

## Q4 2021 Earnings Call

### Company Participants

- Andrew Kirk, Director of Investor Relations
- Martin J. Lyons, Chairman & President of Ameren Missouri
- Michael L. Moehn, Executive Vice President, Chief Financial Officer, Chairman of Ameren Missouri & President of Ameren
- Warner L. Baxter, Executive Chairman Of The Board

### Other Participants

- Durgesh Chopra, Analyst, Evercore
- Julien Dumoulin-Smith, Analyst, Bank of America
- Paul Patterson, Analyst, Glenrock Associates
- Shar Pourreza, Analyst, Guggenheim Partners

### Presentation

#### Operator

Greetings and welcome to Ameren Corporation's Fourth Quarter 2021 Earnings Conference Call. At this time, all participants are in a listen-only mode. A question-and-answer session will follow the formal presentation.

(Operator Instructions). As a reminder, this conference is being recorded. It is now my pleasure to introduce your host, Andrew. Kirk, Director of Investor Relations for Ameren Corporation. Thank you, Mr. Kirk. You may begin.

#### Andrew Kirk {BIO 20578297 <GO>}

Thank you and good morning. On the call with me today are Warner Baxter, our Executive Chairman; Marty Lyons, our President and Chief Executive Officer; and Michael Moehn, our Executive Vice President and Chief Financial Officer as well as other members of the Ameren management team joining us remotely. Warner will begin with a business overview. He will be followed by Marty, who will provide a strategic and business update for 2022 and beyond and Michael will wrap up our prepared remarks with a discussion of key financial matters, including our earnings guidance. Then, we will open the call for questions.

Before we begin, let me cover a few administrative details. This call contains time-sensitive data that is accurate only as of the date of today's live broadcast and redistribution of this broadcast is prohibited. To assist with our call this morning, we have posted a presentation on the [amereninvestors.com](https://www.amereninvestors.com) homepage that will be referenced by our speakers. As noted on Page 2 of the presentation, comments made during this conference call may contain statements that are

commonly referred to as forward-looking statements. Such statements include those about future expectations, beliefs, plans, projections, strategies, targets, estimates, objectives, events, conditions, and financial performance.

We caution you that various factors could cause actual results to differ materially from those anticipated. For additional information concerning these factors, please read the forward-looking statements section in the news release we issued yesterday and the forward-looking statements and risk factors sections in our filings with the SEC. Lastly, all per share earnings amounts discussed during today's presentation, including earnings guidance are presented on a diluted basis, unless otherwise noted. Now here's Warner, who will start on Page 4.

**Warner L. Baxter** {BIO 1858001 <GO>}

Thanks, Andrew. Good morning everyone and thank you for joining us. To begin, I'd like to remind everyone that effective January 1 of this year, I became Executive Chairman of Ameren, Marty Lyons became President and CEO. Our transition to this new forward thinking leadership structure is going very well. In a lot of the significant activities taking place in our industry, this new structure is enabling me to focus on key energy and economic policy matters and working with Marty on key strategic initiatives. At the same time, Marty has hit the ground running leading the Ameren team in overall strategy development and execution as well as managing the significant day-to-day operational and other responsibilities of the CEO.

Our industry is transforming and millions of customers in Missouri and Illinois are depending on us to achieve our vision, leading the way to a sustainable energy future and our mission to power the quality of life. Each year provides a new set of opportunities and challenges, but one thing that remains constant in Ameren is our strong commitment to safely deliver reliable cleaner and affordable electric and natural gas service. Our team continues to effectively execute our strategic plan across all of our businesses, including safely and successfully completing billions of dollars of value adding projects for our customers, advocating for constructive federal and state energy policies and regulatory outcomes, leaning further forward on our digital transformation, and pursuing a wide range of sustainability goals.

Simply put, continued strong execution of our strategic plan is delivering significant value to our customers, communities, shareholders, and the environment, which brings me to a discussion of our 2021 performance. Yesterday, we announced 2021 earnings of \$3.84 per share compared to earnings of \$3.50 per share in 2020 or an increase of nearly 10%. Excluding the impact from weather, 2021 normalized earnings were \$3.82 per share or an increase of approximately 8% from 2020's weather-normalized earnings of \$3.54 per share.

We made significant investments in energy infrastructure in 2021 that resulted in a more reliable, resilient, secure, and cleaner energy grid as well as contributed to strong rate base growth at all of our business segments. As outlined on this page, we also achieved several constructive regulatory and legislative outcomes that will facilitate additional infrastructure investments while keeping our customers' rates affordable. This strong execution of our strategy in 2021 will continue to drive significant long-term value for all of our stakeholders.

Turning to Page 5, as you can see on this page, our laser focus on keeping our customers at the center of our strategy has delivered strong results for our customers. Our investments in

infrastructure have resulted in top quartile reliability, affordability and customer satisfaction. The frequency of outages on our system continues to trend downward resulting from our infrastructure investments coupled with a focus on innovation and continuous improvement. Our disciplined cost management has helped drive our electric rates approximately 25% below the Midwest and national averages. And I am extremely proud to say that JD Power recently ranked Ameren, Illinois number one in residential customer satisfaction in the Midwest among large electric utility providers with Ameren, Missouri ranking third.

Further, we have continued to deliver superior value to our shareholders as you can see on Page 6. Our weather normalized core earnings per share has risen 84% and approximate 8% compound annual growth rate since we exited our unregulated generation business in 2013 while our dividends paid per share have increased approximately 38% over the same time period. This has driven a strong total return of nearly 220% for our shareholders from 2013 to 2021, which was significantly above our utility peer average. While I'm very pleased with our past performance, you can rest assured that our team will remain focused on enhancing performance in 2022 and in the years ahead so that we can continue to deliver superior value to our customers, communities and shareholders.

