2023 SUSTAINABILITY REPORT

Xcel Energy®

Table of Contents

Who We Are 3

Message from the CEO 5

Sustainability Strategy 7

Reach Net Zero Responsibly
- Leading the Clean Energy Transition 9
- Renewable Energy and Innovation 21
- Environmental Management 29
- Biodiversity and Land Use 47

Value People
- Workforce Safety 56
- Diversity, Equity and Inclusion 61
- People Management 69

Strengthen Communities
- Affordable, Safe, Reliable and Resilient Energy 77
- Community Relations and Economic Development 84
- Community Giving and Volunteerism 90
- Product and Service Innovation 95

Operate with Integrity
- Sustainability Governance and Stakeholder Engagement 102
- Corporate Compliance and Business Conduct 110
- Public Policy 115
- Supply Chain Management 121

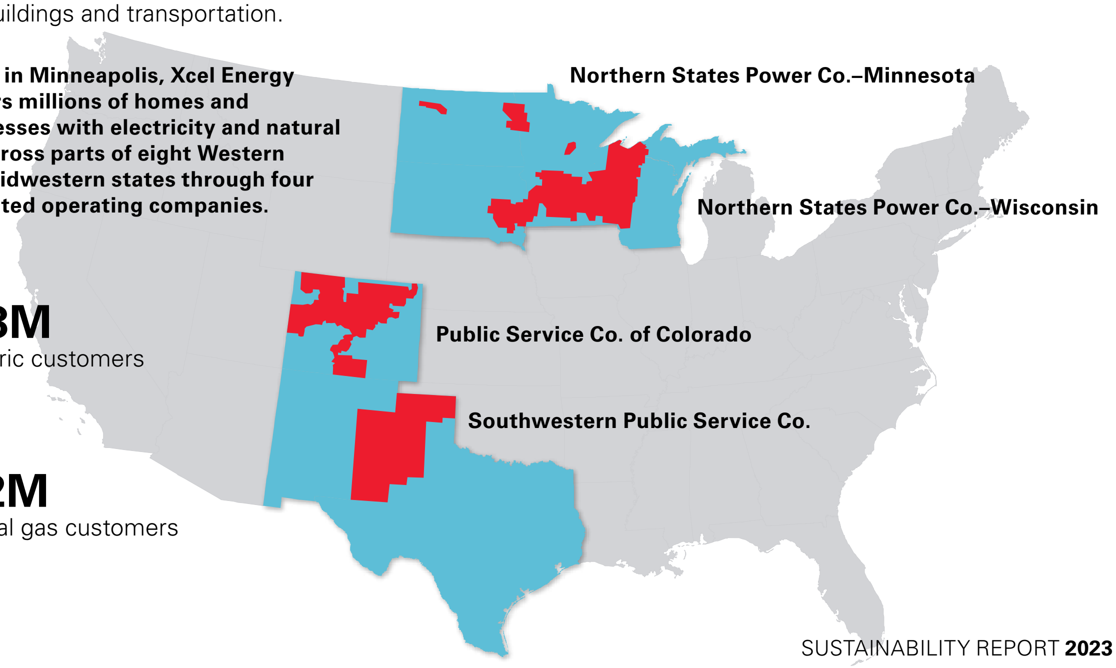
About this Report 127
- Forward-Looking Statements 128

Who We Are

Xcel Energy is committed to delivering essential energy to our customers — energy that's reliable, safe, affordable and clean — while driving positive change for people and planet. That's what we call going **beyond energy**.

We were the first major U.S. power company with a vision for providing **100% carbon-free electricity** — and we've expanded on that commitment to become the first in our industry with comprehensive goals to reach net-zero emissions across the most significant ways customers use energy — electricity, natural gas use in buildings and transportation.

Based in Minneapolis, Xcel Energy powers millions of homes and businesses with electricity and natural gas across parts of eight Western and Midwestern states through four regulated operating companies.



3.8M
electric customers

2.2M
natural gas customers

2023 at a Glance

54% carbon emissions reduction (from 2005 levels)

1.8% annual residential electric bill growth and **1.1%** natural gas bill growth since 2014 (both below rates of inflation)

11,311 full-time employees

19 consecutive years met or exceeded ongoing EPS guidance

$15.3M community investments

$1.3B spent with diverse and small suppliers

$187M energy and affordability assistance to **188K** families

$4B customer savings from our Steel for Fuel strategy since 2017

2M smart meters installed

300K customers participated in renewable energy programs

Awards

Fortune
World's Most Admired Companies

Military Times
Best for Vets

Human Rights
Best Places to Work for LGBTQ+ Equality

Disability Equality Index
Score of 100

Ethisphere
World's Most Ethical Companies®

Vision

We will be the preferred and trusted provider of the energy our customers need.

Mission

We provide our customers the safe, clean, reliable energy services they want and value at a competitive price.

Values

CONNECTED SAFE COMMITTED TRUSTWORTHY

Bob Frenzel
Chairman, President and
Chief Executive Officer

CEO Message

In 2023, we marked the five-year anniversary of our clean energy commitment: a bold, industry-leading vision to deliver 100% carbon-free electricity to customers by 2050. When we made this commitment, it was a watershed moment for our industry as we joined environmental advocates, customers and policymakers to chart a path to a clean energy future. Today, 40 U.S. utilities have followed suit with their own carbon reduction goals.

We're well on our way to achieving our aggressive goal of an 80% carbon reduction and fully exiting coal by the end of 2030. Plus, our clean energy commitment has expanded to include goals that cover the most significant ways our customers use energy, including natural gas services and transportation.

At its core, our vision is about sustainability, energy security and economic prosperity. We're committed to delivering the essential energy services our customers expect and need while continuing to drive positive change that supports the environment. This commitment includes reaching net zero responsibly and affordably, operating with integrity, strengthening the communities we serve and cultivating a diverse, best-in-class workforce to deliver on our vision. In 2023, we:

- Laid the groundwork to extend the lives of our two nuclear plants, Monticello and Prairie Island, which are the largest sources of clean energy that serve our customers.
- Retired our first of three units at our Sherburne County Generating Station on December 31 while simultaneously building the largest solar facility in the Midwest at the same site.
- Broke ground on Colorado's Power Pathway, a $1.7 billion transmission superhighway across the Eastern Plains of Colorado — and just one of the major transmission projects we have underway that will deliver clean energy to our customers.
- Received a nearly $1.5 billion grant from the Department of Energy to support our Heartland Hydrogen Hub, long-term duration storage pilots with Form Energy, transmission expansion and grid resilience in extreme weather. These technologies will be key to achieving our long-term zero-carbon goals while helping to keep our customers' bills low.

- Increased female representation among senior leaders (vice presidents and above).
- Granted $4.4 million to 409 nonprofits through our foundation's focus area grants.
- Volunteered 93,000 hours, with our employees and retirees making a $2.9 million economic impact through volunteering.
- Used 63% of our supply chain spend locally, with $1.3 billion spent with small and diverse suppliers.
- Provided $187 million in energy and affordability assistance to 188,000 families.

Through 2023, we reduced carbon emissions from generation serving customers by an estimated 54% from 2005 levels. In addition, we have significantly reduced other emissions and environmental impacts, including water, mercury and nitrogen oxides.

I'm also proud to share our residential customers' electric bills are amongst the lowest in the country, at 28% below the national average. In addition, the actions we've taken over the past seven years to install thousands of megawatts of wind energy have provided nearly $4 billion in customer price mitigation through avoided fuel costs and production tax credits.

I'm incredibly pleased with the progress we are making across our sustainability initiatives and the commitment and hard work of our people to help deliver a clean energy future. We will remain relentless in pursuit of our vision and will continue to deliver long-term value to our shareholders and the essential clean energy power needs for the communities in which we live and work.

Thank you for your ongoing support and partnership.

Sincerely,

Bob Frenzel
Chairman, President and
Chief Executive Officer

"Sustainability is at the core of who we are. We work every day to deliver safe, clean, reliable, affordable energy to our customers while empowering our employees and communities. Whether through our responsible clean energy vision, our focus on our people or our commitment to our values, Xcel Energy is redefining sustainability."

Frank Prager, SVP, Strategy and External Affairs and Chief Sustainability Officer

Sustainability Strategy

Xcel Energy's mission is built for sustainability. Providing customers with safe, clean, reliable energy services at a competitive price is core to our strategy. Our sustainability strategy focuses on four areas where we can make the largest economic, environmental and social impact.

Reach Net Zero Responsibly

Achieve climate goals without compromising reliability or affordability

Strengthen Communities

Deliver exceptional service and partnership

Value People

Cultivate a diverse, best-in-class workforce, champion safety, inclusion and equity

Operate with Integrity

Live our values, govern with discipline and respect human rights

Sustainable Development Goals

Through our sustainability strategy, we are directly impacting progress toward nine of the United Nations Sustainable Development Goals. Learn more in our **Sustainability Governance and Stakeholder Engagement brief**.

Reach Net Zero Responsibly

Achieve climate goals without compromising reliability or affordability

LEARN MORE

- **Xcel Energy clean energy reports:**
  - **Building a Carbon-Free Future**
  - **Net-Zero Vision for Natural Gas**
  - **Drive Toward a Carbon-Free Future: Electric Transportation Vision**
- **Climate science analysis reports for electricity and natural gas use in buildings**
- **Report responding to the Task Force on Climate-Related Financial Disclosures**
- **Renewable Energy and Innovation Brief**
- **Affordable, Safe, Reliable and Resilient Energy Brief**
- **Environmental Management Brief**
- **Public Policy Brief**

Leading the Clean Energy Transition

We're committed to becoming a net-zero provider by 2050 while keeping service reliable and safe and customer bills low.

Addressing the risks of climate change is one of our highest priorities. In 2018, we became the first U.S. energy provider with a vision for delivering 100% carbon-free electricity by 2050 and were the first to add a net-zero goal for natural gas use in buildings and zero-carbon transportation goal — covering three sectors that represent the most significant ways our customers use energy and all three of our emissions scopes.

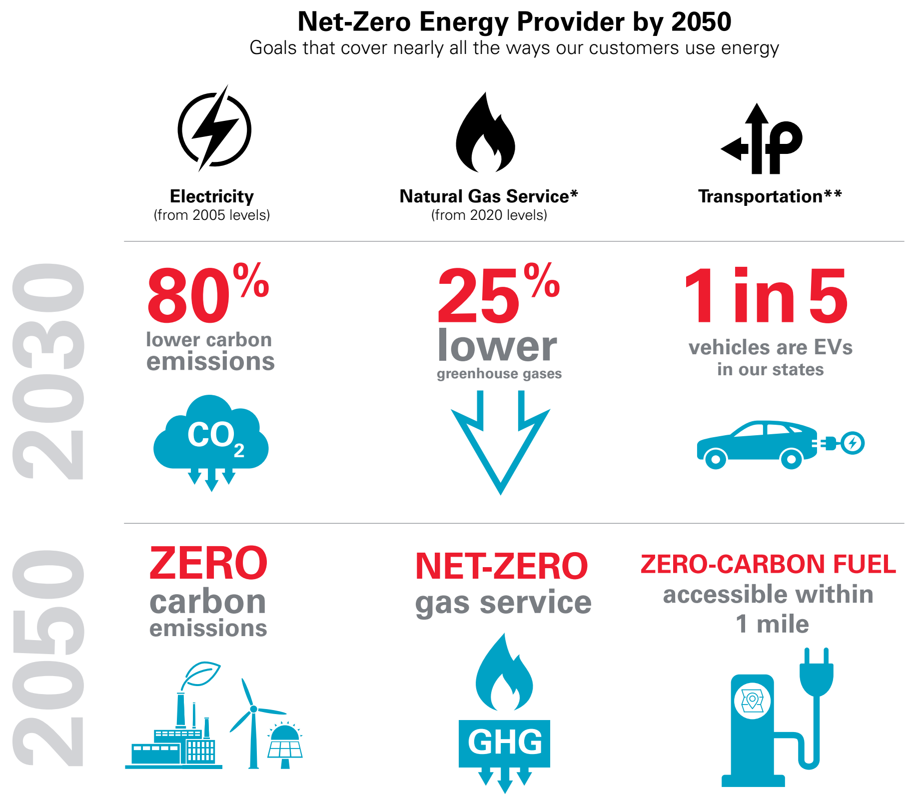
With approved plans and projects, we continue to advance our goals and partner with industry, government and technology developers to drive innovation forward.

Governance

In 2000, we instituted oversight of environmental performance by our board of directors and were among the first U.S. energy providers to tie carbon reduction to executive compensation. We have provided a voluntary, third-party verified annual greenhouse gas disclosure since 2005, longer than any other U.S. utility. The Operations, Nuclear, Environmental and Safety Committee oversees our carbon reduction strategy and our Governance, Compensation and Nominating Committee oversees sustainability. We are a founding member of The Climate Registry and a supporter of the Task Force on Climate-Related Financial Disclosures. Our disclosures align with the Global Reporting Initiative, Sustainability Accounting Standards Board and United Nations Sustainable Development Goals frameworks.

Net-Zero Energy Vision

We've expanded our commitment to deliver 100% carbon-free electricity to customers by 2050 to also include natural gas use in buildings and transportation.



*Spans natural gas supply, delivery and customer use.

**Includes the Xcel Energy fleet; zero-carbon fuel is electricity or other clean energy.

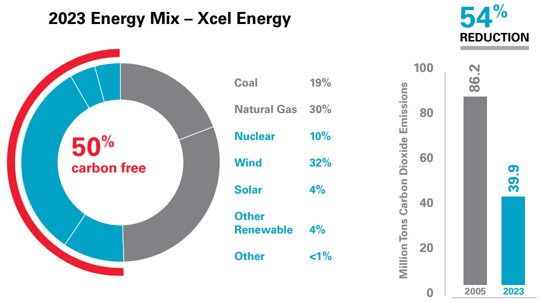
Carbon-Free Electricity

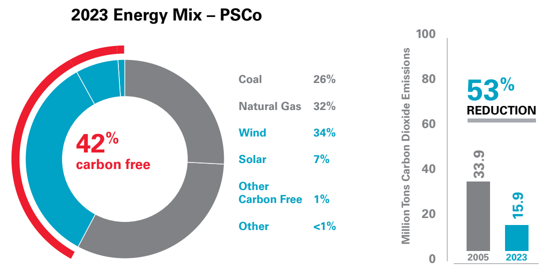
Using technology available today, like wind, solar, nuclear and battery technologies, our resource plans establish a trajectory to achieve our goal of 80% reduction in carbon dioxide emissions by 2030. To achieve our long-term aspiration to deliver carbon-free electricity by 2050, we will need innovation and new dispatchable technologies to maintain system reliability. Through collaborations with industry partners, researchers, technology developers and venture investors, we're engaged in advancing affordable, zero-carbon, 24/7 power technologies.

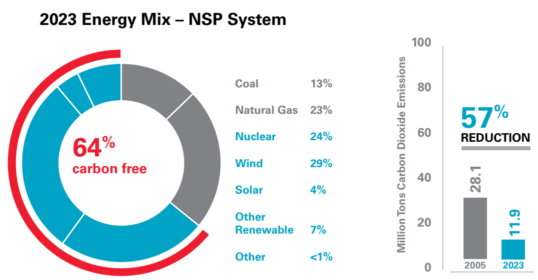
Progress Toward Carbon-Free Electricity

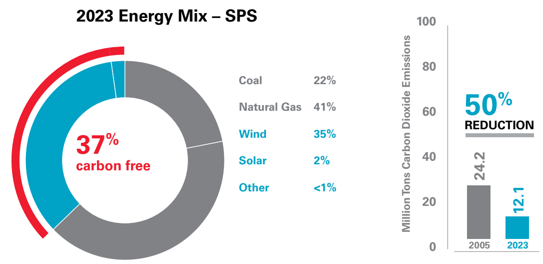
Through 2023, we reduced carbon emissions from generation serving customers by an estimated 54% from 2005 levels and remain on track to achieve 80% carbon reduction and fully exit coal by the end of 2030.

Our clean energy vision includes all the electricity that serves our customers, including owned and purchased power. These charts show our energy mix and carbon dioxide emissions (short tons), companywide and by operating company, compared to the 2005 baseline.









Carbon dioxide emissions are from electricity delivered to customers in 2023 and are considered preliminary until third-party verified in early 2025. Energy mix includes electricity produced at Xcel Energy plants, purchased from others and supplied to customers through Xcel Energy renewable energy choice programs.

Resource Plans

Our 2030 goal is backed by resource plans approved by our state public utilities commissions (PUC). These approved plans provide the road map for our system to meet, if not exceed, our 2030 goal to lower our electricity emissions by 80% by 2030. As part of these plans, we will retire all coal-fueled generation on our system by the end of 2030.

Colorado Clean Energy Plan

We submitted plans to the Colorado PUC to achieve 80% carbon emissions reductions and Colorado's goal to achieve 100% carbon-free electricity by 2050. Our first Clean Energy Plan, which adds solar and wind resources, was approved by the PUC in 2023. We anticipate beginning Phase II of the Clean Energy Plan through the Just Transition Solicitation to be filed later in 2024. We expect that request conclusion in 2026. Current expectations of known or requested changes indicate we will likely add the following resources through 2028:

- 2,050 megawatts of wind and 1,720 megawatts of large-scale solar capacity.
- 1,200 megawatts of distributed solar capacity.
- 450 megawatts of dispatchable resources and 1,850 megawatts battery storage.

We will work with impacted communities as we phase down all remaining Colorado coal operations, including:

- Comanche Station Unit 3 retirement by the end of 2030, with reduced operations beginning in 2025.
- Pawnee Station conversion from coal to natural gas by 2026.
- Hayden Station and Craig Station Unit 2 retirement by the end of 2028.

Upper Midwest Energy Plans (Minnesota, North and South Dakota, Wisconsin, Michigan)

In February 2024, we proposed a new Upper Midwest Energy Plan that builds on our already-approved plans to retire our coal plants by 2030 and replace them with renewable energy. This updated plan not only helps us achieve our 2030 goal but also demonstrates us a pathway to achieve Minnesota's carbon-free electricity standard of 100% carbon-free electricity by 2040. The plan will:

- Add 5,800 megawatts of wind, 1,500 megawatts of large-scale solar and 1,320 megawatts of energy storage by 2035.
- Retire all remaining coal plants by 2030.

- Extend the generation of carbon-free nuclear energy at our Monticello plant 10 years to 2050 and our Prairie Island plant 20 years to 2053/2054.
- Build upon current energy efficiency programs and create new demand response options to manage energy load.
- Develop new transmission infrastructure, reusing important connections near retiring coal plants to help maintain reliability.

We also need 1,500 megawatts of firm dispatchable generation by 2028, including hydrogen-ready capacity. Nearly all that new capacity will require additional regulatory approval and we expect to need more capacity in 2030 and beyond.

Southwest Energy Plans
We have proposed new electricity plans with the New Mexico Public Regulation Commission and the PUC of Texas. Our plans include:

- Converting the Harrington coal plant to operate on natural gas in 2024 and cessation of coal operations at Tolk Station, located about 70 miles northwest of Lubbock, Texas, by the end of 2028.
- After evaluating projects submitted through an all-source, competitive solicitation issued in 2022, we have proposed three company-owned solar projects with a combined capacity of 418 megawatts and a 36-megawatt battery energy storage project.
- We are proposing a new purchased power agreement for a new 48-megawatt battery energy storage project and a new 15-year purchased power agreement for an existing cogeneration facility. If approved by regulators, the new facilities could be in service between 2026 and 2027.

Additional resources for the region beyond 2027 will be scoped through an all-source, competitive solicitation to be issued in mid-2024. For information on how we're advancing new, innovative clean energy technologies needed to achieve our 2050 vision, see our **Renewable Energy and Innovation brief**.

Net-Zero Natural Gas

We're working to reduce greenhouse gas emissions across the entire natural gas value chain. By 2050, we aim to provide natural gas service with net-zero emissions while achieving our 2030 interim goal of reducing greenhouse gas emissions from natural gas service by 25% from 2020 levels, including net-zero methane emissions from our own infrastructure.

Our goal covers all three aspects of the natural gas value chain: upstream production, the LDC distribution system and customer emissions. By 2030, we plan to purchase 100% certified natural gas (CNG) on our system and have net-zero methane emissions on our owned system while decreasing overall emissions by 25%, including our customer's emissions. All three support the 2050 goal of achieving net-zero emissions across our gas service.

25% Greenhouse Gas Emissions Reduction by 2030, Net Zero by 2050

Natural Gas Suppliers	Xcel Energy System	Customers
		
Influence natural gas suppliers	**Operate the cleanest system possible**	**Offer more options and cleaner fuels**
Purchase exclusively natural gas with certified low-methane emissions by 2030.	Achieve net-zero methane emissions by 2030.	Offer new and expanded voluntary programs. Purchase low-carbon gas supply, including hydrogen and renewable natural gas (RNG).

The natural gas side of the business is earlier in the transition than the electric sector and will require significant market and policy changes to achieve. We have set a very ambitious vision with exactly that long-term change in mind.

While we seek to achieve these reductions, we cannot sacrifice reliability and affordability for our customers, particularly as natural gas provides critical heating in our cold climates. To be successful, we will need to see significant customer action, regulatory approval of our clean heat plans and investments in these emissions reductions efforts along with development of additional supportive state policies and significant technology innovation. And we can't do this alone. We need new and deep partnerships across the energy sector, government agencies, customers, environmental partners and other stakeholders. These are fundamental elements needed to achieve our goal.

Net-Zero Methane Emissions from Distribution

Even though methane emissions on our gas system are relatively small (~200,000 tons carbon equivalent), we are prioritizing achieving net-zero methane on our system in order to align with national and international targets to address methane and emissions under our direct ownership control on an accelerated timeline. We've already started efforts to reduce methane emissions on our LDC system and are seeking to expand these efforts by deploying new technologies, such as advanced mobile leak detection.

In 2008, we joined the Environmental Protection Agency's (EPA) Natural Gas Star program to voluntarily reduce methane emissions. In 2016, we became a founding member of the Methane Challenge Partnership. Through this, we have reduced methane emissions from venting pipelines during scheduled construction projects by an average on 93% over the past five years.

Our methane reduction goal initiatives include:

- Seeking regulatory approval and exploring the use of advanced mobile or aerial leak detection technologies for surveying our system to supplement our annual compliance inspections.

- Accelerating efforts to find and fix methane leaks.

- Reducing methane emissions on construction projects. We've reduced emissions of natural gas from pipelines on transmission projects by lowering purge pressures, using hot taps to minimize purge volumes, using flaring rather than venting and replacing gas-actuated pneumatic devices with air-actuated devices. We are also expanding these practices to include our distribution construction projects.

We belong to industry collaborations, including Our Nation's Energy Future, a partnership that seeks to limit methane emissions across the natural gas supply chain to 1% or less by 2025. We report emissions in the Processing, Transmission and Storage, and Distribution segments of the value chain. In 2022 and 2023, we surpassed specific goals for each of these segments.

The Natural Gas Sustainability Initiative (NGSI), sponsored by the Edison Electric Institute (EEI) and American Gas Association (AGA), focuses on creating consistent, transparent disclosures among natural gas providers. We use the NGSI reporting protocols to calculate methane emissions from our natural gas distribution operations. Find results of our methane emissions calculations using the NGSI protocol in the **Sustainability Report Data Summary**.

Natural Gas with Certified Low-Methane Emissions

Our natural gas net-zero vision prioritizes methane emissions reduction from upstream production of natural gas. As part of our interim 2030 commitment, we strive to purchase only certified low-emission natural gas from suppliers. Addressing methane from upstream will require partnership with our suppliers, given we do not have direct control over upstream methane emissions. However, it is important we play a part in addressing methane emission across the value chain in line with national and international climate targets.

We are also working with suppliers to deploy industry best practices for monitoring, tracking and reducing of wellhead-related emissions. In 2023, we worked with coalitions, such as the Differentiated Gas Coordination Council, to develop federal certified emissions standards and accounting principles to increase transparency and verification. We have worked with upstream producers to advance the certified natural gas market and enhance verification methodologies, explored market supply through requests for information and continued to monitor state policy developments that can support methane emissions reductions.

Cost-Effective Customer Options for Lower Carbon Emissions
As of 2022, about 75% of our customers heated their homes and businesses reliably with natural gas. While our system continues to grow as we deliver to new customers, individual customers have reduced their gas use more than 20% since 2000 through more efficient appliances, better building practices and our extensive portfolio of conservation programs.

We support customer choice, offering voluntary options for customers to choose solutions that work best for them. We are expanding our offerings for electric air source heat pump technologies, including dual fuel options with natural gas backup for really cold days and new energy sources, such as heating networks, which connect homes and businesses through a system of ground-source heat pumps. We also see the need for additional options fuels like hydrogen and RNG that can ensure reliability and emissions reductions, including through voluntary programs.

A major unknown in the transition is the extent of customer adoption of these voluntary programs. To the extent that customer adoption does not arise or is slower than expected, additional emissions reductions measures like clean fuels and offsets can ensure continued progress towards emissions reductions while also delivering reliability support in our cold climates. These resources can deliver emissions reductions without a customer taking action.

In the case of offsets, we view these projects as an addition to our work directly with customers. We're committed to investing in high-quality offset projects that can be verified to reduce emissions and provide economic, environmental and equity "co-benefits" in our communities. We have purchased offsets from six local projects to gain experience and build the local market. Examples include conserving wildlife habitat, increasing tree cover in disadvantages areas, supporting Tribal sovereignty and land management, and promoting local economic development. Learn more in our **Biodiversity and Land Use brief**.

Clean Heat, Gas Infrastructure and Natural Gas Innovation Act Plans

In 2023, we filed plans in Colorado and Minnesota in compliance with Colorado's Clean Heat Statute and Minnesota's Natural Gas Innovation Act (NGIA). Both were initiated by legislation in 2021 and provide a pathway for recovering important investments to reduce greenhouse gas emissions while considering ways to help keep customer bills low.

Colorado Clean Heat Plan: a comprehensive, groundbreaking plan to determine a pathway to achieve state greenhouse gas emission reduction goals related to the gas local distribution company while considering costs to customers.

In 2023, we proposed an inaugural plan to the Colorado PUC including direct compliance portfolios, a set of market transformation initiatives to advance technology options and voluntary measures for CNG and RNG. Based on these proposals, we anticipate the PUC to approve a project budget advancing electrification and recovered methane, along with a portfolio of market transformation initiatives.

Colorado Gas Infrastructure Plan: In spring 2023, we submitted our first-ever Gas Infrastructure Plan in Colorado, which is a complement to the Clean Heat Plan. It details the investment projects critical to continuing to provide customers with reliable, safe natural gas service. Additionally, the plan included five nonpipeline alternative analyses to identify programs, equipment or actions that may avoid, reduce or delay capacity expansion investment projects within the plan period. Two of the nonpipeline alternative portfolios were determined to be cost effective as compared to the traditional gas infrastructure project, and the Colorado PUC directed us to proceed in its decision in March 2024.

Minnesota NGIA Plan: offers a portfolio of innovative pilot projects across a broad array of technologies that, if scaled up in the future, have the potential to significantly reduce carbon emissions from our natural gas system. Benefits include:

- Capturing and using RNG generated from landfills, food and livestock waste.
- A hydrogen project to create steam for industrial use, utilizing renewable energy from solar or wind facilities to produce clean hydrogen.
- Strategic electrification, including custom projects with energy modeling for large customers.
- A weatherization and strategic electrification program for Tribal housing at Prairie Island Indian Community that includes manufactured homes.

The plans will be decided through state PUCs and will include stakeholder input, like our electric resource plans. We anticipate regulators to decide on the Clean Heat Plan later in 2024 and the NGIA Plan in early 2025.

Progress Toward Net-Zero Natural Gas

In 2023, we finalized our corporate protocol to report our progress toward reducing greenhouse gas emissions from the natural gas business compared to a 2020 baseline. We expect greenhouse gas levels from our natural gas business will increase over the next several years due to system growth while we launch initiatives for lowering them.

Our 2023 emissions are calculated using different protocols than we have reported in the past. Current methodologies include:

- Methane emissions from upstream suppliers are estimated using 1% average production intensity.
- Methane emissions from our natural gas system operations are based on NGSI reporting protocols that include natural gas delivered to customers (throughput) normalized to reflect typical weather conditions. The reporting uses emissions factors from the EPA's Greenhouse Gas Inventory Program for pipeline mains and service connections.
- Carbon dioxide emissions from customer end-use of natural gas is calculated based on the EPA's reporting protocol in 40 CFR Part 98, Subpart NN and multiplied by total actual throughput.

To comply with state reporting requirements, we will follow the required state protocols. For the Colorado Clean Heat Plan, we are required to report LDC operations emissions using EPA Subpart W and customer emissions using Subpart NN. For the Minnesota NGIA Plan, we are not required to report emissions, but for emissions projections within the filing, we will use GREET lifecycle analysis emission factors.

Natural Gas Emissions Reporting (in million metric tons)

Source of Emissions	2020	2021	2022	2023
Natural gas supplier emissions (estimated from supply for electric generation and distribution)	2.61	2.35	2.38	1.99
Natural gas system operations	0.41	0.32	0.33	0.31
Customer emissions from natural gas use (estimated)	15.96	14.65	16.25	15.34
Total	**18.98**	**17.32**	**18.96**	**17.64**

To convert metric tons to short tons, multiply by 1.1023.

Climate Science Supports Our Vision

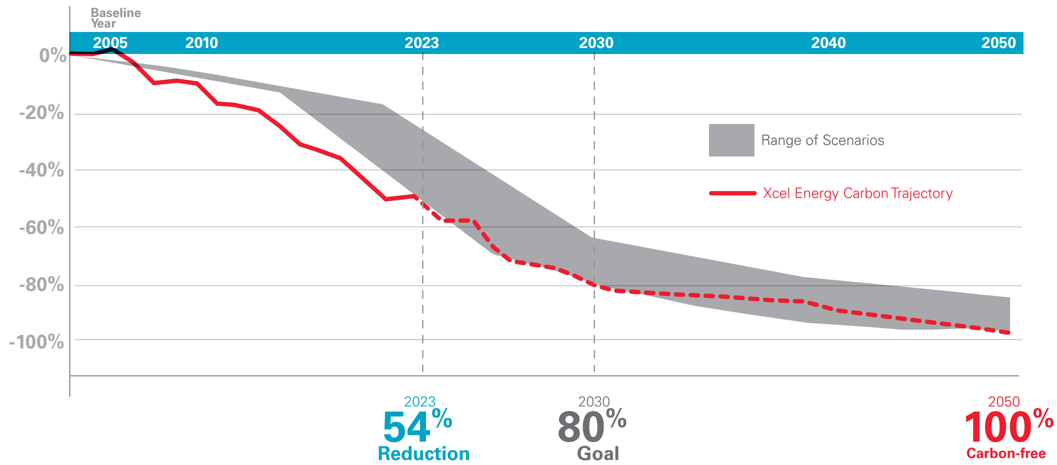
We use climate science to inform our clean energy strategy. We contracted with a lead author for the Intergovernmental Panel on Climate Change (IPCC) and his team of climate modeling experts to understand how our carbon-free electricity and net-zero gas goals would align with global temperature goals. The studies determined that our plans to limit carbon from electric generation and natural gas use in buildings are consistent with scenarios that achieve the 1.5° and 2° C warming goals of the Paris Agreement.

Analyzing the Path to 100% Carbon-Free Electricity

We contracted with climate modeling experts to understand how our vision relates to global temperature goals — specifically delivering 100% carbon-free electricity by 2050 and reducing carbon emissions 80% by 2030. These experts consulted the newest IPCC emission scenarios database and analyzed carbon emissions for the electric sector in industrialized countries within global greenhouse gas scenarios that have a high (66% or greater) probability of achieving the 2° C goal and those more likely than not (50% or greater) to achieve the 1.5° C goal.

Our carbon emissions reduction trajectory to 2050 was then compared with the IPCC emissions scenarios (shaded gray in the chart below). Based on this analysis, our reduction targets are clearly consistent with — even on the low end of — the electric sector reductions in scenarios that achieve the international 1.5° C goal.

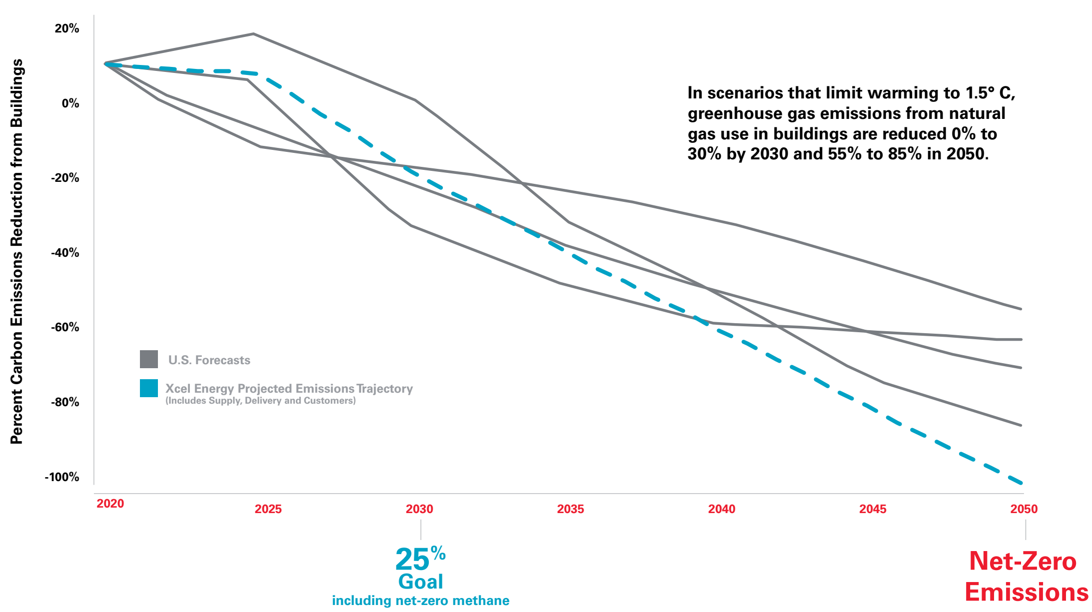
Xcel Energy's carbon emissions trajectory for the electricity provided to customers aligns with science-based scenarios likely to limit global warming to 1.5° C.



Analyzing the Future Use of Natural Gas in Buildings

We engaged with the same climate modeling expert who conducted our electric system study to test the future use of natural gas in buildings against scenarios likely to achieve the 2° C and 1.5° C temperature goals of the Paris Agreement.

Xcel Energy's net-zero vision for natural gas aligns with scenarios likely to limit global warming to 1.5° C.



Study results show a range of possible outcomes that all achieve the same climate goals for natural gas in a low-carbon future driven by the cost and availability of technology, especially in colder climates that rely the most on natural gas for heating. Our strategy is consistent with and can help drive these outcomes. Over the next decade, our voluntary strategy for achieving net-zero natural gas service can achieve the same range of emission reductions as the scenarios in the study do.

Transportation Electrification

Our transportation programs in four states aim to make the transition to electric transportation easier for our customers. We have an ambitious vision to enable zero-carbon transportation in our service area by 2050, providing the fueling infrastructure and energy to run all vehicles on carbon-free electricity or other clean energy sources.

In 2023, we counted over 143,000 electric vehicles (EVs) on the road in our service area, a 50% increase over 2022. By 2030, we plan to provide programs and infrastructure that deliver affordable charging at home, at work and on the go to all our customers as part of our plan to boost EV growth in our states to one in five vehicles.

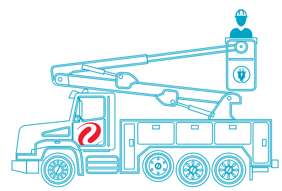
Progress Toward Zero-Carbon Transportation

Our goal is that **1** in **5**
vehicles are EVs in our states by 2030.

