

WILDLIFE AND HABITAT PROTECTION

We have a history of working proactively with wildlife agencies and conservationists on research studies, programs and regulatory efforts designed to protect wildlife and its habitat.

Xcel Energy's operations are extensive. They span portions of eight states, including thousands of miles of power line and pipeline rights of way, lakes and rivers, and acres of property for our generating plants, wind farms and other facilities. Given our footprint, we play an important role, as a responsible steward of natural resources, in safeguarding birds, bats and other wildlife around our operations.

As part of our planning processes, we consider potential impacts as we upgrade, design and build facilities, including power line and plant construction projects. We evaluate the possible impacts and take appropriate steps to help avoid and minimize potential risks. Once projects are underway or completed, we have programs in place to document and report incidents, and determine next steps if there are practicable ways to prevent future incidents.

Through our environmental policy, we have a commitment to stewardship that we fulfill by working collaboratively with state agencies, conservationists and nonprofit groups. Over the years we have participated in studies, supported preservation efforts and worked side by side with these organizations on important stewardship projects.



HIGHLIGHTS

- Under our Avian Protection Plans, 2,700 electric transmission and distribution power-line locations have been retrofitted with equipment to protect birds.
- During construction of the Hale Wind Project in Texas, we took extra precautions to move bee hives along the transmission line route, relocating them to an apiary outside Fluvanna, Texas, southeast of Lubbock.
- As part of the construction and operation of the Sagamore Wind Project, we entered into an agreement with the Lost Draw Conservation Bank to preserve approximately 2,000 acres of habitat for the Lesser Prairie Chicken (LPC).
- Through an integrated marketing campaign, we raised nearly \$74,000 for Colorado's newest state park, the Fisher's Peak wilderness area. For each residential customer who enrolled in Xcel Energy's demand-side management program, Saver's Switch, we donated \$25 to The Trust for Public Land to support the wilderness area, which includes nearly 30 square miles of pristine high plains forest in Southern Colorado.
- Our popular <u>Bird Cam</u> website had more than 1.6 million views during the season in 2019 with visitors tuning in to watch bald eagles, great horned owls and peregrine falcons. As early as 1989, we began working with the nonprofit Raptor Resource Project to install nest boxes at several of our Minnesota generating plants to help restore the peregrine falcon to the Mississippi River Valley. With the program's success, we began installing web-based cameras to share live video of the birds and their nesting habits. Our Bird Cam program grew from there.
- The Xcel Energy Foundation and our company donated more than \$600,000 in 2019 to nonprofit programs that protect and enhance our natural resources. The funding is expected to improve over 800 acres of habitat and parks.

AVIAN PROTECTION PLANS

Xcel Energy was the first utility in the country to enter into a historic agreement with the U.S. Fish and Wildlife Service to proactively address potential issues involving birds and power-line structures. Our utility operating companies signed separate voluntary memorandums of understanding with USFWS in 2002 to collaborate on developing Avian Protection Plans.

Transmission and distribution lines and equipment can be attractive to birds for roosting and building nests, and they can pose a collision or electrocution hazard that may result in injury or death to birds. Avian Protection Plans are essential for protecting birds, as well as helping Xcel Energy meet federal wildlife protection laws. Threatened and endangered avian species and eagles are protected by the federal Endangered Species Act and the Bald and Golden Eagle Protection Act, respectively.

Under the plans, each operating company developed a schedule for retrofitting facilities determined to pose a higher risk for bird injuries or deaths as part of its plan. All the retrofits initially identified for our Colorado, Texas and New Mexico service territories are complete. In the Upper Midwest, we have finished the highest priority lines and poles and continue to work through the next level of retrofits as we complete scheduled power-line maintenance projects. In addition, our facility design standards have been revised so that new or modified construction meets industry standards to prevent or mitigate avian incidents.

Ongoing reporting and monitoring are another step in complying with federal avian protection laws and acting responsibly to protect birds. Employees are required to report injured birds or fatalities using an online reporting form. As necessary, the reasonable retrofit or installation of additional avian controls at these locations can minimize the risk of incidents in the future.

SUPPORT FOR POLLINATORS

Pollinators, including bees, butterflies, some birds and even bats are vital to flowering plant reproduction for producing most fruits and vegetables, and their population is shrinking. According to the U.S. Fish and Wildlife Service, more than 75% of our food crops rely on pollinators to survive. Xcel Energy has been working with partners to support the development and maintenance of pollinator habitats for over 30 years.

We have 44 active sites ranging from 0.25 to 800 acres, covering over 2,100 acres of pollinator habitat, in Minnesota, North Dakota and Wisconsin. These include various company properties — under transmission lines and around substations, generating plants, office buildings, community solar gardens, and even a wind project. We are supporting and initiating projects that make a difference in the survival of pollinators, restoring native prairie ecosystems and targeting special species of concern including the monarch butterfly, rusty patched bumblebee and Karner blue butterfly.

Because we cannot achieve success on our own, we partner with state and federal agencies, communities and nonprofit organizations. In 2019, we planted our first pollinator garden at a wind farm. Children from the Kulm School District in Dickey County, North Dakota, helped us plant milkweed and other native plants at the new Foxtail Wind Farm. Partnering with the city of Mendota Heights and nonprofit organization Great River Greening, we seeded four acres of pollinator habitat at Valley Park under our transmission lines, with plans to extend the corridor an additional four acres in 2020. On Xcel Energy's Day of Service, more than 50 employees and community volunteers planted a pollinator garden around a solar panel at YMCA Camp St. Croix. Maintenance activities also took place at project sites including mowing and removing invasive species by hand in Wisconsin.

