



ENERGY EFFICIENCY AND ELECTRIC VEHICLES

We offer energy solutions to meet our customers' needs and preferences to help them achieve their individual energy goals.

We began offering our customers energy-saving solutions decades ago, and today, we provide some of the longest running and most successful efficiency programs in the country. We constantly evaluate emerging technologies and program models, looking for opportunities to expand our portfolio of energy solutions and anticipate evolving customer needs and interests.

Customers rely on the energy we provide for their comfort, security and convenience, but increasingly they want more control and new options for managing and using energy. We are paying attention to the market, listening to our customers and responding with new and improved solutions.

Beyond traditional energy efficiency, some of our customers and stakeholders are increasingly interested in technologies that support the electrification of energy end uses, such as electric vehicles (EVs), space heating and water heating. Of these developing technologies, EVs are ready for wide-scale adoption, having proven that they can save customers money and reduce emissions, while also enhancing the operation of our power grid. EVs that charge overnight during off-peak hours cost less than the equivalent of \$1 per gallon of gas and their carbon emissions are already two-thirds lower than gasoline-powered vehicles — and will continue to decline as the electricity we provide becomes cleaner.

While we currently offer rebates for customers to upgrade to the most efficient electric space and water heating appliances, such as air source heat pumps, further policy and technology development is needed to affordably integrate electrification options for space and water heating. We are closely monitoring these technologies as they may also offer opportunities for load management that will support the efficient use of the power grid.



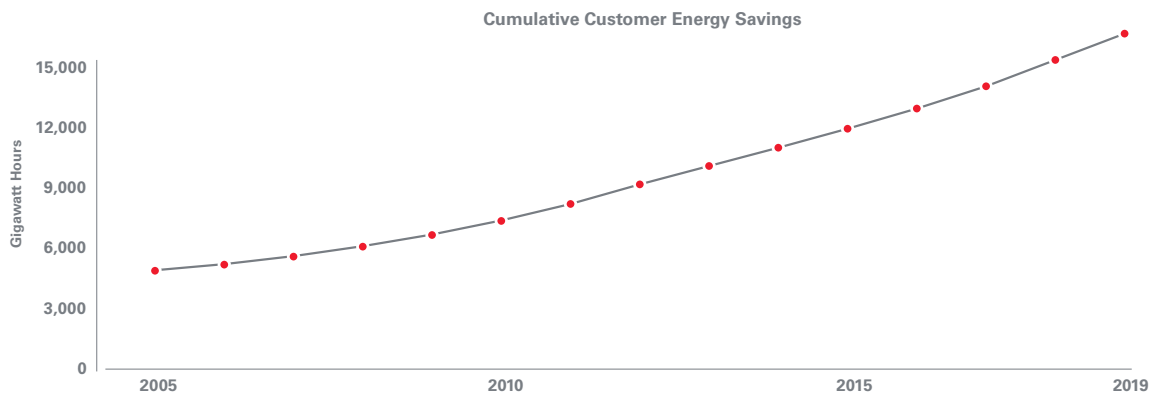
HIGHLIGHTS

- Five of Xcel Energy's energy efficiency programs are recognized as being among the country's best, according to the American Council for an Energy-Efficient Economy (ACEEE). The following programs received the organization's Exemplary Program Award in early 2019: Low-Income Program and Energy Design Assistance in Colorado, Home Energy Squad and One-Stop Efficiency Shop in Minnesota, and Partners in Energy in both Colorado and Minnesota.
- In 2019, we supported successful legislation that enables utility electric vehicle (EV) services in Colorado and New Mexico and gained regulatory approval for our Minnesota Transportation Electrification Plan and the largest EV program in the Midwest.
- To support commercial and residential EV growth, we proposed two new programs in 2019 that will help manage customer EV charging on our system in Colorado. The Electric Vehicle Critical Peak Pricing program reduces charging costs for commercial and industrial fleets while also helping our company decrease demand on the power grid during critical peak hours. The Charging Perks pilot aims to shift residential charging away from peak demand hours by incentivizing customers to allow us to charge the vehicle when it is most beneficial for the power grid.
- To manage peak system energy loads, Xcel Energy's Saver's Switch program launched in the Upper Midwest at least 30 years ago and today has nearly 500,000 switches deployed in Minnesota, Wisconsin and the Dakotas. Technology has evolved, and we plan to start deploying two-way communicating switches that will bring stronger system reliability and increased load reductions, when needed. We also continue to expand a companion program, AC Rewards, launched in 2017. It enables us to manage peak energy loads using smart thermostats to modify temperature set points during a peak control event. Together, the two programs can deliver more than 475 megawatts of load reduction in the Upper Midwest, when called upon.
- Our customers received \$137 million in rebates for completing 3.4 million projects that conserved electricity and one million projects that conserved natural gas in 2019.