Results through **2023**

143,000 EVs

300 Zero Emissions Fleet Vehicles



Fleet Electrification
We continue to work toward a cost-effective transition of our corporate fleet to zero-carbon transportation. In 2023:

- We added 40 zero-emission vehicles and construction equipment, bringing our electrified fleet to nearly 300 vehicles. 11% of our light-duty fleet, 4% of our medium-duty fleet and 1% of our heavy-duty fleet is now electrified.
- Our electric fleet drove over 1.3 million miles.
- We launched two pilots to demonstrate the electrification opportunities in the medium/heavy-duty vehicle and construction equipment fleet segments.
- Six electric power take-offs, or ePTOs, were deployed. These units eliminate idling and noise pollution while powering aerials needed to service overhead powerlines.
- We added two all-electric mini excavators to our construction operations. Xcel Energy is one of the first utilities to pilot fully electric equipment in this sector.
- We activated 97 charging stations at Xcel Energy sites to support EV deployment. The chargers dispensed nearly 19,700 MWh of energy, avoiding nearly 3,600 gallons of fuel and translating to $18,000 in savings at the pump.
- To broaden our charging strategy, we launched a residential charging pilot involving 22 drivers across our eight-state territory. Data indicates a significant increase in charging activity, increased BEV utilization and positive operator feedback. We expect this pilot to expand into a program later in the decade and contribute to our overall EV charging strategy.

Customer Programs
We have offered customer EV solutions since 2015, increasing our offerings each year while addressing common barriers to adoption through education, rebates and incentives. Affordable transportation electrification offerings, including EV charging programs, rebates, installation and maintenance services, and advisory services are accessible to customers across Colorado, Minnesota, New Mexico and Wisconsin.

Under our clean energy plans, an EV powered with Xcel Energy electricity in 2023 has about 65% lower carbon emissions than a conventional gasoline-powered vehicle and is expected to have at least 80% lower carbon emissions by 2030. In addition to the environmental benefits, EVs are less expensive to drive, costing about the equivalent of $1 per gallon of gasoline when charged during off-peak rate periods.

Equitable EV access and environmental justice are key components of our electric transportation vision, which would allow everyone in the communities we serve to experience the benefits of electric transportation, whether they own an EV, use public transit or benefit from improved air quality.

By 2050, our goal is for all customers to access affordable charging at or within one mile of their homes and that underserved communities will have opportunities to participate in our programs and the economic development benefits associated with zero-carbon transportation.

Getting a Burger and a Boost

As part of its commitment to sustainability, Breckenridge Brewery in Littleton, Colorado, recently installed three Level 2 dual-port EV charging stations that employees can use for free; patrons can use them for a dollar or two an hour while they enjoy a beer and a bite.

Saving energy, reducing water use and using renewables are all part of Breckenridge Brewery's sustainability plan. That’s why its team turned to Xcel Energy to collaborate. “We wanted to offer free charging to our employees and thought our guests would enjoy it, too,” said Hannah Kight, senior manager of environment and safety at Breckenridge Brewery. “We knew Xcel Energy provided credits for EV charging stations and that we could also apply for grant money through Charge Ahead Colorado.”

Breckenridge Brewery chose the full-service option, where Xcel Energy installs the supply infrastructure and offers chargers for a monthly fee with the option to own them in 10 years. The service includes no-cost to low-cost, turnkey construction services for the infrastructure and design and build-out guidance. Additional financial benefits include lower upfront costs for Xcel Energy-provided chargers and taking advantage of low-cost, off-peak pricing. One of the brewery's employees made the choice to buy an EV knowing they could charge it at work. “[This partnership] supports our sustainability goals to make sure our footprint is as small as it can be,” Kight said. “And it’s also just really cool.”

Greenhouse Gas Measurement, Tracking and Reporting

We publicly report greenhouse gas emissions to track progress toward our goals for electricity and natural gas and annually verify and publicly disclose greenhouse gas emissions through The Climate Registry (TCR) for our electric and owned natural gas system emissions. Our reporting is based on TCR's General Reporting Protocol and Electric Power Sector Protocol, which aligns with World Resources Institute and ISO 14000 series standards. In 2007, we joined TCR as a founding member to help establish a consistent standard for calculation, third-party verification and reporting, and have since verified our reporting following TCR's standards back to 2005. We are the only energy provider with consecutively verified data back to 2005, a baseline commonly used by standards bodies as well.

Our goals cover scope 1, 2 and 3 emissions. We report progress toward our carbon reduction goals (80% by 2030 and 100% by 2050) based on carbon dioxide emissions associated with the electricity we deliver to customers. When we have more electricity than we need, we sell into wholesale markets. Because the energy from those sales does not serve our customers, we exclude those carbon emissions from our reporting. If the purchasers of that energy follow accepted protocols, they will include those emissions in their reporting.

We are currently working to expand our greenhouse gas reporting to accurately track progress in meeting our net-zero vision for the natural gas business, which includes both methane and carbon dioxide from the supply, delivery and customer use of natural gas.

2023 Greenhouse Gas Emissions Reporting
Scope 1, 2 and 3 Emissions (CO2e)

Source of Emissions	Million Metric Tons	Emissions Included in Goals
Scope 1		
Xcel Energy-owned electric generation serving customers	31.15	31.15
Xcel Energy-owned electric generation biomass emissions serving customers	0.47	0.47
Xcel Energy-owned market electricity sales not serving customers	4.00	—
Natural gas system operations	0.31	0.31
Fleet vehicles	0.09	0.09
Sulfur hexafluoride from electric equipment	0.15	—
Other	<0.01	—
Total Scope 1	**36.18**	**32.02**
Scope 2	**Million Metric Tons**	**Included in Goals**
Building energy use	0.02	0.02
Line loss from purchased electricity	0.29	0.29
Total Scope 2	**0.31**	0.31
Scope 3	**Million Metric Tons**	**Included in Goals**
Purchased electricity serving customers	4.52	4.52
Purchased electricity biomass emissions serving customers	0.21	0.21
Purchased electricity not serving customers	0.72	—
Transportation of fuel for producing electricity	0.52	—
Customer emissions from natural gas use (estimated)	15.34	15.34
Supplier emissions from natural gas supply for electric generation and distribution (estimated)	1.99	1.99
Business travel	<0.01	—
Employee commuting	<0.01	—
Total Scope 3	**23.32**	**22.06**

To convert metric tons to short tons, multiply by 1.1023.
*Our vision to become a net-zero energy provider includes the energy consumed in our owned and operated buildings.
**Line Losses associated with purchased power are approximated in Scope 2 per TCR guidance but also inherently included in Scope 3 purchase power emissions. We purchase additional power to cover losses.

LEARN MORE

- **Leading the Clean Energy Brief**
- **Product and Service Innovation Brief**
- **Public Policy Brief**
- **Biodiversity and Land Use Brief**
- **Carbon Intensities Info Sheet**

Renewable Energy and Innovation

We continue to set renewable energy industry records all while helping our customers save energy and money.

We are also investing in new technologies that will transform the power industry and customers' energy usage. While the renewable and storage technologies available today can significantly reduce emissions, we need innovation, new systems and tools to help us achieve our net-zero vision by 2050. From advanced wind and solar energy systems to zero-carbon fuels and carbon capture, we are evaluating ways that will advance the clean energy transition, create future business opportunities and help our customers. However, as a regulated energy provider, we must champion innovation by advocating for supportive public policy, making strategic investments and forming critical partnerships.

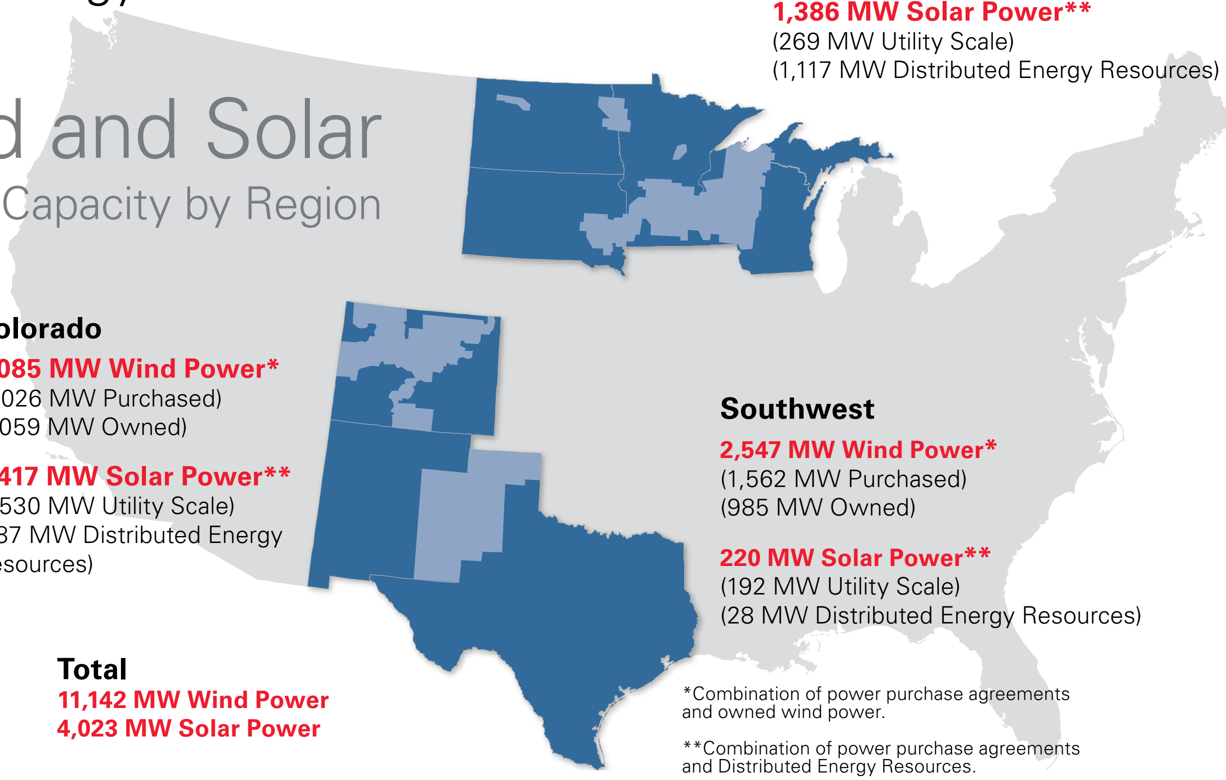
Governance

Xcel Energy's Board of Directors oversees the company's pursuit of advanced energy technologies, with the board's Finance Committee overseeing major investments, including those associated with clean energy. Within the company, the chief financial officer oversees Corporate Development and the company's Innovation and Transformation Office and is responsible for developing and financing renewable projects and contracting for purchased power. The chief operations officer is responsible for executing clean energy and fuels projects and constructing and operating the company's renewable resources. Both report to the CEO.

Renewable resources produced **40%** of our energy in 2023.

Wind and Solar

Power Capacity by Region



Upper Midwest

4,510 MW of Wind Power*
(2,066 MW Purchased)
(2,444 MW Owned)

1,386 MW Solar Power**
(269 MW Utility Scale)
(1,117 MW Distributed Energy Resources)

Colorado

4,085 MW Wind Power*
(3,026 MW Purchased)
(1,059 MW Owned)

2,417 MW Solar Power**
(1,530 MW Utility Scale)
(887 MW Distributed Energy Resources)

Southwest

2,547 MW Wind Power*
(1,562 MW Purchased)
(985 MW Owned)

220 MW Solar Power**
(192 MW Utility Scale)
(28 MW Distributed Energy Resources)

Total
11,142 MW Wind Power
4,023 MW Solar Power

*Combination of power purchase agreements and owned wind power.

**Combination of power purchase agreements and Distributed Energy Resources.

Wind Repowering and Development Projects

As our power purchase agreements expire over the next decade, we continue to seek opportunities to buy and repower older wind farms. We have acquired two such projects in Minnesota: the 20-megawatt Rock Aetna project, completed in December 2022, and the 100-megawatt Northern Wind project, completed in January 2023.

We're also upgrading turbine components, including blades, at four company-owned wind farms. Upon completion, we expect the average annual energy output of the farms to increase approximately 20% compared to previous levels. The projects include:

- 200-megawatt Nobles Wind Farm (repowering completed 2022).
- 100.5-megawatt Ben Fowke Wind Energy Center (repowering completed 2023).
- 150-megawatt Border Winds Wind Farm (estimated completion 2025).
- 200-megawatt Pleasant Valley Wind Farm (estimated completion 2025).

The repowering projects are projected to save customers approximately $160 million in energy costs over the next 25 years and create up to 700 temporary union construction jobs in addition to indirect jobs provided by suppliers. They will also provide landowners and local governments more than $9 million in annual lease and property tax payments.

In addition to our repowering projects, our recently filed 2024-2040 Upper Midwest Energy Plan calls for the development of a significant amount of wind projects, including wind projects through purchase power agreements and owned by Xcel Energy interconnected to the Minnesota Energy Connection for us to reuse interconnection rights with the Midcontinent Independent System Operator (MISO), MISO, an independent, not-for-profit, member-based organization focused on managing the flow of high-voltage electricity across 15 states and Manitoba, Canada.

Expanding our Portfolio of Large-Scale Solar Projects and Storage

Currently, all large-scale utility solar power on our system is contracted through power purchase agreements. However, this is starting to change.

Upper Midwest
We will own three separate solar projects at the site of the retiring Sherburne County (Sherco) Generating Station and compete to build new solar projects in our Colorado and Minnesota resource plans approved in 2022. Minnesota regulators approved two solar phases in 2022, replacing most of the capacity from the first coal unit retiring at the Sherco plant in 2023. The third phase, proposed in 2023, would bring the complex to 250 megawatts — enough to power 150,000 Minnesota homes with energy fueled by the sun to keep bills low.

The first solar panel modules arrived in January 2024, and deliveries will continue through September 2024. The first phase of the Sherco Solar project is forecasted to be in service in October 2024, and the second phase is forecasted to be in service in October 2025. The third phase of the Sherco Solar project is currently being evaluated for site permit approval by the Minnesota Public Utilities Commission (PUC). Sherco Solar is expected to provide $350 million in local benefits, including landowner payments, state and local property taxes, and production taxes over its 35-year life. Xcel Energy will build, own and operate the project. When completed in 2026, Sherco Solar will be the fifth-largest solar facility in the country, with 1.8 million solar panels covering 4,500 acres across the three sites.

We will purchase power from the 100-megawatt Apple River Solar project for our Upper Midwest system, as well as from the Fillmore County and Louise solar projects. Located in Polk County, Wisconsin, the Apple River project will be one of the largest solar installations in the state and is expected to come online at the end of 2025.

Many, if not all, solar resources interconnecting to the King gen-tie and Minnesota Energy Connection will be owned by Xcel Energy so we can reuse interconnection rights with MISO at the sites of retiring coal generation.

Colorado
Our 2018 Colorado Energy Plan called for the purchase of nearly 775 megawatts of solar power and 225 megawatts of storage. The 200-megawatt Sun Mountain Solar project in Pueblo County began operating in December 2022. The Neptune Solar Energy Center in Pueblo County (325 megawatts, plus 125 megawatts of storage) and the Thunder Wolf Energy Center in Pueblo County (248 megawatts, plus 100 megawatts of storage) came online in June 2023.

Southwest
In 2023, we proposed three company-owned solar projects with a combined capacity of 418 megawatts (two in in New Mexico and one in Texas) as well as the Cunningham Unit 1 Battery Energy Storage, a 36-megawatt project in New Mexico. The new company-owned solar facilities will be located at Cunningham Generating Station near Hobbs, New Mexico, and Plant X Generating Station near Earth, Texas.

The two solar plants at the Cunningham site would have a combined peak capacity of 268 megawatts, and the Plant X facility would be 150 megawatts under optimal conditions. Placing the facilities at these locations supports the existing workforce and host communities while saving customers money by using existing grid connections. Combined, the facilities would power about 140,000 typical Xcel Energy customer homes on average, with total capacity totaling approximately 280 megawatts. The new solar facilities could be in service between 2026 and 2027.

Integrating Wind and Solar Power

Major growth in our wind and solar capacity has fundamentally changed the way we operate. We've set multiple system records for delivering wind and solar power. During 2023, we recorded several hours in each jurisdiction when wind and solar energy produced 90% or more of our electricity as well as entire days when these resources produced about 80% of our power within these jurisdictions.

We continue to improve system operations and create the ability to reliably increase the use of renewables. Our operational improvements include:

- **Investing in transmission:** We're adding new transmission facilities to reduce congestion, increase regional reliability and create new capacity for delivering more wind and solar energy to customers.

- **Developing energy storage:** Large-scale lithium-ion battery energy storage systems and long-duration storage projects allow us to store excess renewable energy and provide dispatchable capacity during periods when wind and solar generation are low.

- **Using control equipment:** We use set-point controls for wind and solar farms in combination with automatic controls on thermal units, which enables renewable generation to operate at peak levels and reduces fossil fuel generation.

- **Increasing the flexibility of our dispatchable power plant fleet:** Lower-carbon natural gas plants are the primary dispatchable resource for backing up and integrating renewable energy. We've upgraded instrumentation and software and made other improvements, such as negotiating more flexible agreements with natural gas suppliers, that enable us to operate the system more reliably and help manage customer costs.

- **Cycling baseload plants offline and reducing minimum generation levels:** We operate our coal and nuclear units to accommodate more renewable generation, ramping the units down to reduce fuel use and emissions.

- **Adjusting planned maintenance:** We plan transmission and plant maintenance outages to navigate reliability needs and take advantage of times of year when wind and solar production are lowest.

- **Winterizing wind turbines:** All the wind turbines we own across our three regions are outfitted with cold weather turbine packages that support operations down to -22° F (-30° C).

Regional Energy Markets

Larger regional power grid operators and energy markets offer greater flexibility to add more wind and solar power. They can provide renewable resource diversity on neighboring systems and help displace thermal generation with renewables more economically.

- **Colorado:** We continue to explore participation in a larger regional energy market. Along with other energy providers in the state, we joined the Western Energy Imbalance Service (WEIS) Market operated by Southwest Power Pool (SPP), a regional transmission organization covering parts of the central U.S. in early 2023. It's a short- to mid-term move that will provide cost savings to customers and improve operational efficiencies while we evaluate a longer-term, broader market structure to integrate wind and solar energy and maintain system reliability.

- **Southwest:** Our operations in Texas and New Mexico participate in SPP. In spring 2023, we agreed to join Phase 1 of SPP's proposed Markets+ initiative to participate in the service design. Markets+ seeks to expand WEIS by providing a centralized day-ahead and real-time energy market for the West. We expect to decide whether to continue participating after an extensive review of the final design by early 2025.

- **Upper Midwest:** We belong to MISO.

Exceeding Compliance with State Energy Standards and Use of Renewable Energy Credits
Even as state requirements continue to evolve, we remain committed to meeting or surpassing established standards beyond 2030 in the states we serve. We continuously optimize our compliance strategy with increased target requirements based on each state's legislation. All states in which we operate have passed legislation for increased renewable and clean energy standards. Our state's respective renewable portfolio and clean energy standards are:

- **Colorado:** In 2004, Colorado became the first state to enact a renewable energy standard by ballot measure. Since passage, the Colorado renewable energy standard has been amended by the legislature and now requires investor-owned utilities to deliver 30% of retail sales from carbon-free technology by 2020 and beyond.

- **Michigan:** In 2023, Michigan expanded renewable energy requirements substantially and added a clean energy standard. The state requires electricity suppliers to generate 60% of their retail sales from renewable energy sources by 2035 and 100% clean energy sources by 2040.

- **Minnesota:** Recent legislation requires 100% carbon-free electricity by 2040 with interim targets. Minnesota also has a long-standing renewable portfolio standard requiring 55% of energy generation by 2035 to come from renewable energy technologies.

- **New Mexico:** The state requires 100% carbon-free electricity by 2045 with interim targets of 50% by 2030 and 80% by 2040. New Mexico also includes a renewable portfolio standard of 40% by 2025.

- **North Dakota:** There is no renewable portfolio standard requirement in North Dakota.

- **South Dakota:** This state has a 10% voluntary renewable portfolio standard requirement.

- **Texas:** House Bill 1500 was revised to require only a solar renewable portfolio standard requirement by 2025; renewable standards in Texas will terminate after 2025.

- **Wisconsin:** Northern States Power Company has a renewable portfolio standard of 12.89%.

Renewable Energy Credits (RECs) are used as a mechanism to comply with state renewable energy standards. A renewable energy certificate or credit is created for each megawatt hour of generated renewable electricity and is the unit of compliance for state renewable energy standards and some voluntary buyers' sustainability goals. They are tracked in national REC registries, which are approved by our state PUCs.

Our policy is to manage our RECs to best serve customers, comply with renewable and carbon emissions requirements and avoid regulatory penalties for customers. As of July 2021, we stopped initiating the sale of RECs generated from our portfolio, unless it is necessary to avoid such penalties on a state-by-state basis. To help customers achieve their voluntary and incremental sustainability goals and to avoid double counting concerns, RECs may be transferred or retired to Xcel Energy customers through voluntary program offerings, contractual or wholesale contracts. Additionally, we provide a residual mix carbon emission intensity metric by operating system, which excludes RECs we have already retired on behalf of or transferred to certain customers and RECs sold to avoid regulatory penalties. The residual mix carbon emission intensity also reflects energy purchased through any power purchase agreement where we do not purchase the associated REC.

Only parties that own and retire RECs can claim to use renewable energy, according to the Federal Trade Commission. Therefore, we carefully track our REC ownership in compliance with the rules and best practices around renewable energy claims. However, renewable energy that does not have an associated REC can retain its value and be used for compliance with environmental regulations, like greenhouse gas reduction targets. In reporting progress against our carbon reduction goals, our company uses actual carbon emissions from energy provided to our customers, independent of whether there was a REC associated with that energy.

Clean Fuels

Clean fuels not only help us achieve our environmental goals but also present growth opportunities for our business. We're exploring using hydrogen and other clean fuels to provide an alternative to natural gas and to produce electricity, supporting grid reliability as we add renewable energy sources.

Clean Hydrogen Production Demonstration

Our innovative proof-of-concept pilot will show how hydrogen can be produced using carbon-free energy at the Prairie Island Nuclear Plant. The U.S. Department of Energy (DOE) awarded Xcel Energy and its partners, Bloom Energy and Idaho National Laboratory, approximately $10 million for the $12 million project, which will use the plant's electricity and steam to produce hydrogen from water.

A semi-trailer-sized high-temperature steam electrolysis system developed by Bloom Energy will separate the hydrogen and oxygen molecules in water. At full capacity, the pilot will be able to produce about 90 kilograms of hydrogen per day. Scaled up, this carbon-free hydrogen could potentially be used in other industries that would benefit from efficient, local hydrogen production sources.

Heartland Hydrogen Hub

The DOE selected the Heartland Hydrogen Hub (HH2H), including multiple clean hydrogen projects from Xcel Energy, for award negotiations to receive up to $415 million for the company and $925 million total as part of the Hydrogen Hub program under the Infrastructure Investment and Jobs Act. The award will serve as a catalyst for a future hydrogen ecosystem. HH2H is one of seven selected to receive funding nationally. Xcel Energy's scope for the hub plans to produce and use low-carbon hydrogen at commercial scale across our service territories. The hub aims to reduce carbon emissions by more than 1 million metric tons per year, the equivalent of taking 220,000 gas-powered cars off the road.

Hydrogen Blending Studies

We have participated in the National Renewable Energy Laboratory's (NREL) HyBlend Project, which seeks to address technical barriers associated with blending hydrogen in natural gas infrastructure. Phase 2 of this work is kicking off in 2024 and seeks to further research material compatibility of metals and polymers for hydrogen blending. In 2023, we partnered with a global provider of professional project and asset services and completed a high-level study evaluating the feasibility of injecting and blending hydrogen into our existing natural gas system companywide. The Clean Fuels and Gas Operations teams will utilize these results to better focus on targeted locations for future hydrogen blending on the system.

Sustainable Aviation Fuel Hub

Xcel Energy joined Bank of America, Delta Air Lines and Ecolab in establishing the Minnesota Sustainable Aviation Fuel (SAF) Hub. Our role will be to provide clean energy, both carbon-free electricity and carbon-free hydrogen, to sustainable aviation fuel production facilities across Minnesota. SAF is a safe, fully certified jet fuel that can be used in today's aircraft engines and transported via existing pipeline infrastructure. Produced from many sources including renewable feedstocks and used cooking oil, SAF can reduce life cycle carbon emissions of aviation by more than 80%.

Renewable Natural Gas

Renewable natural gas (RNG) is pipeline-compatible gaseous fuel derived from biogenic or other renewable sources that has lower lifecycle carbon dioxide equivalent ("CO2e") emissions than geological natural gas. We have several RNG facilities interconnected to our natural gas system in Colorado and Minnesota, which help build the market for RNG — an important step toward reducing the carbon intensity on our natural gas system.

We have included RNG pilot initiatives in our recently filed Colorado Clean Heat Plan and Minnesota Natural Gas Innovation Act Plan. One project aims to offtake RNG with its environmental attributes — created in part by organic food scraps diverted from landfills — and will use an innovative High Solids Anaerobic Digester technology to capture organics from municipal solid waste feedstock, resulting in the production of RNG from the organics and biochar from the solid digestate. This groundbreaking technology has only been deployed in California. It would also help Minnesota reach its recycling goals of 75% by 2030.

Venture Capital

Through strategic support of venture capital, we stay on the leading edge of new technologies and business applications. New investments include:

- **Energy Impact Partners – Fund III:** established three tracks — Clean Electrons, Clean Molecules and the Built Environment — to complement our clean energy goals. The learnings and exposure to pioneering technology also sets us up for future success.

- **Energize Capital (formerly Energize Ventures) – Growth II Fund:** seeks to provide capital and operational support to growth-stage, climate-solution-focused software companies for critical energy insights.

Xcel Energy continues to be actively engaged in various other funds, which not only strive to focus on technology and business but also diversity, equity and inclusion. Our participation allows us to collaborate with peer companies and gain insights into the business models and technologies of innovative companies. We share diverse, global perspectives, positioning us to successfully manage policy changes in the states we serve.

Rapid Innovation
Our partnerships in venture capital, the Electric Power Research Institute's (EPRI) Incubatenergy Labs and other programs give us the visibility and opportunity to demonstrate leading-edge technology and concepts that support our strategic priorities. Rapid Innovation is our 16-week limited-scope framework that enables business areas to quickly prove the value of new services, hardware and software. Vendors are selected for the demonstration only. Examples include:

- **Noteworthy AI:** Analogous to our use of drone-captured imagery and AI to inspect transmission lines, Distribution Operations demonstrated Noteworthy AI's ability to identify and prioritize defects found on poles, pole-mounted assets and conductors by applying AI to images captured by vehicle-mounted high-resolution cameras. Thus far, over 56,700 images were captured identifying more than 21,000 poles and nearly 46,500 assets. As this demonstration winds down, additional analysis will determine how the concept of passive pole and asset inspection may improve as well as extend further for distribution operations.

- **Virtual reality (VR) training*:** In mid-2024, our Learning Solutions team will begin a VR demonstration to train operators of solar generation facilities and wind turbines. Using FacilitateTech's VR creation suite, we will deploy a limited-scope, state-of-the-art training program focused on safety hazard awareness. This demonstration will compare operator feedback and knowledge retention between VR and traditional training programs, thus informing how to further utilize and improve VR content creation and the overall training methodology.

- **Acoustic wind turbine blade monitoring*:** Our Wind Generation team will demonstrate real-time acoustic monitoring from the Mistras Group on two wind turbines at the Hale Wind Farm in Texas. The Sensoria system continuously "listens" for resonance variances as the blades spin and aims to identify cracks, delaminations, ruptures, perforations, impacts and lightning strikes. Early defect detection can significantly reduce repair costs and downtime while improving output and worker safety. Proving this concept will inform Xcel Energy how this low-cost capability may benefit its entire fleet of wind generation.

*Demonstration project development in progress.

Electric Power Research Institute

Through our long-time membership with the EPRI, we gain insights into the challenges and opportunities associated with advanced clean energy and emission-reduction technologies. These include:

- Electric system resiliency, climate scenario analysis and greenhouse gas reduction goals.

- Emerging technologies that will provide firm, dispatchable and reliable electricity to support our 2050 goal.

- Renewables integration, electric vehicles, combined heat and power, customer demand response and energy efficiency.

- Informing regulators and customers on the technical and economic opportunities and challenges of new grid technologies, such as energy storage and distributed generation.

In this collaborative research environment, we engage with other organizations that are developing and evaluating new products to optimize and analyze distributed energy resources on the power grid. Xcel Energy participates in the Low-Carbon Resources Initiative led by EPRI and GTI Energy. It's a five-year research and development commitment to advance low-carbon fuels production and use at large-scale deployments by the electric and gas utility sectors. The goal is to create risk-informed understanding of options and technologies for 2030 and beyond through global partnerships and demonstrations, applied engineering developments and technology acceleration of the most promising options.

NOTEWORTHY

Long-Duration Energy Storage
We are partnering with Form Energy and Argonne National Laboratory to deploy long-duration energy storage technology that will be connected to the transmission grid. Form Energy's iron-air battery can provide continuous power for 100 hours. Sourced from the abundant material, iron and the oxygen in the air, Form Energy's technology will help store electricity from renewable generators that would otherwise be curtailed, which will be returned to the grid when renewable resources drop off for multiple days at time.

The technology stands apart from many other battery technologies because it was purpose-built from analysis that showed the value of a low-cost battery that could provide multiple days of reliable power. This project will deploy up to two 10-megawatt batteries with 100 hours of dispatchable storage at retiring coal plants in Minnesota and Colorado. Grant awards commitments from Breakthrough Energy Catalyst and the DOE will support the project.

Beneficial Electrification and Clean Heat

Xcel Energy operates in challenging climates and geographies, and our territory provides ideal conditions to demonstrate how heat-pump technology performs in extreme conditions in our customers' homes. We participate in several federal programs to assess and advance the performance and potential of heat pumps.

- We are partnering with NREL to study the real-world effectiveness of cold climate heat pumps at high altitude. The first phase of the study is complete. This partnership includes laboratory testing, high mountain field testing and customer sited single family home field tests. This near-real-world impact study will thoroughly test heat pump operation in our harshest climate conditions.

- We are on the advisory board of a DOE-funded study on advanced controls for cold-climate heat pumps in dual fuel applications.

- We are participating in the DOE Cold-Climate Heat Pump Challenge to manufacturers. This work seeks to extend the capability of heat pumps by addressing changes in refrigerant requirements and establishing lower operating temperatures in two segments, below 5° F and below -15° F, temperatures routinely experienced in our service territories.

- We are on the advisory committee for a DOE study of hybrid heat pump controls. The research project is testing and monitoring advanced control strategies to optimize dual-fuel heat pump controls and validate efficiency, demand reduction and emission reduction benefits.

LEARN MORE

- **Environmental Policy**
- **Environmental Justice Position Statement**
- **Form 10-K**
- **Annual Nuclear Waste Management Report**
- **Coal Ash Management**
- **Leading the Clean Energy Transition Brief**
- **Affordable, Safe and Reliable Energy Brief**
- **Community Relations and Economic Development Brief**
- **Renewable Energy and Innovation Brief**

Environmental Management

Through our clean energy leadership and commitment to being responsible environmental stewards, we strive to protect the air, water and land while delivering reliable, low-cost electricity and natural gas.

Through a well-established corporate policy, a sound environmental management system and continuous improvement, we are focused on compliance with standards and minimizing pollution. We are responsibly managing and minimizing our environmental impact throughout our operations. This includes reducing consumption, using water efficiently, avoiding waste generation, recycling and other practices that support a circular economy.

Governance

The Operations, Nuclear, Environmental and Safety (ONES) Committee of the board of directors oversees all operational aspects, which includes annually reviewing the company's environmental strategy, compliance performance and initiatives, including water resource strategy and compliance, and waste management. Within the company, the chief operations officer is responsible for environmental performance, compliance and reporting, and the chief sustainability officer is responsible for environmental strategy and policy. Both report to the CEO and belong to the executive committee. The senior vice president of Energy Supply, who reports to the chief operations officer, is responsible for the company's water resource strategy and compliance under oversight of the chief operations officer.

Environmental Management System

Our environmental management system (EMS) promotes excellence, continuous improvement and compliance with applicable requirements. Although we have not pursued formal certification under ISO 14001 (a global standard for EMS), our system incorporates its nine elements: policies, responsibilities, environmental interaction, impacts, compliance, objectives and targets, monitoring and measurement, performance review and continuous improvement. Our management system applies to all business operations that have environmental considerations and provides:

Oversight

- Board of directors — ONES Committee
- Chairman, president and CEO
- Executive committee
- Energy and Environmental Policy department
- Environmental Services department

Risk analysis

- Goals and performance indicators at corporate and operating levels
- Multidisciplinary teams for developing new compliance programs
- Environmental audit program
- Regular risk assessments

Policies and procedures

- Corporate environmental policy
- Formal, documented processes, procedures and standards
- Routine monitoring of new, evolving regulatory activity

Monitoring

- Centralized and automated compliance tracking system using real-time data
- Monthly performance reporting
- Routine facility audits

Follow-up for compliance gaps

- Tracking for corrective action and internal audit findings
- Event learning assessments
- Sharing lessons learned and fleet best management practices

Training and communication

- New employee orientation
- Site- and topic-specific employee training and tracking
- Updates and information communicated through internal channels
- Human performance policy and action

Environmental Reductions (2005-2023)

Carbon Dioxide 54%

Water* 27%

Coal Ash 58%

Particulate Matter 77%

Lead 79%

Nitrogen Oxides 85%

Sulfur Dioxide 83%

Mercury 93%

*Reductions in water consumption are from owned and purchased electricity that serves our customers. All other reductions are from owned generating plants.

Energy and Environmental Policy

Our Energy and Environmental Policy department lays the foundation for the company's approach to reducing waste and supporting biodiversity while minimizing our impact on air, water and land and setting ambitious clean energy and carbon reduction goals. It covers all environmental media communications and sets expectations that align with our business practices.

Through our duty to provide customers with low-cost, reliable energy, we balance our commitment to achieving environmental excellence and leadership. We work to conduct our operations in an environmentally responsible and compliant manner by:

- Monitoring and minimizing environmental impacts.
- Ensuring compliance with new and revised environmental regulations.
- Meeting regulatory requirements and investing in environmentally sound technologies.
- Evaluating costs and benefits to inform adoption of pollution prevention measures in operations and resource planning.
- Minimizing corporate risk and liability arising from environmental issues.
- Performing environmental due diligence before beginning a new project or real estate transaction.
- Engaging with stakeholders to address environmental issues.
- Training and empowering employees to take responsibility for protecting the environment and environmental activities related to their jobs.

When making decisions, we consider opportunities to reduce emissions, eliminate waste and conserve or protect resources, often participating in environmental research, stewardship projects and community partnerships.

We have more than 50 policies, procedures and guidance documents that support our ongoing performance and foster environmental excellence, which all Xcel Energy employees, contractors and vendors are expected to follow.

Environmental Justice
As an energy provider, we are positioned to advance environmental justice and clean energy equity in our communities. Our **Environmental Justice Position Statement** commits us to consider clean energy equity in our strategic energy, climate and environmental initiatives and outlines key objectives, such as ensuring disadvantaged communities have the opportunity to participate in energy and climate decisions that impact them.

The following initiatives touch several areas of our business, including employment and sourcing, construction planning and permitting, giving and volunteering, product and program design, public policy and community involvement at all levels of government:

- Continuous improvement in environmental performance, improving air quality and reducing water use and waste.
- Striving to ensure equitable allocation of both costs and opportunities from our expanding carbon-free energy system.
- Making clean energy options and services available to all of our customers.
- Viewing energy affordability, reliability and resiliency as critical to the well-being of the communities we serve, especially to vulnerable people.
- Developing partnerships in disproportionately impacted communities near our facilities.
- Supporting the continued vitality of places affected by the transition away from coal.
- Encouraging inclusion and participation by making outreach events easier for anyone to access — considering location, multiple language support, timing, the needs of parents and disabled people, how events are publicized and other factors.

