Alliant Energy
Third Quarter 2021 Earnings
November 5, 2021

CONFERENCE CALL OPERATOR:
Good morning, and welcome to Alliant Energy's conference call for third 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 Chief Executive Officer, 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 third quarter financial results, updated our consolidated 2021 guidance range, and announced our 2022 earnings guidance and common stock dividend target. 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 are provided in the earnings release and our 10Q which will be available on our website.

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

JOHN LARSEN:

Thanks Zac - Good morning, everyone and Thank You for joining us today as we highlight our solid results for the 3rd Quarter of 2021.

To start us off, I'm pleased to share our narrowed and increased 2021 earnings guidance range of $2.61 to $2.67 which represents a forecasted 12th consecutive year of 5% or greater earnings growth.

We are also announcing our 2022 earnings guidance range of $2.65 to $2.79 cents per share marking yet another year of forecasted 5 to 7% growth.

We understand the importance of delivering consistent returns for our investors and solid operations for our customers

And in keeping with our plan to grow dividends commensurate with earnings growth I'm pleased to share that our board of directors has approved a 6% increase in our targeted annual common stock dividend to $1.71 cents per share.

In a few moments I'll turn the call over to Robert to share more details of our excellent 3rd quarter financial results. But before I do, I'll highlight some of our many accomplishments from the quarter

Over the past several weeks - I have been pleased to meet with many investors - and continue to share our ESG story. It's been a natural journey for us - and a direct outcome of how we deliver on our Purpose to Serve Customers & Build Stronger Communities

We know that a clear vision and solid execution are very important factors when making investment decisions. We are proud that our progress and results have been recognized by several key ESG rating organizations - who rate us near the top of the utility industry. Our top performing results can be seen on supplemental Slide #2.

Our recent Corporate Responsibility Report highlights many of our achievements. We continue to make steady progress such as our commitment to plant more than one million trees across our service territory over the next decade. Not only will this support our "care for the environment" Value - and our carbon reduction efforts it is also responsive to the impact from the 2020 Derecho wind-storm that devastated our service territory.

In Wisconsin, we celebrated our first community solar project with a public open house and tours in the town Fond du Lac. The 1-megawatt solar garden will supply clean energy to up to 1,000 homes and is expected to be operational by the end of 2021. Celebrating this solar garden reflects the community's innovative spirit and passion for clean energy. In Iowa - we are excited to have received IUB approval for our first solar garden expected to be constructed in 2022 at a site near Cedar Rapids.

In the 3rd quarter - we also assumed ownership of the Bear Creek, North Rock, Wood County and Grant County solar projects in Wisconsin. Construction has either started, or will be started shortly, on these projects that total 450 MWs

Here in the 4th quarter, we acquired the Crawfish River project and expect to acquire the Onion River project before the end of the year. With those acquisitions we will have assumed ownership of all 675 megawatts of solar that was approved as part of our first CA filing in Wisconsin.

Two final highlights I'll share are tied to the social side of ESG. In September we committed 4 million dollars to the Hometown Care Energy Fund – to help customers who need financial assistance to help pay their energy bills during the upcoming home heating season. The U.S. Energy Information Administration estimates that Midwest natural gas expenditures will rise by nearly 50% compared with last winter. And while we expect the proactive planning by our energy markets team will keep us in line - or below those forecasted increases, we know customers will welcome the additional support from this donation to help them stay on track with their energy bills during this time of increased natural gas demand.

And finally - I'm excited to share that with the support of our suppliers and partners - our 15th Annual Drive Out Hunger Event raised over 400,000 dollars bringing our 15-year fundraising total to more than 5 million dollars. This event has provided over 17 million meals to families in-need across our service territory. Combating hunger is one of the focus areas of our charitable foundation and we are proud to partner with our Feeding America Food Bank partners in Iowa and Wisconsin to help thousands of our customers access nutritious food to strengthen their families.

