

Alliant Energy
Second Quarter 2023 Earnings
August 4, 2023

CONFERENCE CALL OPERATOR:

Good morning, and welcome to Alliant Energy's conference call for second 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, Lisa Barton, President and COO, and Robert Durian, Executive Vice President and CFO. Following prepared remarks by John, Lisa, 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 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.

Our second quarter results were on track with expectations, and we have made solid progress towards achieving the consistent full-year-growth that our shareowners have come to expect from our company.

As we continue our long-standing track record of consistent execution, we have several areas of progress to highlight that will also serve to reinforce our strong investment thesis.

Our focus on 2023 began well before the start of the year. As we shared last quarter, we took actions in the latter-half of 2022 to advance our resource plans and added additional focus on cost-management and resilience. We are pleased with the positive results from those efforts.

The results are clearly shown through the advancement of key regulatory filings, great progress we have made on our major capital projects and our expectation to reduce 2023 O&M compared to 2022.

And we continued our focus to de-risk 2023 in the early part of this year by successfully mitigating rising interest rates through our convertible debt offering and interest rate hedging. In addition, we have seen strong core operations year-to-date.

I am incredibly proud of the great progress our team has made in the first half of this year. We have seen remarkable advancements across all fronts including our focused efforts on operating a safe and resilient energy grid our commitment to advancing clean energy and our unwavering dedication to delivering exceptional service to our customers and communities.

In a moment, I will turn the call over to Lisa Barton, our President, and Chief Operating Officer, to share more details on our investment and operating progress. And Robert will close the call with more updates relating to our financials and regulatory progress. But before I do that, I'll highlight a couple of the key themes from this quarter.

We continue to make exceptional progress advancing our investments that make our energy network efficient, reliable, and resilient.

We remain a leader in the renewable energy sector, currently ranking nationally as the third-largest owner-operator of regulated wind assets.

We are continuously investing in a more diverse generation portfolio prioritizing both value and reliability in our energy supply. A great example of this is our recently approved 175 megawatts of battery storage projects which will complement our solar investments at Wood and Grant counties, in Wisconsin.

We continue to excel in power quality and reliability, as recognized by JD Power. Our ongoing efforts and results are centered around enhancing the resilience of our energy grid through the undergrounding of our distribution system. We continue to achieve

new levels of efficiency in this area and have undergrounded more than 25% of our distribution system further solidifying our commitment to a more robust and secure infrastructure.

We are actively pursuing the exploration of cutting-edge technologies to establish energy storage capabilities highlighted by our advancement of a first-in-the United States long-duration storage system at our Columbia Energy Center site. As we anticipate the retirement of the Columbia coal-fired energy center in 2026, we are committed to leveraging the existing infrastructure and interconnections at the site to promote resilience. This project has generated significant excitement within our organization, serving as a prime illustration of our commitment to pursue federal funding and embrace innovation to contribute to a sustainable future. We remain agile and proactive in identifying and capitalizing on financing opportunities that arise both at the federal and state level.

Simply stated, we continue to execute on our forward-thinking strategy and are consistently delivering financial and operational results.

Our strong results are made possible by our dedicated employees.

Every day they work tirelessly to fulfill our Purpose - which is to serve our customers - and build stronger communities.

Their exceptional contributions throughout the past year have been truly incredible. I want to thank and recognize them for everything they do.

We eagerly anticipate another year of strong financial and operational performance and we deeply value your ongoing interest in our company.

As a result of our team's efforts our strong investment thesis remains.

- Our first half 2023 results are on plan
- We have re-affirmed our annual earnings guidance
- And we remain committed to delivering on our long-term consistent 5 to 7% growth in earnings and dividends

I will now turn the call over to Lisa.

LISA BARTON:

Thank you, John.

One of the areas that drew me to Alliant Energy revolves around our unwavering commitment to delivering value in a holistic and sustainable manner, and our dedication to ESG principles. We are resolute in our long-term commitment to consistent growth and ensuring a successful clean energy transition for our customers and communities. Making a positive difference in the lives of our customers and communities is a core value and guides us as we navigate the evolving energy landscape.

We recently released our 2023 Corporate Responsibility Report, showcasing our commitment to environmental stewardship, meeting the social needs of our communities, and corporate governance. With a diverse portfolio of generating facilities, we consistently provide reliable energy to our valued customers, while continuing to broaden their access to zero fuel cost and carbon free energy resources.

As we advance our clean energy initiatives, we prioritize competitive rates, reliability, system resiliency, sustainability, and innovation. We partner, and invest in, organizations which proactively advance our industry's knowledge and collaborate on best practices.

