2025 NATURAL GAS READINESS REGIONAL MINI-FORUM

SOUTHERN/LOWER MIDWEST REGION

SAN ANTONIO, TX ◦ JUNE 8

WELCOME

KIMBERLY DENBOW
VICE PRESIDENT, SECURITY & OPERATIONS
AGA

PROGRAM AGENDA

Working Lunch (12:00 to 12:45 PM)

- Welcome & Antitrust Compliance Guidelines
- Opening Remarks (Commissioner Tricia Pridemore, GA Public Service Commission)
- Southern/Lower Midwest Weather Forecast (Matt Lanza, CenterPoint Energy)

General Session (1:00 to 2:35 PM)

- Natural Gas Outlook
- SERC & Texas RE Summer Assessment
- Overview of Texas Energy Reliability Council Energy Coordination Calls – Protocols & Interaction
  Fireside Chat – Other States' Communication Coordination General Session
- Closing Remarks

Regional Tabletop Emergency Exercise – Southern/Lower Mid-West (2:50 to 4:30 PM)

- By invitation only
- no media

AGA ANTITRUST COMPLIANCE GUIDELINES & SAFETY CULTURE STATEMENT

Antitrust Compliance Guidelines

AGA and its members are committed to full compliance with all laws and regulations and to maintaining the highest ethical standards in the way we do business. This commitment includes strict compliance with federal and state antitrust laws. In the materials distributed with the agenda for this meeting, you will find guidelines outlining AGA's antitrust compliance policy and procedures. If you have any questions or concerns regarding antitrust issues, please feel free to raise them at any time during the meeting.

Safety Culture Statement

AGA and its member companies are committed to promoting positive safety cultures among their employees throughout the natural gas distribution industry. All employees, as well as contractors and suppliers providing services to AGA members, are expected to place the highest priority on employee, customer, public and pipeline safety.

Matthew Agen
Chief Regulatory Counsel, Energy
AGA

SAFETY MOMENT & HOUSEKEEPING

Hotel Location:
Omni La Mansión del Rio
- 112 College Street, San Antonio

Evacuation Route
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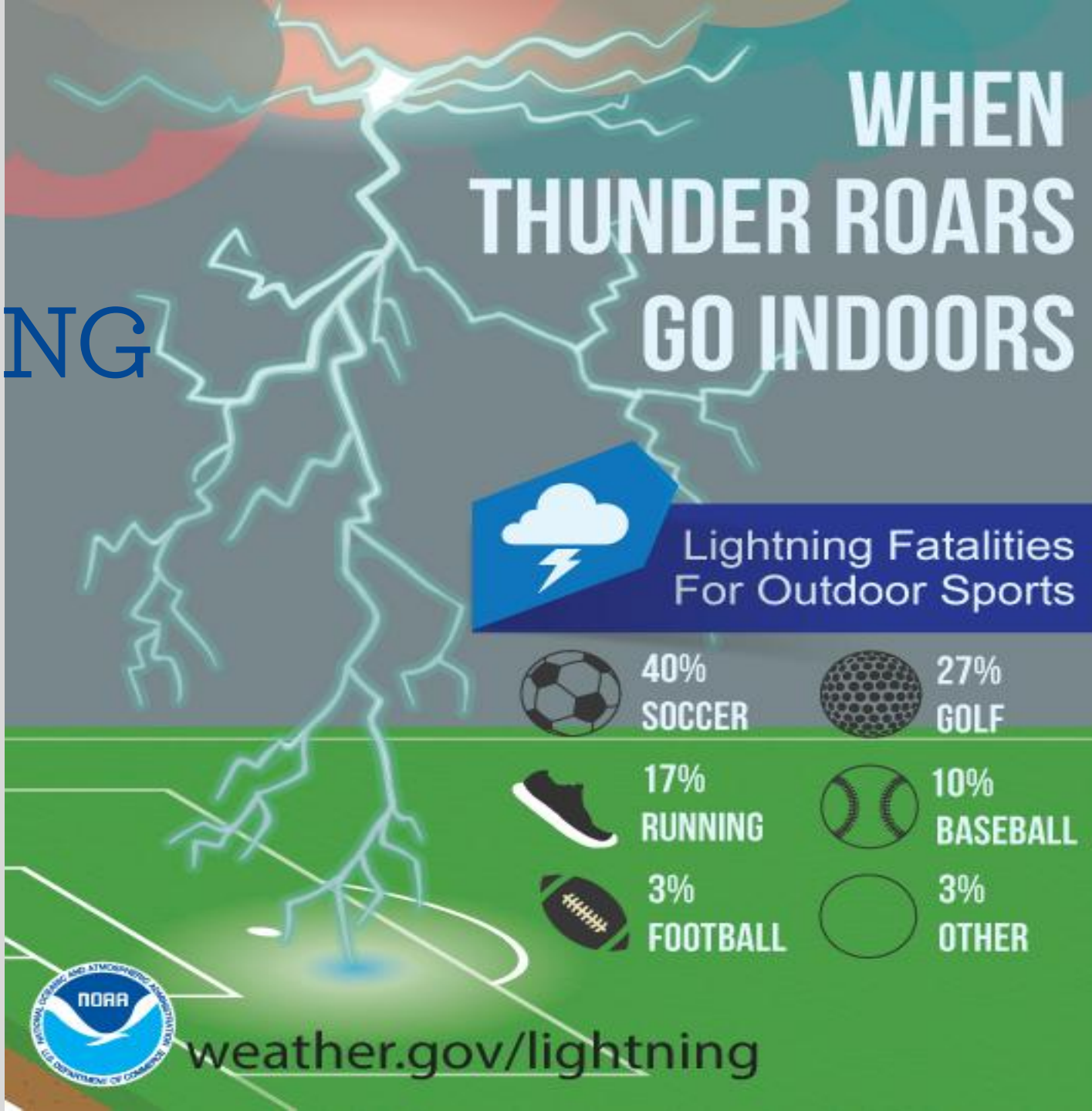


GENERAL SESSION OPENING REMARKS

TRICIA PRIDEMORE
COMMISSIONER
GEORGIA PUBLIC SERVICE COMMISSION

REGIONAL WEATHER FORECAST

MATT LANZA
MANAGER OF METEOROLOGY
CENTERPOINT ENERGY

Looking at the Summer 2025 Outlook and the Upcoming Hurricane Season

Matt Lanza
Manager of Meteorology

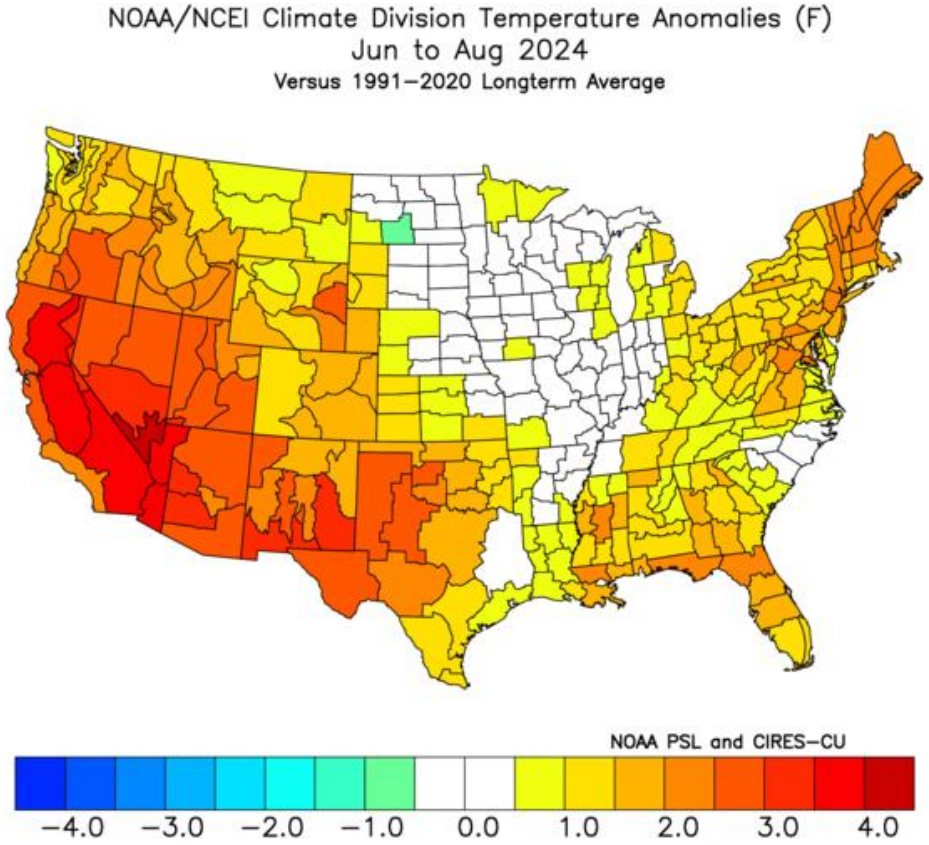
2025 AGA South & Lower Midwest Natural Gas Readiness Forum

June 8, 2025

CenterPoint Energy

Summer 2024 in Review

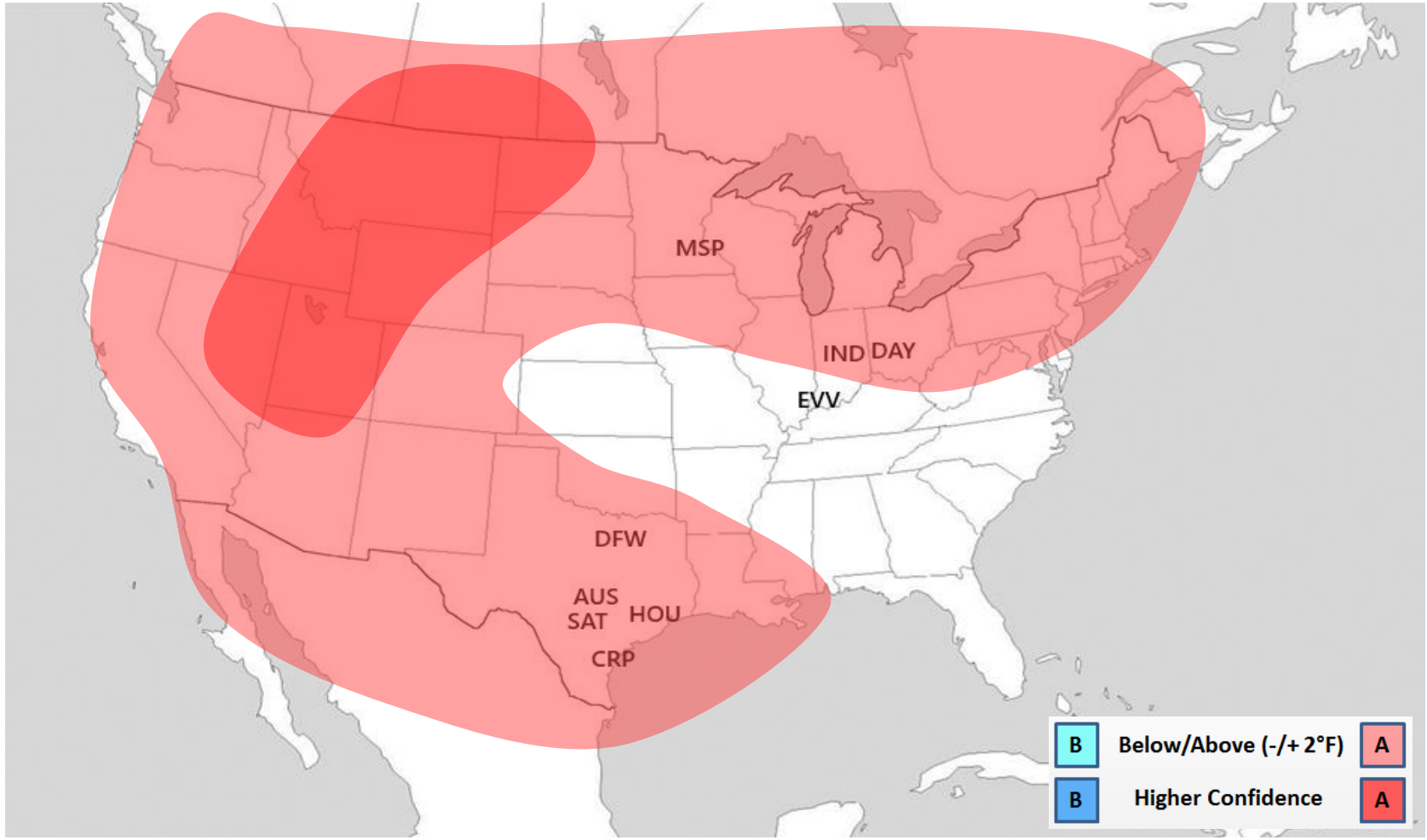
- June through August 2024 rather hot in the South. 6th hottest in Atlanta, 7th hottest in Houston, 14th hottest Dallas.
- A less extreme summer in ERCOT than 2023.
- Significant tropical systems impacted Texas (Beryl), Louisiana (Francine), Florida (Helene, Milton), and the Carolinas (Helene)



Summer 2024 was the 4th hottest on record in the Southeast and 13th hottest in the South-Central

Summer 2025

- Summer is expected to be hotter than normal nationally.
- The Southeast may end up closer to average.
- Texas should land above normal but not to the levels of 2023 (more similar to 2024).
- The hottest weather relative to normal will likely be in the Interior West.



Risk for somewhat hotter than forecast between the western Gulf & Ohio Valley

2025 Atlantic Hurricane Season

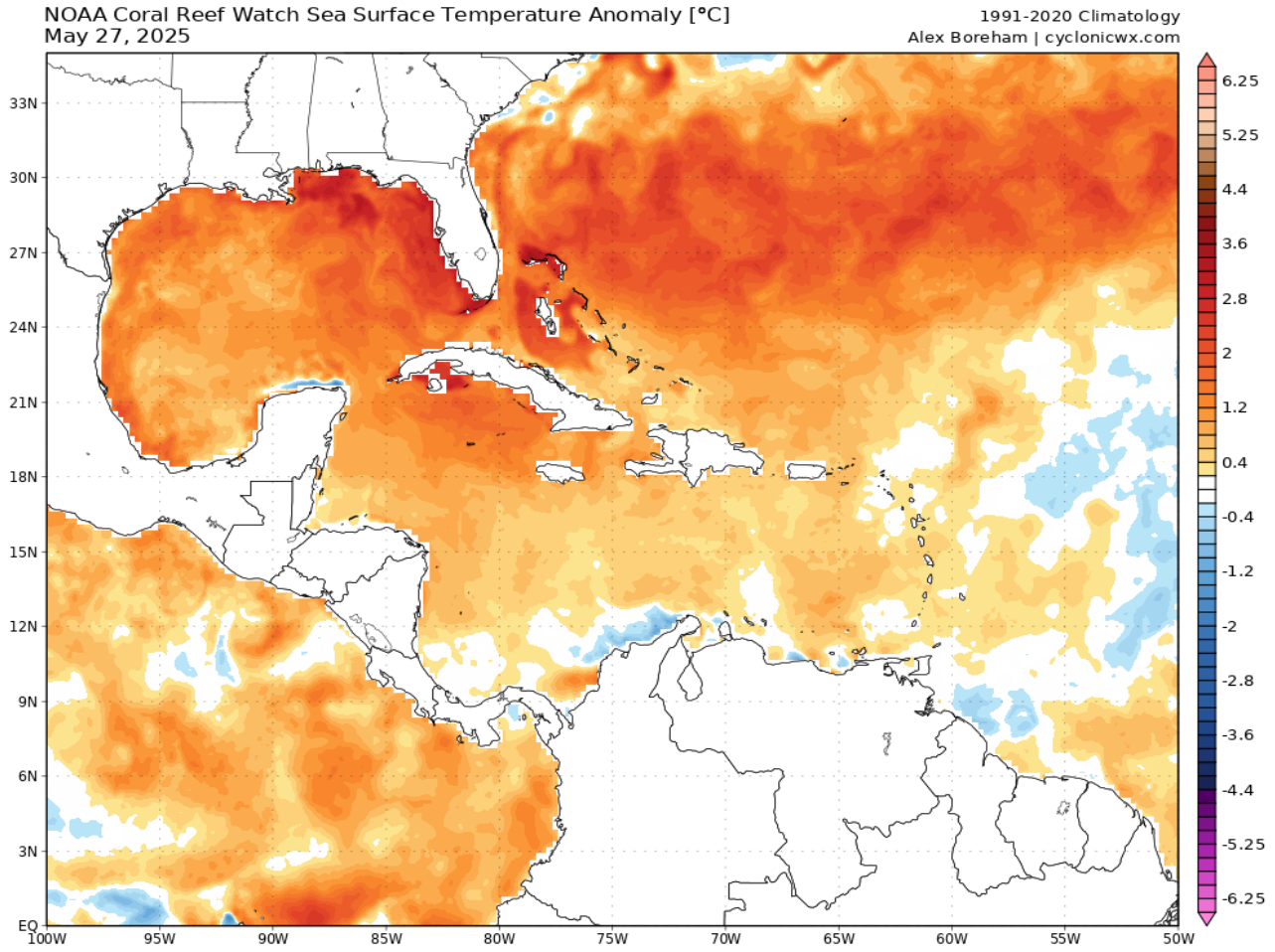
- **Overall:** The 2025 Atlantic Hurricane season is expected to be slightly more active than usual. We currently expect about 19 named storms, 8 hurricanes, and 4 major hurricanes, very close to that expected by Colorado State University and the midpoint to high end of NOAA's forecast.

