



January 15, 2024

Mr. Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

RE: In the Matter of CenterPoint Energy's Natural Gas Innovation Plan (DOCKET NO. G-008/M-23-215)

Dear Mr. Seuffert,

The Geothermal Exchange Organization (GeoExchange) is a nonprofit trade association promoting the manufacture, design and installation of geothermal (also known as ground source) heating and cooling technology. Our members include manufacturers, installers, technology providers, utilities and others. As an organization, we fully support Centerpoint Energy's (Centerpoint) proposed innovation plan and would encourage the Public Utilities Commission to approve it.

While there are many components to Centerpoint's plan, as an organization we believe the proposed networked geothermal system (Pilot I) is a critically important investment that meet's the purposes of the Natural Gas Innovation Act (NGIA) and will help demonstrate the value that networked geothermal systems can provide to utility customers, workers, and the climate.

Networked geothermal is a cost-effective alternative to delivered natural gas that can provide efficient heating and cooling, even in cold weather environments like Minnesota. Because geothermal utilizes underground heat, the system remains efficient throughout the cold winter months, helping to avoid spikes in electricity demand. While many geothermal heat pump systems are designed to serve single buildings, networked geothermal design will allow Centerpoint to serve an entire neighborhood of customers—both residential and commercial. This is an innovative model being piloted across the country and represents a potentially significant approach to fully electrifying home heating and cooling systems.

In addition to customer and climate benefits, networked geothermal has significant local economic impacts. As Centerpoint points out in their filing, there are a number of Minnesota-based technology providers who would be well positioned to support the pilot. Additionally, the pilot has significant labor benefits, supporting good paying jobs for local workers with significant skills overlap to those currently employed building and maintaining the gas distribution system. As advocates for the geothermal tax credit

provisions of the federal Inflation Reduction Act (IRA), we recognize that this pilot is a good opportunity for Minnesotans to utilize those benefits.

Centerpoint is also proposing an Industrial Electrification incentive (Pilot L) and a Commercial Hybrid Heating incentive (Pilot M). Both pilots have the potential to utilize geothermal heat pump technology to meet the industrial and commercial heating needs envisioned in the pilots. While Centerpoint does not specify at this point which specific technologies will be used, we would encourage them to study and consider geothermal heat pump options as they implement those pilots. We believe that geothermal heat pumps can meet the goals of those incentive programs while providing the benefits envisioned by the NGIA.

Thank you for the opportunity to provide comments on Centerpoint's NGIA filing and express our support for its approval and highlight the benefits the geothermal heat pumps and networked geothermal systems can provide to Minnesotans.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Dougherty", written in a cursive style.

Ryan Dougherty, President
Geothermal Exchange Organization