



Kinder Morgan Energy Transition Ventures
Anthony Ashley, Vice President

Forward-looking statements / non-GAAP financial measures / industry & market data

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GAAP – Unless otherwise stated, all historical and estimated future financial and other information included in this presentation have been prepared in accordance with generally accepted accounting principles in the United States (“GAAP”).

Non-GAAP – In addition to using financial measures prescribed by GAAP, we use non-generally accepted accounting principles (“non-GAAP”) financial measures in this presentation. Descriptions of our non-GAAP financial measures, as well as reconciliations of historical non-GAAP financial measures to their most directly comparable GAAP measures, can be found in this presentation under “Non-GAAP Financial Measures and Reconciliations”. These non-GAAP financial measures do not have any standardized meaning under GAAP and may not be comparable to similarly titled measures presented by other issuers. As such, they should not be considered as alternatives to GAAP financial measures.

Industry and Market Data - Certain data included in this presentation has been derived from a variety of sources, including independent industry publications, government publications and other published independent sources. Although we believe that such third-party sources are reliable, we have not independently verified, and take no responsibility for, the accuracy or completeness of such data.

Leader in North American Energy Infrastructure

Unparalleled & irreplaceable asset footprint built over decades

Connecting major U.S. natural gas resource plays to key demand centers
Move ~40% of U.S. natural gas consumption & exports

Largest natural gas transmission network

- ~70,000 miles of natural gas pipelines
- ~700 bcf of working storage capacity
- ~1,200 miles of natural gas liquids pipelines

Largest independent transporter of refined products

- Transport ~1.7 mmbbl/d of refined products
- ~6,800 miles of refined products pipelines
- ~3,100 miles of crude pipelines

Largest independent terminal operator

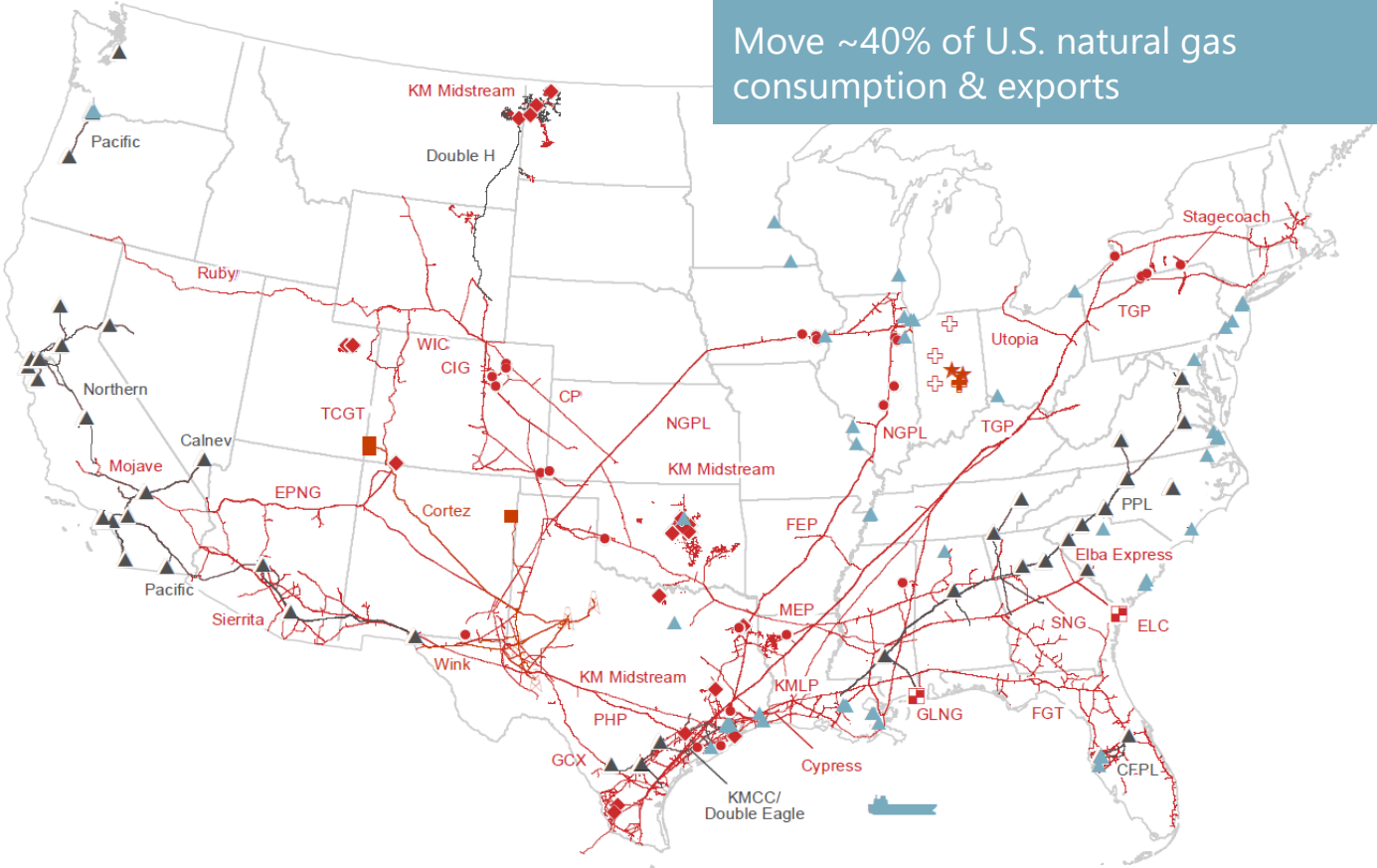
- 144 terminals & 16 Jones Act vessels

Largest CO₂ transport capacity of ~1.5 bcfd

- ~1,500 miles of CO₂ pipelines

Sustainalytics ESG risk rating

- #1 in Refiners & Pipelines industry group (187 companies)
- #1 in Oil & Gas Storage & Transportation subindustry (101 companies)



BUSINESS MIX



Note: Mileage & volumes are company-wide per 2021 budget. Business mix based on 2021 budgeted Adjusted Segment EBDA. See Non-GAAP Financial Measures & Reconciliations.

