Alliant Energy
Second Quarter 2021 Earnings
August 6, 2021

CONFERENCE CALL OPERATOR:
Good morning, and welcome to Alliant Energy's conference call for second quarter 2021 results. This call is being recorded for rebroadcast. At this time, all lines are in listen-only mode. I would now like to turn the call over to your host, Zac Fields, Lead Investor Relations Analyst at Alliant Energy.

Zac Fields:

Good morning. I would like to thank all of you on the call and on the web cast for joining us today. We appreciate your participation.

Joining me on this call are John Larsen, Chair, President and CEO, and Robert Durian, Executive Vice President and CFO. Following prepared remarks by John and Robert, we will have time to take questions from the investment community.

We issued a news release last night announcing Alliant Energy's second quarter 2021 financial results. This release, as well as supplemental slides that will be referenced during today's call, are available on the investor's page of our website at www.alliantenergy.com.

Before we begin, I need to remind you that the remarks we make on this call and our answers to your questions include forward-looking statements. These forward-looking statements are subject to risks that could cause actual results to be materially different. Those risks include, among others, matters discussed in Alliant Energy's press release issued last night and in our filings with the Securities and Exchange Commission. We disclaim any obligation to update these forward-looking statements.

In addition, this presentation contains references to non-GAAP financial measures. The reconciliation between non-GAAP and GAAP measures is provided in the earnings release and our 10Q which are available on our website.

At this point, I'll turn the call over to John.

JOHN LARSEN:

Thank you - Zac.

Hello everyone - thank you for joining us today.

We completed another solid quarter - with strong operational and financial results.

I'll share a few of the highlights from the quarter – and then turn it over to Robert to recap the key regulatory - customer - and financial results.

I'll start with a focus on our strong ESG story.

We recently issued our 2021 Corporate Responsibility Report. This year's update showcases many examples of our environmental stewardship – governance – and our long-standing efforts to address the important social needs of the communities we ***proudly*** serve.

I will start with the end in mind – as no clean energy story is complete without results

- First off - in 2020 - we achieved a 42% reduction in CO2 emissions - compared to 2005 levels - - with a clear path toward our goal of 50% reduction by 2030.

- We also reduced water usage by 66% in 2020 – well on our way to a 75% reduction by 2030.

- And we have already met - or exceeded - our ambitious NOX – SOX – and Mercury emission goals.

Looking forward - our aspiration is to achieve net-zero carbon dioxide emissions - from the electricity we generate - by 2050.

We've been reducing our carbon footprint for many years - transitioning from older and less-efficient coal units -- to low cost and efficient generation resources - like wind - natural gas - and solar. These resources continue to be low-cost options in our service territory - making them a smart choice to serve our customers well into the future.

We are building on our successful wind energy expansion - that includes an excellent track record of project execution - as we turn toward expanding our solar energy profile. A balanced generation profile of efficient natural gas - wind - solar - and

battery storage – will serve as the backbone for delivering safe – reliable – affordable – and resilient energy to our customers.

We recently announced that our first 675 mega-watts of new solar in Wisconsin is advancing to the construction phase - after receiving approval from the Public Service Commission. Robert will share more details on these projects – as well as our efforts to expand our solar energy footprint in Iowa – a bit later in the call.

You've heard us talk about our Clean Energy Blueprint –designed to guide us toward a clean energy future. Our Blueprint is comprehensive – going beyond generation - to also ensure a clean - efficient -- and resilient energy grid. We are adding smart technologies to our grid - transitioning our electric lines from overhead to underground – and expanding the use of energy storage. Our blueprint is designed to ensure resiliency and reliability of our grid -- reduce customer costs -- and allow for more distributed renewable generation on our grid.

For example - we recently were joined by Iowa's Lieutenant Governor - Adam Gregg – along with several local and state leaders and our partners – at the ribbon cutting event for our latest battery storage project in Decorah, Iowa. We are very excited to continue expanding battery storage solutions. Not only do these projects have a future on our system as dispatchable load -- but they can also serve to enable distributed energy resources and support the resiliency of our distribution system.

Speaking of resiliency - as we approach the 1-year anniversary of the Derecho that devastated our Iowa service territory - I am reminded of the resiliency of our customers and employees as we recovered from the largest storm in our company's history. It's one of the reasons I am also excited about our commitment to plant 1 million trees -- representing the customers we're so privileged to serve. As these trees grow – they'll capture CO2 out of the atmosphere – and help to rebuild the tree canopy lost in the storm across so many Iowa communities.

