
Xcel Energy®
ESSENTIAL
J.P. Morgan Conference
April 5, 2023

## Safe Harbor

Except for the historical statements contained in this presentation, the matters discussed herein are forward-looking statements that are subject to certain risks, uncertainties and assumptions. Such forward-looking statements, including those relating to 2023 EPS guidance, long-term EPS and dividend growth rate objectives, future sales, future expenses, future tax rates, future operating performance, estimated base capital expenditures and financing plans, projected capital additions and forecasted annual revenue requirements with respect to rider filings, expected rate increases to customers, expectations and intentions regarding regulatory proceedings, and expected impact on our results of operations, financial condition and cash flows of resettlement calculations and credit losses relating to certain energy transactions, as well as assumptions and other statements are intended to be identified in this document by the words “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “objective,” “outlook,” “plan,” “project,” “possible,” “potential,” “should,” “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 in Xcel Energy’s Annual Report on Form 10-K for the fiscal year ended Dec. 31, 2022 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: uncertainty around the impacts and duration of the COVID-19 pandemic, including potential workforce impacts resulting from vaccination requirements, quarantine policies or government restrictions, and sales volatility; 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 workforce and third-party contractor factors; violations of our Codes of Conduct; ability to recover costs and 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; effects of geopolitical events, including war and acts of terrorism; cyber security threats and data security breaches; seasonal weather patterns; changes in environmental laws and regulations; climate change and other weather; natural disasters 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; and our ability to execute on our strategies or achieve expectations related to environmental, social and governance 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.

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# Attractive Investment Thesis

**Pure-Play Regulated Utility that Consistently Delivers**

**~8-10%**
**Total Shareholder Return**

**5-7% EPS Growth**

**~3% Dividend Yield**
5-7% CAGR | 60-70% Payout Ratio

✓ Sustainable **long-term growth**

✓ Strong **ESG leadership**

✓ Proven **track record**

# Strategy

## 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

## PRIORITIES




### Lead the Clean Energy Transition

- Electricity: 80% carbon reduction by 2030, 100% carbon-free by 2050
- Natural gas: 25% GHG reduction by 2030, net-zero by 2050



### Enhance the Customer Experience

- Conservation, new products/services
- 1 in 5 EVs enabled by 2030



### Keep Bills Low

Average bill increases $\leq$ rate of inflation

## VALUES

 Connected

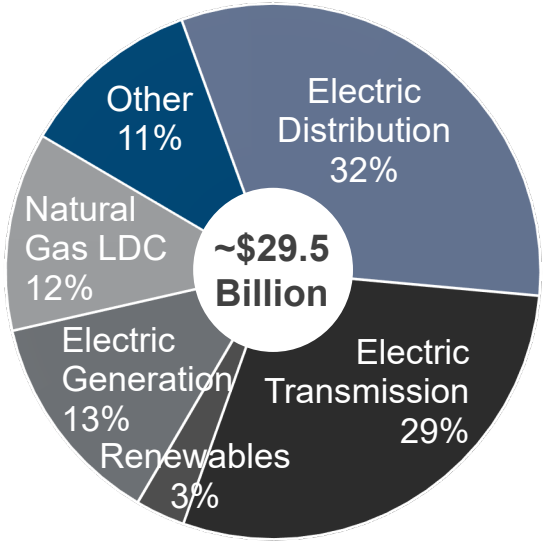
 Committed

 Safe

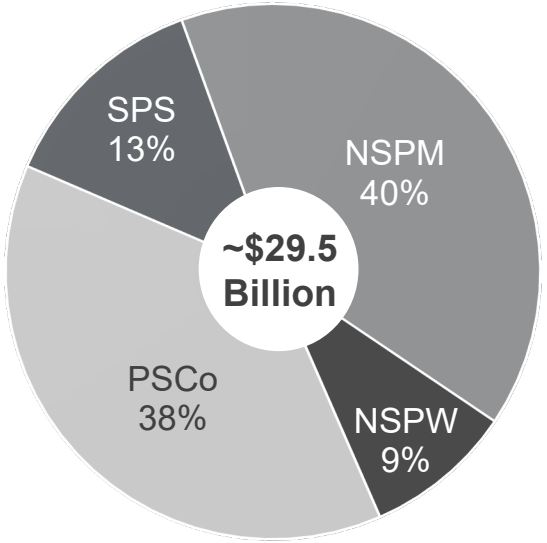
 Trustworthy

# Robust Base Capital Forecast 2023 - 2027

## Investment by Function



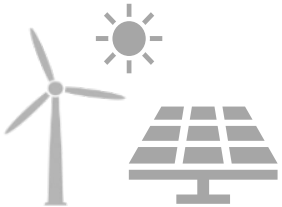

## Investment by Company



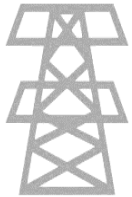

Base capital forecast excludes potential incremental investment associated with resource plans

# Potential Incremental Investment 2023 - 2027

**$2.0 - $4.0 Billion in Incremental Opportunities**



**$1.5 - $3.0 Billion Renewables**
~3,500 MW proposed additions across Colorado and Minnesota resource plans, assuming 50% ownership



**$0.5 - $1.0 Billion Transmission**
Enables renewables associated with the Colorado resource plan, including network upgrades, voltage support and interconnection work

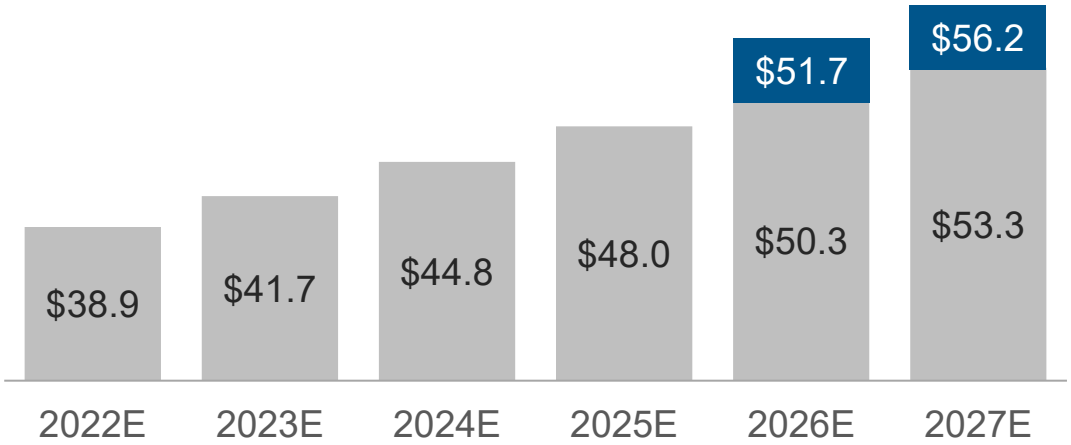
# Strong Rate Base Growth

## Xcel Energy Consolidated

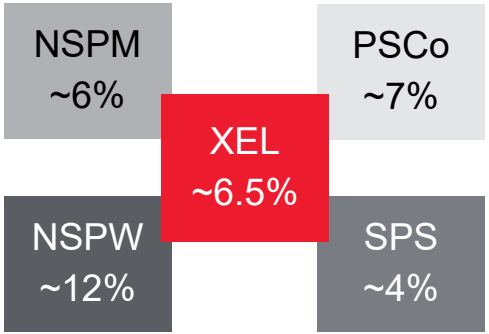
$ Billions

Base 2022 - 2027 CAGR: ~6.5%

Incremental 2022 - 2027 CAGR*: ~7.6%



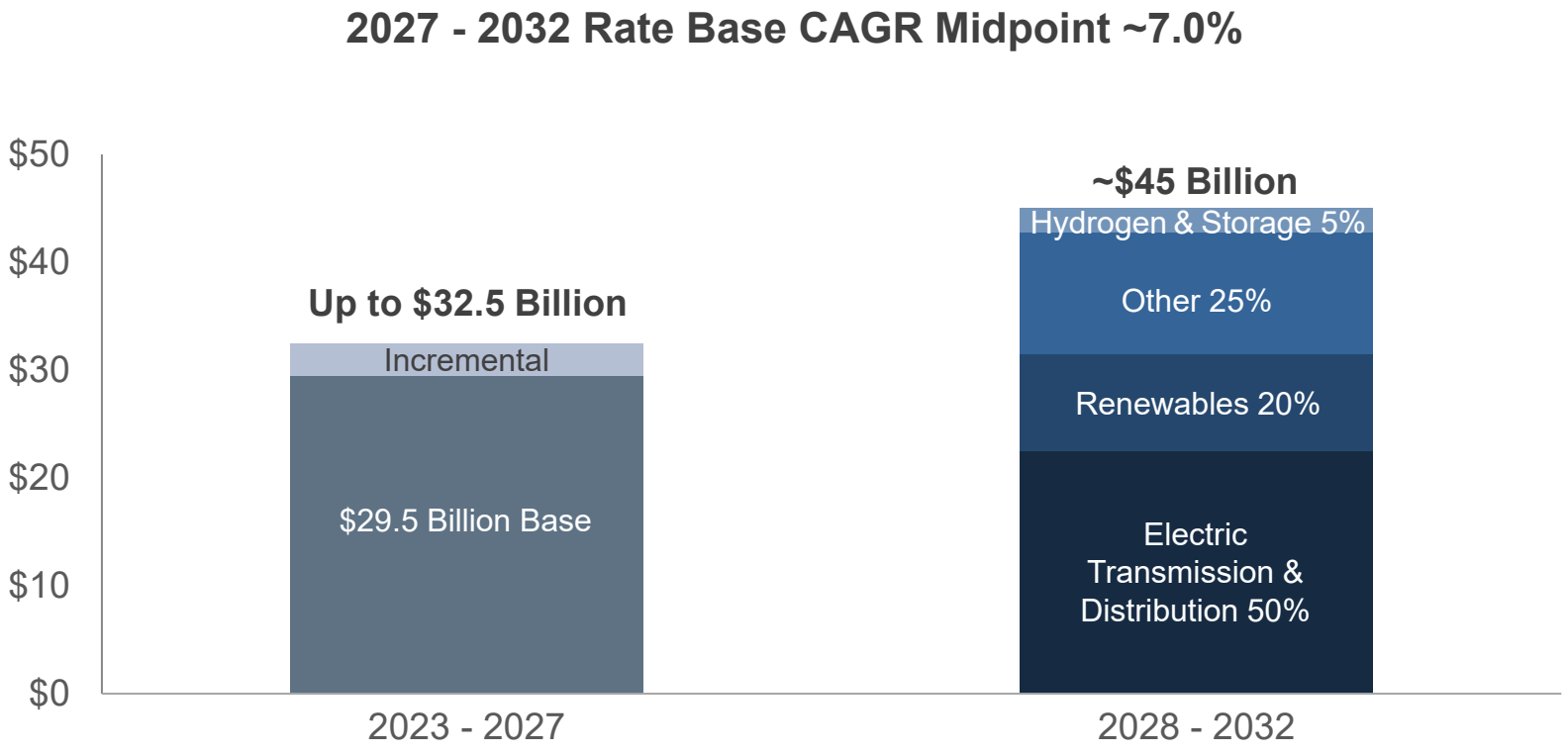

## Op Co Base CAGRs 2022 - 2027




Op Co CAGRs exclude potential incremental cap ex

* Rate base growth of 7.6% assumes the midpoint of the incremental cap ex

# Robust Capital Forecast 2023 - 2032




The 2028-2032 forecast does not include potential incremental investment for PPA buyouts or future wind repowerings

# Transparent Resource Plans

## 80% Carbon Reduction by 2030, Full Coal Exit by 2030*



| | PSCo | NSPM/NSPW | SPS |
|---|---|---|---|
| Carbon reduction | 85% | 85% | >70% |
| Full coal exit | 2030 | 2030 | 2028* |
| New renewables | ~4,000 MW | ~5,800 MW | MW TBD* |
| Spend horizon | 2025 - 2030 | 2024 - 2034 | 2025 and beyond |

* SPS is proposing the early retirement of the Tolk coal plant in 2028 (from 2034), which requires approval from the Texas and New Mexico Commissions. SPS RFP issued November 2022 for 947 MW (all-source) through 2027 (does not include Tolk).

# Generation RFPs Outstanding

| RFP | Scope* | Key Dates |
|---|---|---|
| PSCo | • IRP needs through 2028<br>• 2,800 MW renewables<br>• 200 MW storage<br>• 1,176 MW firm peaking | • Bids received March 2023<br>• Recommended portfolio Summer 2023<br>• CPUC decision Fall 2023<br>• PSCo will file additional RFPs for remaining requirements |
| NSP | • 900 MW solar / storage by 2026 | • Bids received October 2022<br>• Regulatory filing April 2023<br>• Decision Summer 2023<br>• NSP will file additional RFPs for remaining requirements |
| SPS | • All source RFP through 2027<br>• Utilize SPS interconnection rights<br>• 947 MW | • Bids received February 2023<br>• Bidder advancement notices April 2023<br>• Contract negotiations through July 2023<br>• Approval application Fall 2023 |

* Actual mix will be based on bid evaluation and could vary from indicated amounts

# Minnesota Resource Plan

## 85% Carbon Reduction & Coal Exit by 2030




**Full coal exit by 2030**
- King (511 MW) retire 2028
- Sherco 3 (517 MW) retire 2030



**Firm peaking capacity** (reliability driven)
- 800 MW of hydrogen ready CTs
- 300 MW of repowered black start CTs
- Additional 1,900 MW needed in 2030 and beyond



**Significant renewable additions**
- 2,500 MW universal scale solar
- 2,150 MW wind
- Additional 1,100 MW beyond 2032



**Nuclear extension** (Monticello to 2040)



**Transmission infrastructure**
to enable new renewables

February 2022
Plan approved

2022 Q3
RFP for 900 MW solar issued

2023 H2
Anticipated Commission decision

Additional RFPs will be issued for the remaining renewable generation needed, likely in 2023

# Colorado Resource Plan

## 85% Carbon Reduction & Coal Exit by 2030

### Full coal exit by 2030

- Hayden 1 & 2 (233 MW) retire 2028/2027
- Pawnee (505 MW) conversion to natural gas no later than January 2026
- Comanche 3 (500 MW) retires by 2030; reduced operations begin 2025

### Significant renewable additions

- ~2,300 MW wind
- ~1,600 MW universal scale solar
- ~1,200 MW distributed solar

### Firm peaking capacity

- ~1,300 MW flexible resources
- ~400 MW storage

### Transmission expansion (approved)

Pathway enables additional renewables while improving reliability

**June 2022**
Plan approved

**2022 Q4**
RFPs for firm peaking and renewables issued*

**2023 H2**
Anticipated Commission decision

* RFPs through 2028 needs. Does not include distributed solar. Remaining capacity will be subject to future RFPs.

