CenterPoint 2025 IRP
4th Stakeholder Meeting Minutes Q&A
October 23, 2025, 9:30 am – 2:00 pm CDT

Drew Burczyk (Project Manager, Resource Planning & Market Assessments, 1898 & Co.) – Introduced the meeting facilitator and covered meeting protocols and participation.

Shane Bradford (Vice President, Indiana Electric, CenterPoint Energy) – Shared the safety message for the meeting and the updated generation timeline.

Leslie Hamby (Manager IRP and Generation Analysis, CenterPoint Energy) – Provided an overview of the IRP process and summarized stakeholder feedback.

Matt Rice (Director, Regulatory and Rates, CenterPoint Energy) – Provided an overview of the Preferred Portfolio and the short-term action plan.

- Slide 17: Key Risk Considerations
  - Comment: You're saying that the cost of all types of resources is increasing. The cost of renewables is not increasing like the cost of fossil fuel generation is.
    - Response: They're both increasing at a high rate across the board as informed by the 2024 All-Source RFP. Additionally, when looking at the cost of renewables, this is generally speaking about the cost of energy while the cost of thermal and fossil fuel generators typically involves the cost of capacity and the cost of energy. There is additional benefit from thermal sources that should be accounted for costs and benefits. The full levelized rate should be considered.
  - Question: You were saying that some of the changes are due to the renewables being more expensive, but where do [you consider] climate change, our planet and the ability of our children to be of good health and have a successful life? There are other ways to address affordability like reducing return on equity that doesn't put our planet and future at risk.
    - Response: CEI South will continue to pursue renewable generation that makes economic sense. The emphasis has been on affordability for our customers, and we do not want to offer a plan that limits our flexibility and creates affordability challenges. Also, note that many of the renewables we pursue are through power purchase agreements, which offer no return to CEI South.
  - Comment: Looking at the executive orders, which would be basically from a 2 – 2.5-year period. That's a short term. This is supposed to be a 20-year plan. I think we would look at not just potential executive orders that might come right away, but for the entire 20-years of the plan's life.
    - Response: This is a long-term plan, which is exactly why something like the risk associated with policy fits with our decision to reevaluate these key decisions in the next IRP in 2028.
- Slide 18: Generation Timeline
  - Question: With the closing of the AB Brown units, I am assuming that CNP produces around 1,000 MW currently. Is that correct? Generally, of the 150,000 customers, how much of that is actively being used?

        - Response: Our customer load demand is a little more than 1 GW. Before AB Brown 1 & 2 retirement and the end of the contract with Alcoa for Warrick 4, we had extra capacity, but now we are short and have to buy required capacity. When we retired AB Brown 1 & 2, we largely replaced that capacity (megawatts) pretty much one for one with AB Brown 5&6. Following the exit of 150 MW Warrick 4, we needed capacity and energy, which we filled with about 650 MW of renewable resources. Finally, for the FB Culley 2 battery project, it is a one-for-one capacity replacement of the existing coal site for a storage resource. Please see slides 34 through 45 for the load plus planning reserve margin. It shows how much energy CEI South is predicted to produce to meet demand, including purchases. Any extra energy generation can be sold to the MISO market.
    - Question: When all the discussion over the gas plant at AB Brown was occurring, it was originally shared as a peaker plant to facilitate renewables, but now you are sharing that the conversion would make it a baseload plant due to the cost of the pipeline.
        - Response: As they are today, A.B. Brown 5 and 6 operate as peaking plants and operate for a few hours a day. The conversion that we speak about includes adding a Heat Recovery Steam Generator ("HRSG") to the combustion turbines to use waste heat to produce energy. They would become a very efficient baseload plant. Note that their role as peaking plants made sense during the last IRP cycles, but now that the market is continually changing and MISO introduced Direct Loss of Load accreditation, the use of these units as baseload generators makes sense.
- General Questions:
    - Question: You mentioned long-term contracts as one mitigation tactic against increasing costs for customers. Are there any other cost protections for existing customers if a large load customer is secured?
        - Response: In principle, we are trying to keep costs that are caused by a large load assigned to the large load customer. Beyond that, we cannot talk about specifics. No contracts are signed and conversations are highly confidential.
    - Question: Did anyone watch the Governor's energy task force that took place earlier this month?
        - Response: I saw some but not all of it.
    - Question: On the demand side management (DSM), are you going to be working towards commercial customers and big industrial customers to get them to kick in some DSM, not just households with their start thermostats?
        - Response: Currently, we have programs for energy efficiency and demand response that are for all customers regardless of market segment and we will continue to offer this in the future. Following the 2014 Indiana legislation, commercial and industrial ("C&I") customers are

able to opt out of energy efficiency and demand response. To the extent that these customers don't opt out, we will continue to offer C&I programs.