I mentioned earlier our focus on ESG.

One of our newest Social efforts is investing in Energy Impact Partners' - Elevate Future Fund - which aims to create a more diverse founder community within the broader energy transition. The Fund will be focused on investing in companies founded or run by diverse leaders - that are driving innovation - and advancing the low carbon economy - including supply decarbonization, electrification, and technology enabled infrastructure. The Elevate team will form partnerships with technology accelerators and universities -- including historically black colleges - to nurture talent, promote infrastructure and support systems to retain talent from underrepresented groups.

We are excited about the promising opportunities this partnership creates for inclusiveness, locally and nationally. And we appreciate the opportunities build a more diverse and inclusive workforce that advances our collective efforts for creating a carbon free future.

Before I turn the call over to Robert - I wanted to share that the accomplishments that I have highlighted today are the direct result of the efforts of our talented employees -- who work each and every day to deliver on our Purpose – *to serve customers and build stronger communities*. Their efforts over the past year are nothing short of amazing. And I want to take the opportunity today to thank them for all that they do.

Thank you for your continued interest in Alliant Energy - - I'll turn the call over to Robert.

ROBERT DURIAN:
Thanks John. Good morning everyone.

Yesterday, we announced second quarter 2021 GAAP earnings of 57 cents per share compared to 54 cents per share in 2020. Our utility earnings increased year over year driven by higher margins from increasing rate base and warmer temperatures. These increases in earnings were partially offset by higher depreciation expense and lower allowance for funds used during construction from rate base additions in 2020.

With a very solid first half of the year now in the books, we are reaffirming our 2021 earnings guidance range of $2.50 to $2.64 per share. And as a result of favorable margins from temperature impacts year-to-date, as well as our continued success in managing costs, we are currently trending towards the upper half of our guidance range.

Contributing to the higher margins was a higher rate base at our Iowa utility related to the successful completion of our 1,000 MW wind expansion program in 2020, which has resulted in lower fuel costs and increased tax credits for our Iowa customers. Additionally, our Iowa utility began recovering earlier this year a return of and return on the $110 million payment made to NextEra to terminate the purchase power agreement with the Duane Arnold nuclear facility five years early. Customers in Iowa began benefitting from lower energy costs related to this transaction last fall.

In Wisconsin, higher margins are attributable to the rate stabilization plan that was approved last year. Faced with the unexpected challenges associated with the COVID-19 pandemic, we worked collaboratively with our stakeholders to keep rates flat for

customers in 2021. This approach is benefitting both our customers as well as our shareowners, as we began recovery of previously approved projects such as our Kossuth Wind Farm and the Western Wisconsin Pipeline, which we offset with excess deferred income tax benefits and fuel savings.

The second quarter continued the trend of improving economic conditions as our service territories return to pre-pandemic levels of economic activity. Our temperature normalized retail electric sales in the second quarter were up 4% versus the second quarter last year. This increase was largely from strength in commercial and industrial sales. These changes in sales are a positive sign of economic recovery and resulted in a positive impact to margins.

As economic conditions have improved, we have also seen an uptick in the economic development in our service territory. Two noteworthy successes so far this year are the announcements of new facilities for Simmons Pet Food in our Iowa jurisdiction and Spray-Tek in our Wisconsin jurisdiction. These two new customers are bringing new jobs in communities in our service territories in addition to new load for Alliant Energy.

Many of you joined us a few weeks ago at our ESG investor event. I hope you took away from our comments how passionate we are about our leadership position in the transition to cleaner energy and other important aspects of ESG performance. One key area of our ESG story is our commitment to focus on customer affordability. That begins with the efforts and innovations of our outstanding employees.

Two such innovations include our planned tax equity partnerships for solar generation, and the levelized cost recovery mechanism for our retiring Edgewater coal plant in Wisconsin. Both of these were brought to us through the research and hard work of our employees who are consistently looking for new and unique ways to keep customer costs low.

Let me spend a moment on our corporate tax rates, which are provided on slide 4 of our supplemental slides. We estimate our full year 2021 effective tax rate to be negative 17%, which is primarily the result of production tax credits we earn from our expansion of wind generation and the excess deferred tax benefits from the 2017 federal tax reform, which we continue to return to our customers. Both of these items support affordable rates for our customers. And please note that these items are largely earnings neutral as they lower both revenue and income tax expense.

