



MANAGING ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES

AUGUST 2022



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 2022 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, 2021 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, changes in regulation and subsidiaries’ ability to recover costs from customers; reductions in our credit ratings and the cost of maintaining certain contractual relationships; general economic conditions, including 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; and regulatory changes and/or limitations related to the use of natural gas as an energy source.

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Xcel Energy app also available

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
- 1.5 million EVs enabled by 2030



Keep Bills Low

Average bill increases \leq rate of inflation

VALUES



Connected



Committed



Safe



Trustworthy

Sustainability Embedded in Strategy

We are retiring coal plants, adding renewables, helping electrify other sectors and exploring clean fuels and technologies, while providing more options for customers and keeping their bills low

LEAD THE CLEAN ENERGY TRANSITION

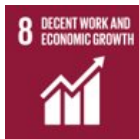
- Climate
- Innovation
- Human capital
- Diversity, equity, inclusion

ENHANCE THE CUSTOMER EXPERIENCE

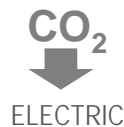
- Safety and security
- Reliability/resiliency
- Clean energy

KEEP CUSTOMER BILLS LOW

- Affordability
- Community vitality



Comprehensive Sustainability Goals



80% lower
emissions
by 2030*

100%
carbon-free
by 2050*



\leq rate of inflation
customer bill increases



1.5 million
EVs powered by 2030



25% lower
emissions
by 2030**

Net zero
by 2050**



Social impacts
of coal closures mitigated



Local communities
supported



70% less
water consumption by 2030*



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

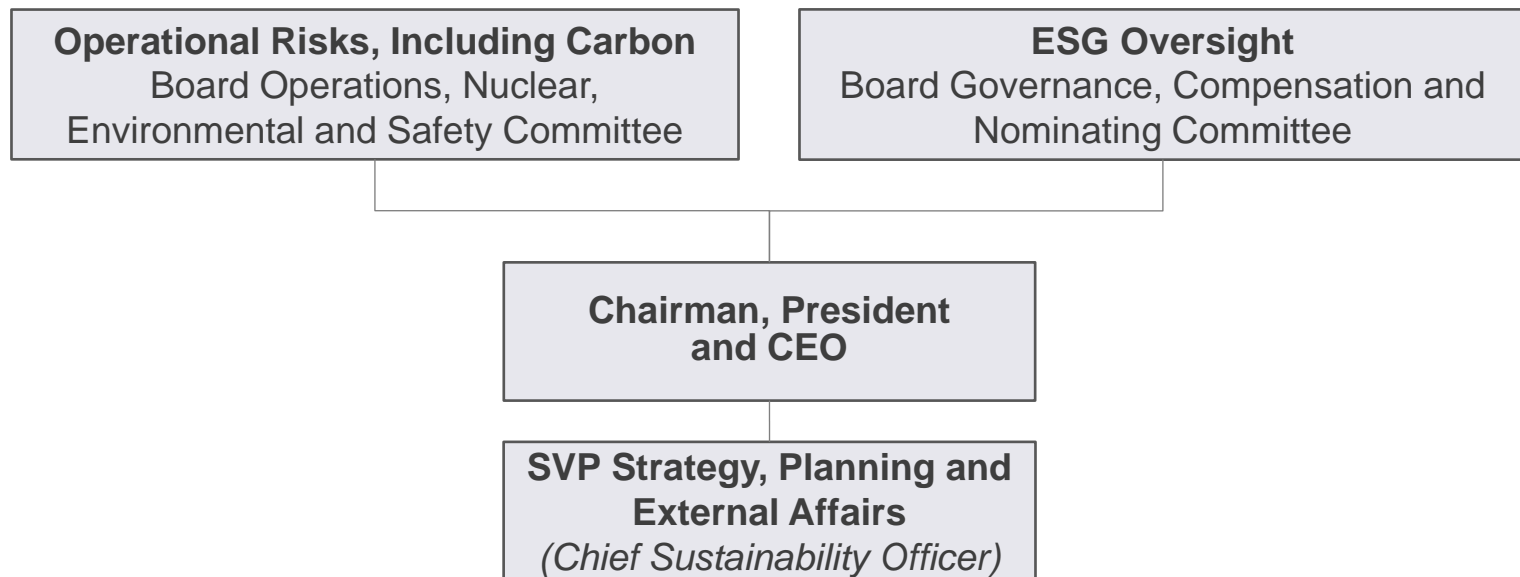
Sustainability Goals - Tangible Progress

GOAL	PROGRESS
 80% lower carbon emissions by 2030, 100% carbon-free electricity by 2050*	50% reduction 2005 - 2021
 25% lower net GHG emissions by 2030, net-zero by 2050**	To be available 2022 Q3
 70% less water consumption by 2030*	29% reduction 2005 - 2021
 Bill increases \leq rate of inflation	Residential electric CAGR 0.8% 2013 - 2021 Residential natural gas CAGR 0.3% 2013 - 2021
 1.5 million EVs powered by 2030	Programs approved in MN, CO, WI, and NM
 Coal plant closure impacts mitigated	7 plant closures, 0 layoffs to date
 Local economies supported	>60% supply chain spend local in 2021 ~\$1 billion investment; 5,000 jobs in 2021
 Workforce reflects our communities	Board: 33% female, 17% diverse (as of 6/22/2022) Workforce: 24% female, 17% diverse YE 2021
 10% spend with diverse suppliers	~13% (\$560 million) in 2021

* Includes owned and purchased electricity serving customers

** Spans natural gas supply, distribution and customer use

Clear ESG Governance Structure



Voluntary Disclosures

FRAMEWORKS & STANDARDS



Alignment



Alignment



Alignment



Alignment



Founding Member



Member



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



Anti-Retaliation



Lobbying & Contributions



Human Rights



Responsible Transition



Compliance Program



Employee/Supplier Codes of Conduct

Available in ESG library on investor web site

ENVIRONMENTAL LEADERSHIP

- First major U.S. utility to commit to carbon-free; on track to achieve 80% reduction by 2030 and 100% carbon-free by 2050 (owned & purchased)
- IPCC lead author validation that carbon goals align with science-based scenarios likely to limit global warming to 1.5 degrees Celsius*
- Carbon reduction tied to executive pay since 2005
- Third-party verified GHG disclosure since 2005, longer than any U.S. utility
- Net-zero goal for natural gas emissions, including customer use
- Industry-leading electric vehicle programs

