

Alliant Energy
First Quarter 2023 Earnings
May 5, 2023

CONFERENCE CALL OPERATOR:

Good morning, and welcome to Alliant Energy's conference call for first quarter 2023 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, 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.

Joining me on this call are John Larsen, Board Chair 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 first quarter 2023 financial results. This release, as well as an earnings presentation, 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.

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

JOHN LARSEN:

Thank you, Susan. Hello everyone and thank you for joining us.

To begin the call, I want to acknowledge that we recently celebrated Alliant Energy's 25th anniversary. On April 21st, 1998, our three predecessor companies, IES Utilities, Interstate Power Company and Wisconsin Power and Light officially came together as one unified company we know today as Alliant Energy.

I'd like to recognize all employees, past and present, who have built, and continue to build, one of the most consistent performing energy companies in the nation. Because of this team, Alliant Energy has reliably delivered sustainable energy to our customers, while continuing to provide the stability and growth that investors expect. This is in addition to the unwavering dedication from our employees to work safely and strengthen our connection with customers and the communities we proudly serve.

And, as we continue our long track record of consistent execution, 2023 is off to a solid start and our strong investment thesis remains.

- Despite warmer than expected weather and taking into account timing of tax expenses which will reverse later this year, we achieved Q1 results on-plan.
- We have re-affirmed our annual earnings guidance of 2 dollars and 82 cents to 2 dollars and 96 cents.
- And we remain committed to delivering on our long-term 5 to 7% growth target.

It has been a busy and productive start to the year. I will highlight several updates that demonstrate our strategy, and Purpose, in motion.

- We are continuing to invest and advance toward a more reliable, and sustainable energy future. Investing in a diverse and reliable energy mix is a top priority. At the same time, we are building a more resilient energy network. Resilience and reliability are the foundation of our recently filed rate review in Wisconsin.
- Our customers continue to see benefits of our prudent investments in diversifying the energy resources within our portfolio. We are committed to making our energy supply competitive and reliable, creating a diverse mix of resources that help to reduce exposure to energy price volatility and deliver value to our customers. An example of that is our renewable and battery storage investments. These investments have no fuel costs and generate tax credits which flow back to customers.
- We continue to manage through and mitigate on-going inflationary pressures. Our work to accelerate our strategic spend initiatives in 2022, and recently completed financings, have positioned us well for 2023 and beyond.
- Our proactive efforts to build a flexible, reliable, and resilient energy grid, a key element of our Clean Energy Blueprint, have demonstrated strong results and helped us successfully navigate the recent extreme weather events. One example is our continued focus on placing electric distribution lines underground.

We have made significant progress in this effort, with over a quarter of our distribution lines already underground and in 2022, 55% of our customers experienced no power outages and approximately 80% of outage events were restored in less than 2 hours.

Another key area of progress is our renewable energy portfolio. We continue to be the largest owner-operator of solar in Wisconsin. We have all our solar sites and panels in our control for our planned 1.1 gigawatts of utility-scale solar projects within Wisconsin - and we are on track to put the approximately 840 megawatts of remaining utility-scale solar in-service by the first half of 2024.

While we are proud of our industry-leading renewable investments and the progress we are making on our Clean Energy Blueprint, our efforts go beyond these investments. We focus on all aspects of ESG as we execute our plan, a great example of this is our Wood County Solar Project in Wisconsin. This project was recently awarded ISI's Envision Platinum Award for sustainability, highlighting the project's contributions to environmental protections, social well-being, and equity all while helping the community thrive economically. This recognition showcases the tenants of our Clean Energy Blueprint and our Purpose.

In Iowa, we are continuing to advance our solar and storage projects. Robert will share more on the status of the regulatory proceedings, but I'll note that we remain committed to advancing clean energy projects and delivering on the benefits they will provide to our customers and communities.

As part of our transition in Iowa, we will soon be closing our Lansing coal facility. For decades, our dedicated employees at the Lansing generating station have been providing customers and communities with safe and reliable energy. As we transition from coal toward a cleaner energy mix, we are caring for our employees, creating new jobs and bringing economic development opportunities to the communities we serve. Ultimately, the closing of the facility helps control long-term costs for customers and is another step in advancing our Clean Energy Blueprint.