Now, let's review the great environmental progress from 2022.

- First off, 40% of the energy we supplied to our retail customers in 2022 was from renewable sources.
- Second, we reduced our annual carbon dioxide emissions from fossil-fueled generation by 39% from 2005 levels evidence that we are well on our way to achieving our goal of 50% CO₂ reduction by 2030.
- We reduced our water usage by 50% from our 2005 levels demonstrating our progress towards our 75% reduction goal by 2030.

Looking forward, we have updated our Clean Energy Goals to reflect our company's progress and strategic plans to support the transition to a low-carbon economy. On slide 3, we highlighted examples of our sustainability efforts.

Over the years, we have made significant strides in reducing our carbon footprint by transitioning from older, less-efficient coal units to cost-effective and efficient generation resources such as wind, natural gas, battery storage and solar. These resources not only demonstrate our commitment to environmental sustainability but also serve as lower-cost options in our service territory, providing value for our customers well into the future.

Building upon our successful wind energy expansion, and strong project execution capabilities, we are focusing on expanding our solar energy portfolio.

With our substantial investments totaling 1.1 gigawatts in solar projects, we are set to become the largest owner-operator of solar energy in Wisconsin. In 2022, we successfully placed 250 megawatts of solar capacity into service, and we are on schedule to add an additional 840 megawatts by mid-2024.

Our investments are helping customers focused on their sustainability objectives in the communities we serve.

- With our customer-hosted renewables projects, we partner with businesses or communities to host an Alliant Energy solar farm on-site. Two examples are with Iowa State University and the University of Wisconsin – Madison.
- In partnership with Iowa State, we are also investing in agrivoltaics – the study of crop or livestock production underneath or adjacent to solar panels.
- Through our community solar program, we establish community-funded solar sites, bringing the cost synergies of utility scale solar and offering customers an alternative to roof top installations

Our Clean Energy Blueprint serves as our roadmap toward a cleaner energy future. This blueprint encompasses not only generation but emphasizes the importance of an efficient, reliable and resilient energy grid.

John mentioned our focus on resiliency by undergrounding our distribution system. Undergrounding distribution lines allows us to reduce the resources needed to trim trees, improves reliability, and reduces the cost and customer inconvenience associated with storm response.

Through innovative solutions and strategic investments, we continuously strive to deliver sustainable energy options without compromising customer satisfaction. An example of this is our investments in Sheboygan Falls and Neenah, improvements aimed to increase the efficiency, capacity, and reliability of these units through an advanced gas path upgrade.

In Iowa, I am pleased to report we reached a settlement with the Office of Consumer Advocate regarding our Iowa rate making principles docket. Settlement details may be found on slide 5. A hearing on the advance ratemaking principles for these projects was completed earlier this week. We have requested an expedited decision from the Iowa Utilities Board so that we may start construction on these cost-effective investments for our Iowa customers.

These investments will create jobs in Iowa, support reliability of electric service in our Iowa service territory and bring shared revenues to our local communities and lease

payments to rural landowners all of which align with our purpose to serve customers and build stronger communities.

I will now pass the mic to Robert who will share our financial results and provide additional detail on our regulatory progress.

ROBERT DURIAN:

Thanks Lisa. Good morning, everyone.

Yesterday, we announced second quarter 2023 GAAP earnings of 64 cents per share.

The primary drivers of the quarter over quarter EPS variances were higher earnings resulting from capital investments including solar expansion program and lower WPL electric fuel-related costs, net of recoveries, compared to the second quarter of 2022. These positive drivers were partially offset by lower estimated temperature impacts on retail electric and gas sales when compared to the second quarter of 2022 and higher interest expense due to additional financings to fund 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 second quarter earnings drivers and 2023 full year earnings guidance can be found on slide 6.

To assist you in modeling our quarterly earnings this year, I wanted to quantify and provide some additional context to timing of income tax expense. 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. As we continue to increase our renewable portfolio and generate higher levels of renewable tax benefits, these quarter-over-quarter variances have increased. We have provided our quarterly EPS estimates related to the tax benefit recognition timing for 2023 and 2022 on slide 7.

We have already executed a substantial portion of our 2023 financing plan to fund our investments in renewable projects, to mitigate rising interest rates and to support refinancing a 400-million-dollar debt maturity which occurred in June 2023. In addition to several successful debt issuances in the first quarter, we have raised approximately one third of the up to 250 million dollars of new common equity issuances we expect to execute in 2023 through our ATM program and shareowner direct plan. Our overall financing plans for 2023 have remained unchanged and our remaining debt financing

includes up to 300 million dollars of long-term debt at IPL in the second half of the year.