* Intergovernmental Panel on Climate Change

Leading Carbon Reduction Goals

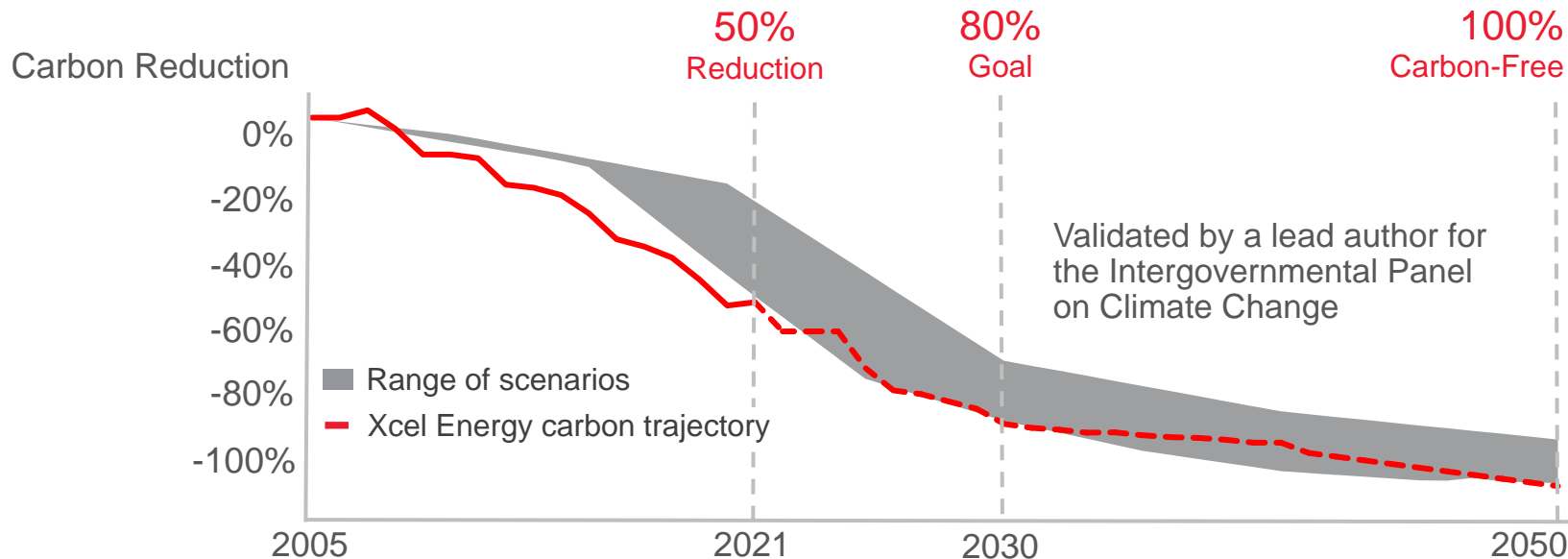
First Major Utility to Commit to 100% Carbon-Free Electricity



Goal includes both owned (scope 1) and purchased (scope 3, category 3) power

Carbon Goals Aligned With Paris Accord

Goals Align with Science-Based Scenarios Likely to Achieve 1.5° C



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 (which 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

Pragmatic Fleet Transition

Pace Governed by Reliability and Customer Affordability



80% Carbon Reduction by 2030

Clear path to achieve goal

Reflected in filed resource plans

Current technology sufficient

Renewables, nuclear and natural gas

Affordable for customers

Bill increases \leq rate of inflation



100% Carbon-Free Electricity by 2050

New carbon-free resources

Dispatchable, scalable and economic

Technology agnostic approach

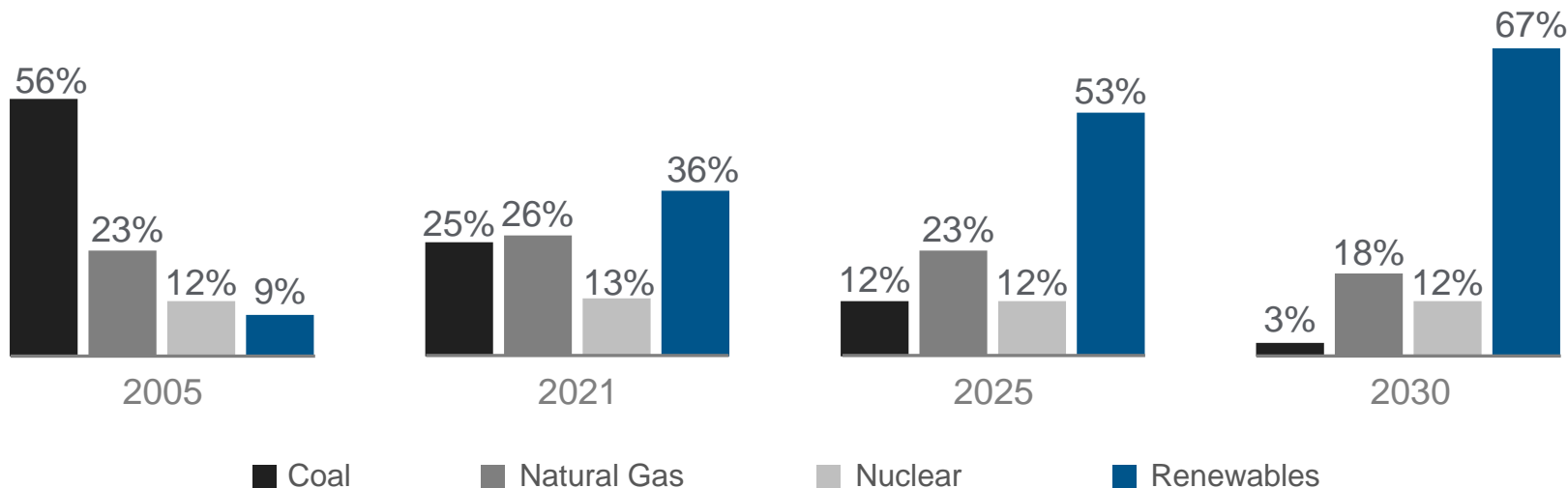
Multiple solutions needed

Supportive public policy essential

R&D, incentives and funding

Significant Shift in Energy Mix

Adding Renewables and Retiring Coal Plants Early



Future Coal Retirements

80% Carbon Reduction by 2030, Full Coal Exit by 2034



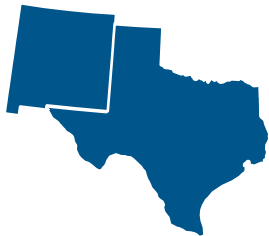
NSPM/NSPW

- 85% carbon reduction and full coal exit by 2030
- ~5,800 MW new renewables



PSCo

- 85% carbon reduction by 2030
- Full coal exit by January 2031
- ~4,000 MW new renewables
- ~1,200 MW solar DG



SPS

- Full coal exit by 2034
- Harrington (1,018 MW) – proposed conversion to natural gas by 2024
- Tolk (1,067 MW) – seasonal dispatch, accelerating retirement to 2034

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 H2
RFPs issued

2023 H2
Anticipated Commission decision

* CTs will go through a certificate of need process for final approval

Colorado Resource Plan

85% Carbon Reduction by 2030 & Coal Exit by 2031



Full coal exit by January 2031

- 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 January 2031; reduced operations begin 2025