Strategy

Maximize the value of our assets on behalf of shareholders

Stable, fee-based assets

- Core energy infrastructure
- Safe & efficient operator
- Multi-year contracts
- >90% take-or-pay & fee-based cash flows

Invest in a low carbon future

- Newly formed Energy Transition Ventures Group
- \$1.6 billion backlog with ~70% allocated to natural gas projects
- Investing in natural gas, RNG, and liquid biofuels infrastructure at attractive returns

Financial flexibility

- 4.0x 2021 expected Net Debt / Adjusted EBITDA^(a)
- Long-term target remains around 4.5x
- Low cost of capital
- Mid-BBB credit ratings
- Ample liquidity
- Reduced net debt by >\$12 billion since 3Q 2015

Disciplined capital allocation

- Conservative assumptions
- High return thresholds
- Self-funding 100% of capex & dividends for last five years

Enhance shareholder value

- Maintain strong balance sheet
- Attractive projects
- Dividend growth
- Share repurchases



a) A non-GAAP financial measure. See Kinder Morgan, Inc. press release issued December 6, 2021 for definitions and reconciliations of non-GAAP financial measures

Energy Transition Ventures group formed in Q1 2021 to evaluate step out commercial opportunities emerging from the low-carbon energy transition

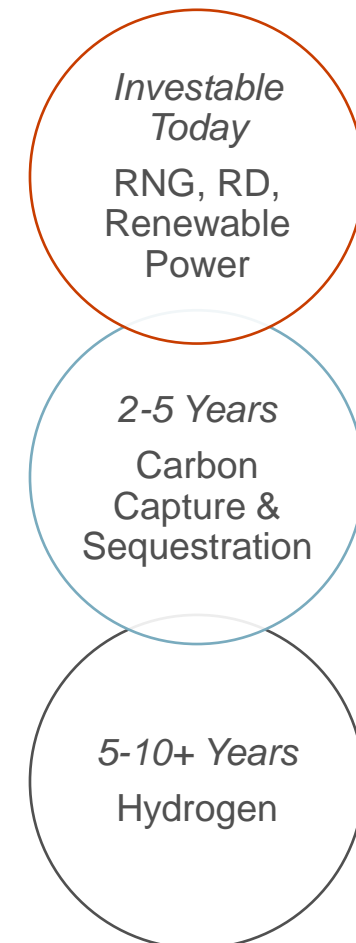
Initially focused on the following verticals as they are most synergistic with KM existing infrastructure and expertise:

- RNG: largest Nat Gas transmission network, transport 40% of US Gas consumed/exported
 - \$310MM Kinetrex Acquisition closed August 2021
- CCUS: largest CO2 transport network in North America, EOR expertise
- Biofuels (RD/SAF): handle ~25% of all biofuels (Ethanol/RD/Biodiesel) produced in US today
- Renewable Power: large asset base with substantial power demand across country
- Hydrogen: potential for blending in Nat Gas pipelines

ETV looking at vertical integration opportunities (RNG Production, CO2 Capture/Sequestration), existing business segments maintain focus on traditional transport/storage of low carbon fuels

Business Development group focused on capital deployment at economic returns consistent with corporate hurdle rates

Investment Horizon



RNG Provides an Immediate Low-Carbon Solution

Proven & cost-effective means of decarbonization

Benefits of RNG

- Leverages existing natural gas infrastructure
- Utilizes reliable, low-cost feedstock
- Provides dispatchable and sustainable power
- Reduces fugitive emissions
- Promotes better waste management practices

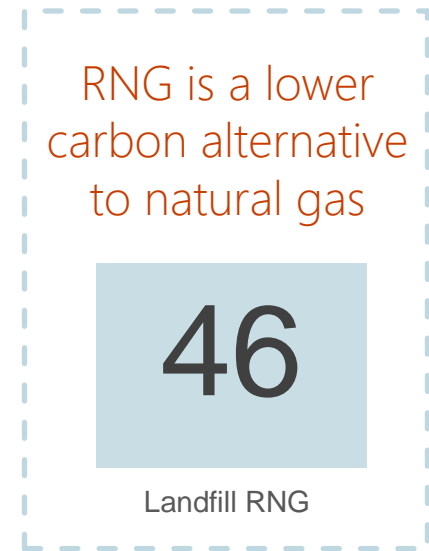
AVERAGE CARBON INTENSITY
gCO₂e/MJ



Diesel



Natural Gas



Landfill RNG

U.S. landfill RNG projects avoid annual emissions equivalent to

~2 billion

pounds of coal
burned



~218 million

gallons of gasoline
consumed



~234,000

homes' annual
energy use

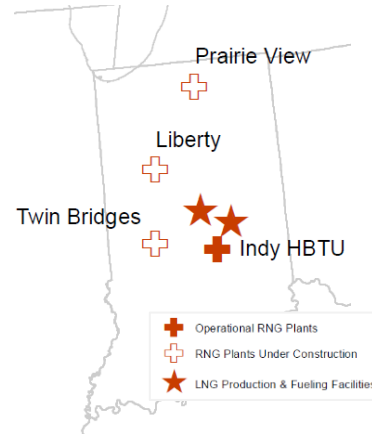


\$310 million Acquisition of Kinetrex Energy

Platform acquisition provides multi-year head start to participate in emerging RNG market