- Question: When we are talking about large load customer, you say that you have ideas on how to protect customers, but we are seeing things that haven't been seen before. These data centers are coming online and wanting power quickly. You're talking about converting to combined cycles and bringing thermal resources online. How do you think you are going to provide power to these data centers quickly?
  - Response: If a prospective large load customer is a data center, yes, they want quick speed to market. We would likely have to go to market for capacity, energy, or tolling agreements to cover the short-term capacity need until we could build our own generation.

Drew Burczyk – Shared the approach to scenario driven portfolio and presented the final 12 portfolio selections.

- Slide 30: Final Portfolios
  - Question: Can you give more detail and explanation about the bottom 3 lines?
    - Response: The first line is the average of the net present value ("NPV") of the portfolio over the 20-year study from the 200 simulations that are performed with the risk analysis. The following line is the difference between a given portfolio's net present value and the reference case portfolio in thousands of dollars. The final row is the delta from a given portfolio expressed as a percent difference.
  - Question: The Reference Case Portfolio 1 is the current situation. Correct?
    - Response: Not exactly. The portfolio is the model output for the least cost optimized capacity expansion portfolio from the Reference Case inputs, as given on slide 26.

Matt Rice – Provided a look into each portfolio's capacity and energy position, energy mix, and the benefits and challenges of each portfolio.

- Slide 35: Portfolio 2 – FBC3 on NG 2035
  - Question: Can you explain the difference between Portfolio 1 (Reference Case) and Portfolio 2?
    - Response: In the Reference Case Portfolio, FB Culley 3 would retire by 2032 without replacement. In Portfolio 2, FB Culley 3 would convert to gas-fired in 2035 and then remain online during the entire study period. Portfolio 2 has excess capacity for several years, which indicates that there is ability to support economic development.
- General Questions:
  - Question: When you're looking at a portfolio and the potential for economic development, and you're looking at demand and how much time it takes you to supply energy for the increased demand, there are three pathways to consider. First, you could increase capacity of existing aging facilities which is like

spending money on a 30-year-old car. Second, you could build a gas plant from scratch and that will take a long time to come online. Third, you could look into alternative fuel with faster build times, such as solar. You could also look at putting renewable energy at the site of the large loads so that they can serve themselves. Have you considered any of those ideas?

- Response: Following the car analogy, while we don't want to pour money into an old car, it does offer the benefit of giving you time before needing to purchase a new car. In a similar way, we are looking at F.B Culley 3 as a resource that could help us during this generation transition until we have something to replace it. In terms of ideas for serving potential economic development customers, each customer has different desires and needs for their energy sources. In general, those negotiations are all unique, and we cannot get into details of any one of them, but they do bring their own perspectives and priorities.

- Comment: Corporations are looking to make money and generally will look for lowest costs possible to be able to maximize profit.
  - Response: It depends on the industry. In southern Indiana, there is a green energy tariff which one customer takes advantage of. It depends on the customer's industry and priorities.
- Comment: You spoke about pushing the FB Culley 3 decision out until the next IRP. However, when asked about performing a study to investigate retiring FB Culley 3 in 2030, you were saying there's so much uncertainty. This seems contradictory that you are wanting near-term decisions, but you're not investigating a near-term closure of FB Culley 3.
  - Response: We do not want to close a resource without filling the gap with an additional resource because we would be heavily reliant on the market. We have several portfolios that consider retirement in 2032 because we think that it is the earliest that we could retire the resource without putting reliability at risk.
- Question: Some portfolios have "fuel costs" listed as a challenge. How would those reflect to the customer? What actions would be taken if that fuel and cost challenge came to fruition?
  - Response: CenterPoint does not make money on fuel costs, but those are recovered dollar for dollar on bills. Portfolios with heavy dependency on one particular fuel have risk with fuel cost variability. We can generally customers benefit from lower cost power whether produced or purchased.
- Question: Do you have a sense of how much tariffs have impacted the rise in solar project costs? How is that factored into these scenarios?
  - Response: In general, we've seen increases of 15 – 35%. For example, parts that were manufactured for a low cost in countries now considered a "foreign entity of concern" may experience a greater cost increase. From a modeling standpoint, the cost starting point was from the 2024 All Source RFP as the baseline since provided market insight into average, low and high costs for these technologies under current market

conditions. Then, across the different scenarios (high, base, low) we have different assumptions on how costs change over time. In the risk analysis, the selected future cost curve for each of these resources was randomly reshuffled every four years to account for further fluctuations in price.

