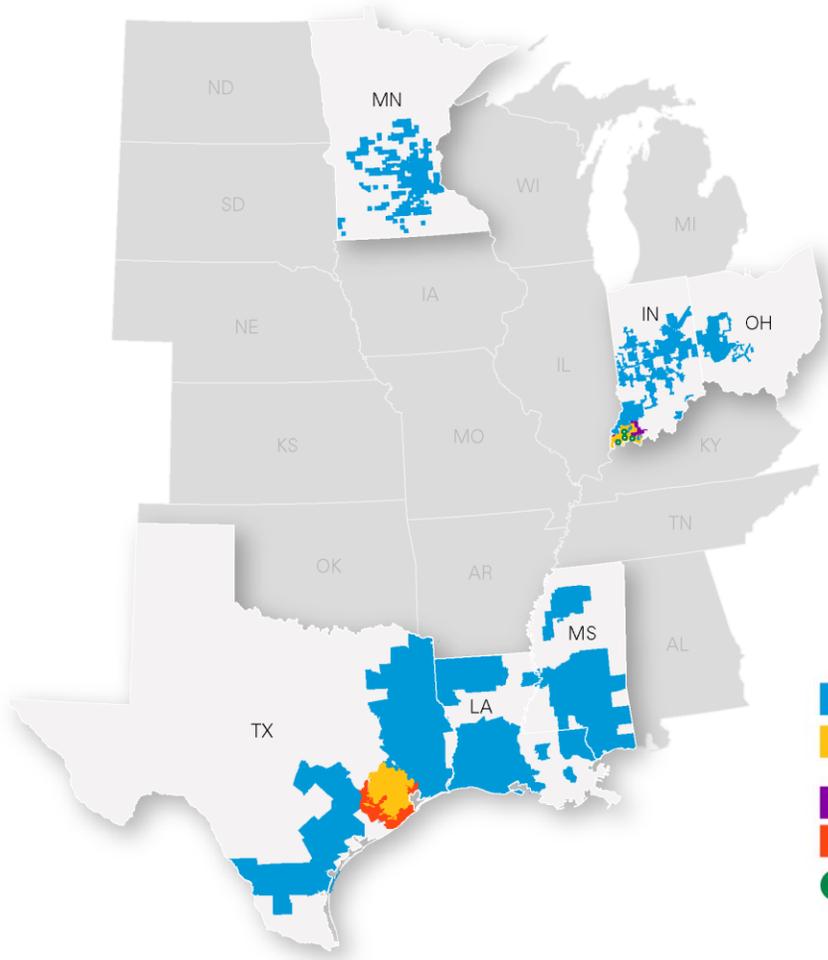




Presentation to Minnesota House Climate and Energy Committee

Jamie Fitzke, Director of Government Affairs
Emily Suppes, P.E., Manager of Regulatory Affairs

CenterPoint Energy operates natural gas and electric utilities in 6 states



- Natural Gas Distribution
- Combined Electric Transmission & Distribution and Natural Gas Distribution
- Indiana Electric Transmission & Distribution
- Houston Electric Transmission & Distribution
- Indiana Power Generation



Natural Gas Distribution, Electric Transmission & Distribution and Power Generation

