSISTANCE PROGRAM**

Connecticut operating companies United Illuminating, Southern Connecticut Gas and Connecticut Natural Gas contributed more than $400,000 in grants to help nonprofit organizations improve efficiency and reduce their energy costs. The program offers a corporate tax credit to encourage Connecticut businesses to provide financial support to nonprofit organizations that want to improve their energy efficiency and lower energy costs. Since 2010, the three companies have awarded more than $3.8 million in energy efficiency grants to hundreds of nonprofit community organizations via the state’s Neighborhood Assistance Act tax credit program.

Fifty-three organizations in 22 Connecticut communities received grants, ranging from $2,400 to $20,000. They include upgrades to the energy-efficient greenhouse at Connecticut’s Beardsley Zoo and at the Connecticut Audubon Society’s facilities in Fairfield and Milford; installation of a ductless air conditioning system at the Open Hearth Association’s shelter for men in Hartford; and energy efficiency upgrades at The Children’s Museum in West Hartford.
ENERGY MANAGEMENT PROGRAM: EAST ROCK BREWING CO.

AVANGRID’s energy management programs help make energy infrastructure financially feasible for our commercial customers, like the East Rock Brewing Company. For energy-intensive businesses like breweries, the energy savings really add up.

The brewery is located inside a space that was formerly occupied by a factory. Using our experienced energy efficiency experts, the business installed high-performance interior lighting and a new steam boiler. Offering incentives of $13,338 for them to invest in higher-quality efficient fixtures, we also suggested ways the start-up could potentially save $14,800 in annual energy costs. Our team’s experience with building out similar spaces provided a unique opportunity to assist East Rock Brewing Company throughout the entire process of turning a blank space into their brewhouse and beer hall.

Specialty LED lighting included waterproof fixtures in the production portion of the brewery. The new energy-efficient lighting not only consumes less energy, but also gives staff a well-lit place to work and inspectors a better view of the facility – a challenge for many breweries. Patrons have a clear view of the brewery through a glass partition wall along the back of the beer hall – a unique feature that both engages customers and showcases the quality lighting.

With the opportunity for future expansion in mind, the owners added all new electrical and plumbing to handle current production capacity and projected future production.

Additional energy efficiency incentives could help make more holding tanks, bottling lines and refrigeration possible in the foreseeable future.

AVANGRID’s energy management programs can help lower energy costs for commercial customers.
ENERGY EFFICIENCY PROGRAMS FOR CUSTOMERS

At AVANGRID, we are continually looking for methods to increase energy efficiency while serving our customers. At its core, the term “energy efficiency” implies a method of reducing energy usage by using less energy to attain the same amount of useful output.

In 2019, Avangrid Networks enacted a pilot program that reduces low ‘income customers’ energy bills by upgrading electric resistance water heaters with heat pump water heater technology (HPWH).

The benefits of the program are multifaceted. It helps the environment through the reduction in air pollution and negative environmental impacts. It also makes good business sense: $2.30 in electric system benefits for every $1 invested in energy efficiency.

For the customer, the pilot program is especially beneficial for low-income customers as analysis shows that they pay a disproportionate amount of their income toward energy bills. Studies also show that this customer base also rarely takes advantage of energy efficiency programs. That’s one reason why the HPWH with demand response technology was installed free of charge.

Further, HPWH provides one of the most energy-efficient water heating systems on the market today. In fact, HPWH can help reduce energy bills by up to 50%.

That’s a good thing because studies show that water heaters are the second highest source of energy usage in a home. Additionally, heat pump water heaters dehumidify damp spaces such as basements or unconditioned space.

LONG WHARF FOOD TRUCKS

For years, dozens of food trucks lined Long Wharf Drive in New Haven, Connecticut, serving more than tasty tacos and hot dogs. The food trucks, while catering to hungry patrons, were pumping CO₂ into the atmosphere all day and well into the night. Each truck used a gasoline-powered generator to power the grills and fryers. The generators were noisy, smelly and spewed pollutants – not the kind of thing the City of New Haven wanted for a waterfront street it dubbed “Food Truck Paradise.”

Ultimately, the city contacted United Illuminating. That call set in motion a series of events that resulted in a cleaner, greener and quieter Long Wharf Drive. Contractors were hired to do the construction work needed for the kiosks, including digging trenches and underground infrastructure. UI had existing transformers nearby that would handle the additional load.

UI then connected its electric infrastructure to the city’s lines, and a green solution was found. The food truck owners are happy because the city pays the electric bill. Those 15 double-sided kiosks, which supply 120- and 240-volt power to the trucks, were installed about one year ago. Now, no gasoline-powered generators are being used – which previously pumped 20 pounds of CO₂ into the air for every gallon of gas that was used.
MASSACHUSETTS DAY OF ACTION

Stemming from a recent visit by Berkshire Gas leadership team members to the Avangrid Renewables Hoosac Wind Farm in Florida and Monroe, Massachusetts, employees from the two business units furthered their personal and professional relationships by teaming up to support a global initiative on Saturday, August 10, at the Pittsfield Common in Pittsfield, Massachusetts.

The initiative, known as “Day of Action,” was prompted by internationally renowned cellist Yo-Yo Ma, a part-time Berkshire resident, as part of his two-year global journey to connect the world through culture and build cooperation and togetherness.

His undertaking, known as The Bach Project, encompasses 36 performances Ma will give of Bach’s six suites for solo cello across six continents, coupled with Days of Action seeking to “put culture in action by bringing people and organizations together to address pressing social issues” and “invite us all to think differently about the role of culture in society.”

In Pittsfield, more than 200 representatives and volunteers from 36 businesses and organizations participated on teams, building tables made from Berkshire ash as the focus of the Pittsfield Day of Action. Local artists also supervised the making of a series of murals for bystanders and curious visitors to take part in the day’s activities. The event also featured several discussion panels where local social issues were explored.