An example of our work to advance equity and environmental justice is the Equity Stakeholder Advisory Group (ESAG), which consists of over 30 Black, Indigenous and people of color (BIPOC) community-based organizations, low-income advocates, public agencies and other equity stakeholders working to center equity in the design of a broad range of energy programs. ESAG has focused on reducing energy burden for low-income customers, broadening access to energy efficiency, equitable access to renewable energy and energy workforce diversification. A key emphasis has been broadening participation and providing new ways for disadvantaged communities to influence energy decisions that impact them.

The first formal ESAG outcome, a regulatory filing proposing an automated bill credit program in high energy-burden census areas, was filed with the Minnesota Public Utilities Commission (PUC) in the spring of 2024. Our work with ESAG is transitioning into the convening of a smaller Environmental Justice Accountability Board. Since convening in the fall of 2022, we continue to meet monthly.

An Equitable Energy Future

To address environmental injustices that disproportionately impact communities of color and low-income neighborhoods in Minneapolis, Minnesota, we partner with Sabathani Community Center through initiatives like the Resilient Minneapolis Project (RMP) and active participation in ESAG.

The RMP is instrumental in enhancing community-level resilience and ensuring uninterrupted access to critical services during natural disasters across three locations. Our engagement with ESAG has also facilitated meaningful conversations and actionable steps toward promoting equitable access to energy efficiency and renewable energy programs.

In addition to these initiatives, we have also supported Sabathani Energy Day, a career fair and celebration that engages the community and paves the way for accessible, livable wage careers and sustainable energy solutions, and Sabathani's Environmental Sustainability Academy, which equips community youth with the skills and knowledge needed for successful careers in renewable energy.

"Xcel Energy's support extends beyond advocacy and dialogue," said Sabathani communications coordinator Justin Leaf. "They have demonstrated a commitment to improving resilience and reducing energy burdens for BIPOC communities. Sabathani is proud to partner with Xcel Energy in creating a more sustainable and equitable future for all."

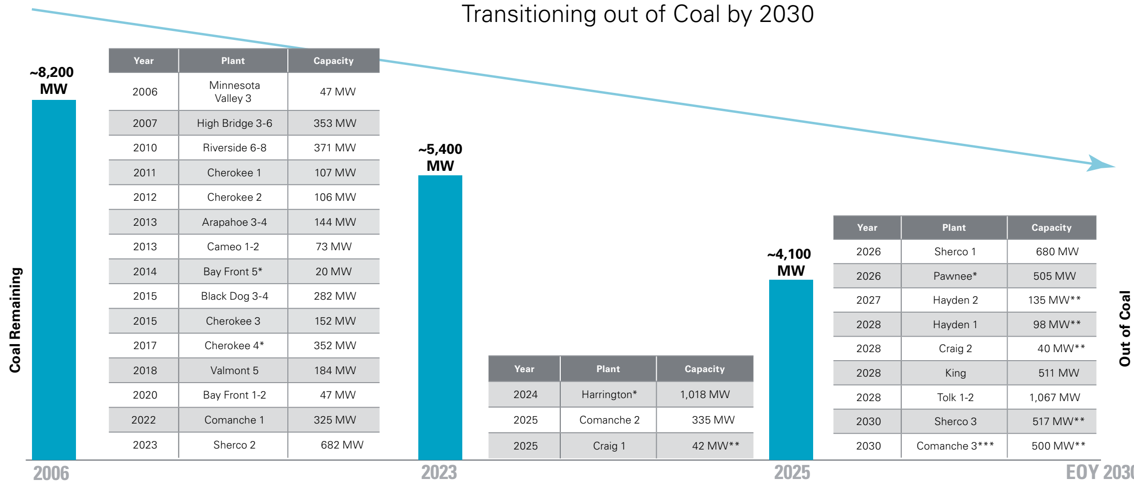
Reducing Air Emissions

We plan to retire or repower all remaining coal-fueled plants by the end of 2030.

- We retired Sherco 2, one of three coal units at the Sherburne County (Sherco) Generating Plant in Minnesota, at the end of 2023. Construction is underway for Sherco Solar, which will be the largest solar facility in the Midwest.
- In 2024, we will convert the coal-fueled Harrington Generating Station northeast of Amarillo, Texas, to operate on natural gas.
- In 2025, we will shut down Unit 2 at Comanche Station in Pueblo, Colorado; we retired Comanche Unit 1 in 2022. Comanche Unit 3 will retire by the end of 2030.

Coal Capacity — Xcel Energy System

Transitioning out of Coal by 2030



Year	Plant	Capacity
2006	Minnesota Valley 3	47 MW
2007	High Bridge 3-6	353 MW
2010	Riverside 6-8	371 MW
2011	Cherokee 1	107 MW
2012	Cherokee 2	106 MW
2013	Arapahoe 3-4	144 MW
2013	Cameo 1-2	73 MW
2014	Bay Front 5*	20 MW
2015	Black Dog 3-4	282 MW
2015	Cherokee 3	152 MW
2017	Cherokee 4*	352 MW
2018	Valmont 5	184 MW
2020	Bay Front 1-2	47 MW
2022	Comanche 1	325 MW
2023	Sherco 2	682 MW

Year	Plant	Capacity
2024	Harrington*	1,018 MW
2025	Comanche 2	335 MW
2025	Craig 1	42 MW**

Year	Plant	Capacity
2026	Sherco 1	680 MW
2026	Pawnee*	505 MW
2027	Hayden 2	135 MW**
2028	Hayden 1	98 MW**
2028	Craig 2	40 MW**
2028	King	511 MW
2028	Tolk 1-2	1,067 MW
2030	Sherco 3	517 MW**
2030	Comanche 3***	500 MW**

*Converted to natural gas.
**Based on Xcel Energy's ownership interest.
***Comanche 3 was added to the system in 2010 and is not reflected in 2006 coal remaining.

As we transition our operations away from coal, we are lowering or eliminating air emissions, reducing carbon dioxide emissions, cutting waste and reducing water consumption. Communities near coal plants see significant environmental benefits from early retirements. We have reduced emissions and waste in those communities, as shown below.

Community Emissions Reductions from Retired Coal Operations from 2005 Levels (values rounded to the nearest 0.1%)

	Sulfur Dioxide	Nitrogen Oxides	Mercury	Particulate Matter	Coal Ash
Arapahoe Station: South Denver	100%	100%	100%	100%	100%
Cherokee Station: North Washington Neighborhood in Denver	99.9%	96.9%	100%	77.4%	100%
High Bridge Station: West Seventh Neighborhood in St. Paul	99.8%	97.9%	100%	98.4%	100%
Riverside Station: Marshall Terrace Neighborhood in Minneapolis	100%	98.8%	100%	98.5%	100%

Monitoring and Managing Water Risks

A dependable water supply is critical to running a fleet of dispatchable power plants — those available 24/7, such as thermal, nuclear and hydroelectric plants. We need this “always available” power supply in conjunction with variable renewable energy as part of a reliable power grid.

Xcel Energy operates in different climatic and hydrologic regions, requiring a multifaceted approach to risk mitigation.

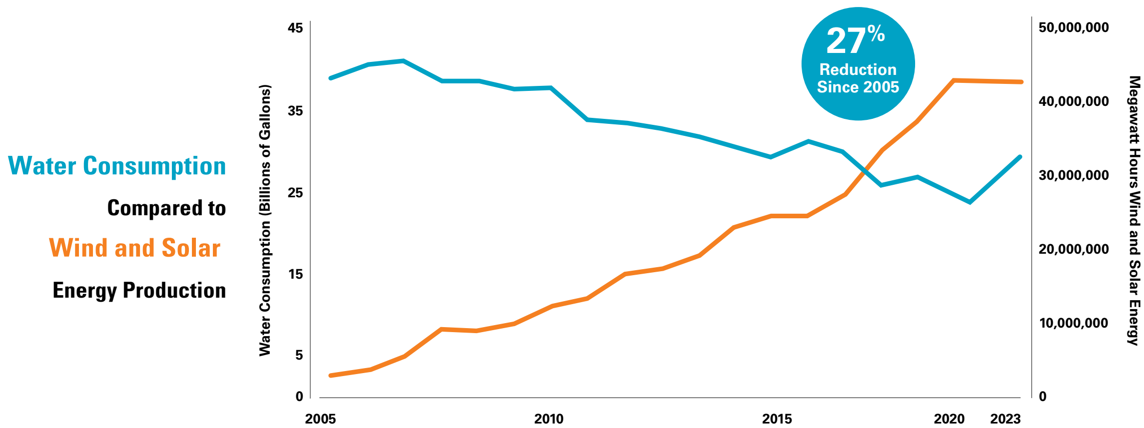
- By using sophisticated hydrologic and statistical modeling tools, we evaluate the impact of future climate change on water supplies.
- In each region, we consider the appropriate cooling technology, water or wastewater treatment options as well as the needs of other water users and stakeholders.
- We review the historic record and generation forecasts for plants that use water to assess supply vulnerability and develop strategies.
- To mitigate the impact of drought, we own a diverse portfolio of complementary water rights and supplies, such as reservoir storage, groundwater rights, reusable effluent and direct flow.

For contracted water, we're releasing it back to the owner or water authority for other uses, decreasing the water utility's need to further develop water resources to support regional growth. We engage with other water users and stakeholders to create mutually beneficial partnerships and innovative agreements to leverage water supply benefits for all participants. These agreements include:

- Under a long-standing agreement on Colorado River water, we reduce generation at our Shoshone hydroelectric plant during severe drought, which allows Denver Water and others to refill their reservoirs.
- In very dry years, Colorado farmers will let parcels of land go fallow if they lack the water supply to produce marketable crops. Under an interruptible water supply agreement, we buy limited quantities of their allocations to use in our plants. This helps farmers whose revenues are impacted by drought without jeopardizing their existing water rights, while supplying water needed to maintain reliable generation through this period. We were the first to establish this long-standing agreement, which is adopted in the state's Colorado Water Plan as a tool to promote resiliency.
- Tolk Generating Station in Texas relies on groundwater from the Ogallala Aquifer. We are planning to retire the plant by the end of 2028, which will help preserve nonrenewable groundwater in the region for use by agriculture and municipal users, both critical sectors of the regional economy.
- We participate in the Minnesota Sustainable Growth Coalition, a business-led partnership that promotes a circular economy. The coalition focuses on energy, water and waste issues to use resources efficiently.
- A renegotiated water contract for Rocky Mountain Energy Center will return 2,000 acre-feet currently leased from the City of Aurora in Colorado, saving us an estimated $100 million over the remaining plant life and securing water supply for the plant until 2050. Aurora expects similar benefits in avoided water purchases, opportunities to continue to support local agricultural operations, avoided or delayed infrastructure improvements, and increased system reliability for their customers.

Our water goal, which is linked to our **clean energy transition** and increased **wind and solar generation**, is to reduce consumption from the electricity provided to customers by 70% by 2030 from 2005 levels. As we retire coal operations, we're retaining existing, owned water rights to support future uses and technologies, which could potentially include advanced nuclear, geothermal, hydrogen and pumped storage.

Water Consumption Reduction (2005-2023)*



*Based on volume and owned and purchased electricity.

NOTEWORTHY

Advancing Colorado's Water Security

In December 2023, the Colorado River Water Conservation District made a deal with Xcel Energy to purchase the Shoshone water rights, one of the oldest and largest nonconsumptive rights on the Colorado River, for $98.5 million. This agreement is considered one of the most significant water rights changes in Colorado's history. It will help provide permanent protection of the most senior, nonconsumptive water right on the Colorado River, a project with a 20-year history of support from 19 western Colorado governments and water entities.

In addition to preserving the water rights that flow through our Shoshone Hydro Plant turbines on the Colorado River, this agreement allows us to continue generating clean electricity for the 1.6 million electric customers and communities we serve statewide while also supporting the local economy of the Western Slope with good jobs and tax revenue. On top of the sale, we provided nearly $66,000 in shareholder funded grants for water and riparian projects in the area.

Managing Water Supply and Discharges

Thermal Operations in Colorado, New Mexico and Texas

Our thermal plants in Colorado, New Mexico and Texas use closed-loop cooling, which minimizes freshwater withdrawals by recirculating water — up to 25 times at some plants. Many are zero-discharge facilities where no process water leaves the site. Advanced water treatment technologies separate waste for disposal while returning most processed water to the plant, reducing reliance on other supplies.

We operate six major thermal power plants in Colorado, including four zero-discharge facilities. Other plants that discharge to nearby waterways follow all state and federal environmental regulations, as outlined in their individual permits. Of seven major thermal power plants in New Mexico and Texas, six do not discharge water directly.

Every year, we update strategic water resource plans for Colorado, New Mexico and Texas to reflect local climate and hydrologic conditions, forecasted demand for electricity and water, and available supplies. Among the tools we use:

- Advanced multivariate generation demand forecasting and resulting water demand forecasts.
- Snowpack and water yield modeling to support stochastic water supply forecasts.
- Advanced groundwater modeling predicting both water yield and long-term water supply availability for plants supplied by groundwater derived from the Ogallala Aquifer.

Xcel Energy and water suppliers have improved supplies and adopted drought response plans to ensure they meet their municipal and industrial obligations. We have partnered with municipalities and farmers to pioneer interruptible water supply agreements, activated by disruptive events like severe drought or major forest fires. Under these agreements, our water supplies are augmented, offsetting reductions that may occur elsewhere in the system and reducing the risk to reliable generation.

Our Water Resources staff is active in state water planning in Colorado and Texas. Our Cherokee plant in Colorado and Jones, Nichols and Harrington plants in Texas use treated municipal effluent for cooling, a highly reliable water supply in arid regions. The practice helps preserve billions of gallons of freshwater and minimizes competition between the needs of power plants and other water users.

Thermal and Nuclear Operations in the Upper Midwest
In the Upper Midwest, all but one of our nuclear and thermal plants use open-loop or once-through cooling, which continuously withdraws water from nearby rivers and then returns it to serve other users. Although water withdrawals are higher with open-loop cooling, consumption is lower; our plants return about 99% of the water they withdraw. The exception is Sherco, which uses closed-loop cooling.

The plants follow the requirements of state water appropriation and federal Clean Water Act wastewater discharge permits, designed to meet the federal government's goals for maintaining swimmable and fishable waterbodies. We treat, monitor and analyze the water to ensure facilities meet discharge requirements and report monitoring data monthly to state agencies.

For statewide percentage of water consumption/use by sector, see the following:

- **Colorado**
- **Minnesota**
- **New Mexico**
- **Texas**

Water Leak at Monticello Plant
Xcel Energy took action to contain a tritiated water leak at the Monticello Nuclear Generating Plant in November 2022. State and federal regulators and public health officials confirmed the leak posed no health and safety risk to plant employees, residents or the environment. The plant was powered down in March 2023 to complete permanent repairs of the leak and was returned to service within a few weeks.

The on-site groundwater monitoring system detected low levels of radioactive tritium. Tritium levels were below Nuclear Regulatory Commission safety thresholds and potential contamination was contained to the plant site. We identified the source of the leak to an underground pipe between two buildings. Initially, we put in a system to capture water from the leaking pipe and reroute it back into the plant for reuse. When our leak monitoring indicated the system was no longer fully capturing the leak, we opted to power down the plant for permanent repairs rather than waiting for a regularly scheduled refueling outage.

Piping at the plant has been inspected and the section of pipe that leaked is being examined in a lab to understand the leak's root cause. We constructed new monitoring and recovery wells, increased the frequency of measurements and will continue to partner with local officials and groundwater specialists. We continue pumping tritium-impacted groundwater so that it can be stored and reused onsite. As of May 2024, we have pumped nearly 8 million gallons of groundwater and have recovered a majority of the estimated 14 curies of tritium released. Regular sampling of monitoring wells confirms there are no identified releases to the neighboring Mississippi River as of May 2023.

Hydroelectric Operations
We operate 26 hydroelectric plants — six in Colorado, one in Minnesota and 19 in Wisconsin — with capacity to power more than 308,000 homes. The only water loss from hydro plants occurs through natural evaporation. Our sites range from secluded scenic areas to urban recreation areas. We work with environmental and wildlife agencies to monitor water quality, protect aquatic life, ensure minimum stream flow, prevent erosion and control invasive plants. Our hydroelectric plants operate on the following waterways:

Colorado	Minnesota	Wisconsin
Animas River and tributaries Colorado River Lower Clear Creek San Miguel River and tributaries South Clear Creek South Fork Arkansas River	Mississippi River	Apple River Chippewa River Flambeau River Montreal River Namekagon River Red Cedar River St. Croix River White River

Water Use Reporting

We compile water usage data using flow meters, flumes with recording devices and other data collection and telemetry technologies and provide information to regulators to show compliance with water court decrees and permits, using it for our planning and modeling.

- The United Nations Water Supply Stress Index rates a watershed “stressed” when demand exceeds 40% of available supply. Colorado, New Mexico and West Texas are considered water-stressed regions.

- Much of the water used for cooling in our arid regions is of impaired quality, even if withdrawn from surface water sources.

- Treated municipal effluent from Lubbock and Amarillo, which serves several Texas plants, also exceeds this threshold.

2023 Water Use by Source at Xcel Energy-Owned Thermal Plants (megaliters)

Source	Withdrawn	Consumed	Discharged
Arkansas River Basin	10,005	8,024	1,981
South Platte River Basin*	19,088	17,751	1,337
Yampa River Basin	4,919	4,919	0
Colorado Total (water-stressed region)	34,012	30,694	3,318
Ogallala Aquifer	12,158	11,051	1,108
Treated Municipal Effluent (Lubbock, Amarillo)	15,338	12,176	3,163
Southwest Total (water-stressed region)	27,497	23,226	4,270
Lake Superior	39,296	0	39,296
Minnesota River	111,344	0	111,344
Mississippi River	1,687,620	20,085	1,667,534
St. Croix River	257,688	0	257,688
Upper Midwest Total**	2,095,948	20,085	2,075,863
TOTAL	**2,157,457**	**74,006**	**2,083,451**

*Includes trans-basin diversions.

**Does not include groundwater from these locations.

Investment Recovery: Pursuing Sustainability through Reuse, Resale and Recycling

Our Investment Recovery group optimizes outcomes for surplus equipment and salvages materials through reuse, resale and recycling, working closely with facility and project management to find productive outlets for materials with a secondary value. This provides environmental benefit and cost savings.

Reuse is at the top of the surplus equipment and materials management hierarchy. Some items, like vehicles, have been resold for years, but other markets are expanding as Xcel Energy and other sellers look to monetize items we no longer need and buyers seek workarounds for supply chain issues.

In 2023, we recovered approximately $16 million through sales of surplus/retired equipment and recyclable materials, helping to offset operating costs and benefiting customers and the environment. Highlights include:

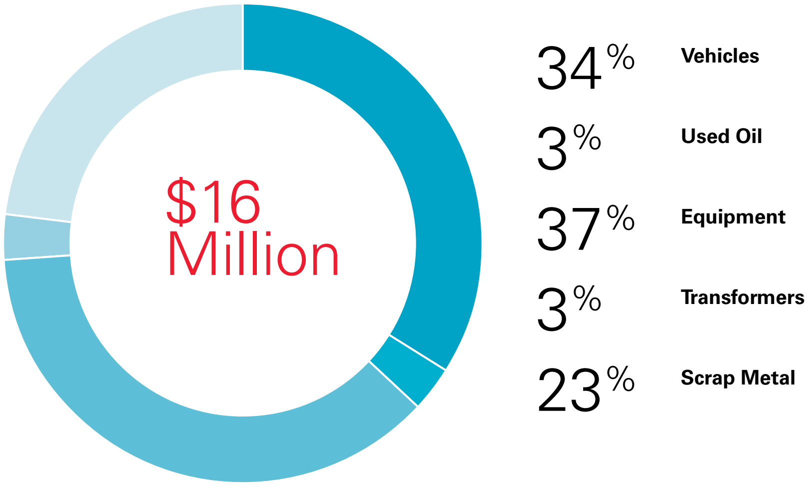
- **Fleet vehicle sales:** Nearly 450 retired cars, trucks, trailers and heavy equipment sold for continued use.

- **Surplus and obsolete equipment and parts sales:** 276 discreet sales of assorted items, such as welding machines, tools, transformers and computers.

- **Minnesota Valley Plant demolition:** This 1930s era coal-fired generation plant was demolished by implosion in October 2022, with on-site material removal activities completed in May 2023. We recycled more than 9 tons of metal and 4 tons of brick, which will be reused as base material for outbuilding pads and residential driveways. The value recovered from recycled material offset demolition costs by more than 10%.

- **Advanced Grid initiative:** As we continue our multiyear upgrade to smart meters, we developed guidelines to properly dispose of hazardous components from 1.9 million old meters and manage recyclable material. The project kicked off in Colorado in 2020. Batteries, mercury-filled devices and other nonrecyclable materials were processed by waste vendors, according to our company's requirements. To date, 3,200 tons of material have been recycled from this project.

2023 Sales of Surplus and Recyclable Materials by Commodity



Material Recycling

We select vendors to recycle materials through a competitive bid process. Before we contract, we investigate how each material will be managed and evaluate whether the vendor is qualified and understands their responsibilities for following all applicable environmental regulations.

Some recyclable wastes, such as oil or batteries, can have adverse environmental impacts if mismanaged. To help prevent this, vendors for these recyclables are reviewed under the same approved vendor program we use for waste disposal.

Waste Recycling Summary (tons)

	2021	2022	2023
Batteries[1]	73	106	197
Electronics/Circuit Boards	31	93	136
Glass	NR	NR	113
Lamps	11	12	11
Paper/Cardboard	17	11	185
Plastic[2]	NR	219	372
Mercury	NR	NR	0.3
Metal Recycling	18,907	18,551	21,120
Used Oil[3]	3,771	5,287	3,681
TOTAL	**22,810**	**24,279**	**25,815**

Notes:
[1] Primarily lead acid batteries recycled for reclaiming lead; includes rechargeable and non-rechargeable Li or NiCad batteries.
[2] In 2021, due to the lack of viable recycling opportunities, the scrap plastic pipe we generated went to the landfill for disposal.
[3] Only includes used oil and mineral oil with no polychlorinated biphenyls (PCBs) (<2 ppm).

Coal Ash Management

Coal-fueled power plants produce coal combustion residuals or byproducts, commonly known as coal ash. Over the next several years, all production of coal ash will wind down as we retire remaining coal operations by the end of 2030. Since 2005, we have reduced coal ash production 58%. In 2023, 26% of coal produced was beneficially reused.

Coal Ash Production and Reuse
We try to reuse coal ash for beneficial purposes to save natural resources. In 2023, just over one-quarter of the coal ash we produced was reused for engineered fill material, concrete, roofing shingles and other uses — including 100% of the ash from two plants in Texas. When we sell coal ash to third parties, their intended reuse must meet product and safety specifications and be consistent with the Environmental Protection Agency's (EPA) definition of beneficial use. Our contracts allow only encapsulated beneficial use or unencapsulated beneficial use in quantities less than 12,400 tons for non-roadway applications.

As we replace older coal-fired power plants with cleaner generation sources, we produce less coal ash. At our remaining coal plants, emission controls such as scrubbers and activated carbon for controlling mercury emissions, have changed the ash composition and made it potentially less marketable. We continue to explore beneficial uses that are economically productive and protect of the environment.

Coal Ash Summary (estimated tons)

	2021		2022		2023	
	Produced	Reused	Produced	Reused	Produced	Reused
Colorado	642,540	64,847	617,935	79,459	614,093	77,897
Texas	129,101	129,101	151,550	151,550	205,404	205,404
Upper Midwest	456,407	19,451	474,512	86,325	329,789	21,118
TOTAL	**1,228,048**	**213,399**	**1,243,997**	**317,334**	**1,149,286**	**304,419**

Company-Operated Coal Ash Facilities and Meeting the Coal Combustion Residuals Rule
Coal ash produced at our generating plants is either beneficially reused, stored or disposed of at permitted third-party landfills or at company-operated coal ash facilities. Xcel Energy follows the EPA's Coal Combustion Residuals Rule (CCR Rule), which sets standards for design, operation and closure of coal ash landfills and surface impoundments. We also meet state requirements for construction standards and operational requirements for coal ash storage and disposal. The CCR Rule includes a protocol for monitoring and protecting groundwater around coal ash facilities. Xcel Energy CCR landfills and impoundments are also subject to design and operational requirements specified in state regulations.

We currently operate eight active coal ash storage or disposal facilities, including two impoundments and a landfill at Sherco in Minnesota and five landfills in Colorado, including two at Pawnee Generating Station and one each at Comanche, Hayden and Valmont stations. The landfill at the Valmont property is no longer in use. In addition, we are in the process of closing two impoundments, one at Sherco and the other at Comanche. In recent years, we have closed more than half our active impoundments and removed coal ash from 15 inactive impoundments at our power plant sites.

As of year-end 2023, our groundwater monitoring program indicates exceedances of groundwater protection standards at Cherokee, Comanche, Hayden, Pawnee and Valmont stations in Colorado. Investigation and/or corrective action under the federal CCR program related to these groundwater impacts are underway. However, we completed a study in accordance with EPA requirements that suggests the source of cobalt exceedances in the groundwater at Hayden Station originates from sources not associated with coal ash management.

Under State of Colorado requirements, at Hayden Station we've implemented corrective measures comprised of a systematic study of site conditions to assess the nature and extent of a contaminated site with the intent of developing a remedy that can be executed to eliminate the contamination so that groundwater protection standards are met within a reasonable time. CCR Rule requires we continue monitoring groundwater and take corrective measures for these locations. Exceeding a groundwater protection standard does not mean there's an environmental or public safety concern, only that further evaluation is warranted.

We're working closely with the EPA on the groundwater investigation and possible solutions at Cherokee, Comanche, Pawnee and Valmont. This includes continued implementation of a cooperative consent agreement that was reached with the EPA in 2022 for Comanche. In 2023, we hosted public meetings to discuss possible corrective actions at Comanche, Pawnee and Valmont and expect to implement corrective measures at all three locations in 2024. We also expect to host public meetings to discuss potential corrective actions at Cherokee in 2024.

Through our Valmont Beneficial Reuse project, we plan to permanently close most cells of the Valmont Station landfill by removing coal ash for beneficial use. Our contractor will set up operations to excavate and process a high percentage of the coal ash from the landfill for processing and sale into the local ready-mix concrete market.

At Sherco, which is a zero-discharge facility, we operate three active CCR units regulated by the CCR rule, including an 18-acre bottom ash pond built in 2020 with a composite liner to meet EPA and State of Minnesota design requirements. We also operate a 100-acre impoundment where coal ash is managed in a wet condition. This was assigned the EPA's highest rating of Satisfactory by EPA contractor Lockheed Martin in 2009. A lined landfill on plant property is used to manage the coal ash generated from the plant in a dry condition. When these CCR units are closed, they will be capped with an engineered, protective cover system. These CCR units were constructed so that liquids can be removed after the final cap has been installed. The active impoundments at Sherco are classified as significant hazard surface impoundments per the Federal Guidelines for Dam Safety.

Waste-to-Energy Plants

We operate three waste-to-energy plants and one biomass plant in the Upper Midwest. The waste-to-energy plants are part of a public-private partnership to increase recycling and reduce the volume of household trash that ends up in landfills and provide a reliable source of baseload power that contributes to our ability to provide reliable renewable energy to customers. The plants divert municipal waste from landfills and prevent or delay the construction of new landfill cells in addition to generating electricity. In particular, the waste-to-energy process provides an approximately 80% reduction in the volume of material being landfilled.

These facilities improve the recovery of ferrous and nonferrous metals for recycling, contributing to the circular economy and reducing demand on new materials. They also can reduce greenhouse emissions through combusting waste, which produces carbon dioxide instead of the methane released by landfills. We are working to reduce emissions during the waste combustion process. How it works:

- Municipal trash is sorted at resource recovery facilities, removing recyclable and noncombustible materials.
- The rest is converted into a fluffy combustible material called refuse-derived fuel (RDF).
- RDF is burned at the power plants, which can produce 52 megawatts of power.
- In Minnesota, the plants help meet the state's goal of reducing waste otherwise destined for landfills by about 80% in the Twin Cities.
- Remaining ash from the process is disposed of in lined landfills under permit from state regulatory authorities.

Waste-to-Energy Plant Fuel Consumption and Waste Reduction (estimated tons)

Plant	2021	2022	2023
RDF Consumed	489,745	503,946	524,879
Ash Generation	103,862	114,711	120,572
Total Waste Diverted from Landfills	**79%**	**77%**	**77%**

Our company also operates the Bay Front Generating Station in Ashland, Wisconsin, which primarily uses biomass fuel such as waste wood to generate electricity. This facility utilizes natural gas as backup fuel.

Biomass Fuel and Ash Summary (estimated tons)

Plant	2021	2022	2023
Fuel Consumed	253,364	240,866	232,408
Ash Generation	9,617	8,746	7,769

Sustainable Waste Management

Since 1980, the city of Red Wing, Minnesota, has been on the forefront of progressive and sustainable waste management. From building one of the first mass burn waste-to-energy facilities in North America to offering one of the first residential curbside recyclable collection programs in the country, it has taken the steps to do better with waste. Red Wing discontinued its waste-to-energy operations and in 2013 began its solid waste partnership with Xcel Energy by signing a multiyear agreement to deliver RDF to our local steam plant.

"Locally available disposal capacity using resource recovery is a critical aspect of reducing carbon emissions from waste transport and the generation of methane from landfills," said Jeff Schneider, deputy director of Public Works Solid Waste & Recycling Division for the City of Red Wing.

In 2017, we awarded Red Wing a $1,995,000 grant from our Renewable Fuel Development fund, which was part of an extensive capital investment made by Red Wing to improve and enhance the city's ability to recover recyclable materials from the waste stream, utilize waste as a renewable energy and abate the need for land disposal. Since partnering with us, Red Wing has recycled and diverted almost 200,000 tons of waste from landfills.

Other Operational Wastes

At power plants, in service centers and substations or with field crews, we strive to follow best practices to manage waste. This begins by preventing the generation of waste, where feasible, and continually improving our processes for responsible management and disposal of the waste we generate. We also promote the safe use and storage of products. Our employees and contractors are trained in safe and responsible practices. When waste must be disposed of, we do so through responsible means, using vetted and certified disposal partners and within regulatory guidelines.

Restricting Product Use

We maintain a list of targeted ingredients of highly regulated substances and emerging contaminants of concern with potential environmental or health impacts. We work to restrict their use, if viable alternatives exist, and extend this process where applicable to on-site contractors through our environmental directives for contractors.

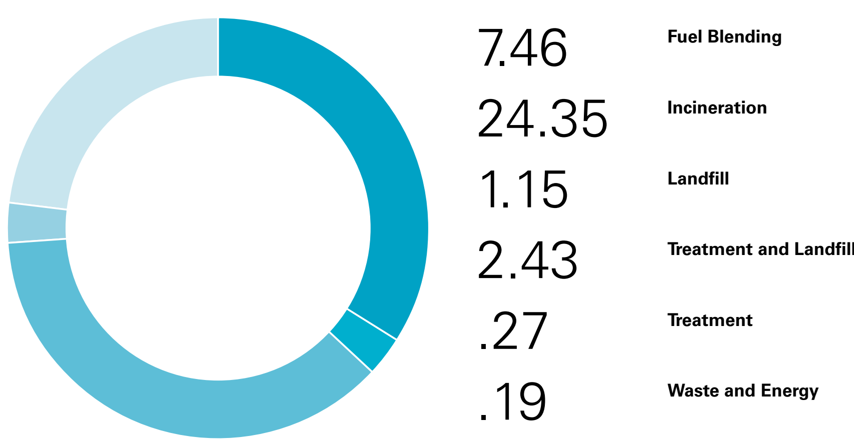
Our facilities have implemented compliance programs to ensure employees are trained to properly store products and materials to minimize waste generation and to protect the environment from potential releases. Over the decades, we have significantly reduced the quantities of hazardous waste generated through the implementation of these programs. Xcel Energy has only one location in Wisconsin that produces enough hazardous waste to classify as a Large Quantity Generator — a groundwater treatment system that serves the Ashland Superfund site. Approximately 94% of our facilities, including power plants and service centers, are classified as Very Small Quantity Generators, generating less than 220 pounds per month.

Collection and Disposal of Regulated Wastes

All Xcel Energy employees share responsibility for properly managing our waste streams. The Environmental Services department is responsible for the company's waste management program, which focuses on regulatory compliance, generating less waste and reducing environmental impacts.

To minimize risks associated with the specially regulated waste generated, we exclusively use vendors that we systematically evaluate and pre-approve. We have formed an approved vendor stakeholder group to assess waste vendors and to promote disposal practices where feasible to reduce the long-term liability associated with the waste we generate. For example, in 2023, 21% of the hazardous waste generated was diverted from disposal. Of the total amount of hazardous waste generated in 2023, only 10% was disposed of in a landfill. The remaining hazardous waste was managed so that the hazardous characteristics of the waste were eliminated by either treatment, incineration or consumption for energy production at permitted facilities.

2023 Hazardous Waste Management Methods (tons)



Waste Disposition Summary
Our 2023 waste generation reflected normal operating conditions based on existing applicable laws and regulations. Waste from nonroutine activities is excluded from the totals below. The regulated wastes reported here are disposed at licensed facilities that must be properly insured, financially stable and have positive compliance records.

Waste Disposition Summary (tons)

Waste Type	2021	2022	2023
Hazardous (normal)	60	42	36
Non-hazardous[1]	15,611	24,244	59,979

[1]Includes regulated waste streams including asbestos, PCB-related wastes, contaminated soils, universal wastes, treated wood poles, industrial wastes and other waste streams that cannot be comingled in a container with mixed municipal solid wastes. Note coal combustion residuals and ash generated from the biomass and waste-to-energy plants are reported separately.

Excluding ash residuals from our waste-to-energy facilities, coal-fired plants and biomass-fired plants, 59,979 tons of nonhazardous specially regulated wastes were generated by Xcel Energy. Nonhazardous specially regulated wastes include industrial and commercial waste streams that cannot be combined with mixed municipal waste. This may include antifreeze, used oil, wood waste, treated wood waste, nonhazardous contaminated soils, universal wastes such as lamps and batteries, ash-contaminated wastes, oil filters, PCB-contaminated equipment, debris and oil. In 2023, 8% of this waste was diverted from disposal.

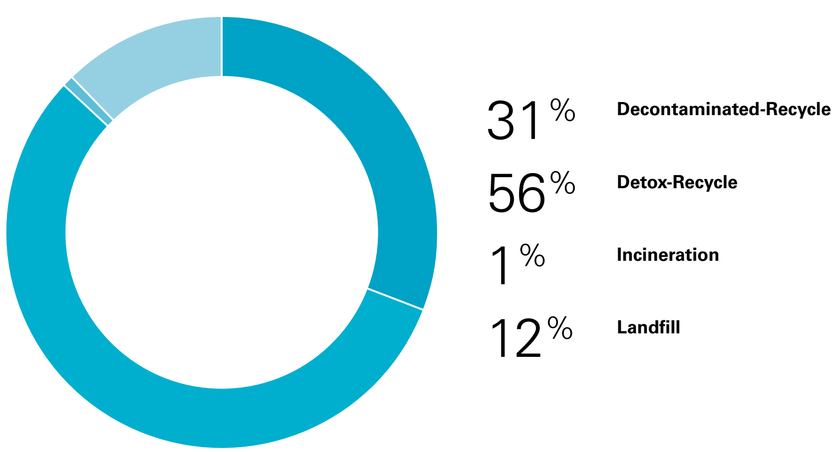
PCB Phaseout Effort
We make dedicated efforts to remove known PCB equipment from our system, including transformers, breakers, capacitors and other oil-filled electrical equipment. In many cases, we have retrofitted large substation equipment to reduce PCBs to nonregulated levels. Through our normal maintenance practices, we remove equipment identified as containing regulated levels of PCBs and replace it with non-PCB equipment unless there are extenuating circumstances in design or procurement. Overall, for managing hazardous or special wastes, we prefer disposal methods like incineration or detoxification, which eliminate the PCBs from the waste stream and keep them out of the environment.

