Alliant Energy
Third Quarter 2022 Earnings
November 8, 2022

CONFERENCE CALL OPERATOR:
Thank you for holding, ladies and gentlemen, and welcome to Alliant Energy's third quarter 2022 earnings conference call. At this time, all lines are in a listen-only mode. Today's conference call is being recorded. I would now like to turn the call over to your host, Susan Gille, Investor Relations Manager at Alliant Energy.

Susan Gille:

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.

With me here today 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 third quarter and year-to-date financial results, narrowed and raised the midpoint of our 2022 earnings guidance range, and announced the 2023 earnings guidance and common stock dividend target. It also provided our annual capital expenditure plan through 2026. This release, as well as an earnings presentation, 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 Quarterly Report on Form 10-Q which is available on our website.

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

JOHN LARSEN:

Thank you, Susan. Good morning, everyone and thank you for joining us today.

We continue to be on track for another solid year with strong financial and operational results. I'll hit on the key headlines and then turn it over to Robert for additional details.

I'll start with 2022. A combination of solid weather-normalized sales, positive temperature impact, project execution, and our continued focus on cost-management have us well-positioned for another year of achieving our long-term guidance objective. As a result -- we are increasing and narrowing our 2022 earnings guidance range. We are well-positioned for 2022 to be the 13th year in a row of achieving our targeted 5 to 7 percent earnings growth objective.

And turning to 2023. I am pleased to share our earnings guidance and dividend target. We pride ourselves on consistency and these targets demonstrate our commitment to our long-term 5 to 7 percent earnings growth objectives. Our 2023 earnings midpoint represents a 6 percent increase to our forecasted 2022 temperature-normalized adjusted earnings. And our 2023 common stock dividend target is 1 dollar and 81 cents per share which is a 6 percent increase from the prior year. Our commitment to steady and predictable results has never been stronger.

Another key headline is our updated capital investment forecast. We are adding $2.4 billion of investment compared to last year's plan. This is yet another indication of how our well-executed and transparent Clean Energy Blueprint has us positioned for long term growth. Our Clean Energy Blueprint serves as our roadmap to deliver on our Purpose, to Serve Customers and Build Stronger Communities. It's not only well designed for success, but also flexible allowing us to adjust and adapt to the needs of our customers and economic changes.

One of the largest opportunities to add value for our customers is the Inflation Reduction Act or IRA. Our success in advancing and executing our capital projects this year has us well-positioned to take advantage of the many customer benefits from the IRA. An example of this was our fast pivot away from tax equity to full ownership of our solar projects. As we shared in the last call, we have not taken our foot off the gas as we continue to execute on our large solar project portfolio. This positioned us well to take immediate advantage of the IRA, providing even greater benefits to our customers and value for our shareowners. On our current solar and battery projects, our customers will see nearly $500M of incremental net present value benefits as a result of the impacts from the IRA when compared to traditional ownership.

We don't have to change our plans to take advantage of the IRA, it's a natural fit with our Clean Energy Blueprint.

Another area of focus is addressing the proposed MISO seasonal capacity construct. We have shared in previous calls how this has also impacted the retirement dates for some our remaining coal facilities in Wisconsin. We have always kept a balanced

generation portfolio. And while the end-state of our blueprint will not change, this new construct will advance our need for dispatchable and flexible generation capacity ensuring reliable service to our customers, no matter the season.

As we embraced these opportunities, we revised our capital expenditure plan which contributed to a solid 8 percent rate base growth through 2026. Approximately one-half of our investments over the next 4 years will be in renewable generation and battery storage, a strong demonstration of our commitments to a clean energy future for our customers.

Now, with our outlook for 2023 established, let me share some of our achievements during the last quarter.

We are keeping pace on our projects within the Clean Energy Blueprint. Not only has this positioned us well to take advantage of the IRA we are also well-positioned for future investments. We have all 16 sites that make up our overall 1.5 gigawatts of solar additions across both Iowa and Wisconsin under site control. In Wisconsin, generator interconnect agreements in place and all solar panels are either under our control – or under construction.

In Iowa, we anticipate approval for the remaining 400 megawatts in the near future.

In Wisconsin, our 50-megawatt Bear Creek project went into service on time and within budget and two more projects should be operational by the end of the year including our 150-megawatt Wood County and our 50-megawatt North Rock Projects.

We also added two new battery storage projects – one in Portage, Wisconsin and one in Cedar Rapids, Iowa.

I am very proud of our teams that worked to make this happen in some very challenging sourcing and economic times.

I'm also pleased to share that we continue to see solid growth in both Iowa and Wisconsin. And for the 4th year in –a-row we have been named a top utility in economic development by Site Selection Magazine. As I've discussed in the past, we invest in key industrial property locations to spur economic development and growth within the communities we serve. This past quarter - it was an honor to help celebrate the planned expansion of Wyffels Hybrids as they announced their expansion in Ames, Iowa.

