

In the Matter of
CenterPoint Energy's Natural Gas Innovation Act (NGIA) Innovation Plan

Reply Comments of CenterPoint Energy

EXHIBIT F: COMPARISON OF FEDERAL TAX INCENTIVES FOR PILOT D

Exhibit F is filed separately as an Excel file

Docket No. G-008/M-23-215 March 15, 2024

Investment Tax Credit (ITC)
 Production Tax Credit (PTC)

Capital Cost	ITC	PTC
Solar PTC Capital Investment	30% \$660,000	
Rest of Hydrogen Investment	30% \$840,000	\$1/kg

		Plan Year	Year 1	Year 2	Year 3	Year 4	Year 5																			
		Total for All Years (unadjusted)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045		
Annual Hydrogen Production (for Plant Size B)	Hydrogen production from on-site solar electricity (kg)	612,374			15,702	31,404	31,404	31,404	31,404	31,404	31,404	31,404	31,404	31,404	31,404	31,404	31,404	31,404	31,404	31,404	31,404	31,404	31,404	31,404		
	Hydrogen from renewable grid electricity (kg)	2,449,494			62,808	125,615	125,615	125,615	125,615	125,615	125,615	125,615	125,615	125,615	125,615	125,615	125,615	125,615	125,615	125,615	125,615	125,615	125,615	125,615		
	Total Hydrogen Production (kg)	3,061,868			78,509	157,019	157,019	157,019	157,019	157,019	157,019	157,019	157,019	157,019	157,019	157,019	157,019	157,019	157,019	157,019	157,019	157,019	157,019	157,019		
IRA Tax Credit Options																										
Original Plan - ITC for Solar and Electrolyzer	Total	\$1,500,000	\$0	\$0	\$1,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Conservative Adjusted PTC Plan - ITC for Solar, PTC for Electrolyzer, Conservative Interpretation of Current Death Rules	ITC for Solar	\$660,000	\$0	\$0	\$660,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
	PTC based on on-site solar portion	\$895,008			47,106	94,211	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211		
	PTC based on renewable grid electricity portion	\$565,268			\$188,423	\$376,845	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
	Total	\$2,120,276	\$0	\$0	\$895,528	\$471,057	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211		
Conservative Option to Defer Used in Revised NERL Portfolio			Note: Current draft PTC regulations require hourly matching to begin at end of 2027 / start of 2028. The conservative approach assumes that the renewable grid electricity may not qualify for PTC credit from 2028 onward.												Note: PTC is expected to provide incentives for a maximum of 10 years.											
Optimistic Adjusted PTC Plan - ITC for Solar, PTC for Electrolyzer, Favorable Final Rules	ITC for Solar	\$660,000	\$0	\$0	\$660,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
	PTC based on on-site solar portion	\$895,008			\$47,106	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211	\$94,211		
	PTC based on renewable grid electricity portion	\$3,380,030			\$188,423	\$376,845	\$376,845	\$376,845	\$376,845	\$376,845	\$376,845	\$376,845	\$376,845	\$376,845	\$376,845	\$376,845	\$376,845	\$376,845	\$376,845	\$376,845	\$376,845	\$376,845	\$376,845	\$376,845		
	Total	\$5,135,038	\$0	\$0	\$895,528	\$471,057	\$471,057	\$471,057	\$471,057	\$471,057	\$471,057	\$471,057	\$471,057	\$471,057	\$471,057	\$471,057	\$471,057	\$471,057	\$471,057	\$471,057	\$471,057	\$471,057	\$471,057	\$471,057		
			Note: Current draft PTC regulations require hourly matching to begin at end of 2027 / start of 2028. The optimistic approach assumes that all the renewable grid electricity will still qualify for PTC credit. Note that, depending on the final PTC regulations, this optimistic PTC credit may also require purchase of more costly renewable grid electricity than currently assumed (one that provides hourly matching).												Note: PTC is expected to provide incentives for a maximum of 10 years.											