PCB-Containing Equipment and Oil Removed from the Xcel Energy System

	2021	2022	2023
PCB and PCB-contaminated Oil (gallons)	25,608	25,093	30,700
PCB and PCB-contaminated Equipment (tons)	135	177	161

In 2023, 87% of the PCB-related waste we generated were either decontaminated or detoxified to remove PCBs and then recycled.

Management Methods for PCB-Contaminated Materials



Spill Management

Each state where we operate has specific spill response and reporting requirements based on criteria for release volume and potential for environmental impact. The common expectation is that an unplanned release of a petroleum or chemical substance must be promptly cleaned up.

Across all Xcel Energy operations in 2023, we reported 108 spill incidents to state or federal regulatory agencies, including one spill reported to the National Response Center (NRC). Primary causes were equipment failure, severe weather and third-party vehicle accidents.

Spill Trends

	2021	2022	2023
Total Spills	672	586	618
Reported to Agency	95	83	108
Reported to NRC	7	9	1

Compliance Results

We strive to comply with all applicable federal, state and local rules and regulations. However, regulatory agencies may issue Notices of Violation (NOV) or compliance advisories, which may result in fines or penalties. If there are disputes about the alleged noncompliance, even when we believe we remained in compliance, settlements are often reached to avoid the costs of litigation and to cooperate with the regulatory agency. Every year, as part of our internal and ongoing efforts to self-identify and self-correct any potential noncompliance issues, we conduct our own facility audits. We received the following compliance orders, advisories or NOVs involving activities at our facilities over the past year:

2023 Compliance Activity*

	2021	2022	2023
NOV or Compliance Advisories	1	3	5
Penalties Paid	$750	$0	$29,300
External Agency Audits or Inspections	42	45	48
Internal Audits Conducted to Ensure Compliance	81	92	42

*Because of the regulatory process and timing, penalties are not typically paid in the same year that notices of violation or compliance advisories are issued.

Recent enforcement actions include:

- The Colorado Department of Public Health and Environment issued a Compliance Advisory to Manchief Electric Generating Station for failure to meet certain provisions of its air permit related to carbon monoxide emissions limits and monitoring requirements during startup and shutdown. These concerns were self-disclosed by Xcel Energy to the Air Pollution Control Division.

- The Wisconsin Department of Natural Resources issued a Letter of Non-compliance (LON) to the French Island Generation Station for potential noncompliance of the benzene emission limit during stack emissions testing on Unit 2 in April 2023. Xcel Energy determined the exceedance likely was related to an error during stack testing. Retesting as required by the LON was conducted the week of August 7, 2023, and demonstrated compliance with the standard.

- The Minnesota Pollution Control Agency (MPCA) issued an Administrative Penalty Order to the Monticello Nuclear Plant for failure to obtain an Aboveground Storage Tank (AST) Major Facility permit once it began filling Tank L1 with tritiated groundwater. The addition of this storage tank increased the total AST capacity of the facility above the 1 million gallon permitting threshold, which classifies the plant as a Major Facility subject to the permitting requirement. A Major Facility permit was subsequently obtained by the facility.

- The MPCA issued an NOV to the Prairie Island Nuclear Generating Plant for four unauthorized releases of wastewater and other materials to the environment that were not reported to the State Duty Officer and exceeding a limit for one parameter in May 2023. The Prairie Island plant implemented corrective actions to prevent recurrence.

- The MPCA issued an NOV to the Riverside Generating Station Plant for storage of significant materials outdoors that were exposed to stormwater and, therefore, in violation of the conditional no-exposure exclusion of the state stormwater regulations. Xcel Energy completed the corrective actions required by MPCA, including 1) removing/storing materials in compliance with the no exposure requirement and 2) training employees in proper storage of these materials in accordance with regulations and/or permit requirements.

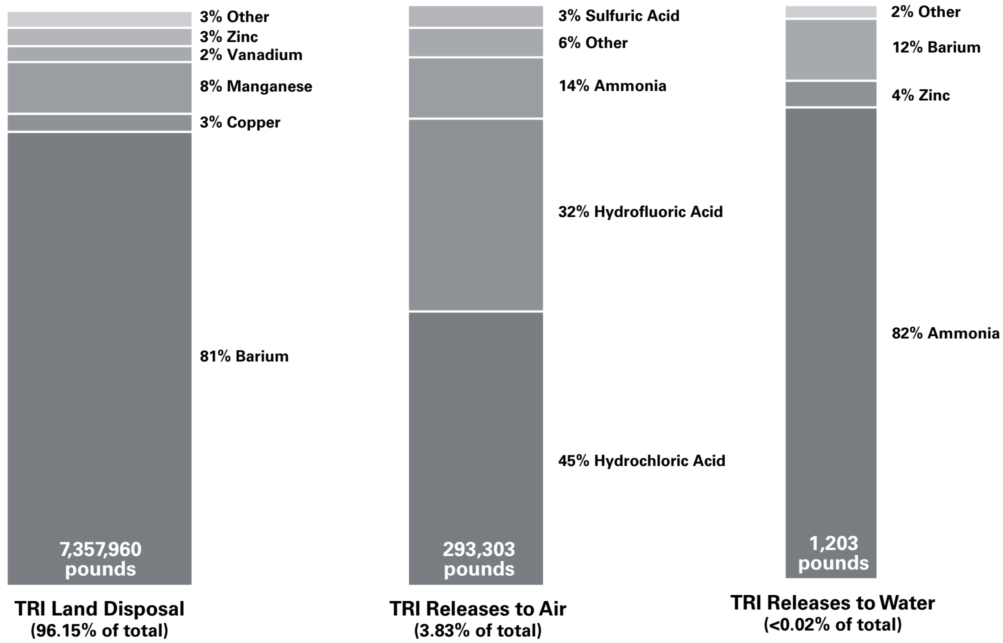
Community Right to Know and the Toxics Release Inventory Program

Under the EPA’s Emergency Planning and Community-Right-to-Know Act, residents have the "right to know" about potential hazards in their communities. Each year, facilities in specific industries that manufacture, process or use any of these substances must report their releases to air, land and water. The EPA manages the information in a publicly available database under the Toxics Release Inventory (TRI) program. We have participated since 1999, when the TRI program expanded to include electric utilities. We annually report our releases, the result of using coal, oil and RDF to produce electricity. When these fuels are combusted, they release trace amounts of TRI-reportable substances, including barium, chromium, copper, lead, manganese, mercury, nickel and zinc.

TRI-reportable substances are reported by facility and release type: land, air and water. A facility’s releases may change slightly from year to year based on the amount of electricity produced and the fuel that is consumed as well as fuel composition and mineralogy.

From 2005 to 2022, we reduced releases under the program by more than 53% due to the decreased use of coal. Most of our TRI-reportable substances are contained in coal ash at our plants, preventing them from entering the air. We capture about 95% of these constituents and safely dispose of them in managed landfills.

2022 TRI Releases



*Releases are from nine generating plants across our service area. 2023 reporting will be completed in July 2024.

Legacy Manufactured Gas Plant Projects

Manufactured gas facilities (MGP) produced a variety of wastes and byproducts, including coal tar. Some were sold for reuse or disposed off-site, and some were left at plant sites. Because our operating companies' history goes back more than 150 years, we inherited **legacy MGP** sites. All the plant facilities were closed and dismantled years ago, and some properties have been sold. Over the years, Xcel Energy has worked cooperatively with environmental agencies and communities to investigate and remediate former MGP sites when necessary.

LEARN MORE

- Environmental Management Brief
- Community Giving and Volunteerism Brief
- Leading the Clean Energy Transition Brief
- Renewable Energy and Innovation Brief
- Bird Cams

Biodiversity and Land Use

With our service area spanning across diverse geography and wildlife habitats, it is our responsibility to identify and protect ecosystems as we advance toward a clean energy future.

As a utility that serves eight states, we understand the importance of upholding sustainable development and land use practices. That's why we partner with local, state and federal wildlife agencies and advisory groups to determine how best to support conservation efforts, preserve habitats, and minimize risks and impacts to wildlife. This includes protecting and restoring lands, developing pollinator habitats and retrofitting equipment to protect avian species, among other efforts.

Climate and biodiversity are connected, and our strategy aims for mutual benefit to avoid trade-offs in the clean energy transition. Further proof of our commitment is that biodiversity and land use was a key topic in our 2022 materiality assessment. From project planning and siting to construction and maintenance of our facilities and infrastructure, we adhere to our corporate environmental policy, using best management practices to protect, preserve and restore natural resources.

Governance

The Operations, Nuclear, Environmental and Safety Committee of the board of directors annually reviews the company's environmental performance, including wildlife, habitat and land management strategy, and compliance. Within Xcel Energy, the chief operations officer reports to the CEO and oversees natural gas operations and electric distribution and transmission, including land management and avian protection programs. The senior vice president of Energy Supply reports to the chief operations officer and is responsible for the company's environmental compliance.

Understanding Potential Impacts

As a first step to supporting biodiversity, we evaluate the potential for significant impacts related to our operations as an energy provider. Potential impacts on the areas surrounding our operations vary depending on the facility type (e.g., electric generation, transmission and distribution, service centers, etc.), and project phases (short-term construction vs. ongoing operation).

For instance, fossil fuel-fired generating facilities can have air emissions, water quality and waste-related impacts. Learn more about our efforts to reduce these impacts in our **Environmental Management brief**. In comparison, a renewable energy facility like a wind farm, generally has minimal climate and other environmental impacts but can disrupt wildlife and habitats.

We conducted an analysis to understand how our operations could impact land use, habitats and species of special interest. Using Geographic Information System (GIS) software, we created buffers surrounding each of our electric generation, transmission, distribution and service centers facility sites within a 0.5- or 1-mile range as applicable given the facility type. We cross-referenced this data with the United States Geological Survey (USGS) Protected Areas Database of the United States (PAD-US) dataset and each state's Natural Heritage Information System (NHIS) protected species data to determine which land and species of biodiversity value may be in proximity and potentially impacted by our operations.

Operational sites owned, leased or managed adjacent to lands protected or managed by conservation agencies assumed to be of biodiversity value are presented below.

Type of Facility	Number of Sites	Description of Adjacent Land (USGS PAD-US Designations)
Thermal Generation	36	Wildlife and fish management land, prairie refuges, state-owned streams, sensitive groundwater limits, wildlife management land, state natural areas, conservancy properties
Hydro Generation	10	Wildlife refuge areas, conservancy properties, state parks
Nuclear Generation	2	Tribal reservation land, wildlife management land
Solar and Wind Generation	38	Wildlife and fish management land, wetland reserves, waterfowl production areas
Transmission and Distribution	2,583 substations and 38,027 miles of transmission line	State forests, state Department of Natural Resources (DNR) land, wetland reserves, public-use parks, natural communities

The number of species identified using state NHIS data with habitats near our operations on the International Union for Conservation of Nature (IUCN) Red List are shown below, sorted by extinction risk.

NHI Species on the IUCN Red List

Category	Number
Critically Endangered	6
Endangered	22
Vulnerable	18
Near Threatened	15
Lower Risk/Near Threatened	1
Lower Risk/Least Concern	1
Least Concern	184
Total	**247**

Managing Potential Impacts

Based on the above analysis, there are nearly 30 potential endangered species and over 200 species of interest in proximity to our facilities.[1] We take several measures to minimize potential adverse operational impacts and maximize positive impacts on biodiversity. Where such impacts can't be avoided or minimized, we mitigate through acquiring take permits or enrolling in Candidate Conservation Agreements (CCAs). Our approach aims to enhance synergies and reduce trade-offs between actions taken to manage biodiversity and climate change impacts.

One example of a CCA is with the Texas Hornshell Mussel. As the last remaining freshwater mussel native to New Mexico, it received Endangered Species Act protections in 2018. In 2021, we enrolled two transmission projects into a CCA to reduce or eliminate threats to the Texas Hornshell Mussel and other covered species. Working with the U.S. Fish and Wildlife Service (FWS), Bureau of Land Management, New Mexico State Land Office, and Center of Excellence, we voluntarily committed to implement or fund specific conservation actions. In total, we have paid over $125,000 in conservation fees through the two transmission projects, which are used to manage the program and implement conservation efforts. As part of the agreement, we also implemented a Stormwater Pollution Prevention Plan for erosion and sediment control.

Responsible Renewable Energy

Delivering the clean energy transition requires the addition of a significant amount of renewable capacity. This means reducing carbon and other air emissions as well as requiring land for siting. We manage siting, construction and operations to limit their impact on habitats and wildlife.

We also conduct renewable energy project infrastructure micrositing during a project’s development phase to minimize direct and indirect impacts to biodiversity while maximizing output of generation assets. This is accomplished by identifying habitats of ecological sensitivity, species of concern and other areas of biological importance, and then evaluating potential impacts to those areas and species.

Industry-standard buffers, or avoidance areas, are used to help locate project infrastructure outside of these sensitive areas to reduce potential effects. The mitigation hierarchy aims to avoid impacts, minimize impacts when avoidance cannot be attained and compensate for or mitigate for residual impacts that cannot be avoided.

Wind Energy Projects

To provide best management practices from early project conception through operation, we develop detailed bird and bat conservation strategies for all company-owned wind energy facilities. We also use the FWS Land-Based Wind Energy Guidelines, which provide a consistent framework to assess wildlife protection strategies for potential sites; this informs site selection of company-owned wind energy. In addition, we work with wind project developers and state and federal agencies to minimize impacts to wildlife and habitat as much as we can.

During the construction and repowering of our wind projects, we put best management practices for wildlife and habitat protection in place. Construction contractors receive site-specific environmental training to identify and report wildlife issues. For example, we incorporate Minnesota DNR recommendations, such as species-specific contractor training and wildlife-friendly erosion and sediment control, to avoid impacts to the threatened Blanding’s turtle.

Solar Power Projects

Large-scale solar projects require approximately four to seven acres of land per megawatt of capacity. We aim to make the most of the property that supports our company-owned community solar gardens in Boulder and Denver, Colorado. The solar arrays are located at the sites of two retired coal-fueled power plants, on land planted with a seed mix to attract bees, butterflies and other beneficial species. In Colorado, we utilize the Colorado Parks and Wildlife’s Best Management Practices for Solar Energy Development.

Our plans to establish the largest solar sites in Minnesota will provide beneficial habitat to native birds, insects and other wildlife. Sherco Solar 1 and 2, under construction in Becker, Minnesota, will have capacity for up to 460 megawatts of solar power on over 3,000 acres. Another 1,700 acres is in development as Sherco Solar 3 near Clear Lake, Minnesota.

We will establish native and pollinator-friendly vegetation across these sites to qualify for the Minnesota Habitat Friendly Solar Program. The project team is coordinating with multiple state agencies and native plant specialists to prepare for implementation.

[1]These numbers are based on a desktop analysis and are likely over representative. The species numbers do not reflect on-the-ground field surveys.

High-Quality Carbon Offsets

One way we are addressing emissions from the natural gas side of our business is by investing in high-quality carbon offsets. In 2023, we launched a pilot program with **six local projects**. To demonstrate the strict criteria for these investments, we purchased only from projects registered on recognized carbon offset registries with rigorous standards and long-term experience. Our partner organizations also provide important environmental, economic and social benefits — beyond producing verified greenhouse gas reductions — in the states we serve. This is another way we maximize synergies between climate and biodiversity action.

The organizations (Bayfield Forestry Project, Ducks Unlimited May Ranch Preserve, Green Cities Accord, National Indian Carbon Coalition, Refrigerants HFC Reclaim, Southern Plains Land Trust Raven's Nest, Heartland Ranch Preserves) are using the proceeds from the sale of carbon credits to replenish urban tree canopy, reduce air and water pollution, conserve water, protect native species, restore grasslands and preserve Indian land, all of which have biodiversity benefits. For example, Xcel Energy's purchase of offsets through Green Cities Accord resulted in nearly $37,000 going to the Minneapolis Park and Recreation Board for continued planting and maintenance of urban trees and will support the planting of nearly 300 trees, including over 20 species such as birch, cherry and hackberry.

Restoring the "American Serengeti"

Southern Plains Land Trust (SPLT), one of the recipients of our high-quality carbon offset purchases, is focused on protecting and restoring grasslands for the benefit of native prairie flora and fauna. It is building a climate-resilient future for this endangered ecosystem, which supports species such as bison, pronghorn and prairie dogs.

By selling carbon credits, SPLT can purchase land in the Southern Plains and expand their over 60,000-acre preserve network. Not only does the organization protect this land in perpetuity, but it also works to heal it after decades of intensive agriculture. By restoring streams, letting bison roam, removing dangerous fences and letting the grass recover from overgrazing, SPLT can turn the shortgrass prairie into a "major carbon sponge."

"Xcel Energy's purchase of voluntary carbon offset credits helps us to make further strides for prairie wildlife," said SPLT assistant director Judith Westveer. "Funding land acquisition can be challenging, and carbon dollars make a difference. We appreciate our partnership with Xcel Energy as we work to bring back the American Serengeti across a vast prairie wilderness."

Restoration of Operational Lands

We have initiated several projects to restore lands that currently or historically have hosted our operations to create positive impacts on biodiversity. Our approach supports reestablishing native plants, vegetative cover and habitats so that the land may exhibit qualities similar to its natural function prior to our use.

Pollinator Habitats
We support and initiate projects that make a difference in the survival of pollinators, such as the monarch butterfly, rusty-patched bumblebee and Karner blue butterfly. Our 50-plus active sites cover 2,300 acres of pollinator habitat at Colorado, Minnesota, North Dakota and Wisconsin company properties (e.g., under transmission lines and around substations, generating plants, office buildings, community solar gardens and wind projects). We have partnered with more than a dozen communities in Minnesota and Wisconsin on projects as well as with federal and state wildlife agencies, conservation organizations and private landowners.

In our vegetation management practices for controlling brush, trees and weeds, Xcel Energy and our contractors do not use chemicals that are harmful to beneficial insects on our rights of way and properties. We eliminated the use of neonicotinoids, which potentially impact bee populations.

50+
active pollinator sites

2,300
acres of pollinator habitat

Minnesota Valley Generating Plant
In 2009, we retired the Minnesota Valley Generating Plant, located on the banks of the Minnesota River in Granite Falls, Minnesota. Site areas were decommissioned and closed in phases, the latest being the demolition of the coal burning facility in 2022; an on-site landfill is being removed in 2024.

To backfill with clean soils and reestablish vegetation, we spread a native seed mix across approximately nine acres. The mix, which was chosen in coordination with our consultant, Barr Engineering, and with review and acceptance by Minnesota Pollution Control Agency, is like the native vegetation mix used over the approximately 5-acre settling pond system area following its clean up and closure work in 2012.

Protecting Species of Concern

We work to protect species of special interest from potentially adverse impacts our operations may have. Our approach aims to avoid, minimize and compensate for impacts. Centering on protected species, we help reduce potential for extinction, benefiting biodiversity.

Avian and Bat Protection
Our Avian Protection Plans, developed with the FWS, help keep birds safe and meet federal wildlife protection standards. We identified Xcel Energy facilities that pose higher risks for bird injuries or deaths and retrofitted them with roosting deterrents, flight diverters that make lines more visible and other protective equipment. Our facilities are designed to meet industry standards that prevent or reduce the likelihood of avian incidents. We also require employees to use an online form to report injured birds or fatalities. We monitor those locations and add avian controls as needed to reduce future risk.

Each of our wind farms has a site-specific Bird and Bat Conservation Strategy (BBCS), which is developed in accordance with the FWS's Land-Based Wind Energy Guidelines. The BBCS documents provide guidance on mitigating risk to birds and bats during construction and operation of our wind farms and incorporate a framework for complying with federal and state wildlife laws applicable to each site. Wind farm staff receive annual training on implementation of the BBCS, including appropriate response and reporting of wildlife incidents occurring on-site.

We own several wind farms where risk factors require us to develop site-specific eagle conservation plans with the FWS. They serve as supporting documents to incidental take permits that Xcel Energy holds, which allow a limited amount of eagle collision mortality at permitted facilities. These permits require rigorous eagle monitoring, regular coordination with the FWS and continued adaptive management to reduce risk to eagles as much as possible. We apply a site-by-site approach to evaluating eagle risk. Before construction, we conduct use and nest surveys to understand what eagles are doing at potential wind farm sites. Results are used to adjust turbine siting and decide whether more risk minimization should be added to a facility's BBCS.

Once in operation, we evaluate how our projects affect wildlife. Coordinating with federal and state wildlife agencies, we conduct post-construction avian and bat mortality monitoring at all our wind farm sites to decide if we should make operational changes or take other measures. We also report avian and bat loss at our facilities to these agencies under the terms of our federal and state permits.

Lesser Prairie Chicken Conservation
Rangelands in our Colorado, New Mexico and Texas service areas provide important habitat for the lesser prairie chicken. Since 2014, we have spent more than $16 million on minimizing and mitigating impacts and improving habitat for these birds.

- In March 2023, the FWS listed two distinct population segments of the species as threatened or endangered under the Endangered Species Act. In advance of the decision, we worked with federal and state officials to avoid, minimize and mitigate potential impacts from Colorado's Power Pathway project in the eastern part of the state. After the listing decision, we have enrolled portions of the transmission project in the Renewable (Wind and Solar) Energy, Power Line and Communication Tower Habitat Conservation Plan for the lesser prairie chicken to offset any impacts to the bird's habitat. Mitigation under the plan supports protecting and expanding existing strongholds and other areas of relatively high-quality habitat to protect viable lesser prairie chicken populations and restore unsuitable habitat.

- At Sagamore Wind Farm in eastern New Mexico, we committed to invest in over 2,000 acres of preservation and restoration credits from the Lost Draw Conservation Bank — the first FWS-sanctioned lesser prairie chicken conservation bank. With Xcel Energy as an anchor tenant, the bank is working to expand, improve and protect significant high-quality habitat south of Sagamore. Lost Draw partnered with a local ranching family to permanently protect and manage the property — all while accommodating sustainable ranching operations. Through this partnership, Lost Draw is restoring thousands of acres by reconverting agricultural fields and removing tall woody species, such as mesquite. The bank is also eliminating existing fragmentation, such as pivot irrigation, windmills and other tall structures, and will protect the conservation footprint for the lesser prairie chicken through permanent easements held by a New Mexico land trust. The strategic location of Lost Draw also contributes to the goal of securing a lesser prairie chicken stronghold and potentially a future focal area.

NOTEWORTHY

Renewable Energy Wildlife Institute

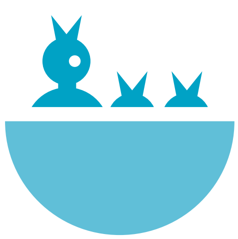
As one of over 40 companies and organizations that support and partner with Renewable Energy Wildlife Institute, we encourage the organization's broader research on mitigating environmental challenges at wind and solar energy projects and support the organization's technology and research studies to help improve monitoring and avoid or minimize impacts to birds, bats and other wildlife at wind and solar sites. Here are a few examples of projects:

- Evaluating the impacts wind farm projects have on the displacement of lesser prairie chicken populations.
- Evaluating the effect of wind turbine size on bird and bat mortalities.
- Understanding wildlife abundance and the use of utility-scale solar facilities in agricultural environments.

Bird Cams and Nesting Boxes

With the 1989 installation of a peregrine falcon nest box at the Allen S. King Station near Bayport, Minnesota, we were the first power company in the world to host birds of prey, according to our partners at the Raptor Resource Project (RRP). With RRP's help, Xcel Energy installed webcams that have broadcast live nests since 1997 from plant locations in Colorado and Minnesota.

- Bird programs like ours were key to the peregrine falcon's survival, thanks in part to nest boxes at eight of our power plants including High Bridge, Allen S. King, Sherburne County and Riverside. Through 2023, 444 peregrines have been born at Xcel Energy facilities since our nesting program began.
- At the bald eagles' nest at our Fort St. Vrain plant in Platteville, Colorado, two solar-powered cameras allow viewers to observe the nest activities — in real time — such as the parents keeping the eggs and eaglets warm, bringing home prey and fending off intruders. We've had cameras here since 2003, and a total of 48 eaglets have fledged at this location.
- Since we installed a nest box at Pawnee Station in Brush, Colorado, for American kestrels, four chicks have hatched. We added a web cam in 2022.



444
peregrine chicks hatched

48
eaglets fledged

4
American kestrels hatched

Raptor Resource Project

RRP has partnered with Xcel Energy in raptor conservation efforts for more than 30 years. Power production facilities were an integral part of reestablishing the Midwest U.S. peregrine falcon population after the decimating effects of DDT, a synthetic insecticide that was banned in the U.S. in 1972, and served as a recovery steppingstone in the early days of the project. Now, with healthy populations of both urban and wild peregrine falcons, Xcel Energy continues their commitment to help monitor the recovered population by dedicating resources to both monitoring programs and public education.

"Xcel Energy helped launch the first bald eagle camera in 2003, streaming the bald eagle lifecycle to the public," said John Howe, RRP's executive director. "Their commitment and support of the peregrine falcon recovery effort and raptor education are commendable."

Environmental Sustainability Grants

The Xcel Energy Foundation is also committed to protecting and preserving our natural resources. In 2023, through our Environmental Sustainability focus area, we awarded $750,000 to 64 nonprofit organizations. In addition to directly supporting the mission of these organizations, the investments will result in the planting of 59,000 trees, offsetting 41,000 tons of carbon emissions. From the Mississippi Valley Conservancy in Wisconsin and Great River Greening in Minnesota to HawkQuest in Colorado, the nonprofits span across our service footprint, helping to conserve and protect a diverse geography of natural resources, native habitats and species. Learn more in our **Community Giving and Volunteerism brief**.

Value People

Cultivate a diverse, best-in-class workforce, champion safety, inclusion and equity for everyone

10 REDUCED INEQUALITIES

LEARN MORE

- Supplier Code of Conduct
- Supply Chain Management Brief
- People Management Brief

Workforce Safety

Safety is at the heart of everything we do and one of our corporate values.

Our Safety Always approach encourages open communication and information sharing in our employee and contractor workforce. Trust, transparency and saving lives is the core of our safety strategy. We strive to learn from injuries and near misses by treating our response to them as learning opportunities to improve and help keep everyone safer in the future. Ultimately, we want our employees and contractor partners to feel comfortable reporting injuries, so they can get immediate and proper care.

Governance

The Operations, Nuclear, Environmental and Safety (ONES) Committee of the board of directors oversees the company's safety strategy and performance. Within the company, the senior director of Safety manages the company's safety programs for the chief human resources officer, who reports to the CEO.

Safety Always

Our Safety Always culture is achieving results. We launched this strategy in 2020 to focus efforts on identifying the most serious risks inherent to our work and doing everything possible to mitigate them. Research and best practices show this is more effective than traditional programs, which focus on avoiding minor injuries to prevent more serious ones. Elements include:

- **Enhanced culture:** Safety Always is about listening and sharing with our employees and contractors. Through Event Learning and candid conversations in a non-threatening environment, we gain an understanding of how an incident occurred — rather than who was to blame — and can identify and establish preventive measures. Due to its success, this process is used across Xcel Energy for operational learning and improvement. We do not pursue discipline for employees or contractors who report near misses; this allows us to learn at the best possible time: before an injury. In 2023, near-miss situations reported by employees increased by 33% compared to 2022 near-miss submissions. Of these reported in 2023, 31% identified significant hazards that we worked to prevent from reoccurring.

- **Data analytics:** To analyze our safety program, we shifted from lagging injury data to leading safety indicators that are predictive, proactive and supported by a centralized safety platform, EcoOnline. These tools make it easier for employees to submit details about injuries, near misses and observations so we can make more data-driven decisions.

34% reduction in serious injuries

7% reduction in severity of near-miss reports

11% increase in safety crew observations

- **Human and organizational performance principles:** Five principles provide the foundation of our Safety Always approach. We are incorporating them into our work, shifting our focus toward ensuring positive outcomes. For example, we concentrate on what failed and why, rather than who failed. The five principles are:

  – Error is normal — people make mistakes.

  – Learning and improving are vital.

  – How you respond to failure matters.

  – Blame fixes nothing.

  – Context influences behavior.

- **Event learnings from near-miss submissions:** Since 2020, more than 440 Event Learnings have been shared with all employees. In 2023, employees and contractors completed 58 Event Learnings, resulting in 69 new safety controls for the prevention of life-altering and life-ending events. We chose the Event Learnings from 432 near-miss submissions. Event Learnings are initiated when the potential for a life-altering or life-ending event existed but did not occur and when we think there is valuable learning as a result. By identifying and implementing safety controls, near misses afford us the opportunity to learn how to prevent a similar event from occurring in the future.

- **Critical Risk Management (CRM):** Under CRM, crews take time to consider the hazards involved in their work that could lead to a serious injury or fatality, and they delay starting tasks until all critical hazards are identified and all controls are in place. We have expanded training, monitoring and evaluation to include employees and contractors, and we prequalify contract firms based on their ability to meet our standards in 13 critical risk areas.

Safety Ownership by Operations

Strong ownership of safety by our Operations group drove positive safety performance in 2023. The reduction in life-altering injuries is tied to taking personal responsibility for the safety of Operations crews and colleagues. Operations staff, from the chief operations officer to frontline employees, take seriously their contribution and impact on preventing life-altering and life-ending events.

NOTEWORTHY

Energy Wheel Enhancement

In 2023, we launched two initiatives that focus on preventing life-altering and life-ending events: CRM and Energy Wheel Enhancement.

The Energy Wheel Enhancement provides an upgraded worksite hazard identification tool and lists critical hazards and their corresponding safety controls. Research by the Construction Safety Research Alliance shows hazard recognition conducted at the worksite identifies only 45% of the hazards present. Improving worksite hazard recognition is critical to the prevention of life-altering or life-ending events. Enhancements to the Energy Wheel helps employees increase the degree to which worksite hazards are identified and controls are implemented. They will be rolled out enterprise-wide in 2024.

Office and Non-Operations Safety

We also apply the Safety Always principles to office workers. While the hazards they may experience at work are typically not life-threatening, they can be life-altering. For example, they may experience tendon and muscle tears from tripping or falling on the floor.

CRM

In 2023, we continued to identify critical controls. This effort is ongoing because processes, tools and equipment change, introducing new hazards in which critical controls must be modified or newly created. We formed a team of Operations and Safety personnel to evaluate work practices and ensure critical controls are identified for work hazards and that existing controls are updated as needed. Crews across the company have access to these tools for use during pre-job briefs to determine what controls are needed to execute high-risk work safely.

Contractor Safety

In 2023, we continued meeting quarterly with our alliance of contractor partners — the top 15 contracting firms that provide 55% of the total volume of work performed by our contingent workforce. For all Xcel Energy contractors, we implemented CRM and Safety Always requirements into Veriforce compliance, our third-party administrator responsible for contractor prequalification and vetting. This helps to reinforce monthly reporting of their injuries and incidents, including significant injuries and fatalities (SIF injuries), which is the Safety Always approach to monitoring severe events. They are contractually required in their training and reporting to use Human and Organizational Performance principles, based on the tenet that it's less important to determine who failed than what failed and why.

We also implemented a contractor safety management system designed to manage contractor performance, critical safety controls verification, event reporting, safety observations, near-miss reporting, auditing and inspection, incident reporting and action tracking. Through increased field support and visible leadership across the enterprise, Xcel Energy and our contractors work together to identify and monitor leading indicators and safety metrics. To close visibility gaps in both directions and foster better conversations, we developed dashboards that provide live safety data. Key elements of these collaborations include touchpoints in the field with contractors and their leadership throughout the year. This is not a top-down initiative imposed by Xcel Energy. Our contractor partners, instrumental in the daily work of our electricity and natural gas operations, mutually want to strengthen safety partnerships and align reporting, often to meet their own organizational goals.

We continue to work with other utilities and the Edison Electric Institute (EEI) to redefine contractor safety programs that focus on the causes of significant injuries and have proposed our risk-based approach as the utility industry standard for contractor safety management. We presented the contractor safety management program during EEI's 2024 spring conference in Baltimore, Maryland, for approval and adoption as a baseline requirement for electric utility contractors.

Safety Management Fundamentals
Our Safety Always approach and core functions address applicable standards set by the U.S. Occupational Health and Safety Administration (OSHA).

Our safety management provides:

Oversight and Clear Responsibilities	• Board of directors and executive leadership provide oversight. • The ONES Committee has two standing safety agenda items, a safety moment and a safety update in which our CEO updates the entire board on safety issues at every meeting. • Corporate Safety department manages implementation of regulatory compliance, provides technical consultation to business areas, tracks and communicates the company's performance and fosters our safety philosophy. • All managers develop, implement and provide training and communication about safety programs. Working safely is the first consideration when planning and performing work. • All employees and contractors are expected to work safely and empowered to stop work if they see unsafe practices.
Reporting	• Employees and contractors are encouraged to report unsafe acts or conditions to management in a timely manner. Any retaliation against any worker who, in good faith, reports a suspected violation is strictly prohibited. • The EcoOnline safety software provides one easy, convenient reporting option. It consolidates safety information into one platform, improving our overall response time and effectiveness. Employees can also report concerns and incidents through their Corporate Safety consultants or safety committees.
Policies and Procedures	• We have one corporate policy and multiple safety programs in place to address occupational safety and health issues. These apply to bargaining and non-bargaining employees.
Hazard Identification, Risk Assessment, Incident Investigation and Continuous Improvement	• We continuously identify and assess the hazards and risks inherent in our work and strive to mitigate them through near-miss reporting, Event Learning sessions, CRM processes, job briefings and EcoOnline reporting. • When Corporate Safety staff receive reports or concerns, we emphasize identifying solutions at the top of the hierarchy of controls, including elimination, substitution and engineering. These controls minimize the risk of human error.
Training	• We offer more than 50 safety training opportunities, which are assigned based on OSHA standards and job responsibilities. To continually reinforce safe work practices, we also assign training as part of job requalification. We provide courses, materials and equipment free of charge. • Safety courses are a mix of online and instructor-led classroom training, depending on the best approach for the material. This allows flexibility before employees take on new work tasks. We update training content as needed and ask learners to evaluate quality and effectiveness.
Communications and Employee Engagement	• All workers have access to required safety and health training, policies, programs and safety manuals, and communications required by federal or state agencies. • Companywide safety committees meet on a regular basis, comprised of employees, safety professionals and business area leadership. Employees own and manage their committees, assisted by their assigned Corporate Safety consultant to make sure worker concerns and needs are addressed. Committees communicate trends and initiatives that members can share with coworkers. • Safety communication updates are provided in weekly emails, briefings, news stories, documents and posters, safety committee meetings, videos and training.

Learning from Injuries

We believe the earlier employees and contractors receive treatment for an injury, the sooner they will return to normal life and work. When someone experiences a non-emergency injury at work, they and their manager can contact the 24/7 Work Injury Helpline for a professional assessment and recommendations. If the injury is serious or life-threatening, they are told to call 911 immediately. We also contract with two onsite occupational health nurses to answer questions and provide guidance following an Injury Helpline call.

When an employee experiences an OSHA recordable injury on the job, Xcel Energy's chairman, president and CEO personally contacts them to ask how they're doing and what they need to make a full recovery and return to work. We follow corporate confidentiality procedures by not sharing personal information beyond those with a need to know.

Diversity, Equity and Inclusion

We are committed to fostering a diverse, equitable and inclusive workplace where every employee feels celebrated, included and respected.

A wide range of experiences, backgrounds and perspectives is essential to achieving the best outcomes for our company, employees and customers. We measure key performance indicators — paired with programs to help us make progress toward our workforce diversification efforts — to improve our culture and engagement. These efforts include increasing the diversity of our board, encouraging participation in business resource groups (BRGs), and investing in programs and services that advance equity and justice in our communities.

Governance

Xcel Energy's Board of Directors and board's Governance, Compensation and Nominating Committee annually review and provide oversight of the company's workforce strategy, including initiatives that foster a diverse, fair and inclusive workplace. The chief human resources officer reports to the CEO and has overall responsibility for these initiatives, which are implemented and managed by the director of Diversity, Equity, Inclusion and Giving.

