



## **Powering What's Next**

UBS European Virtual Corporate Access Week  
March 23 – 25, 2021

# Safe harbor

This presentation contains statements that may be considered forward looking statements, such as management's expectations of financial objectives and projections, capital expenditures, earnings growth, plant retirements, rate base, and new generation plans. These statements speak of the Company's plans, goals, beliefs, or expectations, refer to estimates or use similar terms. Actual results could differ materially, because the realization of those results is subject to many uncertainties including regulatory approvals and results, unanticipated construction costs or delays, economic conditions in our service territories, and other factors, some of which are discussed in more detail in the Company's Form 10-K for the year ended December 31, 2020. All forward looking statements included in this presentation are based upon information presently available and the Company assumes no obligation to update any forward-looking statements.

In addition, this presentation contains non-GAAP financial measures. The reconciliations between the non-GAAP and GAAP measures are provided in this presentation.

# Investment considerations

**5-7%**  
EPS growth  
10 consecutive years

**~3%**  
Dividend yield  
with 5-7% CAGR

**~8-10%**  
Total Shareholder  
Return



Constructive regulatory environments



Clean energy focused investment plan



Virtually all earnings from regulated operations



Strong balance sheet. No new common equity planned in foreseeable future.

- EPS growth based on 2020 Non-GAAP temperature normalized EPS of \$2.42
- Total shareholder return proposition at a constant P/E ratio
- Dividends subject to approval by the Board of Directors

# Constructive regulatory environment

*Located in top tier regulatory jurisdictions*

**975,000**

Electric customers

**420,000**

Gas customers

**\$11.1 B**

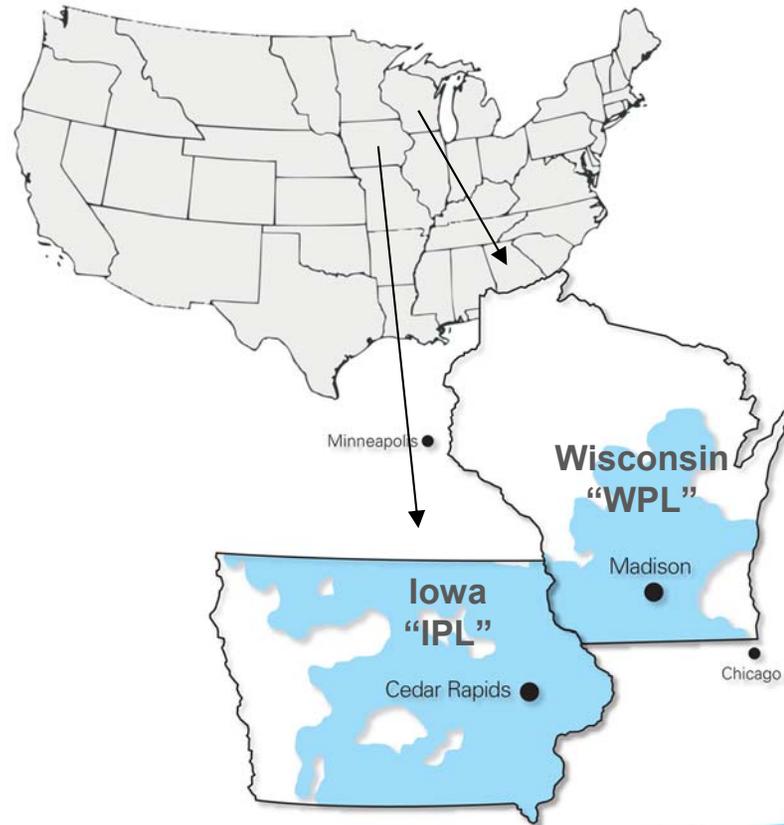
13-month average  
2020 rate base

**\$3.4 B**

2020 operating revenues

**3,400**

Employees



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Forward looking test years

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Strong history of reaching settlements with key stakeholders

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Construction advanced rate making (Iowa) and project pre-approvals (Wisconsin)