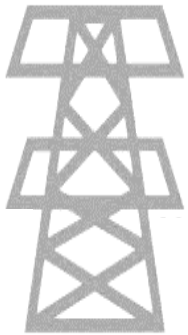
# Long-Term Transmission Buildout

**Major Expansion to Enable More Renewables**

## NSP

**NSP Tranche 1** cap ex of **~$1.2 billion**

**NSP Futures 1**: Estimated cumulative **$4 - $5 billion investment** (over 10-15 years)



## PSCo

**~$1.7 billion Pathway** enables 5.5 GW renewables via 560 miles of 345 kV lines

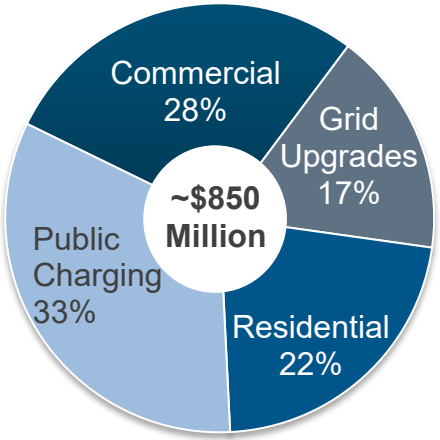
**Additional $0.5 - $1.0 billion** in potential future projects

## SPS

**$0.5 - $1.0 billion in potential projects** that help alleviate congestion and enable future load growth and renewables in SPP

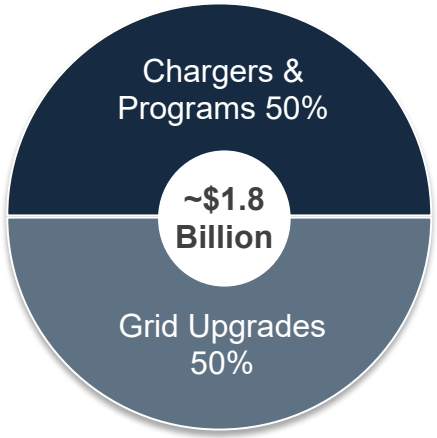
# Electric Vehicle Infrastructure

**2023 - 2027**




**Enabling 1 out of 5 vehicles being electric by 2030**

**2028 - 2032**




## RESIDENTIAL

- Charger installs and services
- Rebates for vehicles and charger installs (rate based)

## COMMERCIAL

- Charging equipment/installs for cities, schools and businesses
- EV purchase rebates (rate based)

## PUBLIC

- Stations in major corridors and underserved communities

# Hydrogen Opportunities



Renewables power electrolyzers



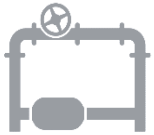
Electrolyzers produce green hydrogen

**POWER GEN**
(GAS CT/CCs)



Hydrogen blending

**NATURAL GAS SYSTEM**



Lower-carbon electricity delivered to customers



Lower carbon emissions from customer gas use

**$2 - $4 billion**
potential investment

Assumes up to 5% blending in natural gas system
New gas generation and retrofits by 2032

The potential hydrogen opportunities are not included in the 2023-27 capital forecast

# Hydrogen Hub Concept

Pilot (2023)

Scale (2030+)








| Production | Transport / Storage | End Users |
|---|---|---|
| Localized green production w/ renewables | Existing gas pipelines and LDC | Gas LDC blending |
| Green H2 production hub | Gas power plants and on-site storage | Gas power plant blending |
| Pink (nuclear) and blue (gas / SMR) production | Dedicated H2 pipelines | Agricultural and industrial H2 |
| Scaled H2 production to match demand | Long-term underground storage | H2 fueled vehicles |

Potential hydrogen hub investment is not included in 10-year capital forecast

# Comprehensive Sustainability Goals

**ELECTRIC**

**80% lower** emissions by 2030*

**100%** carbon-free by 2050*

**70% less** water consumption by 2030*

**≤ rate of inflation**
Manage customer bills

**NATGAS**

**25% lower** emissions by 2030**

**Net zero** by 2050**

**Social impacts**
of coal closures mitigated

**Local communities**
supported

**TRANSPORTATION**

**1 in 5** vehicles are EVs by 2030***

**Zero-Carbon Fuel** by 2050***

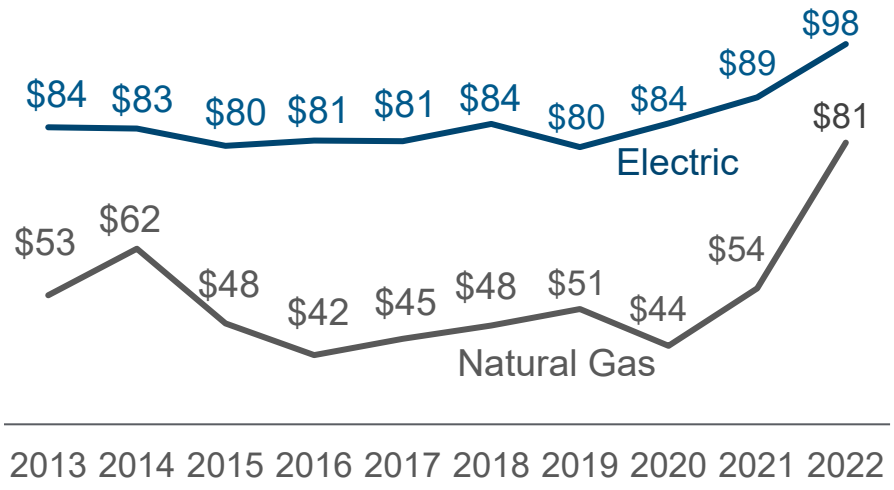
**Workforce**
reflects our communities

**10% of spend**
with diverse suppliers

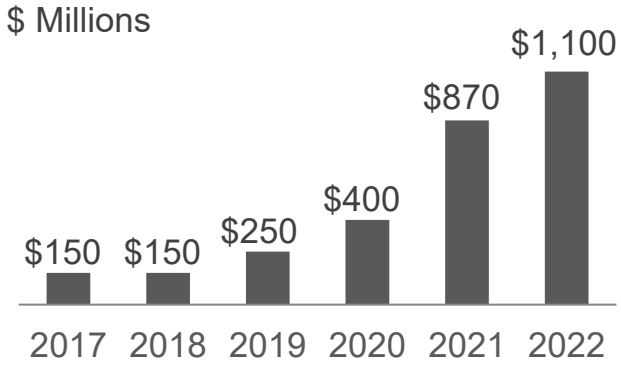
* Includes owned and purchased electricity serving customers
** Spans natural gas supply, distribution and customer use
*** Within Xcel Energy service area; zero-carbon fuel accessible for customers within 1 mile of their homes.

# Manage Customer Bills

**2013-2022 Residential Electric CAGR = ~1.8%***
**2013-2022 Natural Gas CAGR = ~4.7%***




**~$3 Billion in Customer Savings from Wind Energy**



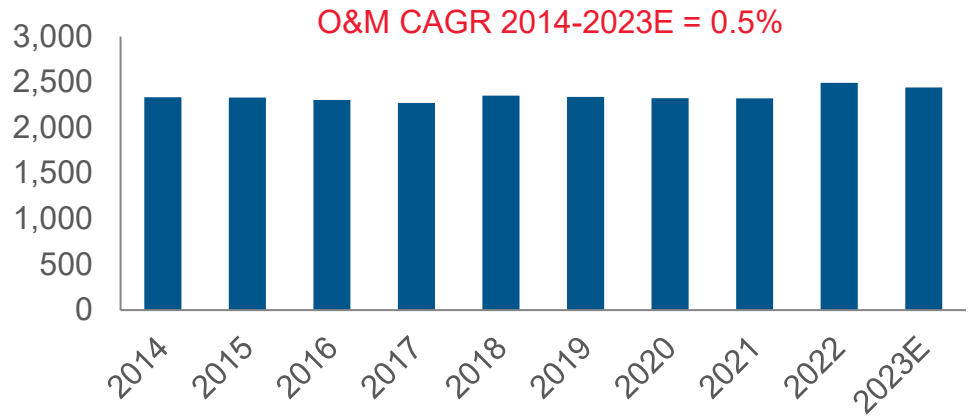

Includes avoided fuel costs and PTCs

- 2013-2021 CAGR: electric bills = ~0.8% and natural gas bills = ~0.3%
- 2022 bills driven by significant increases in the market price for natural gas due to supply, demand and global issues
- 2023 natural gas prices have come down significantly

# Disciplined O&M Cost Control

## Controlling Spend

$ Millions




## Driving Sustainable Savings

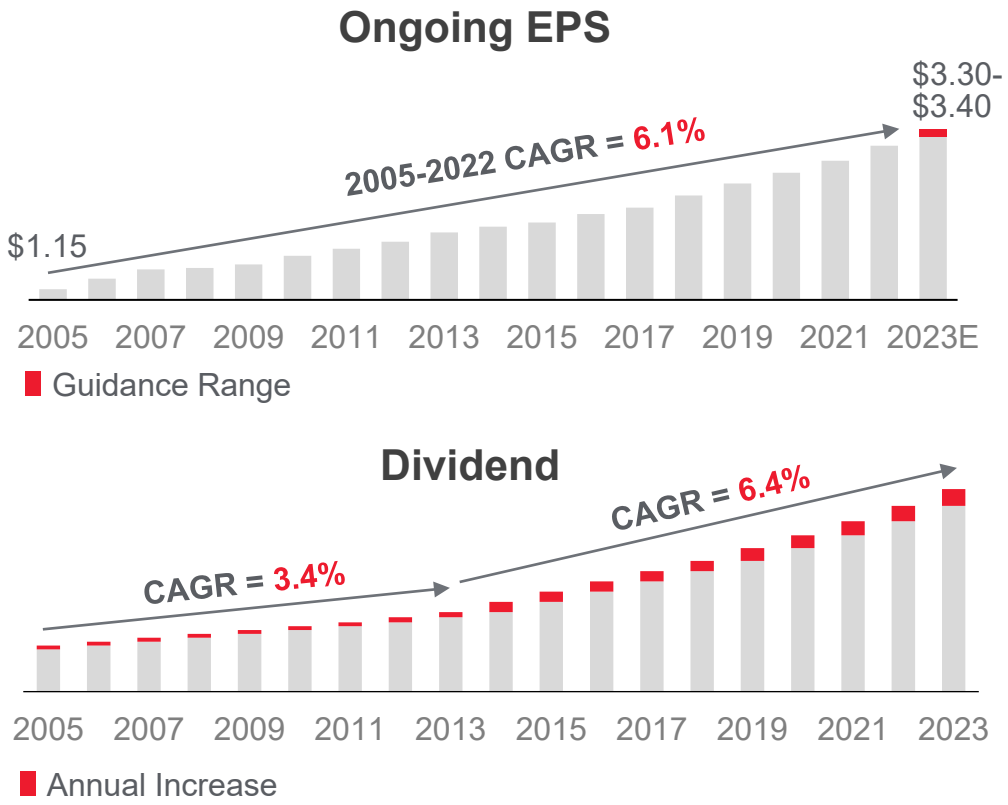
- ADVANCED TECHNOLOGY
- OPTIMIZE WORK PROCESSES
- SUPPLY CHAIN AND FLEET
- WORKFORCE MANAGEMENT
- RETIRE COAL PLANTS
- CONSULTING CONTROLS

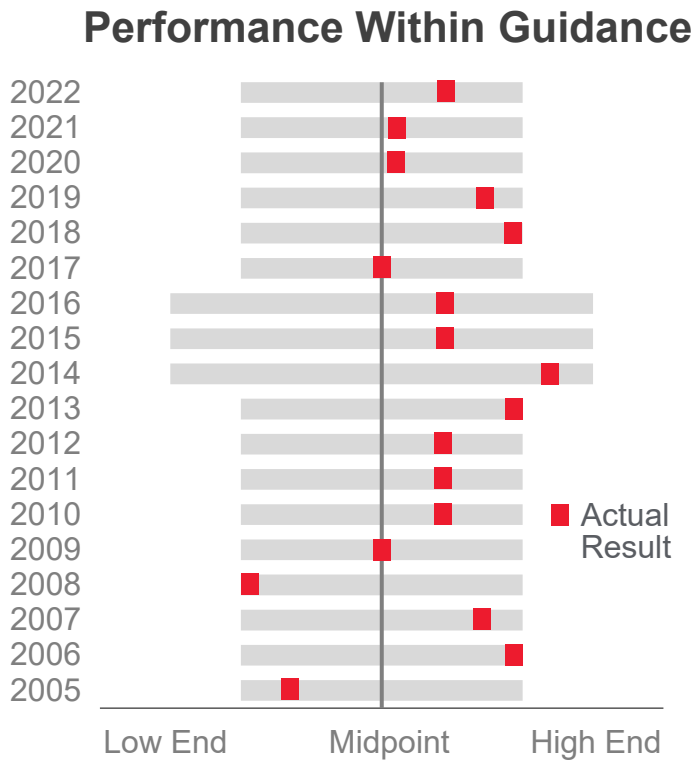
Inflationary pressures drove O&M to increase in 2022.