nearly
7 million
gas and electric
metered customers

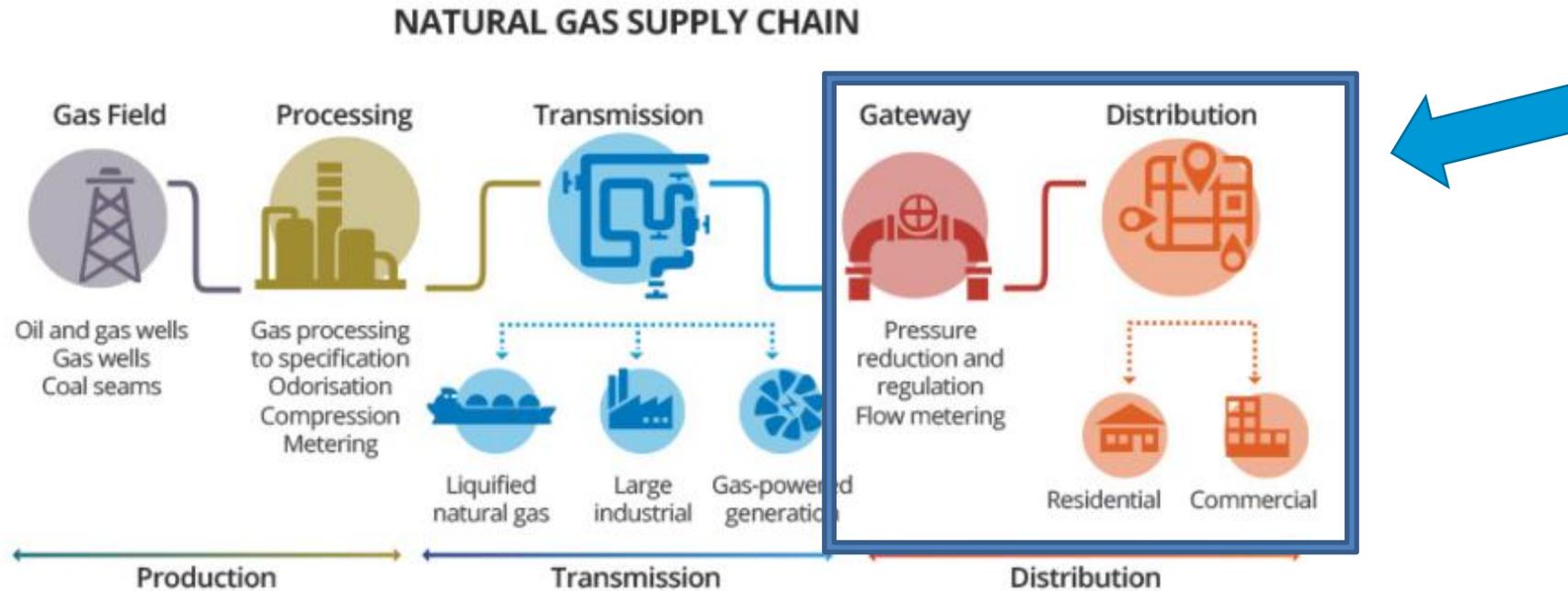
6
states



- **Founded 150+ years ago**
- **Largest natural gas utility in Minnesota**
 - 14,000 miles of distribution pipe
 - Net plant investment: Over \$2 billion
 - Revenue: \$1.2 billion
- **Serving 900,000 Minnesota homes & businesses in 260+ communities**
- **1,200 Minnesotans employed**
 - Headquartered in Minneapolis, with regional offices in Alexandria, Brainerd, Mankato & Willmar
 - IBEW Local 949, OPEIU Local 12, United Association of Gas Workers Local 340

- **Minnesota Public Utilities Commission (PUC)**
 - Sets utility rates (recover costs for safe, reliable service + rate of return)
 - Oversees utility service quality issues (e.g., reliability, disconnections)
- **Minnesota Department of Commerce, Division of Energy Resources**
 - By statute, intervenes in PUC proceedings to advocate for the public interest
 - Oversees utility Conservation Improvement Program (CIP)
- **Minnesota Office of the Attorney General, Residential Utilities Division**
 - By statute, intervenes in PUC proceedings to advocate for residential & small business customers
- **Minnesota Office of Pipeline Safety (MNOPS), Minnesota Department of Public Safety, *agent for Pipeline & Hazardous Materials Safety Administration (PHMSA), U.S. DOT***
 - Inspects and enforces pipeline safety regulations
 - Investigates leaks and accidents

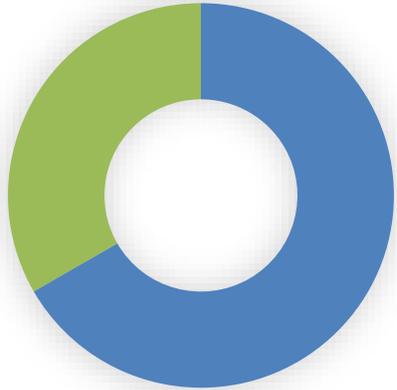
We're the final leg of the natural gas supply chain



Source: AEMO

- We **do not produce/process natural gas** or transport it across state lines
- We're known as a Local Distribution Company (LDC), delivering natural gas to end-use customers - **final leg of the supply chain**
- We charge **no "mark up"** on the cost of natural gas – the price we pay our suppliers for natural gas is the same price we charge our customers

Natural gas is essential to meeting Minnesota's energy needs....



66%

of all Minnesota households depend on natural gas for heating — including more than 80% of households in CenterPoint Energy's Minnesota service area

Some of Minnesota's largest industries depend on natural gas:

