

By Overnight and Email
CorporateSecretary@xcelenergy.com

December 2, 2016

Ms. Judy M. Poferl
Senior Vice President and Corporate Secretary
Xcel Energy, Inc.
414 Nicollet Mall
Minneapolis, MN 55401

Re: Shareholder proposal

Dear Ms. Poferl:



Timothy Brennan
Treasurer and
Chief Financial Officer

The Unitarian Universalist Association (UUA), a holder of 6,138 shares of Xcel Energy, Inc., is hereby submitting the enclosed resolution for consideration at the upcoming annual meeting. We request that Xcel Energy, with board oversight, publish an assessment (at reasonable cost and omitting proprietary information) of the long-term impacts on Xcel Energy's portfolio, of public policies and technological advances that are consistent with limiting global warming to no more than two degrees Celsius over pre-industrial levels.

The Unitarian Universalist Association (UUA) is a faith community of more than 1000 self-governing congregations that brings to the world a vision of religious freedom, tolerance and social justice. With roots in the Jewish and Christian traditions, Unitarianism and Universalism have been forces in American spirituality from the time of the first Pilgrim and Puritan settlers. The UUA is also an investor with an endowment valued at approximately \$172 million, the earnings from which are an important source of revenue supporting our work in the world. The UUA takes its responsibility as an investor and shareowner very seriously. We view the shareholder resolution process as an opportunity to bear witness to our values at the same time that we enhance the long-term value of our investments.

We submit the enclosed resolution for inclusion in the proxy statement in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934 for consideration and action by the shareowners at the upcoming annual meeting. We have held at least \$2,000 in market value of the company's common stock for more than one year as of the filing date and will continue to hold at least the requisite number of shares for filing proxy resolutions through the stockholders' meeting

Verification that we are beneficial owners of the requisite shares of Xcel Energy, Inc. will be provided upon request. If you have questions or wish to discuss the proposal, please contact me at 617-948-4305 or tbrennan@uua.org.

Yours very truly,

A handwritten signature in black ink, appearing to read "Timothy Brennan". The signature is stylized with a large, sweeping initial "T" and a cursive "Brennan".

Timothy Brennan

Enclosure: Shareholder resolution

2 Degree Scenario Analysis

WHEREAS:

In November 2016 the Paris Agreement entered into force and its goal of keeping global temperature rise well below 2 degrees Celsius will begin to shape national policy decisions. To meet this goal the International Energy Agency estimates that the global average carbon intensity of electricity production will need to drop by 90 percent. As long-term shareholders, we would like to understand how Xcel Energy is planning for the risks and opportunities presented by global efforts to keep global temperatures within acceptable boundaries.

In June 2016, the credit rating agency Moody's indicated that they would begin to analyze carbon transition risk based on scenarios consistent with the Paris Agreement, and noted the high carbon risk exposure of the power sector.

Rapid expansion of low carbon technologies including distributed solar, battery storage, grid modernization, energy efficiency and electric vehicles provide not only challenges for utility business models but also opportunities for growth. Many large corporations are actively seeking to increase their use of renewable energy, providing a significant market opportunity for forward-thinking utilities. The International Energy Agency and the International Council on Clean Transportation forecast that electrification of transport will play a critical role in achieving the necessary greenhouse gas reductions by 2050.

Xcel Energy is the 8th largest CO₂ emitter in the U.S. According to a recent report from the Investor Responsibility Research Center, Xcel Energy stands out for its disclosure of its incentive structure targeted at environmental issues against peers. However, our company also is among those generating companies with the highest emissions intensity and uses coal for more than half of its energy. As investors, we need to understand the company's long term strategy or plan to decarbonize in ways that are consistent with the Paris Climate Agreement or a 2 Degree Scenario.

A 2 degree scenario analysis of our company's current generation and future plans will generate a more complete picture of current and future risks and opportunities than business as usual planning. By assessing the impact of a 2 degree scenario on Xcel Energy's full portfolio of power generation assets and planned capital expenditures through 2040, including the financial risks associated with such scenarios, Xcel Energy can better plan for future regulatory, technological and market changes.

RESOLVED: Shareholders request that Xcel Energy, with board oversight, publish an

assessment (at reasonable cost and omitting proprietary information) of the long-term impacts on Xcel Energy's portfolio, of public policies and technological advances that are consistent with limiting global warming to no more than two degrees Celsius over pre-industrial levels.

Supporting Statement: This report could include:

- How the Company could adjust its capital expenditure plans to align with a two degree scenario; and
- Plans to integrate technological, regulatory and business model innovations such as electric vehicle infrastructure, distributed energy sources (storage and generation), demand response, smart grid technologies, and customer energy efficiency as well as corresponding revenue models and rate designs.