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~50% of 2020 utility operating expenses recovered through riders; IPL renewable energy rider enabled multi-year base rate freeze

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Above average ROEs (~10%)

# Continued Regulatory Successes

*History of constructive regulatory outcomes*

## Approvals for New Generation

### IPL

- Marshalltown Generating Station – 725 MW Natural Gas
- IPL Wind – 1,000 MW; Recovery through Renewable Energy Rider

### WPL

- West Riverside Energy Center – 730 MW Natural Gas
- WPL Wind – 150 MW

## Ratemaking Approvals

### IPL

- Historical Test Year 2016 – Reached Full Settlement
- Forward-Looking Test Year 2020 – Reached Partial Settlement

### WPL

- Rate Stabilization Test Year 2021 – Reached Full Settlement

# Purpose-focused strategy delivers results

*Our purpose: To serve customers and build stronger communities*

Provide affordable energy solutions



Make customer-focused investments



Grow customer demand



**IMPROVE**



**INCREASE**



**EXPAND**



**ENABLE**



**SUPPORT**

Customer experience

Operational efficiency and resiliency

Renewable energy

Customer growth and distributed energy

Electrification and economic development

# Powering What's Next: accelerating our clean energy vision

*On track to meet or exceed targets*

## By 2030:

Reduce our fossil fuel generation carbon dioxide (CO<sub>2</sub>) emissions by **50%** from 2005 levels

Reduce our fossil fuel generation water supply by **75%** from 2005 levels

## By 2040:

**Eliminate all coal** from our generation fleet

## By 2050:

Aspire to achieve **net-zero CO<sub>2</sub>** emissions from the electricity we generate



# Transitioning to Cleaner Energy

*~2 GW of operated coal capacity to replace*

## IPL Coal Plants

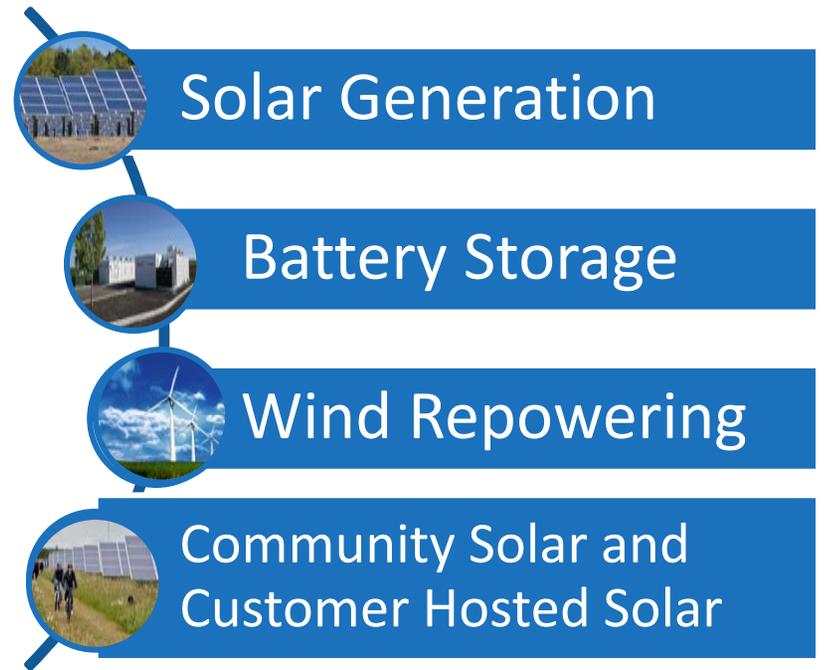
- Ottumwa – 350 MW
- Lansing – 275 MW
- Prairie Creek – 65 MW
- Burlington – 210 MW

## WPL Coal Plants

- Edgewater – 415 MW
- Columbia – 595 MW

*Capacity figures rounded*

- Burlington fuel switch to gas in 2021
- Lansing and Edgewater retiring in 2022
- Columbia retiring by end of 2024