Manufacturing

Food processing

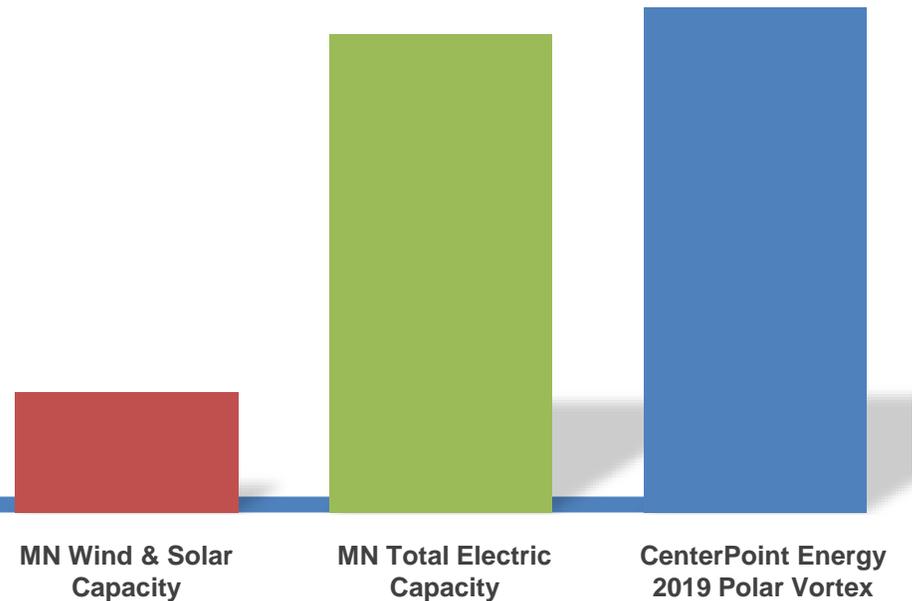
Ethanol production

And it's there when we need energy the most....



During the coldest day of the 2019 polar vortex, CenterPoint Energy delivered natural gas to our customers with energy that was equivalent to 20,000 MW of electricity

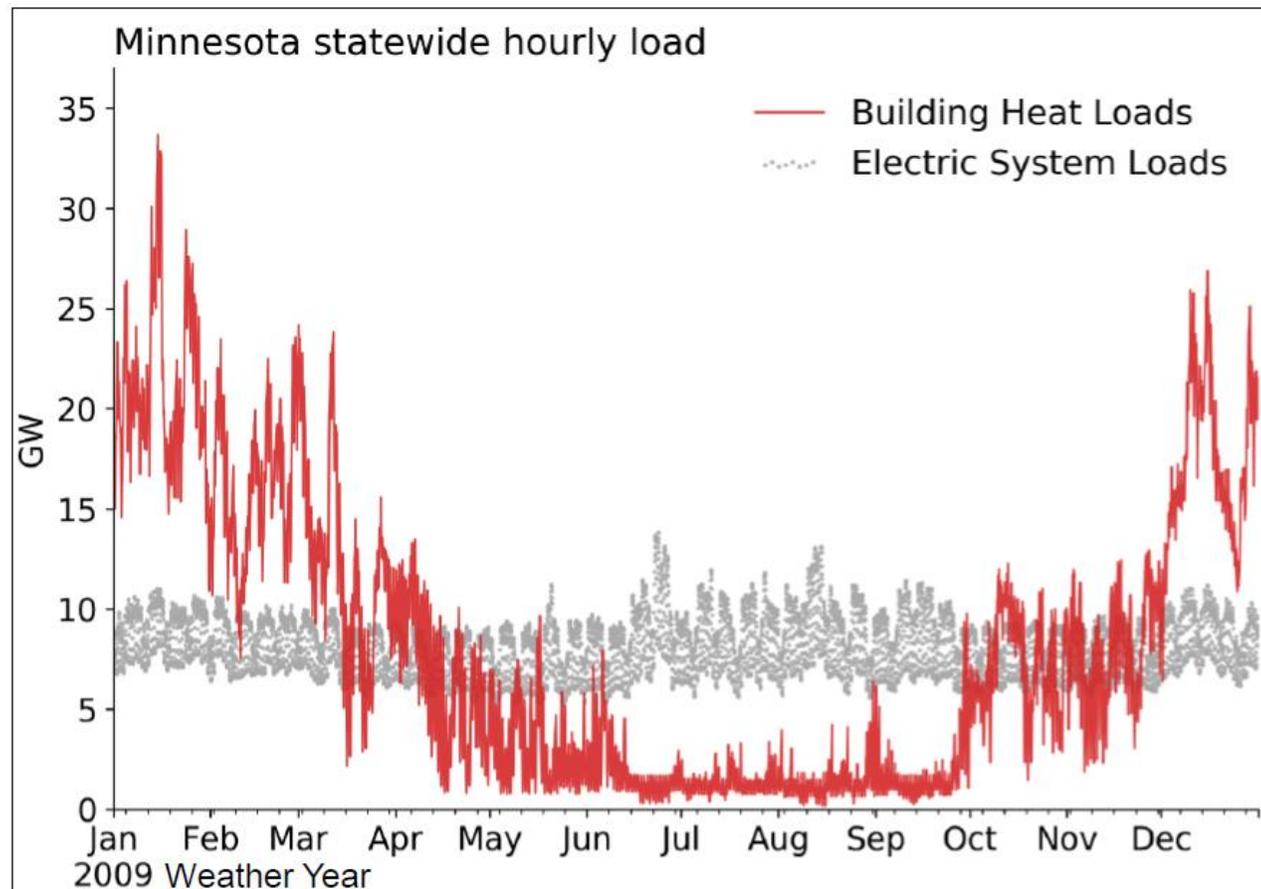
That's more energy than Minnesota's TOTAL electric generation capacity