With all the great results from the quarter, I would be remiss in not mentioning that our economic development and customer growth efforts have resulted in our 3rd year in a row of being named a "Top Utility in Economic Development" by Site Selection Magazine. Our economic development team, in collaboration with local, regional and state partners in Iowa and Wisconsin, created more than $900 million dollars in new capital investment and more than twenty-two-hundred new jobs across Iowa and Wisconsin in 2020.

I look forward to meeting with many of you next week at the EEI Financial Conference to share even more about our company including our: Clean Energy Vision, Flexible and Well-Executed Capital Investment Plan, Long Track Record of Consistent Financial and Operational Results and our focus on the well-being of our employees, customers, and communities

Thank you for your confidence in Alliant Energy.

I'll now turn the call over to Robert.

ROBERT DURIAN:

Thanks John. Good morning, everyone.

Yesterday, we announced third quarter 2021 GAAP earnings of one dollar and two cents per share, compared to 98 cents per share in the third quarter last year. Our higher earnings year over year were driven by higher revenue requirements due to increasing rate base, as well as higher temperature-normalized sales compared to the third quarter of 2020. These higher earnings were partially offset by higher depreciation expense, and timing of income tax expense. Additionally, in the third quarter of 2020 we recorded a non-GAAP adjustment of 4 cents per share related to a legacy guarantee in our non-utility operations.

Through the first nine months of this year, temperatures in our service territory have increased retail electric and gas margins by approximately 8 cents per share. By comparison, in 2020, the year-to-date temperature impacts through the first three quarters increased retail electric and gas margins by approximately 1 cent per share.

Turning to temperature-normalized sales. Our retail electric sales in the third quarter of 2021 were up 4.1% versus last year. The two key drivers for this increase are continued pandemic recovery in year-over-year sales particularly in the Commercial and Industrial classes, and minimal storm activity this year compared to the third quarter of 2020, when our Iowa territory experienced a derecho windstorm. Through the first nine months of 2021, temperature-normalized electric sales have been better than forecasted largely due to higher-than-expected demand from residential and industrial customer classes.

As John mentioned, last night we issued our consolidated 2022 earnings guidance range of 2 dollars and 65 cents to 2 dollars and 79 cents per share. The key driver of the 6% growth in temperature normalized EPS is higher earnings on increasing capital investments, primarily driven by our solar program.

The details of our refreshed capital expenditure plans are shown on slides 5 and 6. Our capital expenditures, net of expected tax equity contributions, over the five-year period from 2021 through 2025 will total approximately $7 billion dollars, or an average of one point four billion dollars per year. Our capital expenditure plans continue to be focused on the transition to cleaner energy and strengthen the reliability and resiliency of our electric grid.

We continue to make progress on our plan to add 1500 MWs of solar energy for both our Wisconsin and Iowa customers and have adjusted our flexible capital expenditure plans to address the current market conditions for solar panels and related project materials. Our plan includes expectations for increasing costs for these solar projects,

as supply constraints and commodity inflation continue to be prevalent in the solar market. Despite increasing costs, these solar projects remain key elements of our Clean Energy Blueprints and will bring long-term environmental and cost benefits to our customers.

In addition to the 1.1GW of solar previously announced for our Wisconsin customers, our plan includes additional renewables and energy storage in Wisconsin, in part to replace the capacity from a portion of the West Riverside Energy Center that we anticipate will be purchased by our neighboring utilities over the next few years.

In Iowa, we recently completed an advanced rate making filing for our announced 400 MW of solar and 75 MW of battery storage. We plan for 200 MW of that solar, plus the battery storage, to be located at the site of the recently retired Duane Arnold Energy Center, leveraging the existing transmission interconnection from the former nuclear plant. This will be our first utility scale battery storage installation and will be an important complement to our solar generation.

Finally, we have also included capital spend in the latter part of the five-year plan for additional energy storage and renewables including wind repowering opportunities to increase our portfolio of cost-effective clean energy sources for our utility customers.