ASSETS & VALUATION

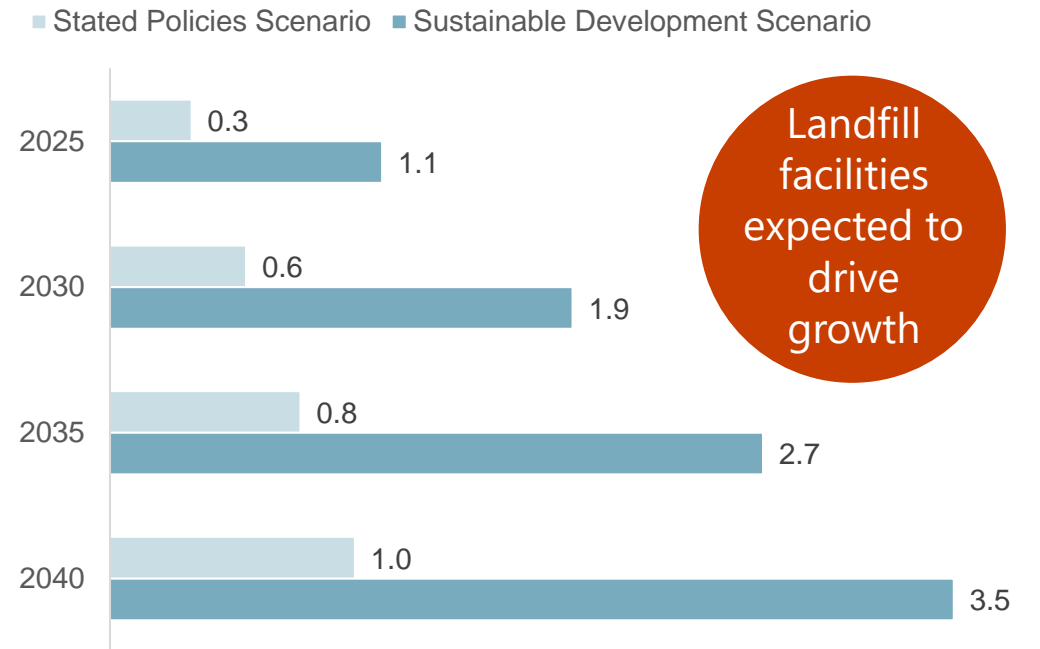
- 2 small-scale LNG facilities
- 1 operational landfill-RNG facility with ~0.4 bcf^(a) capacity
- 3 landfill-RNG facilities operational by 2022 end with total capacity of 3.5 bcf
- Offtake is commercially contracted with high quality counterparty
- Expect <6x 2023 EBITDA based on \$310mm purchase price and \$135mm development capex
- Conservative RINs assumptions vs current spot RINs prices
- Transaction closed Aug 20, 2021



FUTURE RNG DEVELOPMENTS

- Retained Kinetrex management team to pursue new projects and expand RNG platform
- Mitigate exposure to RIN volatility through fixed price contracts in voluntary market

NORTH AMERICA RNG DEMAND bcf/d



Hundreds of landfills across the US are candidates for RNG
 <100 sites operational or in development today

Sources: North America RNG Demand per IEA "Outlook for biogas and biomethane" report (March 2020). Landfill site data per EPA Landfill Methane Outreach Program (LMOP)

a) KM share. 50% interest in Indy HBTU. 3 facilities in development are 100% owned.

RNG Capabilities

Kinder Morgan's \$310MM Acquisition of Kinetrex Energy Creates a "Best in Class" RNG Organization

- KM has unique competence across the RNG value chain
 - Production of RNG (*RNG facilities in production and under construction*)
 - Transport of RNG (*pipeline network and interconnect expertise*)
 - End-Use of RNG (*end-use customer acquisition*)

- Fundamental strategy consists of four key elements
 - ✓ Fully integrated model to extract maximum value
 - ✓ Direct end-use customer relationships
 - ✓ RNG production (*Kinetrex focused on landfill gas, also looking at AD projects*)
 - ✓ Focus on world-class scalable partnerships

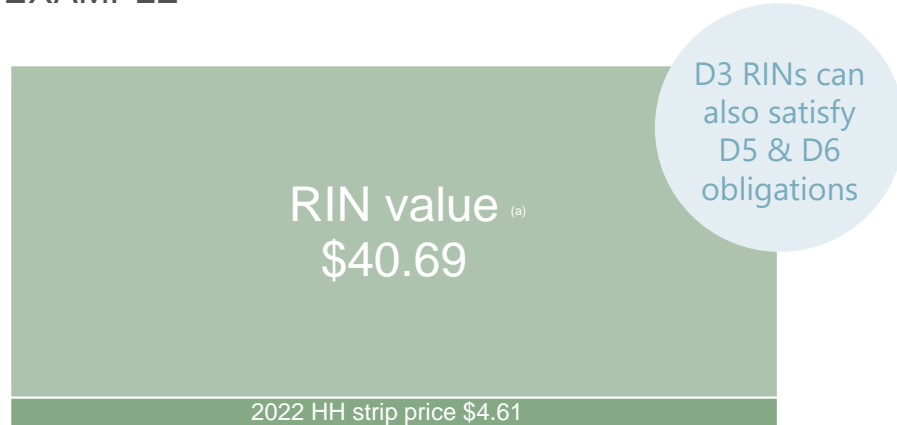
- Kinder Morgan expertise in carbon capture could extend to landfills with proposed regulatory changes