Source: U.S. Energy Information Administration (EIA) <https://www.eia.gov/electricity/data/state>

Winter peak energy loads in Minnesota are much higher than summer peak energy loads

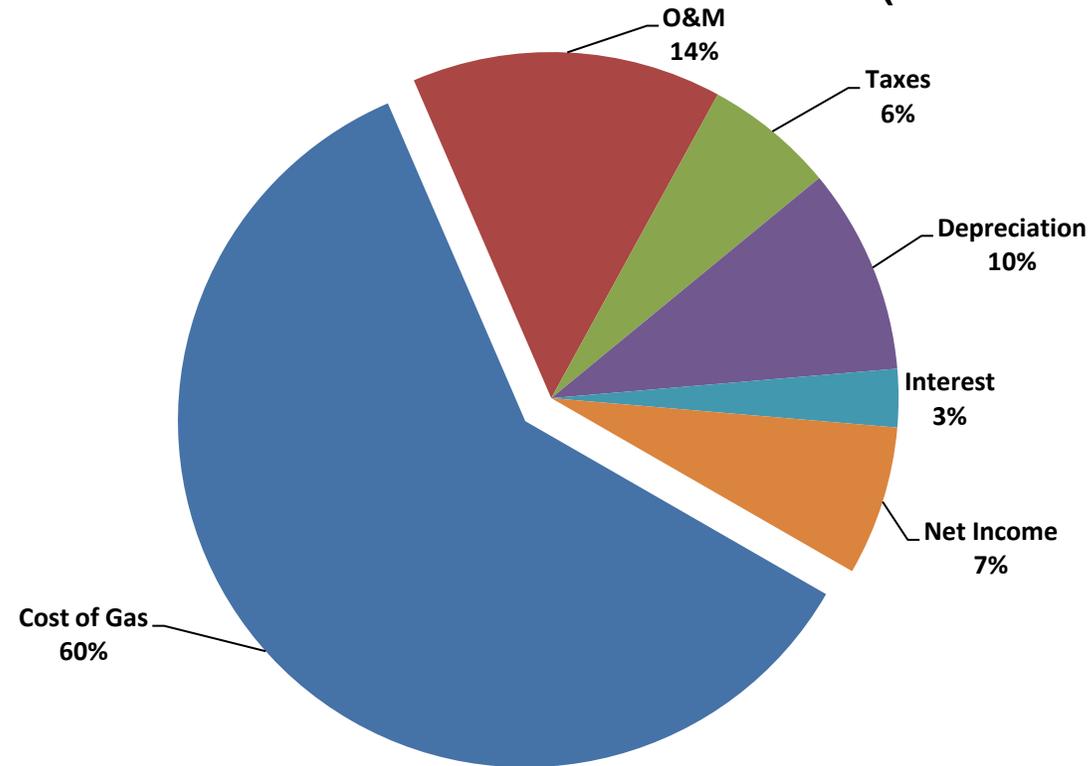
In a cold climate state like Minnesota, peak heating loads are several times greater than peak electric system loads



Source: *Decarbonizing Minnesota's Natural Gas End Uses*, July 2021

Commodity cost of natural gas makes up the largest component of a customer's bill

**CenterPoint Energy Billable Dollar
Based on the 2022 Minnesota Rate Case (Settlement Rates)**



Approximately 60% of every dollar paid by customers to CenterPoint Energy is for the commodity cost of natural gas – which is a pass-through charge, with no “mark up” or profit for the utility.

We help make bills more affordable with payment options and access to financial assistance



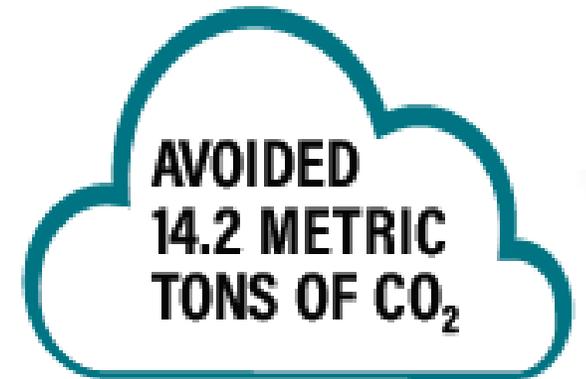
- **Payment options to help customers manage bills**
 - **Average Monthly Billing** spreads costs over 12 months to even out winter payment peaks
 - **Payment Arrangements** extend payments over a period of time, tailored to customer's specific financial circumstances
- **Financial assistance for income-eligible customers**
 - **MN Energy Assistance Program** – state-administered, federally-funded program (LIHEAP) helps pay heating costs
 - **Gas Affordability Program** caps monthly payments at 3% of income
 - **Salvation Army HeatShare** helps customers struggling to pay bills

Our **nation-leading** Conservation Improvement Program (CIP) helps residential and business customers reduce their energy use, save money and decrease their carbon footprint.