- Altogether, customers saved nearly 1,300 gigawatt hours of electricity for the year, equivalent to powering 161,000 average homes, and more than 1.3 million dekatherms of natural gas, enough to fuel 15,000 average homes. The annual energy savings through efficiency measures was enough to avoid nearly 700,000 tons of carbon emissions, equivalent to the annual carbon emissions from more than 135,000 cars.
- We have decoupling mechanisms that cover about 45% of our company's electricity sales, helping to support our financial viability as we encourage customers to use less energy. In addition, some states provide incentives for achieving energy efficiency goals. Thanks to a strong energy savings performance across our service territories, Xcel Energy will earn more than \$43.5 million in incentives for the 2019 program year.
- Just as we encourage customers to use energy more efficiently in their homes and businesses, we look for ways to save energy and water in more than 150 office buildings and service centers that we own or lease. From 2008 through the end of 2019, we saved more than 8.5 million kilowatt hours of electricity, 173,600 therms of natural gas and 4.7 million gallons of water at our locations. Plus, 15 of our facilities are LEED (Leadership in Energy and Environmental Design) certified — a U.S. Green Building Council certification program that recognizes sustainable building strategies and practices. In 2019, we installed and started testing EV charging stations at three company locations for employee use in Colorado and Minnesota.

Since we began consistently tracking results in 1992, we estimate that through our efficiency programs we have saved enough energy to avoid building 19 average-size power plants.



ELECTRIC VEHICLES

The future of transportation is dramatically changing, and as more electric vehicle (EV) options become available, a growing number of customers want to save money and reduce their carbon footprints through the cars they drive. We are uniquely positioned to support our customers and communities and to work with EV stakeholders to make this change and ensure it truly benefits customers, the environment and the power grid we all rely upon.

Through our EV strategy, we are focused on:

- Raising awareness and increasing access to information on the benefits of EVs
- Helping reduce the up-front costs of infrastructure needed to charge EVs
- Establishing time-varying rates and smart charging technologies to ensure that EVs can charge as much as possible on low-cost, low-carbon energy

While EVs create a significant opportunity for drivers and fleet operators to save on fuel and other costs like maintenance, barriers exist to wider-scale adoption. We can help overcome barriers such as customer awareness, high up-front costs and the availability of charging infrastructure by developing new services, piloting them and then rolling out our most successful ideas to customers on a broader scale.

We continue to develop a portfolio of innovative pilots and programs that will benefit drivers, customers and the environment. The initiatives focus in three main areas: home charging, public charging and fleet operations.

Home Charging

To support EV education and awareness, we built the first of its kind interactive EV garage to offer customers hands-on experiences with EVs and home charging equipment at events. We continue to enhance our digital tools to help customers understand their options when it comes to vehicle choices, charging solutions and rates, and have expanded these tools in Minnesota, Colorado and Wisconsin.

Minnesota pilot programs offer residential customers a turnkey approach to charger installations with reduced up-front costs for equipment and off-peak pricing benefits. One pilot is testing a new subscription payment model that includes a consistent monthly bill for EV charging and equipment and a new enrollment channel with select auto dealer allies. An upcoming pilot in Colorado will allow us to collaborate with auto manufacturers to manage EV charging at a time that is most beneficial to the power grid and our customers.

Public Charging

Our public charging service pilot will seek to leverage public and private funds to increase the availability of fast-charging stations on highways and other major corridors. We are also working with the cities of Saint Paul and Minneapolis on a pilot to support a charging network for everyone, including those who may not own vehicles. Through a partnership with HOURCAR — a local, independent, nonprofit car-sharing service — Xcel Energy will support a new, all-electric, one-way car-sharing service and other innovative mobility services in the Twin Cities. This project is intended to increase access to the benefits of electric transportation, including those in low-income, underserved communities. We are supporting widespread electric vehicle charging station development for public entities by providing the EV supply infrastructure for the state of Colorado and other non-residential customers in Colorado.

Fleet Operations

Through our fleet service pilot, we are making it easier and more affordable for large fleet operators like Metro Transit, the Minnesota Department of Administration and the city of Minneapolis to integrate EVs into their fleets. Our advisory services use real-world data from customers' current fleet operations to help them build a full electrification plan, including EV procurement and infrastructure charging needs and advice on rate plans, pilots and programs, and operation costs. We provided the electric infrastructure needed to charge the first eight of Metro Transit's electric buses and are looking to provide charging infrastructure for the state of Minnesota and city of Minneapolis EV fleets and other customers. We are also providing the EV supply infrastructure for fleet customers like the Regional Transportation District in the Denver-metro area and the city of Denver. This infrastructure program aims to benefit communities by stimulating innovation, improving air quality and providing educational opportunities.