The finished tables, which were signed by each team member and Ma, will be sent to local nonprofit organizations with the hope that the Day of Action’s message will live on.
Doing good in the community means being active in the community. For example, AVANGRID was the first official Green Sponsor of the 2019 New Haven Road Race in Connecticut. As one of the country’s premier road races, the New Haven Road Race attracts elite runners from all over the world. The Green Sponsorship enabled the road race to implement new initiatives to create a more environmentally friendly event.

Those initiatives included a conversion to biodegradable cups for all water served, having available water fountains at New Haven Green for participants and spectators, using biodegradable race bibs, all race printing (applications, notices) done on 100% recycled paper, recycled paper bags replace with plastic packet-pickup bags and using biodegradable trash bags.

Of course, no road race can be complete without a lead car. Therefore, in keeping with the green theme, AVANGRID provided the EV for use.

**NEW HAVEN ROAD RACE GREEN SPONSOR**

**PROGRAMS PROMOTE EV USE: MAINE AND NY**

More EVs on the road means more off-peak electricity use. Why is this a good thing? It can improve what the industry refers to as asset utilization, which can help drive down rates for everyone. What that means is EVs can save us more than just at the pump. So, it should come as little surprise that there are programs underway in municipal and state governments across the country to promote a shift to EVs.

In Maine, Central Maine Power has committed $5 million to fund the development of EV infrastructure across the state by offering rebates and support for EV purchases and charging-station development. In New York, New York State Electric & Gas and Rochester Gas and Electric Corporation have implemented three EV pilot projects and proposed a $29 million EV program to expand charging infrastructure across their service areas.

Promoting the use of electric, hybrid or compressed natural gas vehicles is part of our mission to support responsible environmental policies and reduce our carbon footprint. For this reason, we’re developing a plan to encourage EV use. The goal is to ensure that the proper EV infrastructure, such as charging equipment, is ready and able to deliver for drivers and the communities in which they live.
The work of the Avangrid Foundation over the last decade and a half is a testament to the lasting partnerships built over time.

The Foundation focuses on adapting, building, innovating and investing to create an equitable and sustainable future in local communities across the U.S. These partnerships power our momentum to make a difference in local communities and across the country.

In 2019, the Avangrid Foundation invested more than $3 million in grants, contributions and matching gift programs to more than 300 organizations. The work of the Foundation has a direct impact in more than 30 states and indirectly in every state.

The Foundation is driven by AVANGRID’s purpose of working together to deliver a more accessible clean energy model that promotes healthier, more sustainable communities every day in alignment with the 17 UN Sustainable Development Goals.

The Avangrid Foundation, the primary philanthropic arm of AVANGRID, is an independent, mission-driven 501(c)(3) organization that funds investments for the advancement of public good where AVANGRID and its subsidiaries operate.
Portland, Maine-based Gulf of Maine Research Institute (GMRI) is a global leader in marine and climate research, a national innovator in citizen science for education, and an essential contributor to science-based, engaged fisheries management.

A five-year, $250,000 partnership to advance regional climate science will provide support for GMRI scientists focused on issues of climate resilience in our fisheries and other coastal industries in the Gulf of Maine region. The partnership will include interdisciplinary research objectives across ocean science, fishery management, and business and community resiliency, with a focus on community engagement and social impact in the Gulf of Maine region. In part, the grant helped make the recent Gulf of Maine 2050 International Symposium possible.

The new funding will also fuel new research into shifting fish populations, vulnerability assessments for fishing ports in the Northeast and advancing new climate-ready fisheries management methods. The grant to GMRI supports AVANGRID’s position as one of the cleanest U.S. utilities and a leader in renewable energy, which is helping to identify solutions to the challenges of global warming and climate disruption. This investment builds on longtime partnership, including investments in innovative STEM learning programs that engage students from all over the state of Maine.

Notably, the Gulf of Maine is one of the most important marine habitats in the world and home to a wealth of marine life, from giant blue whales to North Atlantic right whales to microscopic plankton.

This area is within proximity to Vineyard Wind, AVANGRID’s offshore wind joint venture, and is the critical ecosystem in that region. As such, the work of the GMRI helps ensure the peaceful co-existence of marine life and offshore wind in the Northeast.
Building on a partnership that started in 2018, the Avangrid Foundation and the Wadsworth Atheneum Museum of Art in Hartford, Connecticut, completed the conversion of nearly 1,400 gallery light bulbs and fixtures in the museum’s Morgan, Hilles, Austin and Wadsworth galleries.

The grant helped the Wadsworth become an early adopter of cost and energy savings, through LED technology, particularly among cultural institutions. Supported by a substantial grant from the Foundation and gifts made through the Connecticut Neighborhood Assistance Act, the lighting upgrades helped the museum literally shine a new light on their world-class collections of classical paintings, contemporary works and objects. The savings will be reinvested in programs such as community engagement and education.

The conversion from higher-wattage halogen light bulbs to LED bulbs is expected to save an estimated 265,000 kWh of energy per year – an 11% reduction in wattage and usage. Proper lighting supports the sustainability of the museum’s artworks, some of which are thousands of years old, and is critical to an improved visitor experience.

Founded in 1842 with a vision for infusing art into the American experience, the Wadsworth Atheneum Museum of Art is home to a collection of nearly 50,000 works of art spanning 5,000 years and encompassing European art from antiquity through contemporary, as well as American art from the 1600s to today.
SUSTAINABILITY: PARTNERSHIP FOR GOOD

Pine Tree Camp

What can $5,000 do? A lot. Particularly when it inspires people to get involved with great organizations in their community. Pine Tree Camp, based in Rome, Maine – near Central Maine Power headquarters – is a one-of-a-kind camp for children and adults with developmental and/or physical disabilities. The program provides cost-free recreation, socialization and respite care for campers.