Turning to Page 7, this page summarizes our strong sustainability value proposition and focus on environmental, social, governance, and sustainable growth goals. Beginning with environmental stewardship, in September 2020, Ameren announced its transformational plan to achieve net zero carbon emissions by 2050 across all of our operations in Missouri and Illinois. This plan includes interim carbon emission reduction targets of 50% and 85% below 2005 levels by 2030 and 2040 respectively which is consistent with the objectives of the Paris Agreement and limiting global temperature rise to 1.5 degree celsius. We plan to file an update to 2020 integrated resource plan in the first half of this year, which Marty will discuss a bit later.

In 2021, we acquired the 300 megawatt Atchison Renewable Energy Center located in Northwest Missouri, our second wind generation investment. This acquisition is a significant step forward along the path to meeting our clean energy goals. We also have a strong long-term commitment to our customers and communities to be socially responsible and economically impactful.

This slide highlights a few of the many things we are doing for our customers and communities, including being an industry leader in diversity, equity and inclusion. We were honored to be recognized again by DiversityInc as one of the top utilities in 2021 in addition to a top company for ESG and we continue to help drive inclusive economic growth by spending approximately \$900 million with diverse suppliers in 2021, an 11% increase over 2020.

Further, our strong corporate governance is led by a diverse Board of Directors focused on strong oversight that's aligned with ESG matters and our executive compensation practices include performance metrics that are tied to diversity, equity and inclusion and progress towards a cleaner energy future. Finally, this slide summarizes our very strong sustainable growth proposition, which remains among the best in the industry.

Today, we published our updated ESG Investor presentation called the Leading the Way to a Sustainable Energy Future available at [amereninvestors.com](https://www.amereninvestors.com). This presentation demonstrates

how we have been effectively integrating our focus on environmental, social, governance and sustainability matters into our corporate strategy. I encourage you to take some time to read more about our strong sustainability value proposition.

As noted previously, as part of my new role of Executive Chairman, I will focus on key energy and economic policy matters, including through my leadership roles at the Edison Electric Institute and the Electric Power Research Institute as well as engaging with key stakeholders. Speaking of key energy and economic policy matters, we continue to strongly support and advocate for a robust federal clean energy tax package. In particular, we support clean energy transition tax incentives including wind, solar, and nuclear production tax credits, electric vehicle tax credits, transmission and storage investment tax credits as well as direct pay and normalization opt-out provisions.

We strongly believe these forward-thinking policies to address climate change will advance clean energy transition in a safe, reliable, and affordable fashion and will deliver significant long-term benefits for our customers, communities, and country. We will continue to work with key stakeholders along with our industry colleagues to advance constructive federal energy and economic policies.

In closing, our team has accomplished a great deal over the last several years. Their relentless commitment to our vision, mission, and strategy has delivered strong value to our customers, communities, and shareholders. Looking ahead, I'm even more excited about our future because I believe these efforts have positioned Ameren very well to deliver superior value over many years to come. Now here's Marty to tell you how our team will keep delivering under this strategy in the future.

## **Martin J. Lyons** {BIO 4938648 <GO>}

Thanks, Warner. Before I jump into the details, I would like to extend my appreciation to all of my coworkers for their dedication in 2021. Our accomplishments during the year are a result of their hard work and focus on executing our strategy, which has been delivering significant long-term value for all of our stakeholders.

Going forward, our strategy remains the same, which is to invest in and operate our utilities in a manner consistent with existing regulatory frameworks, enhance regulatory frameworks, advocate for responsible energy and economic policies, and create and capitalize on opportunities for investment for the benefit of our customers, shareholders, and the environment. As Chief Executive Officer, my focus is to drive continuous improvement as we execute our strategy and take Ameren to higher heights.

Moving now to Page 9. Yesterday afternoon, we announced that we expect our 2022 earnings to be in a range of \$3.95 to \$4.15 per share. Based on the midpoint of the range, this represents 8% earnings per share growth compared to the midpoint of our initial 2021 guidance range. Michael will provide you with more details on our 2022 guidance a bit later. Building on the strong execution of our strategy and our robust earnings growth over the past several years, we continue to expect to deliver long-term earnings growth that is among the best in the industry.

We expect to deliver 6% to 8% compound annual earnings per share growth from 2022 through 2026 using the midpoint of our 2022 guidance, \$4.05 per share as the base. Our long-term earnings growth will be driven by continued execution of our strategy, including investing in infrastructure for the benefit of our customers while keeping rates affordable.

Our dividend is another important element of our strong total shareholder return. I am pleased to report that last week Ameren's Board of Directors approved a quarterly dividend increase of 7.3% resulting in an annualized dividend rate of \$2.36 per share. This increase reflects confidence by Ameren's Board of Directors in the outlook for our businesses and management's ability to execute its strategy for the long-term benefit of our customers and shareholders. Looking ahead, we expect Ameren's future dividend growth to be in line with our long-term earnings per share growth expectations and within a payout ratio range of 55% to 70%. And while I'm very pleased with our past performance, we are not sitting back and taking a breath.

Turning to Page 10, the first pillar of our strategy stresses investing in and operating our utilities in a manner consistent with existing regulatory frameworks. The strong long-term earnings growth I just discussed is primarily driven by our rate base growth plan. Today, we are rolling forward our five-year investment plan and as you can see, we expect to grow our rate base an approximate 7% compound annual rate for the 2021 through 2026 period. This growth is driven by our robust capital plan of approximately \$17 billion over the next five years that will deliver significant value to our customers and the communities we serve.

