

Our Energy Future



Our goal is to design a plan that best suits the needs and preferences of our customers, delivering control and choice over their energy. Xcel Energy's 2016 initiatives set the stage for that day, providing customers with more choices that they want and value. Our plan for Colorado will allow us to meet the state's energy demands for the future, all while maintaining competitive prices.

The *Our Energy Future* plan focuses on:

Powering Technology: Emerging technologies will pave the way for Xcel Energy to transform and prepare for the future. New projects will advance tools that are environmentally and technically superior to ones currently in use, bringing flexibility and greater reliability to the grid.

Powering the Economy: Businesses and local communities are increasingly interested in harvesting more power from renewable energy. The plan fosters cutting-edge technology to efficiently deliver all types of energy to customers. Xcel Energy works consistently to foster strong partnerships within the flourishing Colorado economy, with a commitment to support its continued growth.

Empowering Customer Choice: New offerings proposed in the plan will provide customers more renewable energy options, as well as value-added energy programs, products and services. Our initiatives will introduce new clean energy programs and enhance existing wind, solar and recycled energy choices.

Colorado's Largest Wind Generation Project

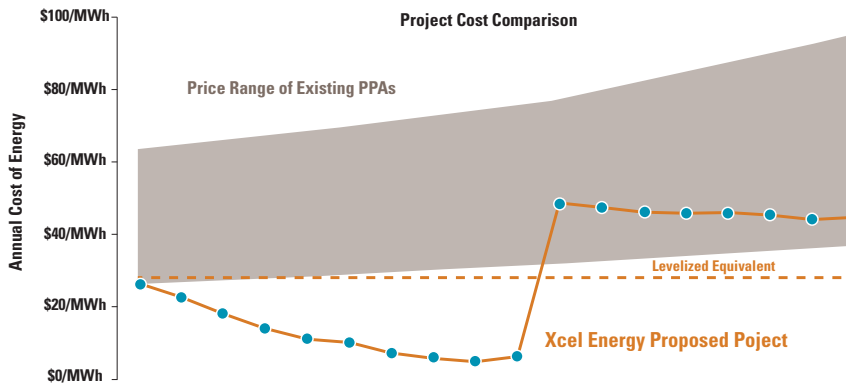
As part of the company's comprehensive Colorado strategy for our energy future, Xcel Energy will request approval from the Colorado Public Utilities Commission to construct, own and operate 600 MW of new wind generation and 90 new miles of transmission in eastern Colorado. This wind generation proposal will be filed in May 2016, at the same time Xcel Energy files its Electric Resource Plan to acquire a gigawatt of new renewable energy resources. This wind generation project will enable Xcel Energy to realize Our Energy Future goals with a focus on our customers, the economy and the environment. The project will produce the following benefits:

Benefits for our customers

- ***This will be the lowest cost wind project on our Colorado system.***

- Customers are expected to save \$800 million (nominally) \$400-500 million (NPV), net of all costs, over the next 25 years by taking advantage of available Production Tax Credits (the timing requires construction start by Dec. 31, 2016, and commercial operation by Dec. 31, 2018).
- The majority of savings occurs in the first 10 years of operation.
- The levelized cost of energy from the facility will be less than 3 cents per kWh.

- The project is not only reasonably priced, but *competitive* with market alternatives.
 - The forecasted levelized cost per unit of energy will be the lowest cost wind on our Colorado system, even with 90 miles of transmission costs.



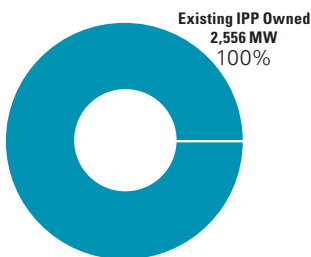
Benefits for Colorado’s economy

- ***This all-Colorado wind project will be designed, manufactured, constructed and owned locally.***
 - Vestas will provide 300 two megawatt wind turbines, manufactured in Brighton, Pueblo and Windsor, Colorado.
 - This project will nearly triple the amount of Vestas wind turbines installed in Colorado today.
 - Xcel Energy will invest approximately \$1 billion into the regional economy.
 - Development, construction and operations will create thousands of jobs, over \$100 million of landowner payments, state and county revenue and tax income.
- ***Xcel Energy’s Electric Resource Plan, which will be filed concurrently, will call for 400 MW of new solar generation and an additional 400 MW of generation capacity to be competitively acquired, keeping the wholesale electric market robust, competitive and thriving.***
- The transmission created for this project can provide additional capacity for future energy needs.

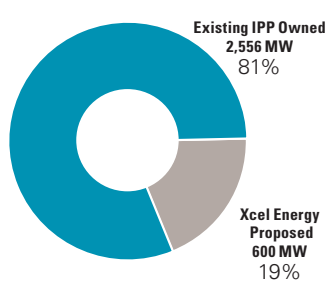
Benefits for the environment

- ***Xcel Energy is a recognized leader in reducing emissions, integrating renewable power and ensuring the responsible transition to a cleaner energy future. This project allows us to continue delivering on this commitment to customers.***
- Xcel Energy is the number one wind energy provider in the nation for the last eleven consecutive years.
- Clean energy from renewable resources accounts for more than 20 percent of Xcel Energy’s total energy supply. We remain committed to expanding the use of renewable energy in the most economical way for customers.
- Xcel Energy’s proposed wind project will reduce 1 million tons of carbon each year equal to approximately 3% of total carbon emissions.

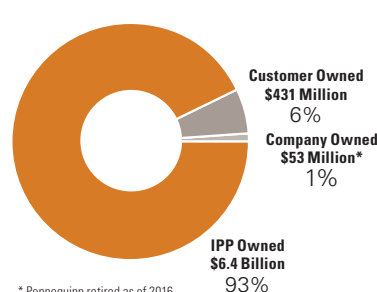
Current Wind Generation on Xcel Energy’s Colorado System (2,556 MW Total)



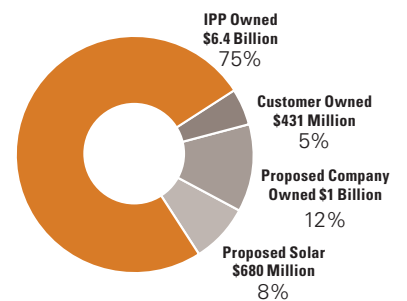
Proposed Wind Generation on Xcel Energy’s Colorado System (3,156 MW Total)



Current Wind and Solar Ownership/Investment on Colorado System



Proposed Wind and Solar Ownership/Investment on Colorado System



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