A $5,000 gift from the Avangrid Foundation was granted as part of the 2019 #AVANGives program, which asked employees what organizations were important to them and generated a series of grants impacting youth around the country. Pine Tree Camp was nominated by Andrew Haughey, the lead material waste handler at Central Maine Power. The grant ensured that two or more campers could attend camp cost-free.

The grant, and Andrew’s longstanding connections with the camp, also inspired three separate volunteer activities in 2019 involving more than 100 volunteers from Central Maine Power, Maine Natural Gas and AVANGRID in Maine.

SUSTAINABILITY: HIGHER EDUCATION AND WORKFORCE

Binghamton University – Capstone Engineering Project

The Avangrid Foundation’s continued investment in the Thomas J. Watson School of Engineering & Applied Science’s Senior Capstone Design Program at Binghamton University in New York enables students to gain practical design and professional engineering experience by addressing complex challenges in energy and the environment. Capstone teams address cross-disciplinary challenges to bridge the gap between the traditional classroom and industry-based design processes, teamwork and the expectations of practicing engineers and computer scientists. In 2018, the Avangrid Foundation grant provided project support for 11 teams made up of 56 undergraduate students from six disciplines, resulting in:

- A human-powered USB charging station for Kopernik Science Park
- An electric powertrain for the Formula SAE vehicle and an integrated chassis and body for the Supermileage vehicle for Society of Automotive Engineers (SAE) competitions in the U.S.
- A “facial recognition” application to identify yellow-spotted salamanders
- An artificial waterfall for Binghamton’s Nuthatch Hollow nature preserve

As but one example of the kind of ingenuity inspired by the program, these engineers of tomorrow work on ways to design and create sustainable, efficient vehicles for everyday use, including human-powered transportation alternatives.
Habitat for Humanity

Access to affordable and permanent housing is a basic need and a critical component to helping families thrive. Housing insecurity affects nearly half of adults at some point in their lives, forcing these families to make difficult trade-offs, impacting both physical and mental wellbeing.

No one knows that better than Habitat for Humanity. And at the Avangrid Foundation, helping to build sustainable, vital and healthy communities is a cornerstone of our mission.

In June, the Avangrid Foundation announced a new national partnership with Habitat. Since then, Foundation funding has supported Habitat projects across our service territory and business areas.

Some of the most recent efforts have been landmark projects – for AVANGRID and Habitat for Humanity. In Scarborough, Maine, a new 13-home neighborhood called Carpenter Court was made possible in part by a three-year, $75,000 grant from the Avangrid Foundation dedicated to investments in energy efficiency, including solar panels.

The project is Habitat’s largest ever in the Greater Portland area, and the Foundation’s single largest Habitat investment to date.

Selection of homeowners is based on three requirements: housing need, the ability to afford homeownership and the ability to collaborate on the construction.

In Pittsfield, Massachusetts, an effort by local employees brought together crews from Berkshire Gas and Avangrid Renewables wind farms in Searsburg, Vermont (Deerfield Wind) and Florida, Massachusetts (Hoosac Wind) to take part in a six-hour, one-day build event.

The project, called Gordon-Deming Village, is one of Habitat International’s 10 priority projects of 2019, placing it among the ranks of the annual Jimmy & Rosalynn Carter Project and Habitat Hammers Back – a long-term hurricane recovery and reconstruction effort in the Gulf Coast.

The entire Gordon-Deming Village and part of Carpenter Court is net-zero energy housing, which means that the home’s total power consumption each year is equal to the amount of renewable energy created on site, minimizing the homeowners’ carbon footprint.

AVANGRID and Habitat for Humanity have also partnered on volunteer builds in Bridgeport, Connecticut, Rochester, New York, and Portland, Oregon, during the 2019 International Volunteer Day, as well as for independent efforts throughout the year in Sioux Falls, South Dakota; Paulding, Ohio; and New Haven, Connecticut.

From Maine to Massachusetts and beyond, our work with Habitat for Humanity demonstrates what it means to work together to deliver a more accessible clean energy model, promoting healthier and more sustainable communities every day.
The California condor is the largest land bird in North America and one of the most endangered. These iconic birds have wingspans of almost 10 feet and weigh up to 26 pounds. In the 1980s, the condor population dwindled to just 27 birds due to habitat loss, poaching and lead poisoning from the consumption of hunting ammunition left in the carcasses of field-dressed kill. Today a coalition of more than 15 regional governments and nonprofits work together to manage a network of condor recovery facilities across western North America where birds can reproduce and care for their young in a protected environment. A facility affiliated with the Oregon Zoo, the nation’s second-largest breeding facility for the California condor, in partnership with the Avangrid Foundation, is helping condors survive and thrive.

In 2019, the Avangrid Foundation awarded the Oregon Zoo a grant to fund improvements that have expanded their ability to care for condors and nestlings through the purchase of a new freezer to store food for the condors in residence. The larger freezer will increase the amount of food the zoo can accept and ensure a stable food supply for condors.

While the California Condor recovery effort has seen great success in recent years, with a total population nearing 500 and rising, the long-term survival of the species requires continued efforts in both breeding and public education, and with the help of committed partners like the Avangrid Foundation.

Wingspans of almost 10 feet
Innovation is fundamental to our role as the energy company of the future, which is why AVANGRID invested ~$68 M in innovation projects in 2019. As technology continues to enable a cleaner, more efficient and resilient power grid, we’ve made it our purpose to leverage those advances to create accessible clean energy models that promote healthier, more sustainable communities every day.