# Leader in Utility Renewables

*20% of rate base is renewable generation – anticipate 24% by 2024*

**Rate Base**  
Percent Renewable Investments



# Wisconsin Clean Energy Blueprint

## *Growing clean energy investments*



- Adding over 1,000 megawatts (MW) of solar by the end of 2023.
  - In addition to the almost 500 MW of wind owned and operated for Wisconsin customers.
- To complement renewables, the West Riverside Energy Center, a 730 MW new highly efficient combined cycle gas generating station, went into service in 2020.
- Reducing coal and emissions by retiring the 415 MW Edgewater and 595 MW Columbia Generating Stations by the end of 2022 and 2024, respectively.
- Adding battery storage and creating a more resilient network for energy distribution

# Iowa Clean Energy Blueprint

## *Diversifying renewable energy investments*



- Adding approximately 400 megawatts (MW) of solar by 2023.
  - In addition to ~1,300 MW of wind owned and operated for Iowa customers.
- To complement renewables, the Marshalltown Generating Station, a 725 MW new highly efficient combined cycle gas generating station, went into service in 2017.
- Reducing coal and emissions by retiring the 275 MW Lansing Generating Station and transitioning our Burlington Generating Station to natural gas.
- Adding battery storage and creating a more resilient network for energy distribution
- Implementing our Smart Thermostat Demand Response program to benefit customers.