LEARN MORE

- **2022 EEO-1 Report**
- **Human Rights Position Statement**
- **Supplier Diversity Program**
- **People Management Brief**
- **Corporate Compliance and Business Conduct Brief**
- **Supply Chain Management Brief**
- **Community Giving and Volunteerism Brief**

2023 Awards and Recognitions

Human Rights –
Best Places to Work for LGBTQ+ Equality

Military Times –
Best for Vets

Disability Equality Index –
achieved a score of 100

Board and Leadership Diversity

Xcel Energy and its leadership continue to work on building an inclusive workforce and culture by increasing the diversity of its board and senior leadership, demonstrating commitment at the very top of the organization. Female representation among senior leaders (vice presidents and above) increased 5% in 2023 and racial or ethnic diversity increased 8% in the last three years.

2023 Board of Directors and Leadership Representation

	Female	Diverse
Board of Directors	31%	15% Diverse*
Direct Reports to the CEO (Executive Team)	33%	11%
Senior Leadership (Vice President and Above)	28%	18%
Management	26%	13%

	Percentage Female Management	Percentage Diverse Management
2021	22%	11%
2022	25%	13%
2023	26%	13%

*Diverse refers to ethnic or racial diversity.

Women Leading

Kim Randolph is an accomplished senior executive at Xcel Energy with a career spanning 30 years in the petrochemical, natural gas, renewable energy and power generation industries. Before becoming the vice president of Conceptual Design and Planning under Xcel Energy's Integrated Resource Planning organization in 2022, she served as the vice president of Energy Supply for nearly six years.

"As a female leader at Xcel Energy, my journey has been nothing short of exhilarating," she said. "Surrounded by supportive peers and inspired by impactful role models, I've embraced every challenge as an opportunity for growth. Spearheading innovative projects within the company has not only pushed the boundaries of conventional thinking but has also propelled my own professional development. Through perseverance and a commitment to excellence, I've navigated through complex landscapes, contributing to transformative changes within the energy sector while carving out my path as a leader."

Measuring Company Progress

We began including an incentive-based diversity, equity and inclusion (DEI) metric to the annual corporate scorecard in 2021, directly tying a portion of incentive pay to progress. This metric helps align and focus our efforts, ensure accountability and reward success in building a more diverse and inclusive workplace. In 2023, we reached our targets:

- **Diverse interview panels:** Panels of employees vary (e.g., race, color, ability, national origin, gender, age, veteran status, diversity of background or experience). We extended 99% of employment offers to candidates interviewed by diverse interview panels.

- **Employee feedback:** Six questions about workplace culture from our regular employee engagement surveys make up our Inclusion Index, covering perceptions of work culture and how well the company encourages authenticity, belonging, empowerment, recognition and speaking up.

- **Executive sponsorships:** To gain different perspectives and develop top talent, senior leaders are matched with employees from different backgrounds. Since the program's inception in 2021, 113 employees have participated, with 54 assuming new roles at Xcel Energy. Of those who changed roles, 39% were female or ethnically diverse and were not identified as a high-potential employee.

Equal Employment, Anti-Discrimination and Pay Equity

Xcel Energy respects the right of all people to be treated ethically, with dignity and without discrimination. We strive every day to demonstrate our commitment to those rights.

Equal Employment Opportunity Policy
Our continued success depends on the unified strengths of our employees. Our policy is to provide equal opportunity in hiring, promotion and other terms and conditions of employment, without regard to race, color, religion, creed, national origin, sex, age, disability, veteran status, sexual orientation, gender identity, genetic information or any other protected class status in accordance with applicable federal, state and local laws. We seek to attract qualified job applicants and candidates who reflect the diversity of the qualified labor market. We base our selection of successful candidates upon merit, qualifications and other job-related criteria.

Anti-Discrimination, Human Rights, Pay Equity and the International Labour Organization Conventions
We stand steadfast against racism, intolerance, discrimination and harassment, as stated in our **Human Rights Position Statement**, which affirms our long-standing commitment to the advancement and protection of human rights throughout our operations, consistent with the principles set forth in the International Labour Organization Conventions and all U.S. human rights laws.

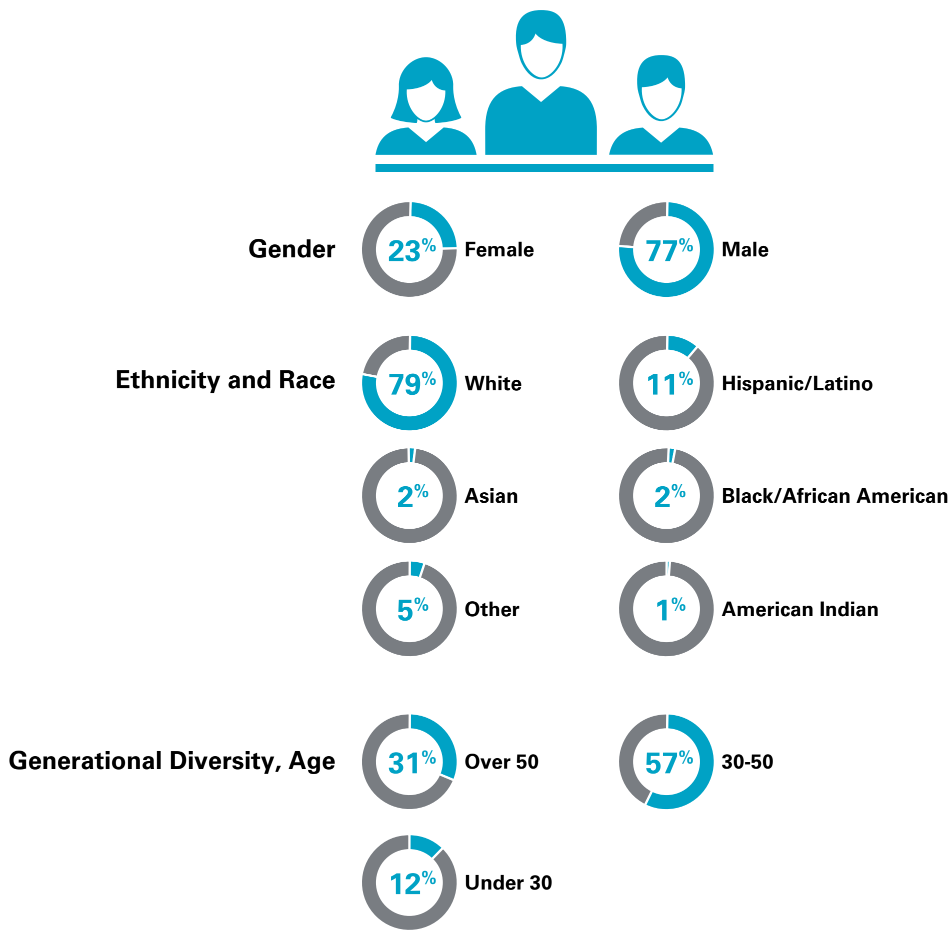
Our **Code of Conduct** applies to every employee and promotes inclusion, diversity and respect. It also prohibits harassment, discrimination and retaliation against an employee who reports a violation or suspected violation of the law, Code of Conduct or any other policy, participates in an investigation or exercises any other lawful right.

Pay Equity Statement
Xcel Energy is committed to ensuring employees are paid fairly and equitably for similar or equal work. Our compensation programs are driven by a pay for performance philosophy and routinely benchmarked against the external market to ensure pay competitiveness. We seek to attract and retain employees with a commitment to inclusion and diversity across all levels in the organization. Our internal policies and practices are regularly reviewed to ensure alignment with equitable pay practices.

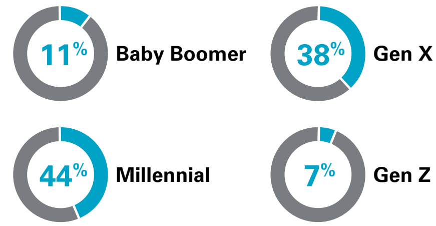
Workforce Diversity

We believe a diverse workforce is a key element to deliver value in the way we conduct business, in the way we connect with our customers and how we build relationships in our communities. Because of this, we conduct and invest in internal efforts toward advancing and increasing representation of employees of different ages, genders, ethnicities, sexual orientations, cultural backgrounds and education levels.

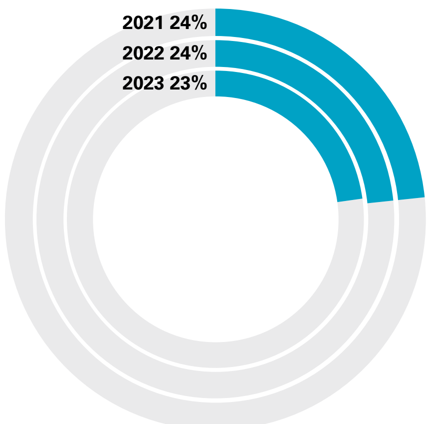
2023 Workforce Representation



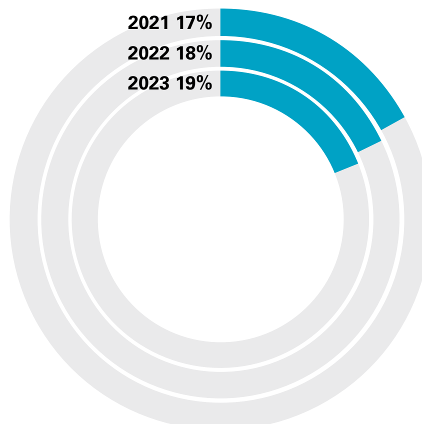
Generational Diversity, Category



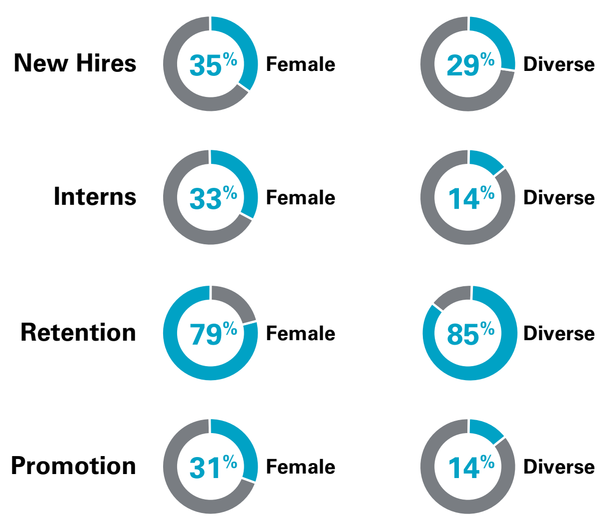
Percentage Female Employees



Percentage Diverse* Employees



2023 Workforce Hiring, Retention and Promotion



*Diverse refers to ethnic or racial diversity.

Culture of Inclusion

Creating and maintaining an inclusive culture for our employees is a top priority for our leaders across the organization. We believe this commitment influences the service we provide customers, the experiences of our employees and our work with communities, including **suppliers** and other partners. In addition to enterprise-wide initiatives, different business areas continuously assess their progress toward inclusion and diversity with the goal of identifying opportunities to drive change and support the company's commitment.

NOTEWORTHY

Power Up Program

We sponsor the Power Up initiative, a workforce development program that prepares underrepresented populations for utility construction trade careers. Xcel Energy and the Minnesota Department of Employment and Economic Development have partnered with seven organizations — Avivo, Building Strong Communities, Career Solutions, Central Minnesota Jobs and Training, Emerge, Native Sun Community Power Development and Summit Academy — to bring two cohorts of 80 people through this program. The first cohort is demographically diverse and includes women, people of color, indigenous people and people with disabilities — all from different economic backgrounds. The second cohort will begin in the fall of 2024.

In its first phase of deployment, the program prepares enrollees for unique and challenging careers by teaching them skills such as interview techniques, resume writing and professional presence. It also offers introductory tours of different jobsites and allows enrollees to experience a "day in the life" of energy construction trade personnel.

Business Resource Groups

Our BRGs welcome diversity of thought, background, experiences, ethnicity and race, and provide employees with an inclusive and supportive outlet for personal and professional growth. They also offer opportunities for cultural exchange, community outreach and collaboration with leaders to solve business challenges and achieve goals.

In 2023, we began a new model where one executive committee member and one senior leader sponsor a BRG, assisting with alignment, credibility and visibility. Sponsors partner with BRG leadership to facilitate strategic and directional alignment with the company's vision, business goals and strategies, drive accountability for the execution of strategy and plans, strive for making an impact, advocate for transparency and help further the work of the BRG. The company has 13 BRGs, adding Young Professionals Network in 2023:

- AAPI (Asian American and Pacific Islander) Alliance
- ABLE (Accessibility, Be an Ally, Lead and Empower)
- BLAX (Black Employees at Xcel Energy)
- ECN (Employee Connection Network)
- GROW (Growth and Retention of Women)
- NAYGN (North American Young Generation in Nuclear)
- Pride Alliance
- Tribal Wind
- VETS (Veterans and Employees Together in Service)
- WIN (Women's Interest Network)
- Xcelente
- XE WIN (Women in Nuclear)
- YPN (Young Professionals Network)

Military and Veteran Outreach
We are committed to supporting veterans and those currently serving in the National Guard or Reserves. In 2023, based on voluntary self-identification, 10% of our employees were veterans, and veterans made up 4.2% of our new hires.

We participate in the Hiring our Heroes Corporate Fellowship program. Our dedicated veteran liaison assists with recruitment and retention efforts and, in conjunction with our Talent Acquisition team, attends job fairs targeting the veteran community across our service area. Our VETS BRG recruits and mentors veteran employees. In 2023, we were named a 5-Star Employer through the VETS Indexes Employer Awards and recognized as a Military Times' Best for Vets employer for the ninth consecutive year.

Xcel Energy is also a corporate partner for the Department of Defense SkillBridge program. Service members may participate in a SkillBridge opportunity no earlier than 180 days prior to release from active duty. During the program, service members keep the same pay and benefits until the internship concludes, while having an opportunity to train and learn how their military acquired skills can translate into a civilian career.

Energy Careers Academy
To create a pipeline of trained candidates ready to fill job openings, we helped launch the Energy Careers Academy in 2022 along with the Minnesota State Community and Technical College and Minnesota State Energy Center of Excellence. The academy seeks to open doors to historically underserved populations and prepare them for a career field that offers stable, well-paying jobs by providing training in electrical linework and natural gas utility construction and service. This includes a nine-month electrical line worker certification and six-month gas utility construction/service worker accredited training to create a diverse pipeline for careers in these fields. Students receive hands-on instruction at our training facilities and gain exposure to company employees and leaders, including hiring managers. Energy-related educational programs are typically offered at technical schools in rural locations, but the academy aims to enroll students in the Twin Cities area, helping remove a potential barrier for urban students. Minnesota State and Technical College is responsible for curriculum, accreditation and instruction while the Minnesota State Energy Center of Excellence provides general program support and oversight. The plan is to increase program options, including higher-credit diploma programs.

The electrical line worker certificate program began in August 2022 and the gas worker training is expected to begin in 2024. Financial aid is available through Pell Grants and other scholarship opportunities. Enrolled students receive college and career readiness training and follow-up services throughout the program in addition to regular interactions with recruiters and hiring leaders from Xcel Energy and other utilities. Prior to graduation, students will be made aware of various job openings at Xcel Energy and other utilities and supported throughout the application process.

Supplier Diversity
Our Supplier Diversity program supports local economies and broadens our supplier base by giving diverse businesses an opportunity to compete. We not only strive to do business with local and diverse suppliers, but we also aim to ensure there is diversity within the diverse supplier base. This extends beyond business ownership to a 360-degree view of each company's commitment — through its workforce, supplier network and connections within the community. Learn about our Supplier Diversity program and participation in the Economic Opportunity Coalition in our **Supply Chain Management brief**.

Community Engagement and Impact
More than 46% of 2023 grant funding from the Xcel Energy Foundation supported nonprofit organizations with a mission explicitly dedicated to advancing DEI. This includes more than 190 organizations and nearly $2 million.

We continue to forge new partnerships that support these efforts, such as with the Colorado Foundation for Black Entrepreneurship, which provides business development programming for Black women-owned micro businesses. A pro bono volunteer team dedicated over 200 hours to support successional planning and market analysis goals. Our team of HR experts analyzed the nonprofit's current documentation, performed a SWOT analysis to scope the needs of the organization to provide best practice and ultimately created a succession plan for a new executive director. Learn more in our **Community Giving and Volunteerism brief**.

2023 Xcel Energy Foundation Impact

Funding supporting orgs advancing DEI	46%
Grant awards to orgs advancing DEI	$2.1M
Supported orgs with a DEI policy	75%
Supported orgs reporting nonprofit staff/board reflect diversity of population they serve	78%
Dollars invested in BIPOC*-led orgs	$1.19M
Number of BIPOC-led orgs supported	85
Dollars invested in orgs led by a veteran	$83K
Number of veteran-led orgs supported	10

*Black, Indigenous and people of color.

Powering Career Pathways

In 2023, the Energy Careers Academy graduated 11 students. We offered eight of the graduates, all from diverse backgrounds, placement in our lineworker apprenticeship programs with support from our internal talent teams. We initiated our second cohort of students in August of 2023, with half of the 12 individuals being ethnically diverse, and the first female student.

"The program and faculty changed my life. I am doing things most people would never dream of." – Xai Vang, ECA graduate

LEARN MORE

- Diversity, Equity and Inclusion Brief
- Workforce Safety Brief
- Corporate Compliance and Business Conduct Brief
- Just Transition Position Statement
- Xcel Energy Careers
- Human Rights Position Statement
- Global Reporting Initiative Index

Named one of World's Most Admired Companies by Fortune® for 11th consecutive year.

People Management

We seek to attract, develop and retain the best workforce and foster a workplace where every person feels engaged and valued.

Through pay-for-performance compensation, holistic well-being benefits, recognition programs and a high-impact performance management system, we meet the interests of our business and workforce. These programs and technology not only help meet the needs of our employees and business, but also our customers and communities. Our goal is to hire talented people who reflect the diversity of the qualified labor market and who also embrace our values: **Connected, Committed, Safe and Trustworthy**.

Governance

The Governance, Compensation and Nominating (GCN) Committee of the board of directors oversees the company's people management and annually reviews our workforce strategy, including diversity, equity and inclusion (DEI) initiatives, employee engagement survey results and management's incentive plan. The GCN Committee is also responsible for ensuring succession plans are in place, and working to identify and prepare a strong, diverse pipeline of future leaders. Within Xcel Energy, the chief human resources officer oversees workforce strategy and reports to the CEO.

Talent Management and Recruitment

Through our talent management strategy and recruitment programs, we aim to build a best-in-class, future-ready workforce, positioning Xcel Energy to attract the top employees and compete for candidates in high-demand occupations. Once onboard, we provide employees with development and training opportunities to help them grow, stay engaged and stay motivated.

At the end of 2023, we had 11,311 full-time employees supporting our eight-state service area, with approximately 46% of our workforce represented by bargaining units.

A key recruitment tool is our careers website, which features our Employment Value Statement:

You. Us. Together.

At Xcel Energy, we're more than an energy company. We're reinventing how we power communities. Redefining how we care for customers. Reaffirming our commitment to the planet. We're committed to leading with equity and inclusion.

You're not waiting for change — you're creating it. You're driven to protect the environment, support your community and seek innovation. You want a career that grows with you and an employer who values you. You are reliable, trustworthy and bring integrity to everything you do.

We are leading the way in clean energy. We're using technology and innovation in every facet of our company. We're providing safe, stable jobs with robust benefits. We keep our customers at the center of all we do. We're committed to hiring a workforce that reflects the communities we serve.

Together, we can provide carbon-free electricity by 2050. Together, we can take care of the environment and our communities. Together, we can create a place where everyone belongs.

Together, we're building a better tomorrow.

We partner with schools and organizations to hire high school and college interns to build a more diverse workforce and inclusive culture. In 2023, we attended 126 in-person career fairs and outreach events and 14 virtual events, reaching new markets and schools. We also interviewed 7,500 prospective employees with an 85% acceptance rate from preferred candidates. External candidates filled more than 55% of our open positions. To support our communities and reduce relocation costs, we focus our outreach on the states we serve, and in 2023, 97% of new hires came from within those states.

Performance Feedback

Our performance management program, Connect 4 Performance, encourages frequent and meaningful conversations with team members rather than traditional year-end annual reviews. Once a quarter, employees and their leaders discuss successes, progress toward goals and professional development plans, their work's impact on the business and how it demonstrates company values; in 2023, 89% of non-bargaining employees met with their leaders to discuss job performance and business objectives.

Incentives

- Through our **Annual Incentive Plan**, our pay-for-performance philosophy acknowledges team members who go above and beyond with cash-based awards and other recognition.

- **Year-End Awards** reward exempt, non-bargaining employees who achieve individual and business area goals and contribute to the company's key performance indicators. For performance in 2023, we budgeted merit increases for non-bargaining employees, giving leaders the ability to reward employee performance and position within their pay ranges.

- Learn about our **sustainability incentives** and long-term executive compensation in our **Sustainability Governance and Stakeholder Engagement brief**.

Continuous Learning

Learning Central, our online companywide hub, makes it easy for employees and contractors to access e-learning, virtual and instructor-led resources. While training is required on topics such as safety, the Code of Conduct and cybersecurity, we also offer multiple opportunities to support individual employee interests and career development.

In early 2023, we expanded our offerings to Commercial Driver's License and crane licensing for field employees who have job requirements for these certifications. The in-house offering increases student experience and allows for more rapid skill development in these areas.

Full-time and part-time employees completed more than 600,000 hours of training in 2023, averaging 24 hours per employee.

- **Internal training programs and learning opportunities:**
  - Nearly 18,000 resources and tools, including technical and computer application training, professional and management training, safety and compliance-related classes.
  - To sustain nuclear excellence, we provide classroom, simulator and on-the-job initial and refresher training for 12 accredited programs offered through apprenticeships and the Nuclear Regulatory Commission.
  - For bargaining employees, we offer Line, Substation, Gas and Energy Supply initial on-the-job apprenticeship programs and refresher skills training.

- **Rotational career development assignments and higher education support:**
  - High-performing employees can expand their skills and knowledge and learn on the job through cross-functional experiences. Employees view and pursue these opportunities through internal job postings.
  - We offer tuition reimbursement to all full-time and part-time non-bargaining employees and to bargaining employees whose contracts provide for it. The program pays 80% of tuition for qualifying courses in approved degree programs at accredited institutions, up to $5,250 per year for full-time or $2,625 per year for part-time employees.

Strategic Workforce Planning

Employee turnover in 2023 was 14.8%, with approximately 38% due to retirements, 46% from resignations and the remaining 16% for other reasons, such as unsatisfactory performance, misconduct, severance or death. The Voluntary Retirement program had a significant impact on the increase in the company's retirement rate compared to prior years, accounting for 61% of all retirements in 2023. We project approximately 19% of our workforce will be eligible to retire over the next five years and 31% over the next 10 years. These projections are incorporated into our one-to-five-year workforce plans.

We take a data-driven approach to planning that ensures we have the right workforce size and skill set to serve our customers, engage with our stakeholders, meet business objectives and manage potential opportunities and risks. Our workforce plans are connected to and integrated with talent solutions and business initiatives that enable our plans to be successful.

Senior leaders regularly receive Human Capital Reports that include employee demographics, performance, headcount and attrition trends within each organization. To inform workforce planning discussions, we perform companywide analyses that model the effects of different operational scenarios.

We also conduct annual talent reviews and comprehensive succession planning for key positions to support business continuity and leadership development goals. Each business area analyzes its key jobs and identifies potential successors based on long-term performance, leadership potential, skills and career aspirations. We reviewed over 2,600 leaders and individual contributors in 2023, with 335 identified as top talent candidates. This includes more than 170 potential qualified successors for 259 of our most essential positions.

Just Transition

Under our clean energy plans, we are retiring coal operations ahead of schedule, which affects employees who support those operations, along with the communities where they live and work. Xcel Energy is committed to retaining talent and providing support to help employees prepare for other roles at the company.

Our approach to a workforce just transition includes:

- **Advanced notice:** We make decisions and announce plant closures years ahead of retirement dates. Employees working at the facilities are among the first to learn about closures, which gives them time to plan for their futures.

- **Regular communication with employees:** Executive leaders and our union leaders partner and conduct regular visits with all employees at our retiring plants. This provides an avenue to gather employee feedback, allowing employees to gain greater insight into the transition process and into jobs in other business areas to choose their desired career pathway. It also keeps workers informed of clean energy transition progress.

- **Career planning and opportunities:** We offer on-the-job training, upskilling or reskilling opportunities and tuition reimbursement. We give impacted employees time to explore potential roles, work locations and new career tracks.

- **Managing transitions:** We work closely with bargaining unit management to help mitigate impacts to pay or seniority when employees change roles.

We've closed 23 coal units without forced workforce reductions. On December 31, 2023, we closed Unit 2 at our Sherco coal plant in Becker, Minnesota. No workers were impacted; they were retained at the site for ongoing operation of the remaining unit.

Workforce Culture

We continue to cultivate a work environment that engages employees and encourages innovation, diversity and inclusion. The right workforce culture is integral to achieving the company's vision and strategic priorities and goes hand-in-hand with our ability to attract, grow and retain the best talent.

DEI
We value diversity and recognize the importance of having a workforce that reflects all people. We promote an inclusive culture — one that fosters collaboration between employees with different backgrounds and experiences. Learn more in our **Diversity, Equity and Inclusion brief**.

Employee Listening and Engagement
Since launching in 2019, our Employee Listening Initiative has included annual employee engagement surveys plus feedback opportunities during onboarding for new employees and the exit process when employees leave the company. All bargaining and non-bargaining and full-time and part-time employees, as well as interns, are invited to participate.

The fall 2023 engagement survey had a 71% participation rate, generated feedback on 21 work culture topics and received more than 26,000 written comments. Senior leadership commits to reviewing all employee comments. The survey seeks to provide a clear and transparent view of our workplace culture. We make companywide results available to all employees to show where we're strong and where we need to improve. Nearly 8,200 employees participated in the annual employee engagement survey. Engagement dropped to 61, 13 points below benchmark. Participation decreased 3%.

Strengths:	Opportunities for improvement:
• Safety	• Barriers to execution
• Initiative	• Well-being
	• Leadership

The goal of our employee engagement survey is to listen and gather insights into how our teams are functioning and address obstacles they face. We are implementing a plan to better understand and address employee concerns, including barriers to execution, well-being, change adaptation and building employee trust and confidence.

Holistic Well-Being Strategy
Our "Life Fully Powered" strategy allows employees to be their best selves at home, work and within the community. This includes access to resources for physical, emotional and financial health, provided through digital and virtual channels and in person, which allows employees to find the information and care that best meets their needs.

Physical Well-Being
We offer a spectrum of health benefits for bargaining and non-bargaining employees and dependents, including programs* to encourage preventive care and healthy lifestyles:

- High deductible health care plan with pretax health savings account.
- Dental plan with subsidized basic and enhanced options.
- Optional vision plan.
- 24/7 access to online or telephone visits with a care provider.
- Fitness center reimbursements, wellness coaching, tobacco cessation, weight management, access to registered dieticians, diabetes management and flu shots.

We are always searching for innovative ways to help our employees stay healthy and deal with life-impacting issues. We recently introduced four:

- **RecoveryOne** offers physical therapy digitally, making it easier for employees to stick to their program.
- **Regenexx** offers a less invasive option than surgery for joint and muscle injury treatment, resulting in highly effective results and shorter recovery time.

- **Livongo** offers technology and coaching to help Type 1 and 2 diabetics manage their disease. At no cost to users, members receive an advanced blood glucose monitor, testing supplies and real-time support for out-of-range readings.

- **Parsley Health** takes a holistic and individualized approach to get to the root cause of illnesses and build a care plan that encompasses participants' physical and emotional well-being.

*Bargaining unit benefits are based on contracts negotiated with specific local unions. The Southwestern Public Service bargaining unit is on a different medical plan than the rest of the company, per its negotiated contract.

Emotional Well-Being
Beyond our medical plans, Xcel Energy provides all employees with an industry-leading set of resources to support mental health and emotional well-being. Employees can access all mental health resources through our user-friendly Xcel Energy Emotional Well-Being website available anywhere. We earned a 2023 bronze level designation for Cigna's Healthy Workforce award.

- **Cigna Employee Assistance Program (EAP):** In 2022, we enhanced the EAP with more digital resources and virtual coaching. We addressed health equity by making EAP easier to access for all employees and their families. In 2023, we saw 8.2% of employees and family members take advantage of the program compared to Cigna's book of business, which was at 6.2%.

- **Brightline:** Brightline rolled out in 2022 as an extension to our EAP program. It focuses specifically on families with children and teens and offers online resources, coaching and counseling. To date, we have seen 6.54% of dependents use the program, up 2% over 2022.

- **On-demand, virtual wellness resources:** We work with vendor partners, including the meQuilibrium resilience program and Sleepio.

Progressive Non-Salary Benefits
Programs that help our employees manage their work and personal lives are assessed annually, adding new features to meet changing needs and maintaining our leadership position in this area.

- **Paid parental leave:** Additional paid time off for new parents to bond with a new child in the family, through birth, adoption or fostering, up to four weeks for full-time non-bargaining employees and two weeks for part-time non-bargaining employees.

- **Adoption assistance:** In addition to six to eight weeks of paid parental leave, we reimburse eligible adoption expenses up to $2,000 for full-time employees and $1,000 for part-time employees. Available for non-bargaining and bargaining employees, as allowed by their negotiated agreement.

- **Dependent care referral:** Help finding local child and elder care providers through our EAP.
- **Paid Time Off (PTO) and Employee Assistance Donation Bank:** PTO encompasses traditional vacation, personal day and sick day programs for non-bargaining employees. The Donation Bank assists employees who have exhausted their paid time off during a catastrophic event or serious health condition. Eligible non-bargaining employees may donate earned and accrued PTO or apply for donated PTO.
- **Volunteer Paid Time Off:** Full-time bargaining and non-bargaining employees can take up to 40 hours each year to volunteer during business hours at eligible nonprofits or educational institutions.
- **Military Time Away from Work:** Enhanced policies for employees serving in the National Guard or Reserves. While away, employees are paid the difference between their base pay and base military pay for up to 24 months. They may also use 15 days of military leave during their mandatory two weeks of annual training.
- **Subsidized mass transit monthly passes:** Discounted mass transit passes for employees in metro Denver and Minneapolis-St. Paul. Encouraging transit supports our goals to improve air quality and reduce carbon emissions.

Flexible Solutions and Workspaces

Where job responsibilities allow, employees can work under our Hybrid Work policy, which requires all employees to be on-site at their assigned workplace Tuesday, Wednesday and Thursday each week. Employees can choose to work from home or an alternative location on Mondays and Fridays. This model respects our employees' desire for increased workplace flexibility while fulfilling the company's goal of in-person collaboration. We have updated our Workspace Standards to reflect this new way of working and continue to outfit new and renovated spaces with updated furniture that encourages collaboration, flexibility and choice of work environment.

Culture of Respect and Freedom of Association

Xcel Energy is committed to upholding the human rights and ethical treatment of employees and contractors. Part of living our core values means we treat others with respect, professionalism and dignity. This includes maintaining a work environment free from harassment and discrimination or any other unacceptable behavior.

Policies to Support Human Rights

Our **Human Rights Position Statement** confirms our long-standing commitment to the advancement and protection of human rights, consistent with the general principles set forth in the International Labour Organization conventions and all U.S. human rights laws. Among other things, the statement includes our support of employees' freedom of association. We expect all employees, suppliers and partners to abide by our position.

Our Equal Employment Opportunity Policy and **Code of Conduct** apply to all employees. Our Anti-Retaliation Policy strictly prohibits retaliation against an employee who reports a violation or suspected violation of the law, Code of Conduct or any other policy, participates in an investigation or exercises any other lawful right.

Process for Employees to Report Concerns

We provide multiple options for employees to report concerns or grievances (including confidentially) about potential violations of Xcel Energy's policies. All concerns are formally investigated, tracked and processed through a case management system that provides a comprehensive review of allegations.

Employee Safety

Our Safety Always culture is based on the latest research and best practices for preventing serious injuries. Building a culture where team members feel comfortable sharing details about injuries and near misses allows us to learn and collaborate to prevent future events. Learn more in our **Workforce Safety brief**.

Strengthen Communities

Deliver exceptional service and partnership to help the places we serve thrive

LEARN MORE

Xcel Energy resource plans:

- **– Colorado Clean Energy Plan**
- **– Upper Midwest Energy Plan**
- **– Plan for our Southwest Region**
- **Wildfire Mitigation Program**
- **Leading the Clean Energy Transition Brief**
- **Environmental Management Brief**
- **Renewable Energy and Innovation Brief**
- **Product and Service Innovation Brief**

Affordable, Safe, Reliable and Resilient Energy

Every day, we deliver essential energy and life-sustaining products and resources.

From large industrial businesses to income-qualified families, we stand by all our customers, providing them with tools, programs and services to help them take control of their energy use while keeping costs as low as possible.

We are also strengthening infrastructure, upgrading technology and diversifying our energy supply to ensure a reliable, cost-effective mix of resources. Through a more dynamic distribution and transmission network, we're improving reliability while providing cleaner energy. And as our systems become more interconnected, we are hardening them against increased risks to protect our assets.

Governance

The Operations, Nuclear, Environmental and Safety Committee of the board of directors oversees all aspects of operations and operational performance. Within the company, the chief operations officer oversees generation, electric distribution and transmission, and natural gas operations. The chief planning officer is responsible for system strategy and planning. The chief customer officer oversees marketing, customer service and brand strategy, and the chief human resources officer is responsible for safety programs, including public safety. All report to the CEO.

Our Responsibility to Customers

We operate under carefully regulated conditions*, determined in part by state commissions that approve the rates, services and plans of utilities like ours. In exchange for the exclusive right to provide electricity and natural gas service, we support the following regulatory compact:

- **Duty to serve:** We cannot pick and choose our customers, nor can we deny service. We will provide service to any residence or business within our service area that requests it under reasonable terms and conditions.

- **Cost of service pricing:** We cannot arbitrarily raise prices to levels beyond our costs. Pricing for our services is regulated by the costs we incur to deliver them and subject to review by our regulators.

- **Planning process:** We undertake regular processes to determine the generation, transmission, distribution and natural gas infrastructure we will need to serve customers. These plans must be reviewed and approved by regulatory commissions. Stakeholders provide input on the plans through a public process in most of our jurisdictions.

In return, we are granted the right to recover our costs and the ability to earn a reasonable rate of return. This profit component is not guaranteed — regulators only give us the opportunity to earn it.

Customers had electricity service 99.98% and natural gas service nearly 100% of the time in 2023.

*We are required to regularly conduct a resource planning process, including electric and gas distribution systems in certain jurisdictions and states. Generally, we file a proposed long-term resource plan with state regulators in which stakeholders evaluate and provide input. The plans, which assess the overall power generating resources we need to serve customers, also include transmission requirements and total energy load obligations. Once approved, we issue requests for proposals (generation only) if additional resources are needed. As regulators review, we accept feedback from stakeholders and the public.

Affordable Energy

We're committed to doing all we can to keep costs low, including adding more affordable renewable energy, securing competitively priced fuel contracts and making our operations more efficient. Our goal is to enable the clean energy transition while keeping customer bills low through initiatives including conservation programs, cost controls, our One Xcel Energy Way lean management initiative, advanced operational technologies for added efficiency and our Steel for Fuel strategy.

From 2014 to 2023, we kept residential electric bill growth to 1.8% per year and natural gas bill growth to 1.1% per year, both below the rate of inflation. Based on available U.S. Energy Information Administration, the most recent year average residential electric bill for an Xcel Energy customer was 28% below the national average. Xcel Energy residential customers' electric bills are also amongst the lowest in the country.

We've also invested more than $2 billion over the past decade in a portfolio of renewable energy at prices below the fossil-fuel alternative and conservation programs that provide customers with clean energy options and help keep bills low.