Our team was also busy positioning us for the next phase of our generation transformation and grid resilience. They have been identifying additional IRA opportunities – advancing our efforts to move our grid underground and continuing our development efforts for future investments in new wind, repowering wind, solar,

storage and sustainable fuels. We continue to have a strong backlog of development to provide us with choices for our future investments.

To cap off a great third quarter of solid results and execution. I reflect on how the intersection of the IRA and our Clean Energy Blueprint has made such a tremendous impact for us. Alliant is well positioned to be one of the strongest beneficiaries of the IRA because we can put the IRA to work immediately for us to benefit both our shareowners and customers, through added rate base opportunities and lowered costs to customers. We're also well positioned to benefit from cash flow improvements through transferability of tax credits and we're not subject to the corporate minimum tax in the near term.

Before I close a quick reminder that it's not too late to vote.

And with Veterans Day coming up soon I would like to pass on a sincere "Thank You" to all Veterans, especially to the over 200 that are part of the Alliant Energy Team and all military families.

Thank you for your service and sacrifice.

Robert and I look forward to sharing more details next week when we see many of you in Florida at the EEI conference.

I'll now turn the call over to Robert.

ROBERT DURIAN:
Thanks John. Good morning, everyone.

Yesterday, we announced third quarter non-GAAP earnings of 93 cents per share, compared to 1 dollar and two cents per share in the third quarter of 20-21. Our quarterly earnings change year over year was primarily due to higher interest expense and the timing of income taxes.

The non-GAAP adjustment recorded in the third quarter of 3 cents per share related to Iowa tax reform enacted earlier this year. In September, the Iowa department of revenue announced a corporate state tax rate of 8.4 percent for 2023, which is down from the current rate of 9.8 percent. This change resulted in a current year charge at our non-utility and parent operations related to lower deferred tax asset values, however, this change will also enable us to pass millions of dollars of annual savings from lower state taxes on to our customers in Iowa for decades into the future.

Through September of this year, our net temperature impacts increased Alliant Energy's earnings by approximately 7 cents per share. And our temperature-normalized sales are tracking above our sales growth expectations from the beginning of the year.

Looking forward to the fourth quarter and our full year 2022 results, we expect strong earnings growth from increasing investments in Wisconsin solar projects and the reversal of tax timing issues that have impacted the first nine months of this year.

As a result of stronger sales through September and our projected fourth quarter results, we have narrowed and raised our 20-22 earnings guidance to a range of two dollars and 76 cents to two dollars and 83 cents per share.

During 20-22, our team has been advancing and transforming our Clean Energy Blueprints, to ensure that we not only accomplish our current year goals, but also enable the achievement of our financial and operational objectives over the long term. Our sourcing team has been ensuring materials and equipment are on site, or are on order, to achieve the targeted completion dates of our announced solar projects. And our development team has been advancing a robust portfolio of future generation resources that supports a future of clean, affordable and reliable energy for our customers.

As John mentioned, we issued our consolidated 2023 earnings guidance range of 2 dollars and 82 cents to 2 dollars and 96 cents per share. The key drivers of the 6 percent growth in EPS are related to earnings on investments in our core utility business and our continued efforts to reduce costs to support customer affordability. We are forecasting these key earnings growth drivers will be offset by higher depreciation and higher financing costs associated with new construction projects.

We invest strategically and in the best interest of our customers. These investments include implementing technology in many areas of our business, from our enterprise work and asset management solution to our advanced distribution management system, we are working to improve the customer and employee experience, while controlling customer costs. Through our ongoing transition and retirement of our fossil fuel generation resources, we will continue reducing our operating costs. And as we bring our planned solar projects into service, we expect production tax credits and lower fuel expenses to largely offset the impact of increases in renewables rate base, which makes these new investments very cost effective for customers. This will translate into long-term benefits for our customers, and as John mentioned, long-term value for our shareowners.

Moving to our financing plans. In August, we successfully completed a 600-million-dollar green bond issuance at WPL to finance solar generation projects. And in September, we filed information with our two state commissions announcing plans to move away from tax equity financing to full ownership of WPL's and IPL's solar and battery projects to capture even more benefits for our customers. We expect to replace the previously planned tax equity financing

with additional long-term debt issuances supplemented with some modest levels of new common equity to fund our announced solar and battery projects.

Our 20-23 plans include 1.3 billion dollars of financings largely related to funding customer-focused investments. This includes issuing up to 300 million dollars of long-term debt at both our Iowa and Wisconsin utilities, up to 450 million dollars of debt at Alliant Energy Finance and up to 250 million dollars of new common equity. We have one 400-million-dollar maturity in mid-2023, which will be refinanced with the planned new debt issuance at Alliant Energy Finance.

This 2023 financing plan is driven by robust capital expenditure plans and supports our objective of maintaining capital structures at our two utilities consistent with their most recent regulatory decisions. And our future financing plans anticipate utilizing the new transferability provisions within the Inflation Reduction Act to accelerate cashflows from future tax credits generated by wind, solar and battery projects thereby reducing our future financing needs.