Our plan includes strategically allocating capital to all four of our business segments. Importantly, renewable generation and regionally beneficial transmission represent additional investment opportunities. We expect to file an update to our 2020 Missouri Integrated Resource Plan in the first half of this year in light of the accelerated retirement of our Rush Island Energy Center. This filing will include a comprehensive set of updated assumptions taking into account MISO's long range transmission planning process and potential legislative and regulatory developments at the federal level among other things. This updated planning process is underway and we fully expect it to underscore the need for expansion of our renewable generation portfolio and transmission investment.

We continue to work in earnest with developers to acquire renewable generation projects to be completed in 2024 through 2026 as evidenced by the announcement earlier this week of an agreement to acquire a 150 megawatt solar energy project. We expect to announce further agreements over the course of this year and to file certificates of convenience and necessity or CCNs with the Missouri PSC after the updates to the 2020 IRP have been filed. Finally, we remain focused on disciplined cost management to keep rates affordable and improve earned returns in all of our businesses.

Moving to page 11. As we look to the future, our five-year plan is not only focused on delivering strong results through 2026, but it is also designed to position Ameren for success over the next decade and beyond. We believe that a safe, reliable, resilient, secure and cleaner energy grid will be increasingly important and bring even greater value to our customers, our communities, and shareholders. With this long-term view in mind, we are making investments that will position Ameren to provide safe and reliable electric and natural gas service, but also

to meet our customers' future energy needs and rising expectations and support our transition to a cleaner energy future.

The right side of this page shows that our allocation of capital is expected to grow our electric and natural gas energy delivery investments to be 84% of our rate base and coal-fired generation to decline to just 6% of rate base by the end of 2026. Only 4% of the capital expenditures in our five-year plan are expected to be spent on coal-related projects.

Importantly, our five-year plan does not reflect the expected early retirement of the Rush Island Energy Center or investment opportunities associated with the renewable generation and regionally beneficial transmission projects. The bottom line is that we are taking steps today across the board to position Ameren for success in 2022 and beyond.

Turning now to Page 12. Looking ahead over the next decade, we have a robust pipeline of investment opportunities of over \$45 billion that will deliver significant value to all of our stakeholders by making our energy grid stronger, smarter and cleaner. Of course, our investment opportunities will not only create stronger, smarter and cleaner energy grid to meet our customers' needs and exceed their expectations, but they will also create thousands of jobs for our local economies. Maintaining constructive energy policies that support robust investment in energy infrastructure and a transition to a cleaner future in a responsible fashion will be critical to meeting our country's energy needs in the future and delivering on our customers expectations.

Moving now to Page 13. As we have discussed with you in the past, MISO completed a study outlining the potential roadmap of transmission projects through 2039, taking into consideration the rapidly evolving generation mix that includes significant additions of renewable generation based on announced utility integrated resource plans, state mandates, and goals for clean energy or carbon emission reductions among other things.

Under MISO's Future 1 scenario, which is the scenario that resulted in an approximate 60% carbon emissions reduction below 2005 levels by 2039, MISO estimates approximately \$30 billion of future transmission investment would be necessary in the MISO footprint. Under its Future 3 scenario, which resulted in an 80% reduction in carbon emissions below 2005 levels by 2039, MISO estimates approximately \$100 billion of transmission investment in the MISO footprint would be needed.

It is clear that investment in transmission is going to play a critical role in the energy transition and we are well-positioned to plan and execute potential projects in the future for the benefit of our customers and country. I am pleased to report that in January, MISO transmission owners and MISO reached an agreement on a revision to the cost allocation for certain of these important regional transmission projects.

The cost allocation tariff revisions were submitted to FERC for approval on February 4th. The revisions allow for allocation of project costs within the sub-region where the benefits are recognized. Previous regional benefit project costs have been spread broadly across the MISO region, which was prior to the addition of the MISO South sub-region. Comments are due by March 7. MISO transmission owners have requested an effective date of May 19, 2022. We

continue to work with MISO and other key stakeholders and believe certain projects outlined in Future 1 are likely to be included in this year's MISO transmission planning process, which is expected to be completed in mid-2022.

Turning now to Page 14 and update on our Rush Island Energy Center. As you may recall, in 2011, the Department of Justice on behalf of the EPA filed a complaint against Ameren Missouri alleging that in performing certain projects at the Rush Island Energy Center, it violated the New Source Review provisions of the Clean Air Act. In 2017, the District Court issued a liability ruling and in September 2019 ordered the installation of pollution control equipment at the Rush Island Energy Center. In November, the US Court of Appeals denied Ameren Missouri's request for reconsideration of its decision affirming the District Court's order that requires installation of a scrubber at Rush Island Energy Center in order to continue operations.

Subsequently, Ameren Missouri announced its intention to retire the energy center in lieu of installing the scrubber and requested a modification from the District Court of its previous order to allow for plant closure along with time to address any reliability issues. Ameren Missouri expects to make an Attachment Y filing soon formally notifying MISO of its intention to retire the Rush Island Energy Center. MISO will then conduct a reliability assessment. A preliminary study completed by MISO in January of 2022 indicated that in advance of retirement, transmission upgrades and additional voltage support are needed on the transmission system to ensure reliability.

The preliminary MISO reliability study was filed with the District Court, which is under no deadline to issue an order regarding our request to modify the September 2019 remedy order. As stated earlier, in light of these developments, Ameren Missouri expects to file an update to the Integrated Resource Plan with the Missouri PSC in the first half of 2022, which will reflect the expected accelerated retirement date of the Rush Island Energy Center. Such filing will also reflect the expected use of securitization in order to recover the remaining investment in Rush Island.

Lastly, this week at the Missouri PSC staff's request the commission directed them to review various matters associated with our plans to retire Rush Island. Overall, we understand the desire of the commission and staff to develop a deeper understanding of our decision to accelerate closure of Rush Island and related system reliability considerations.

