

THE RIGHT MIX

2015 CORPORATE RESPONSIBILITY OVERVIEW



ACHIEVING THE RIGHT MIX: Company Highlights



Through **160 programs designed to save energy and money**, in 2015 we helped customers save enough electricity to power more than 137,000 homes and enough natural gas to fuel more than 20,000 homes.

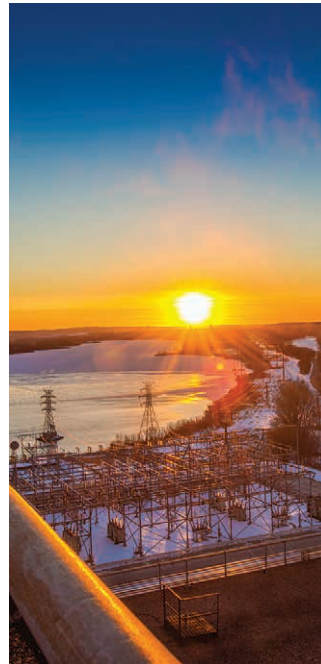
About **129,000 customers participate in our renewable energy programs**, including Windsource®, Solar*Rewards® and Solar*Rewards® Community®. We expect participation to grow as we add more options, such as Solar*Connect CommunitySM, now available in Wisconsin.



More than **3,500 volunteers** pitched in and spent 10,300 hours painting, sorting, planting and otherwise supporting 80 local nonprofits during Xcel Energy's fifth annual Day of Service, making it our largest event yet.



The Xcel Energy Foundation awarded **\$3.8 million in grants to nearly 430 nonprofits** benefiting our four community focus areas: STEM education (science, technology, engineering and math), economic sustainability, environmental stewardship and access to arts and culture.



We added four new wind farms and **increased our wind power capacity 15 percent in 2015**, helping secure our spot as the nation's No. 1 utility wind energy provider for the 12th consecutive year.

Our crews were honored with the **Edison Electric Institute's Emergency Recovery Award** for quickly and safely restoring power to 250,000 customers following a devastating storm that ripped through the Twin Cities in the summer of 2015.



The EPA recognized Xcel Energy with a Climate Leadership Award for **reducing carbon emissions 22 percent from 2005 to 2014**—six years ahead of schedule. At the same time, our successful Clean Energy Partnership with the city of Minneapolis and CenterPoint Energy was honored with a special certificate for Innovative Partnership.

In 2015, we ceased coal operations at our Black Dog plant in Minnesota and Cherokee Unit 3 in Colorado, part of our **plans to sunset about 25 percent of the coal-fueled capacity** we own by 2018.



Xcel Energy is honored to be included in **Fortune magazine's list of the World's Most Admired Companies**. We rank in the top five for natural gas and electric utilities, with high marks for social responsibility, people management, innovation, assets and financial soundness. We are equally pleased to be one of **Forbes magazine's 100 Most Trustworthy Companies in America** for our consistent demonstration of transparent accounting practices and solid corporate governance.

We scored **90 percent on the Human Rights Campaign Foundation's Corporate Equality Index** for our policies and practices pertaining to lesbian, gay, bisexual and transgender employees, a positive reflection on our commitment to diversity and inclusiveness in the workplace.



FIND MORE ONLINE
xcelenergy.com/CorporateResponsibility

About Us

Xcel Energy provides the energy that powers millions of homes and businesses across eight Western and Midwestern states, including Colorado, Michigan, Minnesota, New Mexico, North Dakota, South Dakota, Texas and Wisconsin. Our workforce of more than 12,000 is rising to the challenge of a changing industry—one that requires us to be even more customer focused, forward thinking and productive.

Together, we remain committed to meeting our customers' fundamental need for safe, reliable, affordable energy, but those needs are evolving. We recognize that our customers and the communities we serve want more control over how their energy is produced and how they use it. In anticipation of this expectation, Xcel Energy continues to offer innovative solutions that give customers more options, help them manage their energy use and support their values.

We are a recognized industry leader in delivering renewable energy and reducing carbon and other emissions, efforts that have put us on a path to a more sustainable energy future. Our business requires that we achieve the right mix in all we do—cultivating the right talent, offering customers the right options, collaborating with communities, investing for the future and protecting the environment.

Our Values

Our values reflect our core beliefs—who we are, how we conduct our business and the importance of our customers. We commit to:

- Ensure safety for ourselves, our coworkers and the public
- Work productively and create a challenging and rewarding workplace
- Treat all people with respect
- Conduct all our business in an honest and ethical manner
- Work together to serve our customers
- Be accountable to each other for doing our best
- Promote a culture of diversity and inclusion
- Protect the environment
- Achieve operational excellence

Hiring the Best: Our Commitment to Veterans

With 9 percent of our workforce currently comprised of military veterans, we know that veterans bring outstanding technical expertise and leadership skills to the workplace. Because of this, our goal is for 12 percent of newly hired employees in 2016 to come from a military background.

Xcel Energy has earned multiple honors for our efforts to recognize veterans and make them part of our team.