O&M is projected to decline ~2% in 2023 and remain relatively flat thereafter.

Inflation CAGR 2014-2022 was 2.7%.

# Proven Track Record



# Attractive Investment Thesis

**Pure-Play Regulated Utility that Consistently Delivers**

**~8-10%**
**Total Shareholder Return**

**5-7% EPS Growth**

**~3% Dividend Yield**
5-7% CAGR | 60-70% Payout Ratio

✓ Sustainable **long-term growth**

✓ Strong **ESG leadership**

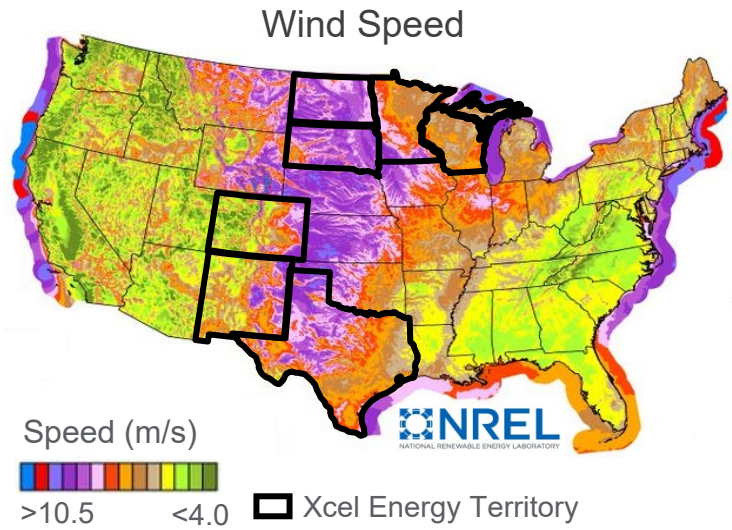
✓ Proven **track record**

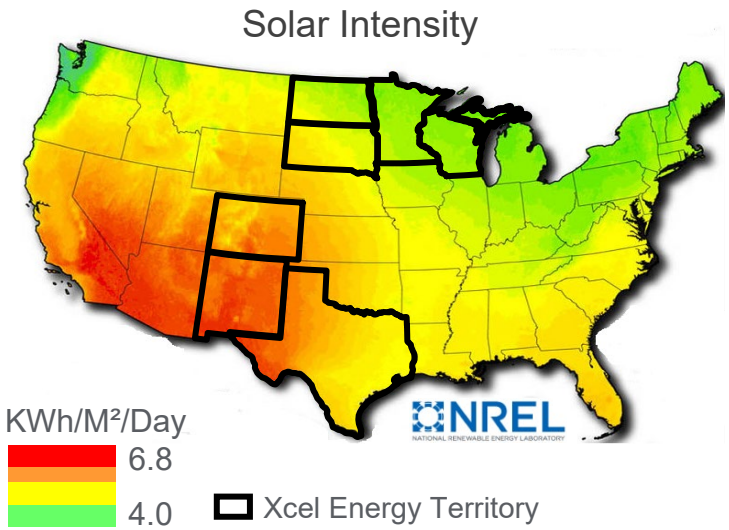
# APPENDIX

# STEEL FOR FUEL ADVANTAGE

# Geographic Advantage for Renewables

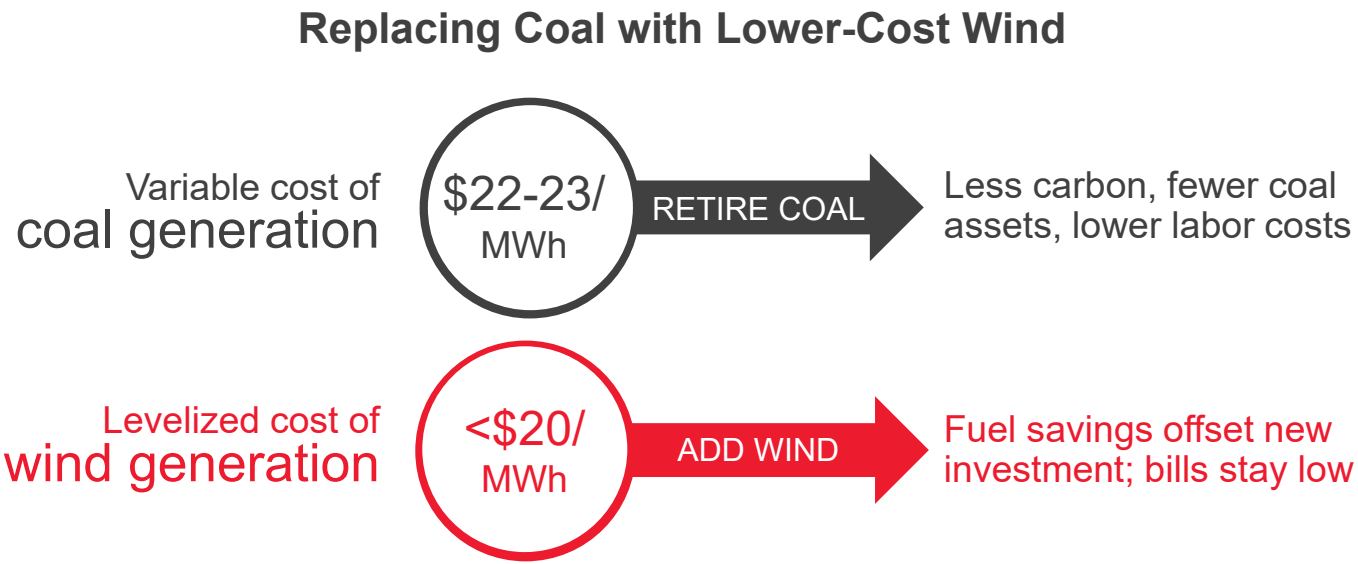
**High-Capacity Factors Enable Greater Efficiency and Lower Costs**



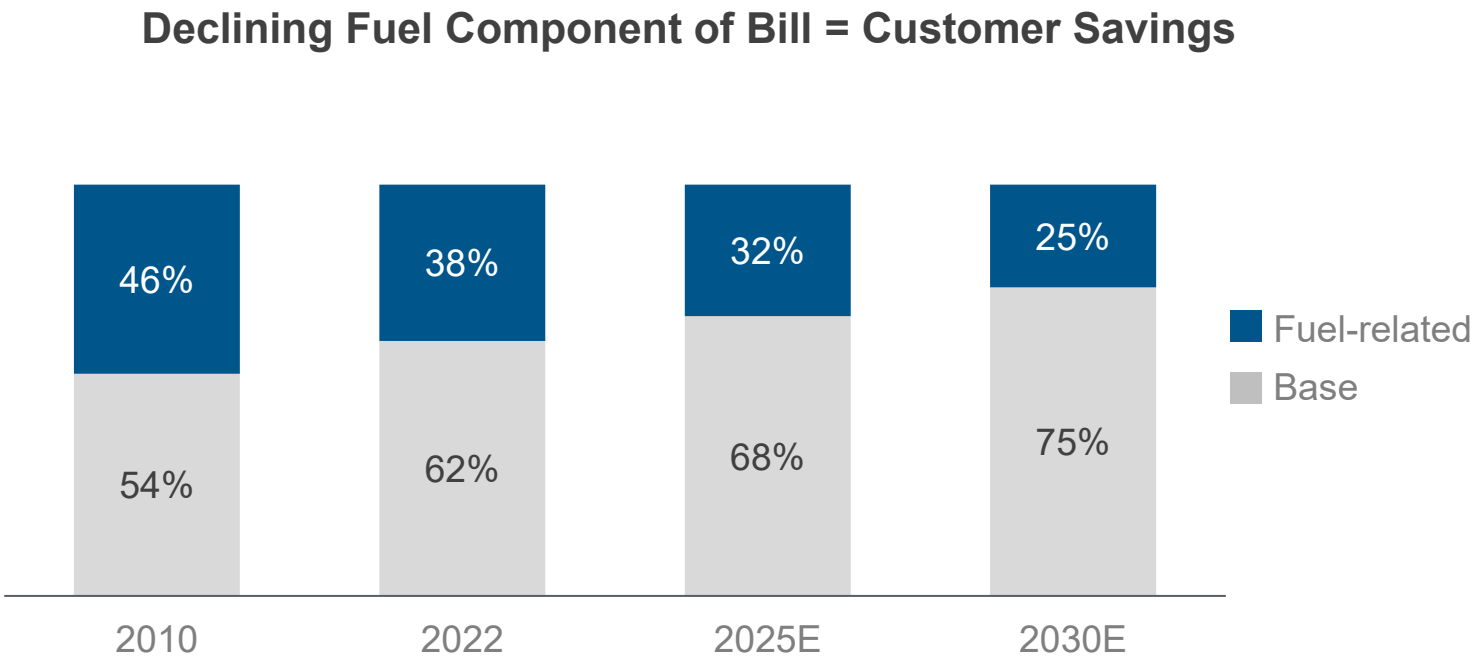

National Renewable Energy Laboratory with modification

# Steel for Fuel - Attractive Economics for Renewables




Over 3,600 MW
New owned wind (2018-2022) × 8,760
Hours/year × 50%
Capacity factor = ~16 million MWh annually

# Committed to Affordability



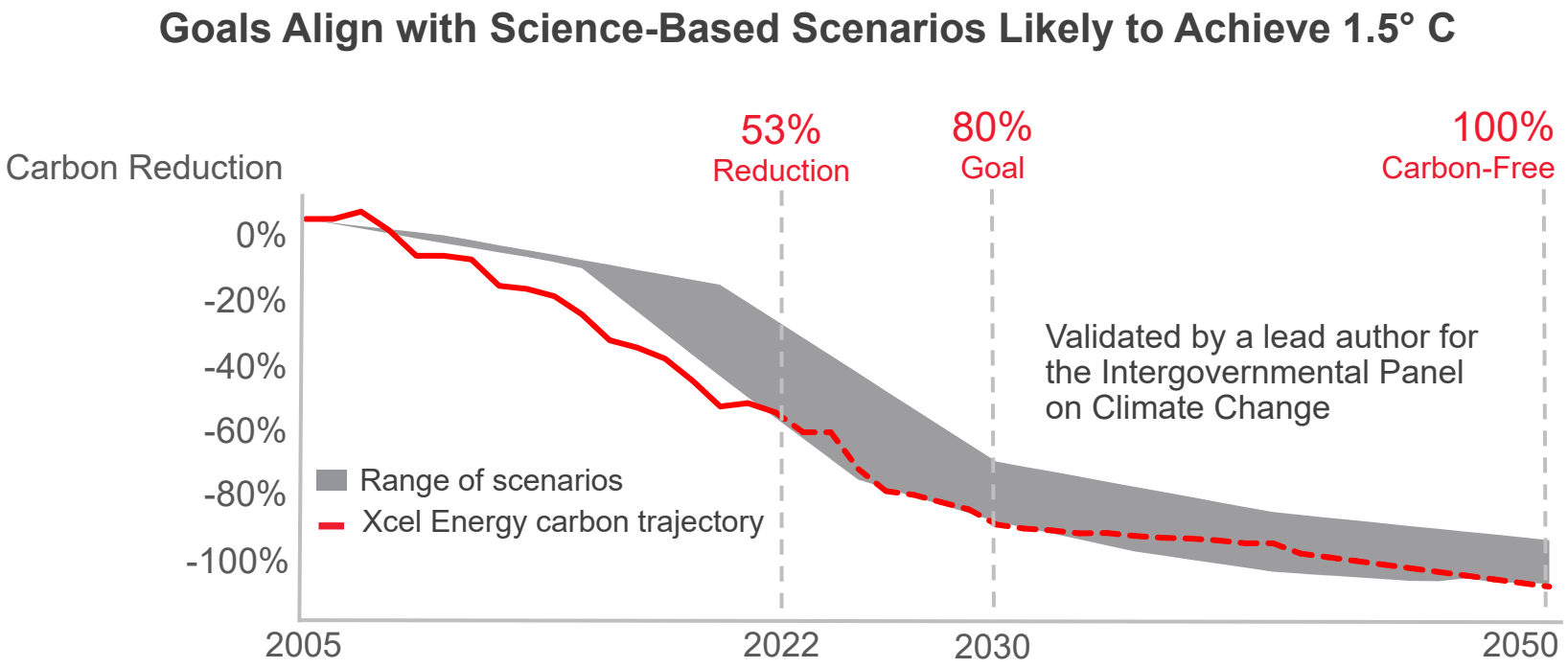
# ESG LEADERSHIP

# Sustainability Goals - Tangible Progress

| | GOAL | PROGRESS |
|---|---|---|
| $CO_2$ | **80% lower carbon emissions by 2030, 100% carbon-free electricity by 2050*** | 53% reduction 2005 - 2022 |
| | **25% lower net GHG emissions by 2030, net-zero by 2050**** | To be available 2023 |
| | **70% less water consumption by 2030*** | 29% reduction 2005 - 2021 |
| | **Bill increases ≤ rate of inflation** | Residential electric 2013-2022 CAGR = 1.8%<br>Residential gas 2013-2022 CAGR = 4.7% *** |
| | **1 in 5 EVs powered by 2030** | Programs approved in MN, CO, WI, and NM |
| | **Coal plant closure impacts mitigated** | 8 plant closures, 0 layoffs to date |
| | **Local economies supported** | >60% supply chain spend local in 2022<br>~$1.8 billion investment; 2,900 jobs in 2022 |
| | **Workforce reflects our communities** | Board: 33% female, 17% diverse (as of YE 2022)<br>Workforce: 24% female, 18% diverse YE 2022 |
| | **10% spend with diverse suppliers** | ~11% ($548 million) in 2022 |

* Includes owned and purchased electricity serving customers
** Spans natural gas supply, distribution and customer use
*** Global natural gas prices increased significantly in 2022. Prices have come down significantly in 2023.