Demand Markets Provide Diversification

Plan to mitigate exposure to RIN volatility through fixed price contracts in the voluntary market

REVENUE EXAMPLE

\$ per mmbtu



transportation market

RNG-based CNG & LNG is advantageous for fleets

- GHG emissions up to 75% less than diesel
- CNG vehicles are more efficient than electric vehicles for heavy & mid duty fleets looking to decarbonize
- Fleets are interested in RNG to meet emission reduction targets

RIN credits can be earned for RNG volumes used in the transportation market

- Drives the margin for RNG producers
- RFS-obligated parties (like refiners) purchase RINs to comply with RFS requirements

EPA considering creating eRINs to incentivize RNG used for electricity that charges electric vehicles

- Could create additional RNG demand and another avenue to capture RIN margin

revenues must meet or exceed traditional hurdle rates

voluntary market

LDCs, utilities, universities, industrial

- All active in the voluntary market today
- Showing increasing interest in RNG as they look to meet their emission reduction targets

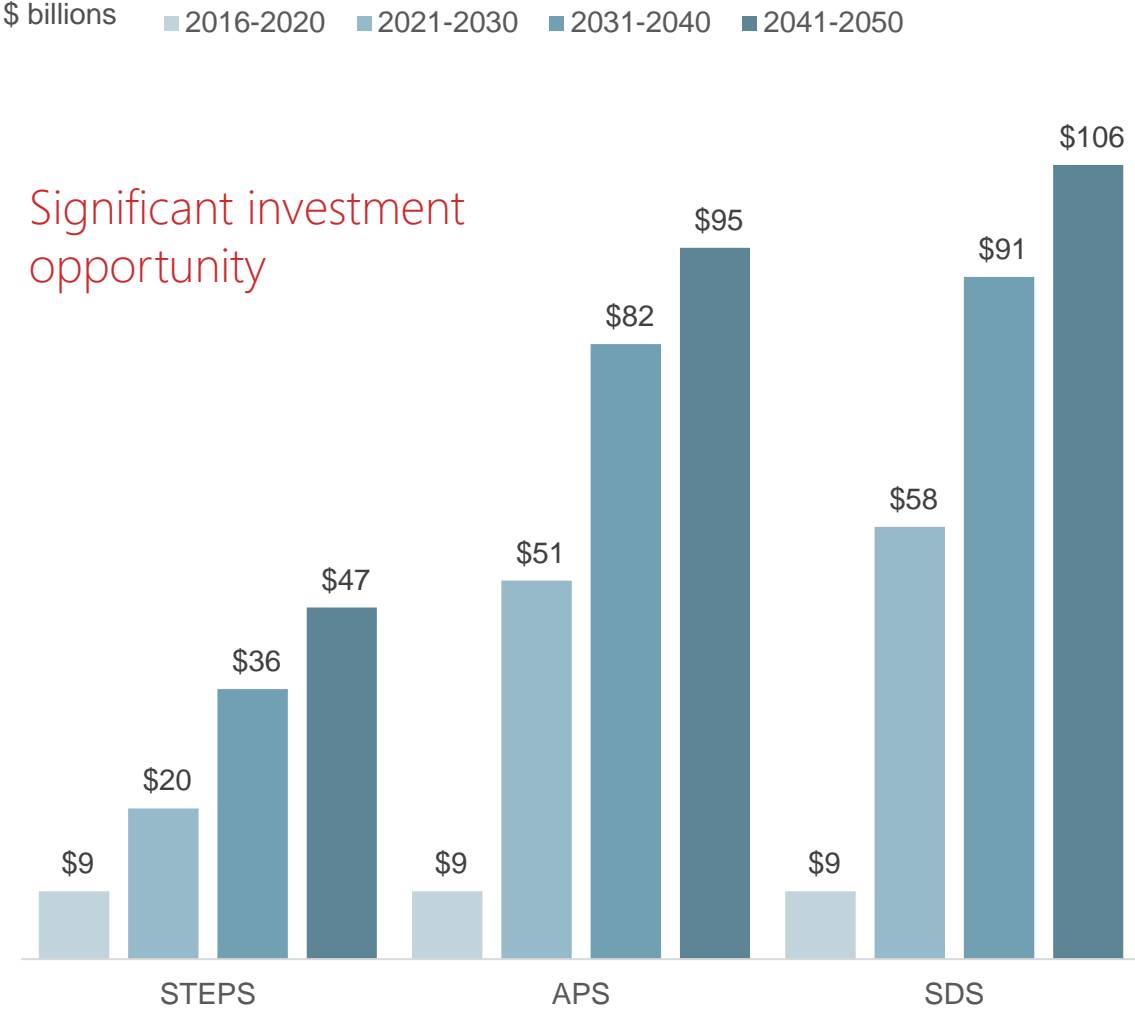
Pay premium for RNG

- Due to absence of subsidy for producers
- Pricing is lower than current RINs value but terms are generally fixed for 10+ years

a) \$3.47 D3 RIN price (as of 11/19/2021, per Starfuels Brokerage via Bloomberg) multiplied by 11.727 to convert to \$/mmbtu.