Energy Assistance
In addition to our Personal Accounts department that assists customers with medical needs or are struggling to pay their bill, we work with state and local agencies and nonprofits to advocate for low-income customers. Our support includes:

- Public policy and advocacy supporting state and federal efforts to fund Low-Income Home Energy Assistance Programs (LIHEAPs).
- Funding for state and local energy assistance agencies and weatherization programs.
- In-kind marketing and public relations to support energy assistance organizations and advocates for customers in need.
- Encouraging customers to contribute to statewide fuel funds via their Xcel Energy bills.

467K in payment plans for residential customers

$187M in energy and affordability assistance

188K customers benefited

$997 average benefit per customer

We also encourage customers who may be faced with difficulties paying their bill to contact us to develop a payment plan and see if additional assistance is available. In addition to LIHEAP, Xcel Energy has several energy assistance programs for seniors or low-income customers with medical needs. In Colorado, Minnesota and Michigan, we work with eligible customers to set their bills at affordable levels based on their income and usage. Depending upon the program, we either match the remaining portion of their bills or apply a monthly bill credit.

In 2023, Xcel Energy's Personal Accounts department completed approximately 180 outreach campaigns, completing more than 3.1 million touchpoints to customers eligible for energy assistance.

We only disconnect service as a last resort if we are unable to resolve the issue or arrange a payment plan. When customers fall behind, we typically send a reminder notice 33 days after the unpaid bill is due and a disconnection notice 64 days after the original due date. In 2023, we disconnected service to 52,555 residential customers, with service to about 87.14% of those customers reconnected within 30 days. Most of these customers were reconnected within 72 hours of the disconnect after they arranged payment plans or paid their bills in full. Heat-affected disconnections are not performed in our five Upper Midwest states during the heating season.

Safe and Secure Energy

Our comprehensive outreach programs promote safe behavior among our customers, communities, emergency responders and third-party workers. Our teams annually distribute thousands of safety materials and use multiple channels (e.g., ads, direct mail, events, media, social media, sponsorships) to communicate and share safety messages.

Public Safety Awareness
We run public safety campaigns on multiple topics, including four important message areas:

- Contacting 811 before digging.
- Staying at least 20 feet away from overhead electric lines and at least 30 feet away from downed electric lines.
- Recognizing and responding to a possible natural gas leak.
- Keeping natural gas meters clear of snow and ice.

In addition to sponsoring and participating in pipeline emergency responder meetings, we distribute safety materials to excavators and to public and emergency officials. We also encourage specialized audiences to use online resources, including:

- Responding to Utility Emergencies training information for firefighters and law enforcement. We offer safety presentations and conduct drills for first responders.
- E-SMART Worker for contractors, agricultural workers and others who encounter power lines or natural gas infrastructure as part of their jobs.
- E-SMART Kids for educators and students in Grades 2 through 6.
- Collaborative resources with the Pipeline Association for Public Awareness for public officials, including emergency managers, city planning and permitting.

Natural Gas Safety
Third-party excavation damage to underground electric and natural gas facilities remains the biggest threat to our natural gas distribution system and public safety. We belong to the Common Ground Alliance (CGA), are members of one-call centers in states we serve and participate in the Damage Prevention Institute (formerly the Gold Shovel Association) through CGA. We are also a member of the American Gas Association and use their damage prevention performance metrics — under which our company has achieved top-quartile performance.

We measure the occurrence of leaks on our system through annual inspections, day-to-day operations and customer reports. We inspect one-third of the system each year, going beyond the regulatory requirement of 20% annually. Identified leaks are prioritized for repair, from tightening joints to full-scale pipe replacements.

Protecting and Supporting Customers

Providing safe, reliable service is a priority at Xcel Energy, and our natural gas crews are a critical part of making that happen. Jake Warner, who has been a gas emergency responder for 14 of his 21 years with Xcel Energy, understands the importance of ensuring customers have a positive experience.

“As a gas emergency responder, I know that I am in the customer service business,” he said. “In my mind, it is about the three Cs: calm, cool and collected. If you’re not calm, you’ve missed the mark on providing good customer service in an emergency situation. We cover all the bases to provide a sense of comfort to our customers. Natural gas is a valuable service that heats our homes. At the end of the day, it’s about ensuring our customers know that we’re here first and foremost to protect their safety.”

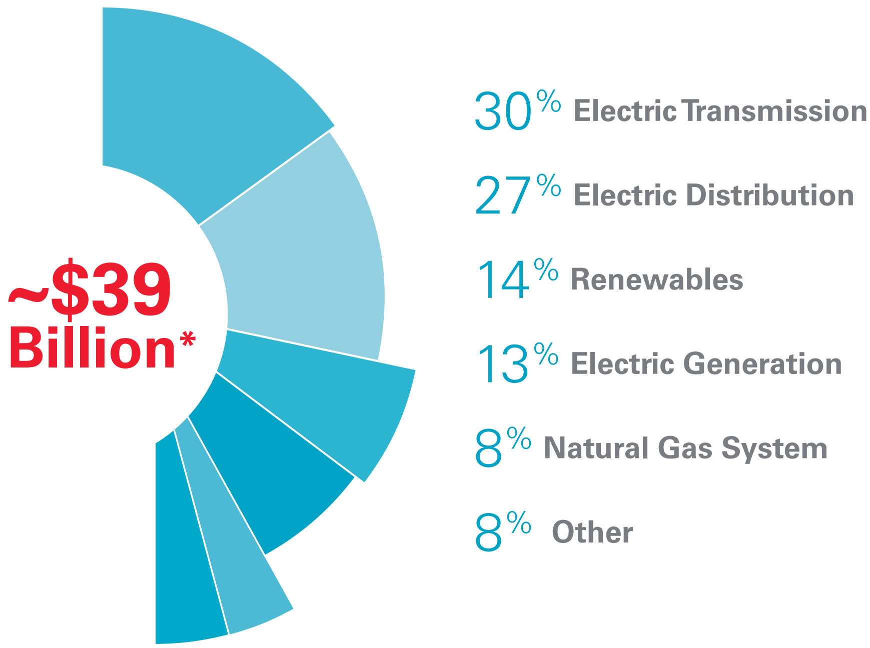
Cybersecurity and Physical Security
Protecting our critical energy assets from all hazards is a responsibility that demands our constant vigilance and a top priority for Xcel Energy. Electric utilitilties and other critical infrastructure owners and operators face ever-evolving cybersecurity and physical security threats. We proactively engage with partners to prevent, protect, defend and recover from potential cyberattacks and engage with our industry peers and government partners to improve security awareness and develop solutions.

- To address increasing physical attacks on substations, we continue to enhance current physical security protections and develop future hardening efforts.
- A cross-functional team is hardening our natural gas system against potential security threats.
- Our Corrective Action Program, a first-in-the-industry program, enables us to identify and remediate issues across the company.
- Our programs help employees understand current threats, identify attempts to attack our systems and contribute to our risk mitigation efforts.

Our president, chairman and CEO is a member of the Electric Sector Coordinating Council, the principal liaison between the federal government and the electric power sector on critical infrastructure protection. Through the annual national grid exercise, the council focused on ways to improve the resilience of our bulk power system, addressed supply chain shortages and examined critical infrastructure interdependencies to reduce risk and improve reliability.

Reliable and Resilient Energy

Over the next five years, we plan to invest approximately $39 billion in projects that increase our renewable energy ownership, build out the transmission system, maintain and strengthen grid reliability and resiliency, enhance security, support charging infrastructure for electric transportation and offer new options to customers. The infrastructure investments we make today will be used tomorrow to enable carbon-free electricity, zero-carbon transportation and net-zero gas service for customers.



*Base capital forecast excludes additional generation investment associated with resource plans.

Electricity
In addition to transitioning our generation and power purchases to carbon-free resources to deliver a clean energy future, we're exploring and beginning to incorporate new technologies, such as large-scale batteries and hydrogen as a clean fuel. We're also hardening the energy grid to withstand changing weather, improving vegetation management and implementing wildfire programs.

3.8M electric customers across 8 states

$4B in customer savings since 2017 through our Steel for Fuel strategy

216K total conductor miles of electric distribution lines

111K total conductor miles of electric transmission lines

Between 2024 and 2028, we plan to build approximately 1,750 additional conductor miles of transmission lines, primarily as part of the Midcontinent Independent System Operator's Long-Range Transmission Planning (Tranche 1), MN Energy Connection and Colorado's Power Pathway projects.

We worked over 206,000 storm hours in 2023, a 35% increase over 2022. On active storm days in 2023, we restored 98% of customers' power within 24 hours — up from 94% in 2022 — continuing to outperform the industry standard of 80%.

Natural Gas
We plan to invest more than $1 billion in projects that tighten and improve our system over the next five years (2023 to 2027) after replacing more than 1,000 miles of pipe since 2012. All our transmission pipe is now protected steel, and nearly all our distribution pipe is plastic or protected steel. We've replaced all cast-iron pipes and have less than three miles of unprotected bare-steel distribution pipe remaining. By upgrading and tightening our system, we not only help ensure public and employee safety but also reduce methane emissions.

2.2M customers across 5 states

37K total miles of natural gas distribution lines

2.2K total miles of gas transmission lines

Natural gas is a flexible, efficient fuel for appliances used in the colder climates we serve. As we plan toward our **net-zero vision**, we are evaluating opportunities for the system to support advanced technologies and low-carbon fuel options such as recovered methane, renewable natural gas and hydrogen. We are also evolving our natural gas planning processes to consider non-pipeline alternatives and enhanced transparency, while continuing to serve our customers with the energy they need. For instance, we've taken an innovative approach to addressing increased customer demand in our growing mountain communities, working with a variety of partners in 2023 to identify new solutions for providing safe, clean, reliable and affordable energy to our mountain system customers. Learn more about the Mountain Energy Project on our **website**.

NOTEWORTHY

Advanced Grid Progress
Smart meters are part of the company's Advanced Grid initiative, which helps ensure reliable, affordable, secure electric service and enable more flexibility for customers. We have installed 2 million smart meters in Minnesota, Colorado, Texas, Wisconsin, North Dakota and South Dakota, reaching more than one half of the company's overall plan to install 3.9 million smart meters across all service territories. Smart meter installation in Wisconsin launched in August 2023 and in North Dakota and South Dakota in January 2024. Installations in Michigan and New Mexico will begin in 2025.

As soon as customers receive their new meters, they can access online tools, tips and their 15-minute energy usage data every four hours in My Account, and by leveraging their Wi-Fi and grid edge technology in the meters, they can access real-time information in My Energy Connection. A two-way field communications network allows the smart meters and other smart devices on the grid to securely send information to Xcel Energy. This allows customers to understand and adjust their usage and allows Xcel Energy to respond to power outages more efficiently — improving reliability, reducing outage restoration times and giving customers new ways to save energy and money.

Wildfire Mitigation

Over the last several years, Xcel Energy has seen increases in severe weather that affect our operations. For that reason, the company is not only investing in the clean energy future; we are also working to improve the resilience of our system today.

We are focused on resilience in many different areas of operations, but one is improving our ability to respond to the threat of wildfires. Xcel Energy recognizes wildfires pose a significant threat to our customers and communities. As part of our commitment to resilience and safety, we are making strategic investments to support the power grid and build resilience to mitigate wildfire risk. We approach this challenge from many angles, including system-hardening initiatives and inspections, operational and situational awareness efforts and connecting with stakeholders — especially those in designated wildfire risk zones — to understand the unique needs of each community. Since 2020, we have invested over $500 million in wildfire mitigation activities in Colorado alone.

In 2023, Xcel Energy was selected for a $100 million award from the U.S. Department of Energy to continue the company's work to reduce and mitigate the evolving threat of wildfires and ensure the resiliency of the grid through extreme weather. The funding, provided through the Grid Resilience and Innovation Partnerships program and matched by a $140 million cost share provided by Xcel Energy, will support a range of projects in Colorado, Minnesota, New Mexico, Texas and Wisconsin. These projects will allow us to expand our proactive wildfire mitigation work by:

- Adding fire-resistant coatings to wood poles.
- Improving equipment safety features in power lines and electric vehicle chargers in high fire risk conditions.
- Moving certain high-risk distribution circuits underground.
- Enhancing vegetation management.

In 2023, we also expanded our network of early wildfire detection cameras to cover more than 1.5 million acres in Colorado. The Pano Rapid Detect system integrates data sourced from state-of-the-art cameras, geostationary satellites and other data feeds, 5G connectivity, artificial intelligence and cloud-based software to actively monitor for smoke from new wildfire ignitions. These systems are deployed on high vantage points and continuously scan the landscape using 360-degree, ultra-high-definition cameras and artificial intelligence to spot, evaluate and signal wildfire activity within a 15-mile radius. As soon as an incident is detected, a notification is sent to Xcel Energy and first responders, providing detailed visuals and location triangulation.

Strategically placed camera deployments offer greater visibility for first responders in hard-to-monitor terrain, providing critical early and real-time situational awareness when a wildfire ignites. With built-in alerts and mobile notifications, first responders will always have up-to-date time-lapse imagery and key information on fire location and movement — empowering them to coordinate a rapid response to wildfire events with greater accuracy and control.

Our wildfire mitigation efforts will continue to evolve as we evaluate new technologies, complete more inspections and studies and expand our collaboration with research institutions, national labs, neighboring utilities and our communities to share lessons learned and best practices.

Vegetation Management

We use industry-best practices to manage millions of trees across more than 47,000 miles of distribution right of way and more than 20,000 miles of transmission corridors, achieving our goals in an environmentally sensitive, socially responsible and cost-effective manner. Integrated Vegetation Management, a progressive system of information gathering, helps us develop compliant solutions for controlling vegetation near electric and natural gas facilities. Some elements of our strategy include:

- Our pruning methods comply with standards set by the American National Standards Institute and the Tree Care Industry Association, which are endorsed by the International Society of Arboriculture.
- All herbicide products are registered by the Environmental Protection Agency and the appropriate state regulatory agency and applied by licensed applicators.
- In Colorado, our Mountain Hazard Tree program helps us stay ahead of tree mortality from the pine bark beetle to minimize the risk of wildfire ignition.
- Our transmission line program emphasizes the removal of incompatible vegetation and supports establishment of pollinator-friendly plant communities.

Our practices protect the natural environment and our customers' need for reliable energy. We work with landowners along our rights of way to decide if trees and other vegetation can be made compatible with safety around our electric lines. For our distribution and transmission lines, work is generally performed on a four- to five-year cycle. We also share information on sustainable landscaping and responsible tree planting.

LEARN MORE

- **Just Transition Position Statement**
- **Environmental Justice Position Statement**
- **Economic Development Real Estate Programs**
- **Leading the Clean Energy Transition Brief**

Community Relations and Economic Development

In the 1,600 cities and counties we serve across our eight-state footprint, we closely interact with community members, businesses, organizations and civic and political groups to ensure everyone's best interests are put forth.

The energy landscape continues to evolve, and as we pursue our clean energy vision, we are here to support our customers every step of the way. From underground work in streets and transmission pathways to helping them reach their energy goals while keeping their bills low, our goal is to help communities grow and thrive.

Governance

The Operations, Nuclear, Environmental and Safety Committee of the board of directors oversees all aspects of Xcel Energy's electric and natural gas operations. This includes reviewing operating performance, metrics and regulatory compliance, which the company's community relations functions support. Within Xcel Energy, the group president for Utilities and chief customer officer reports to the CEO and oversees the company's four operating companies, whose presidents are responsible for state-level community relations, economic development, regulatory and government affairs.

Economic Value Distributed for 2023 (in millions)	
Electric fuel and purchased power costs	$4,278
Cost of natural gas sold and transported	$1,456
Supply chain spending on goods and services	$5,915
Employee compensation, including wages and benefits	$2,358
Property tax payments	$528
Franchise fees	$258
Community giving	$15
Energy and bill payment assistance	$187
Interest charges and financing costs	$1,004
Dividends paid	$1,092

Economic Development

2023 was a successful year for Corporate Economic Development. The team closed on 18 projects across our eight-state service territory, representing growth in the following industries: aviation, biomedical science, data center, distribution warehousing and manufacturing. These new projects will result in $2.3 billion of capital investment and 1,400 jobs. The team generated 186.6 megawatts of future load.

18
economic development projects initiated

$2.3B
in capital investments projected

1.4K
jobs created

We track growth trends in each cluster to identify new service options and programs, building in-depth customer analytics to better understand their needs. We also host business expansion and retention meetings with our key accounts to explore mutual interests that may go beyond energy.

Our Certified Site program provides site due diligence for properties in our service territories in relation to site documentation and surrounding infrastructure. We work directly with landowners, developers, municipalities and economic development organizations to find sites to add to our Certified Site program. Several projects were chosen in 2023, including:

- Meta chose to locate to our UMORE Certified Site and had a groundbreaking ceremony in March 2024.
- Microsoft completed its purchase of the 295-acre Sherco 3 Certified Site in Becker, Minnesota, in early 2024.
- OCC Industrial Group hosted its groundbreaking ceremony in December 2023 for its Candelas Innovation Park project, located at the Candelas Industrial Certified Site in Arvada, Colorado.

Corporate Economic Development also spearheaded a partnership with Quality Technology Services (QTS), a data center solutions provider, to submit a Nonstandard Economic Development Rate Contract Filing for QTS to the Colorado Public Utilities Commission (PUC). QTS is developing the first mega data center in Colorado in the City of Aurora within Arapahoe County. The project's four-building data center campus will service the data storage needs of the local market. We delivered distribution service in the second quarter of 2023 to support construction of their first data center building.

NOTEWORTHY

Building the 21st-Century Economy

In March 2024, we announced a significant partnership with Meta, the parent company of Facebook, to power its new data center in Rosemount, Minnesota. The 715,000-square foot facility, estimated to open in late summer of 2025, will support Meta's artificial intelligence workloads and connect people, communities and businesses around the world. It will also represent an investment of more than $800 million in the local economy, supporting approximately 1,000 jobs during construction and 100 jobs once completed. We will bring energy upgrades, such as new transmission lines, to the site of the new data center in UMore Park. The upgrades and extensions are paid for by Meta — not spread out as a cost to our other customers.

The Minnesota PUC approved the agreement between Xcel Energy and Meta to supply power to the site — including a provision that Meta will contribute to our diversity, equity and inclusion (DEI) programs, making monthly contributions based on its energy use.

Public Outreach and Involvement

We actively encourage community participation as we plan and site our energy facilities, including meaningful opportunities for people to contribute to energy decisions and investments that may impact them. In addition to federal requirements, we follow the different permitting and approval processes of the jurisdictions where we operate. For nearly all projects we undertake (e.g., wind farms, solar projects, transmission lines, substations or natural gas facilities) we seek public involvement far beyond what state and local jurisdictions require.

Depending on the project scope and location, we may engage with stakeholders at key points:

- **Scoping:** Once a project need is identified, we research the location and gather information about our system, property ownership, demographics, land use and environmental conditions. We may conduct initial outreach and notifications to learn more about the area and begin discussing the project's purpose and schedule with community leaders, landowners, residents and other stakeholders.

- **Mapping and evaluating locations:** We identify a study area and begin identifying potential locations or routes for projects using field visits and one-on-one meetings with landowners, jurisdictions and other stakeholders. Our goal is to gather input, identify issues and build trust. We may host public open houses and work directly with local officials, tribes and other stakeholders. We use this feedback to refine our plans and narrow the list to our primary or preferred locations or routes. We may share our decisions with the public and seek additional input.

- **Final routes or sites and permitting:** We notify the public of our selected sites or routes and submit land use permit applications or filings. Additional opportunities for public input depend on each jurisdiction's permitting or regulatory process. We also purchase easements and may continue working with communities on refinements or mitigation measures throughout construction.

We also keep people informed through direct mail, project websites, newsletters, fact sheets, project hotlines and social media.

Partners in Energy

We help local governments and communities reach their sustainability or greenhouse gas reduction goals through our Partners in Energy program by developing action plans in collaboration with local stakeholders and officials. This includes:

- Identifying a community's energy goals and developing customized plans to meet them.

- Raising awareness and increasing local participation in our conservation, electric vehicle (EV), beneficial electrification, renewable choice and payment programs.

- Providing tools and resources to help communities leverage opportunities like the Certified Renewable Percentage, which lets them claim the full benefit of our increasingly clean energy mix, and our rollout of residential smart meters.

Since the program began in 2014, we've worked with more than 50 community teams in Colorado, more than 40 in Minnesota and six in Wisconsin.

Energy Future Collaborations

Through our Energy Future Collaborations (EFCs), we unite a community's specific goals, such as renewable energy and economic development, with our company's services and expertise to achieve shared objectives. This includes regular meetings with the city, council presentations, community and stakeholder engagement, regional collaboration and unique ways to support public policy in alignment with identified energy goals in the state legislature and at state regulatory commissions. The collaborations address a wide range of priorities, such as:

- Advancing carbon reduction and renewable energy targets.
- Reducing a city's carbon footprint.
- Maximizing energy efficiency programs.
- Ensuring affordable energy.
- Providing accessible EV charging for all residents.
- Supporting economic development.
- Integrating emerging energy-related technologies into area homes and businesses.

We have signed EFCs with eight Colorado communities and two Wisconsin communities, most recently La Crosse, Wisconsin, in 2023 — all of which represent varied municipalities in our service area, from rural to urban locations.

NOTEWORTHY

Community Benefit Plans
In 2023, Xcel Energy was selected for federal grants to pursue hydrogen, long-duration energy storage and advanced grid resiliency projects. The company submitted Community Benefit Plans for each of these applications, outlining how the company intends to partner with the Department of Energy and communities affected by these projects to engage with communities and labor, invest in the American workforce through quality jobs, advance DEI and accessibility, and contribute to President Biden's Justice40 initiative, which directs 40% of the overall benefits of certain federal investments to flow to disadvantaged communities.

Just Transition

Under our clean energy plans, we are retiring coal operations ahead of schedule. That change affects employees who support those operations, along with the communities where they live and work. We've closed 23 coal units — the most recent at the end of 2023 — without forced workforce reductions. As we make this transition, we are committed to helping address community impacts (tax base) and workforce transitions (job creation) and support state and regional priorities. Learn more in our **Environmental Management brief**, **People Management brief** and **Just Transition position statement**.

Community Resiliency

One of the most critical components of emergency response is a stable, secure power supply. In addition to our Empower Resiliency program, we're supporting innovative microgrid projects throughout our service footprint. A microgrid system contains multiple generation sources and loads that can either be connected or intentionally separated from the power grid. When not being used in emergency situations, its assets can be leveraged to supply benefits to the greater power grid, such as solar time shifting and price arbitrage. When complete, the microgrids will decrease outage restoration times, reduce emissions, provide clean energy jobs and strengthen grid resiliency. Lessons learned during implementation will also help determine the potential value of resiliency-focused energy storage systems on a broader scale.

Our Community Resiliency Initiative in Colorado supports critical infrastructure during a disaster by using energy storage systems to deliver backup power. Communities applied to partner in the development of battery-based microgrids to supply power during a wide-scale electrical outage. Commissioning has been completed at two sites, the Alamosa Recreation Center and the Arvada Center for Arts and Humanities. Testing at Nederland Community Center is taking place in spring 2024. Construction has been completed at Denver International Airport while crews are preparing to break ground at the Denver Rescue Mission and the National Western Center.

A Renewable Energy Health Care Campus

Through our EMPOWER Resiliency program, Xcel Energy and Gundersen Health System are creating one of the first 100% renewable energy health care campuses in the country at the system's Onalaska campus in western Wisconsin. Gundersen will build an all-renewable energy microgrid for greater sustainability and resiliency during power grid outages. A new battery energy storage system will be combined with the energy generated through their existing solar panels and their longtime partnership with the La Crosse County Landfill.

Gundersen is a national leader in health care sustainability practices and the first health care system in the country to produce more energy than it consumes. "We are excited to be partnering with Xcel Energy on this innovative project," said Alan Eber, director of Gundersen Envision, the health system's sustainability program. "This is a groundbreaking chance for a utility and a health system to come together to lower costs and create a more resilient campus for patient and community care."

Resources and Education Delivered to Your Neighborhood

We are helping customers large and small to lower costs and reduce their carbon footprint. In the spring of 2023, we launched the Resources Education Delivered (RED) Truck in Colorado. Staffed with energy experts to answer customers' questions and help with bill assistance, program signups and more, the truck visits communities, expanding on existing community outreach and providing immediate energy assistance at a range of events and locations.

In addition to the RED Truck, we work with state and local agencies and advocates to help income-qualified Colorado customers with bill payment assistance, free weatherization and energy efficiency upgrades and HVAC repair and replacements. Some of the organizations include Energy Outreach Colorado, the Colorado Energy Office and the Colorado Low-Income Energy Assistance Program.

In spring 2024, we brought our RED Truck to the Aurora Wellness Community's Health Fair to offer attendees energy and affordability assistance, address bill questions and provide information about our programs.

"Xcel Energy staff went above and beyond, not only by addressing immediate needs but also by actively engaging and forming bonds with community members," said Melanie Ulle, development counsel, Aurora Wellness Community. We deeply appreciate Xcel Energy's unwavering commitment to customer care, community support and relationship cultivation."

Community Giving and Volunteerism

LEARN MORE

- Community Relations and Economic Development Brief
- Diversity, Equity and Inclusion Brief
- Biodiversity and Land Use Brief
- Xcel Energy Foundation

Our community focus is a top priority that runs deep at every level of our organization.

Through our company and the Xcel Energy Foundation, our workforce donates millions of dollars and volunteers thousands of hours every year, supporting causes meaningful to them while addressing needs unique to the places where they live and work. In 2023, 30% of our employees volunteered at local community and nonprofit organizations.

From our annual Day of Service, which brings together thousands of employees and customers, to our focus area grants that invest in organizations that strengthen our communities, the spirit of giving at Xcel Energy shines bright.

Governance

The Xcel Energy Foundation Board oversees charitable giving and volunteer programs. The 12-member board has eight directors and four officers, with Xcel Energy's CEO as chair and president, and includes the group president of Utilities and chief customer officer, chief human resources officer, chief financial officer and four operating company presidents. They meet quarterly to review financial statements, set program policies and approve the annual budget.

Investing in Our Communities

Xcel Energy and our charitable arm, the Xcel Energy Foundation, work to engage, empower and uplift the communities we serve. Our employees put good energy into action through regular giving and volunteer opportunities.

$15.3M total giving

$11.9M company and foundation contributions

$4.4M focus area grants

$4.1M Giving Campaign contributions

$3.4M employee and retire contributions

$2.9M economic impact through volunteering*

93K volunteer hours

5.4K employee, retiree and community volunteers

1.2K nonprofits served through volunteering

29K board service volunteer hours

540 community boards

*Based on Independent Sector's 2023 Value of Volunteer Time.

Focus Area Grants

Our foundation's mission is to use the company's collective knowledge, resources and skills to make a positive impact throughout our service area. In 2022, we created a new framework, Energizing the Future, which strategically targets three impact areas in addition to advancing diversity, equity and inclusion (DEI).

$4.4M to 409 nonprofits

46% of funding supported organizations advancing DEI.

STEM Career Pathways

$1.6M to 137 organizations

1M students will receive hands-on STEM learning, including 506K female learners.

Community Vitality

$2.1M to 208 organizations

7K individuals will gain employment, generating $226M in wages.

Environmental Sustainability

$750K to 64 organizations

59K trees will be planted, offsetting 41K tons of carbon emissions.

Inspiring STEM Careers

Xcel Energy fosters new avenues for Science, Technology, Engineering, Math (STEM) career recruitment, hiring, advancement and development. As a longtime partner of Chippewa Valley Technical College (CVTC) in Eau Claire, Wisconsin, we made a significant investment to create the new Power of Us scholarship, which will increase the number of multicultural students in the electric and natural gas industry.

This year's recipient is Matt Thoms, a part-Filipino Wisconsin resident who is passionate about the energy industry. The scholarship will pay for the entirety of his technical degree, including the cost of tuition, materials and fees associated with the Electrical Power Distribution or Gas Utility Technician programs offered at CVTC.

"It's an amazing opportunity to have with an employer that is dedicated to bringing people into their industry. It is one of the places I hope to get into as a new lineman," Thoms said.

Karen Kohler, CVTC vice president of Institutional Advancement and executive director of the CVTC Foundation, said the college and Xcel Energy have a long-standing relationship. "[Xcel Energy] shows that it is vital to have a diverse workforce that reflects the communities and customers the company serves."

Giving Programs

32K volunteer hours

Volunteer Paid Time Off: Full-time employees and interns may take up to 40 hours per year to volunteer during the workday at nonprofits or educational institutions.

22K volunteer hours and $208K in donations

Dollars for Doing: The foundation contributes $10 for each hour an employee volunteers at a nonprofit outside of work, up to $1,000 a year.

$90.5K in grants

Volunteer Energy: Groups of employees and retirees who work together on a project are eligible for up to $1,000 annually that goes to the associated nonprofit organization.

$1.4M in total matching gift contributions

Matching Gifts: The foundation matches dollar for dollar any employee and retiree charitable donations of $50 or more, up to $750 per year for nonprofits and $2,000 for higher education.

Putting Good Energy into Action

Joel Brown, a substation field engineering manager, helps youth in his hometown of Amarillo, Texas, by using Dollars for Doing to volunteer at Fill with Hope, which provides weekend meals to kids, and the Don Harrington Discovery Center, an interactive science center.

"I have learned that giving your time and abilities is just as valuable, if not more, than financially giving to an organization," said Brown, a recipient of the 2023 Good Energy Award, given during National Volunteer Month in April. "There is no better way to support an entire community than finding ways to volunteer within that community."

Employee Choice Grants

The Employee Choice Grants program invites employees to nominate a nonprofit to receive funding from our foundation. An employee panel selects finalists that align with the company's values and focus areas. Then employees vote for winners in their states. The program has awarded nearly $350,000 to nonprofits in our service area since 2015. In 2022, Employee Choice expanded from Colorado to include Wisconsin and Michigan and in 2023, expanded to include all operating companies. Employees nominated nearly 400 nonprofits during the 2023 program, and nearly 1,200 employees voted.

2023 Employee Choice Grant Winners

PeaceWorks	**MAD DADS**	**WHI Hobbs**	**The Bridge**	**The Community Table**
Colorado	Minnesota	New Mexico	Texas	Wisconsin

Giving Campaign

The annual Power Your Purpose Giving Campaign, held every fall, is Xcel Energy's largest charitable endeavor. The 2023 campaign raised $4.1 million (employee, contractor and retiree contributions plus the foundation match) for our communities, benefiting more than 1,300 nonprofits. An additional $34,000 was awarded to organizations through Participation Prize Grant drawings; three times during the campaign, one employee from each operating region was randomly chosen to donate up to $5,000 to their chosen cause.

Day of Service

In September 2023, Xcel Energy employees, family members and friends, retirees and customers banded together for the 13th annual Day of Service, serving over 100 nonprofits across the company's service footprint.

7.5K volunteer hours

2.5K volunteers

$240K economic impact*

125 nonprofit projects

175K meals packed

6K students received school supplies

3K dental kits assembled

2K meal bags decorated

*Based on Independent Sector's 2023 Value of Volunteer Time.

Pro Bono Skills-Based Volunteer Program

The Pro Bono Skills-Based Volunteer Program offers employees the opportunity to share their professional skills and talents with nonprofits that may lack adequate resources, such as staff or certain skillsets, which prevent them from advancing their mission, serving more people or making a greater impact. Through a partnership with HandsOn Twin Cities, Xcel Energy employees helped seven nonprofit organizations throughout our service footprint in 2023, making an impact of over $270,000. Volunteers provided a range of skills, from creating business and marketing plans to providing technology support and energy efficiency strategies. 41 employees volunteered a total of 1,400 hours at:

Foundation for Black Entrepreneurship
Colorado

Neighborhood Development Center
Minnesota

Second Harvest Heartland
Minnesota

Women Venture
Minnesota

Grand Forks Children's Museum
North Dakota

Washington Pavilion
South Dakota

Power of Perception
Wisconsin

Since the program began in 2021, it has helped 13 organizations, and 70 Xcel Energy employees have provided 2,400 consulting hours, with a total value of services delivered equaling $500,000.

Strategic Philanthropy

Our strategic philanthropy aligns community giving with our corporate vision, values and strategic priorities. By using funds from operating budgets, this approach allows projects that originate in business to be recognized as also meeting our philanthropy goals. In 2023, we provided $350,000 for strategic philanthropy initiatives, including:

- **Rondo Community Land Trust:** Funds will support the immediate housing needs of limited-income families in the Rondo neighborhood of St. Paul, Minnesota.
- **St. Croix Valley Food Bank:** Funds will be combined with other public and private donations to support the construction of a new facility in Hudson, Wisconsin.
- **Kids Inc:** Funds will help build a 90-acre premier athletics facility for youth sports in Amarillo, Texas.
- **Beyond the Grant Series:** Funds will help the Xcel Energy Foundation implement a second series of three trainings (free of charge) for our 400-plus focus area grantees in 2024.

Grand Forks Children's Museum

At the Grand Forks Children's Museum, which is raising funds to create a regional family and educational destination, Xcel Energy employees helped set up software and develop a strategic plan for potential donors and grant makers. The Xcel Energy Foundation also committed to awarding the museum $100,000 in grant funds through the company's strategic philanthropy program.

"Xcel Energy's pro bono program supported us where we needed it the most," said Sally Miskavige, vice president of the museum's Operation Exploration Campaign. "We were able to get things accomplished at a pace and cost we would not have otherwise been able to achieve. We appreciate the support of such talented Xcel Energy volunteers in our effort to bring a children's museum to Grand Forks."

Product and Service Innovation

Through our suite of tools and solutions and a strong focus on choice, affordability and accessibility, we help our customers achieve their energy goals.

Our customers play an essential role in helping us become a net-zero energy provider by 2050. We offer hundreds of ways for businesses, families and individuals to conserve natural gas and electricity, lower energy bills and reduce their carbon footprints. From smart meters and energy efficiency programs to electric vehicle (EV) incentives and renewable choice offerings, customers have more control over their energy than ever before.

Governance

The Operations, Nuclear, Environmental and Safety Committee of the board of directors oversees the performance of our electric and natural gas operations, including customer programs. Within the company, the chief customer officer reports to the CEO and oversees the company's customer programs, as well as marketing, customer service and brand strategy.

LEARN MORE

- **Leading the Clean Energy Transition Brief**
- **Renewable Energy and Innovation Brief**
- **Affordable, Safe, Reliable and Resilient Energy Brief**
- **Certified Renewable Percentage**
- **Electric Vehicles**
- **Renewable Energy**

Energy Efficiency and Demand Side Management

Xcel Energy's portfolio of electric and natural gas Demand Side Management (DSM) programs continue to experience strong customer engagement and growth. DSM programs are utility programs tailored to customers' needs and include monetary incentives and other support to encourage them to buy energy-efficient equipment and/or receive lower prices if they agree to reduce their energy usage during peak times of demand. Our 2023 results include:

$170.5M paid in customer rebates and other incentives

$283M total invested in DSM programs

7M completed energy-saving projects (**5M** electric projects and **2M** natural gas projects)

Approximately **1.3K gigawatt hours** of electricity saved — enough to power more than **165K** homes

2.1M dekatherms of natural gas saved — enough to fuel more than **28K** homes for a year

More than **620K** tons carbon emissions avoided — equivalent to planting more than **9M** trees

Since 1992, when we began consistently tracking DSM program results, our customers have saved enough energy to avoid building 28 average-size power plants. See all the ways we help customers save on our **website**.

Programs
Many of the states where we operate have state-specific DSM programs regulated by their public utilities commission, with different reporting standards and definitions. The overarching goal of these programs is to help customers utilize and manage their energy consumption to save energy and lower their bills.

Empower Suite

Through a portfolio of integrated solutions, the Empower Suite offers customized programs to help businesses be more efficient and resilient, meet sustainability goals and reduce costs.

Empower Resiliency: We launched Empower Resiliency in Wisconsin and Minnesota to provide commercial and industrial customers with additional protection against potential power interruptions. Some businesses have an exceptional need to always keep their operations running. Empower Resiliency helps them prepare for the unexpected by installing customized microgrids or other resiliency solutions. We are working to expand Empower Resiliency to support customers in more states.

