



Q1 2026 Earnings Transcript – April 23, 2026

Ben Vallejo – VP of Investor Relations and Corporate Planning

Good morning and welcome to CenterPoint's Q1 2026 earnings conference call. Jason Wells, our Chair and CEO, and Chris Foster, our CFO, will discuss the Company's first quarter 2026 results.

Management will discuss certain topics that will contain projections and other forward-looking information and statements that are based on management's beliefs, assumptions, and information currently available to management. These forward-looking statements are subject to risks and uncertainties. Actual results could differ materially based on various factors, as noted in our Form 10-Q, other SEC filings and our earnings materials. We undertake no obligation to revise or update publicly any forward-looking statement other than as required under applicable securities laws.

We reported \$0.48 per diluted share for the first quarter of 2026 on a GAAP basis.

Management will be discussing certain non-GAAP measures on today's call. When providing guidance, we use the non-GAAP EPS measure of diluted adjusted earnings per share, on a consolidated basis, referred to as "non-GAAP EPS."

For information on our guidance methodology and reconciliation of the non-GAAP measures used in providing guidance, please refer to our earnings news release and presentation on our website. We use our website to announce material information.

This call is being recorded. Information on how to access the replay can be found on our website. Now, I'd like to turn it over to Jason.

Jason Wells – President & CEO

Thank you, Ben and good morning, everyone.

On today's call, I would like to address four key areas of focus for the quarter:



First, I will walk through our strong first quarter financial results.

Second, I will provide an update on our load outlook for Houston Electric, including yet another significant increase in our firmly committed load forecast to 12.2 gigawatts of new industrial load.

Third, I will cover how our continued and accelerating growth in the Greater Houston Area could provide incremental capital investment opportunities and further support customer affordability.

And lastly, I will touch on our growing optimism for transformational load growth opportunities for our Indiana Electric service territory, which would similarly provide for incremental capital investment and support customer affordability.

I will start with our strong first quarter financial results.

This morning, we reported non-GAAP EPS of 56 cents for the first quarter of 2026.

Chris will walk through the details of these results, but I want to highlight that our execution through the first quarter positions us well for the remainder of the year.

With that said, we are reiterating our full year 2026 non-GAAP EPS guidance of \$1.89 to \$1.91 which, at the midpoint, would represent 8% growth over actual 2025 delivered results.

As a reminder, we rebase our long-term earnings guidance from each year's actual results. This approach provides our investors with the direct benefit from the compounding effect of the earnings we have consistently delivered.

In addition, this approach helps contribute to the durability of our earnings profile, underscoring our commitment to delivering value through disciplined execution and sustained growth each and every year.

Over the long-term, we continue to expect to grow non-GAAP EPS at the mid-to-high end of our 7% to 9% annual guidance range through 2028, and 7% to 9% annually, thereafter, through 2035.



I would now like to provide an update on the accelerating growth our Houston Electric business continues to experience and our strong execution, which enables us to take advantage of this growth in the near term.

As we shared on our fourth-quarter call, we have meaningfully accelerated our load growth outlook, bringing forward our forecast for a 50% increase in peak demand by two full years.

Our conviction in that accelerated timeline was grounded in 7.5 gigawatts of firmly committed load that we expected to be energized by 2029, including 2.5 gigawatts that was already under construction as of our last update.

Since then, we have made significant progress in executing against our prior forecast while adding additional customers. As a result, we now have clear line-of-sight to 12.2 gigawatts of firmly committed load.

With the team's disciplined execution, we have already secured ERCOT approval for 3.2 gigawatts of this load. Of this load, 2.5 gigawatts was approved since our last earnings call alone and within less than 80 days of filing for approval.

We expect to submit the remaining 9 gigawatts of projects to ERCOT for approval within the next few weeks.

Importantly, this firmly committed load is highly diversified, spanning more than a dozen unique customers across nearly 20 distinct projects. We believe these projects are manageable in size, with 90% representing half a gigawatt of demand or less. That, along with our utilization of existing capacity and our customers' selection of project sites near our substations, allows for quick and efficient interconnections.

Our focused execution over the last few months has also provided us with a clear path to energization. Notably, we are positioned to energize approximately 8 gigawatts of our firmly committed load by 2029, which is 80% of our 10 gigawatt increase we originally forecasted to be energized by the end of 2031.

This diversified growth and economic development has another key benefit to the Greater Houston Area, which helps keep electricity delivery charges affordable.

The Greater Houston Area is no longer an emerging destination to site new data centers; it is now firmly established as a location of choice for some of the world's largest hyperscalers and developers. However, this is only one facet of Houston's multidimensional growth.

The region's growth is being propelled by significant investments in life sciences, energy and energy exports and advanced manufacturing. With this growth comes new jobs and an influx of new residents which has fueled the 2% annual residential growth the area has experienced over the last few decades.

The expansion of the economy and increase in population have significant affordability benefits for our customers.

Notably, we expect that utilizing 10 gigawatts of existing system capacity would provide approximately \$4 billion dollars in aggregate savings for Texas residential and commercial customers over 10 years, supporting affordability and creating headroom for future customer-driven investments. This affordability profile is one that very few areas in the country can offer as our charges are 11% below the national average and the lowest in ERCOT.

Looking ahead, we believe this growth will continue for years to come, requiring the further expansion of our system to support growth beyond the near term. We are making steady progress on a refreshed load study that will inform our transmission planning process. We expect to complete this study later this year.

In Indiana, we are increasingly confident in our ability to secure potentially transformational opportunities to support local economic growth and address affordability. We continue to make considerable progress in our conversations with a large load customer on a project that would represent our single largest load in our Southern Indiana service territory, with substantial upside for additional growth.

Beyond the significant economic development benefits this opportunity would bring to the local community, it represents a powerful lever to enhance affordability for our customers. We estimate that this initial incremental load could enable \$250 million in savings for residential customers over 15 years, meaningfully reducing customer bills, with the opportunity for even greater savings as potential upside for growth materializes.



