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# Hurricane harvey and energy resilience

Kenny Mercado,  Senior VP Electric operations & technology

April 2, 2020

# First, a word from our attorneys
# *Cautionary Statement*

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Examples of forward-looking statements in this presentation include statements about our growth and guidance (including earnings; dividend growth, yield and payout ratio; total shareholder return; and customer, utility and rate base growth (CAGR) expectations), our transition to become core utility focused, including the percentage of earnings therefrom, our proposed sales of Infrastructure Services and CES, including the expected timing and benefits therefrom, our goals with respect to carbon emissions reductions, including the development of customer program offerings and the timing for continued replacement of cast-iron pipe in legacy Vectren service territories, our anticipated equity and debt issuances, the performance of Enable Midstream Partners, LP ("Enable"), including anticipated distributions received on its common units, operation and maintenance expense management efforts, capital resources and expenditures, our regulatory filings and projections (including the Integrated Resources Plan in Indiana), our credit quality and balance sheet expectations, among other statements. We have based our forward-looking statements on our management's beliefs and assumptions based on information currently available to our management at the time the statements are made. We caution you that assumptions, beliefs, expectations, intentions, and projections about future events may and often do vary materially from actual results. Therefore, we cannot assure you that actual results will not differ materially from those expressed or implied by our forward-looking statements.

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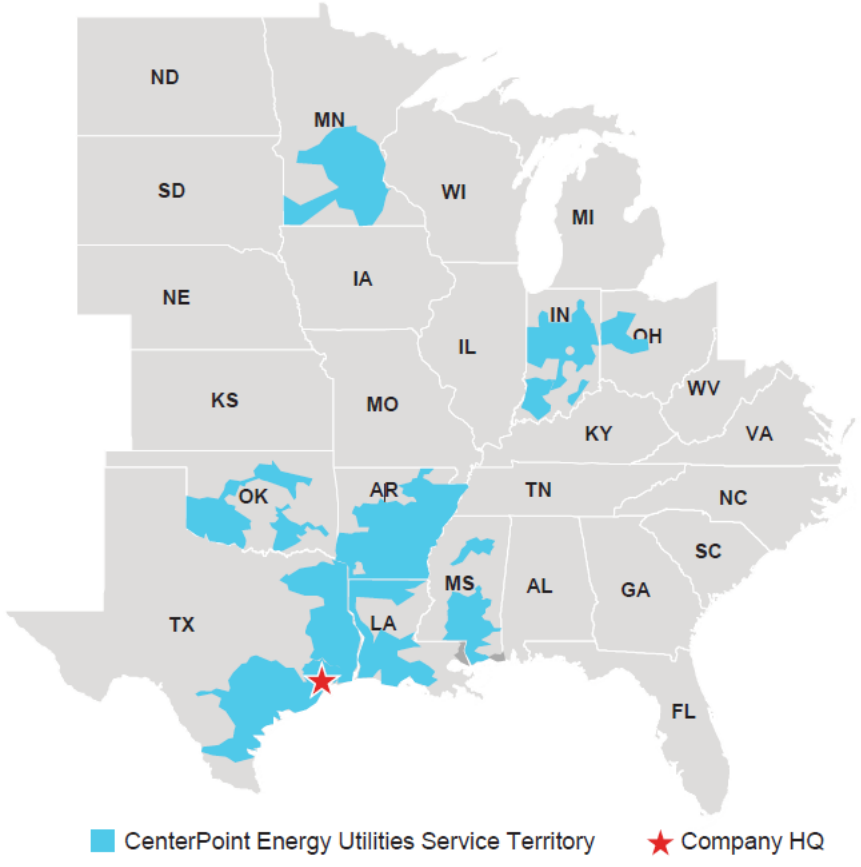
# CenterPoint Energy utilities at a glance




**8 States of Operation**

**~96%(1) T&D / Gas LDC Rate Base**

**7.5% Rate base 5 year Growth CAGR(2)**

**>7 Million Customers(3)**

Texas Utility Operations

- 5,000 square-mile greater Houston electric service area
- Serves 2.5+ million electric customers
- Owns and maintains electric delivery system – poles and wires
- Does NOT generate nor sell electricity in Texas
- Serves 1.8+ million natural gas customers in Texas, 1+ million in greater Houston

