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Xcel Energy's new electric vehicle vision to save customers billions while delivering cleaner air

Transitioning 20% of all vehicles to electric by 2030 will reduce carbon emissions and save customers billions in fuel costs

MINNEAPOLIS (Aug. 12, 2020) – Xcel Energy, a national leader in the clean energy transition, announced today its vision to drive toward powering 1.5 million electric vehicles in its service areas by 2030. As a result of this vision, EVs would make up 20% of all vehicles on the road in those areas, more than 30 times the number today, helping save customers billions of dollars in fuel costs, while significantly cutting carbon emissions from transportation.

By making it easy for more people to use EVs through new charging infrastructure and customer programs, the company's vision will build the future of clean, affordable transportation in the eight states it serves. As drivers, ride-share companies, public transit and other fleet operators replace vehicles with EVs, they will see substantial savings on fuel, because driving electric is equal to spending about $1 per gallon of gas and can be significantly less when charging overnight. By 2030, an EV would cost $700 less per year to fuel than a gas-powered car, saving customers $1 billion annually. To make the company's vision a reality, it will need the support of policymakers, manufacturers and other stakeholders.

Building on the company's vision to provide 100% carbon-free electricity by 2050, powering 1.5 million EVs would reduce carbon emissions by nearly 5 million tons annually by 2030, or about three tons of carbon reduction per vehicle. Electric vehicles charged on the increasingly clean Xcel Energy system will have about 80% lower carbon emissions than gas-powered cars by 2030. More EVs would also improve air quality in our communities by reducing other emissions, like nitrogen oxide and fine particulate matter, that have the greatest impact on public health.

The transition to more electric cars, trucks and buses will also help keep bills low for all customers, including those who don't drive an EV. The additional electricity sales generated by EVs more than pay for the system investment required to support them. So as more vehicles transition to electric, everyone will benefit from cleaner air and lower bills.

“Electric vehicles are the next frontier in the clean energy transition, and we are committed to making charging EVs easy, convenient and affordable for customers,” said Ben Fowke, chairman and CEO, Xcel Energy. “By accelerating EV adoption in the coming years, we can drive major reductions in carbon emissions while helping our customers save money and making the most of our clean energy investments. We have substantial plans in place in the states we serve, and we can expand on this with partnership and support from policymakers, regulators, customers, automakers and our communities.”

“We are already busy creating new charging options for customers, whether they are residential customers or companies and government agencies with large vehicle fleets,” said Brett Carter, executive vice president and chief customer and innovation officer, Xcel Energy. “Our new, ambitious EV vision builds on this work as we continue to lead the clean energy transition and enhance the customer experience while keeping bills low. We are actively seeking partnerships with automakers, tech and charging companies, other private and public sector entities, as well as our communities and customers, to find innovative ways to drive toward an electric vehicle future.”

The company is developing its EV plans and partnerships with a focus on equity, accessibility and fairness, allowing everyone to benefit from the growth of EVs. In addition to helping customers who own EVs charge up at home and on the go, its programs aim to give all customers access to clean, affordable, electric transportation. That includes working with transit agencies and car sharing organizations to increase access to the benefits of electric transportation, especially for those in underserved communities.

Xcel Energy will help lead the way in its own operations, with plans to electrify all sedans by 2023, electrify all light-duty vehicles by 2030 and have 30% of its medium- and heavy-duty vehicles electrified by 2030.

“Transportation is currently the number one source of carbon pollution in Minnesota, the U.S., and the world,” said Margaret Anderson Kelliher, commissioner, Minnesota Department of Transportation. “The State of Minnesota is committed to helping lead the transition to a low carbon transportation future in a way that benefits the economy and environment for everyone, but we can’t do it alone. Our success will depend on collaboration with partners in the private sector – and the bold vision from Xcel Energy to power 20% of all vehicles in their service territory with electricity is exactly the leadership Minnesota needs to achieve our carbon reduction goals and reduce air pollution. We share this vision and goal for our state, and the Minnesota Department of Transportation is excited to work with Xcel Energy to achieve it together.”