We welcome the review and believe it will be good for the commission and staff as well as all stakeholders to have a deeper understanding of this matter. From our standpoint, it should also help to inform future rate review, IRP, and securitization proceedings. Before leaving this slide, I would also like to provide some insight on recent findings proposed by the EPA related to our Sioux and Meramec Energy Center impoundments.

Last month, Ameren Missouri received notice of an interim decision by the EPA that it has rejected Ameren Missouri's request to extend the timeline for operating certain impoundments located at the Sioux and Meramec energy centers until a replacement pond could be built at Sioux and in the case of Meramec the Energy Center retires, which is expected later this year. We are pursuing options to address the EPA decision and at this time do not expect any significant impacts on operations. Meramec will close as planned by the end of 2022.

Moving to Page 15 to the second pillar of our strategy, enhancing regulatory frameworks and advocating for responsible energy and economic policies. Over the years, we have been successful in executing this element of our strategy by focusing on delivering value to our customers through investments in energy infrastructure and extensive collaboration with key stakeholders in all of our regulatory jurisdictions. I am very pleased to report progress continued last year when the Illinois Energy Transition legislation was enacted.

This is a constructive law that addresses the key objectives and we felt were important for our customers and the communities we serve. The law established a new forward-thinking regulatory framework that will enable us to continue to make important infrastructure investments to enhance the reliability and resiliency of the energy grid as well as enable us to invest in two solar or solar plus battery storage pilot projects.

It will also give us the ability to earn fair returns on these investments. The Illinois energy law allows for an electric utility to opt-in to a multiyear rate plan effective for four years beginning in 2024. We are currently working with key stakeholders through various workshops, which will continue over the course of 2022 to establish specific procedures including performance metrics to implement this legislation.

We expect performance metrics to be approved by the ICC by late September. Subject to finalizing key aspects of this rate-making framework, we anticipate filing a multiyear rate plan by January 20, 2023. Moving to Missouri legislative matters, a key piece of legislation was filed for consideration in this year's session. Bills have been introduced in both the House and the Senate to enhance the Smart Energy Plan legislation enacted in 2018. As part of Missouri's Smart Energy Plan, a multiyear effort to strengthen the grid, our customers are benefiting from stronger poles, more resilient power lines, smart equipment, and upgraded circuits to better withstand severe weather events and restore power more quickly.

The proposed legislation would enhance and extend the existing regulatory framework. It would modify the rate cap from the current 2.85% compound annual all-in cap on growth in customer rates to a 2.5% average annual cap on rates on rate impacts of piece of deferrals. In addition, the proposed legislation would expand and extend economic development incentives as well as remove the sunset date. With all of this in mind, we are focused on working with key stakeholders to get this important legislation passed this year.

Moving to Page 16. Over the last several years, we have worked hard to enhance the regulatory frameworks in both Missouri and Illinois to help drive additional infrastructure investments that will benefit customers and shareholders.

At the same time, we have been very focused on disciplined cost management to keep rates affordable. Since opting into constructive regulatory frameworks, significant investments have been made reliability has improved rates have remained relatively flat customer satisfaction has increased and thousands of jobs have been created. While these are great wins for our customers and communities, we are not done.

Turning to Page 17. As you can see from this chart, our total fuel and purchase power and operations and maintenance expenses have decreased 3% compared to 2016 levels and we will



remain relentlessly focused on continuous improvement and disciplined cost management as we look forward to the next five years.

This will not only include continuing the robust cost management initiatives implemented over the past two years due to COVID-19, but also several other customer affordability initiatives. These initiatives include the automation and optimization of our processes including leveraging the benefits from significant past and future investments in digital technologies and grid modernization.

Moving to Page 18. To sum up our value proposition, we remain firmly convinced that the execution of our strategy in 2022 and beyond will continued to deliver superior value to our customers, shareholders and the environment. We believe our expectation of 6% to 8% compound annual earnings growth from 2022 through 2026 driven by strong rate base growth compares very favorably with our regulated utility peers.

I am confident in our ability to execute our customer-focused strategy and investment plans across all four of our business segments as we have an experienced and dedicated team with a track record of execution that has positioned us well for future success. Further, our shares continue to offer investors an attractive dividend and strong earnings growth expectations we outlined today, position us well for future dividend growth. Simply put, we believe our strong earnings and dividend growth outlooks results in a very attractive total return opportunity for shareholders.

Finally, turning to Page 19, I would like to take the opportunity to introduce to you Ameren Missouri's new Chairman and President Mark Birk. Over the last two years, I was fortunate to have the opportunity to lead Ameren Missouri organization and work closely with Mark. Mark has been an invaluable part of the Ameren team over the last 35 years.

Prior to his new role, Mark served as Ameren Missouri's Senior Vice President of Customer and Power Operations and over the course of this career he has held numerous corporate and operations roles including oversight of Strategy and Planning, Business Risk Management, Safety, Nuclear Operations as well as a host of electric and natural gas operational areas. I look forward to working with Mark in the future in our new roles. Again, thank you all for joining us today and I will now turn the call over to Michael.

## **Michael L. Moehn** {BIO 5263599 <GO>}

Thanks, Marty, and good morning everyone. Turning now to Page 21 of our presentation. Yesterday, we reported 2021 earnings of \$3.84 per share compared to earnings of \$3.50 per share in 2020, an increase of 9.7%. Earnings at Ameren Missouri, our largest segment, increased \$0.25 per share from \$1.77 per share in 2020 to \$2.02 per share in 2021.

Increased investments in infrastructure and wind generation eligible for plant and service accounting and the renewable energy standard rate adjustment mechanism or RESRAM positively impacted earnings by \$0.21 per share. Higher electric retail sales also increased earnings by approximately \$0.16 per share, largely due to continued economic recovery in 2021 compared to unfavorable impacts of COVID-19 in the year ago period.