Our financing plans for 2021 remain unchanged. We plan to issue up to 300 million dollars of long-term debt for our Wisconsin utility later this year. And we're are also on track to issue approximately 25 million dollars of common equity through our shareholder direct plan in 2021.

Moving to our key regulatory initiatives, we are pleased that our strong collaboration with stakeholders resulted in a settlement agreement in the second quarter for the 2022 and 2023 revenue requirements in our Wisconsin rate review. This agreement includes maintaining a 10% return on equity, achieving an effective regulatory equity layer of 54% and utilizing an innovative recovery mechanism for WPL's retiring Edgewater coal plant. The settlement is now subject to review and approval by the PSCW. We anticipate a decision on this filing later this year. More details on the settlement agreement can be found on slide 6.

As John mentioned earlier, we received written approval from the PSCW in June for 675 MWs of new solar generation in Wisconsin. This is a significant milestone in our clean energy transition and another example of our long track-record of achieving constructive regulatory outcomes. We also filed our second certificate of authority application for an additional 414 megawatts of Wisconsin solar in March. We anticipate a decision from the PSCW on this filing in the first half of next year.

Later this quarter, we plan to file a request for advance ratemaking principles for up to 400 megawatts of new solar projects in Iowa. The advance ratemaking process in Iowa includes approval of the return on equity for the life of the assets, depreciation rates, and cost caps for the projects. We anticipate a decision from the Iowa Utilities Board on this filing by the middle of next year.

Thank you for joining us today and for your interest in Alliant Energy. We look forward to meeting with many of you over the coming months. Now I will ask the operator to facilitate the question and answer session.

CONFERENCE CALL OPERATOR:
Thank you, Mr. Durian. At this time, the company will open the call to questions from members of the investment community.

(OPERATOR PROVIDES INSTRUCTIONS ON HOW TO ASK A QUESTION)

(Q&A SESSION)

Zac Fields:
This concludes Alliant Energy's second quarter earnings call. A replay will be available through August 13, 2021 at 888-203-1112, for US and Canada, or 719-457-0820 for international. Callers should reference conference ID 4175543 and pin 9578.

In addition, an archive of the conference call and a script of the prepared remarks made on the call will be available on the investor's section of the company's website later today. Thank you for your continued support of Alliant Energy and feel free to contact me with any follow-up questions.

The accompanying conference call script includes forward-looking statements. These forward-looking statements can be identified as such because the statements include words such as "commitment," "will," "planned," "estimate," "plan," "approximately," "anticipate," or other words of similar import. Similarly, statements that describe future financial performance, including earnings guidance, and plans or strategies, including our clean energy transition, financing plans and regulatory initiatives, are forward-looking statements. Such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those currently anticipated. Actual results could be affected by the following factors, among others:

- the direct or indirect effects resulting from the COVID-19 pandemic on sales volumes, margins, operations, employees, contractors, vendors, the ability to complete construction projects, supply chains, customers' inability to pay bills, suspension of disconnects, the market value of the assets that fund pension plans and the potential for additional funding requirements, the ability of counterparties to meet their obligations, compliance with regulatory requirements, the ability to implement regulatory plans, economic conditions and access to capital markets;
- the impact of penalties or third-party claims related to, or in connection with, a failure to maintain the security of personally identifiable information, including associated costs to notify affected persons and to mitigate their information security concerns;
- the direct or indirect effects resulting from terrorist incidents, including physical attacks and cyber attacks, or responses to such incidents;
- the impact of customer- and third party-owned generation, including alternative electric suppliers, in IPL's and WPL's service territories on system reliability, operating expenses and customers' demand for electricity;
- the impact of energy efficiency, franchise retention and customer disconnects on sales volumes and margins;
- the impact that price changes may have on IPL's and WPL's customers' demand for electric, gas and steam services and their ability to pay their bills;
- IPL's and WPL's ability to obtain adequate and timely rate relief to allow for, among other things, the recovery of and/or the return on costs, including fuel