- Responsible CEO of the Year by *Corporate Responsibility Magazine* awarded to Ben Fowke, Xcel Energy chairman, president and CEO, for his advocacy in hiring veterans
- Selected by *Military Times* as one of the nation's Best for Vets: Employers 2016
- Among the Top 100 Military Friendly Employers by *G.I. Jobs Magazine*
- Ranked No. 8 on Monster and Military.com's list of best companies for veteran hiring

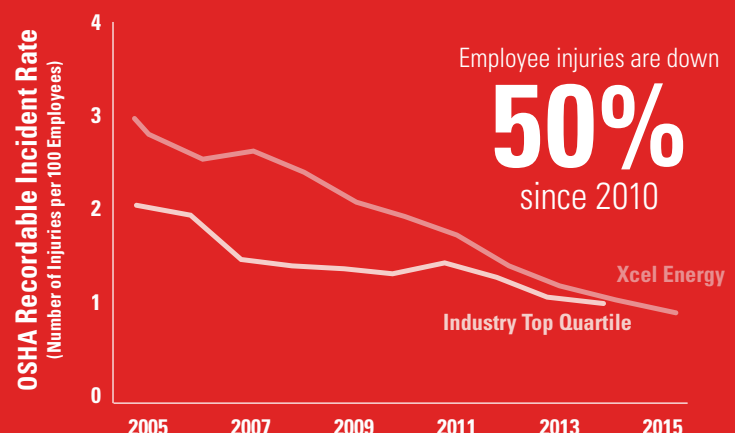


Ross White, a third-year lineman apprentice in Amarillo, Texas, joined Xcel Energy after serving six years with the U.S. Marine Corps.

Safety is Our Top Priority

We are committed to sending all employees home injury-free every day. In 2015, we entered the sixth year of our ambitious Journey to Zero workplace safety campaign, with the bold goal of achieving zero injuries. By putting safety at the forefront of everything we do, we are achieving significant results.

Our Journey to Zero



OFFERING CUSTOMERS MORE ENERGY SOLUTIONS

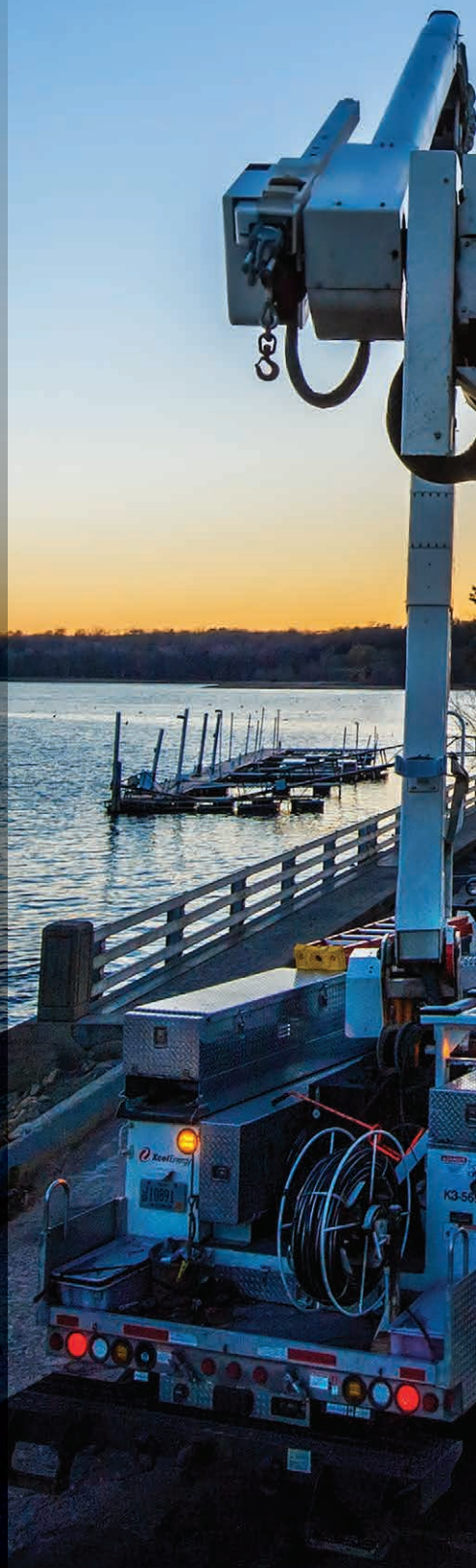
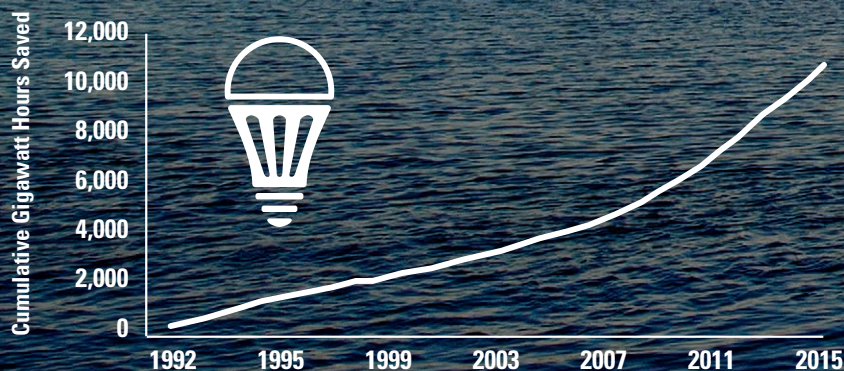
Our programs help customers power their homes and businesses in ways that work for them

Xcel Energy provides a variety of solutions to meet the individual needs and preferences of customers. We have developed a broad portfolio of energy efficiency offerings so all customers have an opportunity to participate.