We've included on this page, the year-over-year weather normalized sales variances. Total weather normalized sales in 2021 were largely consistent with our expectations outlined on our call last February. New electric service rates effective April 1, 2020 also increased earnings during 2021 by approximately \$0.10 per share compared to the year ago period. Finally, these favorable factors were partially offset by higher operations and maintenance expenses which decreased earnings \$0.12 per share, primarily due to the amortization of deferred expenses related to the fall 2020 Callaway Energy Center scheduled refueling and maintenance outage.

Moving to Ameren Illinois Electric Distribution, earnings increased \$0.06 per share, which reflected increased infrastructure and energy efficiency investments and a higher allowed return on equity under performance based rate making. The formula base return on equity was 7.85% in 2021 compared to 7.4% in 2020 and was applied to a year-end rate base.

The 2021 ROE was based on the 2021 average 30-year treasury yield of 2.05%, up from the 2020 average of approximately 1.6%. Ameren Transmission earnings were up \$0.02 per share, which reflected increased infrastructure investments that were mostly offset by the absence of the benefit from the May 2020 FERC order addressing the MISO allowed base return on equity and the impact of the March 2021 FERC order addressing the historical recovery materials and supplies inventories.

Earnings for Ameren Illinois Natural Gas were up \$0.02 per share, which reflected new delivery service rates effective in late January 2021 and increased infrastructure investments partially offset by higher other operations and maintenance expenses. Ameren parent and other results were down \$0.01 per share, which reflected increased interest expense primarily from higher long-term debt balances. And finally, earnings per share and earnings per share drivers on this page are computed using 2020 weighted average shares outstanding. The higher shares outstanding in 2021 reduced overall earnings by \$0.15 per share.

Before moving on, I will touch on 2021 sales trends for Ameren Illinois Electric Distribution. Weather normalized kilowatt hour sales to Illinois residential customers were flat year-over-year and weather normalized kilowatt hour sales to Illinois commercial and industrial customers increased 3% and 3.5% respectively. Recall that changes in electric sales in Illinois no matter the cause do not affect our earnings since we have full revenue decoupling.

Moving to Page 22 of the presentation. Here we provide an overview of the \$17.3 billion of strategically allocated planned expenditures for 2022 through 2026 period by business segment that underlies the approximately 7% projected rate base growth Marty discussed earlier. This plan includes an incremental \$200 million compared to the \$17.1 billion five-year plan for 2021 through 2025 that was laid out last February, which included the \$500 million win investment completed in 2021. As you can see on the right side of this page, we are allocating capital consistent with the allowed return on equity under each regulatory framework. Importantly, as Marty mentioned earlier, renewable generation and regionally beneficial transmission represent additional investment opportunities.

Turning to Page 23, we outlined here the expected funding sources for the infrastructure investments noted on the prior page. We expect continued growth in cash from operations as investments are reflected in customer rates. We also expect to generate significant tax deferrals.

These tax deferrals are driven primarily by the timing differences between financial statement depreciation reflected in customer rates and accelerated depreciation for tax purposes. From a financing perspective, we expect to continue to issue long-term debt in Ameren Missouri and Ameren Illinois to fund a portion of our cash requirements. Pursuant to a November 2021 note purchase agreement, we will issue \$95 million of ATXI debt in August 2022.

We also plan to continue to use newly issued shares for our dividend reinvestment and employee benefit plans over the five-year guidance period. We expect this to provide equity funding of approximately \$100 million annually. In order for us to maintain a strong balance sheet while we fund our robust infrastructure plan, we expect incremental equity issuances of approximately \$300 million each year starting in 2022 through 2026.

Approximately \$95 million of equity outlined for 2022 was sold on a forward basis under our at-the-market equity distribution program, leaving approximately \$200 million to be sold for the remainder of 2022. Together issuance of our 401k, DRPlus, and ATM equity programs are expected to support our equity needs through 2023. All of these actions are expected to enable us to support our consolidated capitalization target of approximately 45% equity over the five-year plan.

Moving to Page 24 of our presentation, I would now like to discuss key drivers impacting our 2022 earnings guidance. As Marty stated, we expect 2022 diluted earnings per share to be in the range of \$3.95 to \$4.15 per share. On this page and the next, we have listed key earnings drivers and assumptions behind our 2022 earnings guidance broken down by segment as compared to the 2021 results. Beginning with Ameren Missouri, earnings are expected to rise in 2022. New electric service rates will be effective February 28. The 2022 earnings comparison is also expected to be favorably impacted by higher investments in infrastructure and wind generation that's eligible for PISA and RESRAM which benefits earnings in January and February until rates are reset.

We also expect to recognize earnings related to energy efficiency performance incentives from both 2021 and 2022 plan years in 2022. As a result, we expect energy efficiency performance incentives to be approximately \$0.04 per share higher than 2021. These favorable factors are expected to be partially offset by higher operations and maintenance and interest expenses. Further, we expect to return to normal weather in 2022 will decrease Ameren Missouri earnings by approximately \$0.02 compared to 2021 results.

We also expect higher total weather normalized electric sales of approximately 1% in 2022 compared to 2021 as residential sales declined and commercial sales continued to increase. We expect total weather normalized sales to return to 2019 levels by mid-2022 with this year's growth expected to be primarily over the second half of the year.

Moving on earnings from our FERC-regulated electric transmission activities are expected to benefit from additional investments in the Ameren Illinois and ATXI projects made under forward-looking formula rate making. The absence of the March 2021 fourth quarter on historical recovery materials and supplies is also expected to increase earnings \$0.03 per share.