Note: Map does not include Energy Services, Infrastructure Services, Energy Systems Group or Enable service territories
(1) Based on 2019E Electric T&D, Electric Generation and Natural Gas Distribution rate base as calculated by the individual jurisdictions
(2) For the period 2019 through 2024
(3) Metered customers as of December 31, 2019

# *Hurricane Harvey* Video – CenterPoint energy strong

# EMERGENCY OPERATIONS PLAN (EOP)

*WITH OVER 130 YEARS' EXPERIENCE, WE PREPARE YEAR ROUND*

- Our Electric and Natural Gas businesses both have an Emergency Operations Plan
- Annual drill to test our emergency response
- Coordinate our EOP with state and local officials
- Work with a mutual assistance network that lets us give/receive assistance to/from other utilities across the country following natural disasters
  - CenterPoint Energy sends linemen 4-6 times per year to help other utilities restore power
- In addition to linemen and local contractors, our EOP includes virtually all Houston employees, even those who do not work in the field
- Contracts for fuel, lodging and materials are executed in advance so we're ready for a storm
- The goal of our EOP is to restore service to our customers **safely**, **quickly** and **efficiently**


# Hurricane Harvey – A Record-breaking Storm

After making landfall as a **Category 4** storm near Port Aransas, Texas, Hurricane Harvey stalled, impacting south Texas, southeast Texas and Louisiana for days

Maximum sustained winds were **130 mph** at landfall

**51.88 inches** of rainfall in southeast Texas, breaking the single-storm record of 48 inches set in 1978 and more than 10-year annual average

More than **42,000** lightning strikes across electric service territory

Harvey **spawned tornadoes** in southeast Texas, Louisiana, Alabama, Mississippi, Tennessee and North Carolina

# BAYTOWN NEAR HWY 24161

# Baytown near hwy 24161



# Reed rd staging site

# Impact of Grid Modernization

*Benefits of Advanced Metering System and Intelligent Grid*

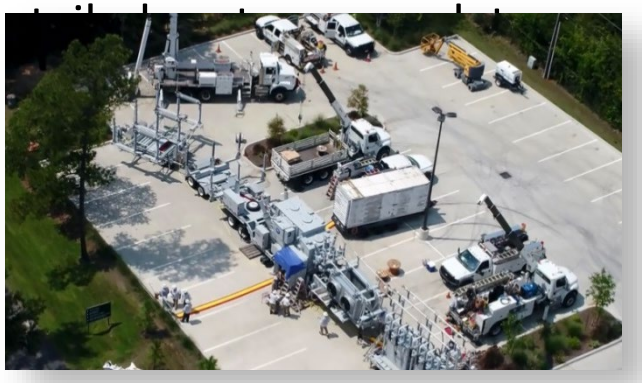
- The Smart Grid, including distribution automation devices such as intelligent grid switches, allowed us to quickly isolate problems on our grid and restore service to customers through those devices.
  - Operated more than **250** of these devices during the event impacting more than **140,000 customers**
  - Were able to avoid almost **41 million outage minutes** for our customers
  - **16.71 SAIDI minutes** saved due to automation
- AMS meters increased efficiency during the storm
  - Executed **45,000 orders** remotely at **97% performance**
  - Billed **700,000 accounts** with actual readings at **98.9% perforr**
  - Executed remote turn off/on for safety reasons
- Use of real-time analytics to assess, monitor and resolve cases
  - Aided in developing better situational awareness
  - Allowed us to correlate weather and flooding information with outages, providing operations with critical decision-making tools

# Impact of Grid Modernization

*Use of Technology during Storm*

- Drones helped to assess damage and evaluate work conditions
  - More than **500 locations** were tracked using **15 drones**
  - Enabled real-time situational awareness, accelerating restoration assessment
  - Allowed us to efficiently direct crews to accessible locations
  - Infrared capabilities helped identify equipment that needed further inspectio

- Mobile data on each crew kept outage management efficient
- Ability to use **Power Alert Service (PAS)** to keep customers informed
  - AMS meters provide outage information that enables our predictive analytics engine to supply data to PAS and IVR systems, ultimately allowing for better, more d
- Memorial mobile substation
  - Memorial substation impacted by several feet of water
  - **50MVA** mobile substation installed on private property in **7 days**
  - Provided service to more than **9,000 customers** without power