U.S. OFFSHORE WIND
We are pioneers of sustainable solutions through endeavors like Vineyard Wind – the very first large-scale offshore wind farm ever to be constructed in the U.S. – and Park City Wind, which will provide enough cheap, renewable offshore wind power to meet ~14% of Connecticut’s total electricity demand.

THE INTELLIGENT PIPELINE
Through advanced technologies like the Internet of Things (IoT), Big Data analytics and augmented reality (AR), AVANGRID develops new, innovative ways to serve our customers, like our award-winning Intelligent Pipeline initiative, which has enabled our natural gas companies to use AR visualization and IoT sensors to “see” our underground gas infrastructure without having to dig it up or rely on surface markings. This project was so “ground-breaking” it won the prestigious 2019 SAP Excellence in Operations Award at the 11th Annual SAP Excellence in Utilities Conference.
PROJECT ARIES
As our gas companies were developing the latest tech to see underground, our electric operations teams were looking to the sky for ways to enhance our storm recovery efforts. In 2019, Project ARIES – Automated Rapid Infrastructure Evaluation System – took flight to help our operating companies get the lights back on during severe storms and keep customers and employees safe. ARIES utilizes single-engine aircraft mounted with LiDAR (light detection and ranging) sensor technology to perform aerial surveillance of hard-to-access storm-damaged service territories. The aircraft captures real-time data and images of downed wires and other outage-related issues, and then feeds the images and data back to a control center to inform a faster and safer response.

In January 2019, when winter storms hit our service territories across four states, ARIES took off in blustery conditions from a small airport in Danbury, Connecticut and flew over parts of NYSEG’s nearby Brewster service territory. The data it provided gave a precise real-time assessment of the damage that allowed restoration crews to work faster and safer to get customers back online, while providing an accurate estimated time of restoration.

The roots of the ARIES project date back to Super Storm Sandy in 2012, when wide swaths of NYSEG and RG&E territory were damaged. In 2013, the operating companies began discussions with Lockheed Martin and NYSERDA about data analytics tools that could improve storm response. In 2014, Lockheed Martin, NYSERDA and NYSEG/RG&E provided funding for the proof of concept in the NYSEG/RG&E territory. We partnered with Lockheed Martin in 2015 to produce the prototype that became ARIES.

NEW ENGLAND CLEAN ENERGY CONNECT
Our job is to provide customers with clean, reliable and safe energy today and for many decades into the future. Behind the scenes, the energy industry has changed substantially over the past decade. Wind and solar power, once thought of as marginal or niche energy sources, are now significant portions of our energy mix. The innovations and renewable energy projects developed by AVANGRID companies have been central to delivering that reality. But now is no time to rest on our laurels.

Today, AVANGRID companies are working on projects nationwide to meet this challenge and lead the transition to a low-carbon energy future. New England Clean Energy Connect (NECEC) transmission project will save Maine consumers millions of dollars each year by harnessing Canadian hydropower and transmitting clean energy into the New England grid. The NECEC transmission project will reduce energy costs, enhance reliability and contribute to greenhouse gas reduction requirements.
At Avangrid Networks, we are providing innovative customer solutions through the deployment of technology pilots across our territories, including our Energy Smart Community located in Ithaca, New York. We’ve launched multiple innovative energy storage and electric vehicle demonstration projects through New York’s forward-looking Renewing the Energy Vision (REV) initiative. These pilots provide invaluable learnings that will inform system-wide deployment of emerging technologies required to support the growth of renewable generation and other distributed energy resources (DER) that make the grid cleaner and more resilient for the communities that we serve. Avangrid Networks has also proposed investing $34 million in New York and Maine to build charging infrastructure and expand access to electric vehicles.

Avangrid Renewables has an industry-leading 24/7 meteorology team and National Control Center based in Portland, Oregon, which enables us to consistently and cost-effectively optimize the performance of our renewable energy facilities and meet the clean energy needs of our customers.

At Avangrid Renewables, our Operations Innovation Program gives our team in the field the opportunity to be recognized for their ingenuity and creativity. Many ideas first kicked around in the cab of a truck at a remote wind farm have become standard operating procedures, ensuring that our wind and solar fleet provides the energy our customers need. These innovations have improved the operating efficiency of our wind fleet and better enabled us to deliver clean electricity to our customers.
THE AVANGRID INNOVATION FORUM
Each year we take the time to recognize the innovative projects underway throughout AVANGRID and showcase our innovative partnerships with academia and other organizations at our annual Innovation Forum.

In 2019, the Forum’s theme was “Innovation for Sustainable Development,” highlighting AVANGRID’s commitment to the UN Sustainable Development Goals and featuring keynote addresses from national climate and energy policy leaders Reid Detchon, Senior Advisor for Climate Solutions at the United Nations Foundation, and Richard Kauffman, New York State’s first “Energy Czar” and Chairman of the New York State Energy Research & Development Authority (NYSERDA).

The event culminates each year in the judging of AVANGRID’s Innovation Challenge, which teams employees with students from top research universities in a six-month R&D competition to produce creative solutions for our businesses and customers.

At this year’s event, AVANGRID and Yale University inked a three-year innovation and development partnership that will give the university’s world-class researchers a clean energy industry partner, while providing AVANGRID access to the brightest minds in business management, environmental science and energy policy.

The winner of the 2019 Innovation Challenge, which was themed “A Better Energy Future,” developed an analytical tool to optimize the energy mix on the power grid to maximize the use of renewable resources while improving system reliability at lower costs. The control methodology can be deployed to manage power flows between renewable resources, battery storage and normal grid operation.