Significant renewable additions

- ~2,400 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
Approved



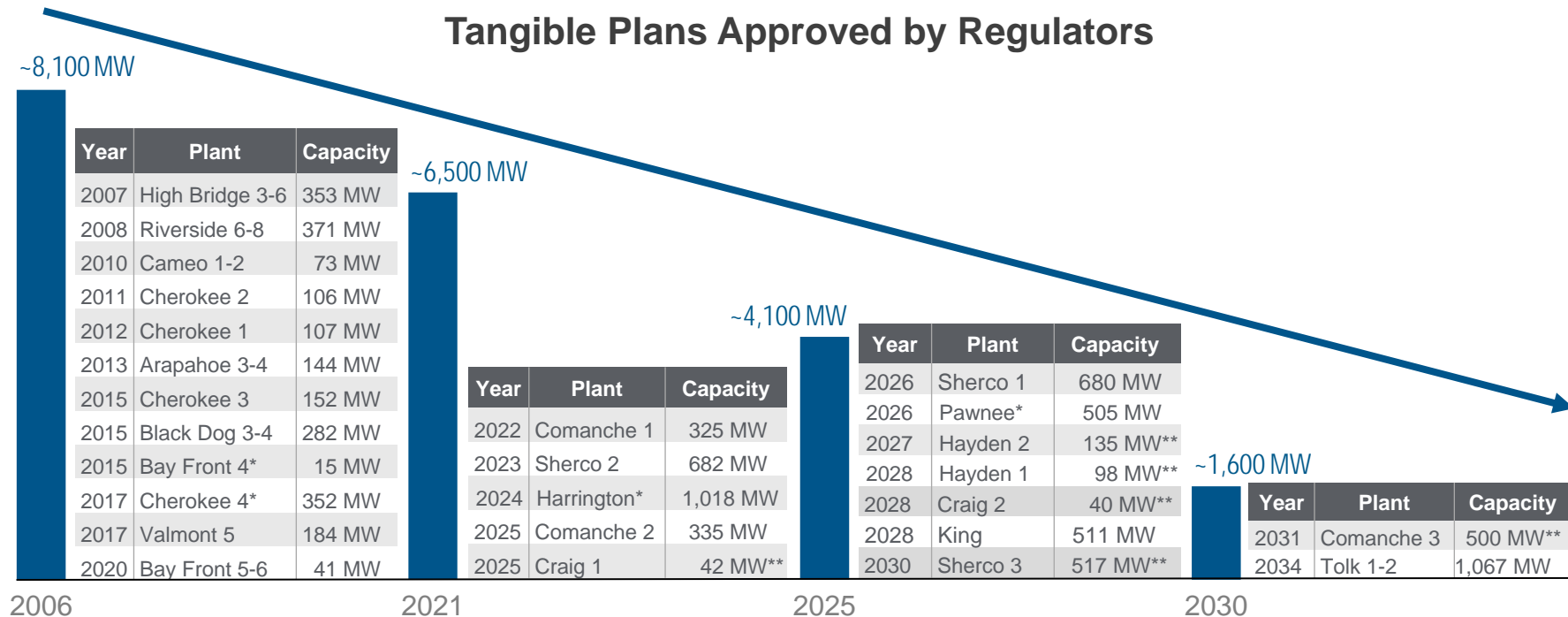
2022 H2
RFPs issued



2023 H2
Anticipated Commission decision

Out of Coal by 2034

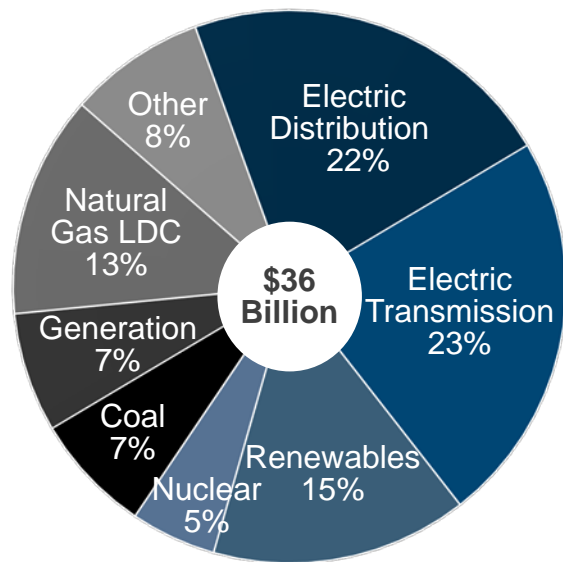
Tangible Plans Approved by Regulators



* Conversion from coal to natural gas; Harrington pending approval

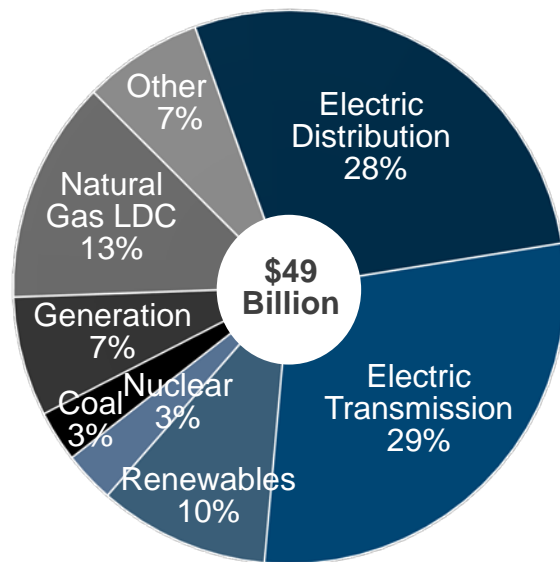
** Based on Xcel Energy's ownership interest