Earlier this year, we also closed on the sales of 125 megawatts of our West Riverside natural gas facility providing proceeds which help reduce our external financing requirements. The sales of these partial interests in West Riverside were anticipated in our plans and provided combined proceeds of approximately 120 million dollars.

The progress we have made in our generation transformation positions us well to take advantage of the enhanced tax benefits from recent Inflation Reduction Act legislation that will positively impact our cost profile. With our strong focus on cost competitive rates for customers, we are working to optimize the tax benefits available under the IRA and continue to make progress toward the planned transfers of our renewable tax credits as we have seen strong counterparty interest for these credits. As a reminder, the proceeds from these tax credit transfers will be used to help lower customer costs on our renewable and battery investments and enhance our cash flows thereby reducing some of our future financing needs and improving our credit metrics.

Shifting to regulatory. We have included our notable regulatory initiatives for 2023 on slide 9. Lisa covered our progress with some key regulatory proceedings related to our planned customer focused investments. In addition, we are also making progress with several other key regulatory proceedings in Iowa and Wisconsin.

Starting in Wisconsin - the rate review for test years 2024 and 2025 includes requests for recovery of several investments that support sustainability, reliability and resiliency while keeping customer value and competitive rates top of mind.

This proceeding is progressing as planned with the next steps in the rate review process involving continued discovery and audit by the PSCW staff and interveners to support their testimony scheduled to be filed by September 5, followed by a hearing on September 27 and a final decision expected from the PSCW later this year. We have provided the procedural schedule for WPL's rate review on slide 9.

Additionally in Wisconsin, WPL submitted its 2022 fuel reconciliation filing which requested future recovery of 117 million dollars of additional fuel costs incurred by WPL in 2022 to serve its customers. WPL currently anticipates a decision on the amount of recovery and the timeframe for such recovery from the PSCW by the end of this quarter.

While our utilities experienced higher fuel costs in 2022 driven by elevated commodity prices, during the first six months of 2023, we have experienced significant reductions in natural gas prices and strong performance of our generation facilities, which will help lower future fuel costs for our Wisconsin customers. And in Iowa, we have already

started passing these lower fuel cost benefits on to our customer through the monthly fuel cost tariff in 2023.

Continuing with our Iowa jurisdiction. In anticipation of completing construction of several key Iowa investments for Iowa customers before the end of 2024, we filed notice with the Iowa Utilities Board this week that we will be requesting an IPL electric and gas rate review later this year. Our last Iowa rate review included a forward test year in 2020, and since that time we have made significant progress in transitioning the Iowa grid, rebuilding from a devastating derecho storm and advancing IPL's transition to cleaner sources of generation all while managing inflation and interest rate increases not anticipated in the last proceeding. The installation of the emission-free solar, and the existing wind facilities in Iowa, reduces IPL's fuel costs and provides enhanced tax credit benefits enabled by the Inflation Reduction Act. The retirement of the Lansing coal plant earlier this year, is also a notable component of our generation transformation and will allow IPL's customers to avoid significant capital costs associated with continuing to operate the unit while reducing emissions and support the more distributed and changing resource mix.

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 second 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 Alliant Energy's, IPL's or WPL's 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 delivered 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, which could result from tariffs, duties or other assessments, such as any additional tariffs resulting from U.S. Department of Commerce investigations into and any decisions made 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;
- the future development of technologies to reliably store and manage electricity, as well as electrification of other economic sectors;
- 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 process, or procure capacity in the market whereby such costs might not be recovered in rates;
- issues associated with environmental remediation and environmental compliance, including compliance with all environmental and emissions permits and future changes in environmental laws and regulations, including changes to the Coal Combustion Residuals Rule, Cross-State Air Pollution Rule emissions allowances and federal, state or local regulations for greenhouse gases emissions reductions from new and existing fossil-fueled EGUs under the Clean Air Act, and litigation associated with environmental requirements;
- increased pressure from customers, investors and other stakeholders to more rapidly reduce greenhouse gases 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 and successful resolution of warranty issues or contract disputes 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;
- the direct or indirect effects resulting from the ongoing novel coronavirus (COVID-19) pandemic and the spread of variant strains;
- 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;
- the ability to successfully complete tax audits and changes in tax accounting methods with no material impact on earnings and cash flows; and
- other factors listed in the "2023 Earnings Guidance" section of this press release.

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.