INVESTING IN A CLEAN ENERGY FUTURE
The challenge to deliver clean energy, to reduce pollution and to fight climate change is as relevant as ever. So we go to work every day to fulfill our mission to create more sustainable communities powered by clean, reliable sources of energy and meet our customers’ expectations. Our investment in innovation is how we will meet this challenge. As technologies continue to advance and converge, there is much work to be done in our societal transition to a clean energy future. There is no doubt that there are many innovations yet to come that we can’t even envision today. At AVANGRID, we work to build the future we all need and be the driver of change that will get us there.

INNOVATION INVESTMENTS AT A GLANCE

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<tr>
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GRIDEX
The North American Electric Reliability Council’s Grid Security Exercise (GridEx) is an opportunity for utilities to demonstrate how they would respond to and recover from simulated coordinated cyber and physical security threats and incidents, strengthen their crisis communications relationships and provide input for lessons learned. The exercise is conducted every two years.

In 2019, AVANGRID participated in GridEx V, an exercise that brings together organizations from industry, law enforcement and government agencies. GridEx is designed to simulate an attack on the North American power grid and have technical, physical, operational and communications impacts. AVANGRID takes safety and security very seriously and uses exercises, such as GridEx, to practice in company-wide, regional and national communication and coordination restoration efforts.

The exercise involves nearly two years of careful planning and customization, leading to several weeks of ramped-up, heightened awareness activities that are then followed by two days of incident response activities. When executed, representatives from across the entire organization participate, from the C-suite level to the first responders and subject matter experts.

Preparing AVANGRID for event detection and incident response is key to preparing for a real-world event. Building relationships internally and externally is just as important as the tools being used to detect, prevent and respond to both cyber and physical attacks.
In 2019, AVANGRID participated in the National Guard’s Cyber Yankee program. The goal of the program is to create a realistic cyber exercise for Army National Guard Defensive Cyberspace Operations Elements (DCOE) and other Army and Air National Guard Cyber Defenders to further train and apply their skills.

This exercise incorporated DCOE teams and Cyber Defenders from the six New England states and the 91st Cyber Brigade. These teams comprised the primary training audience for the event. Cyber Yankee is part of a larger-all hazards response exercise with the state joint staffs and the state government within Region 1 of the Federal Emergency Management Agency.

Supporting elements are comprised of local, state and federal government partners within Region 1, supported by national level entities. Some of these partners include: Air and Army Reserves, Cyber Command, Department of Homeland Security, FBI, NH Homeland Security/Emergency Management, NH Department of IT and others.

The end goal is the development of a more robust collection of cyber teams within our region. Additionally, we will grow partnerships across multiple levels of government and critical infrastructure.

By participating in Cyber Yankee and other exercises like Binary Blackout and Liberty Eclipse, AVANGRID gains valuable knowledge on how to best work with state and federal guard resources in the event of a real emergency, and also has the opportunity to improve those resources, own expectations to better serve not only AVANGRID, but our entire industry.

More than 7,000 people from over 500 organizations participated.

AVANGRID had more than 120 employees from 30 departments participate nationally.

According to NERC, GridEx V involved 527 electricity sector entities, other critical infrastructure sectors, law enforcement and government agencies.

AVANGRID’s Unified Incident Response Plan consists of 7 phases.
Report on Green Financing

AVANGRID has expanded its use of green financing sources – both green bonds and tax equity – to align with its purpose and values, optimize its cost of capital and diversify its sources of financing. On April 7, 2020, AVANGRID completed its third green bond issuance with a $750 million 5-year bond. AVANGRID is now the 7th largest green bond issuer in the US, with a total issued of $2.1 billion. Renewables projects developed in 2019 have been financed with the net proceeds of a second green bond issued in May 2019 and by tax equity.

### GREEN BOND

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### ASSETS ALLOCATED

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### AMOUNT INVESTED BY AREA

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### SUSTAINABILITY INDICATORS

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<td>AVANGRID</td>
<td>May ’19</td>
<td>$745</td>
<td>May ’29</td>
<td>3.80%</td>
</tr>
</tbody>
</table>

### ASSETS ALLOCATED

<table>
<thead>
<tr>
<th>PROJECT</th>
<th>TYPE</th>
<th>LOCATION (STATE)</th>
<th>IN-SERVICE DATE</th>
<th>INSTALLED CAPACITY (MW)</th>
<th>OWNERSHIP %</th>
<th>AMOUNT ALLOCATED ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Montague</td>
<td>Onshore wind</td>
<td>OR</td>
<td>Oct ’19</td>
<td>201</td>
<td>63%</td>
<td>$167</td>
</tr>
<tr>
<td>Karankawa</td>
<td>Onshore wind</td>
<td>TX</td>
<td>Dec ’19</td>
<td>307</td>
<td>64%</td>
<td>$251</td>
</tr>
<tr>
<td>Patriot</td>
<td>Onshore wind</td>
<td>TX</td>
<td>Jun ’19</td>
<td>226</td>
<td>59%</td>
<td>$182</td>
</tr>
<tr>
<td>Otter Creek</td>
<td>Onshore wind</td>
<td>IL</td>
<td>Mar ’20</td>
<td>151</td>
<td>68%</td>
<td>$145</td>
</tr>
</tbody>
</table>

### AMOUNT INVESTED BY AREA

<table>
<thead>
<tr>
<th>AREA</th>
<th>INVESTMENT % ALLOCATED</th>
<th>AMOUNT ALLOCATED ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewables</td>
<td>100%</td>
<td>$745</td>
</tr>
</tbody>
</table>

### SUSTAINABILITY INDICATORS

<table>
<thead>
<tr>
<th>INSTALLED CAPACITY (MW)</th>
<th>2019 OUTPUT ATTRIBUTABLE TO THE BOND (GWH)</th>
<th>CO₂ AVOIDED DUE TO THE BOND (MT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>885</td>
<td>290</td>
<td>205,185</td>
</tr>
</tbody>
</table>
## TAX EQUITY