Turning to Page 25, Ameren Illinois Electric Distribution earnings are expected to benefit in 2022 compared to 2021 from additional infrastructure investments made under Illinois performance-based rate making. Our guidance incorporates performance based ROE of 8.05% using a forecasted 2.25% 2022 average yield for the 30-year treasury bond, which is higher than the allowed ROE of 7.5% in 2021. The allowed ROE is applied to year-end rate base.

For Ameren Illinois Natural Gas, earnings will benefit from higher delivery service rates that were effective late January 2021 as well as from infrastructure investments qualifying for rider treatment. These favorable factors are expected to be partially offset by higher operations and maintenance and depreciation and amortization expenses.

Moving now to Ameren-wide drivers and assumptions. We expect the increased common shares outstanding to unfavorably impact earnings per share by \$0.04 and higher interest expense primarily from higher long-term debt balances. Of course in 2022, we will seek to manage all of our businesses to earn as close to a lot of returns as possible while being mindful of operating and other business needs.

I'd also I can take a moment to discuss our retail electric sales outlook. We expect weather normalized Missouri kilowatt-hour sales to be in the range of flat to up approximately 0.5% compounded annually over the five-year plan excluding the effects of our EMEA energy efficiency plans using 2022 as the base year. We exclude EMEA because the plan provides rate recovery to ensure that earnings are not affected by reduced electric sales resulting from our energy efficiency efforts. Turning to Illinois, we expect our weather normalized kilowatt-hour sales including energy efficiency to be relatively flat over the five-year plan.

Turning to Page 26 on regulatory matters. In December, the PSC approved a non-unanimous stipulation agreements the results both the electric and natural gas rate reviews for Ameren Missouri. The agreements were black box settlements which did not provide for certain specific details of the final orders. In both rate reviews, an allowed ROE was not specified but did provide for approximately 52% equity ratio for use in calculating PISA and RESRAM. The electric revenue requirement increased by \$220 million annually, reflecting a rate base of \$10.2 billion.

The approved agreement also provided for the continuation of key trackers and riders, including a fuel adjustment clause. The natural gas revenue requirement was increased by \$5 million annually, reflecting a \$313 million rate base. Both electric and natural gas rate changes are effective at the end of this month.

Looking ahead, we will continue to assess the timing of our next rate review. In making this decision, we will take into account several considerations including our capital expenditures and other costs of service considerations as well as updates to the integrated resource plan expected to be filed in the first half of this year, reflecting the accelerated retirement of the Rush Island Energy Center and timing of our expected securitization filing. Regarding Ameren Illinois regulatory matters, in December the ICC approved a \$58 million base electric distribution rate increase in the annual rate update proceeding with new rates that were effective at the beginning of this year.

Finally, turning to Page 27, we have a strong team and are well-positioned to continue executing our plan. We delivered strong earnings growth in 2021 and we expect to deliver strong earnings growth in 2022 as we continue to successfully execute our strategy. And as we look ahead, we expect 6% to 8% compound earnings per share growth from 2022 to 2026 driven by robust rate base growth and disciplined cost management.

Further, we believe this growth will compare favorably with the growth of our regulated utility peers and Ameren shares continue to offer investors an attractive dividend. In total, we have an attractive total shareholder return story that compares very favorably to our peers. That concludes our prepared remarks. We now invite your questions.

## Questions And Answers

### Operator

Thank you. At this time, we'll be conducting a question-and-answer session. (Operator Instructions). Our first question comes from Shar Pourreza with Guggenheim Partners. Please proceed with your question.

### Q - Shar Pourreza

Hey, good morning guys.

### A - Warner L. Baxter {BIO 1858001 <GO>}

Hey, good morning, Shar.

### Q - Shar Pourreza

A couple of quick questions here, first just on supply chain, are you seeing any impacts on the renewable side, especially as we think about the 2.4 gigs. I mean, we've seen a few of your peers shift megawatts out either from panel shortages or other sort of supply chain disruptions. Any thoughts here? Any materials locked in and procured and if this isn't transitory since you guys are essentially swapping megawatts for megawatts, as we think about renewables versus coal, could any revenue any project delays cause an impact to sort of the coal retirement timelines, especially as we're thinking about Sioux?

### A - Martin J. Lyons {BIO 4938648 <GO>}

Hey, Shar. Yeah, this is Marty. Let me take that one on supply chain as it relates to renewables and then perhaps Michael can comment on supply chain or issues more broadly. First of all, I'd say that as we went through last year, we had hoped by the end of the year to have announced some renewable projects. As you saw, we just announced one this week, which we're excited about. I would say it's a start in terms of the renewable projects that we hope to get announced and delivered in the 2024 to 2026 timeframe.

But to your point, some of the negotiations last fall and into the winter were I would just say slowed by supply chain issues, tariff issues, some of the inflationary pressure seeing in the renewable space which simply meant that it was taking a little longer to work through some of the contractual negotiations, but we were able to get that first project announced. We are still expecting this year to announce other projects.

And we'll see whether these things are transitory or not, but again some of the bigger bulk of the projects we're trying to get done are out there in that 2024 to 2026 timeframe. So certainly time for some of those issues to settle down. Ultimately, whether that has any impact on longer-term, our scheduled coal retirement at Sioux will remain to be seen as you know, especially in light of the accelerated closure of Rush Island.

We plan to update our integrated resource plan in the first half of this year and so as we do that, we'll be taking into consideration some of the observations -- more recent observations we have on the renewable market, the timing of expected projects there as well as just the broader dynamics associated with reliability of our system long-term and providing updates in there.

So it really be premature to say whether there is any impact on the retirement date of Sioux, but again, we're continuing to work with developers on these renewable projects and do you expect to have further announcements this year. As I did indicate on the prepared remarks, to the extent that we have additional projects to be approved by the commission, we anticipate filing those CCNs after we file the update to the Integrated Resource Plan because that Integrated Resource Plan provides a good backdrop for the commission to consider the approval of the CCNs. Michael, any other comments broadly on supply chain?