In closing, we continue to believe we have one of the most tangible and executable growth plans in the industry.

We are uniquely positioned to move at the speed of business to execute on near-term customer-driven opportunities, while also delivering our service affordably. We are laser focused on making longer-term investments to enhance growth across all our service territories while also improving customer outcomes.

With that, I will turn it over to Chris to cover the financials in more detail.

Chris Foster – CFO

Thanks, Jason.

This morning, I will cover four areas of focus.

First, the details of our strong first quarter financial results and how they position us for the rest of the year,

Second, I will provide a brief regulatory update and our progress with respect to timely recovery of our capital investments through the filing of our interim capital trackers.

Third, I will touch on our planned capital deployment in 2026, which is right on track as we target to invest \$6.8 billion this year for the benefit of our customers and communities.

And finally, I will provide an update on our de-risked financing plan, balance sheet health, and credit metrics.

Now, starting with our strong financial results on Slide 6

On a GAAP EPS basis, we reported 48 cents for the first quarter of 2026. On a non-GAAP EPS basis, we reported 56 cents for the quarter.

Our non-GAAP EPS excludes the impacts from the tax gain and other expenses related to the sale of our Ohio LDC which is on track to close in the fourth quarter of this year that are required to be recognized over the course of this year.

In addition, we continue to exclude the impacts of removing our temporary generation units from base rates as they are no longer part of our regulated utility business.

As a reminder, we expect to start marketing these units for either a sublease or sale later this year in anticipation of getting those units back no later than spring of next year.

Taking a closer look at the drivers of our first quarter earnings.

Growth and rate recovery contributed 11 cents when compared to the same quarter last year, driven by a full quarter impact of updated rates reflecting the interim filing mechanisms that went into effect late last year.

Weather and usage were 2 cents unfavorable when compared to the comparable quarter last year, driven by milder weather across our Texas and Indiana service territories.

Additionally, higher interest expense was 4 cents unfavorable reflecting new issuances, slightly offset by lower commercial paper balances and favorable pricing on the convertible debt we issued during the quarter.

O&M was flat for the quarter as we continue to accelerate our peer leading vegetation management program to enhance the customer experience and improve customer outcomes during severe weather events.

Lastly, the absence of earnings from our Louisiana and Mississippi businesses post divestiture resulted in five cents of unfavorability when compared to the first quarter of 2025. The divested rate base has already been replaced by the acceleration of investments in our Texas businesses.

These results reinforce our confidence in delivering on our full-year 2026 non-GAAP EPS guidance range of \$1.89 to \$1.91.

The accelerated growth that Jason highlighted and the work we've done to derisk our financing needs and more efficiently execute are additional tailwinds that further position us well to deliver and could continue to provide upside as we move through the year.



Over the long-term, we continue to expect to grow non-GAAP EPS at the mid-to-high end of our 7% to 9% long-term annual guidance range through 2028, and 7% to 9% annually, thereafter, through 2035.

Now, turning to a broader regulatory update. As a reminder we continue to recover approximately 85% of our investments through capital trackers, several of which we filed this quarter. I'll start with Houston Electric.

In February, we submitted the first of our two permitted filings of our Distribution Capital Recovery Factor, or DCRF, and our Transmission Cost of Service tracker, or TCOS.

The DCRF filing requested a revenue requirement increase of approximately \$108 million, capturing incremental distribution investments over the last 6 months. I'm pleased to share that we entered into a settlement agreement earlier this month and requested new rates to be effective in June, ahead of our planned timing.

The TCOS filing requested a revenue requirement increase of approximately \$36 million, incorporating transmission investments made between July and December of last year. During this quarter, the filing was approved, and new rates went into effect just last week.

Turning now to Texas Gas.

In February we also filed our annual capital investment recovery mechanism, or GRIP, requesting a revenue requirement increase of approximately \$62 million, capturing capital investments made throughout 2025. Pending approval, we expect these investments to be reflected in customer rates in June.

Lastly, as a reminder, we plan to file rate case applications for our gas businesses in Minnesota and Indiana later this year, which, in the aggregate, represent less than 20% of the earnings power of our consolidated base.

Next, I will touch on our continued execution against our planned capital investments for 2026 as shown on Slide 7.



We invested \$1.2 billion in the first quarter for the benefit of our customers and communities. The quantum of capital deployed in the first quarter is consistent with the seasonal timing of our capital plan as we expect larger construction and resiliency projects to ramp throughout the year.

In short, we remain firmly on track to execute the \$6.8 billion of planned work this year as we continue to make investments to strengthen our system, improve customer outcomes, and build the most resilient coastal grid and safest gas systems in the nation.

Beyond our base 10-year, \$65.5 billion plan, we will continue to fold in the over \$10 billion of incremental capital investment opportunities as we gain better clarity on project costs currently embedded in our plan, as well as line of sight to new projects required to meet the unprecedented load growth across our service territories. And, in addition, we'll potentially discover more capital investment opportunities as we refresh our transmission planning later this year, which we are targeting to complete in the second half of this year.

These additional investments will continue to provide upside to our over \$65 billion base plan through 2035 further increasing the earnings power of the company.

Lastly, I want to touch on our credit metrics and balance sheet.

As of the end of the first quarter, our adjusted FFO-to Debt ratio based on Moody's rating methodology was 12.5%. This metric reflects temporary timing pressure from opportunistically pulling forward planned debt issuances in the quarter to take advantage of attractive market conditions. As that capital is deployed and financing normalizes, we expect this impact to reverse over the course of the year.

As a reminder, we expect to end the year at the high end of our targeted cushion in light of the Corporate AMT revised guidance. Importantly, we have filed for a refund of some of the previous paid cash taxes and expect to receive a refund later this year. We expect to incorporate the impacts of this favorable guidance into our financing plan later this year.



Overall, from a financing standpoint, we have completed nearly 70% of our planned 2026 financing needs, significantly de-risking this year's financing plan.

