

2023 Annual Report

EXECUTIVE SUMMARY

The Center for Houston's Future had significant community impact in 2023.

Our most notable success was the U.S. Department of Energy's designation of HyVelocity Gulf Coast Clean Hub as one of seven regional hydrogen hubs across the country. This designation capped the Center's multi-year process, which started more than five years ago, to accelerate the development of the Houston region's role in the clean energy transition.

The framework for HyVelocity Hub was created by the Center in advance of a \$7 billion federal competition for regional hydrogen hub development. The Center and our partners recruited seven leading energy companies to participate and built a broad-based coalition of community and industry supporters.

After a 12-month competition, the DOE announced that HyVelocity, an industry-led hub that includes seven core industry participants: AES Corporation, Air Liquide, Chevron, ExxonMobil, Mitsubishi Power Americas, Orsted, and Semptra Infrastructure, would be eligible to receive up to a \$1.2 billion grant award, which, with a 50% match, would be a \$2.4 billion project.

HyVelocity is the cornerstone of an emerging regional clean hydrogen industry and will create economic and environmental benefits for the Houston region for decades to come. Our work shows that HyVelocity, over a ten-year period, could create 45,000 direct jobs across the region, improve air quality, and provide opportunities for fence-line and underserved communities to participate in the energy transition.

The Center has been laying the groundwork for this accomplishment for the past several years. We conducted the underlying research that identified the opportunity, built a strong network of industry, academia and other organizations, and developed the consortium that applied for the grant.

The DOE project is the exciting culmination of a multi-year effort to use clean hydrogen as an important step in decarbonizing the economy, creating jobs and growing regional GDP. In addition to HyVelocity, through our collaboration with Greater Houston Partnership's Houston Energy Transition Initiative (HETI), we are also developing a broader regional and statewide clean hydrogen ecosystem. We have formed a strong cohort of 44 companies to join our Steering Committee and participate in this initiative.

While our energy transition work is the highlight of our year, we continued important work in other strategic areas.

We expanded our work in health care and health equity. We are collaborating with some of the leading providers in the region, and we have made significant progress on a project to demonstrate that investments in community health reduce employer costs as well as improve workforce productivity and community health outcomes.

We continued our focus on immigration with two significant community events and presentations to our leadership forum. But the Center's efforts in this area are winding down given our assessment that the current political environment does not support major advances in the near future.

On Leadership, our signature Leadership Forum program pivoted back to in-person meetings, and we continued to develop a successful alumni engagement program.

On Community Outreach, we co-hosted a major energy conference, re-started our Summer Salon series, and held a successful Dinner and Conversation event, in addition to many smaller conferences, panel appearances, and other gatherings.

In 2024, we plan to build on this strong body of work and to continue our mission to shape the future of the Houston region.

MISSION

Since the Center's founding in 2000, our focus has remained constant: to look "over the horizon" at global, national, and local trends that will shape the future of our city and our region.

We are implementing our mission through a theory of change that states: "We bring business, government, and community stakeholders together to engage in fact-based strategic planning, collaboration and action on issues of great importance to the Houston region."

Our fact-based strategic planning and research, broad stakeholder engagement and leadership training efforts allow us to identify issues, engage and inform the community, build consensus, and propose innovative solutions.

In accomplishing this work, we retain a close working relationship with GHP as an independent affiliate. This relationship allows us to leverage the Partnership's considerable influence and assets by presenting our work to key GHP policy committees and speaking at GHP events. We also work with GHP to provide perspective on Houston's direction and partner in executing our programmatic work.

CENTER OVERVIEW

The Center has three focus areas: leadership, strategic initiatives and community engagement. We discuss each below.

Leadership

Center for Houston's Future's Business/Civic Leadership Forum has been central to our mission and to our strategy since our founding in 2000. We encourage strong civic leadership by bringing together diverse business and community leaders, informing them about regional issues and giving them the tools and inspiration to get more involved in the community.

We now have over 1,300 Forum alumni who have used the program as a springboard to build social capital. Through the years we have created a network of community leaders interested in civic engagement: our alumni have run for public office, served on non-profit boards, and launched community projects and other initiatives.