And just as customers want more control over their energy use, they also want more choices in how their energy is produced. It is our goal to provide options that help them meet their priorities around clean energy and the environment. With Xcel Energy, not only can customers save money by improving efficiency, they can choose their own personal energy mix through options that best fit their individual needs and circumstances.

From rebate programs to energy audits, to recycling services and solar energy options, our award-winning programs provide customizable solutions that our customers value.

Customers are saving energy through our extensive portfolio of efficiency programs





LED street lighting: Helping communities save energy and money

Mary Jo Woolf (left), director, Distribution Customer Operations; Brian Elwood (right), manager, Community Relations; and Tom Zeul, director of Public Works and Parks for the city of Hudson, Wis., all played important roles in the Hudson LED street lighting project.

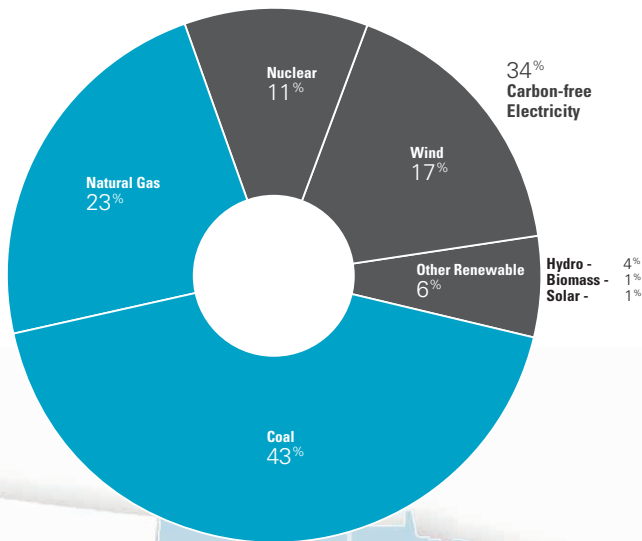
Our local communities are interested in saving money and reducing their environmental footprints. In 2015, we launched a five-year project to upgrade nearly 300,000 streetlights across the communities we serve. The new, energy-efficient LED fixtures will use 40 to 60 percent less energy than conventional lighting. Our communities will not only see a decrease in their electricity bills, they will see fewer replacements, less required maintenance and higher quality lighting. Approximately 50 communities in Wisconsin were upgraded in the fall of 2015, and we have plans to roll the program out to communities throughout our eight states, subject to regulatory approval.

XCEL ENERGY

At a Glance 2015

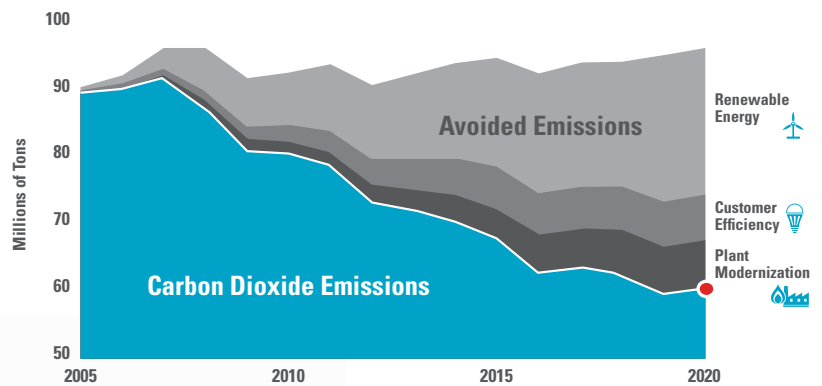
Customers		Jobs		Giving		Economic Impact	
Electricity	3,522,982	Employees	12,338	Community	\$12.8 million	Revenues	\$11.02 billion
Natural Gas	1,977,608			Energy Assistance	\$45.7 million	Goods and Services	\$3.8 billion
				Volunteer Time	\$924,000	Local Taxes	\$803.8 million
						Franchise Fees	\$167.9 million
						Economic Development	\$1.5 million

Xcel Energy
2015 Electricity Supply by Energy Source



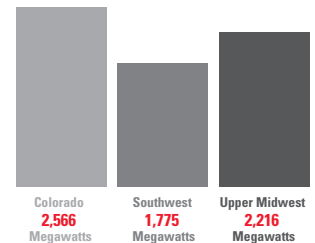
Clean Energy Strategy

Projected **30 percent reduction** in carbon dioxide emissions company wide by 2020