I also want to highlight that the \$650 million convertible debt issuance we executed in February has allowed us to reduce near-term exposure to floating interest rates. I would like to highlight that our commercial paper balance at the period at the end of the first quarter was zero compared to our normal average balance of approximately \$1 billion.

In summary, we are confident in our ability to execute the near-term and beyond, given the de-risked nature of our plan.

We are reiterating our 2026 non-GAAP earnings guidance targeting at least the midpoint of \$1.89 to \$1.91. At the midpoint, this would represent an 8% increase over 2025 delivered results.

Looking ahead, we expect to grow non-GAAP EPS at the mid-to-high end of our 7% to 9% range from 2026 through 2028; and over the long-term, we expect to grow non-GAAP EPS at 7% to 9% annually, through 2035.

We remain committed to investing to improve customer outcomes and enabling growth across the states that we have the privilege to serve.

And with that, I will now turn the call over to Jason.

Jason Wells – President & CEO

Thank you, Chris.

In closing, with our focus on disciplined execution, we have made meaningful progress in enabling more growth faster, particularly in our Houston and Indiana Electric service territories. We believe that our ability to attract and serve large load customers will unlock the potential to transform the communities we have the privilege to serve. This growth, combined with our delivery of strong and consistent results and our proactive efforts to significantly derisk our regulatory profile and financing plan, increases our conviction that we have one of most compelling affordability profiles and one of the most tangible and executable long-term growth plans in the industry.

Ben Vallejo – VP of Investor Relations

Thank you, Jason. We will now turn to Q&A.

Questions & Answers

Operator: Thank you. At this time, we will begin taking questions. And our first question coming from the line of Shar Pourreza with Wells Fargo Securities.

Q: Shar Pourreza

Hey guys and good morning. Just first there's obviously more specificity around the Houston Electric load, including the 12 gigawatts of firmly committed demand and the 8 gigawatts of data center load expected online by '29. Can you just help us bridge how much of that committed load is already embedded in the current plan versus what could represent incremental upside in other projects not embedded? I guess, what are the gating items that are included in plan? Thanks.

A: Jason P. Wells

Yeah. Thanks for the question, Shar. The model in ERCOT is a little bit different than the rest of the country, which has provided transmission and distribution service. From a CapEx standpoint, the incremental system modifications, switchyard, and substations that are needed to connect these customers timely, are paid for by the large load customer. So, I would look at this as necessarily a direct impact to the CapEx plan.

There are two, though, tailwinds to the financial plan that I think are important. The first is, despite the fact that there is not significant CapEx, again, the customer is paying for the modifications and the interconnection. It does represent a significant amount of incremental demand charges. Probably the way to think about this is it's about for every 1 gigawatt of industrial load that we add to our

system, it's about \$6 million a month of incremental demand charges. So that provides a pretty significant tailwind both from an earnings standpoint, but also a customer affordability benefit, and then indirectly related to CapEx is the need to replace that capacity on the system. And that's what we've been highlighting in terms of the transmission study that we are actively working through right now. That will resolve in the second half of this year in incremental projects to effectively replace the capacity and make sure the system is able to accommodate future load growth.

So again, I wouldn't think about the 12 gigawatts of firmly committed load is directly driving CapEx. What it does is it directly drives demand charges that are outside of the plan. So, that's a tailwind from earnings and an affordability standpoint and then indirectly supports the need for future CapEx that we will roll into the plan later this year.

Q: Shar Pourreza

Got it. And then just maybe, just kind of correlate it to the first question is just with ERCOT's new preliminary long-term forecast that projects now like 278 gigawatts of total demand by '29 and 368 gigawatts by 2032, but both obviously ERCOT and PCT have indicated that those forecasts likely overstate. I guess, remind us how you're using this kind of in your planning process, and should we think about it is mostly supportive of Houston's growth or as something that could ultimately drive incremental wires investment above what is already embedded in your current plan through '29? Thanks.

A: Jason P. Wells

Yeah. As we've highlighted on previous calls and what you've seen in our ERCOT submissions, we are much more disciplined in the terms of load that we submit to ERCOT for planning purposes. The load that we submitted to ERCOT in its most recent study was effectively consistent with the load that we have under construction. We submitted about 3.6 gigawatts, and as we're reporting today, we have 3.5 gigawatts, that were actively under construction in terms of committing.

We will be filing with ERCOT, as I said, another 9 gigawatts in the coming couple of weeks.

From a CapEx standpoint, again, I think the real opportunity here is replacing the capacity for future growth. And so, in the second half of this year, you'll see an update from us, where we articulate the new projects that will be needed to support future growth, the dollars associated with those. And then I think this continues to be a tailwind for the continued build-out of the 765 KV system on what I would call more of a medium-term, longer-term opportunity. So again, the growth is fantastic, and the fact that it provides significant customer affordability benefits by effectively spreading the fixed cost of our system out over a much larger customer base, provides near-term opportunities for earnings, for incremental demand charges, and then sets us up for incremental transmission projects that likely will need to be executed before the end of the decade and again supports the build-out of the 765 kV system early into the next.

Q: Shar Pourreza

Got it. That's perfect. Thanks, guys. See you in a couple of weeks. Appreciate it.

A: Jason P. Wells

That's good. Thanks, Shar.

Operator:

Thank you. Our next question coming from the line of Steve Fleishman with Wolfe Research.

Q: Steve Fleishman

Yeah. Hi, good morning. Just wanted to go to the commentary on Indiana, and it sounds like things are maybe getting closer there. Could you talk to I think you've talked in the past about the potential to turn your CT into a CCGT, and I don't know if there's other investments if you were to land this customer. Could you give us some sense of the investment opportunity there, both physically and then also in dollars?