The Leadership Forum program has continued to adapt to changing circumstances. In 2020, due to COVID-19, we switched to a virtual format and used this opportunity to add more high-profile speakers and focused the program on systemic social issues raised by the pandemic, the economy, and heightened awareness of racial injustice. In 2023, we returned to a mostly in-person format, regaining the in-person connections as a key element of the program but retaining improvements implemented during the pandemic.

In 2023, we had 47 participants. The program consisted of seven meetings and drew high-caliber speakers from across corporate, nonprofit and political arenas, including Mayor Sylvester Turner, then-GHP President Bob Harvey and community leaders such as Kinder Institute's Dr. Ruth Lopez Turley and Collaborative for Children's Dr. Melanie Johnson.

Class meetings have included discussions about racial injustice, the economy, immigration, and other issues. The cohort completed projects on the following topics: energy transition, workforce, education, housing, crime, and health care.

The Center continues to expand the reach and impact of the Leadership Forum with **alumni engagement** activities including the following:

- **Alumni Committee:** The Alumni Committee, which consists of 40+ Leadership Forum alumni, seeks to broaden engagement through networking, access to substantive events, and interaction with a broad range of leaders.
 - **Alumni-driven programming:** This includes our in-person Alumni Reunion as well as community partnerships with other leadership organizations, such as Leadership Houston and American Leadership Forum, that align with the Center's strategic initiatives.
 - **CHF Board service:** Co-chairs of the Alumni Committee sit on the Center's Board and provide input on the Center's strategic direction.

Strategic Initiatives

Our strategic initiatives focus on issues critical to the region's future. We aim to identify gaps and opportunities, drive consensus around solutions and bring parties together to act.

Since 2017, we have focused the Center's work on three current initiatives: the energy transition and climate change; health care and health equity; and immigration. Each is discussed below.

Energy Transition and Climate

The Center's energy transition and climate work seeks to ensure that Houston, the world's "energy capital," maintains its global leadership role throughout the energy transition.

Guided by our theory of change, we have undertaken research, conferences, webcasts, projects, media interviews and thought leadership, and extensive work with many partners to catalyze this vision.

As a result, we've identified multiple opportunities in the energy transition to build on Houston's infrastructure base, expertise of energy companies, skilled workforce, research universities and the nascent energy innovation ecosystem.

As part of this effort, we are collaborating with the Greater Houston Partnership on its Houston Energy Transition Initiative (HETI), which includes five key areas, and the Center is leading one of them, focused on clean hydrogen.

- HyVelocity Hub: Our most notable success in 2023 was the Department of Energy's designation of HyVelocity Hub as one of seven regional hydrogen hubs across the country. The industry-led HyVelocity Hub is currently negotiating with DOE for a \$1.2 billion grant award and the entire project will total \$2.4 billion. The Center recruited seven leading energy companies to participate in the project.
 - HyVelocity's seven project sponsors are AES, Air Liquide, Chevron, ExxonMobil, Mitsubishi Power, Orsted and Semptra Infrastructure.
 - The Center worked with GTI Energy and The University of Texas at Austin to organize the hub.
 - In addition, the HyVelocity ecosystem includes 6 special advisers, 8 major academic institutions, and more than 20 community, workforce and economic development organizations
 - The envisioned nine projects would have a clean hydrogen production capacity of more than 5,000 MTPD, production both from electrolysis and natural gas coupled with carbon capture.
 - HyVelocity's diversified approach includes reliable energy supply, production, connective infrastructure and demand.

- Regional Clean Hydrogen Ecosystem Development: In addition, the Center has continued to work on developing a regional clean hydrogen ecosystem. We have 44 Steering Committee members and have formed five working groups: transportation sector development, electrolysis manufacturing cluster development, international trade, marketplace standards development, and demand creation.