- Flood wall at Grant substation helped protect service to Texas Medical Center

# Harvey by the Numbers

*Electric Operations Response*

- **293** total electric circuits locked out and **4,494** total electric fuses out
- **8** substations out of service and **9** substations inaccessible due to high water
- More than **2,200** employees plus **1,500** contractors & mutual assistance personnel from **7** states
- **308** SAIDI minutes with **1.2 million** customers impacted
- **755 million** total minutes out over 10 days

# Harvey by the Numbers

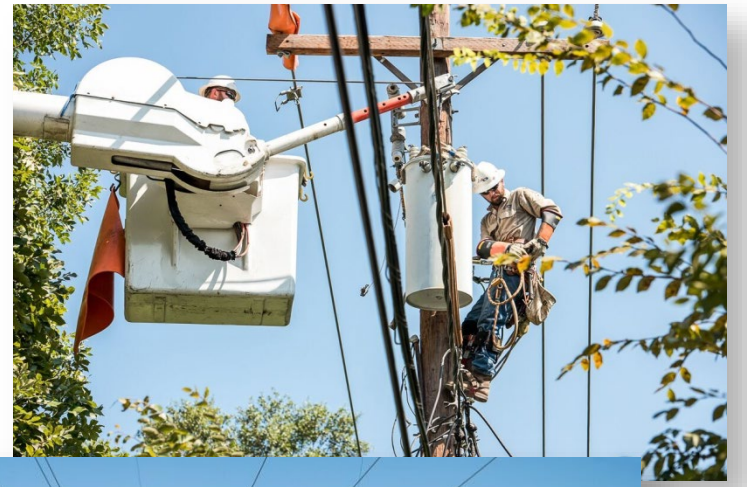
*Electric Operations Response*

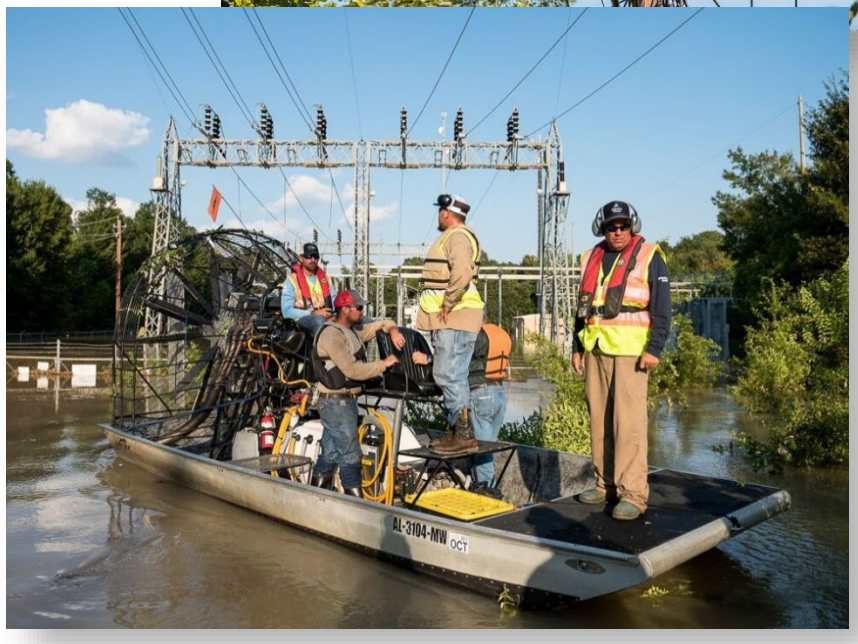
- **5** staging sites
- **352,000** total hours worked during EOP event (160 hours per employee)
- Approximately **85 crew spokespersons** used
- **104,412** meals served
- More than **12,000** hotel rooms utilized


# Harvey by the Numbers

*Electric Operations Response*

- More than **1.27** million total restorations
- More than **1,200** safety orientations and **120** crew safety observations
- **36** air boats, **15** drones and **15** amphibious vehicles used