A: Jason P. Wells

Yeah, absolutely. Good morning, Steve. I'm happy to provide that color. So, if you've looked at the MISO, we have a transmission project that we've filed for to provide incremental capacity in that region. And in our integrated resource plan filing that we've recently filed with the commission, we've got a scenario that supports the potential for a large load customer.

Effectively, we've got existing capacity in our system today. We can enhance that with the new transmission investments that are articulated in that MISO. We can also then, as you mentioned, provide incremental capacity by converting our simple cycle to a combined cycle facility up there. All of that unlocks at least 1.5 gigawatts of incremental capacity for a large load customer. Because we have existing capacity, because we have the simple cycle plant already built, I would think about this as more around about a billion dollar opportunity as opposed to several billion dollars and just to put some scale around the incremental CapEx.

Again, this is, I think, an incredible opportunity for our customers up in that region. It allows us to provide customer affordability benefits that will be significant. It will provide incremental earnings from those sales and it will provide tailwinds around about billion dollars of incremental CapEx.

Outside of that initial 1.5 gigawatts, we are continuing to evaluate the opportunity to support future large load growth – our large load customers and that could result in even more incremental CapEx down the road.

Q: Steve Fleishman

Would the billion opportunity be kind of by 2030 or after 2030?

A: Jason P. Wells

Oh, no, no, this is all, yeah, definitely within '27, '28, '29.

Q: Steve Fleishman

All right. And then I just want to clarify on the ERCOT, so that number that we got from ERCOT last week on demand that huge number. Your – what the numbers that you have for your region territory within that, they're consistent with what we heard today? Or is there like a bigger number based on however they ask the data to be given to them that matches up with their total number.

A: Jason P. Wells

Yeah, our total submission as part of that process for large loads was roughly 4 gigawatts. That was included in those reported tables. Outside of – and that was effectively the large load customers that we were currently and actively constructing transmission modifications interconnection facilities. Outside of the number that was picked up in that table, we also filed a large load study that incorporated continued residential growth, the potential for large load customers.

Q: Steve Fleishman

Okay. Great. Thank you.

Operator:

Thank you. Our next question is coming from the line of Richard Sunderland with Truist Securities.

Q: Richard Sunderland

Hey. Good morning. Thanks for the time today. I'm just circling back to this transmission commentary. I want to understand what you're studying for that 2H update. It sounds like if I was following you earlier that the transmission need is all this decade. Could you maybe frame what's in-flight now and what it's doing for capacity that's being utilized by this new load? And what that might mean for this next batch of transmission out of the study? I'm just trying to think about total dollars that might come this decade that aren't reflected in the plan right now. Thank you.

A: Jason P. Wells

Yeah. As we've been talking about on previous earnings calls, we think probably the most important aspect to focus on for large load is existing hosting capacity. These large load customers need to connect and any power timely. For us, we have existing capacity on our system of roughly 10 gigawatts. We also have about 9 gigawatts of generation that want to connect. It is in the process of connecting to our system here in Houston.

We're using that capacity to satisfy those customers that we talked about today. Part of the transmission plan that we have outlined in our \$65 billion includes projects to make sure that we have the existing capacity where we need it. So think about that as sort of like intra-regional investments to move power around the Greater Houston region.

Also, in the \$65 plus billion CapEx plan, we have increased import capacity primarily through the 765 kV lines that really will start to come online in '31 and '32. And so, this transmission study that we've been alluding to really seeks to kind to fill a gap around '29, '30 and '31 where we see existing capacity being exhausted. And before that those new 765 kV projects provide incremental import capacity.

So again, it will be increasing our capacity at the tail-end of this decade. And then there will be incremental projects to move this load around the Houston region to where it's needed. And there will likely be system stability investments

to make sure that the system can accommodate the number of large load customers that are being proposed here. So, it should be a fairly significant set of new transmission projects that we'll be able to highlight in the second half of this year.

Q: Richard Sunderland

Understood. That's very helpful commentary. And then I realize Mobile Gen was briefly referenced in the script, but just thinking high-level here with all of this load commentary you've been offering today, how are you thinking about the market opportunity around those units as it stands now versus, say a year-ago?

A: Christopher A. Foster

Sure. Good morning. We are in the market actually, on the some of the smaller units at this stage and already see very strong market receptivity. As you can imagine, when we first took these units under lease, this was back in 2021. So, you can imagine just how much of the demand has changed since then. So, we're really seeing directionally almost double the original lease rates that we had in place. So the way to think about this at a high-level for those larger units, as you know, those are currently serving the San Antonio area.

At this stage, the back-end date of when they return to the company from when we could start to market those units would be by end of March 2027. So at this point, our focus would be on getting ready, being prepared ahead of that to make sure that we can take advantage of what would probably be some cash upside to the company's plan.

Q: Richard Sunderland

Great. Thank you so much.

Operator:

Thank you. Our next question comes from the line of Jeremy Tonet with J.P. Morgan.

Q: Jeremy Tonet

Hi. Good morning. Thanks for all the color today. Just wanted to kind of go to the credit side, if I could. I was just wondering if you might be able to expand a bit more on the timing of the trajectory of the credit metrics here, and how you expect to exit '26 at this time?

A: Jason P. Wells

Sure. Thanks. Good morning. This is purely, Jeremy, a function of timing. So we're still highly confident that we will end the year at the high end of the cushion that we talked about relative to the Moody's methodology. That's 150 basis points of cushion. And so, the like behind that is a couple of things. First, from a timing perspective, we pulled forward a substantial amount of debt issuances in the plan. So now we've got 70% of our plan 2026 financing needs taken care of.

The other attribute I would remind you of is just that before our prior earnings call, there was a treasury-related announcement associated with the corporate alternative minimum tax. And there, that is a good outcome, right? We'll have the opportunity to no longer be a cash taxpayer, which was previously on the order of roughly \$150 million a year. So, we'll get that benefit right in the form of a refund that will occur here in the next few months. Beyond that, what I think is also less appreciated is that we will also pursue some prior-period recoveries, which would allow for even more cash improvement once we seek those refunds.