STATE-BY-STATE EFFICIENCY PROGRAMS AND PERFORMANCE

Xcel Energy's portfolio of more than 175 electric and natural gas conservation programs continues to experience strong customer engagement and growth. We continued to help our customers achieve significant energy savings in 2019, meeting and exceeding savings goals in several key states. The following is a summary by state of overall performance and program offerings.

Minnesota

2019 Approved Savings Goals of 447,894,696 kWh and 759,563 Dth	
Electric Projects	1,620,306
Natural Gas Projects	563,964
Total Spending	\$106,790,206
Electric Savings	529,930,609 kWh
Natural Gas Savings	584,761 Dth

In Minnesota, we offer residential programs that range from prescriptive rebates to in-home services providing energy-efficient materials and labor for installation. Consumer education is included with most of the residential programs to increase conservation awareness and encourage energy-wise choices and behavior in the home. We also offer services and products to help income-qualified customers reduce their energy use and ultimately lower their bills.

The business segment includes electricity and natural gas commercial, industrial and small business customers. We offer a variety of programs that encourage business customers to save energy, lower their energy bills, reduce peak demand and minimize environmental impacts. The portfolio has three primary components, including prescriptive products focused on common equipment, custom products to encourage savings from unique situations, and study and educational products that help customers identify energy efficiency opportunities.

North Dakota

Electric Projects	287
Natural Gas Projects	1,197
Total Spending	\$278,794
Electric Savings	2,934 kWh
Natural Gas Savings	16,936 Dth

We provide savings opportunities for North Dakota business customers through load management programs, as well as residential natural gas rebate programs and home energy audits.

South Dakota

2019 Approved Savings Goal of 5,498,984 kWh	
Electric Projects	5,161
Total Spending	\$815,393
Electric Savings	8,199,957 kWh

Our energy efficiency portfolio for South Dakota customers is a mix of electric programs designed to encourage both residential and business customers to save energy and lower their energy bills in a variety of ways. We offer programs for lighting, load management and educational outreach for business and residential customers and continue to work with trade partners to promote our programs.

Wisconsin:

Electric Projects	8,483
Natural Gas Projects	2,666
Total Spending	\$12,303,019
Electric Savings	70,871,769 kWh
Natural Gas Savings	64,354 Dth

In Wisconsin, Xcel Energy participates in a statewide program called Focus on Energy that provides incentives to eligible residents and businesses for installing cost-effective energy efficiency and renewable energy projects. We retain a portion of the approved annual funding for our voluntary customer programs and to promote the Focus on Energy programs. We also use the funds for general conservation activities, advertising and energy efficiency education for residential customers, commercial customers and trade allies in our service territory.

Michigan:

Electric Projects	3,878
Natural Gas Projects	312
Total Spending	\$304,399
Electric Savings	1,666,739 kWh
Natural Gas Savings	5,930 Dth

We participate in a statewide program in Michigan called Efficiency United that educates residential and commercial customers about energy efficiency and offers cost-effective solutions and rebates for reducing energy use.

Colorado:

2019 Goals/Targets of 504,156,414 kWh and 637,448 Dth	
Electric Projects	1,188,262
Natural Gas Projects	479,119
Total Spending	\$109,159,628
Electric Savings	609,816,993 kWh
Natural Gas Savings	649,298 Dth

Our Colorado residential energy efficiency programs focus on cost-effective, direct impact products that target household appliances, HVAC and lighting. This effort is supplemented with educational services intended to further increase customer understanding and interest in conservation and energy efficiency. We also offer income-qualified customers products to analyze natural gas and electric consumption, and provide products, services and education designed to help lower energy bills.

Our business program — for commercial and industrial customers of all sizes — offers a broad portfolio of demand side management products designed to meet the needs of this varied segment. The portfolio has three primary components, including prescriptive products focused on common equipment, custom products to encourage savings from unique situations, and study and educational products that help customers identify energy efficiency opportunities.

New Mexico:

Electric Projects	392,834
Total Spending	\$9,876,113
Electric Savings	39,410,403 kWh

We offer a broad portfolio of programs to meet the needs of business, residential and low-income customers in our eastern New Mexico service territory.

Texas:

Electric Projects	224,517
Total Spending	\$3,850,714
Electric Savings	23,327,577

We offer our Texas customers energy efficiency programs through Standard Offer Programs and third-party Market Transformation programs. These programs are provided to residential, low-income, commercial and industrial customers.