Slide 9 has been provided to assist you in modeling the effective tax rates for our two utilities and our consolidated group. We estimate a consolidated effective tax rate of negative 13% for 2021 and positive 6% for 2022. At our WPL utility, we will have returned essentially all the available excess deferred income tax benefits to our customers by the end of 2021, leading to a higher effective tax rate going forward. At our Iowa utility, our large wind portfolio and the resulting production tax credits will maintain our lower effective tax rates for several more years. The production tax credits and excess deferred tax benefits flow back to customers resulting in lower electric margins. Thus, the changes in the effective tax rate related to PTCs and excess deferred tax benefits are largely earnings neutral.

Next, I'll highlight our continued commitment and focus on controlling costs for our customers. We have met virtually with many of you throughout this year and shared our strategy to reduce O&M over the next few years. This strategy is important as we head into the upcoming winter heating season with much higher anticipated fuel prices, reminding us that our customers need our continued diligence and focus on controlling costs to keep rates affordable. Additionally, while we are not immune to rising commodity prices, we are able to leverage our risk management programs to mitigate the impact of rising natural gas and coal cost on our customers' bills.

Let's move next to our financing plans. In September, we issued a 300-million-dollar green bond at WPL to finance renewable projects in Wisconsin. The coupon rate of

1.95% represents the lowest interest rate for a 10-year debenture issued by WPL helping to support our customer affordability objectives.

Our financing plan over the next fourteen months includes issuing up to 1.4 billion dollars of long-term debt between our utilities and Alliant Energy Finance. The proceeds from the new debt issuances will be used to refinance existing debt and the redemption of preferred stock and to finance the utilities' capital expenditure plans. Our 2022 financing plans also include 25 million dollars of new common equity through our DRIP plan.

Lastly, we have included our regulatory initiatives of note on slide 7. As mentioned earlier, this week we filed the advance ratemaking principles for 400 megawatts of solar and 75 megawatts of storage for our Iowa utility. The key details of this filing are outlined on slide 8. We plan to receive a decision on this filing in the second half of 2022.

Looking ahead, this quarter we expect to receive the written decision regarding our WPL rate review including the decision on the innovative levelized cost recovery mechanism for the Edgewater unit 5 coal plant expected to retire by the end of 2022. And in the first half of next year, we plan to receive a decision on our second solar CA filing in Wisconsin.

We very much appreciate your continued support of our company and look forward to meeting with many of you during the EEI Finance conference next week. Later today, we expect to post on our website the EEI investor presentation and the November 2021 fact book which details the separate IPL and WPL updated capital expenditures, rate base and construction work in progress forecasts through 2025. At this time, I will turn the call back over to 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 November 12, 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 "forecasted," "targeted," "expected," "expect," "will," "approximately," "plan," "anticipate," "estimate," or other words of similar import. Similarly, statements that describe future financial performance, including earnings guidance, earnings growth, dividend target, and plans or strategies, including our investment plans, construction plans, financing plans and regulatory plans, 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, including vaccine mandates and testing requirements, 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 pending COVID-19 vaccine mandates on workforce availability;
- 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 the tax code, including tax rates, 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 generation projects within the cost targets set by regulators due to cost increases of materials, equipment and commodities including due to tariffs, labor issues or supply shortages, the ability to achieve the expected level of tax benefits based on tax guidelines and project costs, and the ability to efficiently utilize the solar generation project tax benefits for the benefit of customers;
- disruptions to the supply of materials, equipment and commodities needed to construct solar generation projects, including due to shortages, labor issues or

transportation issues, which may impact the ability to meet capacity requirements and result in increased capacity expense;
- 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 return on equity;
- 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 and 2022 earnings guidance, long-term earnings growth objective, 2022 targeted annual common stock dividend and the clean energy transition, including solar generation development plans, 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.