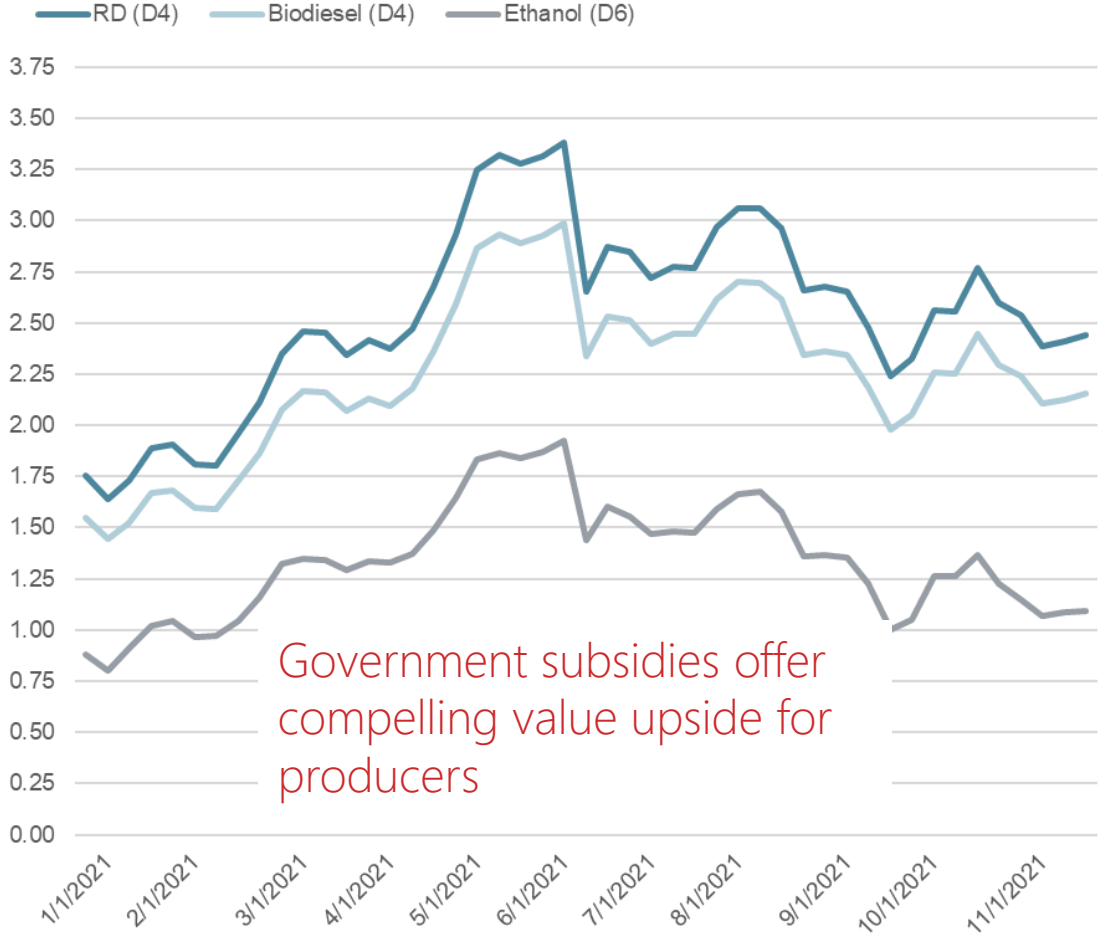
Attractive Potential for Producing Renewable Fuels

GLOBAL AVERAGE ANNUAL SPEND ON BIOFUELS & BIOGASES



Significant investment opportunity

2021 RIN VALUES \$ per gallon



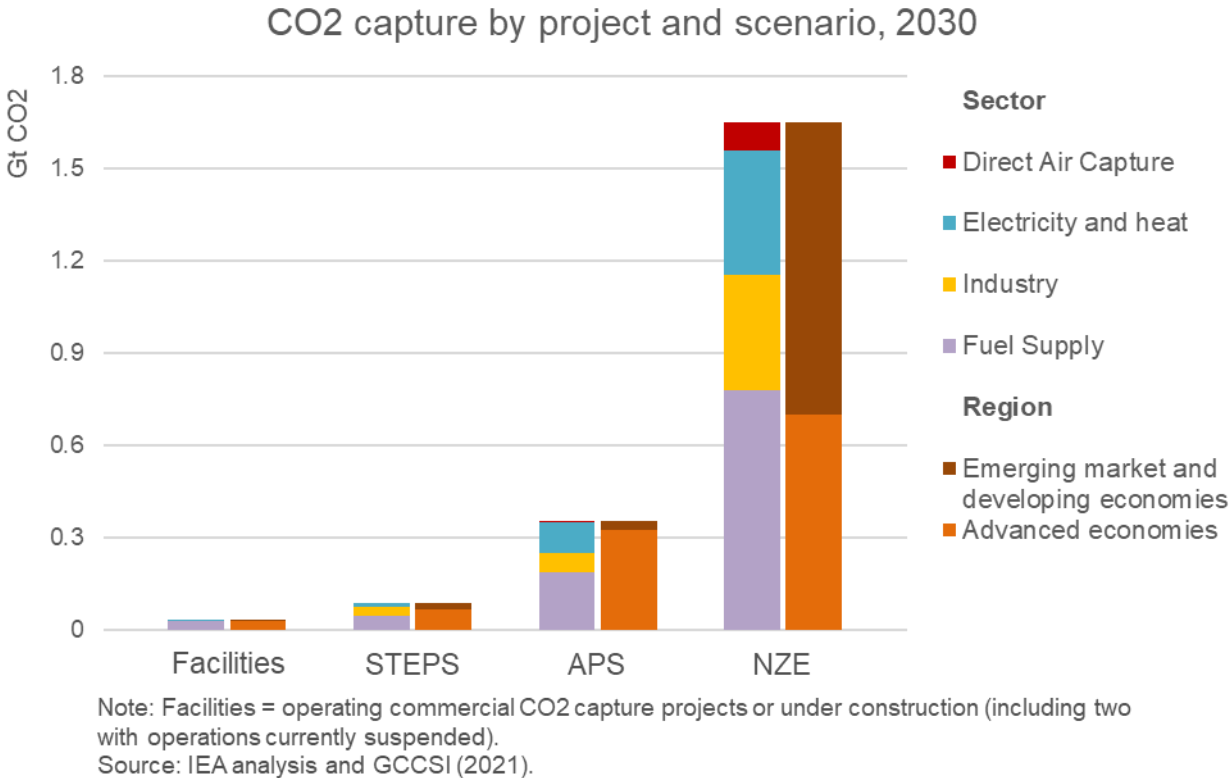
Government subsidies offer compelling value upside for producers