We've helped customers save energy & reduce emissions for
28 YEARS



CIP 1994-2021



CIP 1994-2021

Equal to nearly 2.4 million cars removed from our roads!

In Minnesota, we're embracing innovations for a cleaner energy future



Natural Gas Innovation Act



Creates a regulatory process to move forward with innovative technologies that reduce carbon emissions from natural gas use

[Learn more](#)

Carbon capture & recycling



Capturing and converting carbon dioxide (CO2) into a safe, nontoxic powder that can be reused in products

[Learn more](#)

Renewable natural gas



Gas created by the breakdown of renewable organic material like animal manure, wastewater, and food waste

[Learn more](#)

Green hydrogen



A zero-carbon energy resource produced by safely splitting water into oxygen and hydrogen using renewable electricity

[Learn more](#)

Carbon policy



Our commitment to reducing carbon emissions from our operations and customer usage

[Learn more](#)

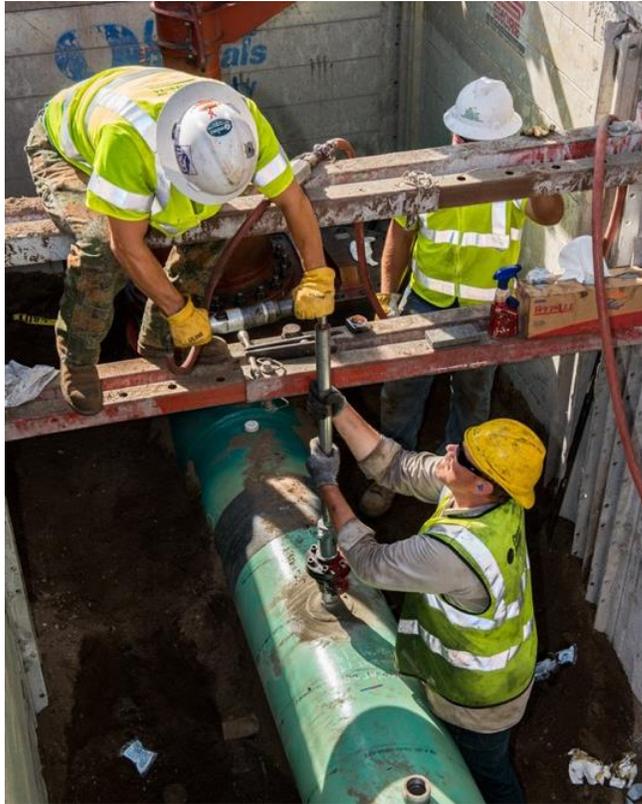
Reduce operational emissions



Upgrading our infrastructure and using cutting-edge technologies to prevent and detect leaks

[Learn more](#)

Reducing emissions by optimizing operations



Modernizing our infrastructure with durable materials for system safety and resiliency