2025 Hurricane Season Outlook	Named Storms	Hurricanes	Major Hurricanes	Accumulated Cyclone Energy (ACE)
CNP Internal Forecast	19	8	4	140
Colorado State University	17	9	4	155
The Weather Company	19	9	4	--
NOAA	13-19	6-10	3-5	Above Normal
Last Year	18	11	5	161.6
15-Year Normal	17.2	7.9	3.4	129.9

The last below normal hurricane season occurred in 2015.

Ocean Temperatures

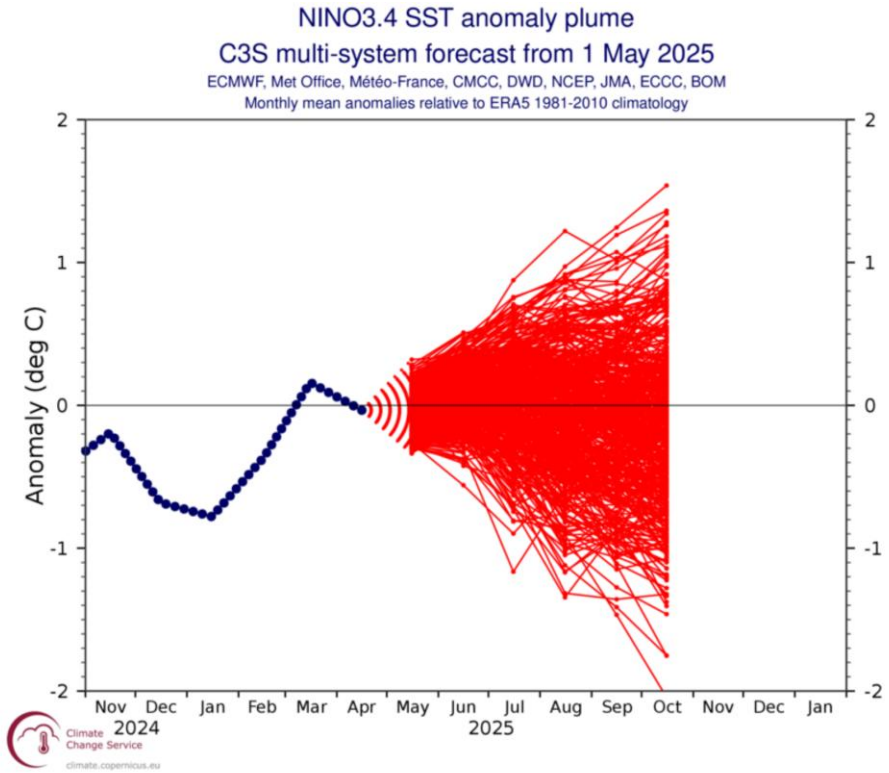
- As of late May, water temperatures in the Gulf and northwest Caribbean were well above average.
- This has likely aided in severe weather this spring and may help amp up any further severe events or flooding events this summer.
- The deeper Atlantic Ocean is much cooler than last year, however.



Warm Gulf water temperatures tend to correlate to stronger severe weather outbreaks, all else equal.

Tropical Pacific

- After a winter of a weak La Niña, the tropical Pacific has moderated back to “La Nada” or ENSO neutral this spring.
- Expect neutral conditions to remain with us through the summer, with no strong signal toward La Niña or El Niño through early autumn.
- All else equal, this presents “no signal” for hurricane season.



PROGRAMME OF THE EUROPEAN UNION
opernicus Europe's eyes on Earth
Climate Change Service climate.copernicus.eu
IMPLEMENTED BY ECMWF

El Niño events tend to increase wind shear in the Atlantic that can stifle hurricane development.


Q&A

2025 NATURAL GAS READINESS REGIONAL MINI-FORUM

SOUTHERN/LOWER MIDWEST REGION

BREAK

GENERAL SESSION

MATTHEW AGEN
CHIEF REGULATORY COUNSEL, ENERGY
AGA

PROGRAM AGENDA

General Session (1:00 to 2:35 PM)

- **Natural Gas Outlook** (Juan Alvarado, AGA)
- **SERC & Texas RE Summer Assessment** (Melinda Montgomery, SERC and Mark Henry, Texas RE)
- **Overview of Texas Energy Reliability Council Energy Coordination Calls – Protocols & Interaction** (W. Nim Kidd, Chief of the TDEM)
- **Fireside Chat – Other States' Communication Coordination** (Commissioner Eric Skrmetta, Louisiana Public Service Commission and Mark Harris, Southern Company Gas)
- **General Session Closing Remarks** (Commissioner Tricia Pridemore)

Regional Tabletop Emergency Exercise – Southern/Lower Mid-West (2:50 to 4:30 PM)

- **By invitation only; no media**
- **Exercise** (Jonathon Monken, Converge Strategies)

NATURAL GAS OUTLOOK
NATIONAL & REGIONAL PERSPECTIVES

JUAN ALVARADO
MANAGING DIRECTOR, ENERGY ANALYSIS
AMERICAN GAS ASSOCIATION

AGA
American Gas Association

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The American Gas Association, founded in 1918, represents more than 200 local energy companies that deliver clean natural gas throughout the United States. There are more than 79 million residential, commercial, and industrial natural gas customers in the U.S., of which 94 percent — more than 74 million customers — receive their gas from AGA members. Today, natural gas meets more than one-third of the United States' energy needs.

Legal Disclosure

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State of Play

Natural Gas is Setting Records

Growing electric power requirements, new customers on the system, and storage shortfall to rebuild

LNG Exports are Growing

New LNG export terminals and infrastructure to serve them

Prices Returning to Historic Levels

Return to historical natural gas pricing trends in the shoulder season

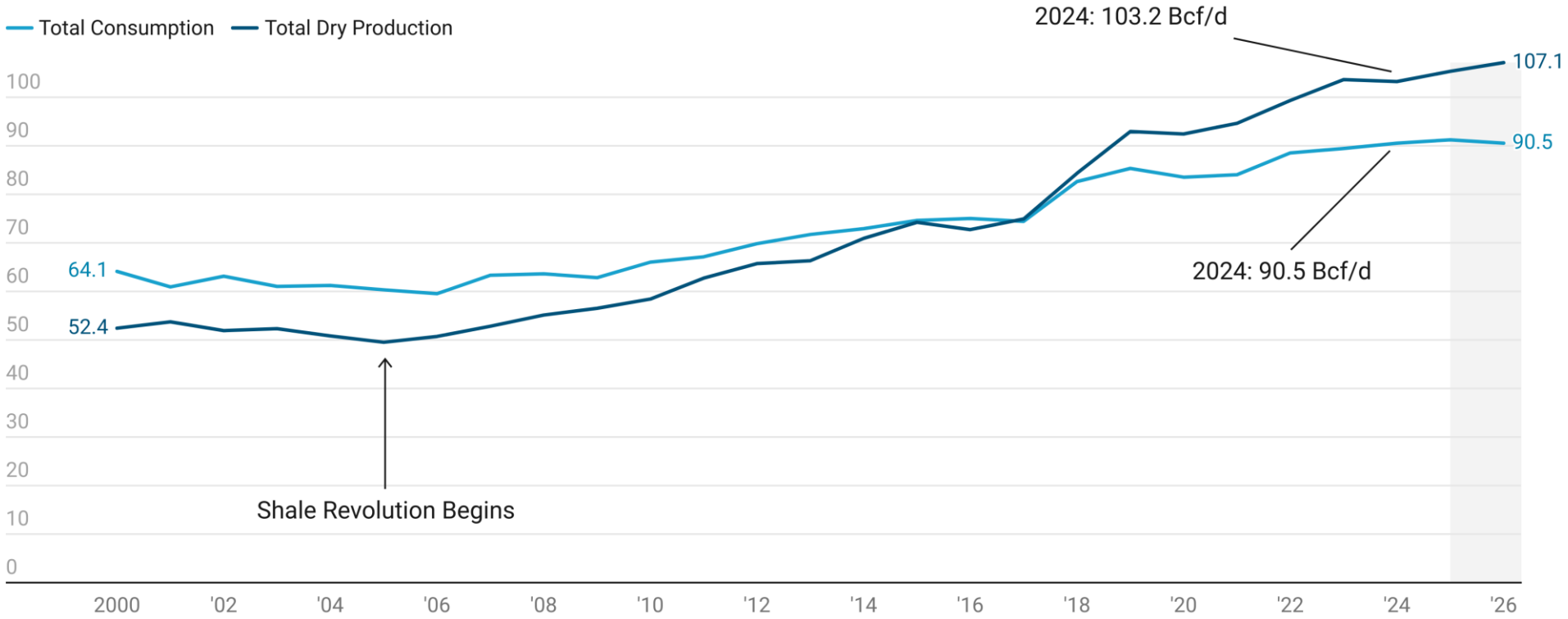
Storage is More Important than Ever

New AGA report evaluates the value natural gas storage provides to energy security

Natural gas demand set annual record in 2024

Annual U.S. Natural Gas Supply and Demand Trends

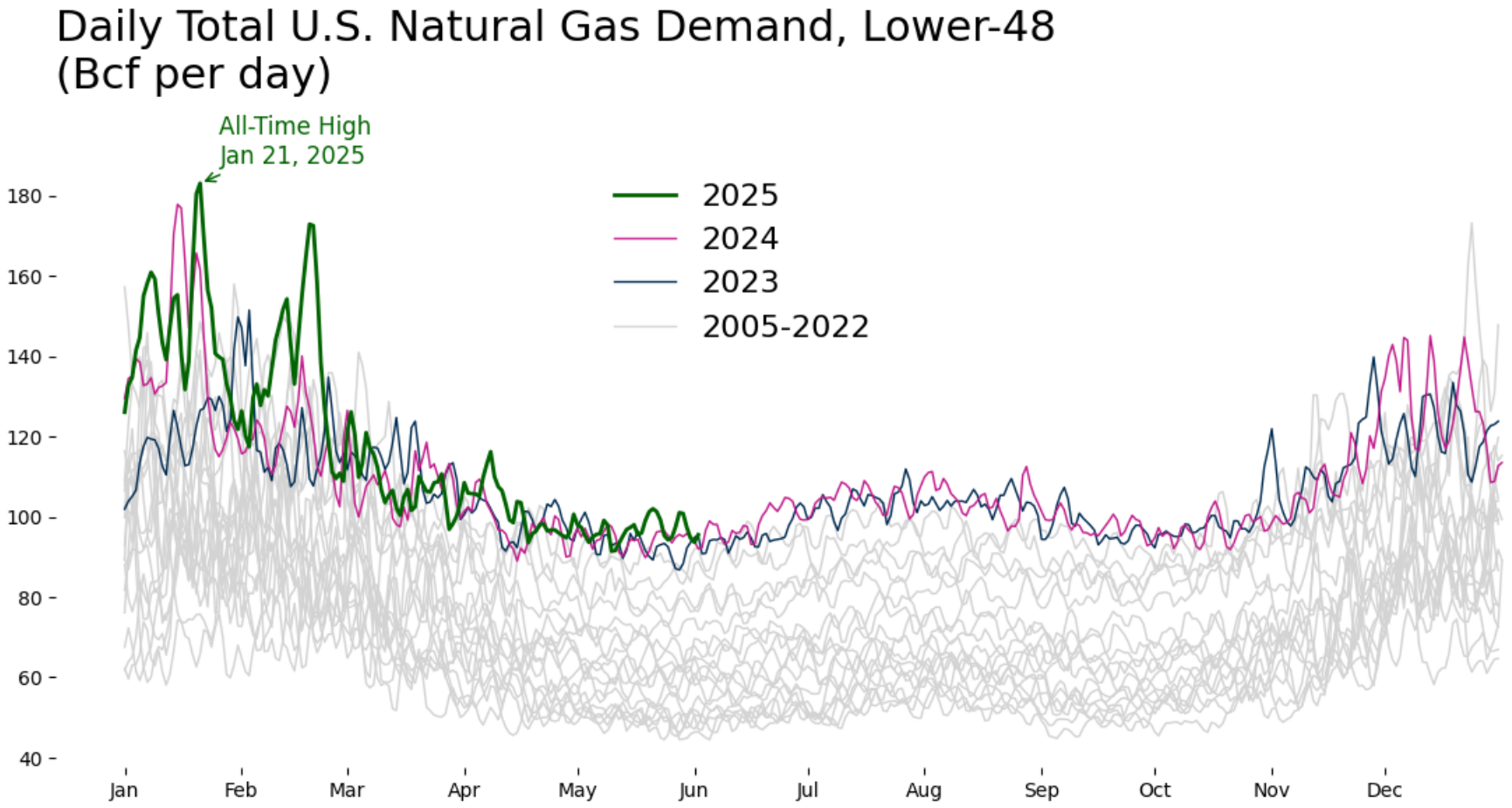
Billion cubic feet per day (Bcf/d)



Shaded area represents forecast. Subject to revision.