One last area I'll mention is technology. We are excited to have made advancements in grid and customer technologies that will enable us to enhance service to our customers, more quickly respond and restore power, and improve the customer and employee experience. We believe this will improve customer satisfaction and provide cost savings and efficiencies

I will end my remarks where I began, with our employees

I mentioned the hard work of our employees at the outset, and I'm always happy to see their hard work recognized by other organizations. For the 5th year in a row, we've made the Bloomberg Gender Equality Index. And once again, we were named to Newsweek's America's Most Trustworthy Companies list. Great recognition for our dedicated employees and the result of their work serving our customers and communities.

We have been fortunate to build on the legacy of the employees that have come before us. I would like to send a special thank you to the nearly 500 employees who were part of these last 25 years of Alliant Energy, for your contributions to our consistent and sustained success.

To reinforce where we are in 2023, I want to reiterate our continued ability to deliver consistent results, and the year-over-year execution of our strategy, that has enabled Alliant Energy to be a top performer within our industry.

We look forward to another year of solid financial and operational performance and we appreciate your continued interest in our company.

I will now turn the call over to Robert.

ROBERT DURIAN:

Thanks John. Good morning, everyone.

Yesterday, we announced first quarter 2023 GAAP earnings of 65 cents per share.

The primary drivers of the quarter over quarter EPS variances were the warmer than normal temperatures resulting in lower retail electric and gas sales this quarter, compared to colder than normal temperatures in the first quarter of 2022, higher interest expense due to additional financings and increasing interest rates, as well as timing of income taxes that will reverse later this year. These items were partially offset by higher earnings resulting from increasing revenue requirements and allowance for funds used during construction from Wisconsin Power and Light's capital investments.

For the full year, we are reaffirming our earnings guidance of 2 dollars and 82 cents, to 2 dollars and 96 cents per share. The midpoint of that range is a 6% increase over 2022 adjusted earnings per share. Details on our quarter earnings drivers and 2023 full year earnings guidance can be found on slide 3.

To assist you in modeling our quarterly earnings this year, I wanted to provide some additional context to a few of the quarterly 2023 drivers.

- First, in anticipation of continuing inflationary pressures, we accelerated our cost transformation efforts in the second half of 2022. We do not anticipate the same heightened spend in the second half of 2023 for such efforts, thus we are anticipating that most of our year-over-year O&M savings will occur in the second half of 2023.
- Second, we anticipate quarter-over-quarter variances related to interest expense were at their highest level in the first quarter, with the quarter-over-quarter variances expected to taper as we proceed through the year. This quarterly interest expense impact is based on the cadence of our financings in 2022 versus 2023.
- And third, income tax expense is recorded each quarter based on an estimated annual effective tax rate and the proportion of full year earnings generated each quarter. This causes fluctuations in the amount of tax expenses quarter-over-quarter, but it will not have an impact on full year earnings.

We have already executed a large portion of our 2023 financing plan to fund our investments in renewable projects and to support refinancing a 400-million-dollar debt maturity in 2023:

- In March, Alliant Energy issued 575 million dollars of 3 and 7/8% convertible senior notes maturing in 2026. These convertible notes offered us an attractive financing opportunity given the current interest rate environment.
- In March, WPL also issued 300 million dollars of 4.95% green bonds maturing in 2033. The proceeds for this offering will be used for the development and acquisition of solar generating units which are a key component of our Clean Energy Blueprint.

We have taken proactive steps to significantly reduce exposure to higher interest rates with these two debt issuances and an interest rate swap all executed in the first quarter of 2023. These actions will help insulate us from interest rate increases and produce better than expected interest expense relative to our annual plan.

Earlier this year, we also closed on the sale of 25 megawatts of our West Riverside natural gas facility to MGE. And we are working toward a closing on the sale of 100 megawatts of West Riverside to WEC Energy later this quarter. The sales of these partial interests in West Riverside were included in our plans and are expected to provide combined proceeds of approximately 125 million dollars.

We are also making progress with plans to start transferring 2023 renewable tax credits later this year after we receive guidance from the Treasury on the requirements for such transfers under the Inflation Reduction Act. We have seen strong interest in

transferring these tax credits, and the proceeds from these asset transfers will help fund our future utility investments and reduce some of our future financing needs.

The remaining financings for 2023 include plans to issue up to 300 million dollars of long-term debt for IPL; and plans to raise up to 225 million dollars of new common equity through our At the Market Program. The ATM is in addition to the 25 million dollars of common equity that we expect to raise under our DRIP plan.

The 2023 financing plan is driven by robust capital expenditure plans and supports our objective to maintain the capital structures at our two utilities consistent with their most recent regulatory decisions.

We have included our key regulatory initiatives for 2023 on slide 5.