Left Source: International Energy Agency, World Energy Outlook, October 2021
 Right Source: [RIN Trades and Price Information | US EPA](#)

Carbon capture key to meeting global climate agenda

- Meeting net zero goals requires reducing emissions from hard to abate sectors
 - Heavy industry is 20% of global CO2 emissions
 - Alternative to traditional fuels can be cost prohibitive
 - CCUS is often cheapest option to reduce emissions

- Massive potential CO2 infrastructure build out needed for US to meet Net Zero by 2050*
 - > 1,000 CO2 Capture Facilities
 - > 100,000 km of CO2 pipelines
 - ~ \$170 billion of capital required

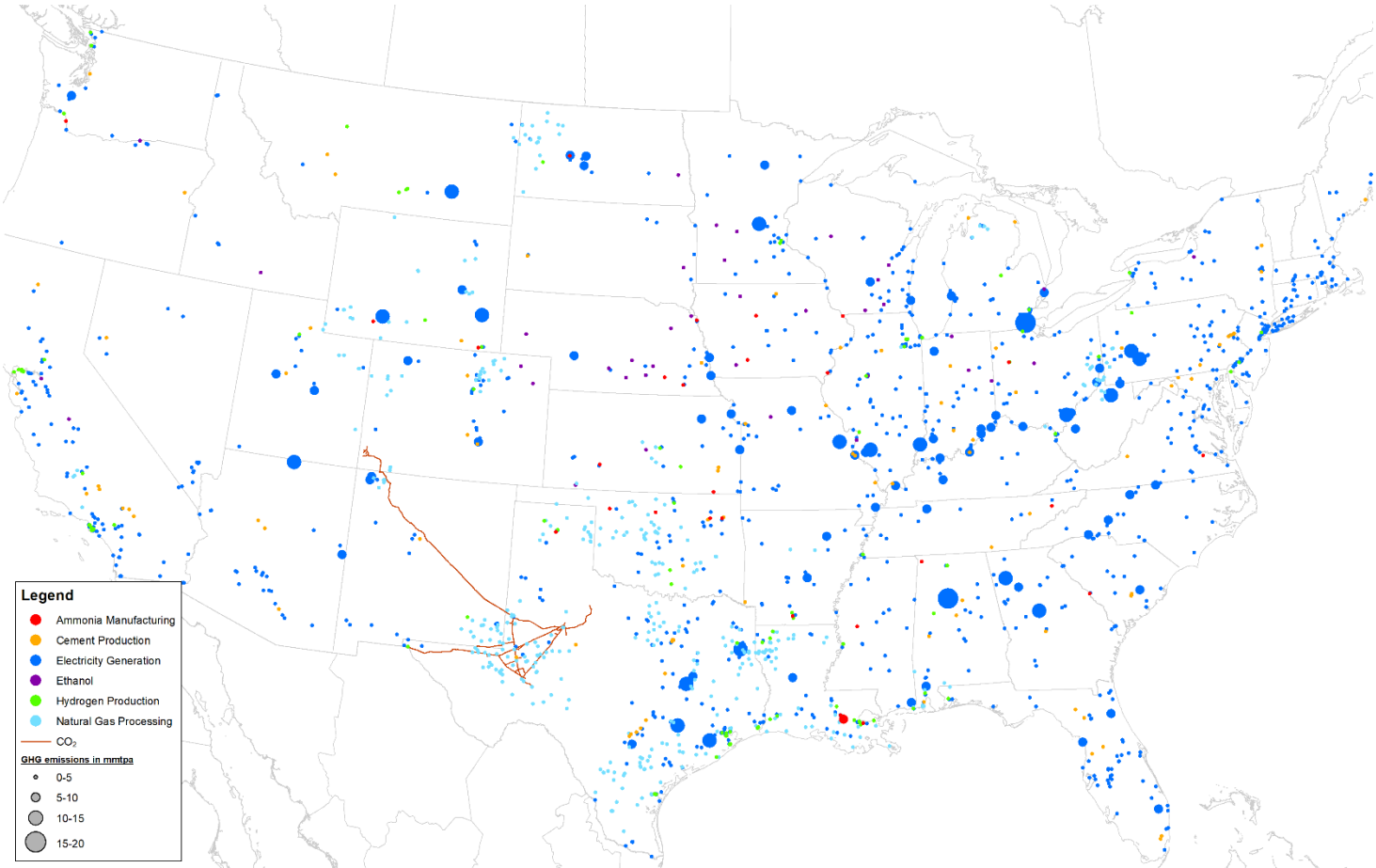


Achieving the level of CCUS needed to reach ambitions in the Announced Pledges Scenario (APS) requires targeted policy support and > 10x increase in current capacity