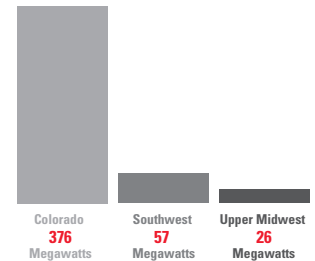


2015 Clean Energy Progress

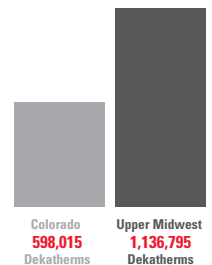
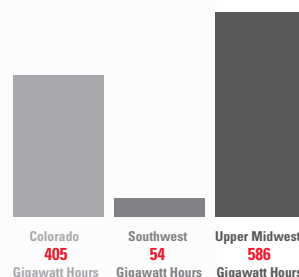
6,557 megawatts of wind capacity, enough to power about 3 million homes



459 megawatts of solar capacity, enough to power about 105,000 homes



1,045 gigawatt hours of customer electricity savings, enough to power about 137,000 homes, and 1.7 million dekatherms of customer natural gas savings, enough to fuel about 20,000 homes



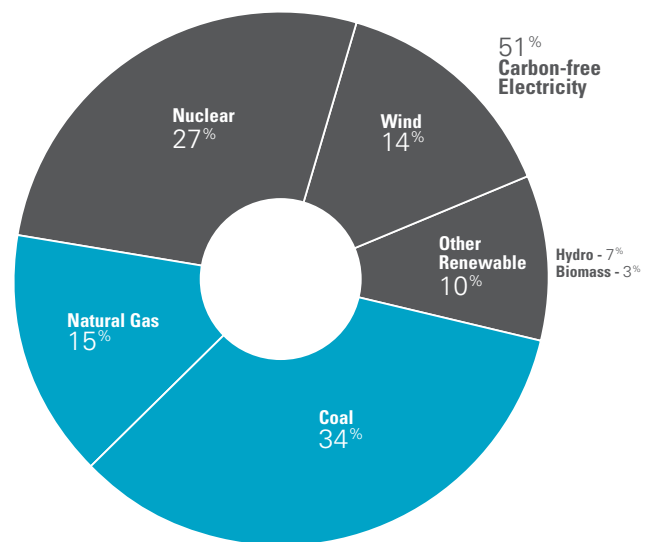
UPPER MIDWEST

Michigan, Minnesota, North Dakota, South Dakota, Wisconsin

Customers	Michigan	Minnesota	North Dakota	South Dakota	Wisconsin
Electricity	8,973	1,263,902	93,323	90,486	246,711
Natural Gas	5,725	450,055	53,929	—	106,518
Jobs	Michigan	Minnesota	North Dakota	South Dakota	Wisconsin
Employees	17	5,557	110	100	1,012
Giving	Michigan	Minnesota	North Dakota	South Dakota	Wisconsin
Community	\$16,268	\$5.05 million	\$297,536	\$206,601	\$858,638
Energy Assistance	\$500,503	\$15.7 million	—	—	\$10 million
Volunteer Time	\$5,436	\$373,379	\$11,764	\$3,457	\$98,291
Economic Impact	Michigan	Minnesota	North Dakota	South Dakota	Wisconsin
Goods and Services	\$139.3 million	\$692.1 million	\$229.7 million	\$4.69 million	\$232.5 million
Local Taxes	\$2.3 million	\$352.0 million	\$2.9 million	\$14.2 million	\$24.1 million
Franchise Fees	—	\$63.5 million	\$4.3 million	—	—
Economic Development	—	\$545,061	\$77,694	\$90,570	\$110,175

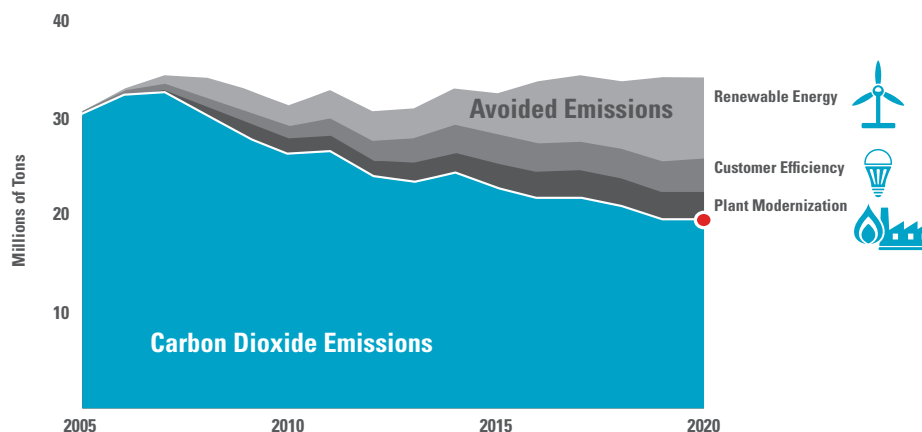
Upper Midwest Energy Grid (Company-owned Assets)		
Electric Generation	Plants	Megawatts
Coal	2	2,390
Natural Gas	9	2,421
Nuclear	2	1,647
Hydro	20	141
Wind	376 turbines	652
Refuse-derived Fuel/Other	4	416
Electric Lines		Conductor Miles
Transmission		37,871
Distribution		104,493
Natural Gas Pipelines		Miles
Transmission		136
Distribution		12,426