<table>
<thead>
<tr>
<th>ISSUER</th>
<th>ISSUE DATE</th>
<th>NET PROCEEDS (SM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aeolus VII</td>
<td>Feb '20, Apr '20</td>
<td>$308</td>
</tr>
</tbody>
</table>

### ASSETS ALLOCATED

<table>
<thead>
<tr>
<th>PROJECT</th>
<th>TYPE</th>
<th>LOCATION (STATE)</th>
<th>IN-SERVICE DATE</th>
<th>INSTALLED CAPACITY (MW)</th>
<th>OWNERSHIP %</th>
<th>AMOUNT ALLOCATED ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Montague</td>
<td>Onshore wind</td>
<td>OR</td>
<td>Oct '19</td>
<td>201</td>
<td>37%</td>
<td>$97</td>
</tr>
<tr>
<td>Karankawa</td>
<td>Onshore wind</td>
<td>TX</td>
<td>Dec '19</td>
<td>307</td>
<td>36%</td>
<td>$140</td>
</tr>
<tr>
<td>Otter Creek</td>
<td>Onshore wind</td>
<td>IL</td>
<td>Mar '20</td>
<td>151</td>
<td>32%</td>
<td>$71*</td>
</tr>
</tbody>
</table>

### AMOUNT INVESTED BY AREA

<table>
<thead>
<tr>
<th>AREA</th>
<th>INVESTMENT % ALLOCATED</th>
<th>AMOUNT ALLOCATED (SM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewables</td>
<td>100%</td>
<td>$308</td>
</tr>
</tbody>
</table>

### SUSTAINABILITY INDICATORS

<table>
<thead>
<tr>
<th>INSTALLED CAPACITY (MW)</th>
<th>2019 OUTPUT ATTRIBUTABLE TO THE BOND (GWH)</th>
<th>CO2 AVOIDED DUE TO THE BOND (MT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>659</td>
<td>69</td>
<td>49,137</td>
</tr>
</tbody>
</table>

## TAX EQUITY

<table>
<thead>
<tr>
<th>ISSUER</th>
<th>ISSUE DATE</th>
<th>NET PROCEEDS (SM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patriot</td>
<td>Jun '19</td>
<td>$128</td>
</tr>
</tbody>
</table>

### ASSETS ALLOCATED

<table>
<thead>
<tr>
<th>PROJECT</th>
<th>TYPE</th>
<th>LOCATION (STATE)</th>
<th>IN-SERVICE DATE</th>
<th>INSTALLED CAPACITY (MW)</th>
<th>OWNERSHIP %</th>
<th>AMOUNT ALLOCATED ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patriot</td>
<td>Onshore wind</td>
<td>TX</td>
<td>Jun '19</td>
<td>226</td>
<td>41%</td>
<td>$128</td>
</tr>
</tbody>
</table>

### AMOUNT INVESTED BY AREA

<table>
<thead>
<tr>
<th>AREA</th>
<th>INVESTMENT % ALLOCATED</th>
<th>AMOUNT ALLOCATED (SM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewables</td>
<td>100%</td>
<td>$128</td>
</tr>
</tbody>
</table>

### SUSTAINABILITY INDICATORS

<table>
<thead>
<tr>
<th>INSTALLED CAPACITY (MW)</th>
<th>2019 OUTPUT ATTRIBUTABLE TO THE BOND (GWH)</th>
<th>CO2 AVOIDED DUE TO THE BOND (MT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>226</td>
<td>118</td>
<td>83,421</td>
</tr>
</tbody>
</table>