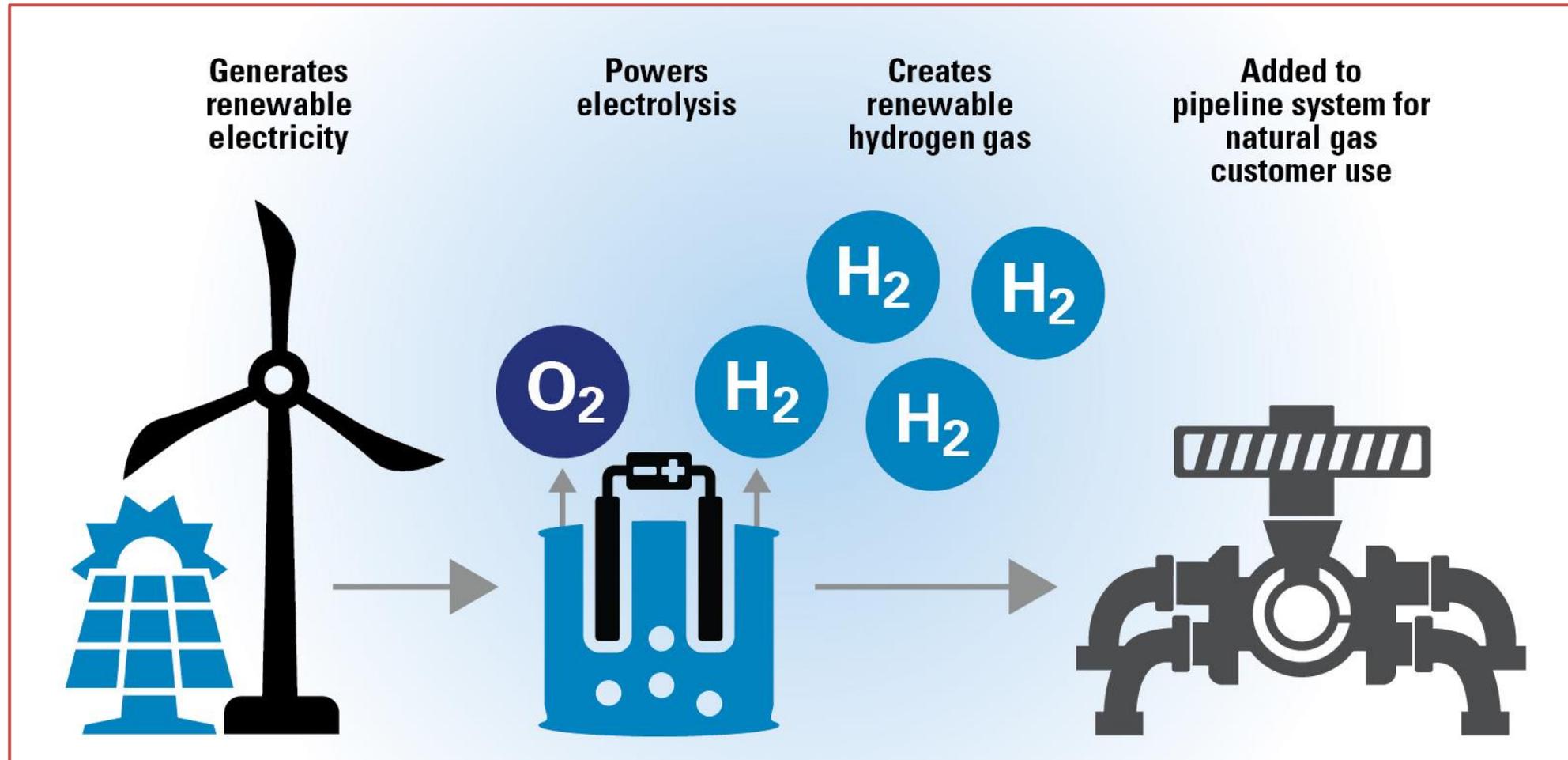


Advanced leak detection technology



ZEVAC equipment avoids emissions when replacing/repairing gas mains

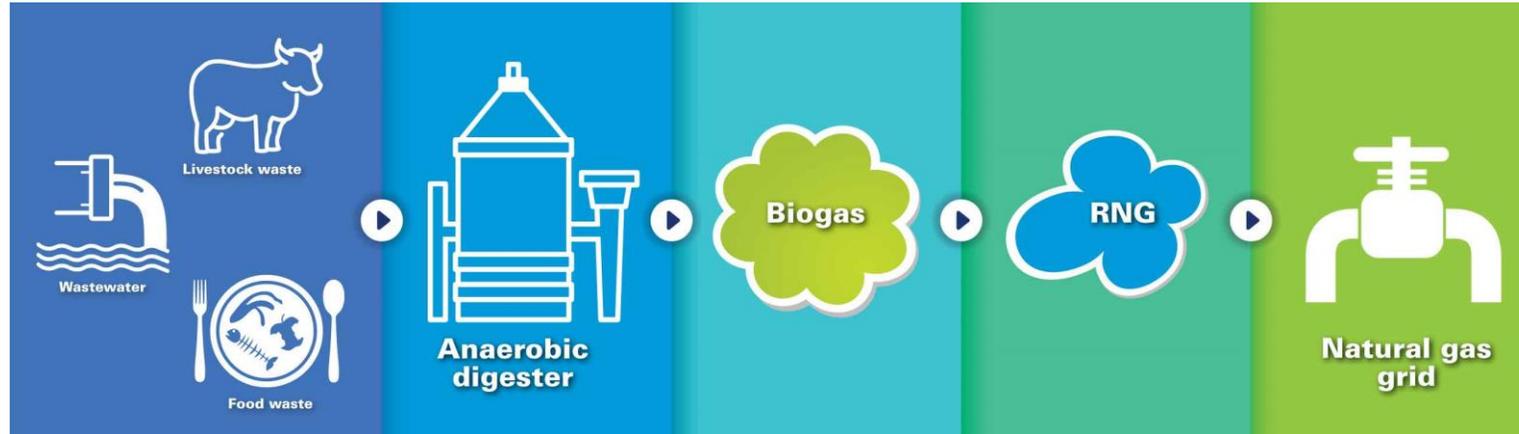
Leading the way with a zero-carbon energy resource: “green hydrogen”