# Enhancing our Distribution Grid

*Investments to meet customer expectations*



## Undergrounding

- ~75% of overhead lines remain

## 25 kv Design standard

- ~95% of lines not 25 kv

## Smart devices expansion

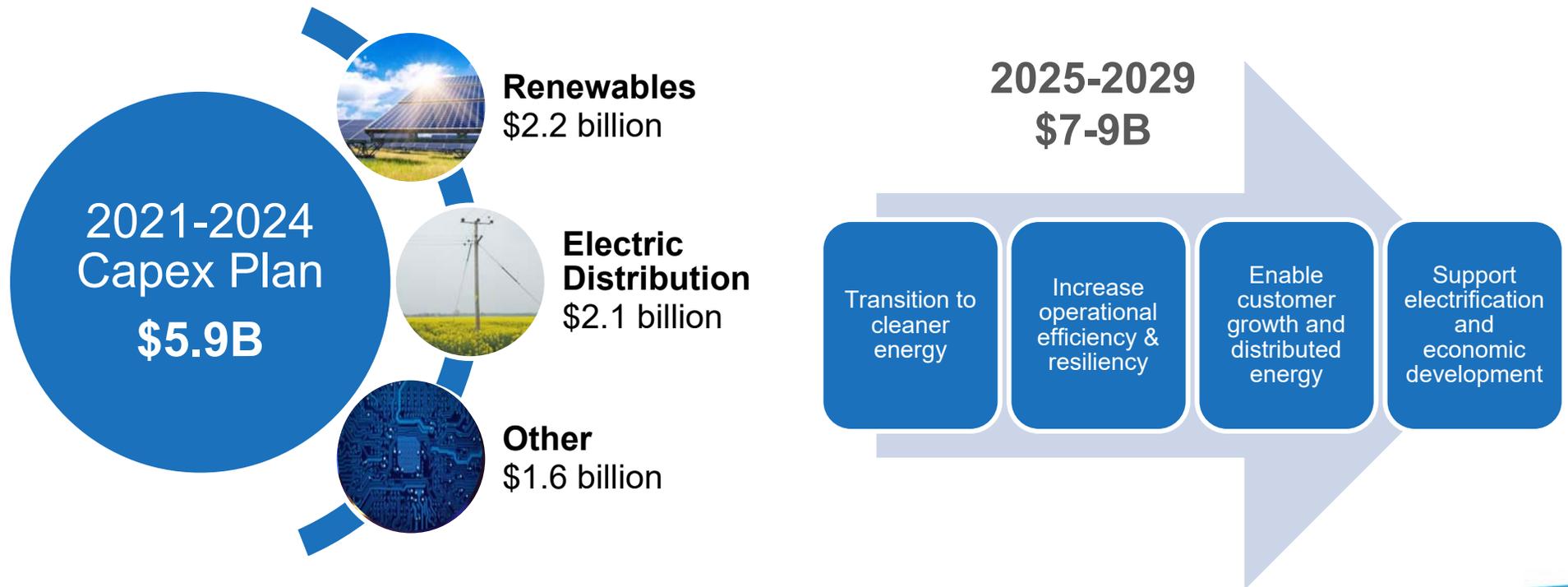
- Fault detection
- Self healing

## Communications

- Installing fiber network

# Strong Investment Growth Path

*Solid pipeline of investment opportunities over the decade*



# Cost Transformation Efforts

*Targeting to reduce O&M approximately 3-5% per year*



## Technology

Investments in technology to enhance productivity and efficiency through automation, customer self-service and telework



## Generation

Investing in renewables to enable the retirement of higher cost fossil fuel generation



## Electric Distribution

Investments to move electric grid underground and to common 25kv yield long-term O&M savings

Investments enable O&M reductions

Leading  
**ESG profile**

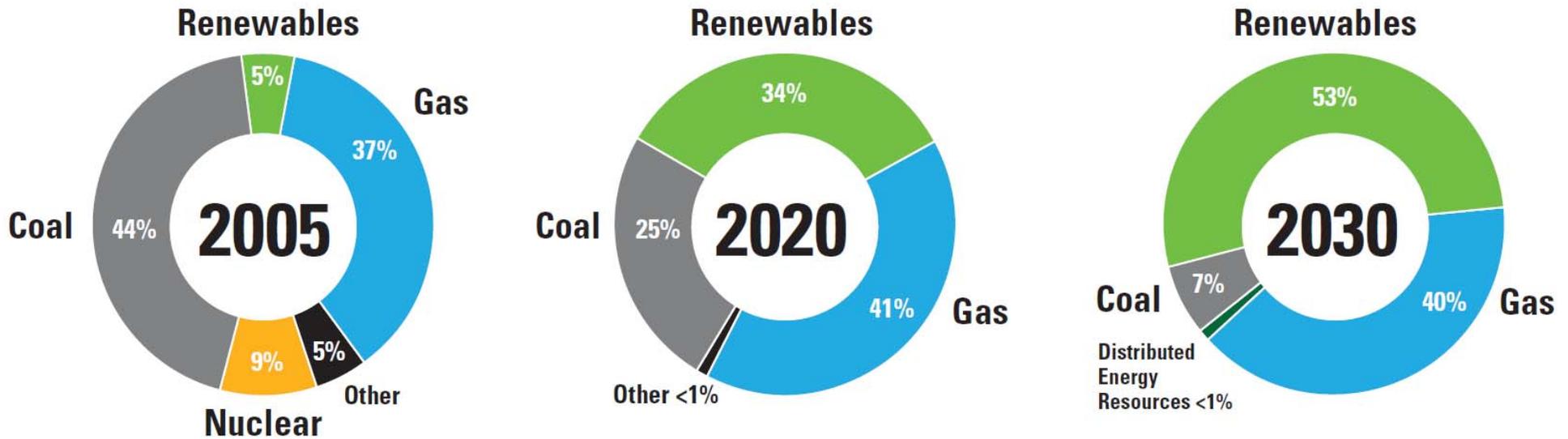
# ESG Ratings and Recognition

Rating Entity	LNT Score	Range
MSCI	AA (Leader)	AAA - CCC
Sustainalytics	28.8	0 – 100 (Lower score signals less unmanaged risk)
Climate Disclosure Project (CDP) - Climate	B	A - F