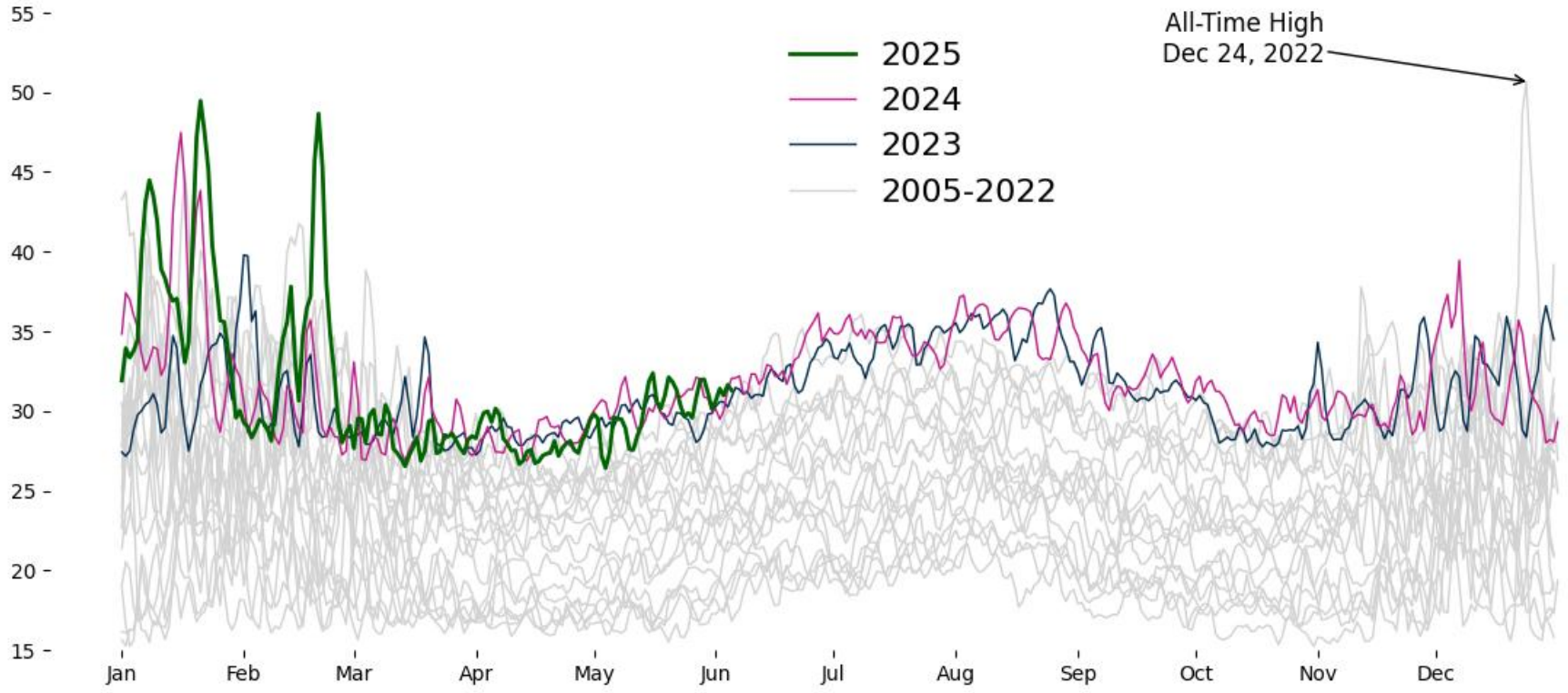
Chart: American Gas Association • Source: Energy Information Administration • Created with Datawrapper

All-time record demand set in January 2025



Source: S&P Global Commodity Insights, ©2025 by S&P Global Inc., Chart: American Gas Association, Data as of Jun 02, 2025, Subject to Revision

Daily Domestic Natural Gas Consumption, Texas and Southeast (Bcf per day)



Source: S&P Global Commodity Insights, ©2025 by S&P Global Inc., Chart: American Gas Association, Data as of Jun 05, 2025, Subject to Revision

Electric Generation continues to lead domestic gas consumption

Change in Share of U.S. Natural Gas Consumption by Sector, 2020-2024

Percentage point change

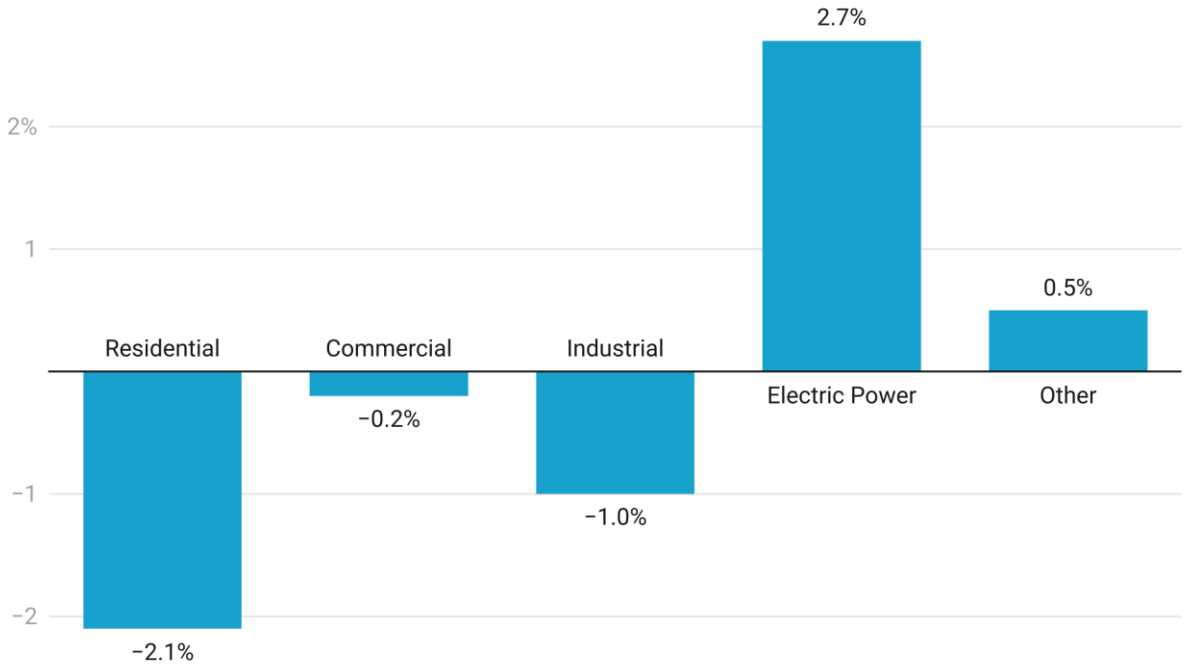


Chart: American Gas Association • Source: Energy Information Administration, April 2025 STEO • Created with Datawrapper

U.S. Natural Gas Consumption by Sector 2024

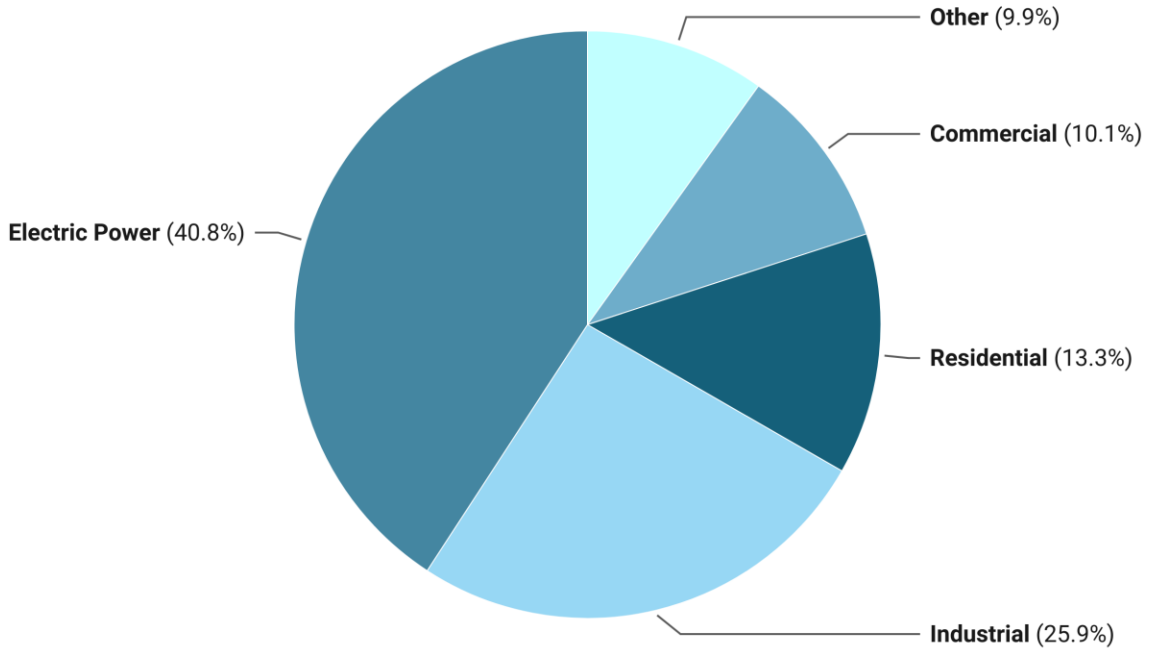
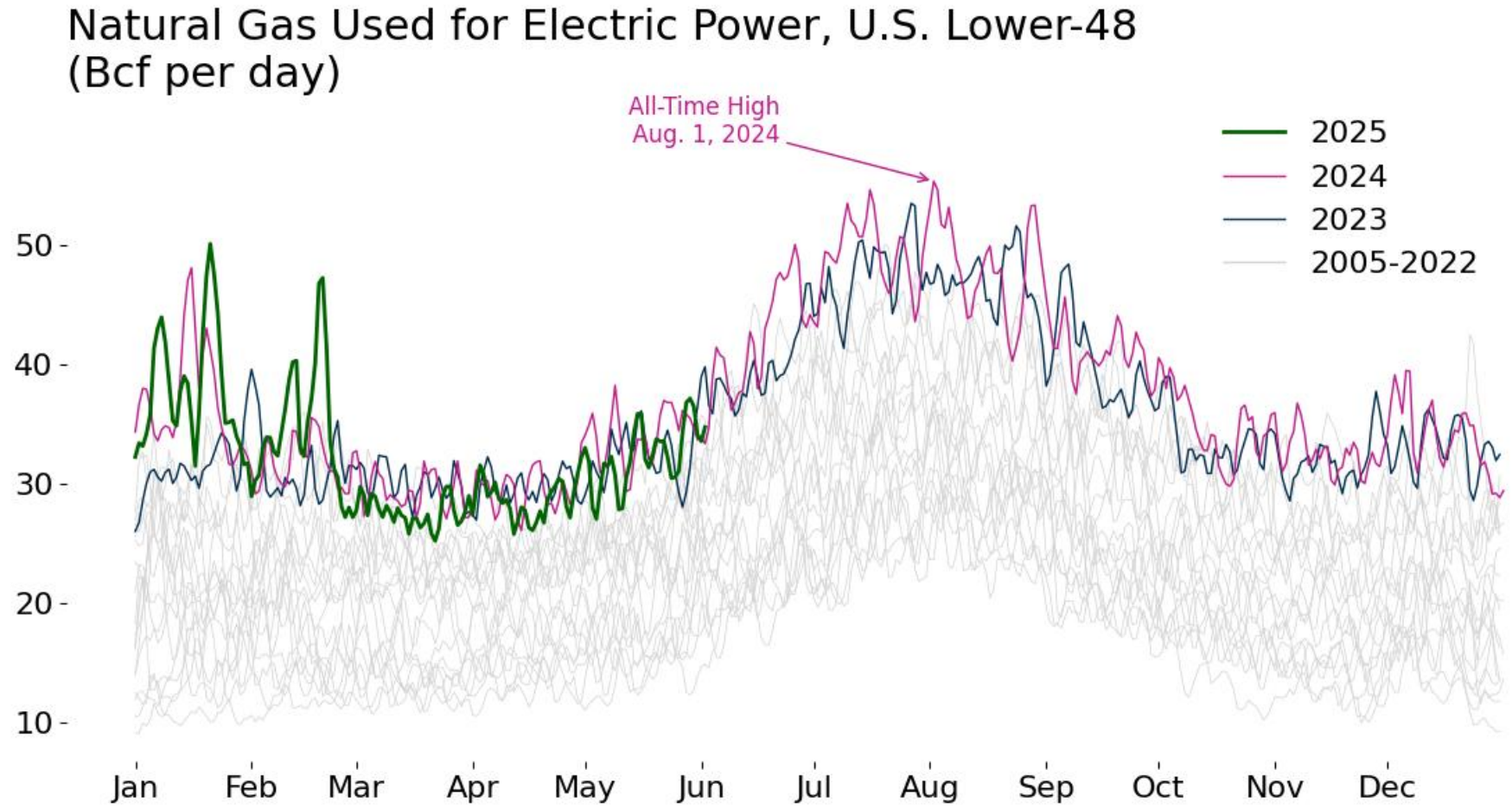
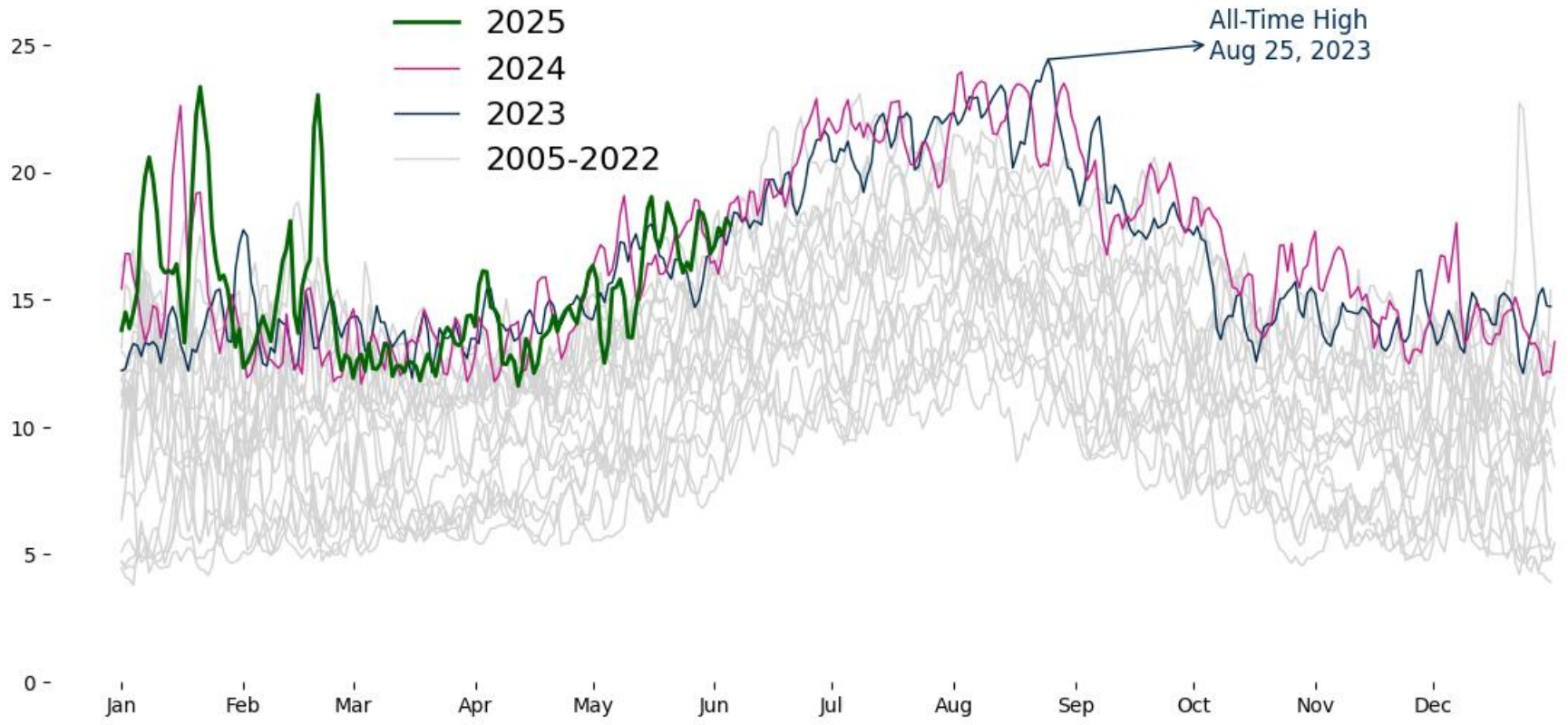


Chart: American Gas Association • Source: Energy Information Administration, April 2025 STEO • Created with Datawrapper