**A - Michael L. Moehn** {BIO 5263599 <GO>}

No Marty. No, that was pretty comprehensive. Nothing material to add to that answer. Shar, do you have something else?

**Q - Shar Pourreza**

Yeah, terrific. And just one last one is, I know this is maybe a little bit of a perennial topic at this point, but any thoughts on sort of the potential end of QIP in Illinois. I mean it seems like efforts to eliminate it are getting a little bit noisy again, but it's also scheduled to expire in '23. Could we see an extended? Would it change one way or another have any impact on your updated plan to invest about \$1.8 billion between now and '26. Thank you.

**A - Martin J. Lyons** {BIO 4938648 <GO>}

Yes, Shar, terrific question. You know that the QIP gas business in Illinois has been really I think a terrific rider for the benefit of customers. It's really allowed us to do a lot of projects in Illinois as much as 50% of our capital expenditures is replacing underground pipes, et cetera, to improve the safety and reliability of our gas system. So it's been a good rider.

Certainly can't predict whether any legislative effort to me to ended prematurely will be successful or not. As you said, its already scheduled to expire at the end of 2023. So look, it's

been a good rider. We'd love to see it extended. We'd love to see perhaps some other mechanism go in its place that would be similarly beneficial.

But ultimately, we do have in the gas business in Illinois a favorable foundation for rate-making, which is a forward test year with other good features like decoupling. So look, as we move forward, we'll continue to see whether there is either an extension of the QIP or perhaps something else that goes in its place, but ultimately, we can reassess both not only the projects that we've got, but also the timing of rate reviews and the like.

At the end of the day, we feel like the projects that we're doing there and the projects we have plan there are great for our customers, great for the communities and we'll look for a path forward to making those investments.

### **Q - Shar Pourreza**

Terrific, thanks guys, and congrats on getting through the year-end.

### **A - Martin J. Lyons** {BIO 4938648 <GO>}

Thank you.

### **Operator**

Our next question comes from the line of Durgesh Chopra with Evercore. Please proceed with your question.

### **Q - Durgesh Chopra** {BIO 20053859 <GO>}

Hey, good morning team. Thank you for taking my question. On the 6% to 8% growth rate target. I mean, obviously, it looks like there's a ton of upside CapEx potential whether it's the Rush Island related CapEx, the MISO transmission CapEx and there may be an ROE bump in future years from the SB2408 in Illinois, what are you assuming in that 6% to 8% growth rate target in terms of these upside opportunities?

### **A - Martin J. Lyons** {BIO 4938648 <GO>}

Well, again, I think that you've summarized it well. At the end of the day, we've got \$17.3 billion of planned capital expenditures over four quality jurisdictions. We expect that to drive 7% compound annual rate base growth and really that is the foundational driver of our 6% to 8% planned EPS CAGR over this period of time, but you also pointed out some additional opportunities we have, and those are specifically in the areas of renewable generation as well as some of these regional regionally beneficial transmission projects and those represent potential additions to the capital expenditure plans in the rate base growth.

So those are the things that you highlighted are the things that give us confidence not only in our ability to execute the \$17.3 billion and the 7% rate base growth, but certainly conviction around that 6% to 8% EPS growth target.

**A - Michael L. Moehn** {BIO 5263599 <GO>}

The only thing I would add to that -- Marty's really comprehensive answer is with respect to Illinois, we kind of move through this new process there in terms of opting into the multi-year plan. I think we'll continue to step back and assess the opportunities there. There obviously is a tremendous amount of projects that are need to get done on the benefit of customers. We've made some great progress there but there's just a lot of aging infrastructure. So as you know we've been pulling that CapEx down a little bit over time just because some of those returns and so we'll assess that too as an opportunity, but Marty certainly highlighted the big ones.

**A - Martin J. Lyons** {BIO 4938648 <GO>}

Thanks, Michael.

**Q - Durgesh Chopra** {BIO 20053859 <GO>}

Got it. Thanks guys. And then maybe, can I just follow up on the whole staff and commission review of the Rush Island retirement and generation needs to fill that hole. What are sort of the key milestones for us to watch there in terms of like the next steps that we should be watching for and then what are the end outcome you think of that review process? Thank you.

**A - Martin J. Lyons** {BIO 4938648 <GO>}

Yeah, sure. So I think as it relates to Rush Island, we'll be continuing to work with the District Court in terms of the plans forward for the ultimate retirement date of Rush Island. As we shared in our prepared remarks, there was a preliminary assessment done by MISO related to the closure of Rush Island, which really determined that there were upgrades and additional investments needed to for voltage support and longer-term reliability of the system in light of that planned closure.

And so now will be moving forward with filing an Attachment Y soon, which will be more of a formal assessment. The preliminary assessment is done. The formal assessment will be done and then once we've done that, we have to determine what the right investments are to be made on the system and get those planned and approved and executed over time.

So some of the milestones to watch there, the MISO Y filing as well as decisions coming from the District Court around the retirement of that plant. So those are some things in that regard now specifically in terms of the staff review, like I said, what they're looking to do here I think is really get a deeper understanding of the decision to close Rush Island as well as these reliability impacts that I've been talking about. Rush Island, as you know, is a 1,200-megawatt plant. It's been highly reliable. It's been low cost and provided great value to our customers over time.

So in terms of their review, they'll be conducting that. There is going to be -- the commission has asked them to file a preliminary report around April 15, but there's really no deadline on any kind of a final report from the Commission staff and then we also at the Commission's request, will be providing monthly status updates in terms of the progress towards closure of Rush



Island and I think importantly too, what we're doing from a reliability standpoint associated with that. So those are some of the milestones to look for.