Coal Rate Base Declining



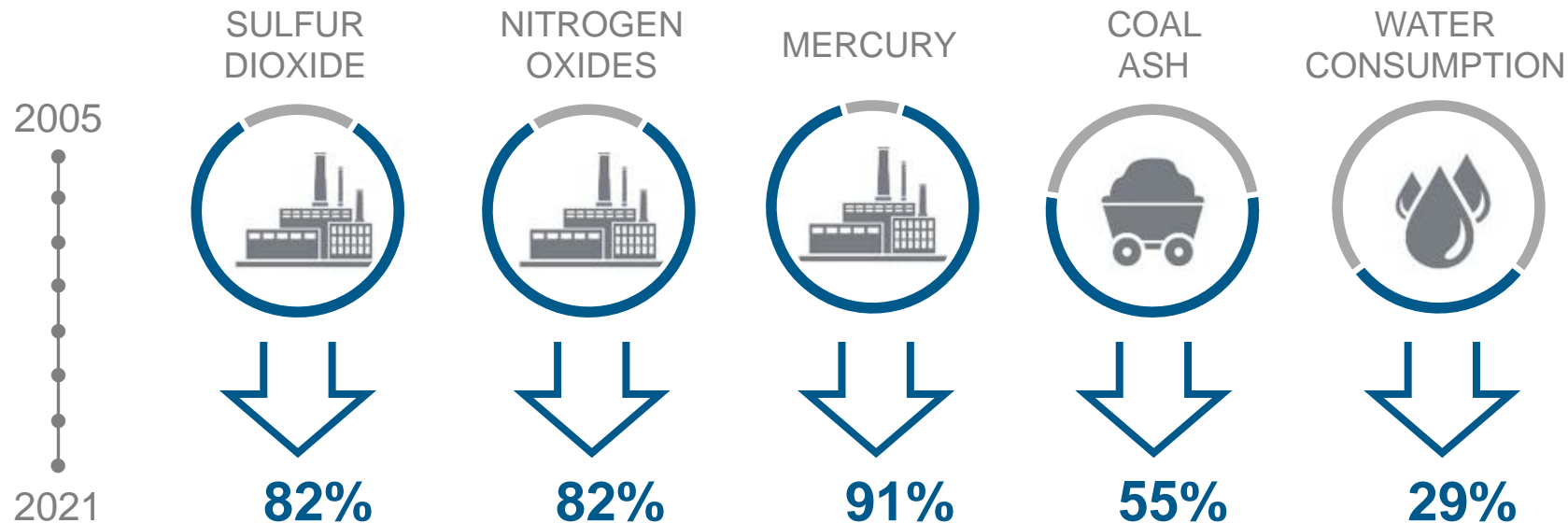
2021

**Coal Rate
Base Declines
from 7% to 3%**



2026

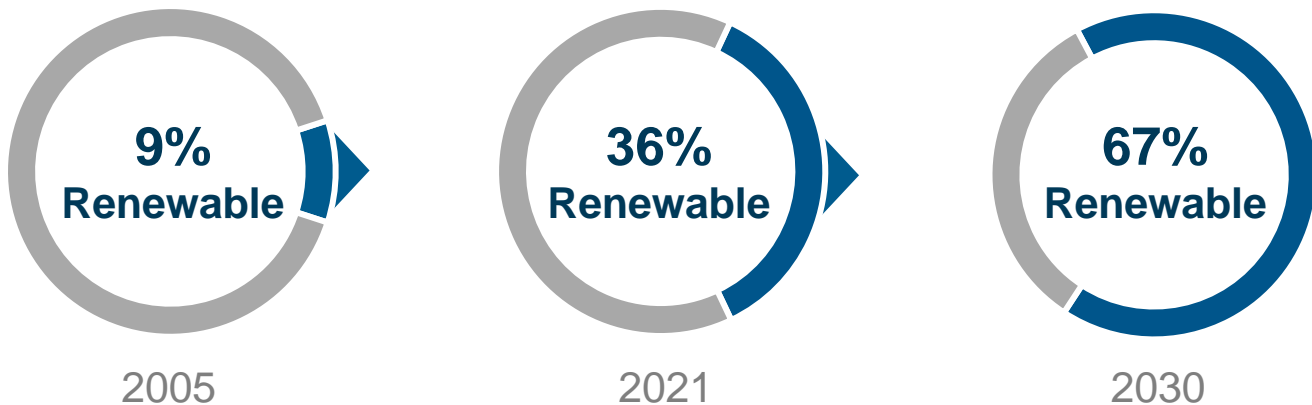
Emission Reductions Beyond Carbon



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

Significant Renewable Additions

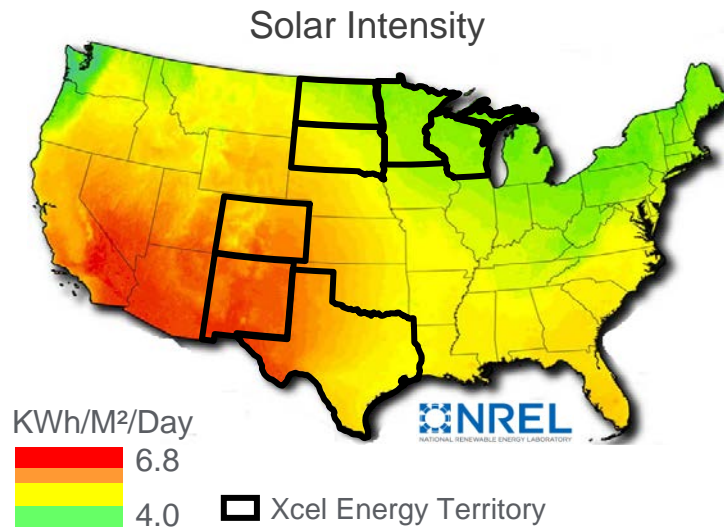
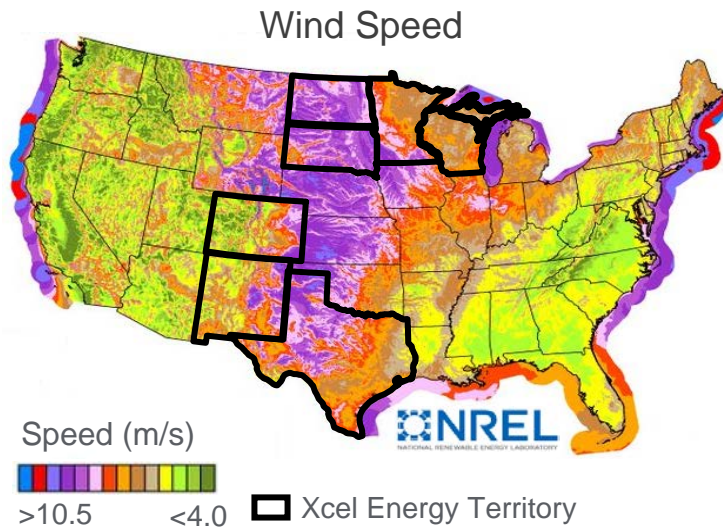
Nearly 10 GW of Additional Wind and Solar Over Next Decade