So those elements really give us good confidence that at year end again, we will be at the high end of that range.

Q: Jeremy Tonet

Got it. That's very helpful. And just wanted to expand the conversation a little bit. A lot has been talked about data centers here, but just wondering I guess, if you could talk a bit more on traditional large-load drivers in the Gulf Coast and Houston area, and I guess, maybe how you see that trending?

A: Jason P. Wells

Absolutely. Yeah, look, I think a lot of this has been oriented to data centers, but really, when we're talking about the large-load customer updates today, it includes both advanced manufacturing and data centers. As you know, as we've talked about on previous calls, Houston is becoming kind of an epicenter for advanced manufacturing, basically manufacturing almost the entirety of the equipment, except for chips that are going into these data centers. There's also advanced manufacturing on the life sciences front. These types of facilities are heavy users of electricity and power. They themselves run their own data centers to tune their advanced manufacturing facilities. And so, while it's not data centers for the market, they're heavy users of electricity for their function.

So, we see this growth really driven again by advanced manufacturing data centers. We continue to see significant activity on the energy and energy export side of things. Really, I want to continue to underscore, I think the diversity of economic and load growth drivers is really what sets this region apart. We don't see any slowdown in any of the large industries that are driving and propelling Houston's economic development.

Q: Jeremy Tonet

Thank you.

Operator:

Thank you. Our next question comes from the line of Bill Appicelli with UBS.

Q: William Appicelli

Hi. Good morning. Just a question on the batch study review process, ERCOT, and maybe you could just expand on how the firm load commitments you guys have fit within that framework that they're in the process of reviewing?

A: Jason P. Wells

Yeah. So, as I mentioned, we've got about 3.2 gigawatts already approved through the ERCOT process that will likely show and qualify for the baseline concept. The 9 gigawatts that we're filing for will likely qualify for Batch Zero. There's effectively two load studies that we have to have approved by ERCOT to qualify for Batch Zero. One of those two need to be approved to the steady-state load study. We're on track to have those submitted to ERCOT.

In a time period that would allow ERCOT to again approve those to be included in Batch Zero. As I've mentioned, we have had very successful approvals of our previous submissions, anywhere from 55 days to just under 80 days. So outside of kind of the interconnection and load studies that are required, the customers here have the land, they're prepared and ready to pay all of the associated fees. We have the equipment, all of the long-lead-time equipment, in particular, for us. This is the high voltage breakers and transformers. So, customers that will actually utilize the power or signed up. And so, these meet all of the definitions that are going to be required to be either baseline or Batch Zero customer.

Q: William Appicelli

Okay. And then shifting gears a little bit. I mean, what are you guys seeing in terms of the penetration of battery storage in your service territory, and what kind of impact is that having from your view? I know you realize that you're responsible for – on the T&D side, but just curious, you've seen a big uptick in storage in ERCOT broadly. And so, just curious from your perspective what the impacts are and the outlook there.

A: Jason P. Wells

It has been, I mean, and you know the numbers, a significant level of battery investment in the state that has all but sort of changed the summer peak pricing in the ERCOT market, and batteries have helped really kind of smooth that summer peak demand.

What we see kind of going forward, as I mentioned, from our vantage point, we've got about 9 gigawatts of incremental generation that is connecting to our system here in Greater Houston region. And that is largely solar and batteries, almost exclusively. We continue to see a high degree of interest in for the solar projects, in particular to qualify for the tax credits before they expire. As a result, many of most of these projects are co-locating batteries. And so, we continue to see batteries as effectively a tailwind to keeping energy costs low for customers for at least the next couple of years. And then, we know that there are some incremental gas development that will really help after the tax credits expire, and potentially we see sort of a slowdown in the solar and battery build-out as we approach sort of the end of the decade. So we believe that strongly, the generation is going to be there for this growth. Battery is going to help moderate the cost of electricity for customers. And we continue to see a robust pipeline connecting to the system over the next two years.

Q: William Appicelli

Okay. Great. Thank you for that.

Operator:

Thank you. Our next question comes from the line of Anthony Crowdell with Mizuho Group.

Q: Anthony Crowdell

Hey, good morning. I know Julien does three calls at once, so he's probably a little tied up. Just -- I don't believe it is apples-to-apples. Apologies for the question. Just when I look on slide 4, and you talk about the 8 gigawatts of data center load expected to be energized by 2029, is that the same 8 gigawatts that in the fourth quarter slide deck you guys are focused on getting that on by year-end '28? I mean, my question is that to say, is that load getting pushed back a year, or it's actually not an apples-to-apples comparison?

A: Jason P. Wells

Is that -- Anthony, let me just go ahead and lay it out for you. It's -- the prior quarter we had talked about 7.5. That number is now going to 8, and it's -- by the end of 2028, is the way to think about it. So, apples-to-apples, that's the number from 7.5 to 8. What we provided this morning though is that the firmly committed top-line number is actually going to 12.2 gigawatts.

Q: Anthony Crowdell

Perfect. Great And then just lastly, a quick follow-up on, you talked about, I think, you're going to file a Minnesota and Indian gas cases later this year. Any -- is it just infrastructure investment that's driving that filing or anything else in those in either of those two filings?

A: Christopher A. Foster

Sure. Pretty straightforward. Definitely, it's really about replacement CapEx in Minnesota on a very straightforward program to focus on safety and reliability. As it relates to Indiana, there, what I think is important that we have already signaled is our focus on affordability. In particular, we are evaluating actually, Anthony, combining what are currently two gas rate cases up there into one, which we would likely file in Q4 of this year. By combining the cases, we're likely to see a customer bill benefit explicitly for those customers that we serve in

Southwest Indiana as a result of the cost allocation changes. And so, excited to be able to put those forward. Both of those, I think, you should anticipate for Q4 of this year, both Minnesota and Indiana.

Q: Anthony Crowdell

Great. Thanks for taking my questions, guys.