Daily electric power demand record set in August 2024

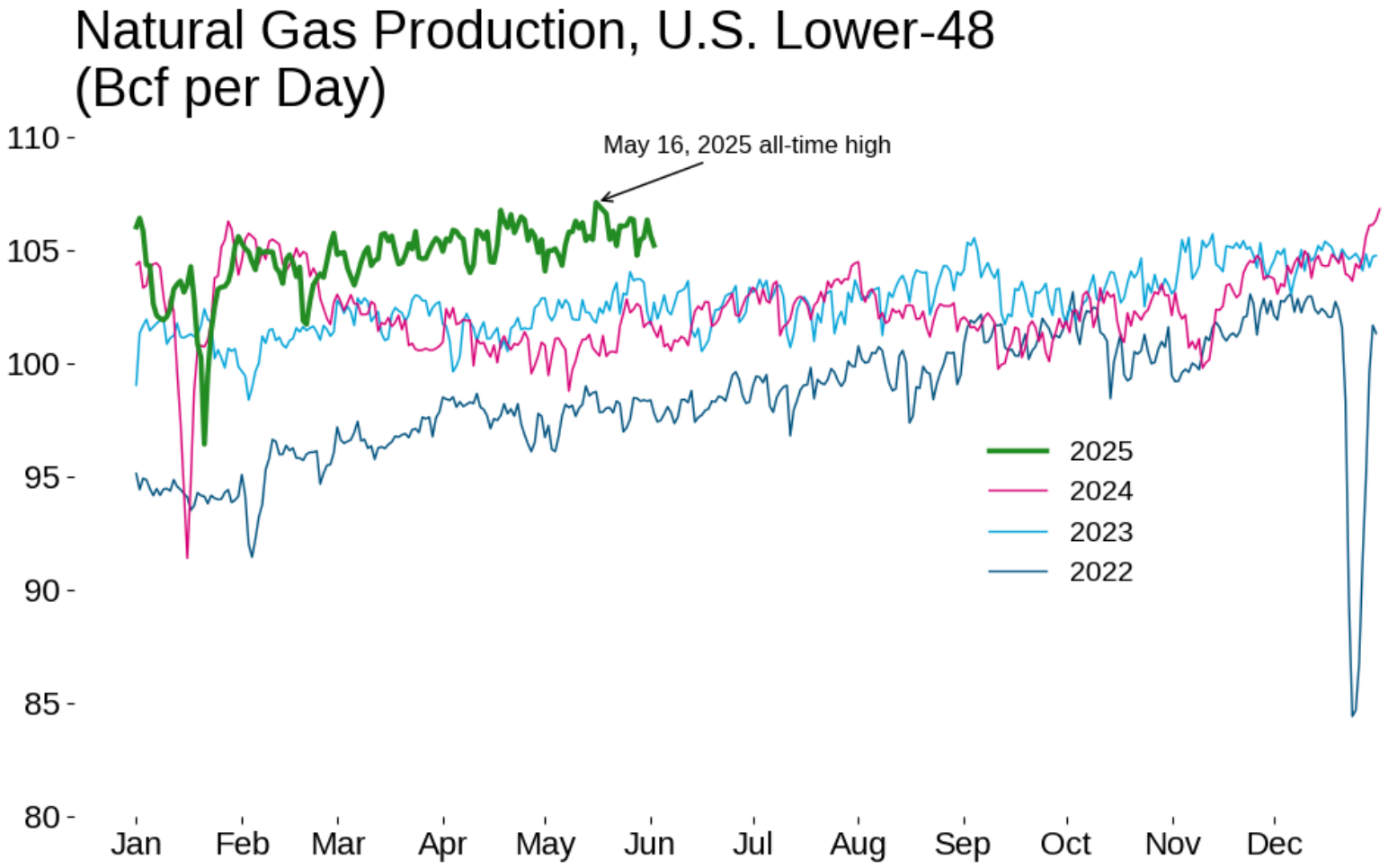


Daily Natural Gas Consumption, Electric Power Sector, Texas and Southeast (Bcf per day)



Source: S&P Global Commodity Insights, ©2025 by S&P Global Inc., Chart: American Gas Association, Data as of Jun 05, 2025, Subject to Revision

All-time production record set in May 2025



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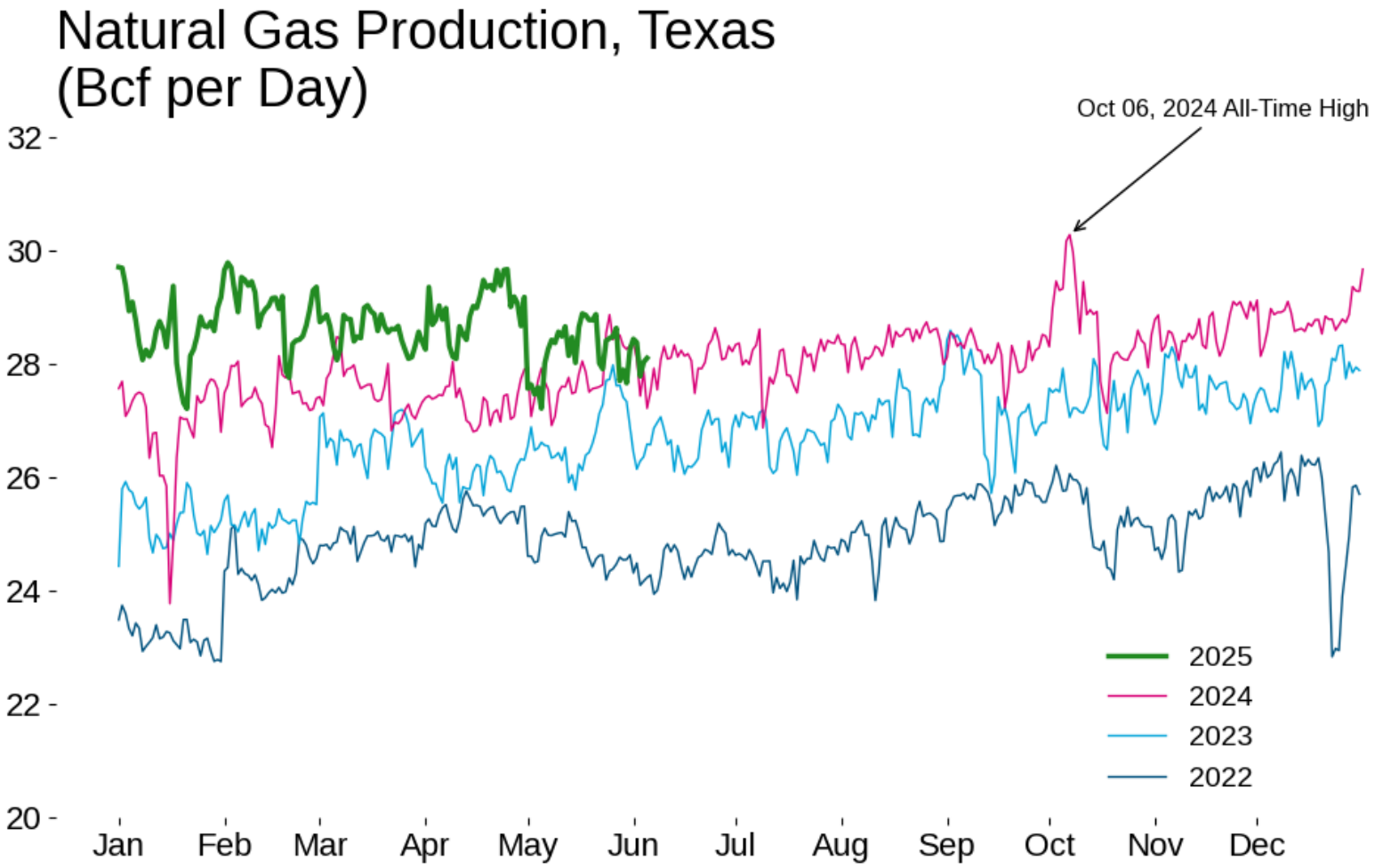
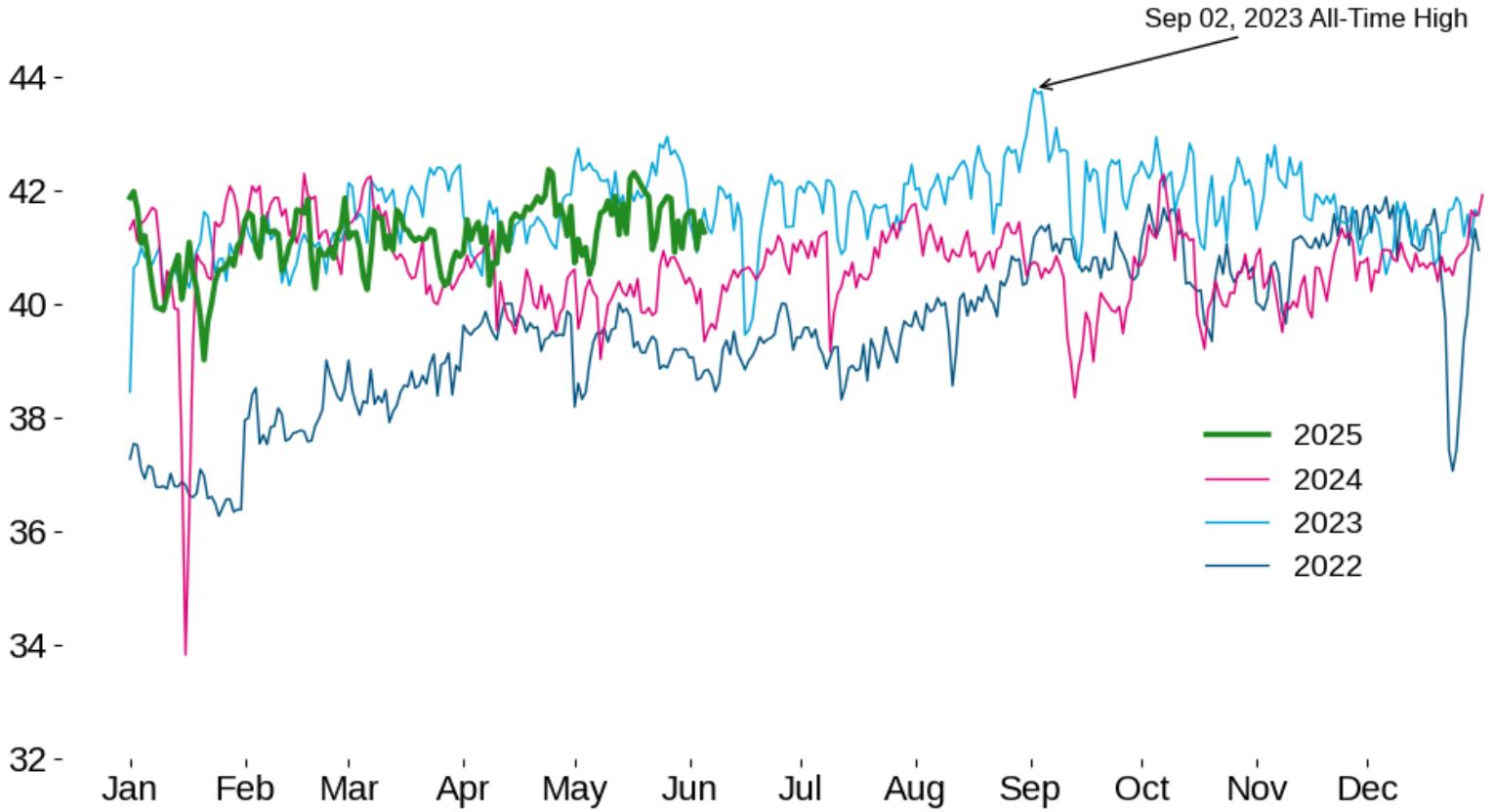


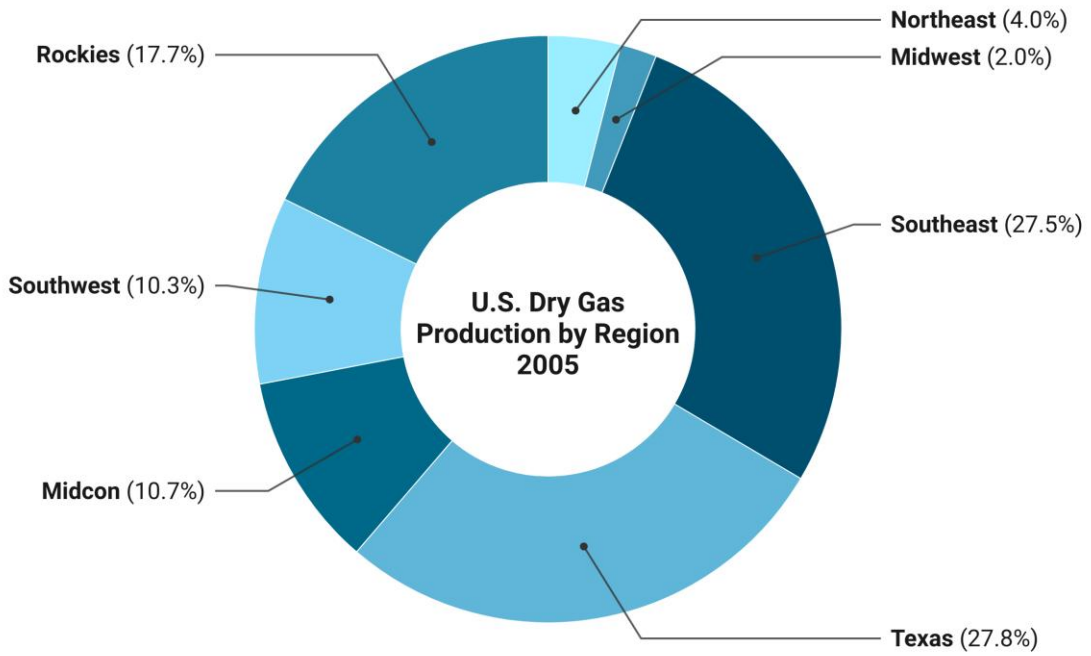
Source: S&P Global Commodity Insights, ©2025 by S&P Global Inc., Chart: American Gas Association, Data as of Jun 05, 2025, Subject to Revision

Natural Gas Production, Texas and Southeast (Bcf per Day)



Source: S&P Global Commodity Insights, ©2025 by S&P Global Inc., Chart: American Gas Association, Data as of Jun 05, 2025, Subject to Revision

Top-producing regions have shifted since the Shale Revolution



Percentages may not foot due to rounding. Subject to revision.