# Carbon Goals Aligned With Paris Accord




Goal includes owned and purchased power

# Science-Based Targets

## Our Approach

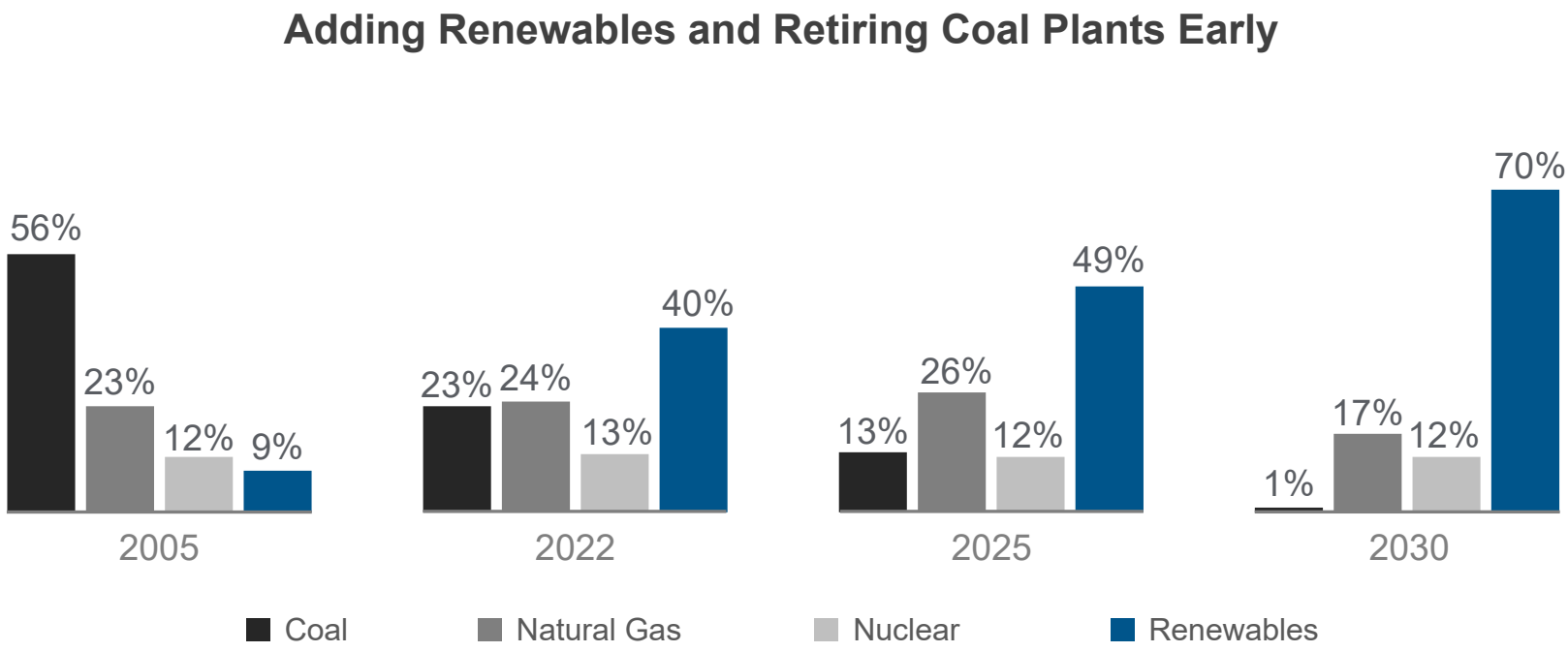
- Independent analysis conducted by an IPCC lead author
- Based on multiple IPCC scenarios that meet global temperature targets
- Confirms our goals (include scope 1 and scope 3 emissions) align with science-based scenarios likely to achieve 1.5° C
- Analysis shows natural gas in buildings does not go away by 2040

## SBTi Validation

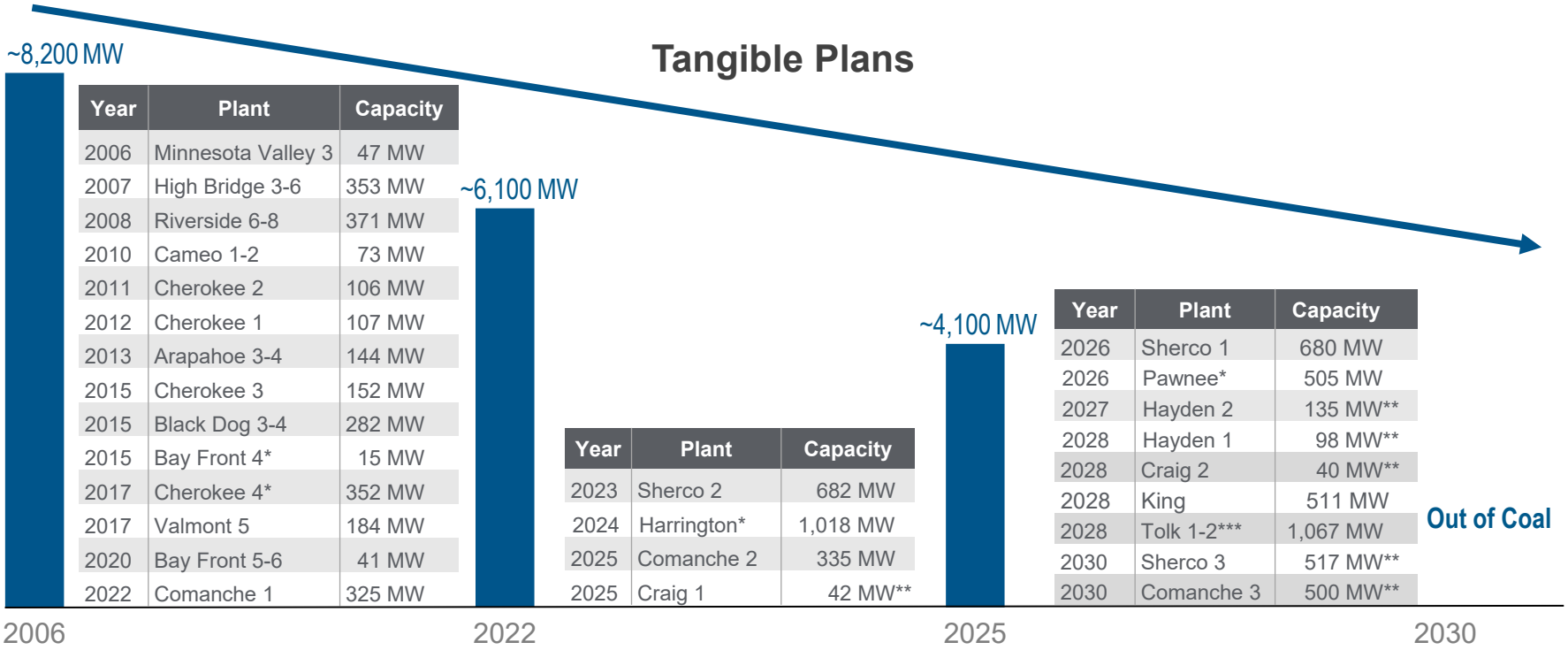
- We have not pursued to date given:
  - SBTi relies on a single scenario, which we view as less robust than our analysis
  - We believe offsets are part of a leading natural gas strategy rooted in science
  - SBTi does not acknowledge carbon reductions achieved to date
- We will reevaluate periodically as changes to SBTI's methodology occur over time

Carbon and natural gas analyses are available in our ESG library

# Significant Shift in Energy Mix



# Out of Coal by 2030




| Year | Plant | Capacity |
|---|---|---|
| 2006 | Minnesota Valley 3 | 47 MW |
| 2007 | High Bridge 3-6 | 353 MW |
| 2008 | Riverside 6-8 | 371 MW |
| 2010 | Cameo 1-2 | 73 MW |
| 2011 | Cherokee 2 | 106 MW |
| 2012 | Cherokee 1 | 107 MW |
| 2013 | Arapahoe 3-4 | 144 MW |
| 2015 | Cherokee 3 | 152 MW |
| 2015 | Black Dog 3-4 | 282 MW |
| 2015 | Bay Front 4* | 15 MW |
| 2017 | Cherokee 4* | 352 MW |
| 2017 | Valmont 5 | 184 MW |
| 2020 | Bay Front 5-6 | 41 MW |
| 2022 | Comanche 1 | 325 MW |

| Year | Plant | Capacity |
|---|---|---|
| 2023 | Sherco 2 | 682 MW |
| 2024 | Harrington* | 1,018 MW |
| 2025 | Comanche 2 | 335 MW |
| 2025 | Craig 1 | 42 MW** |

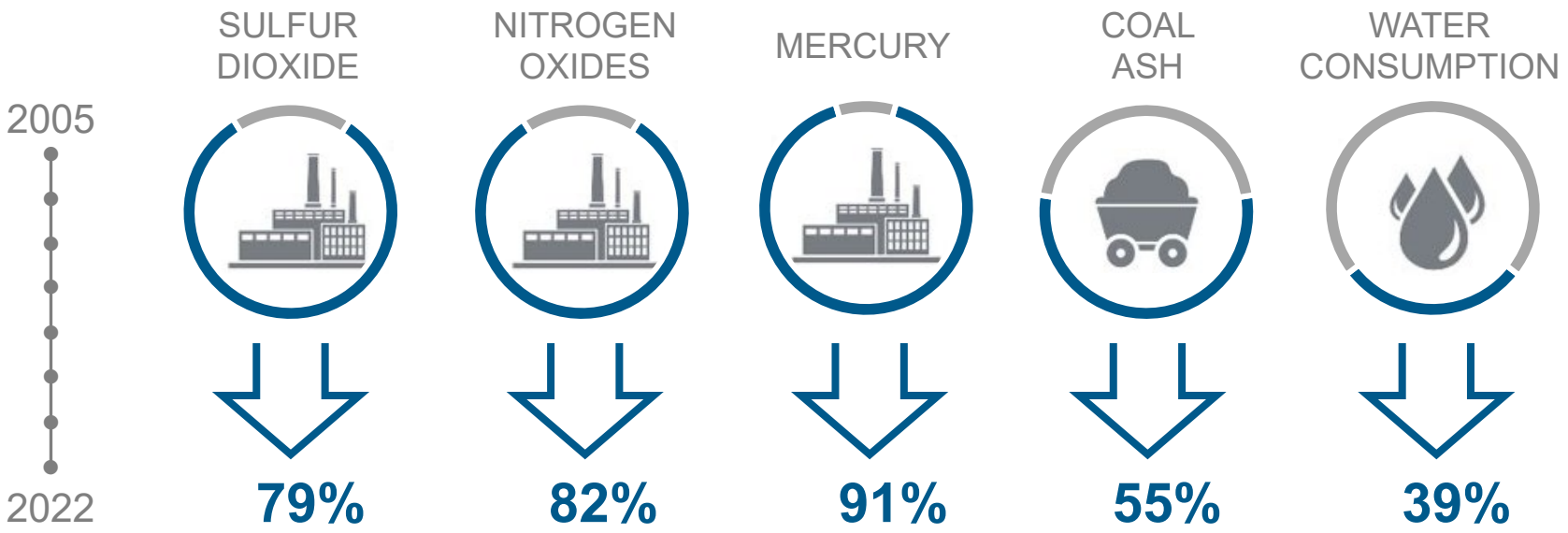
| Year | Plant | Capacity |
|---|---|---|
| 2026 | Sherco 1 | 680 MW |
| 2026 | Pawnee* | 505 MW |
| 2027 | Hayden 2 | 135 MW** |
| 2028 | Hayden 1 | 98 MW** |
| 2028 | Craig 2 | 40 MW** |
| 2028 | King | 511 MW |
| 2028 | Tolk 1-2*** | 1,067 MW |
| 2030 | Sherco 3 | 517 MW** |
| 2030 | Comanche 3 |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

* Conversion from coal to natural gas

** Based on Xcel Energy's ownership interest

*** SPS is proposing the early retirement of the Tolk coal plant, pending approval by the TX and NM commissions

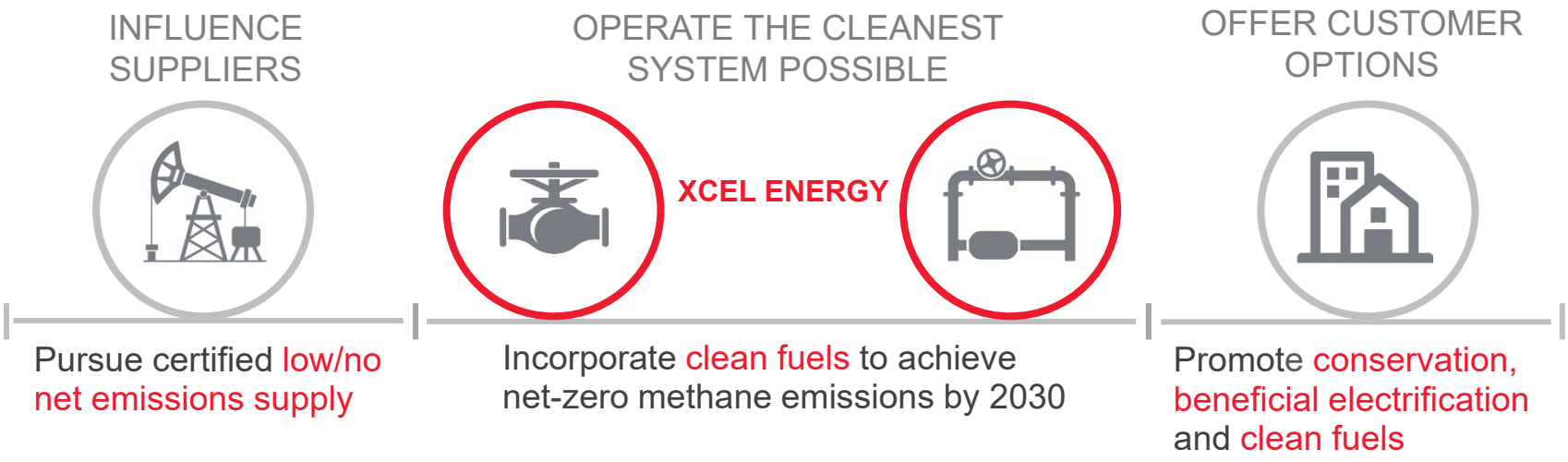
# Emission Reductions Beyond Carbon




Results from owned generation except for water, which includes owned and purchased power.