A: Christopher A. Foster

Thanks.

Operator;

Thank you. Our next question comes from the line of Andrew Weisel with Scotiabank

Q: Andrew Weisel

Hey Good morning, everybody. First question is, you've talked about the utilizing 10 gigawatts of existing system capacity around Houston to generate those \$4 billion of savings, but you now have over 12 gigawatts of committed load. Obviously, no two projects are the same, but do you have a rough ballpark number of what will be required for incremental gigawatt of demand going forward? I know you alluded to some new transmission projects that maybe you'll announce later this year. I'm asking more like a sensitivity in terms of assets and CapEx needs? Then what kind of impact would that have on the rest of the customer base? Would it bring further customer benefits, or should we think about it more like net neutral going forward?

A: Jason P. Wells

Yeah. Ultimately, I think about it as further customer benefits. You know, I think we have been in a very unique position in holding our rates relatively constant since 2014, and that largely has been a function of the economic growth in Houston. I can't size for you, kind of a dollar per gigawatt for incremental, because it is going to be so unique. What's the cost of the length of the import lines? Where specifically are the intra-regional lines needed? What's needed from a system stability standpoint?

Those are all the things that we're evaluating as a part of the transmission study. This will create incremental capacity at a cost, but the way that I would think about it is, it unlocks the benefit of future economic growth for the region. And just as we've invested in capacity in the past, that's been utilized and kept our rates flat, the same will happen here.

And ultimately, the single biggest lever for affordability of utility service is economic development, and we are laser-focused on continuing to make sure that we support the Greater Houston region, Indiana and Minnesota's economic development opportunities.

Q: Andrew Weisel

Okay. Thank you. Directionally helpful. And then second, in terms of the balance sheet, on cash taxes, I know you mentioned you'll be getting some refunds, and you expect to see lower cash Tax outflows going forward. Do you see that as being meaningful enough to reduce the guidance calling for \$4 billion on common equity?

Obviously, that will depend on CapEx, which is constantly rising. But all else equal, would that be meaningful enough to impact equity? And then please remind me, was the convertible already embedded in the assumptions, or could that also imply some downside?

A: Christopher A. Foster

Sure. So thanks for the question. On the convert, you can imagine that helped reduce kind of near-term floating rate pressure. So that was a nice add to the plan. As I think about the corporate alternative minimum tax benefit, what we



had shared is that not only will you get the refund improvement for this year, all right. So just think about that as roughly in line with that \$150 million a year of cash tax payments that would go away. You would keep that benefit right as you go forward, right. So roughly \$150 million a year.

So what we've shared actually is that could provide us the equivalent of of adding an incremental billion dollars of CapEx to the plan with no incremental equity. And so, as you can hear from what Jason has shared this morning, certainly, there are multiple opportunities. So, that's how we've tried to share that, actually, we've got even more CapEx we can add to the plan without adding incremental equity.

Q: Andrew Weisel

Okay, great. Very clear. Thank you.

Operator:

Thank you. And I see there are no further questions in the queue at this time. Ladies and gentlemen, this concludes CenterPoint Energy's First Quarter 2026 earnings conference call. Thank you for your participation.

Forward-Looking Statements

This document contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical fact included in this document are forward-looking statements made in good faith by CenterPoint Energy, Inc. (“CenterPoint” or the “Company”) and are intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995, including statements concerning CenterPoint’s expectations, beliefs, plans, objectives, goals, strategies, future operations, events, financial position, earnings and guidance, growth, costs, prospects, capital investments or performance or underlying assumptions and other statements that are not historical facts. You should not place undue reliance on forward-looking statements. You can generally identify our forward-looking statements by the words “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “goal,” “intend,” “may,” “objective,” “plan,” “potential,” “predict,” “projection,” “should,” “target,” “will,” or other similar words. The absence of these words, however, does not mean that the statements are not forward-looking.

Examples of forward-looking statements in this document include statements about the Greater Houston Resiliency Initiative (“GHRI”) and Transmission and Distribution System Resiliency Plan (“SRP”) (including with respect to timing, filings related thereto, anticipated benefits, and related matters), the proposal by CenterPoint Energy Houston Electric, LLC (“Houston Electric”) to transfer its 15 large 27 MW to 32 MW temporary emergency electric energy facilities (“TEEEF”) units to the San Antonio area and complete one or more other future transactions involving the TEEEF units (including with respect to timing, filings related thereto, corresponding reductions in Houston Electric’s TEEEF fleet capacity, anticipated benefits including with respect to rates, expected market demand for the units, and related matters), capital investments (including with respect to incremental capital opportunities, deployment of capital, financing of such projects, and anticipated benefits related thereto), the timing of, projections for, and anticipated benefits from the settlement of, rate cases for CenterPoint and its subsidiaries, the timing and extent of CenterPoint’s recovery, including with regards to its restoration costs for, among other things, the severe weather events in May 2024 (“May 2024 Storm Events”) and Hurricane Beryl, generation transition plans and projects, projects included in CenterPoint’s Natural Gas Innovation Plan and System Resiliency Plan, and projects included under its 10-year capital plan, electric demand growth in CenterPoint’s service territories (including our forecasts of, capital investment opportunities related to, the timing of investments related to, and anticipated benefits of such growth), the extent of anticipated benefits of the completed sale of our Louisiana and Mississippi natural gas LDC businesses, future earnings and guidance, including long-term growth rate, customer charges, operations and maintenance expense reductions, financing plans (including with respect to the restoration costs for the May 2024 Storm Events and Hurricane Beryl and the timing and anticipated benefits of any future equity issuances, securitization, credit metrics and parent level debt), the timing and anticipated

benefits of our generation transition plan and our 10-year capital plan, the Company's 2.0% Zero-Premium Exchangeable Subordinated Notes due 2029 ("ZENS") and impacts of the maturity of ZENS, CenterPoint's continued focus on credit, balance sheet strength, liquidity and credit ratings, tax planning opportunities, future financial performance and results of operations, including with respect to regulatory actions and recoverability of capital investments, customer rate affordability, value creation, opportunities and expectations, and expected customer growth. 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.