* Under contract: final value may change.
Key Performance Indicators

<table>
<thead>
<tr>
<th><strong>ECONOMIC PERFORMANCE</strong></th>
<th>Unit</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$M</td>
<td>6,338</td>
<td>6,478</td>
<td>5,963</td>
</tr>
<tr>
<td>% Revenues from clean energy</td>
<td>%</td>
<td>15.7</td>
<td>16.6</td>
<td>16.0</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>$M</td>
<td>5,335</td>
<td>5,351</td>
<td>5,458</td>
</tr>
<tr>
<td>Operating income</td>
<td>$M</td>
<td>1,003</td>
<td>1,127</td>
<td>505</td>
</tr>
<tr>
<td>Net income</td>
<td>$M</td>
<td>700</td>
<td>595</td>
<td>381</td>
</tr>
<tr>
<td>Earnings per share</td>
<td>$/share</td>
<td>2.26</td>
<td>1.92</td>
<td>1.23</td>
</tr>
<tr>
<td>Total assets</td>
<td>$M</td>
<td>34,416</td>
<td>32,167</td>
<td>31,671</td>
</tr>
<tr>
<td>Equity</td>
<td>$M</td>
<td>15,586</td>
<td>15,403</td>
<td>15,096</td>
</tr>
<tr>
<td>Accrued investments</td>
<td>$M</td>
<td>2,981</td>
<td>1,726</td>
<td>2,262</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>ENVIRONMENTAL PERFORMANCE</strong></th>
<th>Unit</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Installed capacity (1)</td>
<td>MW</td>
<td>8,360</td>
<td>7,586</td>
<td>7,496</td>
</tr>
<tr>
<td>Emissions-free installed capacity</td>
<td>MW</td>
<td>7,520</td>
<td>6,738</td>
<td>6,648</td>
</tr>
<tr>
<td>% Emissions-free installed capacity</td>
<td>%</td>
<td>90</td>
<td>89</td>
<td>89</td>
</tr>
<tr>
<td>Total net electricity production</td>
<td>GWh</td>
<td>20,960</td>
<td>20,057</td>
<td>18,104</td>
</tr>
<tr>
<td>Emissions-free production (2)</td>
<td>GWh</td>
<td>17,479</td>
<td>17,335</td>
<td>15,738</td>
</tr>
<tr>
<td>% Emissions-free production</td>
<td>%</td>
<td>83</td>
<td>86</td>
<td>87</td>
</tr>
<tr>
<td>Energy produced under certified environmental management systems</td>
<td>%</td>
<td>17</td>
<td>14</td>
<td>13</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>EMISSIONS</strong></th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO2 emissions from power generation</td>
<td>mt</td>
<td>1,541,422</td>
<td>1,092,022</td>
</tr>
<tr>
<td>CO2 emissions rate from power generation</td>
<td>g CO2/kWh</td>
<td>73</td>
<td>54</td>
</tr>
<tr>
<td>CO2 emissions rate from power generation</td>
<td>lbs CO2/MWh</td>
<td>162</td>
<td>119</td>
</tr>
<tr>
<td>Methane leaks (1 year in arrears)</td>
<td>mt CO2 eq</td>
<td>221,614</td>
<td>232,122</td>
</tr>
<tr>
<td>SF6 leaks</td>
<td>mt CO2 eq</td>
<td>120,382</td>
<td>17,110</td>
</tr>
<tr>
<td>Scope 1 GHG emissions (CO2 eq)</td>
<td>mt</td>
<td>1,934,393</td>
<td>1,363,231</td>
</tr>
<tr>
<td>Scope 2 GHG emissions (CO2 eq)</td>
<td>mt</td>
<td>231,192</td>
<td>381,533</td>
</tr>
<tr>
<td>Scope 3 GHG emissions (CO2 eq)</td>
<td>mt</td>
<td>19,892,852</td>
<td>21,590,220</td>
</tr>
<tr>
<td>NOX emissions from power generation</td>
<td>mt</td>
<td>183</td>
<td>159</td>
</tr>
<tr>
<td>NOX emissions rate from power generation</td>
<td>mt/GWh</td>
<td>0.009</td>
<td>0.008</td>
</tr>
<tr>
<td>SO2 emissions from power generation</td>
<td>mt</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>SO2 emissions rate from power generation</td>
<td>mt/GWh</td>
<td>0.0003</td>
<td>0.0003</td>
</tr>
<tr>
<td>Particulate matter emissions from power generation</td>
<td>mt</td>
<td>23</td>
<td>20</td>
</tr>
<tr>
<td>Particulate matter emissions rate from power generation</td>
<td>mt/GWh</td>
<td>0.001</td>
<td>0.001</td>
</tr>
</tbody>
</table>
### WATER

<table>
<thead>
<tr>
<th>Description</th>
<th>Unit</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water withdrawal for Klamath power generation</td>
<td>m³</td>
<td>3,709,797</td>
<td>3,444,000</td>
<td>4,178,000</td>
</tr>
<tr>
<td>Treated wastewater</td>
<td>%</td>
<td>98</td>
<td>95</td>
<td>92</td>
</tr>
<tr>
<td>Water withdrawal for generation/production</td>
<td>m³/GWh</td>
<td>177</td>
<td>172</td>
<td>195</td>
</tr>
<tr>
<td>Water discharged</td>
<td>m³</td>
<td>1,496,645</td>
<td>1,468,973</td>
<td>1,537,812</td>
</tr>
<tr>
<td>Office water consumption</td>
<td>m³</td>
<td>69,889</td>
<td>100,933</td>
<td>131,000</td>
</tr>
</tbody>
</table>

### WASTE

<table>
<thead>
<tr>
<th>Description</th>
<th>Unit</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hazardous waste</td>
<td>mt</td>
<td>1,711</td>
<td>1,252</td>
<td>2,128</td>
</tr>
<tr>
<td>Recycled/reused</td>
<td>%</td>
<td>59</td>
<td>29</td>
<td>9</td>
</tr>
<tr>
<td>Per electricity generated</td>
<td>mt/GWh</td>
<td>82</td>
<td>62</td>
<td>118</td>
</tr>
<tr>
<td>Non-hazardous waste</td>
<td>mt</td>
<td>313,462</td>
<td>100,016</td>
<td>134,401</td>
</tr>
<tr>
<td>Recycled/reused</td>
<td>%</td>
<td>132</td>
<td>17</td>
<td>25</td>
</tr>
<tr>
<td>Per electricity generated</td>
<td>mt/GWh</td>
<td>15</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>Total amount of fines relating to the environment</td>
<td>$M</td>
<td>0.010</td>
<td>0.075</td>
<td>0.057</td>
</tr>
</tbody>
</table>

### SOCIAL PERFORMANCE

#### Consumers

<table>
<thead>
<tr>
<th>Description</th>
<th>Unit</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total customers</td>
<td>M</td>
<td>3.28</td>
<td>3.25</td>
<td>3.23</td>
</tr>
<tr>
<td>Electric</td>
<td>M</td>
<td>2.26</td>
<td>2.24</td>
<td>2.23</td>
</tr>
<tr>
<td>Gas</td>
<td>M</td>
<td>1.02</td>
<td>1.01</td>
<td>1.00</td>
</tr>
<tr>
<td>Customers with smart meters</td>
<td>%</td>
<td>39</td>
<td>39</td>
<td>38</td>
</tr>
<tr>
<td>Incremental Annual Electricity Savings from Energy Efficiency Measures</td>
<td>MWh</td>
<td>192,861</td>
<td>167,282</td>
<td>167,723</td>
</tr>
</tbody>
</table>

