

# CONOMIC COMPETITIVENESS OF RESILIENT POWER



As the energy capital of the world, Houston is home to one of the most dynamic and competitive electricity markets in the nation. The Texas power grid is the largest producer and consumer of electricity in the US, with ERCOT covering most of the state, along with regional operators including MISO, SPP, WECC, and SERC. There are several structural advantages that contribute to the state's competitiveness in the power market, and these competitive advantages position the Houston region to deliver electricity needs for future economic growth, including large industrial assets.

#### **RELIABILITY & RESILIENCE**

#### PROGRAMS & INITIATIVES

RESULTS

Continuous improvements to enhance grid resilience and reliability for the future across ERCOT system

99.9% of ERCOT customers maintained their power during winter storm Enzo

Texas Energy Fund's lowinterest loan and completion bonus program to encourage

10 GW new generation investment with Texas Energy Fund

25.000 storm-

resilient poles installed;

4,000 miles of power lines

vegetation;

- Greater Houston Resiliency Initiative (GHRI) by CenterPoint Energy to strengthen electric system ahead of 2025 hurricane
- 4,850 automated reliability devices installed

cleared of high-risk

- 400 miles of power lines undergrounded
- 125 million minutes annual outage reduction projected

Systemwide Resiliency Plan (SRP) proposed by CenterPoint Energy to prepare for and mitigate long-term gird impacts of broad range of extreme weather events

\$5 billion investment between 2026 - 2028

# COMPETITIVE ADVANTAGES OF REGIONAL POWER MARKET

#### Market Structure

- · Business-friendly regulatory environment
- · Favorable policies
- · Transparency & accountability
- Low taxes
- · Robust market design
- · Diversity of market participants

## Strategic Geographic Location

- · ERCOT has transmission infrastructure
- · ERCOT connects diverse energy sources
- · Houston is a global center for energy finance & trading
- · Houston is a global center for oil & gas exploration

### Speed to Build

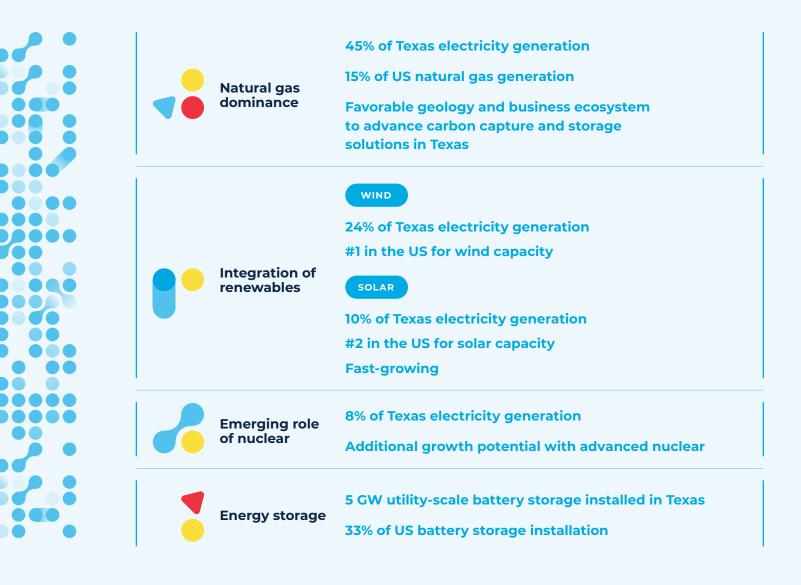
- Texas has a history of cogeneration development and operations that paves the way for sensible and reliable collocated solutions
- ERCOT as an independent grid operator reduces congestion and improves efficiency of local power markets
- ERCOT current average permitting review process of 48 months is significantly faster than the up to 110 months in the 9 other ISOs across the US
- CenterPoint Energy is pro-actively planning and conducting development studies for system-wide capacity mapping across the Houston region
- CenterPoint Energy's supply chain management and strategic capital inventory programs are proactively supporting and managing long-lead construction items

#### **Innovation**

- Houston is home to growing innovation ecosystem with 220+ cleantech & climatetech startups, 12+ colleges & universities, and 35+ incubators, accelerators and support programs
- Texas / ERCOT: Widespread use of advanced metering infrastructure (AMI) in Texas provides insights into energy use patterns and supports dynamic pricing models
- Texas is #3 in US for battery electric vehicle (BEV) ownership and #4 in US for public EV charging locations
- Texas has the favorable geology and business ecosystem to advance carbon capture and storage solutions
- Houston is a leader in developing and adopting smart grid technologies to enhance grid management and improve system responsiveness

season

#### **DIVERSE ENERGY SOURCES & ARRAY OF OPTIONS**



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345,000 industrial customers	Texas has largest industrial customer base in US	6.6 cents/kWh	Average electricity price for industrial customers in Texas (vs 8.04 national average)
12.3 million residential customers	Texas has second-largest residential customer base in US (100% residential energy access)	10.04 cents/kWh	Average electricity price for all customers in Texas (vs 12.68 national average)
90% Texas electricity load	ERCOT supplies power to 90% of the state's electricity load	3.0% 7.1%	Median energy burden in Houston: Across all households (vs 3.1 national average); Low-income households (vs 8.1 national average)

Affordability





Accessibility