- Question: There was a bill passed by the state house that allowed gas to be considered a renewable resource. Did that get factored into this analysis or cause things to be weighed differently?
  - Response: No.

Drew Burczyk – Presented the metrics on the risk analysis scorecard detailing each metric and key takeaways.

- Slide 49: Final Scorecard
  - Question: Are the colors meant to suggest that green is good, and red is bad?
    - Response: No. The color coding represents the relative ranking between the portfolios. Green could represent a portfolio performed better than other portfolios for a given metric but not necessarily.
  - Question: For Portfolio 6 & 7, we are looking at the equivalent CO_2 emissions that are almost 29,000 for Portfolio 6 and 45,000 for Portfolio 12. Why are SOx and NOx emissions not decreasing the same way from Portfolio 12 to Portfolio 6?
    - Response: The SOx and NOx emissions are linked to the F.B. Culley and A.B. Brown decision. The portfolios that convert A.B. Brown 5 and 6 to a combined cycle typically perform better in terms of NOx emissions.
  - Question: The costs for Portfolio 12 are external rather than internal. You are looking at affordability but are not factoring the external costs that people have to pay (e.g., health costs). For long-term sustainability, these costs should be included in this analysis.
    - Response: In an effort to capture some of those costs, we included a CO_2 emissions cost in a quarter of the stochastic runs.
  - Question: When you use the word affordability, it's a bigger picture than NPV. Does NPV include return on equity? Are you assuming that return on equity is flat?
    - Response: Yes, the return on equity is included in the NPV on the slide. And yes, the return on equity is assumed to be flat.
- Slide 52: Affordability: Annual Revenue Requirement by Portfolio
  - Comment: Renewables will perform better in the long-term than in the short-term. In the annual revenue requirement graph, we see that Portfolio 6- Renewable Heavy portfolio starts to decrease in the early 2040's while some of the other portfolios are increasing.
    - Response: The reference case (Portfolio 1) and delayed reference case (Portfolio 12) do have a lower overall NPV than the more renewable heavy portfolios. Portfolio 3 and Portfolio 7 have an increasing revenue requirement mostly due to the addition of resources in 2045.
- Slide 54: Affordability: Incremental Electric Energy Burden

- Question: You are showing the energy burden only in 2030 and 2035. Why is this not until for the entire 20-year planning period? The challenge with this is that capital investments, especially in renewables, will look worse in the near-term than in the long-term.
  - Response: The portfolio NPV captures the net present value of the portfolio over the entire planning horizon. The intention of adding the incremental energy burden metric was to provide a near to mid-term look at affordability. As such, this metric is looking at the near to mid-term impact of decisions made in this from the perspective of a customer's energy bill.

Drew Burczyk – Shared an overview of the alternative reference case and portfolio optimization results.

- General Questions:
  - Comment: There isn't much that worries me more about affordability than this section. I am not convinced that all the extra costs will be paid for by the large load.
    - Response: We understand your concern, and CenterPoint is working to make sure that doesn't happen.
  - Comment: All of these large load deals are filled with NDA and their process is not transparent. It makes it difficult for us as a community to make informed decisions. As a community partner, it is important to include the community. We recommend not making it a closed-door process.
    - Response: Thank you for your comment.

Drew Burczyk – Presented the sensitivity results for various sensitivities performed including large load, DG solar, and more.

- Slide 68: Sensitivity Modeling Summary
  - Question: Specifically for DG Solar incentive, for the comment about delaying the need for storage by one year, it seems like if you reduce the load, you'd reduce the need for storage at all, why is that not the case? Also, what does it mean that the cost of the program outweighs the benefits? Is the cost that you are referring to a loss of revenue and not necessarily a capital cost?
    - Response: If you add rooftop solar, it does decrease load. However, the model results are telling us that the load still increases just at a slower pace, and you do still need to build more resources. There is some benefit in delaying the capital investment, but not enough to offset the cost of the program. The cost of the program is similar to an Energy Efficiency plan. We would pay customers $500 per kilowatt for their distributed system, which would be a credit or check to the participating customers.
  - Question: Did any of the modeling take into account that folks are much more aware of their energy use when they add rooftop solar and then typically lower their overall energy usage?