# ESG profile: Environmental

*Transitioning toward a cleaner energy mix*

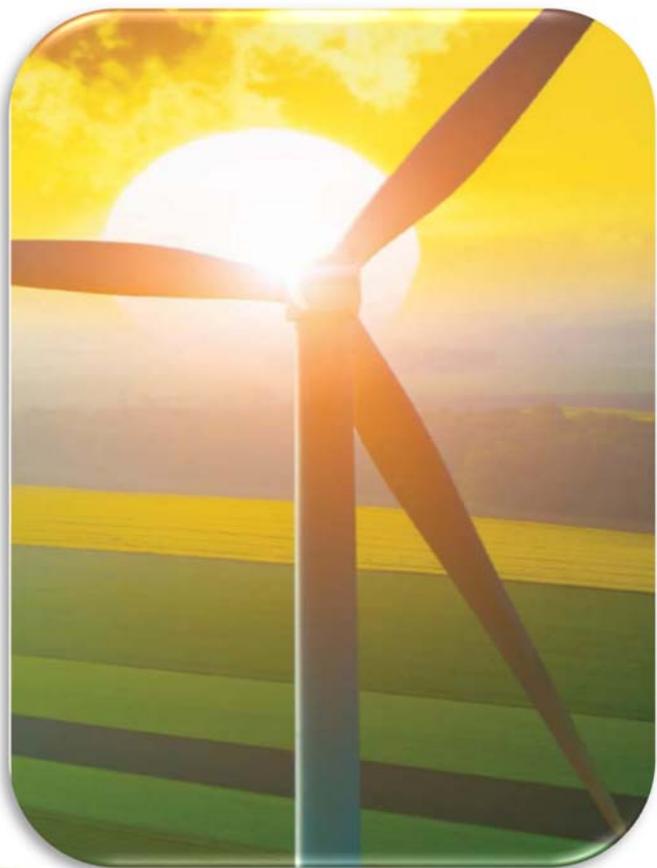


**Carbon Emissions Reduction: 42%** from 2005 levels in 2020

Based on approximate capacity in megawatts as of October 2020 including owned generation resources and utility purchase power agreements.

# ESG Profile: Social

*Renewables sustain economic and environmental health of communities*



- Clean energy attracts new businesses – and more new jobs
- New wind and solar sites provide annual income to local communities
- Land leases provide steady income to landowners
- Reduced impact on our natural resources

**Platinum Envision™** recognition on 5 infrastructure projects.

- Institute for Sustainable Infrastructure's focus is on five key categories: Quality of Life, Leadership, Resource Allocation, Natural World, and Climate and Risk.

# ESG Profile: Social - *Our values in action*



## Safety

- Board oversight of safety program
- “Good catches” and “near misses” program are leading indicators
- Severity rate much lower than EEI benchmark



## Cyber and Physical Security

- Board oversight of programs
- Annual employee awareness training, company-wide routine phishing training and testing
- Protocols drilled routinely



## Workforce

- Employees and their families have access to comprehensive health and wellness program
- Support workforce re-deployment through apprenticeship, job shadowing, career days
- In person and virtual training and tuition reimbursement; college internship program



## Diversity Equity and Inclusion

- We strive to create a workplace where people feel like they belong and can use their unique backgrounds, talents and perspectives
  - Perfect score on HRC’s Corporate Equality Index for 2017, 2018, 2019, and 2020
  - 6 active employee resource groups
- We are committed to continuing conversations, listening intently and improving
  - *Day of Understanding* and unconscious bias awareness training



## Economic Development

- 16 Alliant Energy Growth Sites to promote economic development in our communities
- Once a generating station is retired, we work to decommission, repurpose and recycle materials, and get the site ready for economic development