2023 accomplishments include:

- Leading the Center's first ever international trade mission: Supported by the German and U.S. government, we led a Clean Hydrogen Trade Mission to Berlin, Hamburg and Poland. 32 individuals representing 13 companies accompanied the Center on this mission.
 - Signing MOUs with Danish and Belgian companies and entities on Transatlantic hydrogen trade.
 - Working with the Greater Houston Partnership on site selection for the first of several expected electrolysis gigafactories, which will create new manufacturing jobs across the region.
 - Participating in a grant application to support inland marine shipping.
 - Developing a strategy to help the region compete for more than \$20 billion in federal clean energy grant dollars that will be coming available over the next year.
 - Working with Accenture and GHP's UpSkill Houston on clean hydrogen workforce development, creating a framework and a model to provide jobs and career paths in the hydrogen economy for residents of underserved communities.
 - Helping to create the Texas Hydrogen Alliance, which in turn spurred significant state legislation on hydrogen and, with Deloitte, presented a breakthrough workshop for our steering committee members.
- Climate and Energy Education: In partnership with Children's Museum Houston (CMH) and with sponsorship from Chevron and CenterPoint Energy Foundation, we expanded Driving the Future, our out-of-school enrichment program for students in grades 3-8 to learn about achieving a low-carbon future.

In 2023:

- We collaborated on two WonderWeek programs at the Museum, featuring hands-on activities and demonstrations.
- We offered the program at several Houston ISD campuses and at Galena Park ISD both as a summer camp enrichment program and an afterschool program at four elementary schools, directly reaching more than 300 elementary students in 2023.

Health Care and Health Equity

Continuing to build on our foundational 2020 health care report, the Center has expanded its health care and health equity work by exploring opportunities for collaboration among leaders in health care, business, and social services to improve community health and economic well-being in the greater Houston area. We continue to identify community health issues, pursue funding to support health equity initiatives, and conduct ongoing research and coalition building. Our health and health equity initiatives include:

- Business Engagement in Maternal/Community Health: Our health care research concluded that Houston faces a “paradox of plenty:” poor health outcomes rooted in economic and racial disparities despite premier medical resources. We also found that sustainable funding is a challenge to successful upstream health interventions. To address these issues, CHF is piloting a framework to engage employers with diverse stakeholders to support Social Determinants of Health (SDoH) initiatives informed by data analysis and communities. Our goal is to show a business case for SDoH investment and develop a scalable model, including a business engagement roadmap, community assessment and outcome reporting tools, and a “braided” funding structure.

During 2023, we made significant progress on this project:

- We secured an employer partner, Daikin Industries, a manufacturer with 9,000 local employees speaking 27 languages, and partnerships with Harris County Public Health, HOPE Clinic and Healthy Start Houston.
 - We formed an advisory board, completed a landscape analysis, and designed a pilot project.
 - We have begun to identify health care cost drivers and the potential to improve maternal health outcomes and productivity based on employee demographics, sorted by zip code, claims data, and analysis of community needs and assets. We identified a three-zip code target community with a concentration of Daikin employees and a high social vulnerability index score of 0.91 in the Alief and Chinatown area.
- St. Luke's Health Collaboration: In 2023, we launched a new collaboration with St. Luke's Health. CHF executives appeared in two videos – one on health care workforce challenges and one on partnerships as a key to enacting change – that are part of St. Luke's ExamiNation series on health equity. St. Luke's is also supporting two research papers. The first is focused on the intersection of climate change and health and will look at health challenges, and what hospitals are doing and should do to lower their carbon footprints. The second topic is yet to be determined.
- Conferences:
 - The Center organized and moderated a panel focused on health equity at the Health Benefits Nation conference in Houston in Fall 2023.
 - We co-hosted and co-organized, with the Houston Business Coalition on Health, a conference in the Medical Center entitled: Health Equity: A New and Necessary Frontier in Employee Benefits. Speakers included St. Luke's Health CEO Doug Lawson and Episcopal Health Foundation CEO Ann Barnes.

Immigration

Our immigration work continued to focus on guiding business and community leaders to develop greater understanding of how immigration is integral to the region's economy. In 2023, we co-hosted a town hall discussion on immigration reform and its impact on children with Rice University's Baker Institute Center for US and Mexico, Children at Risk, Rational Middle, and Lorelle Media. We helped sponsor the National Immigration Forum's annual meeting, held for the first time outside of Washington, DC, and hosted their business roundtable meeting at Partnership Tower.