Empower Facilities: Available for commercial and industrial customers in Minnesota and Colorado, Empower Facilities delivers energy savings through upgraded energy-efficient systems. This turnkey solution provides facility assessments, proposals and flexible funding options for how customers can improve their HVAC, lighting, building controls and other systems. The program's goal is to enable a comprehensive project to significantly lower energy bills.

We continue to pilot and explore more offerings to meet current and future business needs through the Empower Suite.

An Accessible, Sustainable Housing Community

As the first Net Zero Energy affordable housing community in the country, Hillcrest Village in Northfield, Minnesota, is an innovative approach to the challenges of the housing crisis and climate change. In addition to the Net Zero certification, the property will be home to new solar panels in 2024. Once the installation is complete, 100% of the energy used on-site will be generated by an on-site solar field. For now, each resident pays $20 per month for all electric and heat costs. Each unit uses 62% less energy than other units on the market and will save about $1,300 a year in energy costs. Any income from the project goes toward providing emergency housing options.

Funded in part by Xcel Energy’s Efficient New Home Construction (ENHC) program, the 17-unit, fully electric development was built to standards that exceed local energy efficiency code requirements, maximizing cost savings and energy conservation. But for residents like Katya Block and her son Cameron, the appeal of Hillcrest Village comes down to something even simpler: It's home.

“It meant a lot to me to find a comfortable place for my son that’s also environmentally friendly,” Block said.

The homes were built with air-tight construction, cold climate air source heat pumps, high-efficiency electric water heaters, extra insulation and thicker walls, triple pane windows and heat recovery ventilation. Building an energy-efficient community like Hillcrest is costly. That’s why Xcel Energy provided a $250,000 rebate through our ENHC program.

“Hillcrest Village is truly a model for how we can work with communities and partners to find innovative ways for residents to use cleaner energy, be more energy efficient and save money," said Emmett Romine, Xcel Energy’s vice president of Customer Energy & Transportation Solutions. “We are always looking for partners to make the most of our existing energy programs and help us find new ways to meet our customers’ energy needs. Hillcrest Village is a success story, and we’re proud of the partnerships that made it happen.”

Electric Vehicles

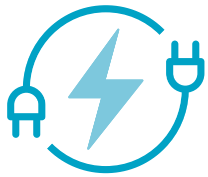
Our transportation electrification strategy addresses key customer barriers and facilitates EV adoption with a strong emphasis on intuitive solutions, including greater customer understanding of their options and the benefits of driving electric through education and advisory services, lower up-front costs through rebates and other programs and incentives to charge at times when low-cost, low-carbon energy is more available, typically overnight. This benefits the grid and lowers costs for EV drivers and all customers.

We continue to develop and roll out a portfolio of innovative pilots and programs that focus on four main areas:

- Residential customers, including programs for multifamily buildings.
- Commercial and industrial customers, including fleets and workplace charging.
- Public charging, including transportation corridors.
- Innovation projects like electric school buses and vehicle-to-grid demonstrations.

We offer advisory services along with programs for residential and commercial customers, plus Xcel Energy-owned public charging and a portfolio of innovation projects across Colorado, Minnesota, New Mexico and Wisconsin. From our flagship residential EV Accelerate at Home program and commercial Fleet Electrification Advisory program to rebates for school districts and underserved communities, we are helping customers save money and meet their sustainability goals. Learn more about our EV strategy in our **Leading the Clean Energy Transition brief**.

2023 EV Milestones



17% increase in dealer partners

Nearly **5.5K** EV ride and drive sponsorships

EVs also offer significant economic and environmental benefits. Under our 2030 vision, EV-driving customers would collectively save $1 billion annually in fuel savings, while everyone would benefit from 5 million fewer tons of carbon emitted per year. Learn more about our EV offerings on our **website**

Renewable Choice Programs

Just as customers want more control over their energy use, they also want more choice in how it's produced. Our goal is to offer innovative solutions that enable our customers to meet their priorities around clean energy and the environment while controlling the cost that all customers pay to support them. In 2023, 300,000 customers participated in our renewable programs. Over 34,300 new customers joined third-party programs that we support, such as rooftop solar and community solar gardens, nearly twice as many as in 2022.

Renewable*Connect®

Renewable*Connect exemplifies innovation. We have combined customer input with our experience to design the program so customers can fully retain the rights to renewable energy claims. Renewable*Connect is self-supporting through subscription fees so nonparticipants do not pay more.

Through Renewable*Connect, our customers can choose to power their homes or businesses with up to 100% wind and solar energy. There is no equipment to install, and customers can remain on the program if they move within our service area.

In 2023, we launched and fully subscribed our latest tranche of Renewable*Connect in Minnesota, adding 200 megawatts of wind and solar capacity to the program. The popularity of Renewable*Connect continues to thrive with program waitlists. We are working with stakeholders and regulators to further expand program availability and options.

Solar Programs
Solar*Rewards Community® in Colorado was one of the first community solar garden programs in the nation. At the end of 2023, the program had approximately 150 megawatts of capacity from nearly 120 solar gardens. We're developing an additional 8 megawatts, which will serve more income-qualified customers, and we plan to add more solar gardens dedicated to income-qualified customers and disproportionately impacted communities. There are more than 200 megawatts of community solar gardens in progress in Colorado, including a portion that will have subscriptions dedicated to serving income-qualified customers and disproportionately impacted communities.

Our Solar*Connect Community® program in Wisconsin is fully subscribed and delivers energy from three solar garden projects in different parts of our service area: Ashland, Eau Claire and La Crosse. Like Renewable*Connect, incremental costs are covered through subscription fees so nonparticipating customers don't pay extra to make the program available to others. In Minnesota, Solar*Rewards Community is among the largest community solar programs in the country with over 890 megawatts of capacity from more than 490 gardens at the end of 2023.

As customers continue to install more on-site solar, our popular Solar*Rewards incentive program helps make their projects more affordable. Across all states, more than 23,100 on-site solar systems were installed during 2023, adding 163 megawatts of distributed solar. We also greatly expanded our solar incentives and options specifically for income-qualified customers or those located in disproportionately impacted areas. By lowering the up-front costs of equipment or guaranteeing customer savings, we are helping ensure renewable options help our customers who are struggling to make ends meet. Xcel Energy won a Department of Energy 2023 Sunny Award for Equitable Community Solar for its own community solar garden dedicated to 100% low- to moderate-income households in our Colorado service territory, providing over 30% bill savings on average to subscribers.

Rebuilding Greener and Better

Xcel Energy worked with MIGIZI, a Minneapolis-based nonprofit that supports the educational, social, economic and cultural development of American Indian youth, through our Solar*Rewards program. In 2020, a fire that erupted during the civil unrest following the murder of George Floyd destroyed MIGIZI's former home. When rebuilding, they decided to create a more sustainable facility. They did this by participating in our solar rebate program, securing nearly $40,000 in rebates. They also participated in the Minneapolis Green Cost Share program, which provided over $12,000 in rebates.

"We're trying to help lead the charge and be a model for ways that other organizations can utilize resources to develop a more sustainable relationship with energy," said Mishaila Bowman, MIGIZI's marketing and communications manager. "Our new solar array, which takes advantage of Xcel Energy's Solar*Rewards program for nonprofit organizations serving low-income clients, will provide clean, affordable, renewable energy to the building. This is also consistent with our commitment to equity, sustainability and building green tech career pathways for Native youth. It's not just about being good relatives and caring for our planet; it's about empowering our Native youth to become the trailblazers of tomorrow while earning real-world experience."

The three solar arrays will also serve as a training ground for learning and building skills in solar, heat pump and air chill cooling efficient systems, allowing MIGIZI to work with nearly 60 youth each year in green energy careers.

Our renewable choice programs reflect Xcel Energy's commitment to meet our customers' clean energy interests. In addition to Renewable*Connect, Solar*Rewards and Solar*Connect, we also offer Renewable*Connect Flex, Renewable Battery Connect and Net Metering.

- **Windsource** customers were transitioned in 2023 to the enhanced Renewable*Connect Flex; the blend of wind and solar allows customers to diversify their energy mix and meet renewable energy goals without upfront equipment installation costs.

- **Renewable Battery Connect** allows customers to add an eligible solar-charged battery to their home or small business, providing Xcel Energy access to automatically manage their battery during periods of peak demand on the grid, and receive an upfront incentive.

- **Net Metering** offers an option in which eligible customers receive net energy metering benefits and can claim Renewable Energy Credits (RECs) for renewable energy.

Program offerings vary by state. Learn more on our **website**.

Ski Resort Transitions to 100% Renewable Electricity

Our array of renewable energy programs allowed Arapahoe Basin (A-Basin), one of Colorado's most recognized ski resorts, to transition to 100% renewable electricity in 2023. A-Basin used our Certified Renewable Percentage, Renewable*Connect and Renewable*Connect Flex programs to source 100% of their electricity from renewable sources. The resort also participates in our Solar*Rewards program, with three on-site arrays that contribute energy to the Certified Renewable Percentage.

"We are excited to be sourcing all of our electricity from renewable sources. So many A-Basin projects benefit from utilizing renewable electricity to make them go," said Mike Nathan, A-Basin's sustainability manager. "I'm especially excited to continue growing our electric vehicle charging infrastructure, knowing that those guest trips to the ski area are now 100% fueled by carbon-free, clean electricity."

Certified Renewable Percentage

In addition to renewable choices, we offer customers in Colorado, Minnesota and Wisconsin — and soon New Mexico — a Certified Renewable Percentage to let them claim the full benefit of our increasingly clean energy mix. We retire RECs beyond what is required to allow customers to have increasingly clean energy. Customers automatically receive this benefit just by being an Xcel Energy customer, without enrolling or subscribing to a program. Our commercial customers can include the Certified Renewable Percentage in their renewable energy claims and reflect our clean energy mix in their sustainability accounting or reporting. Learn more on our **website**.

Operate with Integrity

Live our values, govern with discipline and respect human rights

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

LEARN MORE

- Sustainability
- U.N. Sustainable Development Goals
- Proxy Statement
- Audit Committee Charter
- Finance Committee Charter
- Governance, Compensation and Nominating Committee Charter
- Operations, Nuclear, Environmental and Safety Committee Charter
- Task Force on Climate-Related Financial Disclosures
- Leading the Clean Energy Transition Brief

Sustainability Governance and Stakeholder Engagement

We're committed to delivering essential energy while driving positive change that supports the people and places we serve.

Xcel Energy's sustainability strategy begins with our mission to provide customers with safe, clean, reliable energy at a competitive price, and goes beyond to address Environmental, Social and Governance (ESG) topics important to our business and stakeholders. We define sustainability through four focus areas that encompass 20 priorities.

Governance

Governance of sustainability at Xcel Energy begins with various committees of the board of directors and is the responsibility of the CEO, chief sustainability officer (CSO) and company management and employees. This brief describes the structure and organization in detail. Information about our corporate governance structure and processes, including ESG oversight, can also be found in the **Xcel Energy Proxy Statement**.

Sustainability Oversight

Sustainability is integrated into our governance processes, like all our corporate priorities and risks. With strong leadership from Xcel Energy's Board of Directors and executive management team, along with business unit leaders across the company, we can effectively manage risks and opportunities and drive strong performance across a spectrum of sustainability issues.

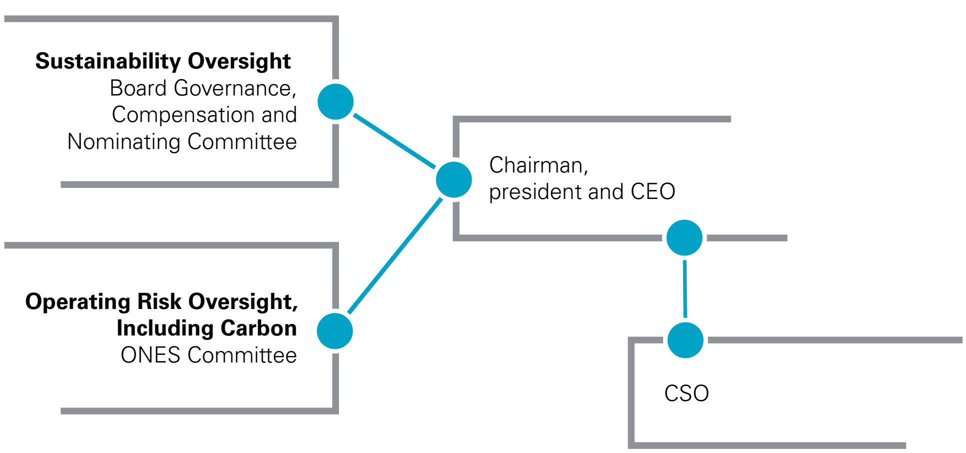
Through our strategic planning process, the board and executive leadership team identified three strategic priorities that represent the keys to our continued success and our vision to be the preferred and trusted provider of the energy our customers need:

- Lead the clean energy transition.
- Keep bills low.
- Enhance the customer experience.

Our strategic priorities are directly tied to our current sustainability strategy and four focus areas, which include Reach Net Zero Responsibly, Value People, Strengthen Communities and Operate with Integrity. The topics represent areas where we may see the greatest risks and opportunities along with issues where we can make the largest economic, environmental and social impacts.

Reach Net Zero Responsibly	Value People	Strengthen Communities	Operate With Integrity
Achieve climate goals without compromising reliability or affordability	**Cultivate a diverse, best-in-class workforce, champion safety, inclusion and equity**	**Deliver exceptional service and partnership**	**Live our values, govern with discipline and respect human rights**
• Low-carbon transition and technology • Air quality • Water management • Waste management and circular economy • Biodiversity and land use	• Health, safety and wellness • Diversity, equity and inclusion (DEI) • Talent attraction, development and retention • Workforce engagement and management	• Energy affordability • Reliability and resiliency • Product and service innovation • Cyber and physical security • Community vitality • Environmental justice	• Ethics and compliance • ESG governance and risk management • Public policy advocacy • Supply chain • Financial health

Sustainability Governance Structure



The **chairman, president and CEO** leads all aspects of our sustainability platform. The **senior vice president of Strategy and External Affairs and CSO** reports to the chairman, president and CEO, is responsible for sustainability policies, including management of climate-related risks and regular discussions with the board, and works with teams across business areas that are accountable for addressing related risks and opportunities. This report is also reviewed and approved by the senior vice president of Strategy and External Affairs and CSO.

The **Governance, Compensation and Nominating (GCN) Committee** has primary board committee responsibility for sustainability issues and risks. As part of its charter, the committee oversees policy, adherence and disclosure regarding sustainability matters, including executive compensation, the **Code of Conduct** and our Political Contributions, Lobbying and Government Communications Policy. The GCN Committee receives a sustainability-specific briefing and reviews our workforce strategy each year, including DEI initiatives.

The **ONES Committee** oversees our environmental strategy and performance, employee and contractor safety, customer service and operational performance in delivering electricity and natural gas service. This includes managing risks related to climate change, physical security, cybersecurity and public safety.

The full board addresses sustainability issues in the context of broader corporate strategy while two other board committees have oversight responsibilities that include ESG topics. The **Audit Committee** oversees corporate compliance related to ethics and business conduct and the **Finance Committee** oversees clean energy investments, investor relations, affordability and financial health.

Executive Oversight and Management
The executive team is accountable for strategy execution, including sustainability initiatives.

- Each board committee has a coordinating officer, a senior executive who determines agendas and supports the committee in carrying out its duties.

- Strategies and key initiatives are crafted and executed to strike a balance among reliability, resiliency, affordability and environmental impact.

- Xcel Energy was among the first U.S. energy providers to tie environmental performance directly to long-term executive compensation more than 15 years ago. Today, 30% of executives' incentive pay is tied to achieving short-term carbon reduction goals. Annual incentives are based on the corporate scorecard, which aligns with sustainability issues, including safety, reliability, customer satisfaction, wind generation availability and DEI progress.

Business Area Responsibilities
While the entire organization supports sustainability, specific business areas directly address targeted opportunities. We use performance management and compensation design to propel our teams toward successful execution.

- **Strategy and External Affairs:** sustainability strategy, governance and reporting, environmental strategy and performance, energy and public policy, including political contribution disclosures, and physical and cybersecurity.

- **Risk, Audit and Financial Services:** risk management, corporate auditing and supply chain management.

- **General Counsel and Compliance:** corporate governance, disclosure and regulatory efforts that support our goals as well as corporate policies, ethics and compliance, including Code of Conduct.

- **Operations:** power production, environmental performance and regulatory efforts that support the clean energy transition, customer electricity and natural gas service, and safety, affordability, reliability and resiliency.

- **Integrated Systems Planning:** long-term, coordinated planning for the natural gas system, electric generation, and transmission and distribution systems.

- **Customer Solutions and Care:** energy efficiency and conservation, electrification and electric vehicles, customer programs and satisfaction, and economic development.

- **Human Resources:** workforce strategy and development, DEI initiatives, labor practices and human rights, public and employee safety, the Xcel Energy Foundation, and employee wellness and engagement programs.

- **Financial Operations:** capital project governance, compliance, budget and cost management, affordability, investor relations and disclosure, and corporate development and innovation.

Operating Company Responsibilities
Teams at our four operating companies are embedded in our communities and implement strategies tied to our sustainability initiatives. They frequently engage in their respective state regulatory processes with public utilities commissions (PUCs) and policy processes with state and local governments to implement strategic priorities. Across our eight states, these teams:

- Connect with local stakeholders to understand their perspectives, priorities and goals. They move initiatives forward and address issues such as climate change, environmental justice, social equity and the responsible transition away from coal.

- Design regulatory frameworks to meet the future needs of our customers, state and local governments and other stakeholders, delivering cleaner energy while maintaining customer affordability, safety, reliability and resiliency.

- Implement community giving and volunteer programs with local nonprofit organizations with a focus on science, technology, engineering and math (STEM) career pathways, environmental sustainability and community vitality.

State PUC Oversight
Xcel Energy operates under regulated conditions, which are determined in part by state PUCs. These agencies create the regulatory frameworks and requirements that govern our business operations with the goal of ensuring our company provides reliable energy service while maintaining a fair and competitive market. Regulatory approval is required for many of our major investments, including our work in our key areas of sustainability, such as rates and affordability, equitable energy access requirements and clean technology investments.

PUCs monitor our performance and enforce the regulatory requirements set as part of proceeding agreements. To maintain regulatory compliance, we are required to submit filings and reports, such as financial statements, operational proof points and other data that details our progress and work, to commissions on a regular basis. Regulatory frameworks are not static, and we respond and react to the continuously changing regulatory landscape.

Ongoing Stakeholder Engagement

We regularly engage with stakeholders to inform our business plans and seek opportunities to better understand their interests, concerns and emerging needs. This ongoing collaboration is essential to how we operate as a regulated and customer-focused provider of essential energy services. Through resource planning and other regulatory proceedings, we have a built-in stakeholder engagement process as part of our business model.

But our efforts extend beyond regulatory matters. We've established a strong local presence within each state and community we serve. Our customer- and community-focused teams engage daily on important service- and energy-related issues or projects with the stakeholder groups listed below.

- **Customers:** We connect with residential, business and wholesale customers through our contact center, account management teams and personal account representatives for customers as well as through customer research, communications, special events, meetings and the regulatory process in our states.

- **Communities:** We engage through public and individual meetings, open houses and speaking engagements, city, county and state government proceedings, membership in local economic and community organizations, and work with community members on giving, sponsorship, board service and volunteer programs.

- **Legislators, regulators and policymakers:** We gain insight into stakeholder priorities through local, state and federal policy and legislative discussions and initiatives, speaking engagements, our employee political action committees and regulatory reporting, filings and proceedings with state PUCs.

- **Investors:** We regularly meet with investors to discuss and provide financial and sustainability-related disclosures. This information is also made available through our **investor website** along with quarterly earnings calls and the annual shareholder meeting. Finally, we access equity and debt financing from investors to fund our clean energy transition plans.

- **Suppliers:** Through meetings, discussions and visits, we maintain relationships with key suppliers and gain information through contracts and negotiations. We have set clear expectations about business conduct and ethics through our **Supplier Code of Conduct**.

- **Employees:** Through company, department and individual meetings, we share information and learn what is on employees' minds. We also use surveys, quarterly performance discussions, employee communications, innovation challenges, our compliance hotline and bargaining unit negotiations and communications (employees include union leadership).

Sustainability Materiality Assessment

To determine the highest priority topics to our stakeholders and continue building our company's strategy for sustainability, we performed a comprehensive sustainability materiality assessment in 2022. Xcel Energy defines material issues with a double materiality lens. Such issues include impacts that the company has on society and the impacts society has on the company. These issues reflect our most relevant risks or opportunities to our company and our stakeholders. Our materiality assessment involved:

- Analyzing market trends, evaluating the landscape and benchmarking with peers.

- Interviewing key internal and external stakeholders and conducting an online survey to collect input from a broader group.

- Scoring and prioritizing results and validating them through a workshop with leaders from Xcel Energy and external organizations.

The assessment included more than 50 interviews with individuals representing key groups: Xcel Energy senior leadership and management, our board of directors, investors, large customers, community leaders, special interest groups and elected officials. An online survey produced responses from more than 200 Xcel Energy employees and external stakeholders.

We identified the 20 most relevant topics that could have inward and outward impacts on the company's operations and communities. The topics identified present significant internal and external impacts to society and the environment, business operations and access to capital.

Nearly all the revised topics are familiar to Xcel Energy. The study results validated the relevance of most of the areas in which we have previously focused. Our foremost priority continues to be leading the clean energy transition without compromising reliability and affordability.

The study also confirmed we should continue addressing social issues, such as building a diverse and best-in-class workforce and helping our communities thrive. We plan to conduct our materiality assessment once every three years to keep our sustainability strategy congruent with our mission. Our materiality assessments are signed off on by the senior vice president for Strategy and External Affairs and CSO.

Definitions and Alignment to U.N. Sustainable Development Goals

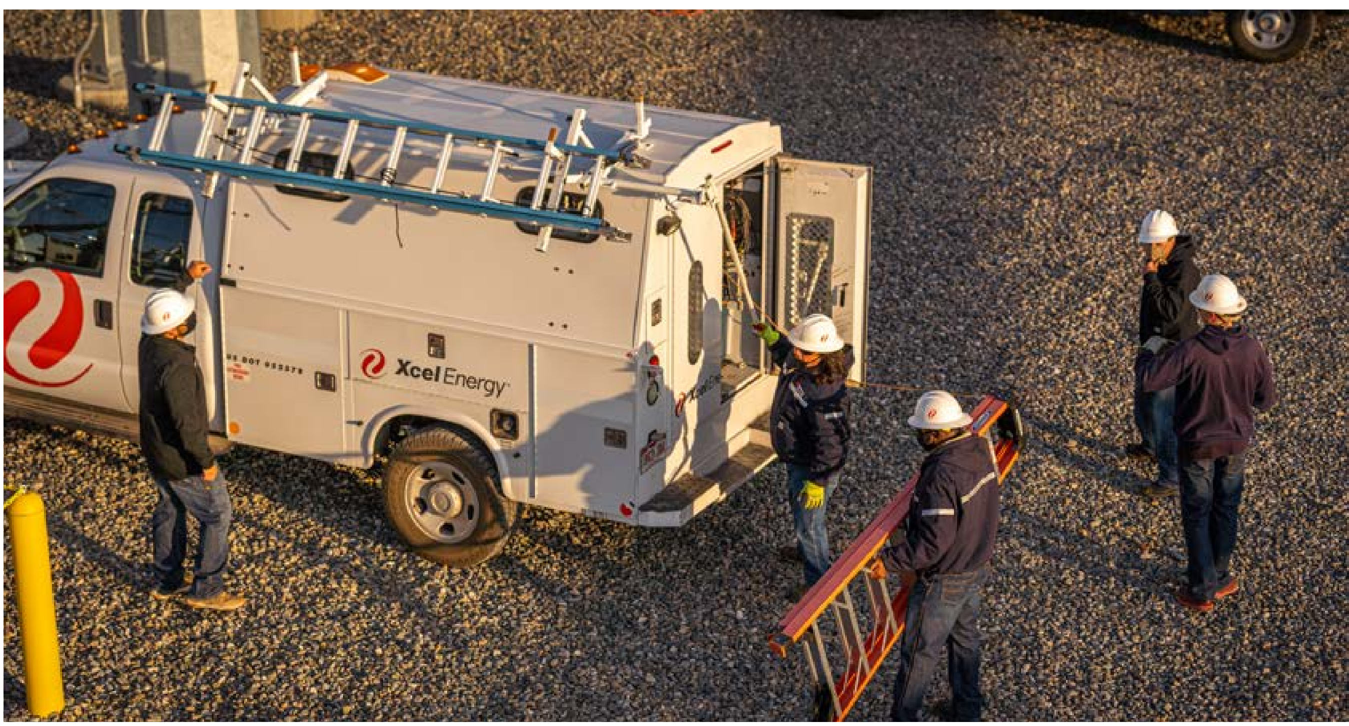
Our material topics and definitions are listed in the table below with links to Sustainability Report briefs that detail our management approach to each topic. We also map our focus areas to the United Nations Sustainable Development Goals (SDGs) that we support through our company's sustainability strategy. We continually review the targets and indicators for each SDG to ensure proper alignment with our material topics.

Focus and SDGs	Topic	Definition	Brief in Report
Reach Net Zero Responsibly	Low-carbon transition and technology	Policy, legal, market and technology aspects of Xcel Energy's net-zero transition, including the retirement of fossil fuel plants and the enablement of renewables, storage, electrification efficiency and other solutions reducing scope 1, 2 and 3 emissions.	**Leading the Clean Energy Transition** **Renewable Energy and Innovation**
	Air quality	Non-greenhouse gas emissions produced across all business operations and activities.	**Environmental Management**
	Water management	Management of water withdrawals, water consumption, wastewater and stormwater runoff discharges by company operations, including the use of water rights.	**Environmental Management**
	Waste management and circular economy	Waste generation and disposal, inclusive of nuclear waste products and coal ash, while considering opportunities to implement circular economy solutions enabling waste reduction.	**Environmental Management**
	Biodiversity and land use	Vitality of natural habitats, species potentially impacted and changes to land use by company operations and activities.	**Biodiversity and Land Use**
Value People	Health, safety and wellness	Protecting worker (including contractor) safety, health and well-being by reducing exposure to safety and health-related risks and robust management systems and culture, ensuring community awareness on electricity and natural gas hazards, developing emergency plans and ensuring readiness for effective response.	**Workforce Safety** **Affordable, Safe, Reliable and Resilient Energy**
	Diversity, equity and inclusion	Fostering a diverse, fair and inclusive workplace, accepting all employees who bring unique perspectives based upon their race, ethnicity, gender, age, education, disability, sexual orientation, religious affiliation, experience and thought.	**Diversity, Equity and Inclusion**
	Talent attraction, development and retention	Attracting, developing and retaining talent, performance management and future workforce planning.	**People Management**
	Workforce engagement and management	Effective communication and engagement with employees on business goals and operational changes (including just transition), positive labor relations and competitive pay and benefits.	**People Management**

Focus and SDGs	Topic	Definition	Brief in Report
Strengthen Communities	Energy affordability	Reasonable price for electric and gas service with updated regulatory frameworks to support the grid of the future, enabling performance across all sectors of the economy and allowing customers to benefit from smart grid investments.	**Affordable, Safe, Reliable and Resilient Energy**
	Reliability and resiliency	Ensuring the availability of energy through investing in, improving, maintaining and repairing diverse energy infrastructure for optimum performance to ensure consistent delivery of energy for customers and rapid recovery from disruptive events including climate events (e.g., hurricanes, wildfires).	**Affordable, Safe, Reliable and Resilient Energy**
	Product and service innovation	Researching, demonstration and piloting of innovative energy opportunities (including for vehicles and within other sectors) to spur the development of advanced technologies for the future, especially those needed to achieve zero-carbon electricity and net-zero gas service by 2050.	**Product and Service Innovation**
	Cyber and physical security	Prevention of external hacking, protection of company physical, electronic and intellectual property assets and protection of customer data while meeting customer expectations, applicable regulations and industry standards regarding data privacy.	**Affordable, Safe, Reliable and Resilient Energy**
	Community vitality	Supporting local communities through career opportunities and training for diverse and local community members, just transition for workers, paying taxes, corporate philanthropy, contracts with local and diverse companies, community engagement and stakeholder partnerships that grow opportunities for people and city and regional economies.	**Community Giving and Volunteerism** **Community Relations and Economic Development**
	Environmental justice*	Fair treatment and meaningful involvement of all people regardless of race, color, national origin or income with respect to siting of assets and environmental management practices and operations; includes special focus on disproportionately impacted communities.	**Environmental Management**

Focus and SDGs	Topic	Definition	Brief in Report
Operate with Integrity	Ethics and compliance	Preventing unethical or illegal behavior involving a company employee or agent in a position of power, working with suppliers, customers, regulators and other business partners in an ethical way to develop and market our products and operate our assets, and maintaining compliance with all applicable regulations.	**Corporate Compliance and Business Conduct**
	ESG governance and risk management*	Ensuring integration of ESG topics into corporate governance structures and enterprise risk management processes.	**Sustainability Governance and Stakeholder Engagement**
	Public policy advocacy	Advocating with policymakers to find solutions that support our business interests, provide more value to customers and create desirable outcomes for stakeholders.	**Public Policy**
	Supply chain	Incorporating environmental and social issues into supplier specifications, business terms, selection criteria and performance evaluation in order to manage risk and promote good performance (including diverse spend) up the supply chain.	**Supply Chain Management**
	Financial health*	Ensuring short- and long-term financial performance to enable effective governance, planning and operations.	**SEC 10-K**

*New topics added through the 2022 materiality assessment.



LEARN MORE

- Corporate Compliance and Business Conduct Program 2023 Annual Report
- Code of Conduct
- Supplier Code of Conduct
- Human Rights Position Statement
- People Management Brief
- Foreign Corrupt Practices Act and Anti-Corruption Compliance Policy
- Xcel Energy Compliance Hotline

Named one of the World's Most Ethical Companies® by Ethisphere.

Corporate Compliance and Business Conduct

Doing what's right drives our culture of compliance and promotes ethical business conduct.

From our employees and contractors to our board of directors and executives, we strive to live our corporate values: **Committed, Connected, Safe and Trustworthy**. They not only instill pride in our employees, but they also give our customers confidence in doing business with us.

Governance

Xcel Energy's Board of Directors oversees the Corporate Compliance and Business Conduct (CCBC) program, with key elements delegated to the Audit and Governance, Compensation and Nominating committees. A strong tone at the top is set by the CEO and executive team, who champion our corporate values. The chief ethics and compliance officer reports directly to the board regarding compliance policies and issues. Our CCBC Council — leaders from every functional area — meet quarterly to ensure information and best practices flow well across the company.

Code of Conduct

The focus of Xcel Energy's CCBC program is to **Do What's Right: Report What Seems Wrong**. It provides a management system aligned with this culture and applies to everyone at our company. The board of directors reviews and approves the **Code of Conduct**. All employees are responsible for understanding and adhering to the Code of Conduct and signing a statement of commitment. While contract workers and suppliers are not obligated to take Code of Conduct training, they are required to adhere to our **Supplier Code of Conduct**, as specified in their contracts.

NOTEWORTHY

World's Most Ethical Companies

For the fifth year in a row, Xcel Energy was named one of the World's Most Ethical Companies®. Ethisphere, a leader in defining and advancing the standards of ethical business practices including sustainability, social issues and governance, honored 136 global companies with this recognition.

The honorees demonstrate the link between values-based leadership and business success. Ethisphere research shows that the "Ethics Index" of honorees outperformed a comparable index of large-cap companies by 12.3 percentage points over the last five years.

Xcel Energy was one of five U.S.-based energy companies to make the 2024 World's Most Ethical list and joins repeat winners like PepsiCo, Intel and Medtronic.

Policies, Training and Communications

In 2023, all active employees completed annual Code of Conduct training, which had a heightened focus on discrimination, harassment and other unacceptable behaviors, along with compliance resources available to all. The course also educated on how to effectively respond, support and report as a bystander, described how to recognize retaliation and emphasized our individual responsibility in fostering an inclusive culture where all employees are treated with respect every day.

Regular, consistent communications on policies, values and expectations help us do what is right. To make this a part of every employee's day-to-day work experience, we rely on a wide range of channels, from emails, news stories, videos and signage, to roadshows and in-person discussions.

In 2023, we resumed our in-person, investigator-led trainings for certain work groups. Furthermore, with the creation of a dedicated policy manager on the compliance team, a renewed effort commenced in 2023 to ensure that every enterprise policy receives a subject matter expert review every two years.

Employees are responsible for complying with the Code of Conduct and other policies, laws, regulations and expectations that govern our work. Training courses reinforce corporate policies and demonstrate to employees how our values help them work safely and effectively, and ensure their actions will protect and enhance the company's brand and reputation.

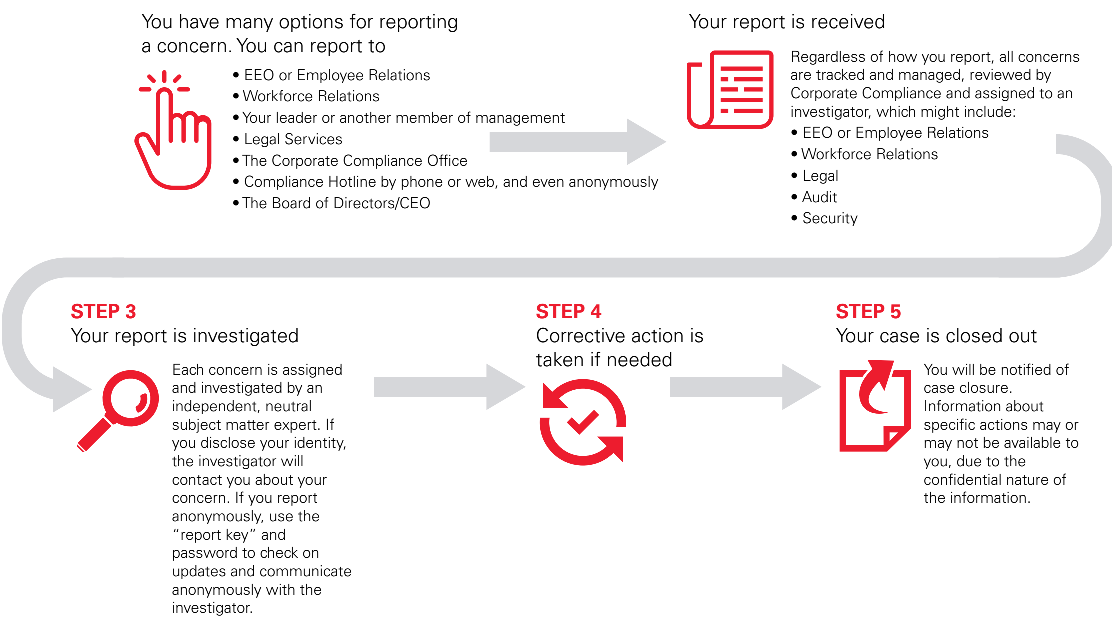
Our conflict of interest processes reinforce our expectation of employees to be transparent in their relationships and seek guidance to avoid and manage conflicts. In 2023, we expanded the scope of those required disclosures to include all attorneys in the General Counsel organization. This disclosure requirement ensures the company is aware of any potential conflict that may exist, such as family member or close friend relationships, board participation, outside employment or having personal financial interest in a company that does business with Xcel Energy.

Keeping policies updated to address changing requirements and emerging issues is another key responsibility of the CCBC program. Our Policy on Policies provides the framework for establishing and governing policies, identifies common written components to ensure consistency and clarity, and details the process to adopt and approve enterprise-wide policies.

Reporting, Investigations and Actions

When things don't seem right, employees are encouraged to seek help. We offer options for reporting to ensure they feel safe and comfortable:

- The Equal Employment Opportunity and Employee Relations or Workforce Relations departments.
- An employee's next level of management.
- The **Compliance Hotline**, available 24 hours a day, with the option to remain anonymous. The Hotline allows employees to ask questions about policies or actions they are unsure about.
- Our CCBC Office.
- Legal Services.