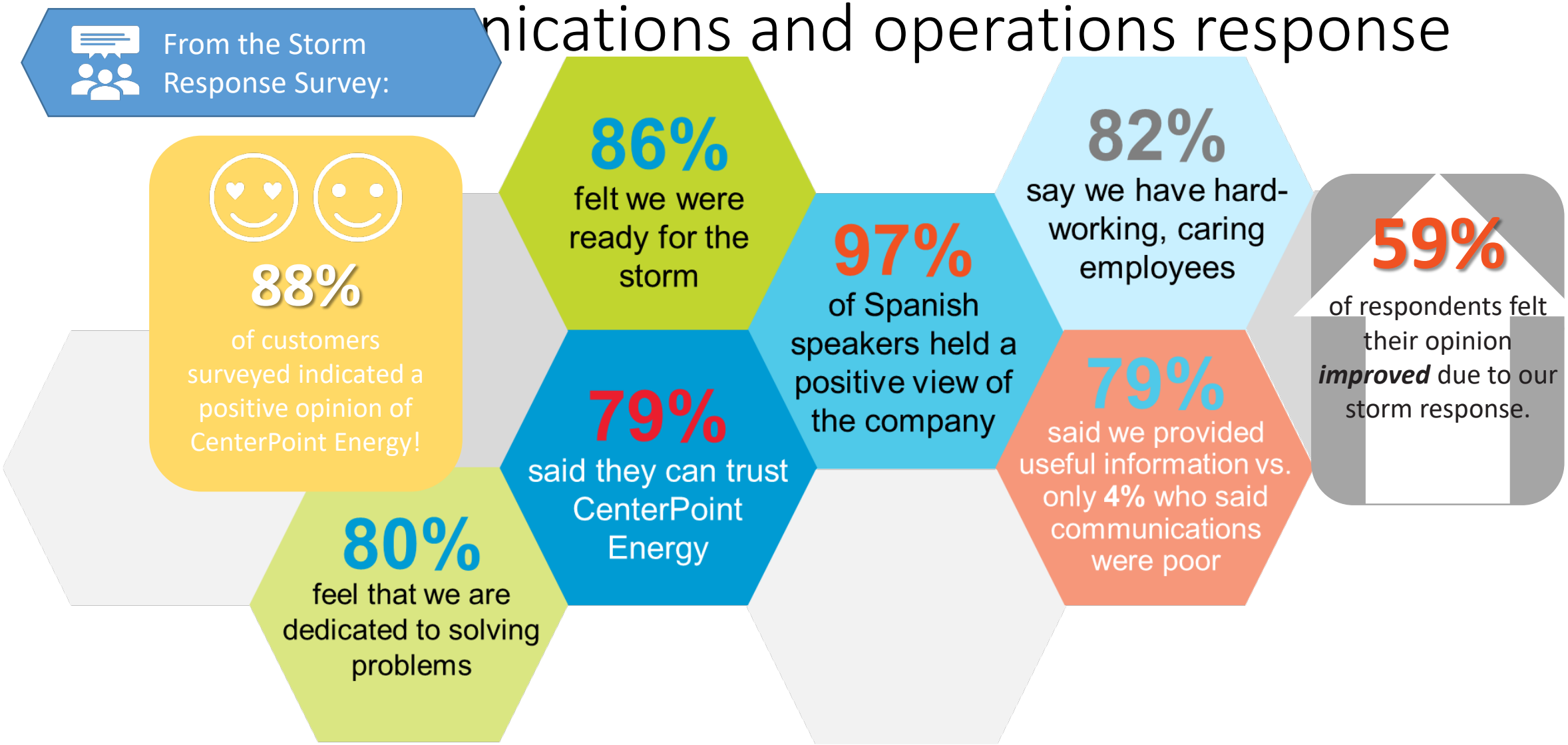




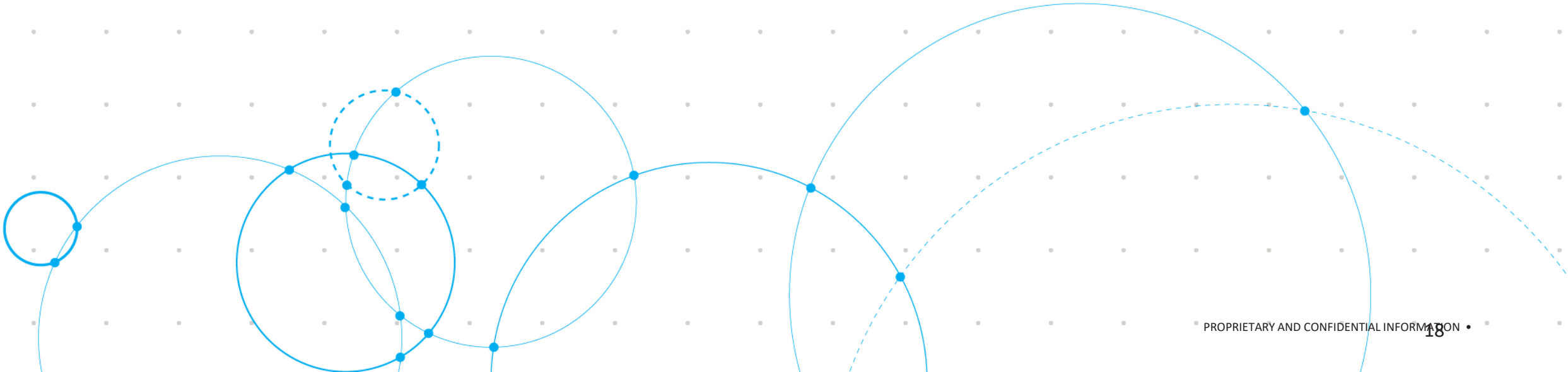

# Communication was crucial

- **352,629** outage notifications delivered through Power Alert Service[sm]
- **160** Facebook posts reached **1,095,314** people
- **566** tweets reached **2,531,685** people
- **868,872** visits to CenterPointEnergy.com
- At the height of the storm, web traffic was more than **600%** higher than average
- Translated more than **50** communications into Spanish