Chart: American Gas Association • Source: S&P Global Commodity Insights © 2025 by S&P Global, Inc. • Created with Datawrapper

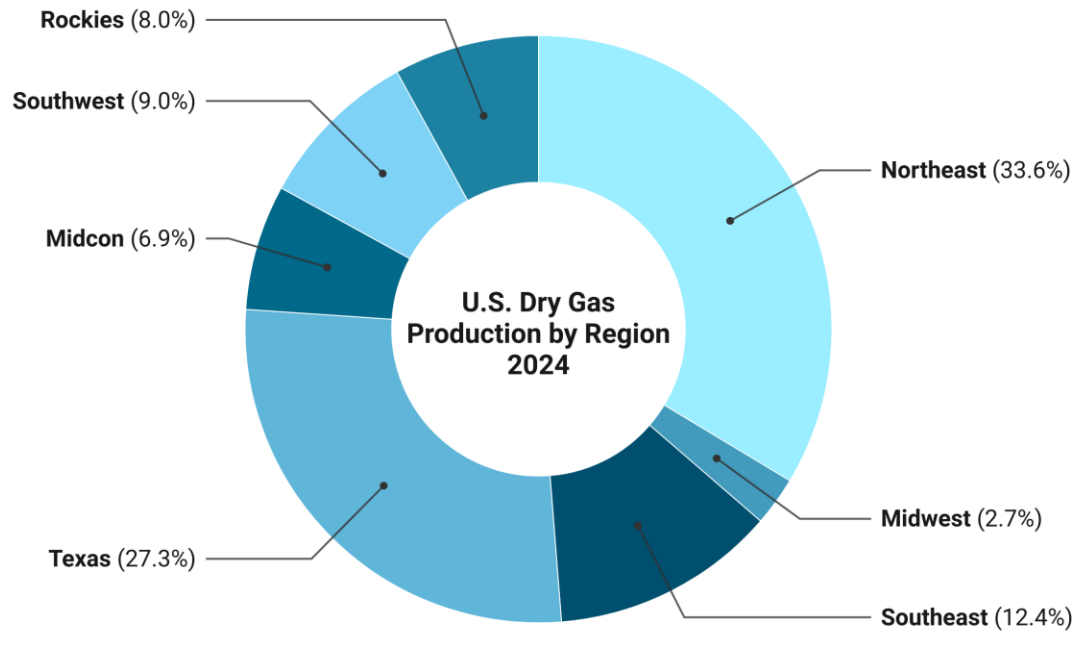


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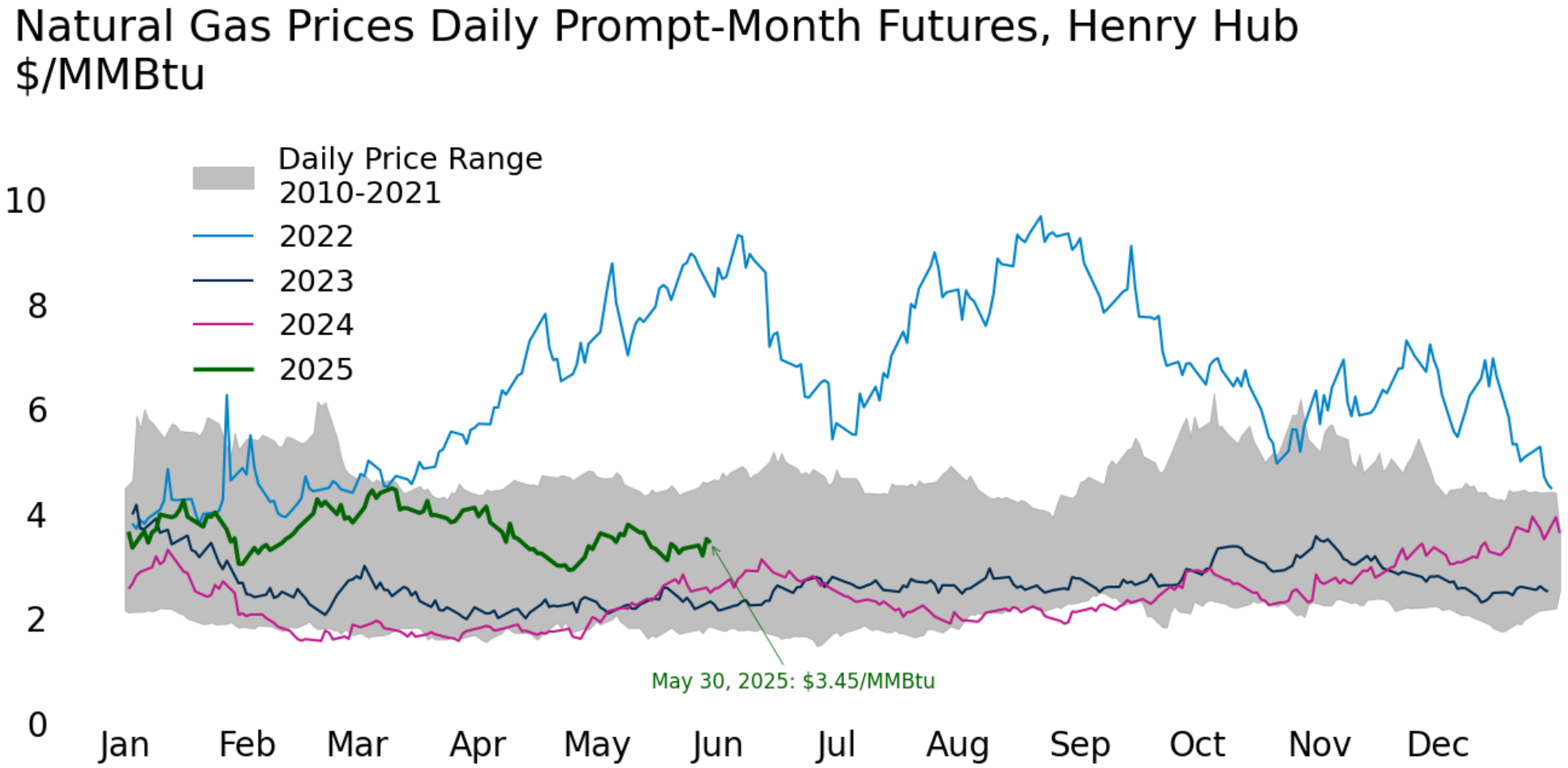
Chart: American Gas Association • Source: S&P Global Commodity Insights © 2025 by S&P Global, Inc. • Created with Datawrapper

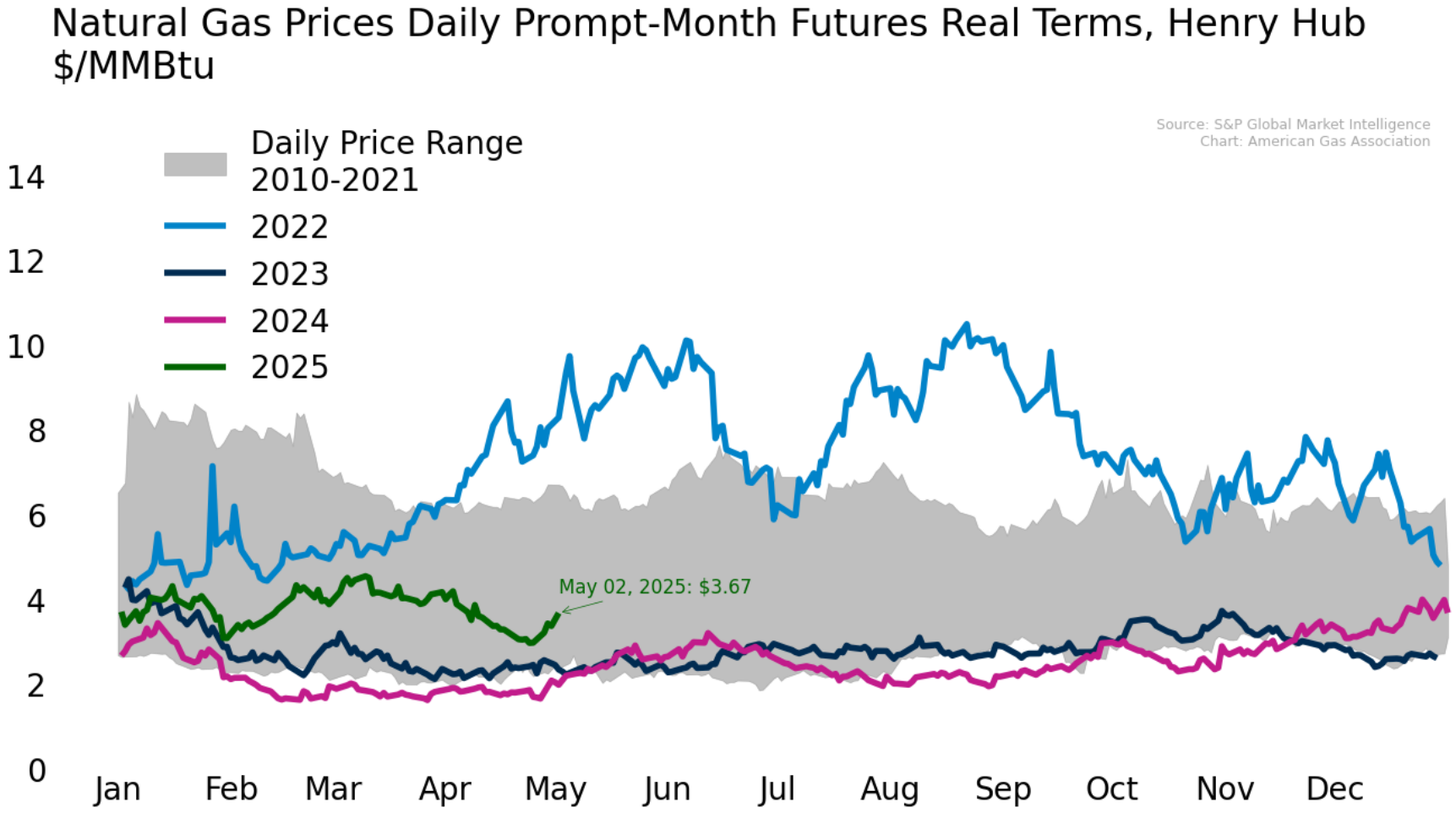
2005 production: 49.5 Bcf/d ← 108.7% increase → 2024 production: 103.2 Bcf/d

Futures prices remain within historical range



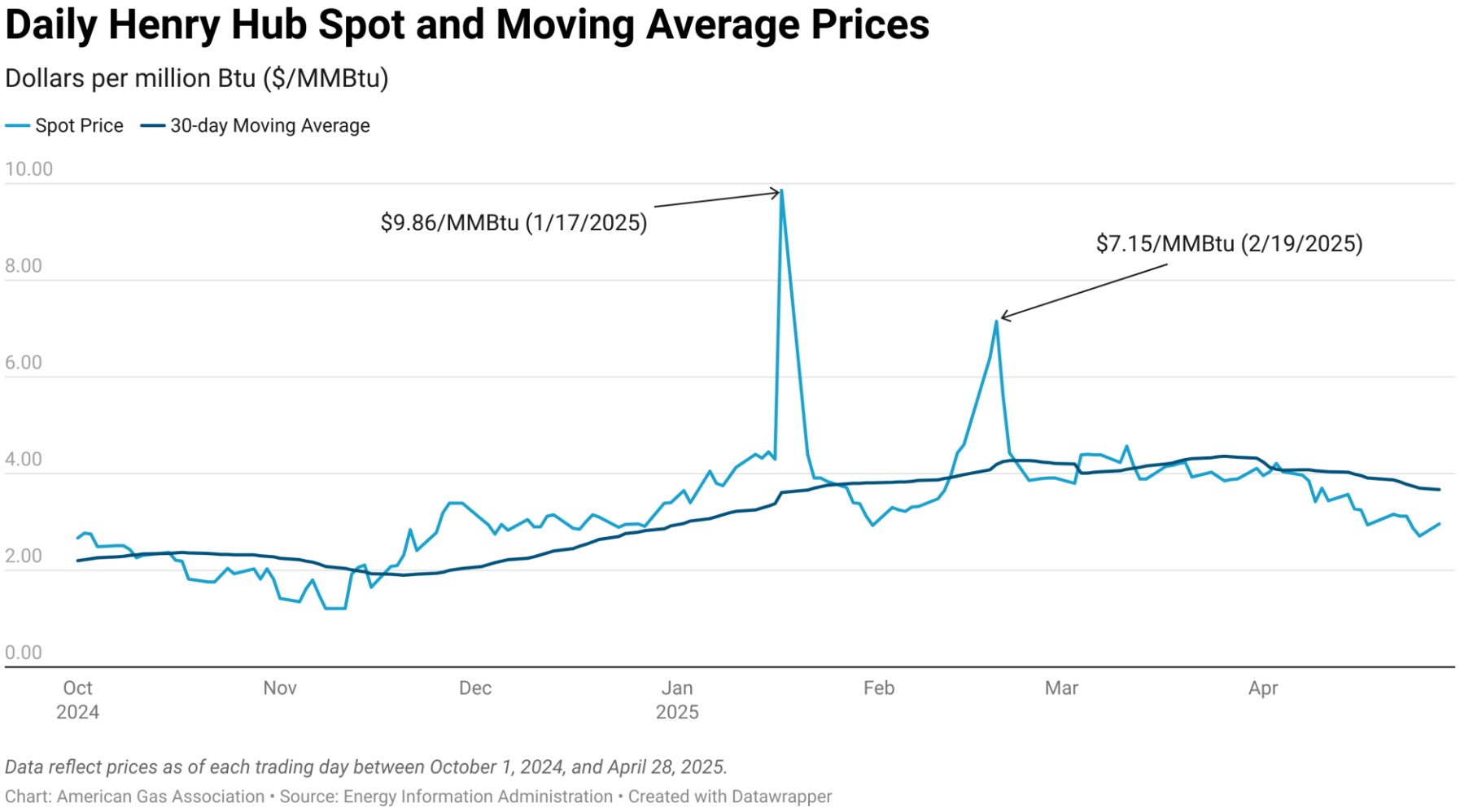
Source: S&P Global Market Intelligence. Chart: American Gas Association. Data as of May 30, 2025. Subject to revision.