Upper Midwest
2015 Electricity Supply by Energy Source



Clean Energy Strategy

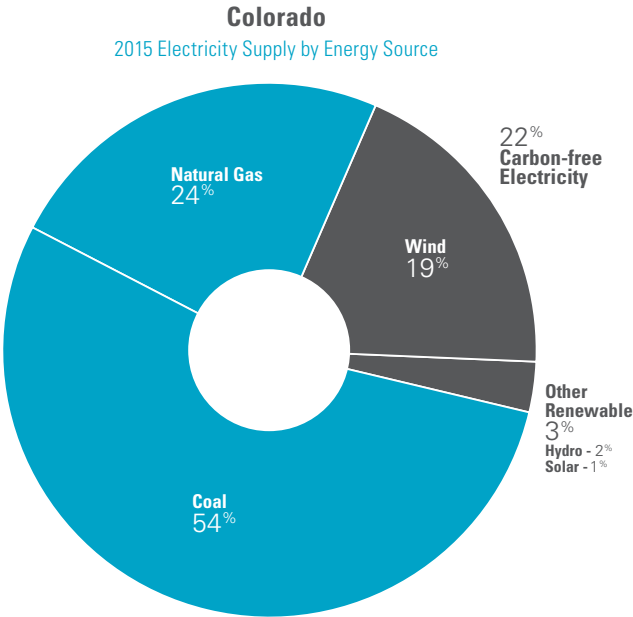
Projected **35 percent reduction** in carbon dioxide emissions in the Upper Midwest by 2020



COLORADO

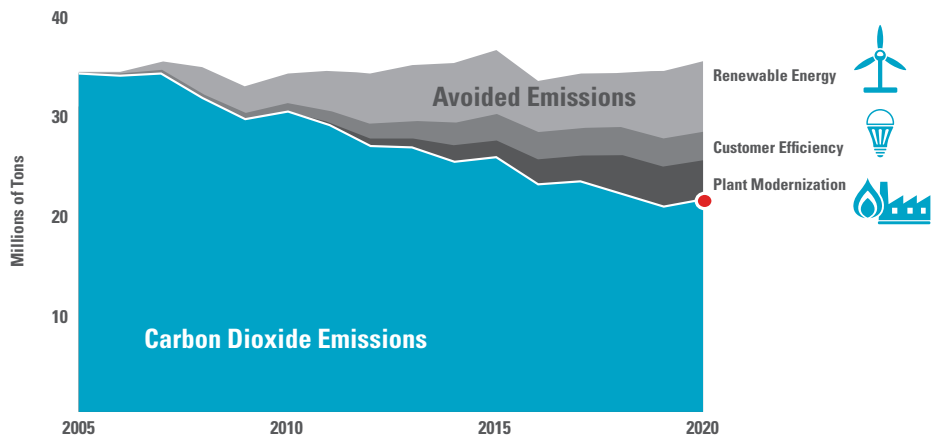
Customers		Jobs		Giving		Economic Impact	
Electricity	1,431,055	Employees	3,752	Community	\$4.0 million	Goods and Services	\$693.7 million
Natural Gas	1,361,381			Energy Assistance	\$18.8 million	Local Taxes	\$316.1 million
				Volunteer Time	\$336,499	Franchise Fees	\$80.3 million
						Economic Development	\$579,000

Colorado Energy Grid (Company-owned Assets)		
Electric Generation	Plants	Megawatts
Coal	5	2,519
Natural Gas	7	2,562
Hydro	6	236
Electric Lines	Conductor Miles	
Transmission	21,623	
Distribution	73,732	
Natural Gas Pipelines	Miles	
Transmission	2,278	
Distribution	22,045	



Clean Energy Strategy

Projected **35 percent reduction** in carbon dioxide emissions in Colorado by 2020