Hydrogen Production System

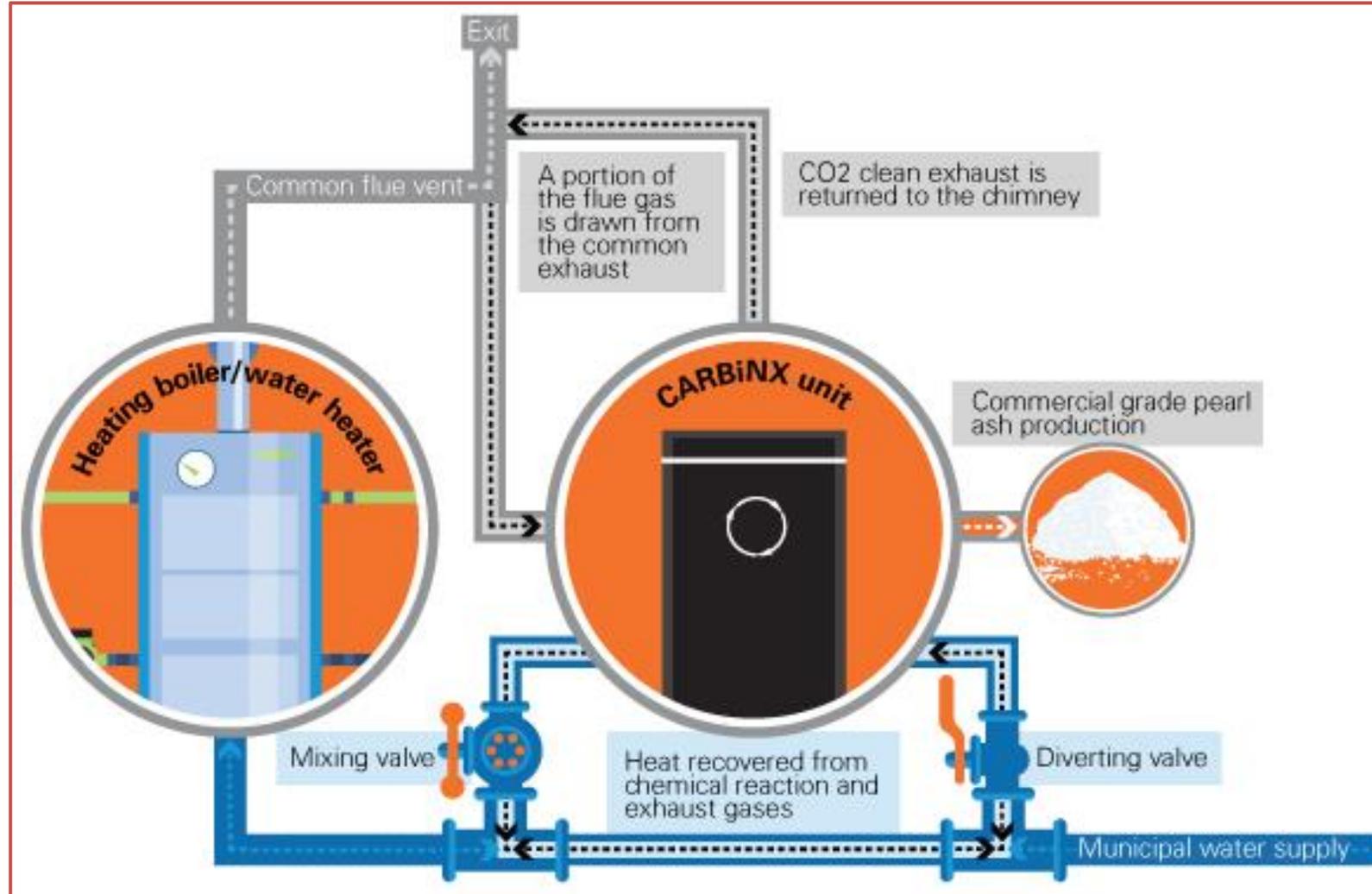


Developing a new Made-in-Minnesota energy resource: Renewable Natural Gas



- **Lower, even net negative, emissions** compared to conventional natural gas – capturing methane gas that would otherwise go into the air
- Diversifies state's energy supply with a Minnesota-made resource that's **interchangeable with conventional natural gas**
- **Improves waste management** (from farms, food waste, landfills, wastewater treatment)
- **Supports job creation & economic development**