# Post storm - survey showed goodwill earned from nications and operations response



# Grid strengthening After the storm



# Transmission hardening

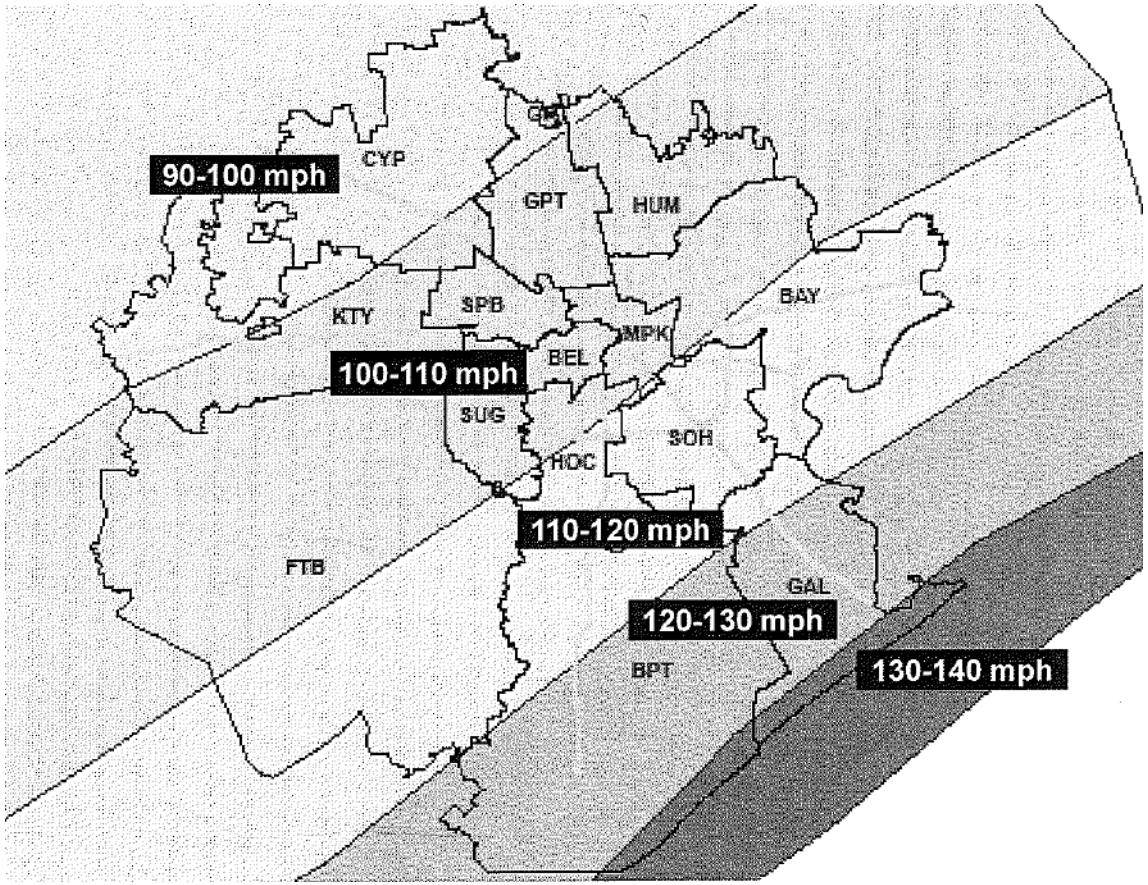
- Strategic replacement of all wooden H-frame structures with steel or concrete in conjunction with system upgrades
- Replacement of damaged structures crossing major waterways
- Defined 69kV to 138kV conversion strategy to replace aging facilities
- Anti-cascading designs for transmission lines
- Anti-galloping device installations based on icing conditions
- Underground transmission strategy