# Net Zero Natural Gas Service

**25% Net GHG Emission Reduction by 2030, Net Zero by 2050**




Goal compared to 2020 baseline; includes natural gas supply for electric system
Net zero assumes use of biologic offsets and carbon capture technologies

# Electric Vehicle Vision 2030



**1 in 5**
EVs Enabled

Nation-leading models for residential, commercial and public charging

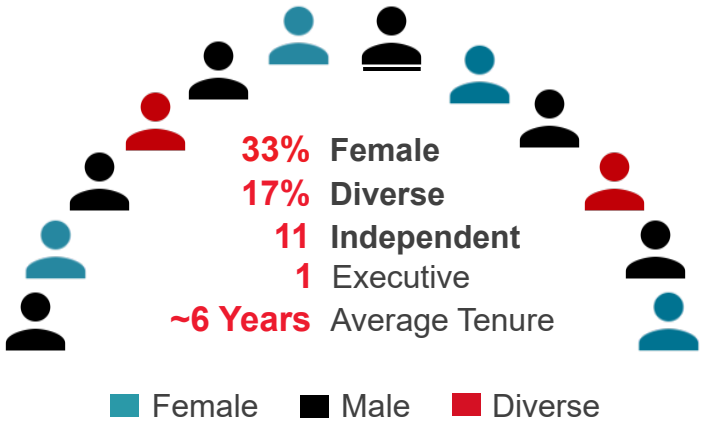
**5 million $CO_2$ tons avoided annually**
80% lower vehicle emissions when charging with Xcel Energy

**$1 billion annual customer savings**
~$1/gallon and lower using off-peak energy; rebates drive adoption

**$2 billion investment**
Service connections, charging infrastructure and programs

**0.6% to 0.7% incremental annual retail sales growth**
~6-7 million MWh new load keeps customer bills low

# Diverse and Engaged Board




Mandatory retirement **age and tenure limit**

**Independent** committee chairs

**No supermajority** approval provisions

**Overboarding** policies

Lead **independent director** elected annually

Board and committee **performance evaluations**

**Proxy access** adopted

Annual advisory vote on **compensation**

Governance, Compensation & Nominating (ESG oversight)

Audit

Finance

Operations, Nuclear, Environmental & Safety

Eight new directors since 2019

# Workforce Representation



## BOARD

33% female | 17% diverse



## CEO DIRECT REPORTS

33% female | 22% diverse

## VP & ABOVE

23% female | 19% diverse

## MANAGEMENT

25% female | 12% diverse



## WORKFORCE

24% female | 18% diverse

## NEW HIRES

35% female | 24% diverse

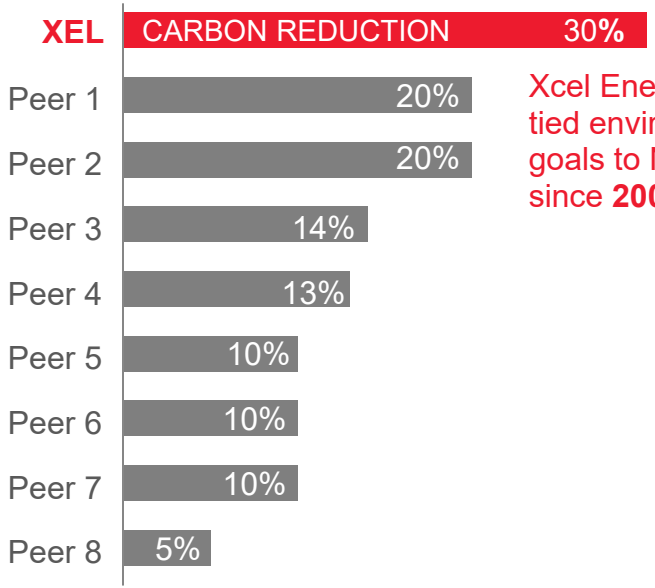
## INTERNS

32% female | 25% diverse

Board and CEO direct report figures as of YE 2022
Workforce figures as of YE 2022

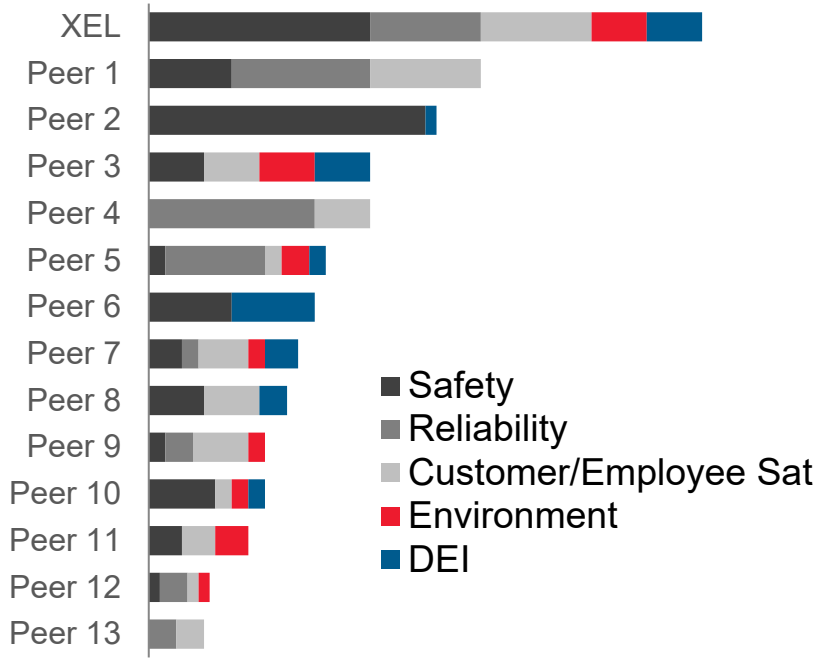
# ESG Embedded in Compensation

## Long-Term Incentive Tied to Environment




Xcel Energy has tied environmental goals to NEO pay since **2005**

## Annual Incentive Tied to ESG Issues




Source data from Meridian

# DEI Progress Tied to Compensation

## Focus, Commitment and Accountability



### INTERVIEW PANELS

Diversity in background, race, ethnicity, gender and perspectives

*99% of offers were extended to candidates interviewed by diverse panels*



### EXECUTIVE SPONSORSHIP

Pairing female and ethnically diverse employees with senior leaders

*~55% of the 71 participants assumed new roles to further their growth and development*



### INCLUSION INDEX

Listening to employees, encouraging feedback and taking action to support them

*Survey results reached target; female and diverse employee responses scored relatively higher*

Results based on 2022 data

# Voluntary Disclosures

## FRAMEWORKS & STANDARDS

- GRI — Alignment
- SASB — Alignment
- TCFD — Alignment
- Sustainable Development Goals — Alignment
- The Climate Registry — Founding Member
- One Nation's Energy Future — Member
- ICMA LMA LSTA — Sustainable Finance Principles Alignment

## REPORTS & DISCLOSURES



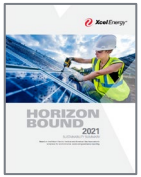
Sustainability Report



Carbon Scenarios



TCFD Response



EEI/AGA Template



Natural Gas Vision


Political Contributions


EEO-1 Report



Financing Framework



Financing Impacts

## POLICIES & POSITION STATEMENTS

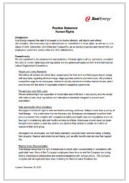

Environmental Policy


Anti-Discrimination


Environmental Justice


Anti-Retaliation


Lobbying & Contributions


Human Rights


Responsible Transition



Compliance Program



Employee/Supplier Codes of Conduct

Available in ESG library on investor website

# FINANCIAL SUPPLEMENT

# Inflation Reduction Act

## Wind and Solar PTC

- Reduces levelized cost of solar projects by 25-40% and wind projects by 50-60%*
- Solar PTC reduces cost of utility projects compared to solar ITC

## Nuclear and Hydrogen PTC

- Nuclear PTC provides significant customer credits, depending on MISO marginal pricing
- PTC reduces costs for hydrogen blending for LDC and generation

## Tax Credit Transferability

- Improves cash flows by ~$1.8 billion and FFO/debt by ~100 bps over the 5-year time period
- Increases financial flexibility and reduces financing needs
- Reduces tax inefficiencies and improves LCOEs for owned projects
- Reduces rate base growth as excess PTCs were previously included as a DTA

## Alternative Minimum Tax (AMT)

- No material impact on Xcel Energy due to PTCs and accelerated depreciation

* The cost comparison assumes a limited ITC for solar and no PTC for wind projects prior to IRA benefits

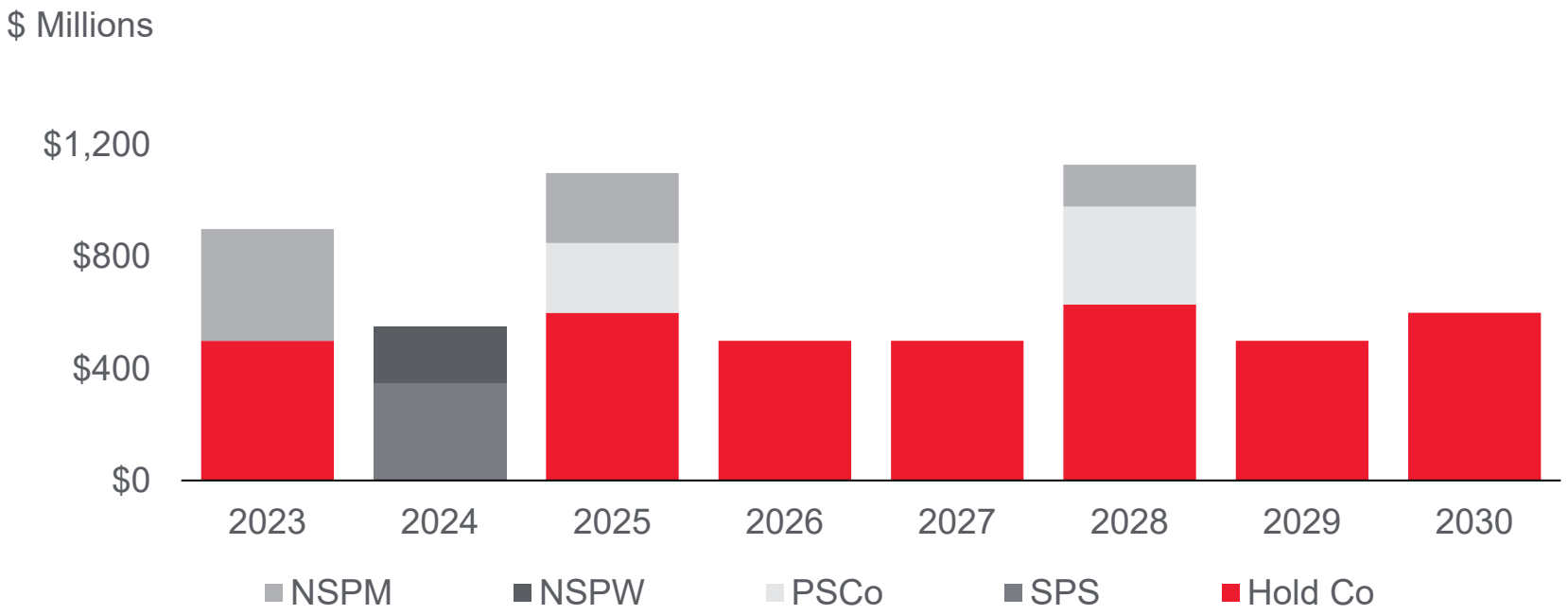
# Strong Credit Metrics

| Plan | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|
| FFO/Debt | ~18% | ~19% | ~18% | ~18% | ~18% |
| Debt/EBITDA | 4.9x | 4.9x | 4.9x | 4.9x | 4.9x |
| Equity Ratio | 40% | 40% | 40% | 40% | 40% |
| Hold Co Debt/Total Debt | 24.1% | 24.3% | 24.9% | 24.7% | 24.9% |