        - Response: The load forecast takes into account rooftop solar adoption but not changes in behavior following the implementation of solar panels.

Matt Rice – Provided a summary of key takeaways from today's presentation.

- General Questions
    - Question: Can CenterPoint talk about the press release regarding affordability that was sent out this morning? Can you go into more detail about stabilizing base rates?
        - Response: Generally speaking, CenterPoint has heard the community's frustration and comments about affordability, and we want to state that we are committed to doing something real and tangible in response. There are long-term and near-term commitments that we are making. In the immediate future, we are going to commit to stabilizing base rates for things that CenterPoint Energy can control to keep the base rate at or below the rate of inflation through the end of 2027. This is about $18 per customer in avoided costs due to the cancellation of a roughly $1 billion investment in the renewable projects that have been cancelled. Additionally, there will be a $3 reduction in energy bill per customer by the end of the year, which is largely due to bringing A.B. Brown 5 and 6 online and no longer needing to purchase capacity. At the same time, we will be hosting some engagement sessions with the community to make ourselves readily available to our customers to hear their feedback and ideas. We're also going to focus on the upcoming heating season to make sure that customers are aware of different payment assistance opportunities. The press release today was just the acknowledgement of customer sentiment and commitment to offering different affordability options. The announcement can be found here: https://www.centerpointenergy.com/en-us/corporate/about-us/news/2109.
    - Question: Can you go into more detail about what stabilizing base rates means since it has already been approved at the IURC level?
        - Response: We filed for a rate case in December of 2023, received an Order in February of 2025, and then we are beholden to the implementation of the order that we received. The rates from this Order go into effect at a prescriptive cadence. Once the last phase of rates goes in, and CenterPoint has completed its' obligation to enter those rates per the Order, we will commit to the stabilization of rates thereafter through the end of 2027.
    - Question: Are you just committing to no rate cases before 2027?
        - Response: The next rate case is required by the end of 2028. We are also committed to responding to the community's frustration with affordability.
    - Question: Isn't the $3 decrease for things that you would have done anyway through trackers?

- Response: Not necessarily. It is mostly for our Reliability Cost and Revenue Adjustment (RCRA) tracker. For instance, with A.B. Brown 5 and 6 online, we have some excess system capacity that we are able to sell for the fall season. Effectively, we no longer need to rent capacity on someone else's system. We also had some MISO credits. This would reduce customer bills next year, but since there was the need for immediate relief, CenterPoint worked with the OUCC (Indiana Office of Utility Consumer Counselor) to get relief for customer bills now.

- Question: If you go to CenterPoint's website, you can find deals such as LED lights and Smart Thermostats and other equipment to reduce demand and make costs go down. There used to be the Energizing Indiana program, which was a cost-effective program, but it has stopped. Was something along the lines of "Energizing Indiana" included in your thought process?
  - Response: CenterPoint files 3-year DSM programs with the Commission. All programs, with the exception of low-income programs, have to be cost-effective. The programs from Energizing Indiana are still continuing but just in a different manner. We do have weatherization programs for income-qualified customers and a home energy assessment program for any customer to sign up for no additional cost.
- Question: Is the new weatherization program harder to qualify for when compared to the Energizing Indiana weatherization program?
  - Response: The program has adapted as building codes have been updated. In 2018, the building codes required that buildings are made more efficient and our program must result in efficiency improvements that are above and beyond that code. CenterPoint is not doing less, but the building codes have been improved.

- Comment: Ideally don't let any data centers into your service territory, especially hyperscale AI data centers, but specifically, we ask that you do not use dirty power to power large loads. The Sierra Club has a petition asking you not to do that. Also, we have a petition with additional signatures to ask you to maintain your former position to retire coal by 2027. A statement was then read.
  - [Stakeholder provided comments posted to Integrated Resource Plan (IRP) website]
- Comment: There's a reasonable chance we could see a large load in CenterPoint's area. Maybe we could form a community working group, or other incentives could be worked on.
  - Response: Understood and acknowledged. Thank you.