costs, operating costs, transmission costs, deferred expenditures, deferred tax assets, tax expense, capital expenditures, and remaining costs related to electric generating units (EGUs) that may be permanently closed and certain other retired assets, decreases in sales volumes, earning their authorized rates of return, and the payments to their parent of expected levels of dividends;
- federal and state regulatory or governmental actions, including the impact of legislation, and regulatory agency orders;
- the ability to utilize tax credits and net operating losses generated to date, and those that may be generated in the future, before they expire;
- the impacts of changes in tax rates, including minimum tax rates, and adjustments made to deferred tax assets and liabilities;
- employee workforce factors, including changes in key executives, ability to hire and retain employees with specialized skills, ability to create desired corporate culture, collective bargaining agreements and negotiations, work stoppages or restructurings;
- any material post-closing payments related to any past asset divestitures, including the sale of Whiting Petroleum, which could result from, among other things, indemnification agreements, warranties, guarantees or litigation;
- weather effects on results of utility operations;
- issues associated with environmental remediation and environmental compliance, including compliance with all environmental and emissions permits, the Coal Combustion Residuals rule, future changes in environmental laws and regulations, including federal, state or local regulations for carbon dioxide emissions reductions from new and existing fossil-fueled EGUs, and litigation associated with environmental requirements;
- increased pressure from customers, investors and other stakeholders to more rapidly reduce carbon dioxide emissions;
- the ability to defend against environmental claims brought by state and federal agencies, such as the U.S. Environmental Protection Agency, state natural resources agencies or third parties, such as the Sierra Club, and the impact on operating expenses of defending and resolving such claims;
- continued access to the capital markets on competitive terms and rates, and the actions of credit rating agencies;
- inflation and interest rates;
- the ability to complete construction of solar projects within the cost targets set by regulators, the ability to achieve the expected level of tax benefits based on tax regulations and project costs, and the ability to efficiently utilize the solar project tax benefits for the benefit of customers;
- changes in the price of delivered natural gas, transmission, purchased electricity and coal due to shifts in supply and demand caused by market conditions and regulations;
- disruptions in the supply and delivery of natural gas, purchased electricity and coal;

- the direct or indirect effects resulting from breakdown or failure of equipment in the operation of electric and gas distribution systems, such as mechanical problems and explosions or fires, and compliance with electric and gas transmission and distribution safety regulations, including regulations promulgated by the Pipeline and Hazardous Materials Safety Administration;
- issues related to the availability and operations of EGUs, including start-up risks, breakdown or failure of equipment, performance below expected or contracted levels of output or efficiency, operator error, employee safety, transmission constraints, compliance with mandatory reliability standards and risks related to recovery of resulting incremental costs through rates;
- impacts that excessive heat, excessive cold, storms or natural disasters may have on Alliant Energy's, IPL's and WPL's operations and recovery of costs associated with restoration activities or on the operations of Alliant Energy's investments;
- Alliant Energy's ability to sustain its dividend payout ratio goal;
- changes to costs of providing benefits and related funding requirements of pension and other postretirement benefits plans due to the market value of the assets that fund the plans, economic conditions, financial market performance, interest rates, timing and form of benefits payments, life expectancies and demographics;
- material changes in employee-related benefit and compensation costs;
- risks associated with operation and ownership of non-utility holdings;
- changes in technology that alter the channels through which customers buy or utilize Alliant Energy's, IPL's or WPL's products and services;
- impacts on equity income from unconsolidated investments from valuations and potential changes to ATC LLC's authorized ROE;
- impacts of IPL's future tax benefits from Iowa rate-making practices, including deductions for repairs expenditures, allocation of mixed service costs and state depreciation, and recoverability of the associated regulatory assets from customers, when the differences reverse in future periods;
- changes to the creditworthiness of counterparties with which Alliant Energy, IPL and WPL have contractual arrangements, including participants in the energy markets and fuel suppliers and transporters;
- current or future litigation, regulatory investigations, proceedings or inquiries;
- reputational damage from negative publicity, protests, fines, penalties and other negative consequences resulting in regulatory and/or legal actions;
- the effect of accounting standards issued periodically by standard-setting bodies; and
- the ability to successfully complete tax audits and changes in tax accounting methods with no material impact on earnings and cash flows.

Without limitation, the expectations with respect to 2021 earnings guidance and the clean energy transition in this script are forward-looking statements and are based in part on certain assumptions made by Alliant Energy, some of which are referred to in

the forward-looking statements. Alliant Energy cannot provide any assurance that the assumptions referred to in the forward-looking statements or otherwise are accurate or will prove to be correct. Any assumptions that are inaccurate or do not prove to be correct could have a material adverse effect on Alliant Energy's ability to achieve the estimates or other targets included in the forward-looking statements. The forward-looking statements included herein are made as of the date hereof and Alliant Energy undertakes no obligation to update publicly such statements to reflect subsequent events or circumstances.