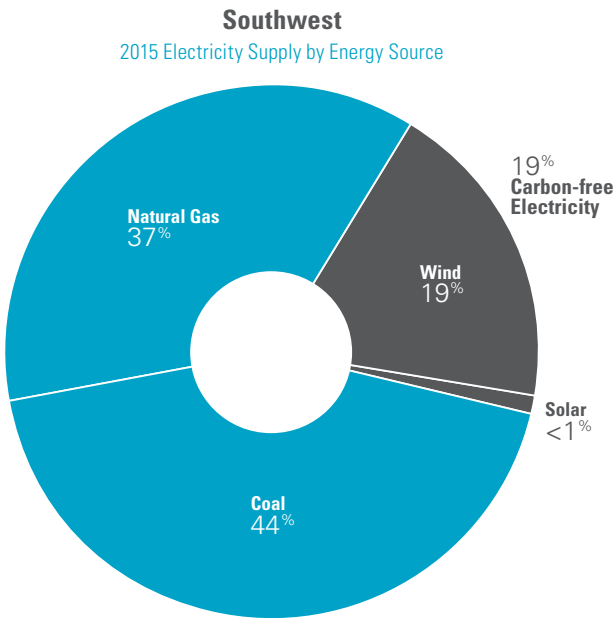


SOUTHWEST

New Mexico, Texas

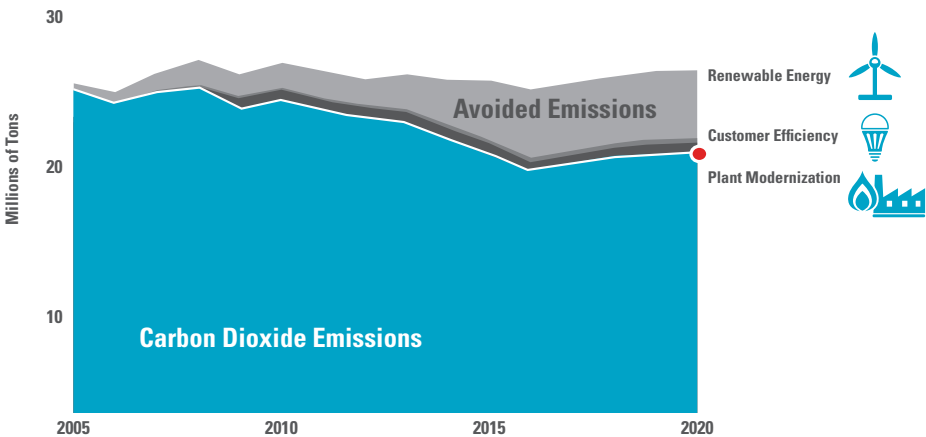
Customers	New Mexico	Texas	Jobs	New Mexico	Texas
Electricity	119,863	268,661	Employees	233	1,557
Giving	New Mexico	Texas	Economic Impact	New Mexico	Texas
Community	\$319,865	\$1.5 million	Goods and Services	\$33.8 million	\$382.3 million
Energy Assistance	\$715,514	—	Local Taxes	\$32.4 million	\$58.5 million
Volunteer Time	\$6,574	\$83,797	Franchise Fees	\$3.6 million	\$16.2 million
			Economic Development	\$35,220	\$81,012

Southwest Energy Grid (Company-owned Assets)		
Electric Generation	Plants	Megawatts
Coal	2	2,085
Natural Gas	7	2,360
Solar	4 arrays	0.08
Electric Lines	Conductor Miles	
Transmission	34,446	
Distribution	18,690	



Clean Energy Strategy

Projected **20 percent reduction** in carbon dioxide emissions in the Southwest by 2020



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Wind and Solar Power

In the past decade, our use of wind energy has steadily grown to become a principal component of our energy mix, making up 17 percent of our energy supply in 2015.

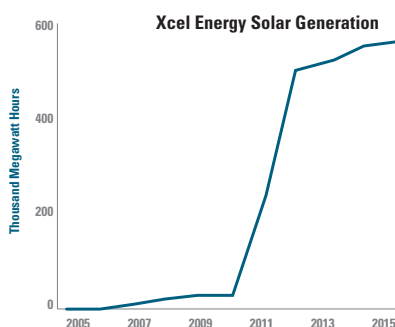
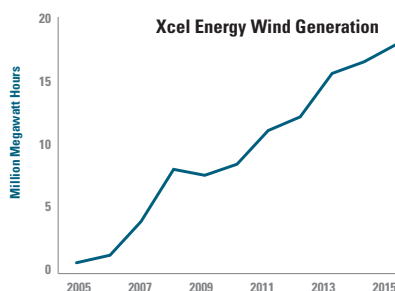
In 2013, we announced plans to increase our wind generation portfolio by 1,900 megawatts—or nearly 40 percent—through nine new, cost-effective projects with the capacity to power about 900,000 homes annually. By the end of 2015, seven of these projects were completed totaling 1,500 megawatts, with the remaining two projects set for completion in 2016.

Xcel Energy currently owns 10 percent—or 650 megawatts—of our current wind portfolio, with the rest coming from purchase agreements. We acquired two projects completed in 2015, the Pleasant Valley Wind Farm in Minnesota and the Border Wind Farm in North Dakota. We also broke ground in 2015 on the Courtenay Wind Farm in central North Dakota that we will own and operate. Our wind ownership delivers value for shareholders and customers who benefit from clean, competitively priced energy.

We are dedicated to growing the use of solar power, just as we have for wind power, because the customers and communities we serve increasingly want solar energy as part of their energy mix. To meet customer expectations, we support all forms of solar generation—from large, universal solar projects that provide power for all customers, to local community gardens and private rooftop systems. Our company is currently ranked among the top-10 U.S. energy providers for the significant solar capacity already on our systems, and we have plans to add more.