* Per Princeton University's Net Zero America: Potential Pathways, Infrastructure and Impacts Report

Captured Carbon may be Sequestered or used in EOR Production

Point source emitters are geographically diverse



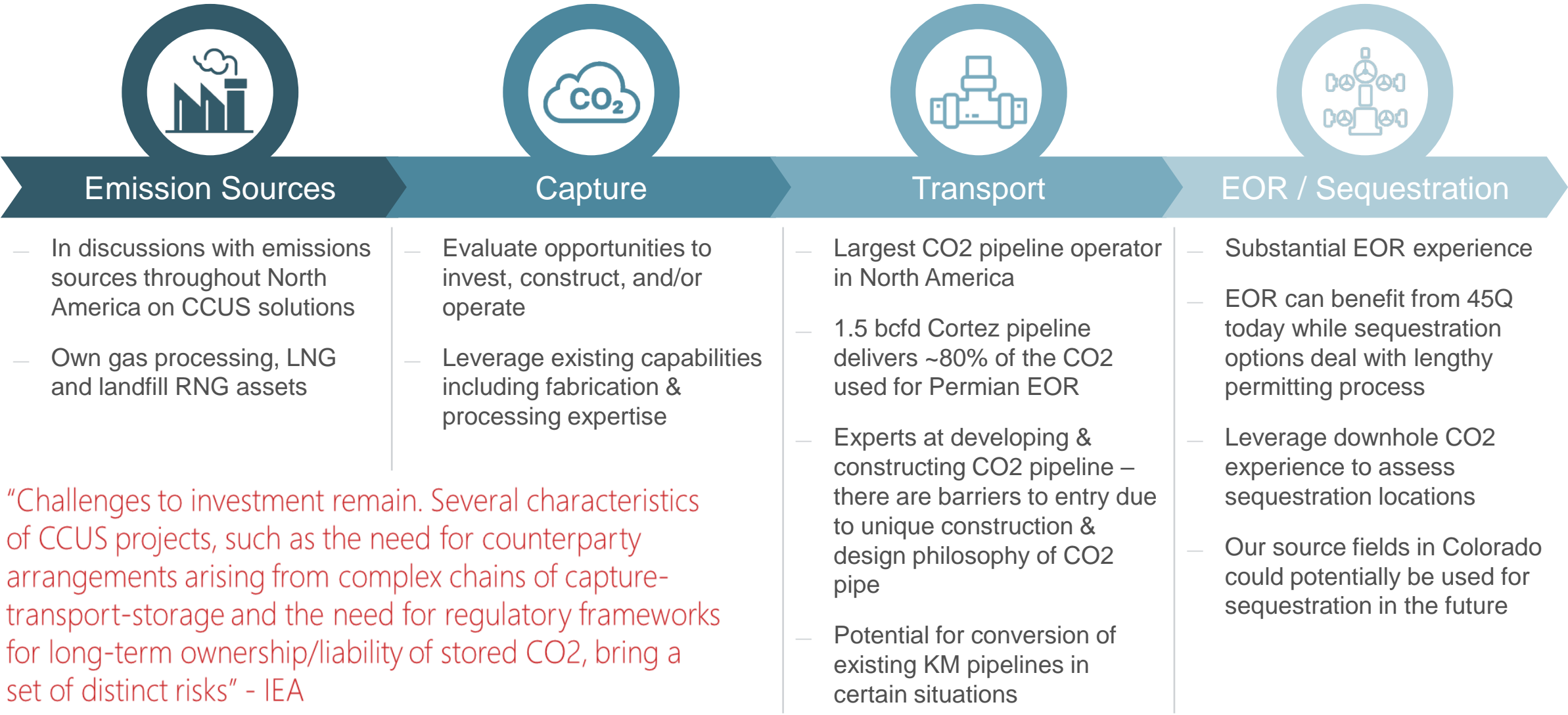
Within 30 miles of our existing CO₂ pipe, we estimate carbon capture opportunities of:

- ~200-300 mmcfd from natural gas processing/treating
- ~500 mmcfd from natural gas power
- ~700 mmcfd from coal power