Inflation-adjusted prices are much lower compared to history

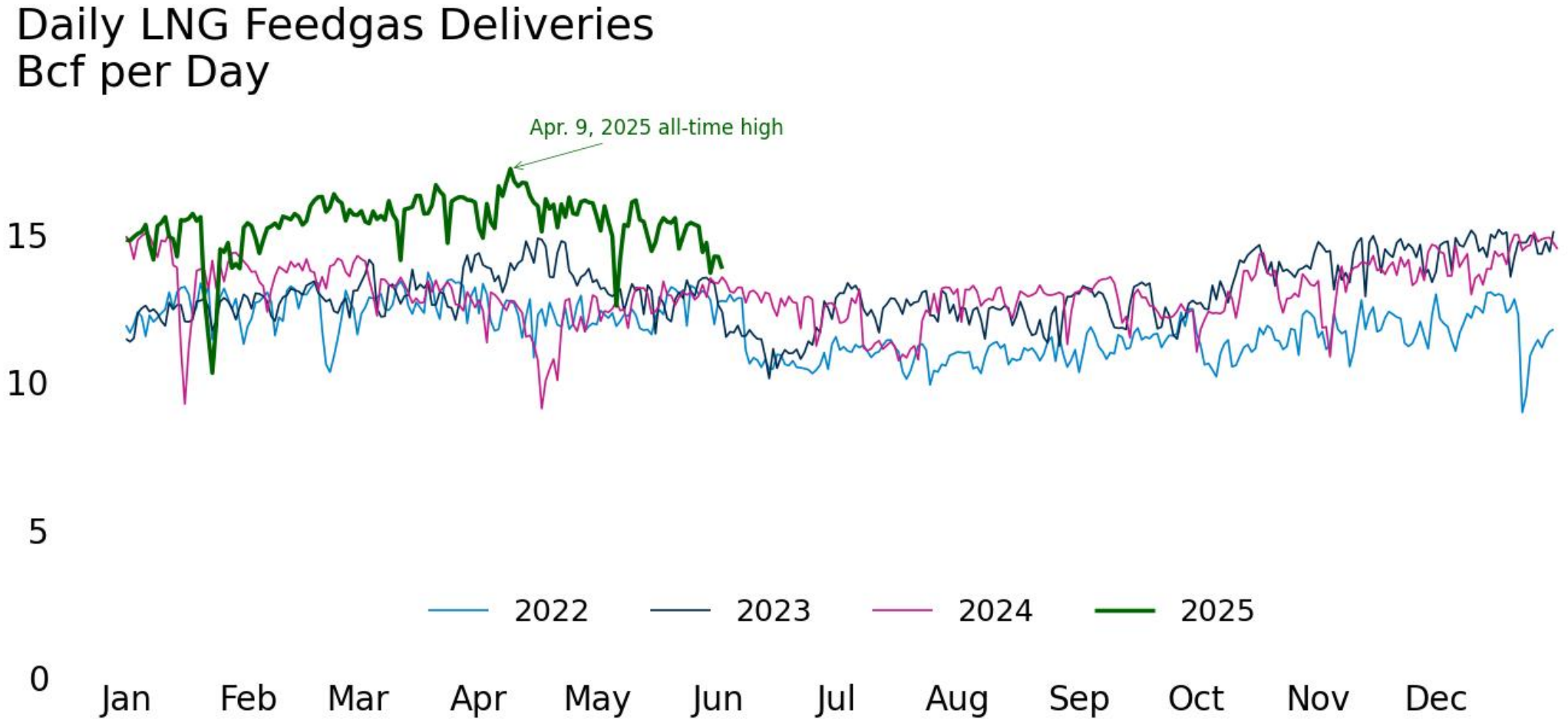


Prices adjusted for March 2025, CPI-U Source: U.S. Bureau of Labor Statistics

Henry Hub spot prices softening in shoulder season

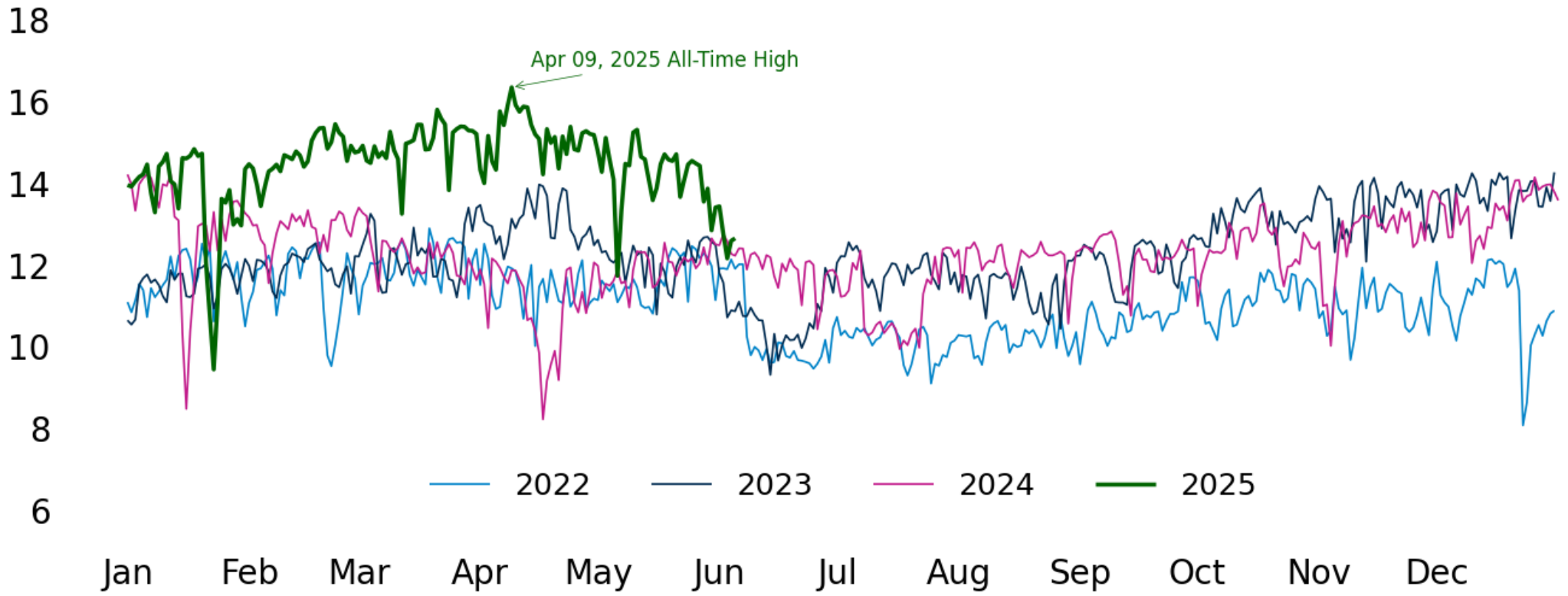


LNG feedgas set a new daily record in April 2025



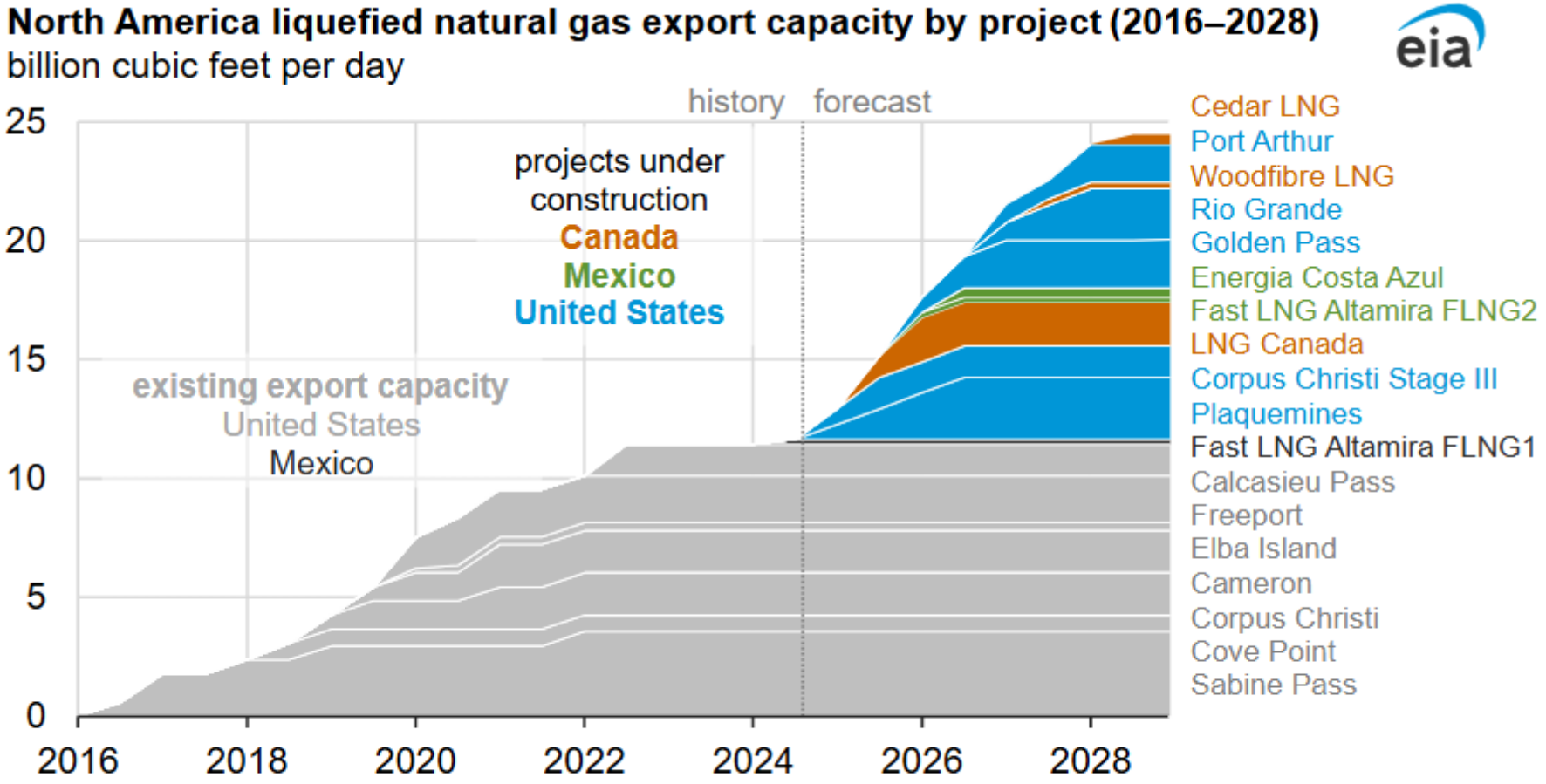
Source: S&P Global Commodity Insights, ©2025 by S&P Global, Inc. Chart: American Gas Association. Data as of Jun 02, 2025. Subject to revision.

Daily LNG Feedgas Deliveries, Texas and Southeast
Bcf per Day



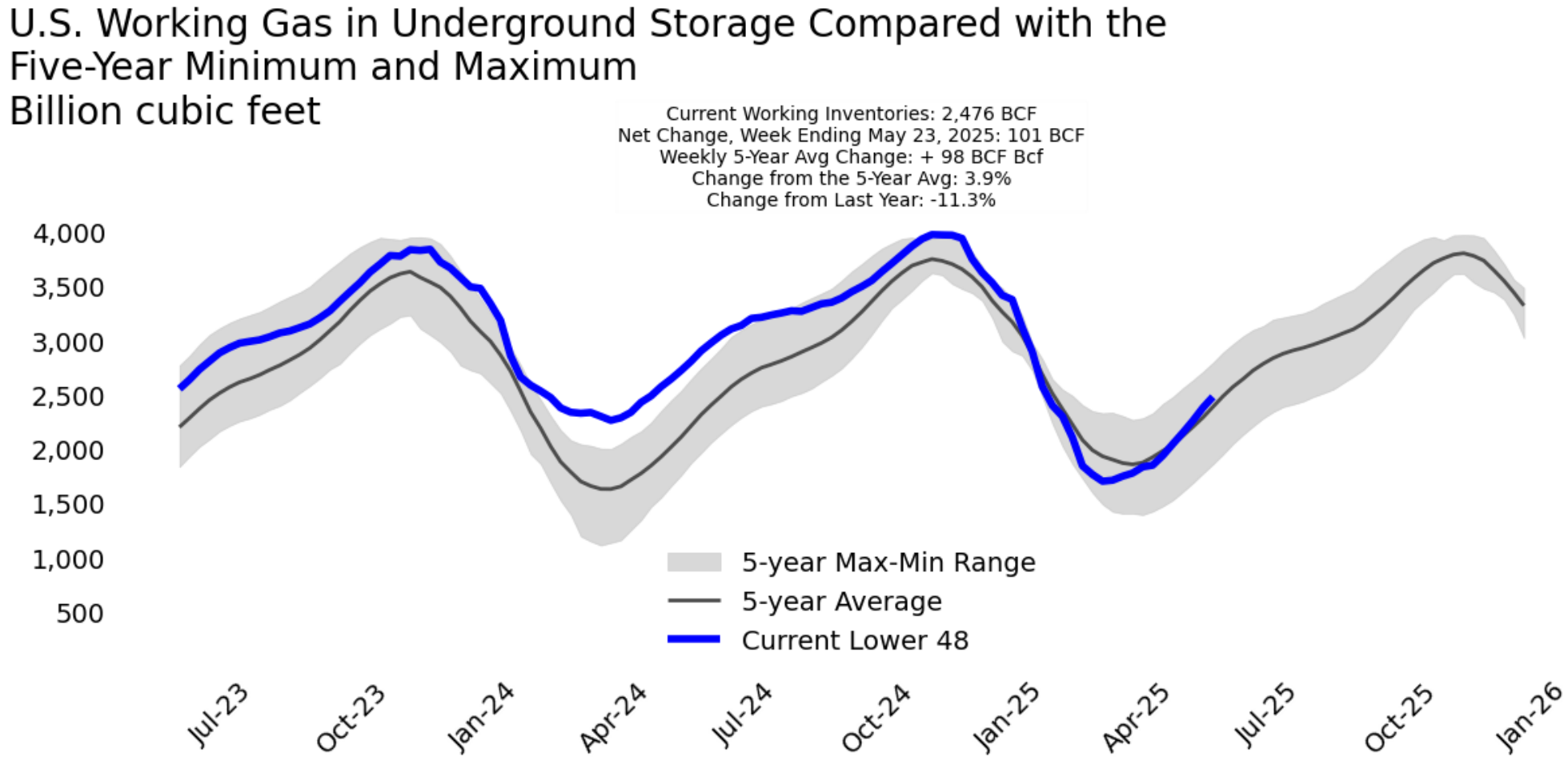
Source: S&P Global Commodity Insights, ©2025 by S&P Global, Inc. Chart: American Gas Association. Data as of Jun 05, 2025. Subject to revision.

U.S. LNG export capacity expected to increase nearly 10 Bcf/d through 2028



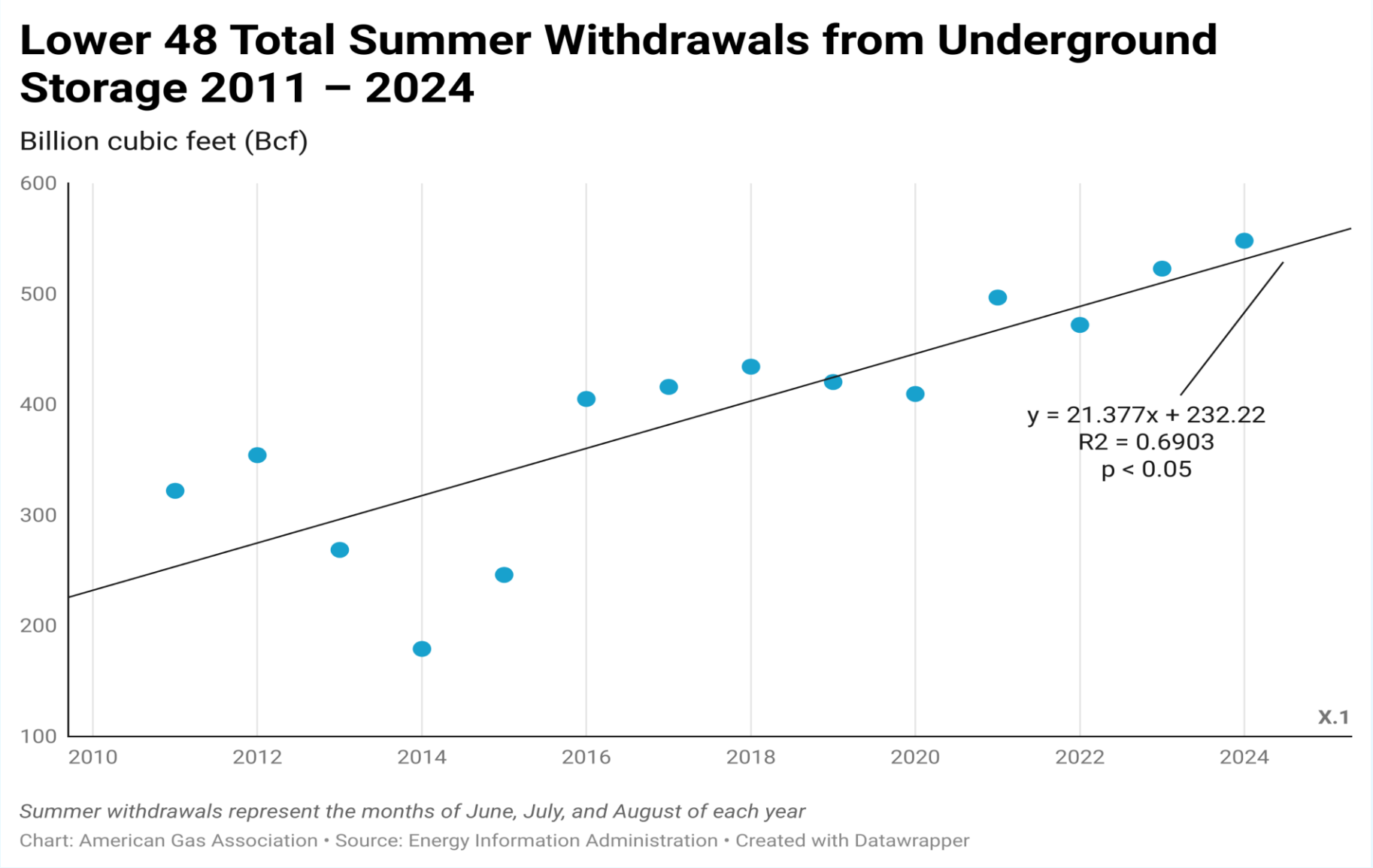
Data source: U.S. Energy Information Administration, *Liquefaction Capacity File*, and trade press
Note: Export capacity shown is project's baseload capacity. Online dates of LNG export projects under construction are estimates based on trade press.
LNG=liquefied natural gas; FLNG=floating liquefied natural gas

Inventories in line with five-year average



Source: U.S. Energy Information Administration, Chart: American Gas Association, Data as of Jun 02, 2025, Subject to Revision
The shaded region represents the five-year range relative to the reporting period for the historical data. Projections utilize curent five-year data available.