In 2015, Xcel Energy increased the solar energy on our systems by more than 130 megawatts—or 40 percent—and 2016 will be a significant year for us. We will add more than 540 megawatts of large, universal solar to deliver solar energy for all customers—nearly triple our current capacity for large solar—and enough to power about 129,000 homes annually.

We are increasing the use of wind and solar energy



Bold Energy Plans for the Future

Xcel Energy has proposed plans in Colorado and the Upper Midwest that advance our transition to a more sustainable energy future.

Upper Midwest

Our plan proposes to continue transforming our energy system away from coal to cleaner energy sources, investing in new wind, solar and natural gas. The result will be a 60 percent reduction in carbon emissions and a 63 percent carbon-free energy mix by 2030. Detailed analysis shows this transformation can be achieved while keeping Minnesota rates competitive with the national average.

Highlights of the plan include:

- More than doubling our renewable energy sources in the Upper Midwest through an additional 1,400 megawatts of solar energy and 1,800 megawatts of wind energy.
- Retiring two coal units at Sherco Generating Station and building a new natural gas plant at the site.
- Building a new natural gas plant in North Dakota to meet growth and ensure reliability in the area.
- Retaining our carbon-free nuclear plants that support the transition to cleaner energy by providing base-load power.

Colorado

We are proposing a number of initiatives in Colorado that pave the way for additional emission reductions and clean energy options for customers at an affordable price.

Key initiatives under our Colorado plan include:

- Adding 400 megawatts of solar energy and a new 600-megawatt wind farm that we propose to own.
- Powering the economy through a modern grid that fosters cutting-edge technology, including interactive customer meters to promote choice and control.
- Empowering customer choice through new options; specifically, we have proposed Solar*ConnectSM to give customers another solar energy choice.
- Expanding our existing solar energy programs for customers through our proposed renewable energy plan.
- Powering emerging technology through two innovative solar-to-battery projects.

CLEAN ENERGY



DELIVERING A MORE SUSTAINABLE ENERGY FUTURE

Xcel Energy's proven, recognized strategy for delivering clean energy and reducing emissions

Through our proactive clean energy strategy, we are leading the responsible transition to a more sustainable energy future—one that offers lower emissions while being more responsive to customers, more efficient and cost effective, and more reliant on advanced technologies. As we work to transform our operations and the industry, we continue to focus on the fundamentals, making sure we provide the safe, reliable, affordable energy that customers expect from us. As a result of our strategy, we have reduced carbon dioxide emissions by 24 percent since 2005, with a 30 percent reduction projected by 2020.

Nothing in our business can be accomplished without collaboration—it is a cornerstone of our efforts. Together with our customers, policymakers and other stakeholders we have established policies and programs that enable significant progress and emission reductions.

Our strategy includes:

- Adding clean wind and solar power to our energy mix. For the past 12 years the American Wind Energy Association has ranked Xcel Energy the nation's No. 1 utility provider of wind energy. Today, wind energy is one of our primary sources of electricity generation, and we are committed to increasing the use of solar energy too.
- Providing an extensive portfolio of energy efficiency and renewable energy programs, we are partnering with customers to save energy and support their environmental priorities. Through our 2015 investment in energy efficiency, customers saved more than one billion kilowatt hours of electricity, enough to power more than 137,000 homes annually, and 1.7 million dekatherms of natural gas, enough to fuel more than 20,000 homes annually.
- Modernizing our traditional generating fleet by retiring aging coal plants and taking advantage of cleaner, low-priced natural gas. Between 2005 and 2018, we will retire about 25 percent of the coal-fueled capacity that we own.

COMMUNITY PARTNERSHIP

Comprehensive support to help our communities thrive

Xcel Energy serves hundreds of cities and towns throughout our service territory. With our active and ongoing investment in their infrastructures, we are literally connected and serve as an integral member of those communities. We believe it is our responsibility to have a positive impact—as an energy provider, good neighbor, community advocate and environmental steward. After all, we know that our success is directly tied to the success of our communities. Our support is far-reaching—from charitable giving to employee volunteerism to economic development and support for energy assistance programs.

Xcel Energy Foundation

The mission of the Xcel Energy Foundation is to use the collective knowledge, resources and skills of our staff and colleagues to support communities throughout our service territory. As the philanthropic arm of the company, the Xcel Energy Foundation oversees the charitable activities and sponsors the volunteer programs of Xcel Energy and its subsidiaries.

The foundation distributed nearly \$3.8 million in grants in 2015 to promote our primary focus areas: STEM (science, technology, engineering and math) education, economic sustainability, environmental stewardship and access to arts and culture. There were 429 organizations across our eight-state service territory that received grants, averaging just over \$8,800 each.

Employee Giving

As a company, we are focused on building a workforce of people who are highly engaged and bring their best to work every day. A significant part of our engagement effort involves empowering employees to create positive change within the company and their local communities.

A fun and rewarding time to work at Xcel Energy is during our annual United Way campaign. In 2015, employee volunteers hosted a number of special fundraising events to support the campaigns—from chili cook-offs to sport tournaments. The campaign was one of our most successful. More than 5,000 employees and retirees contributed \$2.8 million, which the company matched, for a total of nearly \$5.4 million raised. The funds will support United Way programs and

hundreds of nonprofit organizations throughout Xcel Energy's service territory.