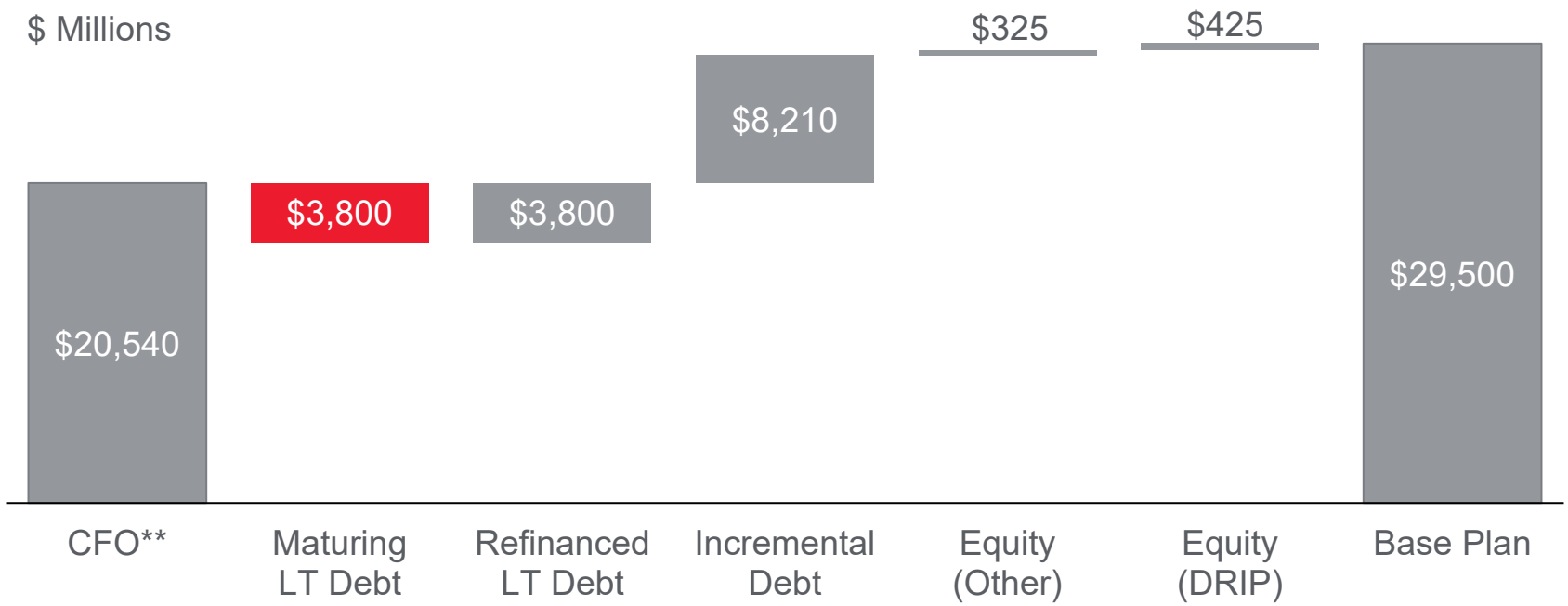
| Credit Ratings | Moody's | S&P | Fitch |
|---|---|---|---|
| Xcel Energy Unsecured | Baa1 | BBB+ | BBB+ |
| NSPM Secured | Aa3 | A | A+ |
| NSPW Secured | Aa3 | A | A+ |
| PSCo Secured | A1 | A | A+ |
| SPS Secured | A3 | A | A- |

Credit metrics based on base capital plan, include tax credit transferability and do not reflect rating agency adjustments

# Debt Maturities



# Financing Plan 2023 - 2027*




* Financing plans reflect tax credit transferability and are subject to change

** Cash from operations is net of dividends and pension funding

# 2023 Debt Financing Plan

$ Millions

| Issuer | Security | Amount | Status | Tenor | Coupon |
|---|---|---|---|---|---|
| Hold Co | Senior Unsecured Bonds | $500 | Q3 | N/A | N/A |
| NSPM | First Mortgage Bonds | $750 | Q2 | N/A | N/A |
| NSPW | First Mortgage Bonds | $125 | Q2 | N/A | N/A |
| PSCo | First Mortgage Bonds | $850 | Complete | 30-Yr | 5.25% |
| SPS | First Mortgage Bonds | $100 | Q3 | N/A | N/A |

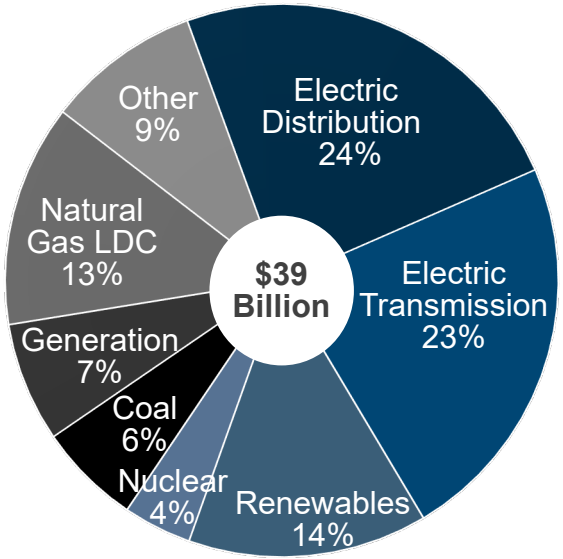
Financing plans are subject to change, depending on capital expenditures, regulatory outcomes, internal cash generation, market conditions, changes in tax policies and other factors

# Reconciliation - Ongoing EPS to GAAP EPS

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Ongoing EPS** | **$1.15** | **$1.30** | **$1.43** | **$1.45** | **$1.50** | **$1.62** | **$1.72** | **$1.82** | **$1.95** | **$2.03** | **$2.09** | **$2.21** | **$2.30** | **$2.47** | **$2.64** | **$2.79** | **$2.96** | **$3.17** |
| PSRI-COLI | 0.05 | 0.05 | (0.08) | 0.01 | (0.01) | 0.03 | - | - | - | - | - | - | - | - | - | - | - | - |
| Prescription Drug Tax Benefit | - | - | - | - | - | (0.04) | - | 0.03 | - | - | - | - | - | - | - | - | - | - |
| SPS FERC Order | - | - | - | - | - | - | - | - | (0.04) | - | - | - | - | - | - | - | - | - |
| Loss on Monticello LCM/EPU Project | - | - | - | - | - | - | - | - | - | - | (0.16) | - | - | - | - | - | - | - |
| Impact of Tax Cuts & Jobs Act | - | - | - | - | - | - | - | - | - | - | - | - | (0.05) | - | - | - | - | - |
| **Cont. Ops.** | **1.20** | **1.35** | **1.35** | **1.46** | **1.49** | **1.61** | **1.72** | **1.85** | **1.91** | **2.03** | **1.94** | **2.21** | **2.25** | **2.47** | **2.64** | **2.79** | **2.96** | **3.17** |
| Discont. Ops. | 0.03 | 0.01 | - | - | (0.01) | 0.01 | - | - | - | - | - | - | - | - | - | - | - | - |
| **GAAP EPS** | **$1.23** | **$1.36** | **$1.35** | **$1.46** | **$1.48** | **$1.62** | **$1.72** | **$1.85** | **$1.91** | **$2.03** | **$1.94** | **$2.21** | **$2.25** | **$2.47** | **$2.64** | **$2.79** | **$2.96** | **$3.17** |
| Amounts may not sum due to rounding | | | | | | | | | | | | | | | | | | |

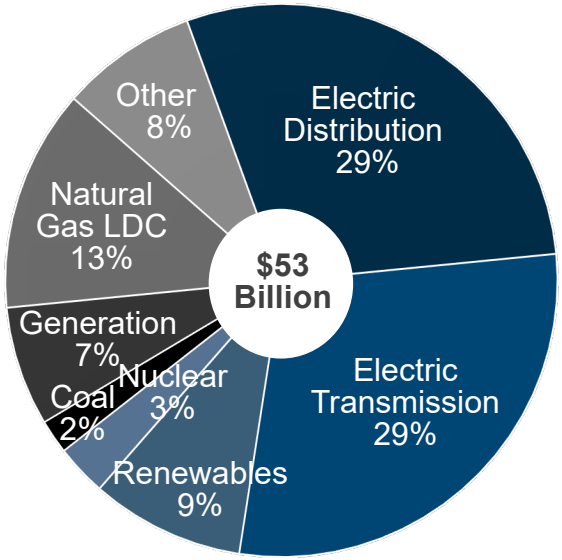
Xcel Energy's management believes that ongoing earnings reflects management's performance in operating the company and provides a meaningful representation of the performance of Xcel Energy's core business. In addition, Xcel Energy's management uses ongoing earnings internally for financial planning and analysis, for reporting of results to the Board of Directors and when communicating its earnings outlook to analysts and investors.

# Diverse Asset Base




2022E

**Coal Rate Base Declines from 6% to 2%**




2027E

# Base Capital Expenditures by Function

$ Millions

| | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|---|---|---|---|---|---|---|
| Electric Distribution | $1,610 | $1,790 | $1,680 | $2,000 | $2,450 | $9,530 |
| Electric Transmission | $1,280 | $1,650 | $1,890 | $1,690 | $1,900 | $8,410 |
| Electric Generation | $710 | $910 | $900 | $560 | $650 | $3,730 |
| Natural Gas | $740 | $730 | $760 | $650 | $680 | $3,560 |
| Other | $780 | $840 | $570 | $510 | $540 | $3,240 |
| Renewables | $280 | $280 | $470 | $0 | $0 | $1,030 |
| **Total** | **$5,400** | **$6,200** | **$6,270** | **$5,410** | **$6,220** | **$29,500** |

Base capital forecast excludes potential incremental investment associated with resource plans

# Base Capital Expenditures by Company

$ Millions

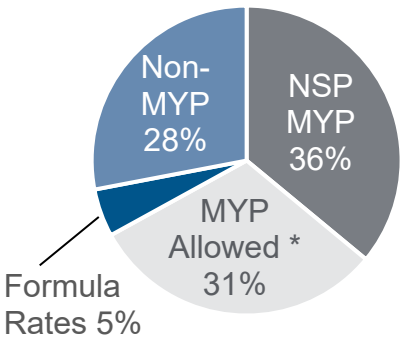
| | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|---|---|---|---|---|---|---|
| NSPM | $2,000 | $2,400 | $2,530 | $2,200 | $2,580 | $11,710 |
| NSPW | $540 | $570 | $500 | $450 | $540 | $2,600 |
| PSCo | $2,140 | $2,440 | $2,550 | $1,980 | $2,190 | $11,300 |
| SPS | $710 | $780 | $720 | $770 | $900 | $3,880 |
| Other* | $10 | $10 | ($30) | $10 | $10 | $10 |
| **Total** | **$5,400** | **$6,200** | **$6,270** | **$5,410** | **$6,220** | **$29,500** |

Base capital forecast excludes potential incremental investment associated with resource plans

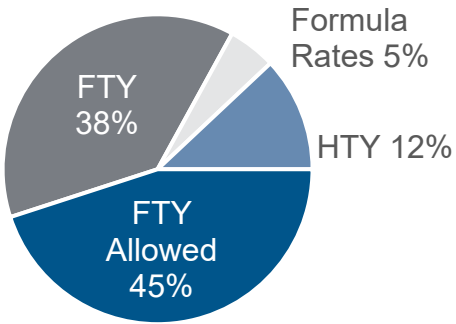
* Includes intercompany transfers for renewable equipment

# Regulatory Framework

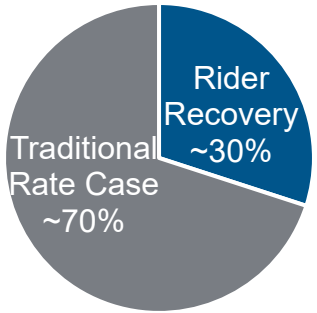
Rate Base Covered by Multi-year Plans



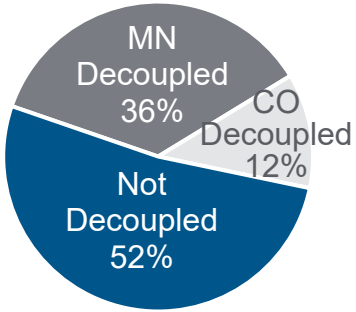

Rate Base Recovered Under Forward Test Year




Cap Ex Eligible for Recovery by Rider




Retail Electric Sales Covered by Decoupling




* Includes Colorado electric; Colorado Commission approved two three-year electric MYPs in the past

# Regulatory Framework by Company

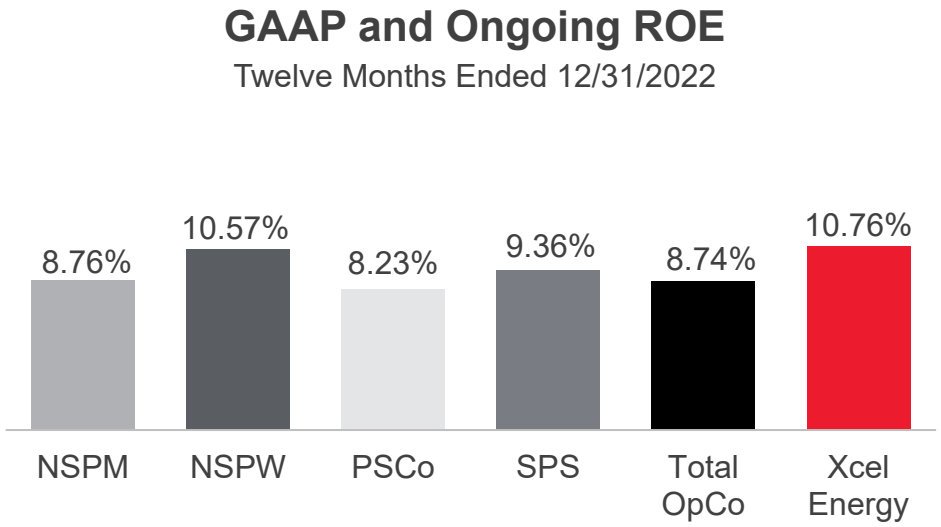
| | NSPM | NSPW | PSCo | SPS |
|---|---|---|---|---|
| Multi-year Rate Plans | ✓ | ✓ | Allowed | |
| Forward Test Year | ✓ MN & ND | ✓ | Allowed | ✓ NM Allowed |
| Interim Rates | ✓ | | Allowed | |
| Fuel Recovery Mechanism | ✓ | ✓ | ✓ | ✓ |
| Capacity Recovery Mechanism | | | ✓ | ✓ |
| Renewable Rider | ✓ MN & ND | | ✓ | ✓ NM |
| Transmission Rider | ✓ MN & ND | | ✓ | ✓ TX |
| Distribution or Advanced Grid Rider | ✓ MN | | | ✓ TX & NM |
| Infrastructure Rider | ✓ SD | | | |
| Generation Rider | | | | ✓ TX |
| Pension Deferral Mechanism | ✓ MN | ✓ | ✓ | ✓ |
| Property Tax Deferral/True-up | ✓ MN | | ✓ | |
| Decoupling | ✓ MN | | ✓ | |