“Xcel Energy’s commitment to advance electric vehicles in Minnesota and its service area is a smart investment in our people, environment, and climate,” said Laura Bishop, commissioner, Minnesota Pollution Control Agency. “Xcel Energy’s bold commitment, along with the MPCA’s recently launched electric school bus pilot project and consideration of clean car standards will help ensure healthier air and significantly reduce climate impacts. To meet or exceed the state’s goal of reducing greenhouse emissions by 80% by 2050, will require collaboration and partnership between business, government,

nonprofit, and research sectors. I look forward to partnering with Xcel Energy to make this bold commitment a reality."

"Xcel Energy's vision of a cleaner transportation sector is a commitment to reduce greenhouse gases, improve air quality, and create jobs," said Alice Roberts-Davis, commissioner, Minnesota Department of Administration. "The department's partnership with Xcel Energy to electrify the state vehicle fleet is an example of how such efforts reduce fuel consumption and costs. This type of innovative partnership will help us meet our greenhouse gas emission goals and expand the economy."

Plans and programs will drive toward 1.5 million EVs

Xcel Energy is already launching and developing partnerships, programs and services to reduce barriers to EV adoption while making EV charging easier and more affordable. The major plans the company has proposed in Colorado, Minnesota, New Mexico and Wisconsin aim to support residential charging, increase access to electric transportation for all customers, speed fleet electrification, and expand public charging options. Through its plans so far, Xcel Energy has proposed investing $300 million to accelerate adoption of EVs in its communities.

From working with states and communities in their efforts to transform mobility and increase access to electric transportation, to launching residential programs that save customers money on charging, the company is already making progress in its drive toward a cleaner transportation future.

Highlights of the initiatives underway include:

- A charging subscription pilot in Minnesota allows customers to charge up as much as they need on nights and weekends for one low, flat monthly price, and a home charging service program coming soon that makes it easier for customers to have charging equipment installed.
- A residential smart charging pilot launching later this year that will reward customers in Colorado for conveniently optimizing their charging times to benefit the grid and use more renewable energy.
- Pilots and programs to increase access to public charging in Colorado and Minnesota by providing infrastructure to help reduce the upfront costs
- New residential and business programs for customers in Wisconsin will significantly lower the cost of charging equipment and encourage charging during low-cost, off-peak hours.
- Education and advice for customers and the public about the benefits of electric vehicles, whether they visit Xcel Energy's website, visit a dealership or call the company's energy experts.
- Fleet infrastructure programs help public transit agencies and fleet operators plan for and implement charging solutions that drive their transition to electric vehicles.
- Active conversations with a wide variety of partners to help achieve this 2030 EV vision.

For additional information the company's EV vision and plans, visit the company's website.

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About Xcel Energy

Xcel Energy (NASDAQ: XEL) provides the energy that powers millions of homes and businesses across eight Western and Midwestern states. Headquartered in Minneapolis, the company is an industry leader in responsibly reducing carbon emissions and producing and delivering clean energy solutions from a variety of renewable sources at competitive prices. For more information, visit xcelenergy.com or follow us on Twitter and Facebook.

Forward-looking statement

This release contains forward-looking statements that are subject to certain risks, uncertainties and assumptions. Such forward-looking statements include statements and projections related to emission reductions, planned investments, regulatory initiatives and customer savings, and are identified in this document by the words “aim”, “can”, “goal”, “plan”, “propose”, “will”, “would”, “vision” and similar expressions. Actual results may vary materially. Factors that could cause actual results to differ materially include, but are not limited to: uncertainty around the impacts and duration of the COVID-19 pandemic; successful long-term operational planning; commodity risks associated with energy markets and production; general economic conditions, including the availability of credit, actions of rating agencies and their impact on capital expenditures; business conditions in the energy industry; competitive factors; unusual weather; effects of geopolitical events, including war and acts of terrorism; changes in federal or state legislation; regulation; actions of regulatory bodies; and other risk factors listed from time to time by Xcel Energy in its Annual Report on Form 10-K for the fiscal year ended Dec. 31, 2019 (including the items described under Factors Affecting Results of Operations) and subsequent securities filings, and the other risk factors listed from time to time by Xcel Energy Inc. in reports filed with the SEC.