Each September, we also host our largest volunteer day for employees to collectively demonstrate their community spirit. Called the Day of Service, participation continued to grow in 2015 as nearly 3,500 employees, family members, friends and even customers volunteered for more than 80 nonprofit projects.

Our employees are active in their communities year round, with many serving on nonprofit boards. The Xcel Energy Foundation supports their efforts through a matching gift program for charitable donations, a matching program for volunteer time and up to 40 hours of annual paid volunteer time.





Employee volunteerism: Logging thousands of hours to support our communities

Xcel Energy employees (inset), Levi Henderson (left), Raquel Madsen (center) and Erik Viramontes (right), volunteer as part of a team that serves lunch each Tuesday to residents at the Sunset Park Senior Center. About 110 company volunteers alternate and serve lunch twice a week at the living facility operated by Volunteers of America in downtown Denver. Employees have served meals at the center for the past 10 years.

In 2015, employees donated more than 39,000 hours of their time to local nonprofit organizations through Xcel Energy's Volunteer Paid Time Off and Dollars-for-Doing programs, where the time is formally tracked. Outside of these programs, the company helps organize and encourages volunteer participation in numerous projects that take place during evenings and weekends, providing thousands of additional volunteer hours that support local communities throughout our service territory.



POWERING OUR CUSTOMERS' LIVES AND BUSINESSES

Our commitment to delivering safe, reliable, affordable energy

Xcel Energy customers on average have electricity service more than 99.9 percent of the time. In 2015, we proved time and again that we are ready when customers need us most by successfully managing more than 50 major storm events, from tornadoes to extreme wind and ice to flooding. In all situations, we restored service to 90 percent of our customers within 12 hours and 96 percent within 24 hours, demonstrating why our storm response is considered among the best in the industry.

Leading the Transition to a Cleaner Energy Supply

Through a number of projects underway, we are diversifying our energy supply mix and upgrading existing power plants, as we reduce emissions and transition to cleaner energy sources for the future. This includes retiring and replacing some of our aging coal-fueled power plants with cleaner natural gas generation.

In 2015, the Black Dog Generating Station in Burnsville, Minn., received its final coal delivery and began its transition to a cleaner, more efficient natural gas facility. Preparation

for a new combustion turbine gas unit at the site is now underway and is expected to be operational by early 2018.

In Colorado, we achieved two significant milestones in 2015 as part of the Clean Air-Clean Jobs project that is transforming our coal-fueled fleet of generating plants. We retired a coal unit at the Cherokee Generating Station in Denver and completed construction of a new combined-cycle natural gas facility at the plant site.

Building an Advanced Power Grid

As our customers become increasingly interested in technologies like smart home applications, battery storage and electric vehicles, we are exploring technologies that can offer them new energy solutions. Advanced grid technologies can also facilitate two-way power flow, enabling more distributed, renewable generation, while enhancing system security and reliability.

Xcel Energy has three projects underway for demonstrating battery storage capabilities.

- A project in Denver's Stapleton neighborhood will use battery systems to manage high levels of private, rooftop solar generation on the power grid.

- Xcel Energy will own a large battery system in conjunction with a 1.3-megawatt solar energy system as part of a partnership with Panasonic's Enterprise Solutions Company in Colorado. The project will provide backup power for Panasonic and perform power regulation functions.
- We have proposed installing a large two-megawatt battery combined with a one-megawatt solar energy system near our Belle Plaine substation in Minnesota. If approved by regulators, the project would help address system overloads and perform power regulation functions.

Connecting Customers to Clean Energy

Transmission lines are a vital link to deliver electricity over long distances from power sources to transmission substations closer to homes and businesses. Xcel Energy is one of the fastest growing, investor-owned transmission systems in the country with more than 20,000 miles of lines and 1,200 substations. In 2015, we energized 16 new substations, upgraded 27 existing substations and placed more than 700 miles of new lines into service—with our average cost per mile for new transmission below the national average.

A strong transmission system will ensure continued reliable and affordable service; meet state and regional energy policy goals; and support a diverse energy supply mix, including renewable energy. For example, our recent transmission investments in the Texas Panhandle enabled us to add 750 megawatts of new wind energy for the region, as well as 140 megawatts of new solar capacity that is planned for 2016—enough new renewable energy capacity to power about 300,000 average-size homes annually.



The winning bid: New pipeline to Black Dog

Tony Wendland (left), a gas project manager, visits with Jake Gundry (right), Black Dog plant manager, about Xcel Energy's successful bid to install a new natural gas pipeline to the facility. With plans underway to add a natural gas combustion turbine at the plant, competitive bids were requested to construct and operate a new high pressure pipeline to deliver the fuel. Xcel Energy's natural gas organization responded. After the proposals were evaluated, Xcel Energy's bid was selected as providing the best overall value, proving that the company can offer competitively priced solutions in the marketplace. Xcel Energy will construct a roughly two-mile pipeline to be completed in 2017.