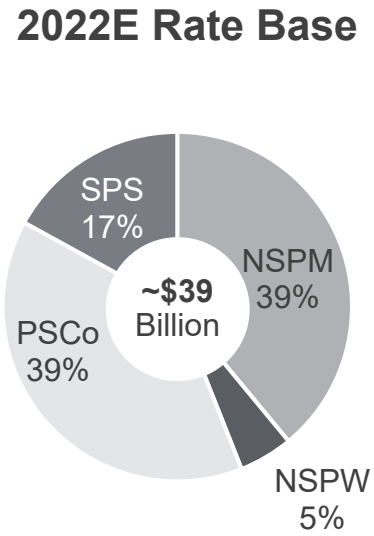
# 2021 Rate Base and ROEs

| OpCo | Jurisdiction | YE 2021 Rate Base ($ millions) | YE 2021 Authorized ROE (%) | YE 2021 W/N Earned ROE (%) | Regulatory Status |
|---|---|---|---|---|---|
| NSPM | MN Electric | 11,109 | 9.06 | 8.86 | 2022-2024 MYP filed; interim rates January 2022, decision 2023 Q2 |
| | MN Natural Gas | 1,173 | 10.09 | 4.43 | 2022 FTY filed; interim rates January 2022, decision 2023 Q2 |
| | ND Electric | 692 | 9.50 | 9.62 | New rates effective January 2021, based on FTY |
| | ND Natural Gas | 136 | 10.75 | 4.35 | 2022 FTY filed; interim rates November 2021, decision 2022 Q3 |
| | SD Electric | 832 | Blackbox | 7.61 | |
| NSPW | WI Electric | 1,660 | 10.00 | 9.99 | 2022-2023 MYP settlement approved; rates effective January 2022 |
| | WI Natural Gas | 188 | 10.00 | 5.65 | 2022-2023 MYP settlement approved; rates effective January 2022 |
| | MI Elec. & Nat. Gas | 51 | 9.80(e)/10.00(g) | 6.90 | New rates effective April 2022 |
| PSCo | CO Electric | 9,731 | 9.30 | 8.48 | 2022 FTY filed; settlement approved, rates effective April 2022 |
| | CO Natural Gas | 3,314 | 9.20 | 8.10 | 2022 CTY filed; rates effective November 2022 |
| | Wholesale/Steam | 756 | * | * | |
| SPS | TX Electric | 3,368 | Blackbox | 8.61** | New rates approved May 2022, effective March 2021, based on HTY |
| | NM Electric | 2,012 | 9.45 | 5.25** | New rates effective February 2022, based on HTY |
| | SPS Wholesale | 1,049 | *** | *** | |

* Authorized ROE for PSCo transmission and production formula = 9.72%
** Actual ROE, not weather-normalized
*** Transmission ROE = 10.50% and production formula ROE = 10.00%

# ROE Results – GAAP and Ongoing Earnings



# COMPANY PROFILES

# Fully Regulated and Vertically Integrated

**Four**
Operating Companies

**Eight**
States

**3.8 Million**
Electric Customers

**2.1 Million**
Natural Gas Customers

**$39 Billion**
2022E Rate Base

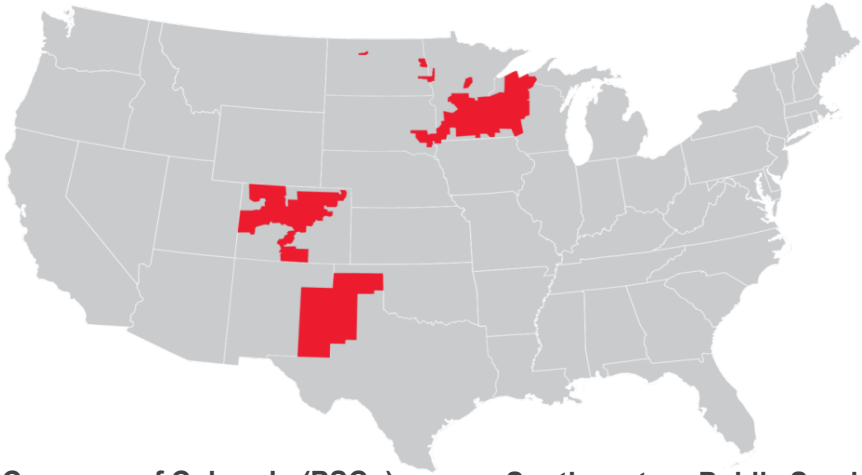
**21 GW**
Owned Gen. Capacity

**~12,000**
Employees

As of 12/31/2022

**Northern States Power Minnesota (NSPM)**
Minnesota, South Dakota, North Dakota
- 2022E Rate Base: $15.1 billion
- 2022 Ongoing EPS: $1.23
- 2023-2027 Base Cap Ex: $11.7 billion

**Northern States Power Wisconsin (NSPW)**
Wisconsin, Michigan
- 2022E Rate Base: $2.1 billion
- 2022 Ongoing EPS: $0.23
- 2023-2027 Base Cap Ex: $2.6 billion



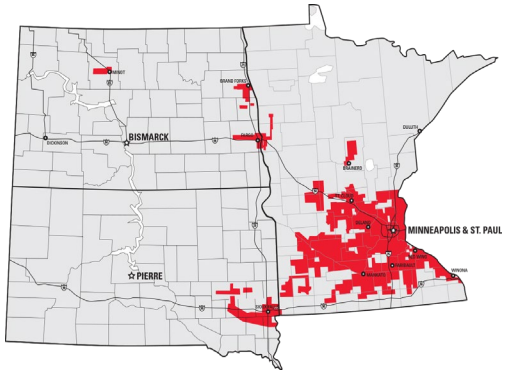
**Public Service Company of Colorado (PSCo)**
Colorado
- 2022E Rate Base: $14.9 billion
- 2022 Ongoing EPS: $1.33
- 2023-2027 Base Cap Ex: $11.3 billion

**Southwestern Public Service (SPS)**
Texas, New Mexico
- 2022E Rate Base: $6.7 billion
- 2022 Ongoing EPS: $0.64
- 2023-2027 Base Cap Ex: $3.9 billion

# NSPM Overview

**Electric - Retail**
1.5 million customers
33 million MWh

**Natural Gas - Retail**
~500,000 customers
78 million MMBtu

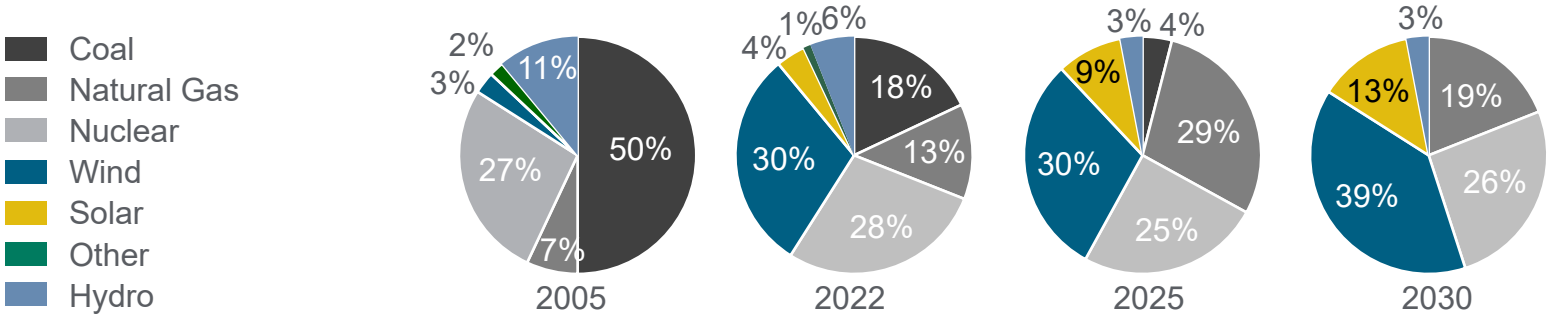



| 2022 Financials | GAAP & Ongoing |
|---|---|
| Net Income | $675 million |
| Assets | $23.7 billion |
| ROE | 8.76% |
| Equity Ratio | 52.3% |

**Credit Ratings (Secured/Unsecured)**

| | |
|---|---|
| Moody's | Aa3 / A2 |
| S&P | A / A- |
| Fitch | A+ / A |

**NSP System Energy Mix**



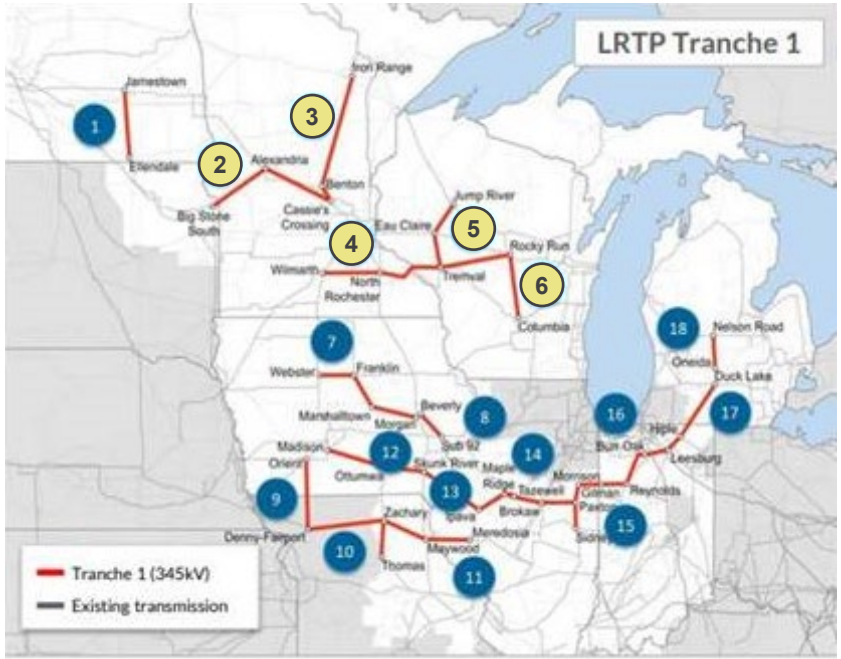
# Transmission Expansion - MISO Tranche 1

## MISO Tranche 1 (in service by 2030)

- 18 projects totaling $10.3 billion

## Xcel Energy Preliminary Estimates

- ~$1.2 billion based on the following:*
  - (2) Alexandria - Cassie's Crossing
  - (3) Iron Range - Benton - Cassie's Crossing
  - (4) Wilmarth - North Rochester - Tremval
  - (5) Tremval - Eau Claire - Jump River
  - (6) Tremval - Rocky Run
- Certificates of need required (~12-month process)




Source: MISO with slight modifications

* Assumes all or a portion of each project based on MISO's costs/tariffs and Minnesota ROFR law

# NSPM Base Capital Expenditures by Function

$ Millions

| | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|---|---|---|---|---|---|---|
| Electric Distribution | $570 | $700 | $630 | $840 | $880 | $3,620 |
| Electric Transmission | $310 | $350 | $460 | $610 | $850 | $2,580 |
| Electric Generation | $420 | $510 | $570 | $420 | $490 | $2,410 |
| Natural Gas | $190 | $160 | $140 | $130 | $130 | $750 |
| Other | $350 | $400 | $260 | $200 | $230 | $1,440 |
| Renewables | $160 | $280 | $470 | $0 | $0 | $910 |
| **Total** | **$2,000** | **$2,400** | **$2,530** | **$2,200** | **$2,580** | **$11,710** |

Excludes potential incremental investment associated with resource plans, PPA buyouts and future wind repowerings. Approved NSPM 650 MW wind repowering projects are included in base capital expenditures.

# NSPM Recovery Mechanisms

## Minnesota

- Forward test year with interim rates
- Transmission rider
- Renewable energy rider
- Natural gas infrastructure rider
- Environmental improvement rider
- Recovery of grid modernization through transmission rider
- DSM incentive mechanism
- Fuel clause adjustment
- Electric decoupling/sales true-up for all classes (2016 - 2021)
- Multi-year rate plans up to 5 years

## North Dakota and South Dakota

- Forward test year with interim rates (ND)
- Historic test year (SD)
- Transmission rider (ND & SD)
- Renewable energy rider (ND)
- Infrastructure rider for capital projects (SD)
- Fuel clause adjustment (ND & SD)

# NSPM Minnesota Electric Rate Case

Proceeding No. 21-630

- In October 2021, NSPM filed a three-year electric rate case:
  - Revised rate request seeking an increase of $498 million over three years
  - ROE of 10.2% and equity ratio of 52.5%
  - 2022 - 2024 forward test years

| $ Millions | 2022 | 2023 | 2024 | Total |
|---|---|---|---|---|
| Revised rate request | $234 | $94 | $170 | $498 |
| Revised rate base | $10,923 | $11,425 | $11,902 | N/A |

- In 2021, the MPUC approved interim rates of $247 million, effective January 2022 (subject to refund)
- In Dec. 2022, MPUC approval to reduce our request for MISO capacity revenues and establish a tracker
- ALJ recommendation issued on March 31, 2023
- Decision expected 2023 Q2

# NSPM Minnesota Natural Gas Rate Case

Proceeding No. 21-678

- In November 2021, NSPM filed a natural gas rate case:
  - Requesting rate increase of ~$36 million
  - ROE of 10.5% and equity ratio of 52.50%
  - Rate base of ~$934 million
  - 2022 forward test year
- In 2021, the MPUC approved interim rates of $25 million, effective January 2022 (subject to refund)
- In October 2022, NSPM and various parties reached a settlement on a ~$21 million rate increase, based on a 9.57% ROE and a 52.5% equity ratio. Includes decoupling and a property tax tracker.
- In December 2022, an ALJ recommended the MPUC approve the settlement
- In March 2023, the MPUC approved the settlement

# NSPM South Dakota Electric Rate Case

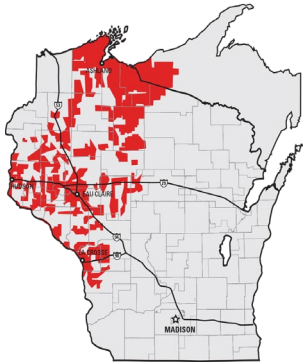
Proceeding No. EL22-017

- In June 2022, NSPM filed an electric rate case requesting:
  - Rate increase of ~$44 million
  - ROE of 10.75% and equity ratio of 53%
  - Rate base of ~$947 million
  - 2021 historic test year
- Interim rates of ~$44 million implemented in January 2023
- Final rates expected to be effective in mid-2023