#### Customer Contact Satisfaction Index

- RG&E: % 90.3, 91.4, 89.0
- NYSEG: % 91.0, 91.0, 91.1
- Central Maine Power: % 87.0, 87.0, 92.1
- UI*: % 91.0, 93.9, 88.8
- CNG*: % 88.7, 88.3, 86.7
- SCG*: % 90.3, 88.6, 87.9
- Berkshire Gas*: % 94.4, 95.0, 84.8

#### Quality of Service

- SAIFI: % 1.17, 1.22, 1.15
- CAIDI: % 1.93, 2.07, 1.91

#### Economic Benefits

- Community contributions (3): $M 5.7, 4.5, 6.2
- Avangrid Foundation: $M 3.9, 2.5, 5.7
- Volume of purchases: $M 2,890, 2,299, 3,257
- Purchases from U.S. suppliers: % 97, 97, 98
- R&D: $M 67.6, 54.7, 51.1

* These companies used a different customer contact satisfaction study in 2017
Solar capacity is now being reported in MW dc.

The environmental and green attributes attributable to the electric generation from Avangrid Renewables’ facilities have been or likely will be sold or transferred to third parties, who are solely entitled to the reporting and other rights to all renewable energy credits, emissions reductions, offsets, allowances and the avoided emissions of greenhouse gas pollutants, collectively environmental attributes. Avangrid Renewables is not claiming ownership of any environmental attributes from its renewable generation fleet for any purpose, including compliance with any federal or state law or reporting to any federal or state agency, or any other present or future federal, state, local, international, foreign or voluntary renewable energy, emission reduction or emissions trading program.

Measured according to London Benchmarking Group (LBG) model standards. It only recognizes projects that involve voluntary contributions for social or environmental protection ends, for nonprofit purposes and that are not restricted to groups related to the company. Includes Avangrid Foundation contributions.
USE OF NON-U.S. GAAP FINANCIAL MEASURES

To supplement our consolidated financial statements presented in accordance with generally accepted accounting principles for financial reporting in the United States (U.S. GAAP), we consider adjusted net income and adjusted earnings per share as non-GAAP financial measures that are not prepared in accordance with U.S. GAAP (non-GAAP). The non-GAAP financial measures we use are specific to AVANGRID and the non-GAAP financial measures of other companies may not be calculated in the same manner. We use these non-GAAP financial measures, in addition to U.S. GAAP measures, to establish operating budgets and operational goals to manage and monitor our business, evaluate our operating and financial performance, and compare such performance to prior periods and to the performance of our competitors. We believe that presenting such non-GAAP financial measures is useful because such measures can be used to analyze and compare profitability between companies and industries by eliminating the impact of certain non-cash charges. In addition, we present non-GAAP financial measures because we believe that they and other similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance.

We define adjusted net income as net income adjusted to exclude restructuring charges, mark-to-market earnings from changes in the fair value of derivative instruments used by AVANGRID to economically hedge market price fluctuations in related underlying physical transactions for the purchase and sale of electricity, loss from held-for-sale measurement, accelerated depreciation derived from repowering of wind farms, impact of the Tax Act and adjustments for the non-core gas storage business. We believe adjusted net income is more useful in understanding and evaluating actual and projected financial performance and contribution of AVANGRID core lines of business and to more fully compare and explain our results. The most directly comparable U.S. GAAP measure to adjusted net income is net income. We also define adjusted earnings per share, or adjusted EPS, as adjusted net income converted to an earnings per share amount.

The use of non-GAAP financial measures is not intended to be considered in isolation or as a substitute for, or superior to, AVANGRID’s U.S. GAAP financial information, and investors are cautioned that the non-GAAP financial measures are limited in their usefulness, may be unique to AVANGRID and should be considered only as a supplement to AVANGRID’s U.S. GAAP financial measures. The non-GAAP financial measures may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools.

Non-GAAP financial measures are not primary measurements of our performance under U.S. GAAP and should not be considered as alternatives to operating income, net income or any other performance measures determined in accordance with U.S. GAAP.

FORWARD-LOOKING STATEMENTS

Certain statements in this presentation may relate to our future business and financial performance and future events or developments involving us and our subsidiaries that are not purely historical and may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of forward-looking terms such as “may,” “will,” “should,” “would,” “could,” “can,” “expect(s),” “believe(s),” “anticipate(s),” “intend(s),” “plan(s),” “estimate(s),” “project(s),” “assume(s),” “guide(s),” “target(s),” “forecast(s),” “are (is) performance that” and “seek(s)” or the negative of such terms or other variations on such terms or comparable terminology. Such forward-looking statements include, but are not limited to, statements about our plans, objectives and intentions, outlooks or expectations for earnings, revenues, expenses, Forward 2020+ Mid-Period Assessment initiatives or other future financial or business performance, strategies or expectations, or the impact of legal or regulatory matters on our business, results of operations or financial condition. Such statements are based upon the current reasonable beliefs, expectations and assumptions of our management and are subject to significant risks and uncertainties that could cause actual outcomes and results to differ materially. Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include, without limitation, the impact of any cyber breaches or other incidents, grid disturbances, acts of war or terrorism, natural disasters or pandemic health events or other similar occurrences the risks and uncertainties set forth under the section entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the year ended December 31, 2019, which is on file with the U.S. Securities and Exchange Commission (SEC) and available on our investor relations website at www.avangrid.com and on the SEC website at www.sec.gov. Additional information will also be set forth in subsequent filings with the SEC. You should consider these factors carefully in evaluating forward-looking statements. Should one or more of these risks or uncertainties materialize, or should any of the underlying assumptions prove incorrect, actual results may vary in material respects from those expressed or implied by these forward-looking statements. You should not place undue reliance on these forward-looking statements. We do not undertake any obligation to update or revise any forward-looking statements to reflect events or circumstances after the date of this presentation whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

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