Rising summer withdrawals from underground storage



Underground storage capacity growth lags other infrastructure and market expansion rates

Natural Gas Infrastructure and Market Expansion Rates

2013-2023 Compound Annual Growth Rate*

Region	LNG Storage Capacity	Underground Storage Capacity	Intrastate Pipeline Capacity	Interstate Pipeline Capacity	Production	Demand
East	18.3%	0.0%	3.6%	4.6%	11.4%	2.8%
Midwest	0.3%	0.1%	1.6%	6.4%	-3.3%	2.1%
Mountain	7.0%	0.2%	8.7%	1.1%	2.6%	2.4%
Pacific	0.6%	0.2%	0.8%	0.5%	-6.3%	-0.8%
South Central	0.0%	0.2%	6.8%	4.3%	3.0%	2.7%
Lower-48	10.5%	0.1%	5.8%	4.0%	5.0%	2.2%

**LNG Storage Capacity CAGR by region represents 2014-2023*

Table: American Gas Association • Source: Energy Information Administration, Pipeline and Hazardous Materials Safety Administration • Created with Datawrapper

Final Thoughts

Natural gas supply and demand are growing

LNG exports, industrial demand, and electric power sector consumption drive new requirements.

New infrastructure is necessary

Gas pipeline and storage infrastructure will be necessary to meet growing demand and maintain price stability.

Natural gas is critical for reliability

Gas for electric power remains essential for meeting load growth and peak requirements. Maintaining generation, fuel deliverability, and infrastructure is essential for reliability.

SERC & TEXAS RE SUMMER ASSESSMENT SUMMARY

MELINDA MONTGOMERY
SENIOR DIRECTOR, ENGINEERING
& ADVANCED ANALYTICS
SERC RELIABILITY CORP.

MARK HENRY
CHIEF ENGINEER & DIRECTOR,
RELIABILITY OUTREACH
TEXAS RE

SERC Electric Outlook

Melinda Montgomery, Sr. Director
Engineering and Advanced Analytics

Texas RE Electric Outlook

Mark Henry
Chief Engineer & Director Reliability Outreach

SERC Reliability Corporation

TEXAS RE

2024-2026 SERC Regional Risks

Supply Chain Constraints
Increased risks from supplier dependencies, cyber threats, and natural disasters, require diversification, cybersecurity upgrades, and improved inventory management.

Extreme Weather Impacts: Extreme weather in the SERC region can damage infrastructure and disrupt fuel supply.

Resource Uncertainty: Accelerating changes in generating resources and fuel complicate planning and operations.

Shortage of Required Skillsets: This risk arises from a critical shortage of skilled staff in electrical operations, planning, and cybersecurity.

Exploitation of Vulnerabilities: Advanced tools and processes exploit bulk power system vulnerabilities, including ransomware.

Rapid Nontraditional Load Growth: Rapid load growth from new data centers and AI, is challenging the planning and operation of the BPS.

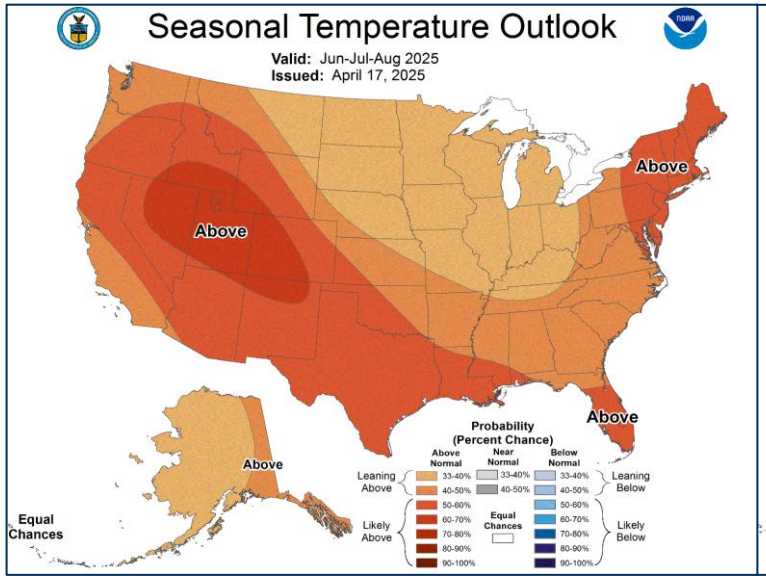
Lack of Fuel Diversity and Availability: Transition to natural gas and variable generation challenges energy adequacy.

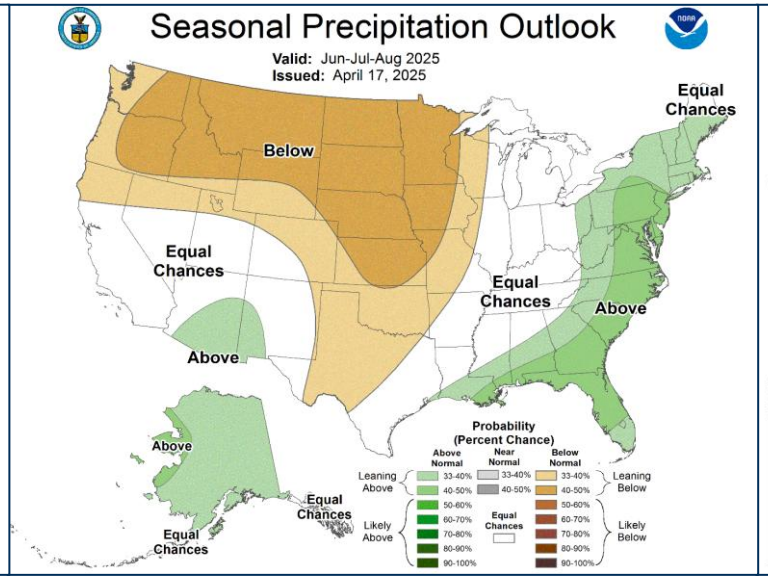
Legacy Architecture Compatibility: Aging infrastructure struggles with compatibility and support from vendors.

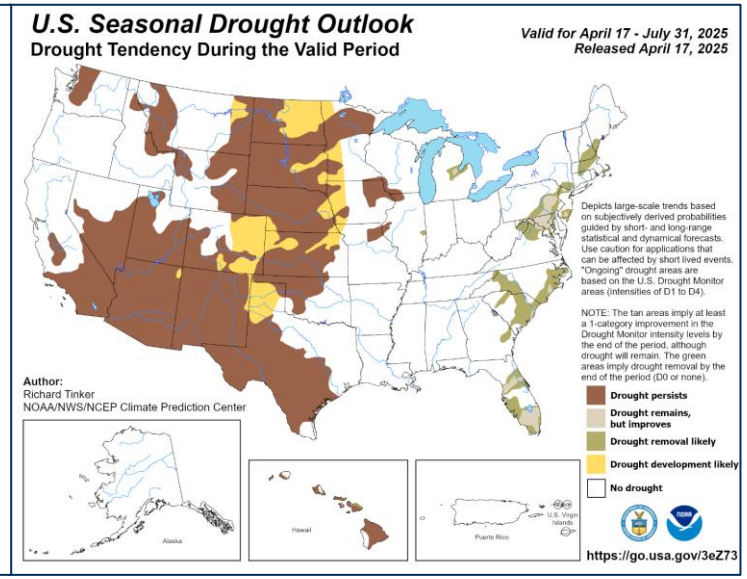
Extreme Physical Events: Sabotage & Attacks: Deliberate disruptions to Bulk Electric System facilities and equipment.

Integrating Variable Energy Resources: Renewable energy integration requires backup planning due to weather dependencies.

2025 Summer Weather Outlook







How does that relate to Reliability Risk?

- **Extreme Weather** – Active Hurricanes season forecast—17 storms, 9 hurricanes, 4 major.
- **Lack of Fuel Diversity and Availability** – storms may disrupt Gulf gas supply; electric compressors add vulnerability for risk to local area gas availability in the summer.

Weather Outlook

- **Drought** – Dry conditions may improve in East, Southeast, and Florida.
- **Above-normal precipitation** is likely in eastern areas of SERC; below-normal in MISO Central.
- **Above-normal temperatures** across SERC, especially Florida – and Texas.

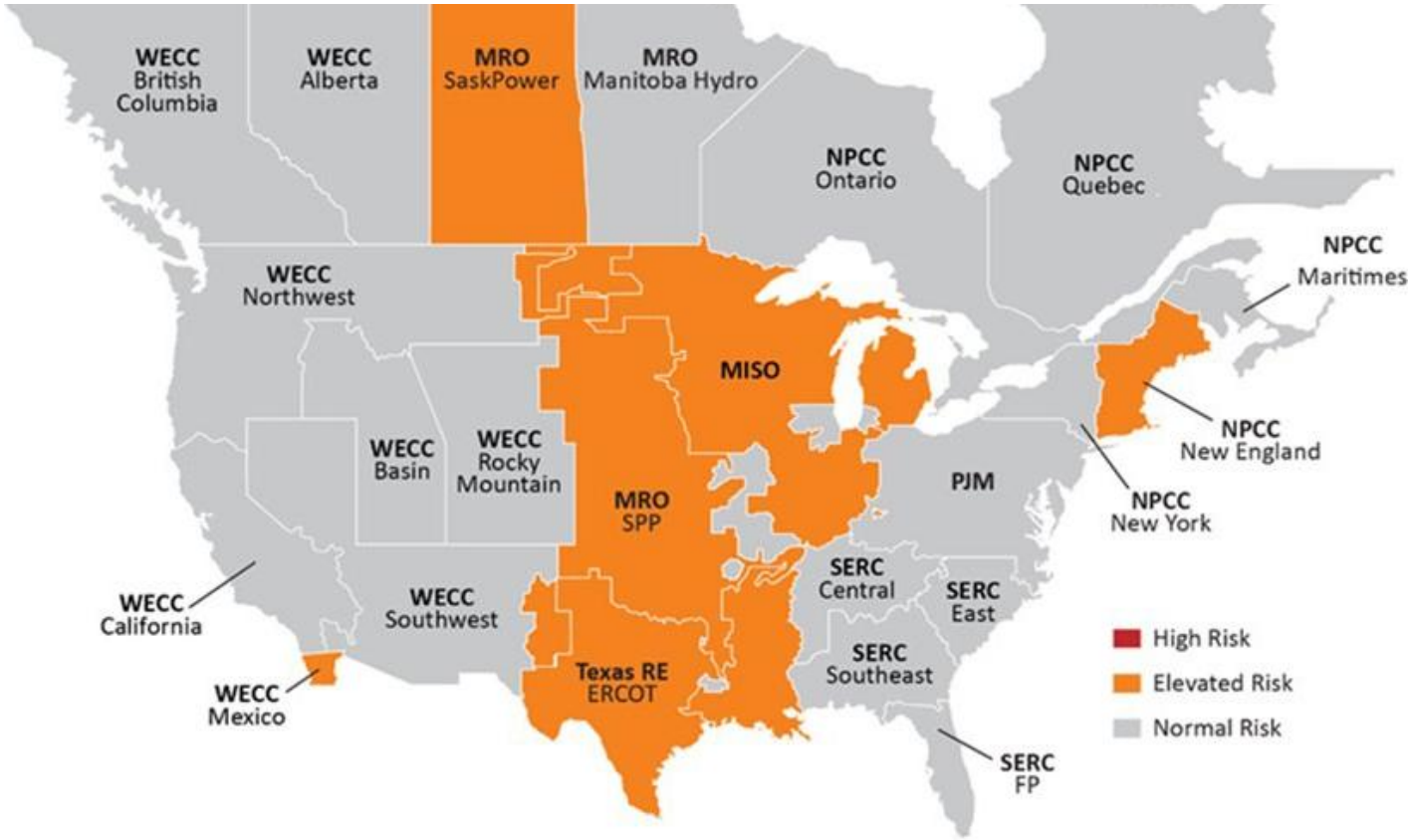
Summer Reliability Risks: Summer Natural Gas Concerns

- 51% of all natural gas processing plant capacity is along the Gulf Coast
- Offshore natural gas pipelines are vulnerable to hurricanes
- Loss of electric-powered compressors on natural gas pipelines can lead to loss of significant natural gas generation.

SERC

NERC 2025 Summer Reliability Assessment

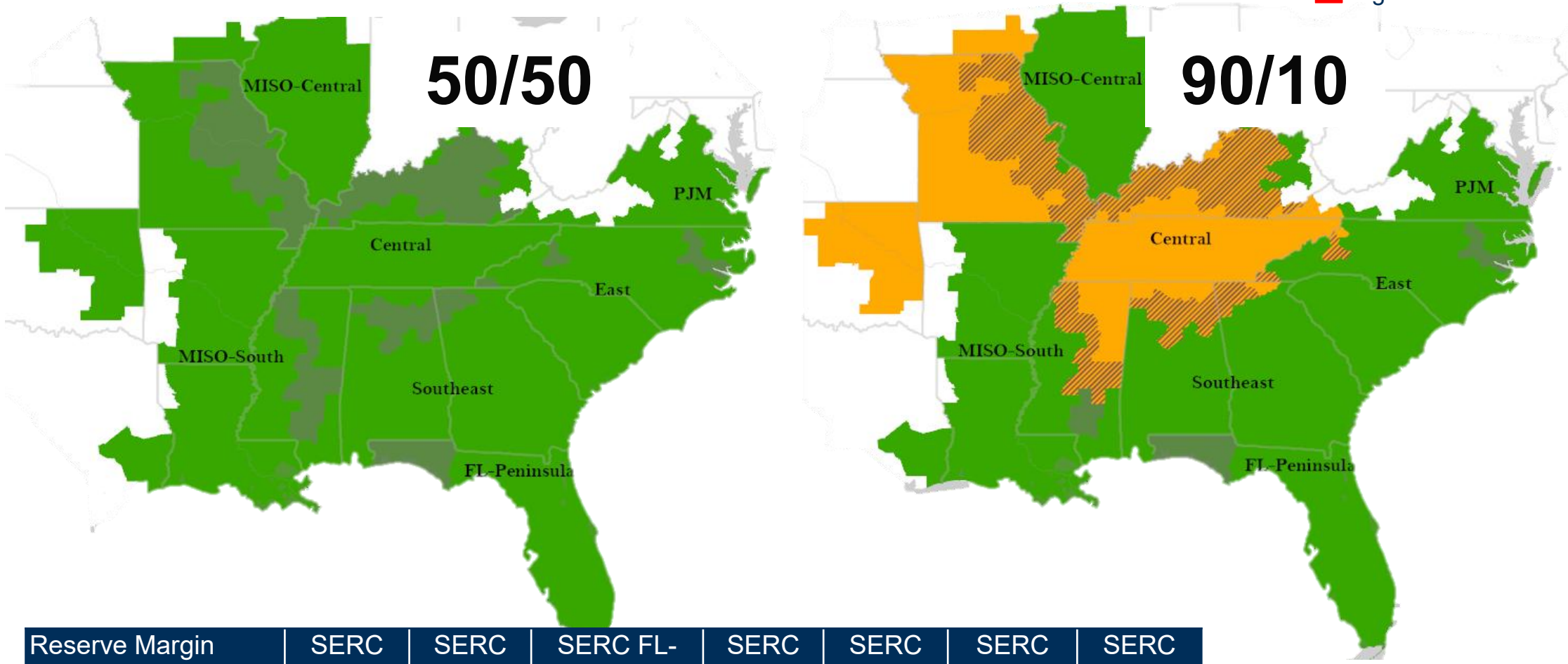
Adequate resources for normal summer peaks; some areas face elevated risk under extreme conditions.