Based on approved and proposed plans and assumptions

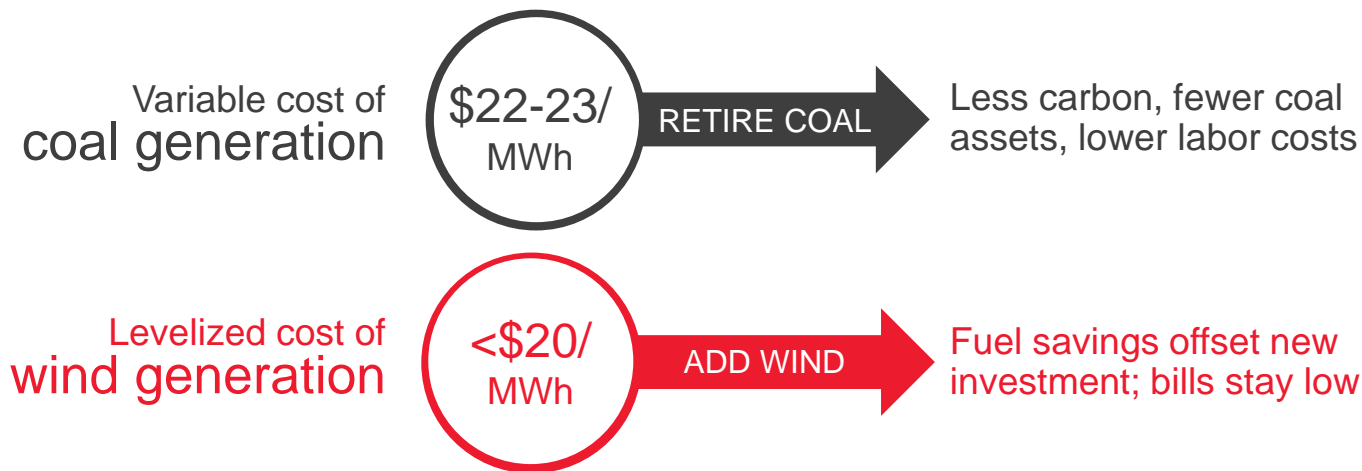
Geographic Advantage for Renewables

High Capacity Factors Enable Greater Efficiency and Lower Costs



Attractive Economics for Renewables

Steel for Fuel Strategy - Replacing Coal with Lower-Cost Wind

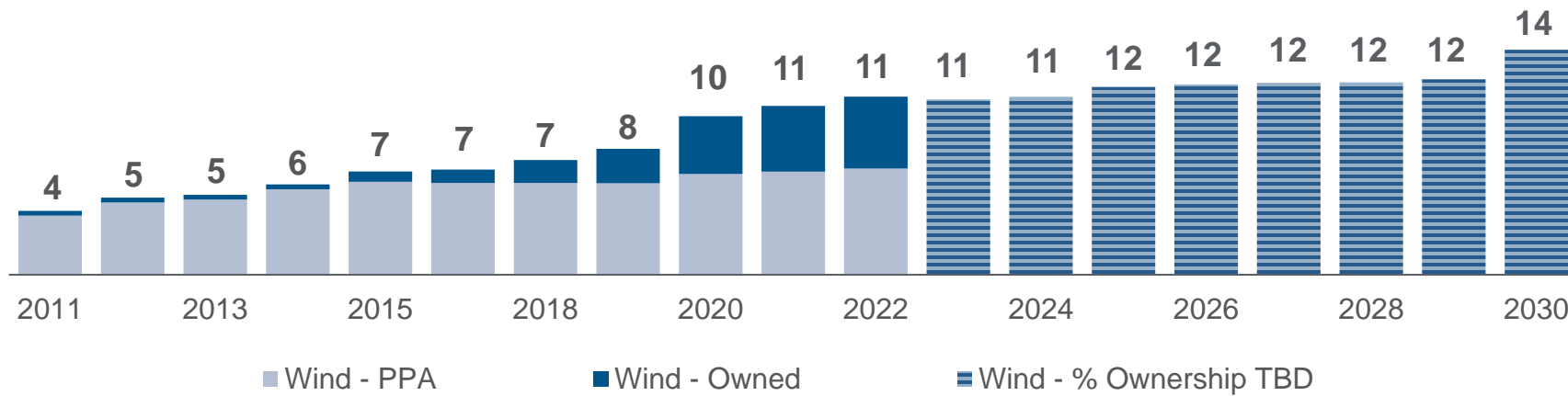


$$\begin{array}{l} \text{Over 3,600 MW} \\ \text{New owned wind (2018-2022)} \end{array} \times \begin{array}{l} 8,760 \\ \text{Hours/year} \end{array} \times \begin{array}{l} 50\% \\ \text{Capacity factor} \end{array} = \text{~16 million MWh annually}$$

Steel for Fuel - Expanding Wind Profile

Targeting 50% Ownership of New Resources

GW



Expanding Solar Capacity

Nearly 2,800 MW Today



UNIVERSAL ~1,020 MW

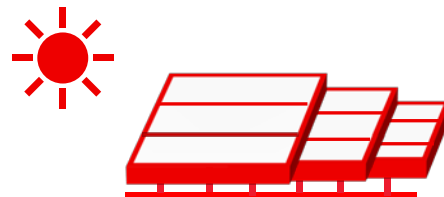


GARDENS ~940 MW
~520 sites, ~26,000 subscribers



PRIVATE ~800 MW
~83,000 customer and
third-party systems

Significant Growth Over Next Decade



- 3,150 MW in Minnesota resource plan
- 74 MW owned facility in Wisconsin
- Proposed ~1,600 MW in Colorado IRP
- Proposed ~1,200 MW DG in Colorado IRP
- Proposed ~460 MW at retiring Sherco plant

Net Zero Natural Gas Service

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

INFLUENCE
SUPPLIERS

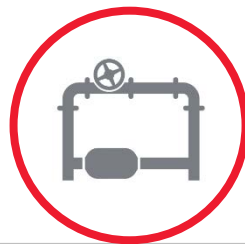


Pursue certified **low/no net emissions supply**

OPERATE THE CLEANEST
SYSTEM POSSIBLE



XCEL ENERGY



Incorporate **clean fuels** to achieve net-zero methane emissions by 2030

OFFER CUSTOMER
OPTIONS



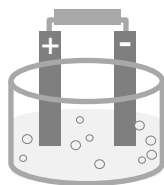
Promote **conservation, beneficial electrification and clean fuels**

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

Hydrogen Opportunities



Renewables
power
electrolyzers



Electrolyzers
produce green
hydrogen



POWER GEN
(GAS CT/CCs)



Hydrogen
blending



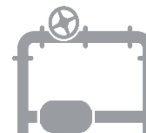
Lower-carbon electricity
delivered to customers



Lower carbon emissions
from customer gas use



**NATURAL
GAS SYSTEM**



\$2 - \$4 billion
potential investment



Assumes up to 5% blending in natural gas system
New gas generation and retrofits by 2031

Electric Vehicle Vision 2030



1.5 Million
EVs Enabled

Nation-leading models for
residential, commercial
and public charging

5 million CO₂ 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

Sustainable Financing Impacts

\$5.4 Billion in Green Bonds Issued to Fund 17 Wind Projects



Climate

~3.6 Gigawatts
Renewable Energy

~135 Million Tons
Carbon Emissions Avoided



Affordability

Low-cost wind, record-low coupons



Economic Sustainability

~3,500 jobs, ~\$500 million in property taxes,
~\$800 million in landowner payments



Supplier Diversity

20+ diverse suppliers, ~\$460 million spend

Sustainable Financing Framework

Eligible Financing Categories



**Renewable
generation**



**Clean fuels &
technology**



**Clean
transportation**



**Grid resiliency
& efficiency**



**Access to affordable,
clean energy**



**Socioeconomic
advancement & equity**

Standards Alignment

ICMA 2021 Green Bond Principles (GBPs)
ICMA 2021 Social Bond Principles (SBPs)
ICMA 2021 Sustainability Bond Guidelines (SBGs)
LMA/LSTA/APLMA 2021 Green Loan Principles (GLPs)
LMA/LSTA/APLMA 2021 Social Loan Principles (SLPs)

