



March 27, 2026

Sasha Bergman, Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
St. Paul, MN 55101-2147

**RE: Supplemental Comments of Center for Energy and Environment in the Matter of CenterPoint Energy’s Natural Gas Innovation Plan – Request for Approval of Budget Modification and Compliance Filing**

**Docket Number: G008/M-23-215**

Ms. Bergman,

Center for Energy and Environment (“CEE”) appreciates the opportunity to provide Supplemental Comments in response to the Minnesota Public Utilities Commission’s (“Commission”) Amended Notice of Comment Period issued on March 6, 2026, regarding whether the Commission should approve CenterPoint Energy’s (“CenterPoint” or “Company”) request to modify its budget for its Natural Gas Innovation Act (“NGIA”) hydrogen blending pilot.

On January 22, 2026, CenterPoint filed a request to increase the budget for Pilot D of the Company’s NGIA plan. Pilot D aims to develop a 1 MW project using on-site solar generation to produce green hydrogen for blending into the Company’s natural gas distribution system. The Commission approved Pilot D’s original budget of \$4,646,943 over its five-year NGIA plan in its October 9, 2024 Order in this docket. The Company is requesting a two-part budget increase: \$468,412 as a base increase, and \$935,972 as a contingency increase, for a full request of \$1,404,384.

During record development on the Company’s NGIA plan filed on June 28, 2023, in this docket, CEE provided comments and analysis supporting CenterPoint’s overall plan and recommending Commission approval. In that process, CEE did not take a position on Pilot D, hydrogen as an alternative resource, or the practice of blending hydrogen into the natural gas distribution system. However, for the reasons discussed below, CEE finds CenterPoint’s budget increase request to be reasonable within the broader context of the NGIA framework and the Company’s approved NGIA plan.

First, CenterPoint’s request is, in part, consistent with the Commission’s November 13, 2025 Order approving the Company’s annual report, which required CenterPoint to “file a

notification in this docket if its estimated beginning-of-construction or in-service dates for the electrolyzer and solar array for Pilot D are delayed in any way that may jeopardize the receipt of expected federal tax credits.”<sup>1</sup> While that Order does not explicitly mention budget implications, CenterPoint indicated that the increased budget request will provide the certainty needed to make investments necessary to meet the beginning-of-construction deadline of July 4, 2026 to secure solar investment tax credits for the project. CenterPoint is working to ensure the Company can receive tax credits for the on-site solar generation in the pilot.

Second, CenterPoint has not requested to increase the total budget of its NGIA plan. The Company has identified budget dollars that are not being used elsewhere to cover the Pilot D budget increase, either through excess funding from RNG purchases in Pilot C or money in reserve in the plan’s R&D budget. As a result, there would be no direct impact to ratepayers from this budget modification request, as the overall NGIA plan budget has already been approved by the Commission in its October 9, 2024 Order in this docket.

Third, CenterPoint requested \$935,972 “to ensure [the Company] has enough funding to cover the full 25% range of accuracy for the Pilot’s capital costs, as estimated by the FEED study.”<sup>2</sup> As affirmed in CenterPoint’s reply comments, “approval of the requested contingency funding ensures Pilot D is adequately resourced and would allow for the Company to address unforeseen expenses encompassed by the FEED study’s plus or minus 25 percent range of accuracy.”<sup>3</sup> From CEE’s perspective, CenterPoint is being proactive in requesting contingency funding to cover potential future budget implications, again without impacting the overall NGIA budget.

Fourth, according to CenterPoint’s filing, the causes for the budget increase request are, in part, due to factors outside the Company’s control, such as increases in market pricing and general inflation.<sup>4</sup>

Finally, at a high level, the NGIA statute and subsequent Commission framework Orders are intended to provide utilities with a regulatory pathway to develop, implement, and learn from innovative resources with specific restrictions and criteria around greenhouse gas emissions, budget impacts, cost-effectiveness calculations, and other factors. CEE views CenterPoint’s proposed budget increase as aligned with the framework of NGIA plan construction, and within the scope of the Commission’s Order approving the Company’s current plan.

For these reasons, CEE finds CenterPoint’s budget modification request to be reasonable. In addition, if the Commission approves CenterPoint’s budget modification, CEE recommends

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<sup>1</sup> Commissioner Order issued November 13, 2025, in Docket No. G008/M-23-215.

<sup>2</sup> CenterPoint Request for Approval of Budget Modification and Compliance Filing. Filed January 22, 2026, in Docket No. G008/M-23-215. Page 6.

<sup>3</sup> CenterPoint Reply Comments. Filed March 17, 2026, in Docket No. G008/M-23-215. Page 4.

<sup>4</sup> CenterPoint Request for Approval of Budget Modification and Compliance Filing. Filed January 22, 2026, in Docket No. G008/M-23-215. Page 3.

using funding from Pilot C rather than R&D funding. CenterPoint indicated that Pilot C is projected to have a budget excess in the five-year plan period due to changes with the RNG purchasing projects.<sup>5</sup> Using unused funds from Pilot C would maintain current levels of R&D dollars available to spend on new pilot proposals as they are developed.

Please do not hesitate to contact me with any questions.

Sincerely,

/s/ Will Nissen

Director of Policy

Center for Energy and Environment

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<sup>5</sup> *Id.* Pages 6-7.