# NSPW Overview

**Electric - Retail**
~300,000 customers
7 million MWh

**Natural Gas - Retail**
~100,000 customers
17 million MMBtu

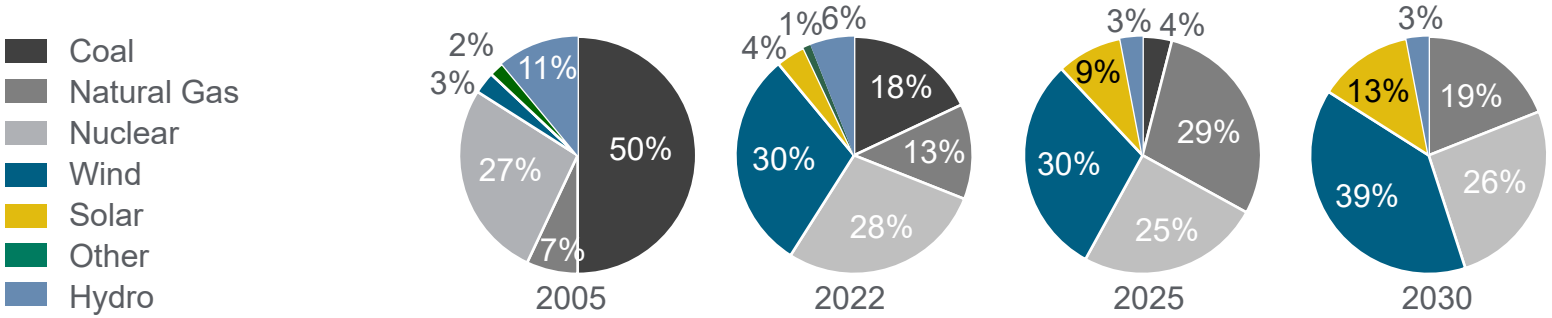



| **2022 Financials** | **GAAP & Ongoing** |
|---|---|
| Net Income | $125 million |
| Assets | $3.4 billion |
| ROE | 10.57% |
| Equity Ratio | 52.6% |

**Credit Ratings (Secured/Unsecured)**

| | |
|---|---|
| Moody's | Aa3 / A2 |
| S&P | A / A- |
| Fitch | A+ / A |

**NSP System Energy Mix**



# NSPW Base Capital Expenditures by Function

$ Millions

| | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|---|---|---|---|---|---|---|
| Electric Distribution | $140 | $160 | $140 | $160 | $220 | $820 |
| Electric Transmission | $130 | $150 | $150 | $180 | $180 | $790 |
| Electric Generation | $70 | $140 | $90 | $20 | $50 | $370 |
| Natural Gas | $40 | $50 | $50 | $40 | $40 | $220 |
| Other | $50 | $70 | $70 | $50 | $50 | $290 |
| Renewables | $110 | $0 | $0 | $0 | $0 | $110 |
| **Total** | **$540** | **$570** | **$500** | **$450** | **$540** | **$2,600** |

# NSPW Recovery Mechanisms

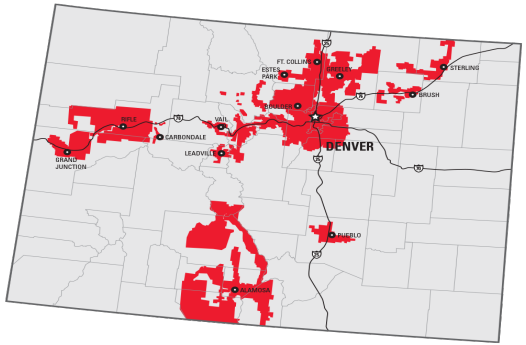
**Wisconsin and Michigan**

- Forward test year (WI & MI)
- Biennial rate case (WI)
- Annual electric fuel plan with reconciliation (WI)
- Purchased natural gas adjustment (WI)
- Natural gas cost recovery mechanism (MI)
- Power supply cost recovery (MI)

# PSCo Overview

**Electric - Retail**
1.6 million customers
29 million MWh

**Natural Gas - Retail**
1.5 million customers
151 million MMBtu

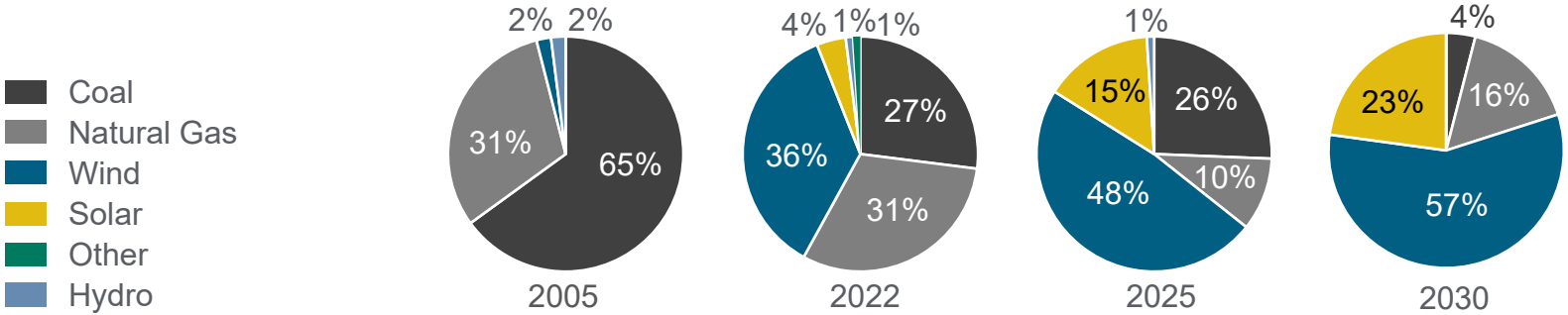



| **2022 Financials** | **GAAP & Ongoing** |
|---|---|
| Net Income | $727 million |
| Assets | $23.6 billion |
| ROE | 8.23% |
| Equity Ratio | 56.3% |

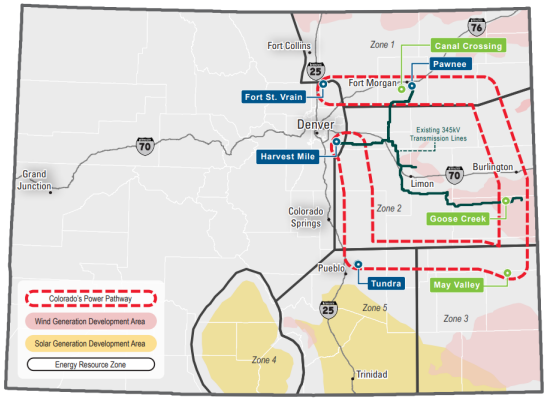
**Credit Ratings (Secured/Unsecured)**

| | |
|---|---|
| Moody's | A1 / A3 |
| S&P | A / A- |
| Fitch | A+ / A |

**PSCo System Energy Mix**



# Transmission Expansion - Colorado Pathway




## $1.7 Billion Transmission Backbone - Approved

- Enables ~5,500 MW of renewable generation
- ~560 miles of 345 kV lines; three new, four expanded substations
- Settlement reached November 2021, including the $1.7 billion estimate and rider recovery
- Commission approved February 2022

## Potential Incremental Investment of $0.5 - $1.0 Billion

- Network upgrades, voltage support and interconnections (determined once resource mix and location have been identified as part of Colorado resource plan)
- Conditionally approved ~90-mile May Valley-Longhorn line extension, with investment potential of ~$250 million

# PSCo Base Capital Expenditures by Function

$ Millions

| | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|---|---|---|---|---|---|---|
| Electric Distribution | $640 | $650 | $670 | $740 | $1,010 | $3,710 |
| Electric Transmission | $590 | $880 | $940 | $500 | $410 | $3,320 |
| Electric Generation | $140 | $140 | $190 | $90 | $90 | $650 |
| Natural Gas | $510 | $520 | $570 | $480 | $510 | $2,590 |
| Other | $260 | $250 | $180 | $170 | $170 | $1,030 |
| **Total** | **$2,140** | **$2,440** | **$2,550** | **$1,980** | **$2,190** | **$11,300** |

Excludes potential incremental investment associated with the Colorado resource plan, PPA buyouts and future wind repowerings

# PSCo Recovery Mechanisms

## Colorado

- Ability to file multi-year requests
- Ability to file either historic or forward test years
- Purchased capacity cost adjustment
- Clean Air Clean Jobs Act rider (forward looking)
- Transmission rider (forward looking)
- Natural gas pipeline integrity rider
- Renewable energy rider
- DSM incentive mechanism
- Energy cost adjustment
- Natural gas cost adjustment
- Decoupling for electric residential and non-demand SC&I classes
- Transportation electrification/EV rider

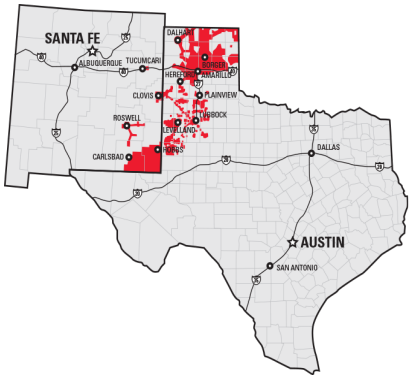
# PSCo Colorado Electric Rate Case

Proceeding No. 22AL-0530E

- In November 2022, PSCo filed an electric rate case requesting:
  - Net base rate increase of ~$262 million
  - ROE of 10.25% and equity ratio of 55.7%
  - 2023 forward test year
  - Rate base of $11.3 billion
- Requested effective date of September 2023

# SPS Overview

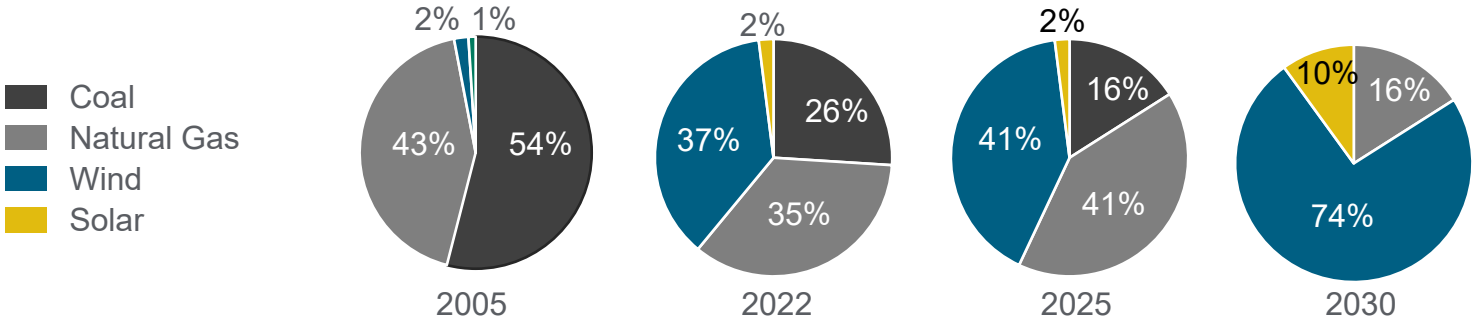
**Electric - Retail**
~400,000 customers
23 million MWh




| 2022 Financials | GAAP & Ongoing |
|---|---|
| Net Income | $349 million |
| Assets | $9.7 billion |
| ROE | 9.36% |
| Equity Ratio | 54.3% |

| Credit Ratings (Secured/Unsecured) | |
|---|---|
| Moody's | A3 / Baa2 |
| S&P | A / A- |
| Fitch | A- / BBB+ |

**SPS System Energy Mix**



# SPS New Mexico Electric Rate Case

Proceeding No. 22-00286-UT

- In November 2022, SPS filed an electric rate case requesting:
  - Base rate increase of ~$77 million
  - ROE of 10.75% and equity ratio of 54.7%
  - Rate base of ~$2.4 billion
  - Acceleration of Tolk coal plant depreciation life from 2032 to 2028
  - Forward test year ending June 30, 2024
- NMPRC decision and implementation of rates anticipated in 2023 Q4

# SPS Texas Electric Rate Case

Proceeding No. 54634

- In February 2023, SPS filed an electric rate case requesting:
  - Revised base rate increase of ~$158 million
  - ROE of 10.65% and equity ratio of 54.6%
  - Rate base of ~$3.6 billion
  - Acceleration of Tolk coal plant retirement from 2034 to 2028
  - Historic test year ending September 30, 2022, with an update December 31, 2022
  - Requesting a surcharge from July 13, 2023 through the effective date of new base rates
- PUCT decision and implementation of rates anticipated in 2024 Q1

# SPS Base Capital Expenditures by Function

$ Millions

| | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|---|---|---|---|---|---|---|
| Electric Distribution | $260 | $280 | $240 | $260 | $340 | $1,380 |
| Electric Transmission | $250 | $270 | $340 | $400 | $460 | $1,720 |
| Electric Generation | $80 | $120 | $50 | $30 | $20 | $300 |
| Other | $110 | $110 | $90 | $80 | $80 | $470 |
| Renewables | $10 | $0 | $0 | $0 | $0 | $10 |
| **Total** | **$710** | **$780** | **$720** | **$770** | **$900** | **$3,880** |

Excludes potential incremental investment associated with PPA buyouts

# SPS Recovery Mechanisms

**Texas and New Mexico**

- Historic test year (TX) (wind settlement reduced regulatory lag)
- Ability to file forward test year (NM)
- DSM incentive mechanism (TX & NM)
- Fuel clause adjustment (TX & NM)
- Purchased Capacity Cost Recovery Factor (TX)
- Transmission Cost Recovery rider (TX)
- Distribution Cost Recovery rider (TX)
- AMI rider (TX & NM)
- Generation rider (TX)




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