Onsite Carbon Capture & Recycling



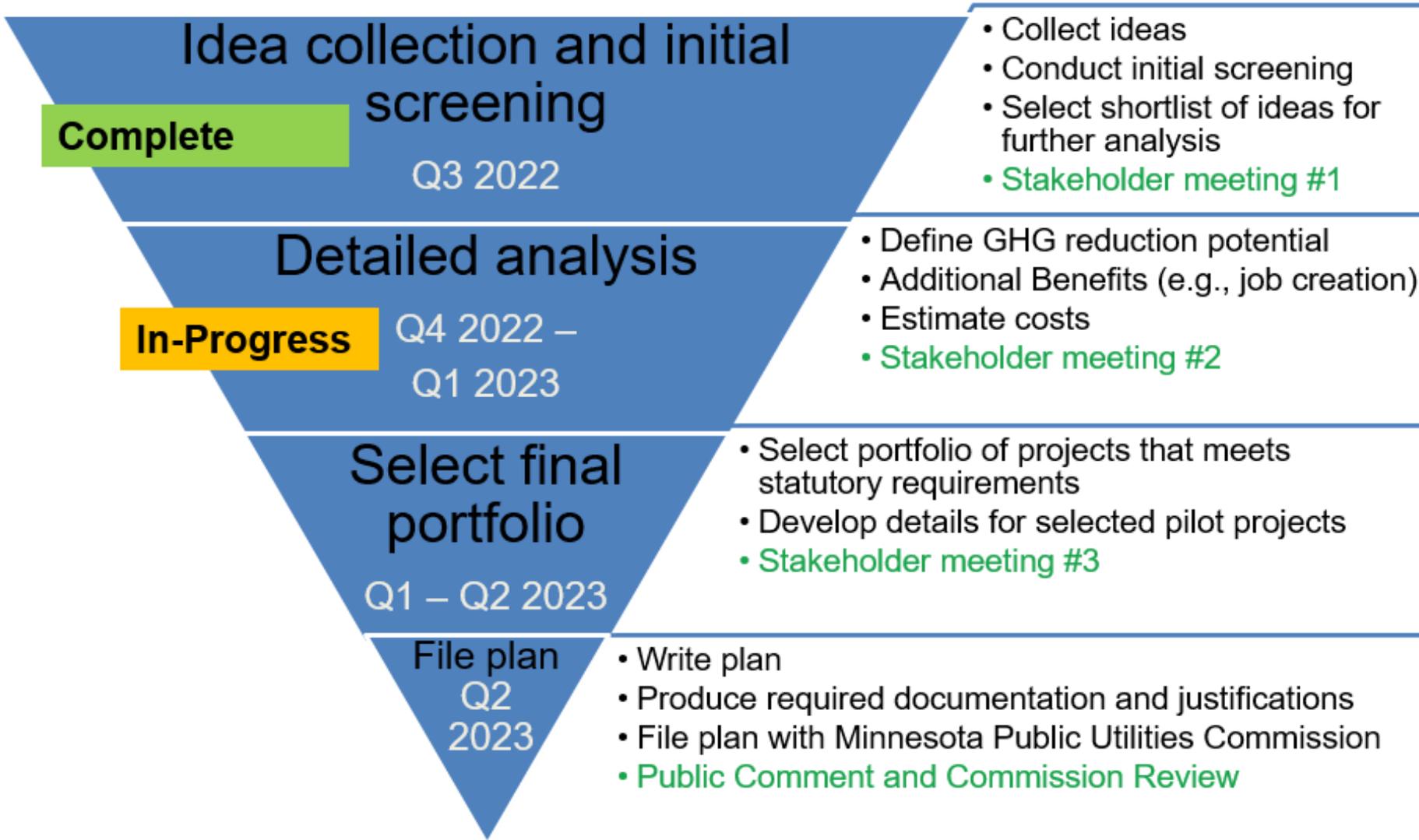
Natural Gas Innovation Act (NGIA)



Landmark new MN energy law proposed by CenterPoint Energy, passed in 2021 with strong bipartisan support
NGIA creates a new regulatory framework for natural gas utilities to invest in renewable energy resources and innovative technologies that reduce greenhouse gas emissions

- **Innovation Plan**
 - a set of “pilot projects” that directly deploy and/or encourage the deployment of “innovative resources”
- **Pilot Projects**
 - can include a wide range of activities, including specific project development, programs and services offered to CenterPoint Energy customers, and research & development efforts
- **Innovative Resources**
 - Renewable natural gas
 - Biogas
 - Power-to-hydrogen
 - Power-to-ammonia
 - Energy efficiency
 - Strategic electrification
 - District Energy
 - Onsite carbon capture and recycling

CenterPoint Energy progress for NGLA Innovation Plan



One-click resource links



- **Clean Energy & Innovation**
CenterPointEnergy.com/CleanEnergyMN



- **Conservation Improvement Program**
CenterPointEnergy.com/SaveEnergy



- **Sustainability**
CenterPointEnergy.com/Sustainability



- **Payment Assistance**
CenterPointEnergy.com/PaymentAssistance



- **Pipeline Improvements and Construction Updates**
CenterPointEnergy.com/Construction



- **Community Relations**
CenterPointEnergy.com/Community