Second Party Opinion

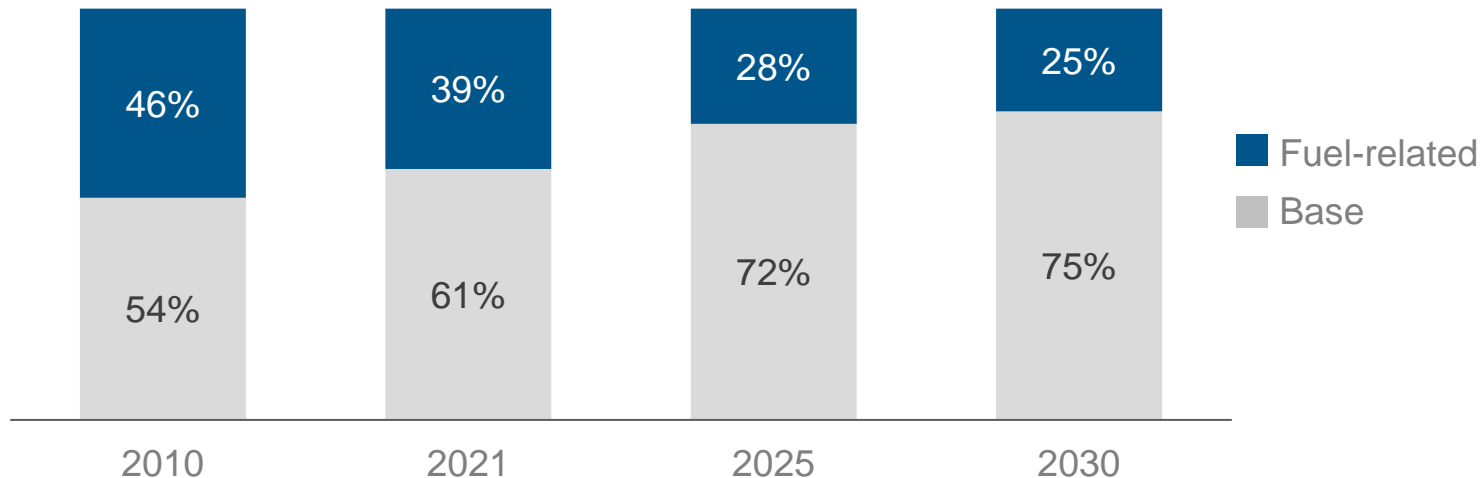
Provided by S&P Global

LEADERSHIP ON SOCIAL ISSUES

- Keeping average bill increases at or below the rate of inflation
- Responsibly transitioning our generation fleet
- Pioneering *Safety Always* approach to eliminate life-altering injuries
- Committed to human rights, diversity and environmental justice
- Track record of engaging our stakeholders and supporting our communities

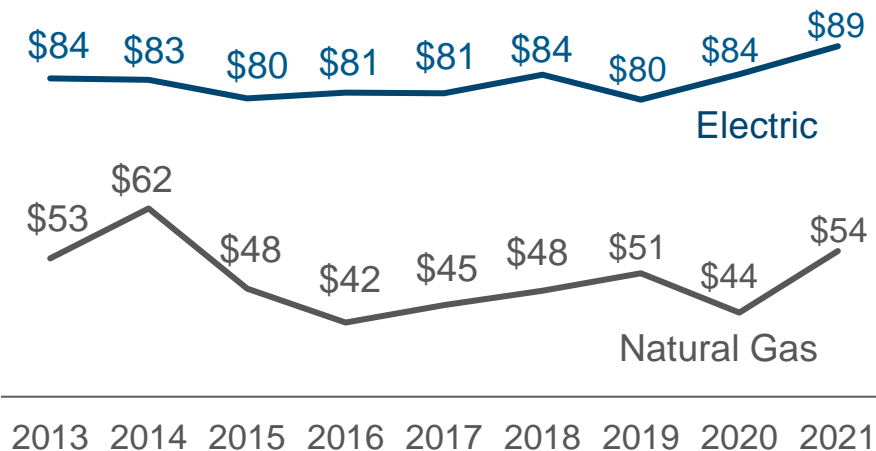
Committed to Affordability

Declining Fuel Component of Bill = Customer Savings

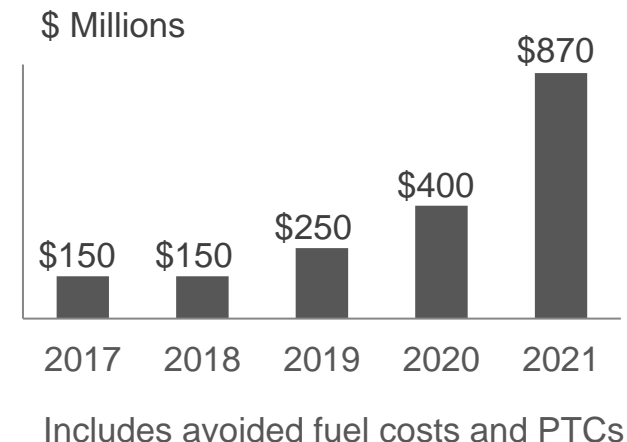


Bill Increases at or Below Rate of Inflation

Residential Electric CAGR = ~0.8%
Natural Gas CAGR = ~0.3%



~\$1.8 Billion in Customer Savings
from Wind Energy



Committed to a Responsible Coal Transition

Proven Commitment to Mitigate Impacts



Demonstrated commitment to our people

- Advanced notice, integrated workforce planning
- Job shadowing, training, tuition reimbursement, relocations
- Helping employees change union locals and job classifications



Meaningful support for our communities

- Collaborating with community, business, government leaders
- Helping preserve property tax base through new business

7

PLANTS RETIRED

0

LAYOFFS

Committed to Safety Always

Keeping Employees, Contractors and the Public Safe



Focused on **eliminating life-altering injuries** through a trusting, transparent culture and use of critical controls

Safety is not just a priority, it's a **core value**

All employees have “**stop work responsibility**”

Fostering **trust, open dialogue** and **learning**

Designated Board committee **oversight**

Committed to Human Rights

We respect the right of **all people** to be **treated ethically, with dignity and without discrimination**



Fair wages and living standards

No forced/child labor

Safe, healthy working conditions

Equal opportunity

Freedom of association

Anti-discrimination and harassment

Right to union representation

DEI Progress Tied to Compensation

Focus, Commitment and Accountability



INTERVIEW PANELS

Diversity in background, race, ethnicity, gender and perspectives

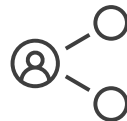
99% of offers were extended to candidates interviewed by diverse panels