## Community Giving

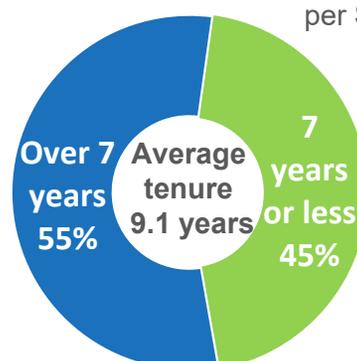
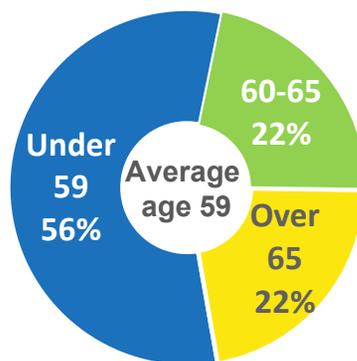
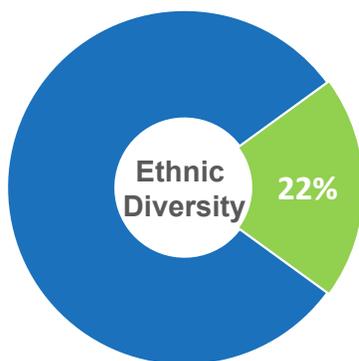
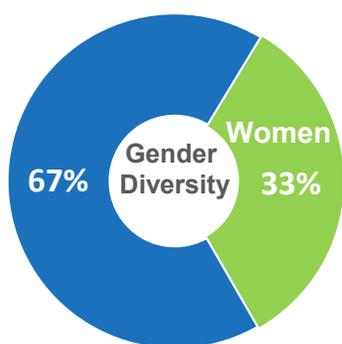
- Community giving of almost \$9 million in 2020 – COVID-19, Racial injustice, Derecho storm recovery
- Drive Out Hunger initiative has raised funds for nearly 15 million meals
- Over 64,000 annual employee volunteer hours in 2020

# ESG profile: Governance

*Strong governance begins with transparency*

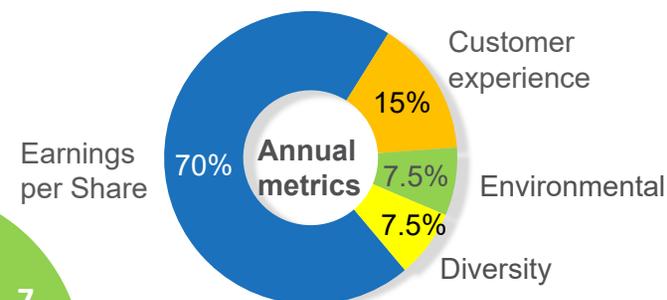
## Board of Directors

- Lead independent director with clearly defined and robust responsibilities
- Executive sessions of independent directors held at each board meeting
- Annual board and committee self-assessments
- Director resignation policy for directors in uncontested elections that do not receive majority “for” vote



## Executive Compensation

- Strong linkage of compensation to achievement of financial, customer focused and ESG-related goals
- Substantial portion of performance-based at-risk compensation



# Economic development

*Nationally recognized for economic development activities (Site Selection Magazine)*

In 2020...