KMI is a natural fit for facilitating CCUS

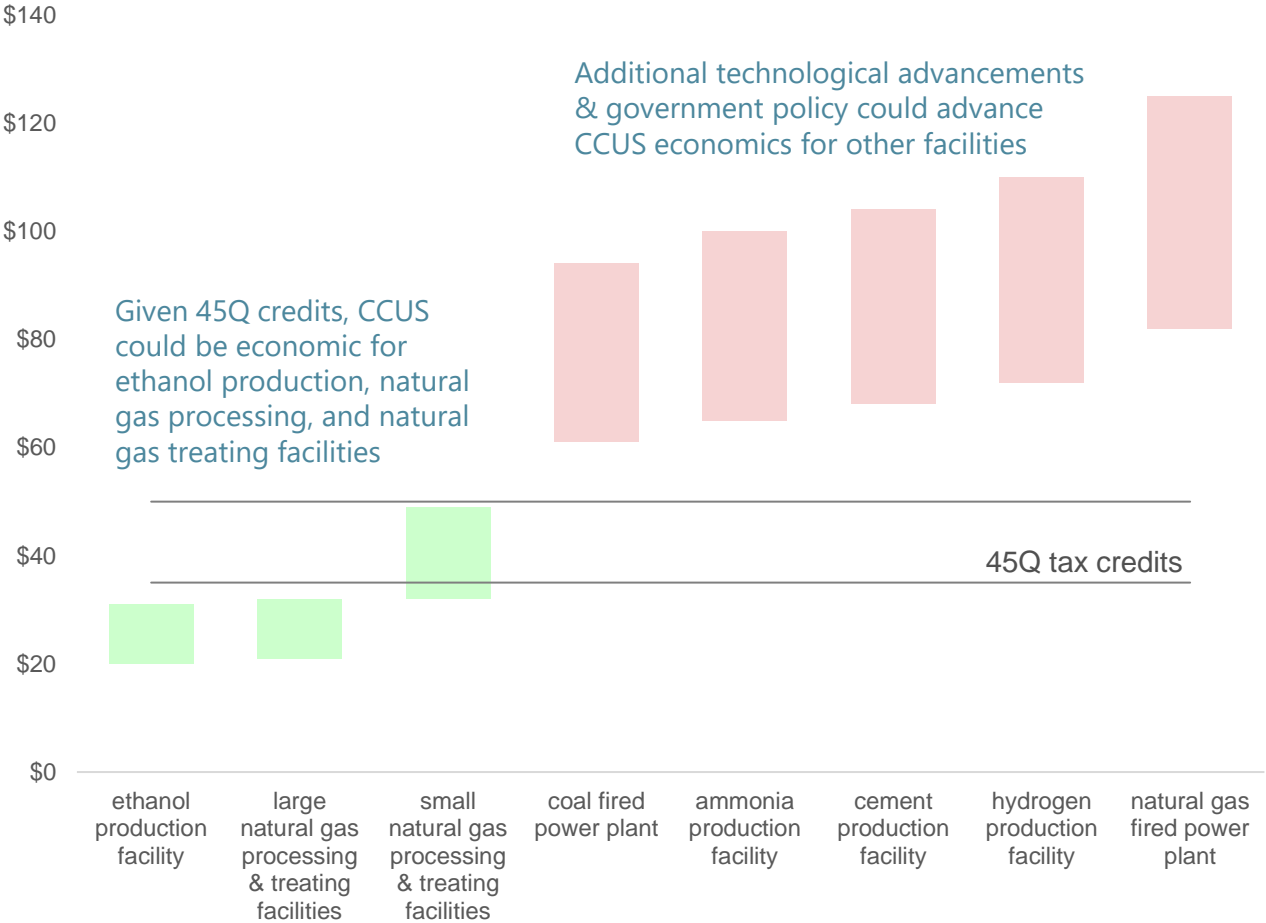
Substantial EOR experience
Have been developing CO₂ pipeline & processing facilities for decades

KM Positioned to Participate Across CCUS Value Chain



CCUS Economics are Improving but Remain Challenged

CURRENT ESTIMATED U.S. CARBON CAPTURE COST \$/tonne



45Q TAX CREDITS

- Capturer controls the tax credit
- Industry still contemplating economics across the value chain
- Proposed direct pay option could be a catalyst for CCUS

SEQUESTRATION

- \$50/tonne deductible tax credit starting in 2027 (\$85/tonne proposed in BBB)
- Lengthy EPA permitting process; only 3 permits ever issued
- States considering regulatory primacy to shorten permitting process, including Texas

EOR

- \$35/tonne tax credit (beginning in 2027) is lower than for sequestration, but can be a quicker solution for a transaction today or a potential bridge (\$60/tonne proposed in BBB)
- Our 1.5 bcf/d Cortez pipeline delivers ~80% of the CO2 used for Permian EOR

Source: KM analysis, National Energy Technology Laboratory.
 Note: Estimated costs are based on 20% BFIT IRR at capture unit tailgate, no tax credits, and at pressure ready for pipeline.

Hydrogen/Renewable Power

Hydrogen:

KM ETV looking at upstream/downstream ways to participate in Hydrogen economy value chain

- CCUS for Blue Hydrogen projects
- Hydrogen production facilities
- Hydrogen export opportunities
- Potential for participation in LCFS markets
- Development of hydrogen hubs

Natural Gas segment continuing to advance study of hydrogen blending into KM natural gas pipelines and evaluate hydrogen storage opportunities

KM ETV engaging with and monitoring Hydrogen market as it develops. Increased regulatory incentives could accelerate growth.

Renewable Power:

KM assessing best way to participate in renewable power projects that meet KM investment criteria and/or reduce Scope II Emissions

KM well positioned to participate in potential renewable power projects:

- Large power consumption footprint, primarily in locations favorable for renewable power deployment
- Own incremental land around asset base
- Creditworthy counterparty for PPA's



Key Takeaways

- Kinder Morgan well positioned to take advantage of energy transition opportunities
 - Breadth of assets, service offerings and existing skillset uniquely spans energy transition verticals
 - Flexibility to participate in all or individual aspects of the value chain
 - Substantial experience in building and operating pipelines and other assets in challenging regulatory environments in a safe and responsible manner
- Carbon management goals increasingly tailored toward reducing carbon intensity levels
 - LCFS markets growing and voluntary markets increasingly looking for lower CI products
 - Solution typically requires multiple energy transition product offerings
 - Kinder Morgan can be a one stop shop solution provider greatly reducing contractual complexity