Key Reliability Factors:

- Above-average temps, below-average precipitation
- Load growth
- Aging generation and inverter-based resources tripping concerns
- Battery storage helping mitigate variability
- Gas storage 4% below average
- Wildfire threats persist in the West

SERC Summer Reserve Margins



Reserve Margin Analysis	SERC Central	SERC East	SERC FL-Peninsula	SERC SE	SERC MISO-Central	SERC MISO-South	SERC PJM
Reserve Margin 50/50 Forecast	19%	29%	30%	41%	28%	39%	43%
Reserve Margin 90/10 Forecast	9%	19%	27%	16%	24%	34%	31%

Key Observations from Assessment

Demand:

- Above-average temperatures expected; demand stable vs. 2024 with improved forecast accuracy.

Capacity Adequacy:

- Solar continues growing; natural gas units essential for balancing. Pipeline restrictions; Operational Flow Orders could limit dispatch flexibility.

Reserves:

- All sub-regions meet reserve targets under normal conditions; only SERC Central shows elevated risk under extreme demand.

Transmission:

- No major issues identified under normal load.

Factors of Reliability/Resilience in the Southeast and Texas

Load Growth and Load Changes
- Data Centers and Cryptocurrency
- Manufacturing
- Size of Storms/Load Diversity

Generation Growth and Retirements
- Solar/Batteries
- New Nuclear/Small Modular Nuclear/Relicensing
- Retirements
- Natural Gas Generation remains part of the plan

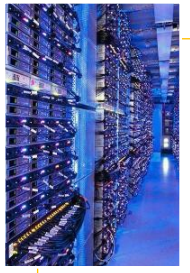
Texas RE/ERCOT 2025 Summer Outlook

Above normal temperatures and drought conditions are expected, but moderate load growth.

Robust ~7 GW growth in solar photovoltaic installations since 2024.

Near-doubling of battery storage capacity with improved performance since last summer.

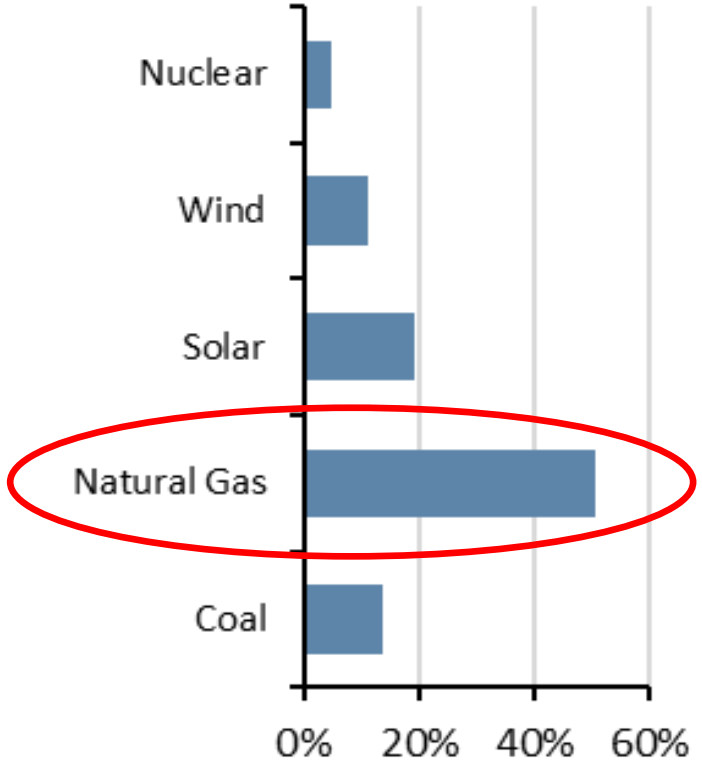
Low risk of capacity shortage during expected August peak. Higher risk during solar ramp-down.



Interconnected large loads bring operational concerns as do inverter-based resources.

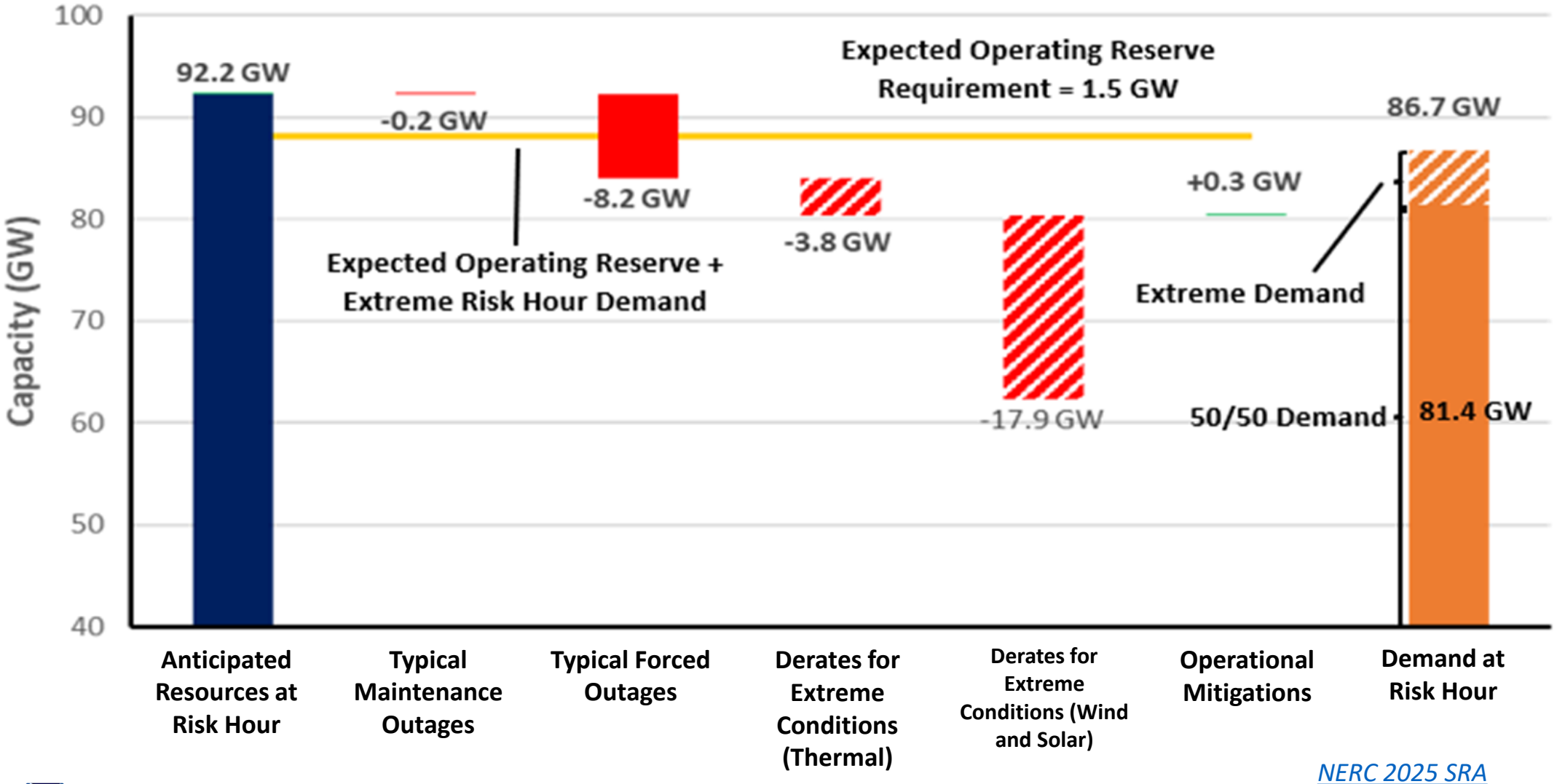
South Texas transmission management requires temporary generation addition through 2027.

2025 Projected On-Peak Fuel Mix



NERC 2025 SRA

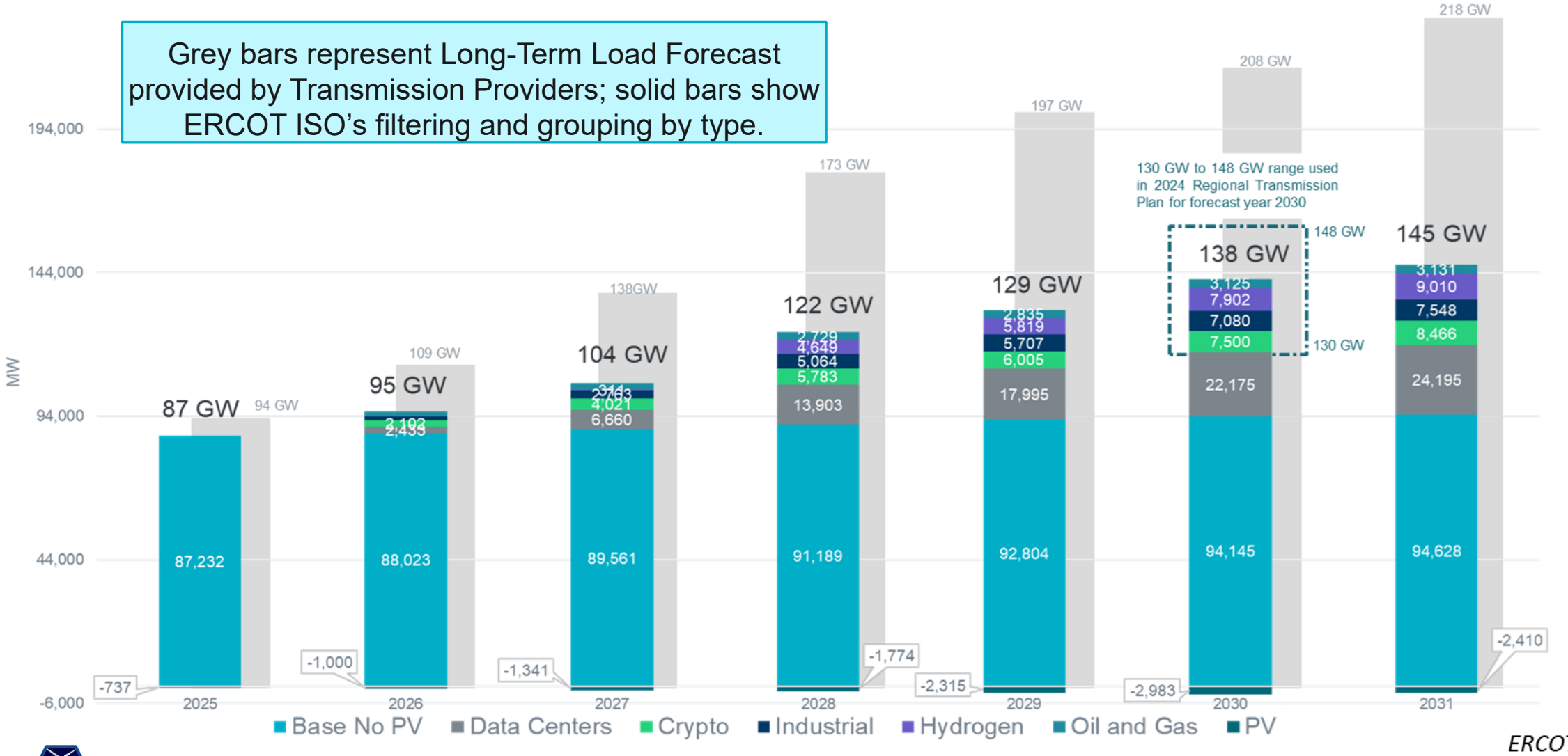
Texas RE/ERCOT Summer Risk Scenario (9:00 p.m.)



NERC 2025 SRA

Texas RE/ERCOT Future Load Growth Projection

Grey bars represent Long-Term Load Forecast provided by Transmission Providers; solid bars show ERCOT ISO's filtering and grouping by type.



ERCOT

"PV" refers to consideration of load served by distributed solar generation

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TEXAS RE
Ensuring electric reliability for Texans

SERC

OVERVIEW OF TEXAS ENERGY RELIABILITY COUNCIL ENERGY COORDINATION CALLS

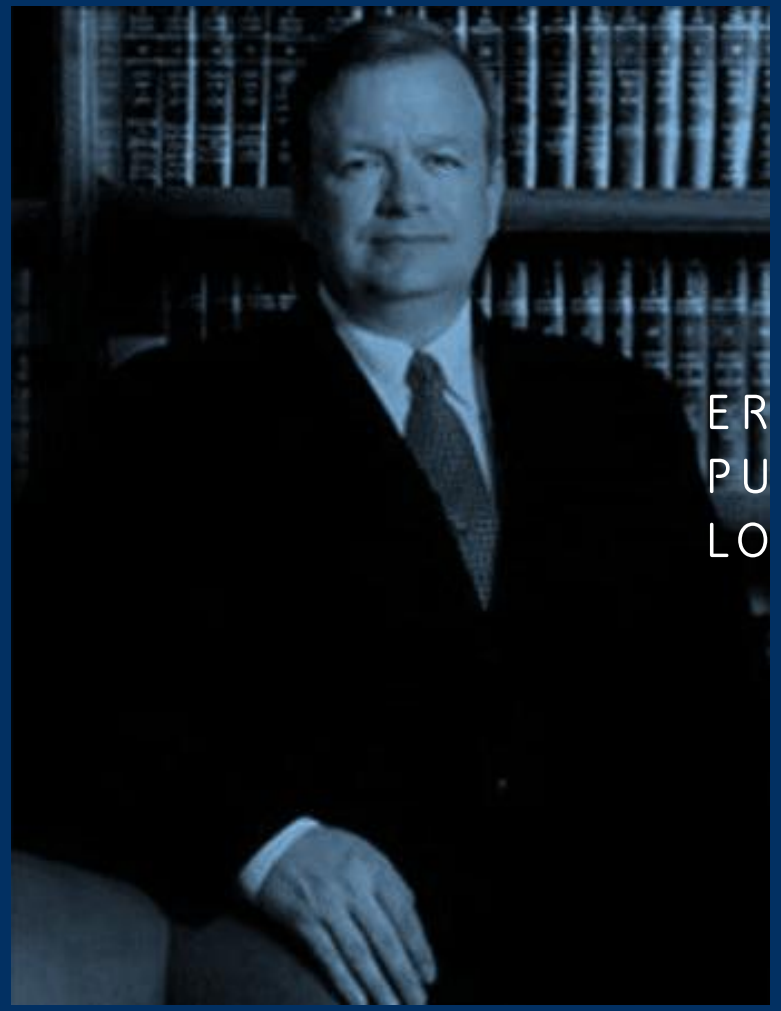
W. NIM KIDD
CHIEF OF THE TEXAS DIVISION
EMERGENCY MANAGEMENT (TDEM)

2025 NATURAL GAS READINESS REGIONAL MINI-FORUM

SOUTHERN/LOWER MIDWEST REGION

FIRESIDE CHAT – PREPAREDNESS COMMUNICATIONS

LOUISIANA PREPAREDNESS COMMUNICATION COORDINATION



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2025 NATURAL GAS READINESS REGIONAL MINI-FORUM

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FIRESIDE CHAT – PREPAREDNESS COMMUNICATIONS

GENERAL SESSION CLOSING REMARKS

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