EXECUTIVE SPONSORSHIP

Pairing female and minority employees with senior leaders

>30% of the 35 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 exceeded target; female and diverse employee responses scored relatively higher

Workforce Representation



BOARD

33% female | 17% diverse



CEO DIRECT REPORTS

33% female | 22% diverse

VP & ABOVE

23% female | 18% diverse

MANAGEMENT

22% female | 11% diverse



WORKFORCE

24% female | 17% diverse

NEW HIRES

39% female | 26% diverse

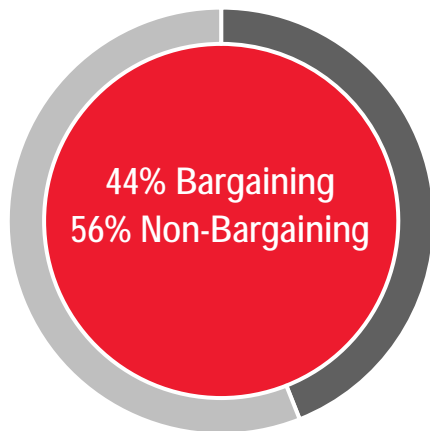
INTERNS

34% female | 27% diverse

Board and CEO direct report figures as of June 22, 2022
Workforce figures as of YE 2021

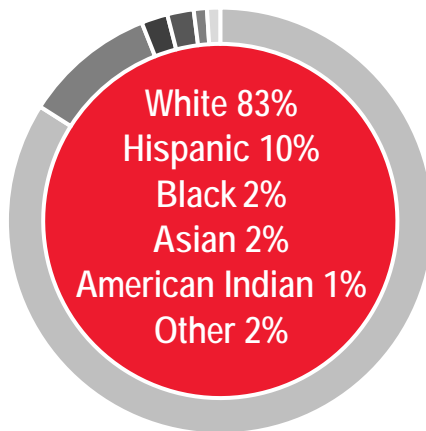
Workforce Composition and Turnover

Worker Type



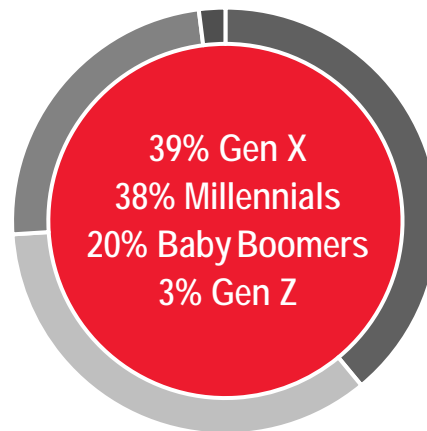
- Overall Turnover: 12%
- Bargaining: 8%
 - Non-bargaining: 15%

Ethnicity



- Turnover Drivers
- Resignations: 58%
 - Retirements: 31%
 - Other: 11%

Generation



- Retirement Eligibility
- 26% over next 5 years
 - 40% over next 10 years

Workforce Flexibility - Sample Benefits

WHAT WE OFFER	DESCRIPTION
Paid parental leave	Applies to fathers and mothers
Adoption assistance	Reimbursement of eligible expenses
Paid time off (PTO)	Used for a variety of reasons, including vacation, illness and personal days
PTO assistance bank	Employees can donate and ask for help
Volunteer paid time off (VPTO)	Up to 40 hours annually
Military time away from work	Includes compensation for difference between base and military pay
Personal floating holidays	Employees choose when to use
Flexible work policy	Up to 80% telecommute

Benefits can vary based on employee eligibility and bargaining agreements

Supplier Diversity Program

Over two decades
encouraging and
working with diverse
business owners

WOMEN

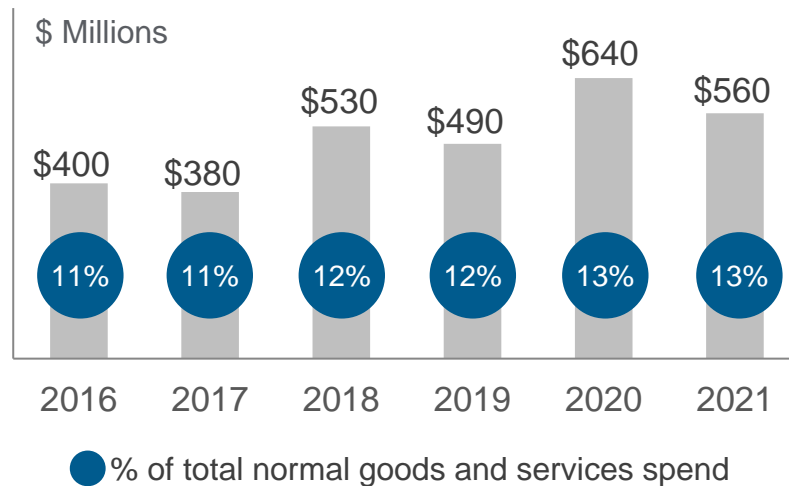
ETHNICALLY AND
RACIALLY DIVERSE

LGBTQ

VETERANS

DISABLED

Spend With Diverse Suppliers



Committed to Environmental Justice (EJ)



- Listening to and **collaborating with our communities**
- **Improving air quality** and **reducing water use** and **waste**, especially in communities near our facilities
- Delivering **reliable service to all communities**
- Providing **affordable services** and fostering **equitable allocation of costs** and opportunities
- Supporting **vitality of coal plant host communities**

Xcel Energy Foundation

PRIORITIES



STEM CAREER PATHWAYS

Expand education opportunities and connect emerging and existing talent to STEM careers*



ENVIRONMENTAL SUSTAINABILITY

Minimize impacts among vulnerable populations; protect air, water, and land



COMMUNITY VITALITY

Build strength and vibrancy by advancing economic prosperity and fostering cultural inclusion

2021 HIGHLIGHTS

1.5 Million Students

To receive hands on STEM learning

~\$2 Million Economic Impact

Of volunteerism throughout the year

~\$13 Million in Contributions

To our communities**

~2 Million Community Members

To have access to the arts

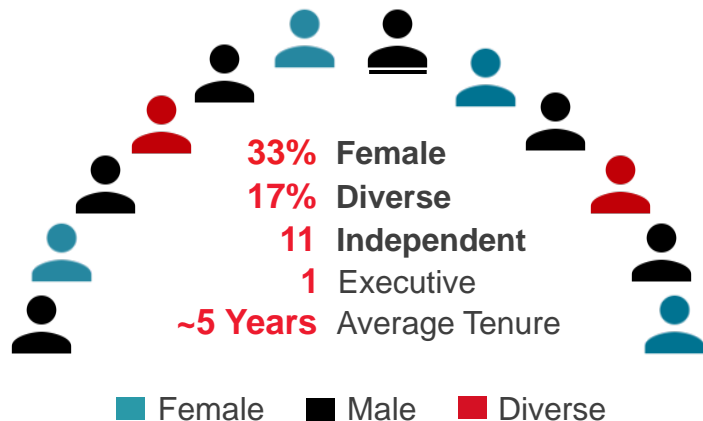
* Science, technology, engineering and mathematics

