

Panelist



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Reliability Shortcomings

- Mechanisms in place do not pay for generation
 - Not a capacity payment, a temporary solution
- Fundamental problems still exist
 - Erosion of thermal capacity (retiring coal and gas)
 - Not enough baseload generation capacity
 - Demand growth, population, energy hogs (data centers, cryptocurrency)
- Concern about lack of transparency in intrastate pipeline system
 - Hard to know how much gas is available for generation
- Storage
 - 10,000 MW of battery will be in place by end of 2024
 - Uncertainty over battery storage impact to overall system
- Texas Advanced Nuclear Reactor Working Group
 - Advance SMRs
 - Streamline permitting
 - Address supply chain issues



Inflation Reduction Act

- Perceived Gamechanger (Europe)
- ~\$783 billion in climate funding
- Methane Fee, Carbon Capture & Storage 45Q, Hydrogen 45V
- Complexity
 - Staffing challenges
 - Getting guidance issued
 - Interagency coordination
 - Stipulations
- Support in Texas
 - Anti-ESG movement



Hydrogen Hub

- DOE announced on Friday 7 billion in funding to launch seven Regional Clean Hydrogen Hubs
- Funded through the Infrastructure Investment & Jobs Act
- Expected to collectively produce 3,000,000 metric tons of hydrogen annually
- Gulf Coast Hydrogen Hub or HyVelocity Hydrogen Hub
 - Located in Houston area
 - Up to \$1.2 billion in grants
 - 45,000 direct jobs—35,000 in construction jobs and 10,000 permanent jobs.
 - Blue hydrogen – natural gas and CCUS
 - Green hydrogen – renewables for power
 - Goal to reduce cost and advance technology
 - Industry sponsors – AES, Air Liquide, Chevron, ExxonMobil, Mitsubishi Power, Orsted, Sempra



About Cornerstone

- Founded in 2002 headquartered in D.C.
- Professional services consulting and employee-owned firm with 400+ clients
- Currently with 160 professionals across 14 office locations
- 15 states and DC, including Houston and Austin
- Work in virtually every sector of the economy



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