

Natural Gas Innovation Act (NGIA)

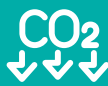
Proposed pilot programs



NGIA overview



Submitted
five-year
innovation plan
in summer 2023.



Investing in renewable
energy to reduce green-
house gas emissions.



If approved, the plan
starts 2024 and
continues through
2029.

In June 2023, CenterPoint Energy proposed its first five-year innovation plan under Minnesota's Natural Gas Innovation Act (NGIA). NGIA created a new regulatory framework for natural gas utilities to invest in renewable energy resources and innovative technologies that aim to reduce the state's greenhouse gas emissions. CenterPoint's innovation plan is subject to review and approval by the Minnesota Public Utilities Commission (PUC), which is expected summer 2024.

Overview of proposed pilot programs

For Small Volume Dual Fuel B, Large Volume Dual Fuel, Commercial/Industrial Firm C and Large Volume Firm customers:

Industrial or Large Commercial Hydrogen and Carbon Capture Incentives

Customers interested in installing either power-to-hydrogen (green hydrogen) or carbon capture demonstration projects.

Proposed incentive: 20% of the costs for a feasibility study, up to \$30,000 and 100% of capital costs for project installation and up to a maximum of \$1.5 million for a single project.

Industrial Methane and Refrigerant Leak Reduction Program

Identify behind-the-meter leaks in a customer facility and offset the cost of leak repair.

Proposed incentive: CenterPoint facility leak detection survey offered at no cost to customers. \$5/Dth of expected annual savings for leak repairs up to the incremental cost of the repair.

Industrial Electrification Incentives

Support industrial customers to convert low-to-medium natural gas heat processes to electric heat pump technologies.

Proposed incentive: CenterPoint will pay the full cost of the heat pump and installation, up to \$1.5 million per facility.

Industrial and Large Commercial Green House Gas (GHG) Audit.

CenterPoint Proposes to expand its Process Efficiency and Commercial Efficiency programs to include identification of additional greenhouse gas reduction opportunities.

Measures that may be recommended as a result of an audit include installation of electric heat pumps, hybrid heating systems, CarbinX™ carbon capture units, industrial heat pumps, solar thermal walls, onsite biogas production and use and innovative energy efficiency and strategic electrification measures that are not available through our traditional energy efficiency programs.

Proposed incentive: CenterPoint rebate equal to between \$10/Dth and \$25/Dth of annual natural gas savings for installed measures, up to \$1.5 million.





CarbinX Rebates

CenterPoint proposes to install CarbinX™ carbon capture systems manufactured by CleanO2. These units connect to existing natural gas heating equipment, capture carbon dioxide and convert it to a solid potassium carbonate that can be turned into other products.

Proposed incentive: \$8,000 incentive for a customer's first installation and a \$3,000 incentive for subsequent installations.

Commercial Hybrid Heating

CenterPoint will offer support for customers who own commercial buildings interested in replacing existing heating, ventilation and air conditioning systems with a hybrid system using electric heat pumps and natural gas backup. This pilot would focus on dual-fuel rooftop units but could support installation of other hybrid heating systems.

Proposed incentive: CenterPoint would pay 40% of hybrid heating system costs, up to \$100,000. Higher incentives for larger systems will be considered on a case-by-case basis. We estimate the total cost of the heating system conversion would be approximately \$81,000, with an average customer rebate of \$32,400.

Gas Heat Pumps for Commercial Buildings

CenterPoint will offer support for customers who deploy and test engine-driven and/or absorption gas heat pump systems in commercial buildings to evaluate the technologies' performance.

Proposed incentive: CenterPoint proposes to pay the full cost of installing gas heat pumps.

New District Energy Systems

For current natural gas customers that seek to build new, geothermal-based district energy systems. These types of systems use the relatively constant temperature of the earth, and a network of heat pumps to heat and cool multiple buildings typically closer together, such as on a campus. CenterPoint will support customers who hire qualified experts to complete feasibility studies for new district energy systems and offer incentive to support construction.

Proposed incentive: CenterPoint proposes to pay 50% of the cost of an engineering study, up to \$10,000. For constructed projects, we'll pay a rebate equal to between \$10/Dth and \$25/Dth of estimated annual geologic natural gas savings resulting from the project, up to \$1.5 million per project.

Contact your key account manager if you're interested in learning more about these pilot programs.

Learn more at CenterPointEnergy.com/NGIA.