Some of the factors that could cause actual results to differ from those expressed or implied by our forward-looking statements include, but are not limited to, risks and uncertainties relating to: (1) the business strategies and strategic initiatives, restructurings, joint ventures and acquisitions or dispositions of assets or businesses involving CenterPoint or its industry, including the ability to successfully complete such strategies, initiatives, transactions or plans on the timelines we expect or at all, such as the completed sale of our Louisiana and Mississippi natural gas LDC businesses, which we cannot assure you will have the anticipated benefits to us; (2) industrial, commercial and residential growth in CenterPoint's service territories and changes in market demand, including in relation to the expansion of data centers, energy export facilities, including hydrogen facilities, electrification of industrial processes and transport and logistics, as well as the effects of energy efficiency measures and demographic patterns; (3) CenterPoint's ability to fund and invest planned capital, and the timely recovery of its investments, including those related to Houston Electric's GHRI and SRP; (4) the ability to timely execute Houston Electric's GHRI and SRP; (5) the ability to obtain approval for Houston Electric's proposal to release its 15 large 27 MW to 32 MW TEEEF units to the San Antonio area, reduce its TEEEF fleet capacity and reduce rates to reflect the removal of the 15 large TEEEF units from Houston Electric's TEEEF fleet, as well as complete one or more other future transactions involving the TEEEF units on acceptable terms and conditions within the anticipated timeframe; (6) financial market and general economic conditions, including access to debt and equity capital, inflation, potential for recession, interest rates, and their effect on sales, prices and costs; (7) disruptions to the global supply chain and volatility in commodity prices, including resulting from tariffs, trade agreements, retaliatory trade measures or changes in trade relationships; (8) actions by credit rating agencies, including any potential downgrades to credit ratings; (9) the timing and impact of regulatory proceedings and actions and legal proceedings, including those related to, among other things, the May 2024 Storm Events, Hurricane Beryl, Houston Electric's TEEEF units and the February 2021 winter storm event, and requested or favorable adjustments to rates and approval of other requested items as part of base rate proceedings or interim rate mechanisms; (10) federal, state and local legislative, executive, regulatory and political actions or

developments, including any actions resulting from the May 2024 Storm Events and Hurricane Beryl, as well as tax and developments related to the environment such as global climate risk, air emissions, carbon and other greenhouse gas (“GHG”) emissions, wastewater discharges and the handling of coal combustion residuals; (11) the impact of public health threats; (12) weather variations and other natural phenomena, including severe weather events, and CenterPoint’s ability to mitigate weather impacts, including the approval and timing of securitization issuances; (13) the impact of potential wildfires; (14) changes in business plans; (15) CenterPoint’s ability to timely adopt, develop and deploy artificial intelligence; (16) the availability of, prices for and our ability to procure materials, supplies or services and scarcity of and changes in labor for current and future projects and operations and maintenance costs; (17) CenterPoint’s ability to timely obtain and maintain necessary licenses and permits from local, federal and other regulatory authorities on acceptable terms and resolve third-party challenges to such licenses or permits, as applicable; (18) CenterPoint’s ability to execute on its initiatives, targets and goals, including its Net Zero and GHG emissions reduction goals and operations and maintenance goals; and (19) other factors discussed in CenterPoint’s Annual Report on Form 10-K for the fiscal year ended December 31, 2024 and CenterPoint’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, including under “Risk Factors,” “Cautionary Statements Regarding Forward-Looking Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Certain Factors Affecting Future Earnings” in such reports and in other filings with the Securities and Exchange Commission (“SEC”) by CenterPoint, which can be found at www.centerpointenergy.com on the Investor Relations page or on the SEC website at www.sec.gov.

This document contains time sensitive information that is accurate as of the date hereof (unless otherwise specified as accurate as of another date). Some of the information in this document is unaudited and may be subject to change. We undertake no obligation to update the information presented herein except as required by law. Investors and others should note that we may announce material information using SEC filings, press releases, public conference calls, webcasts and the Investor Relations page of our website. In the future, we will continue to use these channels to distribute material information about the Company and to communicate important information about the Company, key personnel, corporate initiatives, regulatory updates and other matters. Information that we post on our website could be deemed material; therefore, we encourage investors, the media, our customers, business partners and others interested in our Company to review the information we post on our website.

Use of Non-GAAP Financial Measures

In this document, CenterPoint presents, based on net income (loss), diluted earnings (loss) per share, and net cash provided by operating activities to total debt, net, and gross margin to total debt, net, the following financial measures which are not generally accepted accounting principles (“GAAP”) financial measures: non-GAAP income, non-GAAP diluted earnings per share (“non-GAAP EPS”), as well as non-GAAP funds from operations / non-GAAP rating

agency adjusted debt (Moody's and S&P) ("FFO/Debt"). Generally, a non-GAAP financial measure is a numerical measure of a company's historical or future financial performance that excludes or includes amounts that are not normally excluded or included in the most directly comparable GAAP financial measure.

2024 and 2025 non-GAAP EPS excluded and 2025 non-GAAP EPS guidance excludes: (a) Earnings or losses from the change in value of ZENS and related securities, (b) Gain, losses and impact, including related expenses, associated with mergers and divestitures, such as the divestiture of our Louisiana and Mississippi natural gas LDC businesses, and (c) With respect to 2025 non-GAAP EPS and 2025 non-GAAP EPS guidance, impacts related to temporary emergency electric facilities ("TEEEF") once they are no longer part of our rate-regulated business. In providing this guidance, CenterPoint does not consider the items noted above and other potential impacts such as changes in accounting standards, impairments or other unusual items, which could have a material impact on GAAP reported results for the applicable guidance period. The 2025 non-GAAP EPS guidance ranges also consider assumptions for certain significant variables that may impact earnings, such as customer growth and usage including normal weather, throughput, recovery of capital invested, effective tax rates, financing activities and related interest rates, and regulatory and judicial proceedings. To the extent actual results deviate from these assumptions, the 2025 non-GAAP EPS guidance range may not be met or the projected annual non-GAAP EPS growth rate may change. CenterPoint is unable to present a quantitative reconciliation of forward-looking non-GAAP diluted earnings per share because changes in the value of ZENS and related securities, future impairments, and other unusual items are not estimable and are difficult to predict due to various factors outside of management's control.