**16**

Growth Sites

**31**

Completed projects

**\$0.9 B**

New capital investment

**2,200**

Jobs created



## Big Cedar Industrial Center

1,391 contiguous acres  
First certified Mega Site in IA



## Beaver Dam Commerce Park

520 contiguous acres  
One of the largest available business properties in WI



**Spiber**

First U.S. location  
Lab-grown proteins  
Clinton, IA



Sausage manufacturing  
facility  
Sheboygan WI

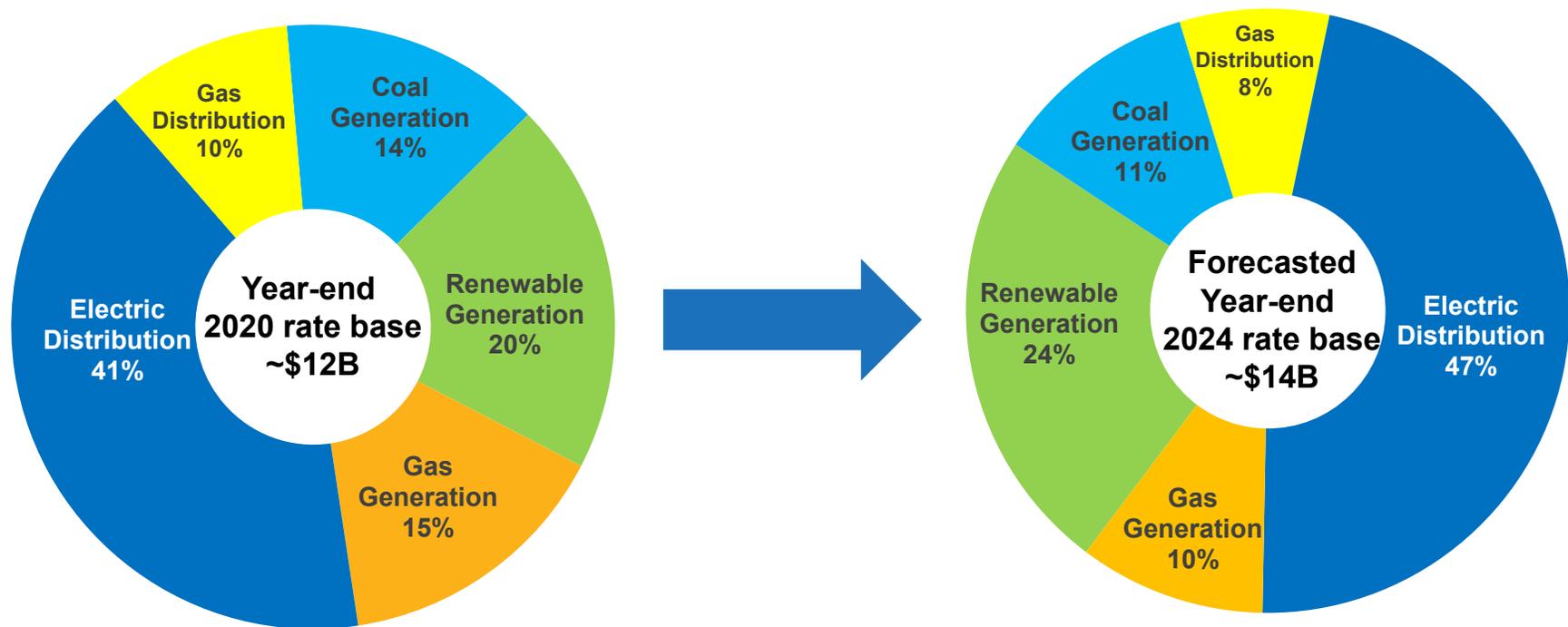


Warehouse and  
distribution center  
Beloit, WI

# Appendix

# Rate Base Transformation

*Current capital plan will increase share of rate base in renewables and electric distribution to 71% by 2024*



# Key regulatory initiatives

	Estimated Dates
<b>Interstate Power and Light</b>	
<b>Iowa Utilities Board</b>	
File advance rate making principles for approximately 400 MWs of solar generation	1H 2021
<b>Wisconsin Power and Light</b>	
<b>Public Service Commission of Wisconsin</b>	
File retail electric and gas rate review (6680-UR-123)	Q2 2021
Decision regarding certificate of authority (CA) request for 675 MWs of solar generation (6680-CE-182)	Q2 2021
File CA request for additional solar generation	1H 2021

# Reconciliation between GAAP and non-GAAP EPS

	2015	2016	2017	2018	2019	2020
GAAP EPS from continuing operations	\$1.69	\$1.65	\$1.99	\$2.19	\$2.33	\$2.47
• Temperature impacts	0.04		0.06	(0.06)	(0.05)	(0.01)
Non-GAAP Adjustments:						
• Losses from sales of Minnesota distribution assets	0.04					
• Voluntary employee separation charges	0.02					
• Valuation charge related to the Franklin County Wind Farm		0.23				
• Tax reform			(0.08)	(0.02)		
• Net write-down of regulatory assets due to IPL electric rate review settlement			0.02			
• American Transmission Company Holdings return on equity reserve adjustment					(0.02)	
• Credit loss adjustments on guarantee for affiliate of Whiting Petroleum						(0.02)
• Tax valuation allowance adjustment						(0.02)
Non-GAAP temperature normalized EPS from continuing operations	\$1.79	\$1.88	\$1.99	\$2.11	\$2.26	\$2.42