Visioning Project

In 2023, under the leadership of incoming Board Chair Cindy Yeilding, the Center piloted a "listening tour" to ask stakeholders about their opinions of the major issues facing Houston in the future as well as what they believe to be the strengths of the Center to address these and other issues.

Overall, there was a sense that a shared vision and better collaboration/integration of efforts would have a positive impact. The Center's record and history of research, convening, and consensus building, along with our reach into the community through the Leadership Forum, would seem to put us in a good position to tackle this work.

Community Engagement

Community engagement is the Center's third area of focus. Our high impact major events have featured nationally recognized speakers like Ford Foundation President Darren Walker, Washington Post publisher Donald Graham and Pulitzer Prize winner Larry Wright. In addition, the Center has hosted an extensive series of community events on a diverse set of topics ranging from smart cities, digital inclusion, and resilience and flooding.

2023 Event Highlights

In 2023, we continued our energy conference with Greater Houston Partnership, resumed our Summer Salon programming, and returned to our signature Fall Dinner and Conversation.

- Future of Global Energy (FOGE): The 2023 Future of Global Energy Conference was cohosted by the Center for Houston's Future, the Greater Houston Partnership, and the Houston Energy Transition Initiative in June. It spanned three days and drew 1,773 attendees.
 - Center for Climate and Energy Solutions (C2ES) workshop: Partnering with D.C. based energy think-tank C2ES, we held a roundtable in Houston focused on catalyzing the clean hydrogen economy in Texas. More than 40 attendees representing business, government, union, workforce and community organizations participated. The wide-ranging discussion included discussions on market-based solutions, workforce development and community engagement/environmental justice.
 - Summer Salon: With a sponsorship from energy company bp, the Center held an intimate breakfast and interactive discussion on the topic "Building a Community-Based Approach to the Energy Transition" and leveraged our work with the Center for Climate and Energy Solutions (C2ES).
- Signature Event: In November, the Center hosted our first Dinner and Conversation since 2019. Mayor Turner was honored with the Eugene H. Vaughan Civic Leadership Award for his lifetime of service. We also recognized Bob Harvey for his dedication to the Center and enjoyed an insightful and thought-provoking conversation between two leaders of the Texas Medical Center, Dr. Peter J. Hotez and William F. McKeon. There were 10 major sponsors for this event, 17 patron sponsors, and over 300 people in attendance.
- Thought Leadership: The Center continued to exhibit thought leadership by appearing at a range of conferences, panels, and events to discuss climate and energy, leadership, and health equity; appearing in videos; and engaging with traditional and social media. All told, Center staff had some 50 speaking engagements.

Communications

We continue to garner media attention for our initiatives and build our brand and followership.

The Center had almost 55 mentions/interviews in a range of media outlets – local, national, international, trade – on hydrogen and energy transition topics, and appeared at more than 40 panels, conferences, and events. We also gained traction in social media, adding over 900 followers on LinkedIn, a 25 percent increase, and received over 68,000 post impressions.

CONCLUSION

In conclusion, 2023 was a very eventful year for Center for Houston's Future. We define our success and measure progress by how we reframe issues, raise community awareness, shift dialogues and spur action.

We made significant progress in our efforts to reframe and advance the energy transition, with the goal of insuring Houston's continued status as the energy capital of the world. The Center considers the energy transition to be an existential issue for Houston's future. The designation of HyVelocity as one of seven clean hydrogen hubs under consideration for major DOE funding is an indication of a new level of effectiveness and influence for the Center.

The adjacent work on a Greater Houston hydrogen ecosystem, and accomplishments in cluster development and international trade relationships are evidence that the Center has a productive role to play in addition to HyVelocity Hub.

The accomplishments in these areas in 2023 are the result of several years of research and coalition building, and there is much work still to be done to advance this nascent industry.

The Center continues to raise community awareness about the energy transition, health care, and other important issues, through our Leadership Forum, our outreach events, and media and speaking engagements. We remain vigilant about identifying upcoming opportunities and challenges to the Houston Region's successful future.