In Colorado, employee volunteers are partnering with nonprofit organizations to help educate other employees on the importance of pollinator species and supporting projects for the development and maintenance of pollinator habitats in our communities. Partner organizations include the Butterfly Pavilion, Volunteers for Outdoor Colorado and the Colorado Pollinator Network.

Xcel Energy and the contractors we employ do not use chemicals that are harmful to beneficial insects in our vegetation management practices to control brush, trees and weeds on our rights of way and properties. This includes eliminating the use of neonicotinoids, which is of special concern to people working to improve bee populations.

As we move forward with the pollinator initiative, we are focusing on developing habitat that can be sustained, allowing time for the sites to develop. Our primary goal is to continue educating the communities we serve on the importance of pollinators in their daily lives while using company property to make a difference.

RESPONSIBLE WIND DEVELOPMENT

Wind energy is an important and growing part of our energy mix, especially as we look to build and operate more company-owned wind farms. Through wind, we are reducing carbon and other emissions and improving the environment in ways that ultimately support and protect wildlife. However, it is important that wind farms are properly located, constructed, operated and monitored to minimize impacts to wildlife and protected species.

Project Siting and Development

Before construction, we carefully select wind farm sites to ensure impacts to birds, bats and other wildlife are minimized as much as possible. This includes following the USFWS's Land-based Wind Energy Guidelines, conducting wildlife and habitat surveys and following other best practices. As part of this, we work with wind project developers, the USFWS and appropriate state wildlife and natural resource agencies during siting and permitting to ensure turbine locations are not in critical habitat for threatened and endangered species. If issues are identified, we work with the appropriate agencies to avoid or minimize impacts.

Our Sagamore Wind Project in New Mexico is an example of our commitment to responsible wind development. In addition to siting wind turbines in locations to avoid and minimize impacts, we voluntarily entered into a conservation agreement and purchased preservation and restoration credits from the Lost Draw Conservation Bank for the Lesser Prairie-Chicken (LPC).

Under this arrangement, we are helping to expand, improve and protect high-quality LPC habitat. The bank is expected to restore thousands of acres of habitat by reconverting agricultural fields and removing tall woody species such as mesquite. It will eliminate existing fragmentation, such as pivot irrigation, wind mills and other tall structures, and provide permanent protection through easements held by a New Mexico land trust.

Construction

Pre-construction surveys help to minimize potential wildlife impacts and are done before excavation begins for building roads and foundations, installing cable or relocating cranes. For example, at the Cheyenne Ridge Wind Project in Colorado, pre-construction surveys identified burrowing owl nests in prairie dog colonies. With the information, we were able to create a buffer zone to protect the owls during construction.

Wind Farm Operations

Once a wind farm is built, we continue to perform studies and monitor wind turbine operations. Our wind farms have detailed Bird and Bat Conservation Plans, which provide a framework for how we study, monitor and minimize impacts over the life a project — from wind farm planning through construction, operations and maintenance, and decommissioning.

Despite all these efforts, wildlife can be unpredictable. We report injuries or fatalities to USFWS and appropriate state agencies. If protected avian species build nests too close to existing wind turbines, we evaluate what actions are needed to avoid and minimize impacts, and engage our state and federal wildlife experts to ensure we take the right steps.

In addition to the wind farms we own, we also purchase significant wind generation from others. We expect our third-party wind suppliers to perform similar permitting, reporting, reviews and studies of their wind farm operations.

ENTICING OSPREYS TO ALTERNATIVE NEST SITES

Ospreys are federally protected raptors that have been successfully reintroduced in the Midwest, following decades of restoration and conservation efforts. Ospreys like distribution poles and transmission structures for nesting, but nests built on utility poles can pose a threat to the birds and may cause outages and damage to electrical equipment. Xcel Energy frequently erects alternative nest platforms that are taller than nearby lines in known osprey nesting areas to provide more attractive and safer nesting sites, while protecting system reliability. We also work closely with communities and civic groups to help them evaluate utility poles near high-quality osprey habitat, to identify alternative sites, and assist with building and installing safe osprey nest platforms.

LESSER PRAIRIE-CHICKEN CONSERVATION AGREEMENT

Rangelands in our Colorado, New Mexico and Texas service areas provide important habitat for the LPC. We voluntarily entered into a conservation agreement with the Western Association of Fish and Wildlife Agencies (WAFWA) in accordance with the Lesser Prairie-Chicken Range-Wide Conservation Plan to help protect this species of prairie grouse. To participate in the conservation agreement, we paid enrollment and mitigation fees based on our development activity. We also took conservation measures, following avoidance, minimization and mitigation practices during operation, maintenance and new construction activities. As an example, we buried certain distribution lines within the buffers of active breeding areas and used special types of pole construction in certain LPC habitat areas.

The goal of the WAFWA conservation plan was to increase the population of the species from about 17,000 birds in 2013 to 67,000 birds across Colorado, Kansas, New Mexico, Oklahoma and Texas. These efforts appear to be working — by 2018, WAFWA reported that the LPC population was steadily increasing.

WAFWA and the Lesser Prairie-Chicken Range-Wide Conservation plan was evaluated in 2019 for its effectiveness for protecting the species. While there is not yet a final decision on the future of WAFWA and the plan, we continue to evaluate projects for their impacts to LPC and implement appropriate minimization and mitigation practices.