# Substation hardening

- Raised elevations of substation equipment and installed flood walls
- Enhanced mobile substation and relay control capabilities
- Reviewed spare transformer strategy
- Upgraded security at NERC 345kV and mission critical substations
  - Installed Videofied, upgraded to IP, upgraded security fencing
- Use only monitoring pilot for autotransformers
- Longer range planning for substation sites

# Distribution hardening

- Evaluating construction standards based on NESC extreme wind loading
- Implementing:
  - Increased size of poles in key locations and reduced span lengths
  - Increased pole setting depth
  - Increased pace of Intelligent Grid Switching Device (IGSD) installations
  - ROAMES technology pilot
  - Revised VM contractor utilization and increased use of analytics for prioritization
  - Augmented distribution inspection programs – poles, guy wires, distribution equipment



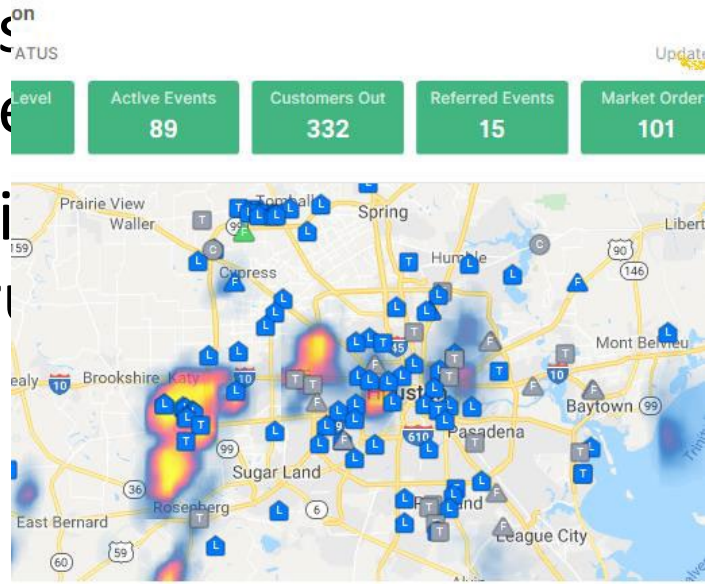

*CenterPoint Energy service area vs. NESC Extreme Wind Loading Map*

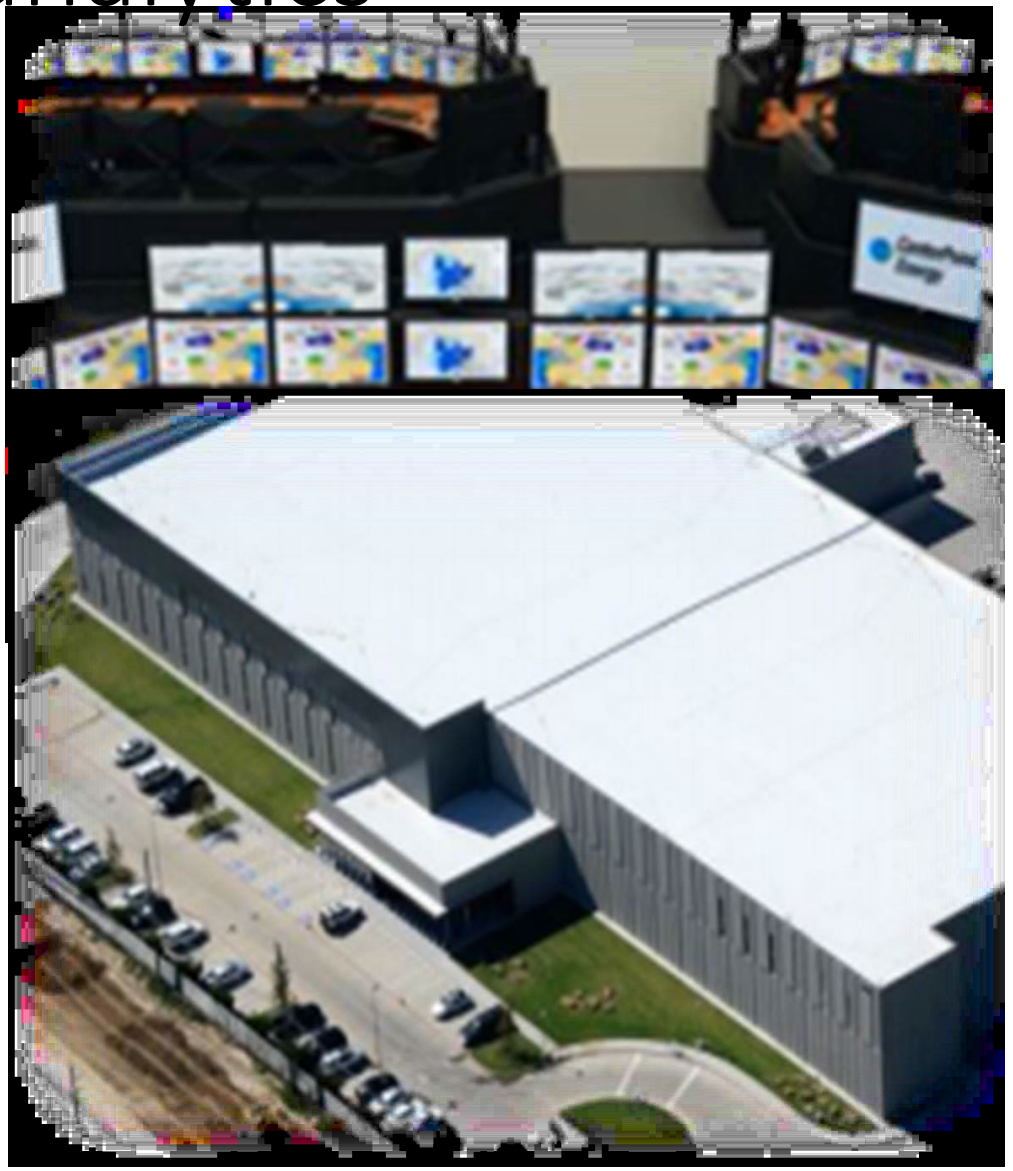
# Major underground hardening

- Enhanced resilience strategies for dedicated major underground areas – i.e. Texas Medical Center (TMC)
  - Reviewing additional substation sites – possible GIS
  - New TMC 500 ft. flood plain elevation requirement established after Tropical Storm Allison
  - Elevated ancillary service switch rooms to avoid circuit level events
- Standard service criteria for commercial services – reduces number of large overhead transformer banks
- MUG transformer inspection program

# Redundancy, digital, and analytics

- Redundancy of control center operations at Addicks Operations Center (AOC)
- Real-time operational situational awareness
- Integration of data from grid sensors and s
  better outage
- Programmati
  relay infrastr



# Mobile command centers

# Post-harvey industry collaboration

- Close collaboration with Public Utility Commission for after-action reviews
- Coordinate with other industry groups in lessons learned activities
  - Edison Electric Institute
  - Southeastern Electrical Exchange
  - Association of Edison Illuminating Companies
  - Texas Mutual Assistance Group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