** Includes Corporate, Foundation, employee and retiree contributions

STRONG GOVERNANCE

- Diverse and engaged Board
- Clear Board and managerial oversight
- Comprehensive risk management practices
- Strong security and business continuity capabilities
- Carbon reduction tied to long-term incentive pay since 2005
- ESG fully embedded in annual incentive program, including DEI

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

Managing Risk - Clear Oversight

Clear Board Committee and Management Accountability

Governance, Compensation & Nominating

Board effectiveness, executive compensation, political contributions, ESG oversight

Chief Human Resources Officer

Operations, Nuclear, Environmental & Safety

Safety and operational risk, climate change, reliability, physical and cyber security, environmental performance

Chief Operations Officer

Finance

Capital structure and financing, dividend policy, insurance coverage, investor relations

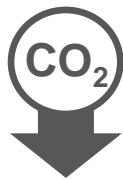
Chief Financial Officer

Audit

Effectiveness of controls, financial statements/disclosures, legal and regulatory compliance, business conduct/ethics

Chief Audit and Financial Services Officer

Managing Risk - Comprehensive Practices



CLIMATE

Early **coal retirements**
Proactive **wildfire mitigation**
Clean **fuels** and **technology**



OPERATIONS

Safety and **business continuity** focus
Integrated security – physical and cyber
Reliability and **resiliency** core to fleet transition



FINANCIAL

Strong governance
Conservative planning approach
Focus on **affordability**, economic health



REPUTATION

Strong focus on **culture** and **values**
Robust **compliance** and **conduct** program
Clear **expectations** and multiple **reporting paths**

Managing Risk - Wildfires



GOVERNANCE

Direct Board oversight by designated committee
Embedded in **enterprise risk management** processes

PREVENTION

Robust inspections using drones, LIDAR and infrared technologies
Disciplined vegetation management
Comprehensive mitigation plans

MANAGEMENT

Strong emergency response and **business continuity** capabilities
Insurance coverage
Colorado **standard** is **simple negligence**

Managing Risk - Security

Enterprise Risk Management Governance Framework



Managing Risk - Security

Comprehensive, Integrated Physical and Cyber Program



Common Operating Picture

Integrated Enterprise Command Center and organization structure: cyber, physical and emergency management



Leading Threat Intelligence Practices

Active engagement with intelligence community and peers; third-party cyber assessments shared with Board



Strong Controls

Strong preventative and detective controls, mapping assets to critical processes



Effective Response Management

Strong business continuity, emergency preparedness and response capabilities

Managing Risk - Cybersecurity

Relentless Focus on Culture and Strong Cyber Hygiene



Program based on NIST framework



Follow NERC Critical Infrastructure Protection (CIP) standards



Actively engaged in DOE's information sharing program (CRISP)

Industry leadership through DOE Clean Energy Cybersecurity Accelerator program

- ✓ 24x7 threat monitoring
- ✓ Training, testing and transparency to results
- ✓ Frequent employee communication
- ✓ Peer-to-peer company reviews

Ethics and Compliance Oversight



Corporate Compliance program**

Code of Conduct training required annually

Anti-retaliation policy

Human rights position statement

Multiple reporting paths for employees

* Governance, compensation and nominating

** Annual corporate compliance report available

DEI Oversight



Equal opportunity employment policy

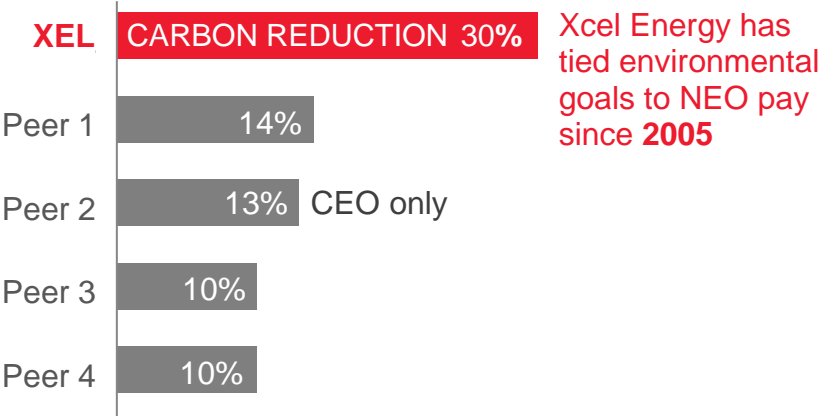
Anti-discrimination policy

Board oversight of workforce strategy and DEI initiatives

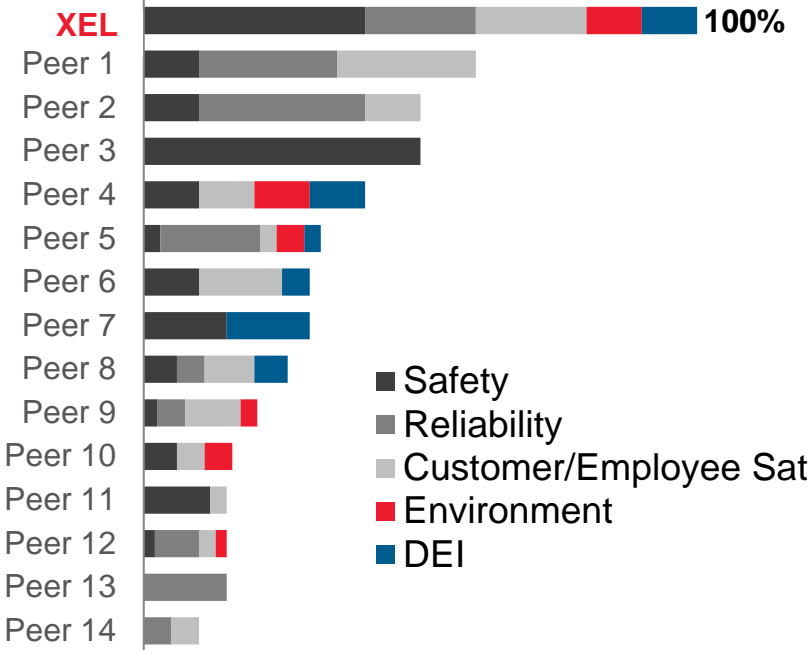
DEI performance tied to annual incentive pay

ESG Embedded in Compensation

Long-Term Incentive Tied to Environment



Annual Incentive Tied to ESG Issues



Source data from Meridian

Recognized for Excellence



CLIMATE
LEADERSHIP
AWARDS **2020**

Organizational Leadership Award Winner



S&P GLOBAL PLATTS
GLOBAL ENERGY AWARDS
2019 WINNER



American Council for an Energy-Efficient Economy

Exemplary EE Programs



2022 National Key
Accounts Award



Safety Achievement Award



Smartest Utility
Projects (EVs)