Funds from operations (Moody's) excludes from net cash provided by operating activities accounts receivable and unbilled revenues, net, inventory, taxes receivable, accounts payable, and other current assets and liabilities, and includes certain adjustments consistent with Moody's methodology, including adjustments related to operating lease costs, Series A preferred stock dividends, and defined benefit plan contributions (less service costs). Non-GAAP rating agency adjusted debt (Moody's) adds to Total Debt, net certain adjustments consistent with Moody's methodology, including Series A preferred stock, pension benefit obligations, and operating lease liabilities and further adjustments related to Winter Storm Uri debt and one time cash taxes.

Funds from operations (S&P) excludes from gross margin O&M, taxes and other, cash interest paid and cash taxes paid, and includes certain adjustments consistent with S&P's methodology, including adjustments related to operating lease costs, Series A preferred stock dividends, non-recurring items, and defined benefit plan. Non-GAAP rating agency adjusted debt (S&P) adds to Total Debt, net certain adjustments consistent with S&P's methodology, including adjustments related to Winter Storm Uri related one-time cash tax.

A reconciliation of net income (loss) and diluted earnings (loss) per share to the basis used in providing guidance, as well as a reconciliation of net cash provided by operating activities / total debt, net (and gross margin to total debt, net) to FFO/Debt is provided in the appendix of CenterPoint's slide presentation used to present its first quarter earnings information.

Management evaluates the Company's financial performance in part based on non-GAAP income, non-GAAP EPS and long-term FFO/Debt. Management believes that presenting these non-GAAP financial measures enhances an investor's understanding of CenterPoint's overall financial performance by providing them with an additional meaningful and relevant comparison of current and anticipated future results across periods. The adjustments made in these non-GAAP financial measures exclude items that Management believes do not most accurately reflect the Company's fundamental business performance. These excluded items are reflected in the reconciliation tables, where applicable. CenterPoint's non-GAAP income, non-GAAP EPS and FFO/Debt financial measures should be considered as a supplement to, and not as a substitute for, or superior to, net income (loss), diluted earnings (loss) per share, net cash provided by operating activities to total debt, net and gross margin to total debt, net, which, respectively, are the most directly comparable GAAP financial measures. These non-GAAP financial measures also may be different than non-GAAP financial measures used by other companies.

Net Zero Disclaimer

CenterPoint's **Scope 1 GHG emissions** estimates are calculated from GHG emissions that directly come from its operations. CenterPoint's **Scope 2 GHG emissions** estimates are calculated from GHG emissions that indirectly come from its energy usage, but because Texas is in an unregulated market, its Scope 2 GHG emissions estimates do not take into account Texas electric transmission and distribution assets in the line loss calculation and exclude GHG emissions related to purchased power between 2024E-2026E. CenterPoint's **Scope 3 GHG emissions** estimates are based on the total natural gas supply delivered to residential and commercial customers as reported in the U.S. Energy Information Administration (EIA) Form EIA-176 reports and do not take into account the GHG emissions of transport customers and GHG emissions related to upstream extraction. CenterPoint's analysis and plan for execution to achieve its Net Zero GHG emissions (Scope 1 and certain Scope 2) by 2035 goals and its 20-30% reduction in Scope 3 GHG emissions by 2035 as compared to 2021 levels goal require it to make a number of assumptions. These goals and underlying assumptions involve risks and uncertainties and are not guarantees. Should one or more of these underlying assumptions require updating, CenterPoint's actual results and ability to achieve its Net Zero and GHG emissions reduction goals by 2035 could differ materially from its expectations. Certain of the assumptions that could impact its ability to meet its Net Zero and GHG emissions reduction goals and the timing thereof include, but are not limited to: GHG emission levels, service territory size and capacity needs remaining in line with company expectations (including with respect to demand for our services); the ability to appropriately estimate and effectively manage business



opportunities from new customers and load growth resulting from, among other things, expansion of data centers, energy export facilities, including hydrogen facilities, electrification of industrial processes and transport and logistics in our service territories; regulatory approvals related to Indiana Electric's generation transition plan and CenterPoint Energy's ability to obtain such approvals; impacts on affordability of customer rates; customer demand for GHG free or lower GHG emissions energy; impacts of future regulations, executive action or legislation, including those related to the environment and tax (including changes to the renewable energy tax credits enacted in the Inflation Reduction Act of 2022); impacts of future carbon pricing regulation or legislation, including a future carbon tax; price, availability and regulation of carbon offsets; price of fuel, such as natural gas; cost of energy generation technologies, such as wind and solar, natural gas and storage solutions; adoption of alternative energy by the public, including adoption of electric vehicles; rate of technology innovation with regards to alternative energy resources; CenterPoint Energy's ability to implement its modernization plans for its pipelines and facilities; the ability to complete and timely implement generation alternatives to Indiana Electric's coal generation and retirement or fuel conversion dates of Indiana Electric's coal facilities by 2035; the ability to construct and/or permit new natural gas pipelines; the ability to procure resources needed to build at a reasonable cost, the lack of or scarcity of resources and labor, the lack of any project cancellations, construction delays or overruns (including as a result of tariffs, legislation, bans, potential retaliatory trade measures taken against the United States or related governmental action) and the ability to appropriately estimate costs of new generation; impact of any supply chain disruptions; changes in applicable standards, metrics, methodologies or frameworks; and enhancement of energy efficiencies.