Employees working at our nuclear plants have additional reporting options that include completing a Nuclear Corrective Action Request form, reporting issues to the Employee Concerns program or contacting the Nuclear Regulatory Commission.

We follow up on reports, conduct effective and timely investigations, take appropriate action and protect employees from retaliation. The Investigations Governance Committee, which oversees this process, includes Xcel Energy's:

- General counsel and chief ethics and compliance officer.
- Chief financial officer.
- Chief audit officer.
- Chief human resources officer.

When concerns are reported through the Compliance Hotline or other channels, the CCBC office assigns the investigation to an appropriate business function, including Equal Employment Opportunity and Employee Relations, Workforce Relations, Legal, Security and Audit. All reports are processed through a case management system that provides the company with a comprehensive view of these cases.

Investigations and Results

We received three reports per 100 employees in 2023. Over half of the reports fell under workplace conduct, which includes harassment, discrimination and other unacceptable behaviors (such as bullying, hazing and horseplay), as well as unprofessional conduct and unfair treatment. Case volume from 2020 through 2022 remained almost identical year over year; however, in 2023 it returned to pre-pandemic levels. This increase also coincides with more days back in the office for many employees.

While the overall substantiation rate was nearly identical in 2022 and 2023, we saw an uptick in the number of employee exits. Specifically, the number of terminations in 2023 increased by 73%. Overall, over one-third of all investigations required corrective action, ranging from counseling to termination. We remain committed to providing clear expectations of what we require from our employees and what behaviors are simply not tolerated.

Anti-Bribery and Anti-Corruption
Our work with global markets requires us to maintain high standards of business ethics and integrity worldwide. Our Foreign Corrupt Practices Act (FCPA) and Anti-Corruption Policy helps ensure compliance by our employees and representatives with the FCPA and its underlying ethical principles. Our policy includes commitments to:

- Abide by the laws of any country in which we do business.
- Make only permissible payments.
- Seek legal review for payments and contracts.
- Prohibit foreign political contributions and restrict donations to foreign-based charities.
- Accurately document all transactions with officials, customers and suppliers.
- Maintain internal systems and accounting controls that support compliance with the FCPA and anti-corruption laws of other countries.
- Report violations of internal policy or the FCPA.

Xcel Energy's FCPA Governance Committee oversees the anti-bribery and anti-corruption compliance program, annually reviews the company's policies and practices and monitors external trends and best practices. In 2023, there were no documented incidents or actions taken under the policy, and the committee concluded the company's program is strong, with low risk of violation.

Enhanced Data Analytics

We use data analytics to prevent, detect and respond to misconduct. In 2023, we continued improving this area, tracking potential areas of concern and providing leaders with a fuller snapshot of their organization's mindsets and performance. We created dashboards covering business area investigations data and met with select senior leaders to review case activity for their respective organizations. Our partnership with Human Resources continued to strengthen as we ensured both teams were included in leader meetings and dashboard reviews. We continue to mature our use of data by not only looking at case activity dashboard trends, but also by viewing it more holistically with other initiatives occurring throughout the company.

Per practice, we completed a compliance maturity assessment by business area and a cross-cutting risk assessment for the third year in a row. This survey of leaders, whose role includes compliance, asked them to rate 37 risk areas — including some that fell outside their area of expertise. The results identified and prioritized current or future risks of legal or policy noncompliance, or ethical misconduct, that could lead to fines or penalties, reputational damage or the shutdown of key businesses or facilities by regulators.

Our program's annual report is available to the public on **xcelenergy.com**.

LEARN MORE

- Leading the Clean Energy Transition Brief
- Renewable Energy and Innovation Brief
- Affordable, Safe, Reliable and Resilient Energy Brief
- Political Contributions Policy and Contributions Report
- Edison Electric Institute's Carbon-Free Technology Initiative

Trade associations' climate policy pages:

- Edison Electric Institute
- American Gas Association
- Association Nuclear Energy Institute
- American Clean Power Association
- Zero Emissions Transportation Association

Public Policy

Participating in policy developments that determine our future is essential for our business and customers.

By engaging across a variety of policy, legislative and regulatory issues, such as achieving carbon reductions, creating clean energy jobs and making energy more accessible, we seek to protect our customers' needs and advance the clean energy transition — reliably and affordably.

We share our expertise with policymakers and elected officials to better inform the decisions around utility regulation, building costs, energy assistance and other areas. In addition to working with local, state and federal regulators and lawmakers and participating in trade associations, our company leaders and experts actively provide thought leadership, ideas and testimony on a variety of state and federal legislative and regulatory policy.

Governance

Xcel Energy's Board of Directors oversees public policy engagement and political participation. The Governance, Compensation and Nominating Committee annually reviews the company's policy, key lobbying activity, expenditures and contributions. Within the company, the senior vice president of Strategy and External Affairs reports to the CEO and is responsible for Xcel Energy's policy positions, strategy and political participation.

Policy Engagement

Federal Policy
The Inflation Reduction Act (IRA) of 2022 and the Infrastructure Investment and Jobs act (IIJA) of 2021 represent two of the most consequential federal investment in clean energy and climate in history. These policies are anticipated to accelerate clean energy investments on a timeline and scale not seen before. In previous years, we actively supported their passage through our company, advocacy, trade associations, the **Carbon-Free Technology Initiative** and other initiatives.

We now turn our focus to implementation. Our goal is to maximize benefits for our customers and states. We are actively pursuing applicable grant and tax opportunities while incorporating these opportunities into our planning and programs for our customers. As the company continues its clean energy journey, maximizing available funding will be crucial to support large-scale renewable energy buildout and develop new clean energy technologies while keeping bills affordable for customers.

In total, the IRA provides roughly $370 billion in federal incentives designed to accelerate the clean energy transition and keep climate targets within reach. Over the course of 2023, we engaged with federal and state agencies to develop implementation rules for tax credits and other incentives and are pursuing the funding made available by the IRA. Through these engagements, we:

- Advocated with Treasury through the Edison Electric Institute (EEI) and American Clean Power (ACP) for guidance on several IRA topics related to clean energy tax credits that will lower the cost of our clean energy plans, including energy communities, domestic content and tax credit transferability.
- Implemented a program to accelerate tax credits monetization through the transferability provisions included in the IRA and executed contracts to sell $400 million of tax credits.
- Leveraged IRA tax credit savings in our resource plans, which will result in over $14 billion in estimated savings from new renewable resources.
- Engaged in rulemaking associated with the hydrogen production tax credit (45V) through EEI and individually, which will support our hydrogen hub and pursuit of clean hydrogen.
- Worked with states and other stakeholders on implementation of home energy rebates for our customers and shared information on stacking with utility rebates to maximize benefits.
- Leveraged an anticipated $30 million in IRA tax credits and rebates through our first Clean Heat Plan in Colorado and Natural Gas Innovation Plan in Minnesota, making projects more affordable for our customers.
- Engaged with the Colorado Energy Office and the Minnesota Pollution Control Agency, supporting the pursuit of IRA Climate Pollution Reduction Grant funding.
- Engaged with the Zero Emissions Transportation Association for effective implementation of electric vehicle (EV) programs and policies to ensure federal support continues to play a role in enabling EV adoption nationwide, including in our service territory.

The IIJA provides historic levels of funding for clean energy, climate resilience and innovation. Xcel Energy views the pursuit and successful receipt of IIJA funding as an important strategic initiative to advance our system resiliency and emissions reduction objectives, while managing costs and risks of new projects. We received award notices for Department of Energy funding (subject to ongoing negotiations) for five applications totaling $1.564 billion, with up to $844 million allocated for use across our service territories. Successful grant applications include:

- $925 million for the Heartland Hydrogen Hub to serve as a catalyst for a future hydrogen ecosystem in the Upper Midwest, including up to $415 million for Xcel Energy projects.
- $464 million for two projects in the Joint Target Interconnection Queue, a first-of-its-kind collaboration between two regional transmission organizations to construct high-voltage transmission lines between Midcontinent Independent System Operate and Southwest Power Pool, including $115 million for Xcel Energy constructed projects.
- $100 million to mitigate the threat of wildfires and ensure the resiliency of the grid through extreme weather.

- $70 million to fund two long-duration energy storage systems at retiring coal plants in Minnesota and Colorado.

- $5 million for efficiency upgrades completed at the Cabin Creek hydroelectric facility near Georgetown, Colorado.

The company has also supported our stakeholders in applications to help secure funding for strategic clean energy projects, such as EV charging. Through different funding opportunities enabled through the IIJA, money has been awarded to entities working in our service areas that will support the buildout of public charging to underserved areas:

- Nearly $5 million in funding was awarded to Boulder County to install charging stations in low- and moderate-income neighborhoods, rural areas and neighborhoods with a high density of multifamily housing.

- Working with the Native Sun Community Power Development, $6.7 million was awarded to fund EV charging in the Upper Midwest along major transportation routes connecting tribal lands, with Xcel Energy providing matching funds.

In 2024, we will continue to evaluate and compete for additional grant funding, including for transmission and grid hardening projects. Learn more in the **Affordable, Safe, Reliable and Resilient Energy** and **Renewable Energy and Innovation briefs**.

State Policy

The states we serve are critical partners in our clean energy journey. We seek to align our companywide vision to deliver net-zero energy, including carbon-free electricity by 2050, with state policy goals and initiatives as much as possible. Constructive policy is essential to driving the clean energy transition while protecting energy reliability and customer affordability.

Colorado Legislation to Upgrade Distribution System, Provide Opportunities for New Electrification

Key legislation from Colorado's 2024 session included:

- **Modernizing energy distribution systems (SB24-218):** This bill provides and authorizes greater recovery for electric utilities, including Xcel Energy, to upgrade their distribution systems to support the achievement of the state's beneficial and transportation electrification goals, grid decarbonization goals, and federal, state, regional and local air quality targets. We will file plans to implement a virtual power plant program, place certain distribution infrastructure underground and create new interconnection options without requiring system upgrades.

- **Local government utility relocation right-of-way (HB24-1266):** This bill establishes the process by which local governments and Xcel Energy coordinate on relocation work. It also requires local governments and utility companies to coordinate on road improvement projects necessitating the removal, relocation or alteration of utility lines in a local government's right-of-way and ensures cost recovery for utility locates and provides clarity around responsibility when environmental hazards are found in the right-of-way.

- **Water conservation measures (SB24-197):** This bill gives Xcel Energy the ability to safeguard its water rights after the retirements of Craig and Hayden Generating Stations during the clean energy transition planning period from 2030-2050 for use in the future if new technologies can be developed in Northwest Colorado. It allows the company to retain the water to preserve economic development options to benefit the region and potentially our customers in general.

Minnesota Legislation Supports Permitting Reforms, Grid Enhancements, Innovative Technologies and Energy Efficiency Key legislation from Minnesota's 2024 session, passed under Energy Omnibus Bill **(SF 4942)**, included:

- **Permitting reforms:** The legislature establishes the policy of the state is to locate larger electric power facilities in an orderly manner, minimizing adverse human and environmental impact while ensuring continuing system reliability and integrity. New provisions streamline state siting and permitting processes for large energy facilities so that environmental review, public engagement and approvals will be conducted in a timely manner. This policy supports the advancement of renewable and clean energy, storage, transmission and other critical infrastructure.

- **Transmission and distribution upgrades:** A provision of the Transportation, Housing, and Labor Omnibus bill initiates efforts for utility distribution system upgrades to accelerate distributed generation interconnections and authorizes cost sharing while another requires utilities to submit transmission grid enhancing technology implementation plans to address congestion. These provisions support our efforts to ensure our electric grid system can accommodate increasing amounts of renewable energy and customer demand.

- **Innovative technology:** The legislature provides directive and funding for the state to conduct two studies on emerging technologies: networked geothermal energy systems and CO2 pipelines. The studies will evaluate technical and economic feasibility and regulatory analysis in partnership with local governments, utilities and other stakeholders.

- **Efficient buildings:** The legislation provides updates to the state's previous Energy Conservation and Optimization Act to expand efficient fuel switching incentives for utilities. Additionally, efficiency standards for building codes were also updated as part of the Transportation, Housing, and Labor Omnibus bill.

New Mexico Furthers Clean Transportation Fuel and Certified Natural Gas Development
Key legislation from New Mexico's 2024 session included:

- **Clean transportation standard (HB 41):** New legislation supports the creation of a clean fuel market in the state by establishing targets to reduce the carbon intensity of transportation fuels in the state and forming a program where credits are created and traded based on the carbon intensity of transportation fuel. This standard supports transportation electrification and the development of other low-carbon fuels such as renewable diesel, renewable natural gas, biofuels and fuel cells.

- **Funding for certified natural gas (CNG) study:** The study establishes a state and industry stakeholder working group process to evaluate the potential, supply and requirements to expand and create a sustainable, market-based CNG program. CNG, also known as responsibly sourced gas or differentiated natural gas, is produced following the best practices of methane reductions, leading to the production and delivery of gas with a lower methane emissions rate than what otherwise would be produced and sold. See how CNG is an important part of our net-zero vision for our natural gas system in our **Leading the Clean Energy Transition brief**.

- **Tax credits (HB 252):** Multiple clean energy tax credits were included in the omnibus tax package, including for clean transportation, energy storage systems, geothermal electricity generation and geothermal heat pumps.

- **Geothermal resources development (HB 91):** This legislation creates a non-reverting geothermal projects fund under the state Energy, Minerals, and Natural Resources Department, which can provide grants of up to $250,000 for studies of proposed geothermal projects, and grants for financing such projects.

Engaging with Trade and Other Associations

We belong to major trade organizations for the electric and natural gas industries, other business and industry associations. In addition to offering public policy leadership, business intelligence and topical conferences, associations provide important government-industry coordination and keep us apprised of developments in safety, security, grid reliability and customer care.

Our Strategy and External Affairs business area coordinates our participation, continuously monitoring the positions and activities of our industry and other affiliations on important issues. Leaders and staff across the company participate on boards, special committees and working groups that guide industry practices, policies and positions. Hundreds of member companies comprise our trade associations, representing different regions of the country and customer needs.

We recognize trade associations often reflect the consensus views of their members and that complete alignment with our positions is rare. One of the most valuable aspects of our participation is a seat at the table, which creates the opportunity to influence others on issues where we may not agree. For example, in 2018 we became the first investor-owned utility to set a carbon-free goal and now 40 U.S. utilities have followed suit with their own carbon reduction goals.

Xcel Energy supports public policies that create greenhouse gas emissions reductions while maintaining safety and energy reliability and affordability for customers. We analyze policies and their alignment with corporate, state and federal goals, recognizing potential reliability and cost impacts for customers.

Trade Association	Position on Climate Change
Edison Electric Institute (EEI)	EEI's member companies are leading a clean energy transformation. We are united in our commitment to get the energy we provide as clean and as fast as we can without compromising the reliability or affordability that are essential to the customers and communities we serve. EEI's member companies are committed to continuing to reduce carbon emissions in our sector and to helping other sectors — particularly the transportation and industrial sectors — transition to clean, efficient electric energy.
American Gas Association (AGA)	AGA is committed to reducing greenhouse gas emissions through smart innovation, new and modernized infrastructure and advanced technologies that maintain reliable, resilient and affordable energy service choices for consumers. AGA and its members have 10 commitments for delivering natural gas cleanly and more efficiently and for using infrastructure to distribute the energy sources of the future. They also have eight policy principles for developing an effective national policy for reducing greenhouse gas emissions and addressing climate change. AGA is also committed to supporting a net-zero future and released a study in 2021 that outlines multiple pathways gas utilities could use to reach net zero.
Nuclear Energy Institute (NEI)	We need deep decarbonization to hit our climate goals. Nuclear power can get us there. As our largest source of carbon-free energy, nuclear power is critical to reducing greenhouse gas emissions. Wind, solar and geothermal are on the rise, but the smartest policies will ensure these technologies complement, not replace, nuclear's clean energy production. Protecting and growing our use of nuclear technologies are important ways to dramatically reduce greenhouse gases and help us make meaningful progress to address climate change.
American Clean Power Association (ACP)	ACP is the leading voice of today's multi-tech clean energy industry, representing over 800 energy storage, wind, utility-scale solar, clean hydrogen and transmission companies. ACP is committed to meeting America's national security, economic and climate goals with fast-growing, low-cost and reliable domestic power.
Zero Emissions Transportation Association (ZETA)	ZETA is an industry-backed coalition advocating for 100% of vehicles sold by 2030 to be EVs, which will support job creation, U.S. manufacturing and pollution reduction. The coalition supports rapid decarbonization in the U.S. transportation sector to net-zero emissions no later than 2050. Its seven policy pillars include EV market development, a national charging initiative, performance and emissions standards, encouraging domestic manufacturing, federal leadership and environmental justice.
Gas Electric Utility Decarbonization Alliance	The alliance consists of combined electric and natural gas utilities that are executing ambitious decarbonization commitments, balancing natural gas and other clean energy sources to support growing energy demand while progressing toward economy-wide decarbonization. Its mission is to advocate for sound public policies that enable a clean energy future without compromising reliability or affordability.

Political Contributions and Lobbying

Our corporate policy for political contributions ensures all contacts with government officials meet legal and ethical standards. Xcel Energy's Board of Directors, leadership and employees must comply with all federal laws restricting the use of corporate funds for political contributions in connection with elections for federal offices. When communicating about matters involving the company, they must accurately convey corporate messages and support our brand. Our **Political Contributions Report** provides corporate contributions and dues paid to trade associations.

Employee Policy Engagement
Grassroots advocacy is important to Xcel Energy because our industry is complex. We offer several ways for employees to become more involved so they can help educate their friends, neighbors and community leaders:

- **Legislative days:** Special days in our jurisdictions where employees hear from their elected officials and learn more about the legislative process.

- **Local events and meetings:** Employees can represent the company at community meetings and special events.

- **Political action committees (PACs):** We sponsor seven employee-run PACs (six at the state level and one federal). Participation is voluntary. Each company-sponsored PAC has a member-elected board that makes contribution decisions. There are no employment benefits based on participation.

2023 Xcel Energy PAC Activity

PAC*	Employees Participating**	Total Employee Contributions to PAC	Total Contributions to Candidates***
Colorado (Western PAC)	211	$20,365	$31,075
Federal PAC (XPAC)	243	$210,320	$209,533
Minnesota******	221	$33,343	$20,475
North Dakota	249	$4,215	$0
South Dakota	215	$2,067	$0
Texas, New Mexico (SCOPE)	223	$29,706	$3,000
Wisconsin	224	$22,075	$18,000

*PAC programs comply with all federal and state laws and regulations, which in some cases restrict the amount of funds that can be contributed in non-election years.

**Xcel Energy has established a program that allows employees to voluntarily donate a portion of their salaries to state PAC programs and have that amount divided among our different state PACs. Each employee who donates is counted as a member in the six state PACs shown above.

***Funds contributed by employees can accrue over multiple years and are not necessarily distributed in the same year they were contributed. Contributions to candidates vary by year and are typically lower in nonelection years or years when state legislatures are in session. The total number of employees participating in PAC programs fluctuates throughout the year.

****The state PAC in Minnesota is operated outside of Xcel Energy in accordance with state law that prohibits the use of corporate resources to support the PAC, although payroll deduction is specifically permitted

LEARN MORE

- Supplier Diversity Program
- Human Rights Position Statement
- Diversity, Equity and Inclusion Brief

Supply Chain Management

Our relationships with suppliers are strategic and based on collaboration, transparency and a shared set of values.

Like us, our suppliers are committed to supporting our communities and the environment. We work closely with nearly 4,000 suppliers to provide the goods and services to deliver safe, clean, reliable, affordable energy to our customers.

We also continue to increase our partnerships with small businesses and diverse suppliers, strengthening the environmental and social criteria already embedded in our procurement processes.

Governance

The Operations, Nuclear, Environmental and Safety Committee of the board of directors oversees all aspects of operations and operational performance, including supply chain. Within Xcel Energy, the vice president of Supply Chain is responsible for the company's sourcing strategy and procuring materials and services, under the oversight of the chief audit and financial services officer, who reports to the CEO. Our **Supplier Code of Conduct** is incorporated into our standard contract language and addresses expectations regarding the environment, ethics and corruption, human rights, ethical mineral sourcing, supplier diversity and safety. Just like our employee **Code of Conduct**, the supplier code outlines requirements associated with our core values and describes expectations around protecting human rights and the environment and working ethically and safely.

Supply Chain Process and Strategy

Our Supply Chain organization is responsible for all sourcing and procurement of goods and services and management of materials and fleet. They negotiate contracts for everything — office supplies, contingent staff, capital items for our generation and transmission assets — employing a systematic sourcing method to deliver needed materials and services to the right place at the right time for the right price.

Four key business objectives, each associated with specific initiatives, drive our supply chain strategy:

- Maximizing investment yield.
- Achieving operational excellence.
- Managing risks and opportunities.
- Supporting community and environmental leadership.

Our spending falls into 35 categories, from meters and transformers to consulting services and marketing, with over 800 subcategories used to determine risk opportunity and negotiation leverage with suppliers.

Risk Management

Our assessment and management of supply chain risk is wide-ranging, multipronged and aimed at continuous improvement.

- **Supplier qualification:** We use services such as Dun & Bradstreet to monitor all active suppliers for violations of Office of Foreign Assets Control, Excluded Parties List System and Occupational Safety and Health Administration and Environmental Protection Agency standards, as well as criminal proceedings and disaster events. We assess suppliers' financial health, safety and use of diverse subcontractors before contracting with them.

- **Key risk assessments:** We look periodically at categories such as commodity price risk, supply continuity, quality and governance processes. We design sourcing strategies to minimize potential supply disruptions due to extreme weather or other events.

- **Global risk:** Most of our spending is with American suppliers, but we also do significant work with U.S.-based affiliates of foreign suppliers and a small amount of work directly with foreign suppliers. Our Foreign Corrupt Practices Act (FCPA) and Anti-Corruption Policy helps ensure compliance by our employees and representatives with the FCPA and its underlying ethical principles.

- **Security:** Our Security Vendor Risk Assessment program focuses on exposure to cyber, information and other security risks from suppliers' access to our systems, confidential information and critical infrastructure. This additional level of scrutiny involves a comprehensive test of the supplier's security environment by our Enterprise Security Services team.

- **Safety:** All suppliers that provide services or materials at our sites are required to submit their safety programs and five years of safety-related performance data. Our third-party safety administrator reviews this data and may reject a supplier or require a safety improvement plan. Once a contract is implemented, we continue to monitor suppliers' safety performance.

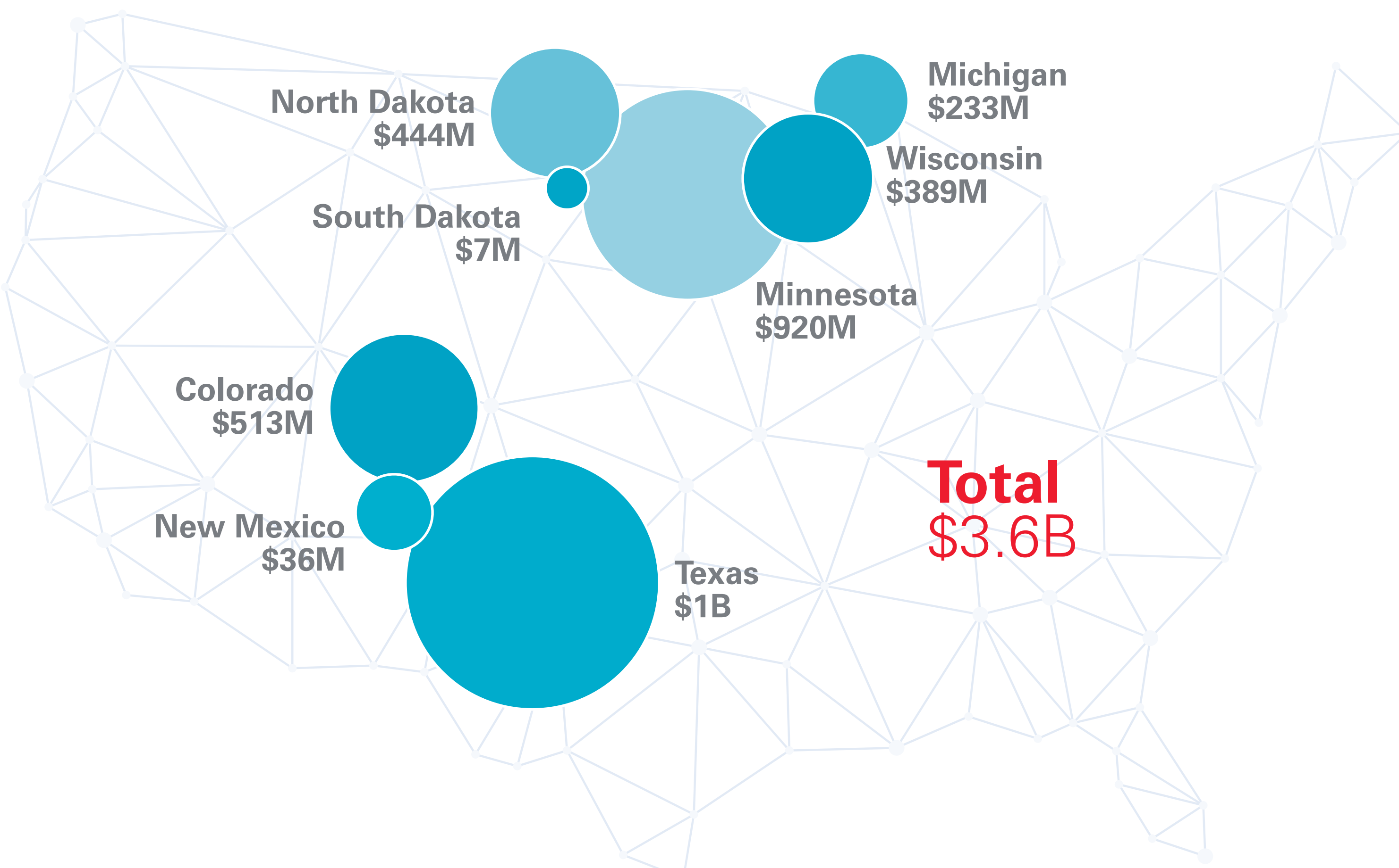
Supplier Diversity Program

Our network of suppliers and contractors should reflect our communities and give everyone opportunities to participate and prosper. We seek to do business with certified diverse suppliers, including companies owned by minorities, LGBTQ+, disabled individuals, women, service-disabled veterans and veterans. We also advocate for and partner with certified small businesses.

Xcel Energy's supplier diversity policy develops and strengthens our relationships with diverse suppliers by:

- Conducting outreach to seek, identify and encourage supplier diversity in our procurement processes.
- Facilitating alliances and partnerships.
- Educating businesses about our procurement and business processes.
- Identifying and encouraging subcontracting opportunities with major suppliers when direct participation is not possible.

2023 Total Local Spending



Over the past five years, we've spent over $5.7 billion with small and diverse suppliers, including $1.3 billion in 2023, representing approximately 20% of total spending for the year on materials and services. In addition, 63% of our supply chain spend was local.

In 2023, we increased our supplier diversity goal to 25% of our spending on materials and services by 2025. We are continuously expanding our diverse supplier network to reflect our communities and increase our economic reach, enhancing our program to make sure more diverse businesses can partner with us.

In addition, we are the first energy company to join top tier Fortune 500 companies pledging at least 15% of U.S.-based contracting spending on outside goods and services from small and underserved businesses in energy supply, distribution, transmission and clean energy.

A Shared Set of Values

Daniel Archuleta started Superior Underground in 2018 to make a difference in the gas and electric utility space and the Denver, Colorado, community. The company works with youth, from elementary to higher education, sponsoring local programs and events that demonstrate their equipment operations and explain their roles and responsibilities. They also sponsor school lunch programs to alleviate the financial stress for local families and allow children to solely focus on their education. But their work doesn't stop there. Superior Underground also believes in creating a work environment that promotes employee growth and development.

Super Underground began as a subcontractor with Xcel Energy in 2018, then became a Tier I (direct supplier) the following year. Our partnership demonstrates a shared set of values, especially when it comes to being connected and committed to the communities we serve.

"Xcel Energy has played a major role in the support they have given us from the very start," said Archuleta. "I have worked for Xcel Energy on the contractor side my entire professional career, and they have helped me provide for my family, raising five boys all the way up to becoming a business owner. Their diversity programs have not only helped my business but have also improved the lives of over 90 ethnically diverse employees at Superior Underground."

NOTEWORTHY

Economic Opportunity Coalition

The Economic Opportunity Coalition (EOC) is a nonpartisan historic effort to catalyze and align public and private investments to accelerate inclusive economic growth. The corporations and foundations that are members of the EOC have committed to aligning major investments in underserved communities with investments led by Janet Yellen, Secretary of the U.S. Department of the Treasury, and Wally Adeyemo, Deputy Treasury Secretary. To achieve this goal, we continue to execute on our framework for excellence, comprised of six pillars:

- **Leadership engagement:** through Xcel Energy leadership, reinforce and drive the message across the business that supplier diversity aligns with the company's values and commitment to diversity, equity and inclusion (DEI).
- **Tier I and II opportunities:** increase business opportunities with diverse suppliers through direct Tier I participation and develop a robust Tier II program that identifies and expands subcontracting opportunities with non-diverse prime contractors.
- **Data metrics:** leverage technology to improve program management, execution, tracking and reporting.
- **Supplier development:** implement a development and mentorship program to grow bench strength and strategic partnerships in underrepresented categories.
- **External engagement and partnerships:** increase involvement with advocacy groups, communities and government organizations to further our commitment to a supplier base that reflects the communities we serve.
- **Communication:** build momentum by sharing our program highlights, progress and supplier success stories internally and externally.

"As we transition toward a cleaner energy economy, it's critical to not leave communities behind," said Bob Frenzel, chairman, president and CEO of Xcel Energy. "Xcel Energy is proud to lead the way among energy companies in enhancing our supplier diversity commitment. We are joining the EOC to bolster a national effort to support small and diverse-owned businesses."

Our plan builds on ongoing commitments and past successes to take our Supplier Diversity program to the next level.

Memberships

We are an active member of the Edison Electric Institute's Supplier Diversity Best Practices Group and participate in 22 national and regional business associations and chambers of commerce representing Black, Asian, Hispanic, LGBTQ+, Native American, women, veteran and disabled business owners. Our membership engagement includes board roles, working groups and committees, sponsorships and attendance at national and regional networking events.

Strengthening Sustainability and Responsibility

Our suppliers are trusted partners who play a crucial role in Xcel Energy's operations and our path to a carbon-free future. To encourage suppliers to develop environmental commitments in line with our clean energy vision and goals, we have included environmental expectations in our **Supplier Code of Conduct**. We also introduced a set of questions in our supplier onboarding process to collect information on more than 20 green business, product and real estate certifications, including LEED and Energy Star. In 2023, over 670 new suppliers responded to these questions.

Also in 2023, we included Environmental, Social and Governance (ESG) questions in the Supplier Relationship Management survey, sent to suppliers that comprise 23% of our annual spend. The questions addressed sustainability commitments, greenhouse gas inventories, ethical sourcing, health and safety, fair labor, human rights, bribery and corruption policies, and performance.

In 2024, we will expand our supplier engagement to suppliers that constitute 70% of our annual spend. This engagement will include training that will target strategic suppliers and provide tools and resources for improvement, continued annual assessments as well as incorporating ESG questions in the request for proposal process. Training will enable Xcel Energy to track and improve supplier performance, reducing our carbon footprint and our ESG risk. Our goal is to reduce our supply chain emissions and risk through both supplier collaboration and changes to the sourcing process.

About this Report

Our sustainability reporting follows well-established standards. This report primarily represents data through year-end 2023. Information is current as of June 3, 2024.

Publication Date: June 2024

Reporting Period: January 1 to December 31, 2023

Date of Previous Report: June 2023 (for 2022)

Reporting Cycle: Annual

Report Boundary: Xcel Energy and its four regulated operating companies

Contact Point: sustainability@xcelenergy.com

Xcel Energy has published an annual report on our economic, environmental and social contributions since 2005. Our 2023 Sustainability Report is based on 20 Environmental, Social and Governance (ESG) topics we identified as important to stakeholders and our company.

We discuss how we manage those priorities and the progress we're making in topical briefs — similar to chapters. Each brief can be downloaded individually or together as the **full report**.

Xcel Energy continues to base our reporting on Global Reporting Initiative (GRI) standards, the most widely used and well-established standards for sustainability reporting. Please see our **GRI index**. In addition, we report disclosures identified by the Sustainability Accounting Standards Board (SASB) for Electric Utilities and Power Generators and Natural Gas Utilities and Distributors. Please see our **SASB index**. We also map to the U.N. Sustainable Development Goals, which can be found in the **Sustainability Governance and Stakeholder Engagement brief**.

Some investors and stakeholders are interested in the Task Force on Climate-Related Financial Disclosures, so we publish a report that responds to its recommendations, **Managing Risks and Opportunities in the Transition to a Net-Zero Future**. We also publish a **Sustainability Summary** that aligns with the Edison Electric Institute and American Gas Association ESG reporting template.

Xcel Energy's sustainability reporting includes policies, position statements and other company reports, as well as our past Corporate Responsibility or Triple Bottom Line reports going back to 2005. All these materials are available in our **Reporting Library**.

Forward-Looking Statements

This report contains forward-looking statements that are subject to certain risks, uncertainties and assumptions. Such forward-looking statements are intended to be identified in this report by the words “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “goal,” “may,” “objective,” “plan,” “possible,” “potential,” “project,” “proposed,” “should,” “vision,” “will,” “would,” and similar expressions. Actual results may vary materially. Forward-looking statements speak only as of the date they are made, and we expressly disclaim any obligation to update any forward-looking information. The following factors, in addition to those discussed elsewhere in Xcel Energy Inc.’s Annual Report on Form 10-K for the fiscal year ended December 31, 2023, and subsequent filings with the Securities and Exchange Commission, could cause actual results to differ materially from management expectations as suggested by such forward-looking information: operational safety, including our nuclear generation facilities and other utility operations; successful long-term operational planning; commodity risks associated with energy markets and production; rising energy prices and fuel costs; qualified employee work force and third-party contractor factors; violations of our Codes of Conduct; our ability to recover costs and our subsidiaries’ ability to recover costs from customers; changes in regulation; reductions in our credit ratings and the cost of maintaining certain contractual relationships; general economic conditions, including recessionary conditions, inflation rates, monetary fluctuations, supply chain constraints and their impact on capital expenditures and/or the ability of Xcel Energy Inc. and its subsidiaries to obtain financing on favorable terms; availability or cost of capital; our customers’ and counterparties’ ability to pay their debts to us; assumptions and costs relating to funding our employee benefit plans and health care benefits; our subsidiaries’ ability to make dividend payments; tax laws; uncertainty regarding epidemics, the duration and magnitude of business restrictions including shutdowns (domestically and globally), the potential impact on the workforce, including shortages of employees or third-party contractors due to quarantine policies, vaccination requirements or government restrictions, impacts on the transportation of goods and the generalized impact on the economy; effects of geopolitical events, including war and acts of terrorism; cybersecurity threats and data security breaches; seasonal weather patterns; changes in environmental laws and regulations; climate change and other weather events; natural disaster and resource depletion, including compliance with any accompanying legislative and regulatory changes; costs of potential regulatory penalties; regulatory changes and/or limitations related to the use of natural gas as an energy source; challenging labor market conditions and our ability to attract and retain a qualified workforce; and our ability to execute on our strategies or achieve expectations related to ESG matters including as a result of evolving legal, regulatory and other standards, processes and assumptions, the pace of scientific and technological developments, increased costs, the availability of requisite financing and changes in carbon markets.

LEARN ABOUT OUR ECONOMIC, ENVIRONMENTAL AND SOCIAL CONTRIBUTIONS AT XCELENERGY.COM/SUSTAINABILITY

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