Starting in Wisconsin - Last week WPL filed an electric and gas rate review for test years 2024 and 2025. The filing includes recovery of several investments that support sustainability and resiliency while keeping customer value and competitive rates top of mind. These investments include adding nearly 1.1 gigawatts of solar generation in the state by mid-2024 and 274 megawatts of energy storage by 2025. WPL is also exploring opportunities to enhance the value of its existing natural gas assets with new projects to increase output and efficiency. Finally, we plan to continue investing in underground distribution and standardizing system voltage to enhance resiliency while reducing operation and maintenance expenses.

Next steps in the rate review process include a discovery phase and audit by the PSCW staff and interveners, with a hearing anticipated in early fall and a final decision expected from the PSCW later this year. More details on the rate review including key terms requested in this filing can be found on slides 6 and 7.

Additionally in Wisconsin, WPL recently submitted its 2022 fuel reconciliation filing. The fuel reconciliation filing is requesting future recovery of 117 million dollars of additional fuel costs incurred by WPL in 2022 due to higher energy costs to serve its customers. WPL currently anticipates a decision from the PSCW on this filing in the third quarter of this year.

While our utilities experienced higher fuel costs in 2022 driven by elevated commodity prices, during the first three months of 2023 we have experienced significant reductions in natural gas prices which will help lower future costs for our Wisconsin customers. And in Iowa, we have already started passing these lower fuel cost benefits on to our customers through the monthly fuel cost tariff.

Looking forward in Wisconsin, we are preparing applications to request approval for capacity and efficiency improvements for some of our natural gas fired peaking units. Also, we are awaiting the PSCW's decision on the proposed 274 MW of battery storage projects. These projects were part of the capital expenditure plan announced in the

third quarter of 2022 and are part of the proposed revenue requirement in WPL's recently filed rate review for Test Periods 2024 and 2025.

Moving on to our Iowa jurisdiction. In 2021, we filed for advance ratemaking principles for approximately 400 megawatts of solar generation and 75 MW of battery storage.

In January of this year, we provided additional testimony and evidence to the Iowa Utilities Board, as requested in this proceeding. This testimony and evidence further demonstrated that IPL is taking prudent action to meet its customers' need for capacity, and our projects represent cost effective solutions compared to alternative options available in the market.

- Last week, the IUB approved advance rate-making principles for 200 megawatts (MW) of build-transfer solar projects at the Duane Arnold location.
- And we are proceeding with the judicial review requesting a district court decision to enable the IUB to issue advance rate-making principles for the 200 megawatts of Creston and Wever self-build solar projects and 75 MW of battery storage projects

We are confident these projects will provide customer benefits, including reliability and resiliency and we remain committed to executing these projects.

With an active regulatory calendar, we look forward to getting to know and engage with the new commissioner in Wisconsin, Summer Strand, and the two new Board members in Iowa, Sarah Martz, and Erik Helland. We congratulate them on their appointments.

We appreciate your continued support of our company and look forward to meeting with many of you in the coming months. As always, we will make our investor relations materials available on our website. 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)

Susan Gille:

This concludes Alliant Energy's first quarter earnings call. 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 “planned,” “approximately,” “believe,” “anticipate,” “anticipates,” “will,” “expect,” “expected,” “plan,” “plans,” “future,” “looking forward,” or other words of similar import. Similarly, statements that describe future financial performance, including earnings guidance and earnings growth, 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 cyber security incidents or attacks on our physical infrastructure, 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;
- 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 Midcontinent Independent System Operator, Inc.’s (MISO’s) 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, capacity costs, deferred expenditures, deferred tax assets, tax expense, interest 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 obtain regulatory approval for construction projects with acceptable conditions;
- 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 and any decisions regarding 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;
- the ability to utilize tax credits 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;
- 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, and thus affect the ability to meet capacity requirements and result in increased capacity expense;
- federal and state regulatory or governmental actions, including the impact of legislation, and regulatory agency orders;
- 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;
- 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;
- impacts that terrorist attacks 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;
- 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;
- continued access to the capital markets on competitive terms and rates, and the actions of credit rating agencies;
- changes to MISO’s resource adequacy process establishing capacity planning reserve margin and capacity accreditation requirements that may impact how and when new and existing generating facilities, including 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, to

add resources to meet the requirements of MISO's new process, or procure capacity in the market whereby such costs might not be recovered in rates;

- the direct or indirect effects resulting from the ongoing novel coronavirus (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 changes to Cross-State Air Pollution Rule emissions allowances and 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;
- 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 construction activities, 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 2023 earnings guidance, long-term earnings growth objective, 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.