Finally, I will highlight our regulatory initiatives in progress as well as those regulatory filings we plan to file in 2023.

First there are two key regulatory initiatives currently in progress:

- In Wisconsin, we recently requested construction authority or 175 megawatts of battery storage which supports capacity needs resulting from the proposed sale by WPL of a portion of the West Riverside generating facility to our neighboring utilities.

- And in Iowa, we are expecting a decision from regulators on our advance ratemaking filing for 400 megawatts of solar and 75 megawatts of battery storage. This proceeding is progressing, and we anticipate a decision in the next few weeks. As a reminder, this decision should include an approved ROE and depreciation rates for the life of the solar and battery storage assets.

Turning to our 2023 regulatory plans. In conjunction with our updated capital expenditure plan, we expect to make regulatory filings in both Iowa and Wisconsin in 2023 for additional renewables and dispatchable resources to improve seasonal reliability and meet customer energy needs.

- From a rate review calendar, we expect to file a WPL rate review covering future test years 20-24 and 20-25 in the first half of next year.
- And for IPL, we expect to file our next rate review by early 20-24.

Before I wrap up my remarks, I want to acknowledge our Alliant Energy employees. You have executed our plan and kept our strategic projects on track, allowing us to share the financial and operational plans today. From clearing supply chain hurdles; to

regulatory planning and communications. From preparing for our tax equity financing, to pivoting to full ownership to capture even greater customers benefits from the Inflation Reduction Act. Your actions have been and continue to be focused on the best interests of our customers and the communities we have the privilege to serve.

We very much appreciate the continued support of our company by our investors and look forward to meeting with many of you at the EEI Finance conference next week.

Later this week, we plan to post on our website the updated materials in advance of EEI. 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 up the call to questions from members of the investment community.

(OPERATOR PROVIDES INSTRUCTIONS ON HOW TO ASK A QUESTION)

(Q&A SESSION)

CONFERENCE CALL COORDINATOR/OPERATOR:
Ms. Gille, there are no further questions at this time.

Susan Gille:
With no more questions, this concludes our call. A replay will be available on our investor website.

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 "forecasting," "target," "will," "plan," "anticipate," "expect," "expecting," "approximately," "should be," 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 terrorist incidents, including physical attacks and cyber attacks, or responses to such incidents;
- 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 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;
- inflation and higher interest rates;
- changes in the price of delivered natural gas, transmission, purchased electricity and coal, particularly during elevated market prices, and any resulting changes to counterparty credit risk, due to shifts in supply and demand caused by market conditions, regulations and the Midcontinent Independent System Operator, Inc.'s (MISO) seasonal resource adequacy process;
- 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;
- the ability to complete construction of renewable generation and storage projects by planned in-service dates and within the cost targets set by regulators due to cost increases of and access to materials, equipment and commodities including due to tariffs, duties or other assessments, such as any additional tariffs resulting from U.S. Department of Commerce investigations into the sourcing of solar project materials and equipment from certain countries, labor issues or supply shortages, the ability to successfully resolve warranty issues or contract disputes, the ability to achieve the expected level of tax benefits based on tax guidelines and project costs, and the ability to efficiently utilize the renewable generation and storage project tax benefits for the benefit of customers;
- 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, as well as the ability to transfer tax credits that may be generated in the future at adequate pricing;
- 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 the ability to hire and retain employees with specialized skills, impacts from employee retirements, changes in key executives, ability to create desired corporate culture, collective bargaining agreements and negotiations, work stoppages or restructurings;
- disruptions in the supply and delivery of natural gas, purchased electricity and coal;
- changes to the creditworthiness of, or performance of obligations by, counterparties with which Alliant Energy, IPL and WPL have contractual arrangements, including participants in the energy markets and fuel suppliers and transporters;
- 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;
- disruptions to ongoing operations and the supply of materials, services, equipment and commodities needed to construct solar generation, battery storage and electric and gas distribution projects, which may result from geopolitical issues, supplier manufacturing constraints, labor issues or transportation issues, as well as affect the ability to meet capacity requirements and result in increased capacity expense;
- continued access to the capital markets on competitive terms and rates, and the actions of credit rating agencies;
- the direct or indirect effects resulting from the ongoing COVID-19 pandemic and the spread of variant strains;
- 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;
- changes to MISO's methodology establishing capacity planning reserve margin and capacity accreditation requirements that may impact how and when new generating facilities such as IPL's and WPL's additional solar generation may be accredited with energy capacity and may require IPL and WPL to adjust their current resource plans, the need to add resources to comply with MISO's methodology, or procure capacity in the market whereby such costs might not be recovered in rates;
- 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, availability of warranty coverage for equipment breakdowns or failures, 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 operating, fuel-related and capital 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, including settlement losses related to pension plans;
- 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 changes in valuations of the assets held, as well as 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;
- 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 2022 and 2023 earnings guidance, long-term earnings growth objective, 2023 targeted annual common stock dividend and the clean energy transition, including solar generation development plans and battery storage projects, financing plans and regulatory 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.