**Q - Durgesh Chopra** {BIO 20053859 <GO>}

Yeah, thank you, guys. Appreciate the time. Congrats on a solid quarter.

**A - Martin J. Lyons** {BIO 4938648 <GO>}

Thanks.

**Operator**

Our next question comes from the line of Jeremy Tonet from JP Morgan. Please proceed with your question. Hi, good morning.

**A - Martin J. Lyons** {BIO 4938648 <GO>}

Good morning.

**Operator**

Just wanted to build off on some of those questions there. Just wondering if you could frame with regards to the Missouri IRP, MTEP process for Rush Island and just when could this be pulled into the plan. When do you think this could materialize and how do we think about I guess potential incremental equity needs should this come in. Just trying to get the size of CapEx timing and incremental equity, how that might balance out?

**A - Martin J. Lyons** {BIO 4938648 <GO>}

Yeah. Jeremy is Marty. I'll start and I'm sure Michael will add-on to this as well, but a couple of things as we laid out, again, in the IRP, we really expect that that will get filed in the first half of this year and importantly there, we'll be considering, like I said, the early retirement of Rush Island, any updates to our renewable expansion plans, investments needed in the transmission system as well, doing a comprehensive update of that Integrated Resource Plan.

So through that certainly you'll get an idea of some of the updated thoughts in terms of additional investments that may be required. Also, as you mentioned, and we mentioned in our prepared remarks. We do expect that the MISO will end up improving some of the projects that will move us towards that Future 1 plan that they've got out there and we expect that that again too is going to occur by mid this year.

Pre premature to say the size of the portfolio of projects that MISO will approve in this tranche one that we expect to get approved midyear or the size of the allocation of projects to us, but that's going to be another key milestone as we look ahead to this year in terms of identifying additional potential investments that we'll have longer-term. So with that, mid-year, we should get some greater visibility I suspect in terms of some of those potential projects and then I think

as a team, we'll have to step back and assess those projects and decide ultimately which of those becomes additive to our plan and in what years and how we move forward with execution. Michael, you want to tackle some of those other questions.

**A - Michael L. Moehn** {BIO 5263599 <GO>}

Yeah, perfect, Marty. I think that's well said. I mean just in terms of, Jeremy, we said this before, we just don't want to get in front of the regulatory process in that and we'll just continue to assess these over time and as we make that determination and figure out sort of what is incremental to the plan that's when we would step back and look at what our financing needs would be with respect to that. As we've said in the past, we like our ratings where they are today, we're very focused on our metrics.

We're targeting this capitalization ratio of about 45% equity over the balance of the plan. That's really what's driven the \$300 million that we have in there today, and again, it would kind of be just on case specific basis. I wouldn't see us deviating much from that honestly. So I mean if that gives you any indication on how we think about the financing that's going forward, but we would assess it at that point in time. So hope that helps.

**Operator**

That's very helpful on that much on the equity side. That's great to hear. And then just from a transmission perspective, can you give any sense of the size and scope of the reliability needs around Rush Island's closure. Just wondering, any thoughts you could provide there?

**A - Martin J. Lyons** {BIO 4938648 <GO>}

Yeah eally hard to at this point, you know we're in those early stages like I said, through the preliminary assessment that MISO did is clear the transmission upgrades, are going to be needed both for voltage support as well as to ensure long-term reliability of the system. So clearly some transmission investment needs there, but it's premature to say exactly what those will be efforts along those lines given the preliminary assessment are already underway to determine some of those things, but ultimately it will be a process working with MISO in particular to determine what those needs will be and how much of an investment will be required there.

**Operator**

Great, that's helpful. That's it from me. Thanks.

**A - Michael L. Moehn** {BIO 5263599 <GO>}

Thanks for the questions.

**Operator**

Our next question is from Paul Patterson with Glenrock Associates. Please proceed with your question.

**Q - Paul Patterson** {BIO 1821718 <GO>}

Hey, good morning guys. Congratulations.

**A - Michael L. Moehn** {BIO 5263599 <GO>}

Hey Paul.

**A - Martin J. Lyons** {BIO 4938648 <GO>}

Thank you.

**Q - Paul Patterson** {BIO 1821718 <GO>}

So just on the Missouri legislation that you have there. Just wondering sort of what the practical impact from a shareholder perspective might be if you guys have that and also what's the reason from going from a 2.85% cap to a 2.5% cap. Is that just part sort of the give and take of legislation or is there something that specifically's happening that's causing people want to that?

**A - Michael L. Moehn** {BIO 5263599 <GO>}

Yes, Paul, good questions. Look, as it relates to this legislation, first of all, this plant and service accounting, we call it Missouri Smart Energy Plan, has been working really well for customers. It's really allowed us to make significant additional investment in our system. We talked early on in the call about how that's just driving higher reliability. It's allowed us to deploy clean energy. It's really doing good things for the economy. We've created a lot of jobs and at the same time, been able to keep rates very low for customers.

So it's really been working extremely well and what this legislation is all about is just making sure that we have a sustainable long-term framework to support continuation of those efforts. So it's really all about longevity of what the legislature put in place several years ago. So that's what it's all about. You see some of the features we laid out in the slides, removes the sunset from the plan which would be good, improves longevity to begin with, improves the economic development incentives, which have been really great for attracting businesses and helping businesses expand in our state. So it's improvement there.

What the cap specifically is all about is today as you see there is a cap on the overall growth in rates -- total rates. What we're saying here is that it would be better to have a cap, which is a good consumer protection, a cap, but it would be on the impact of these deferrals, the piece of deferrals that were really directed by that legislation and so that too I think improves the longevity of the ability to utilize and this great regulatory framework long-term.

**Q - Paul Patterson** {BIO 1821718 <GO>}

So when do we need to. I mean, you've got it there now, but when is the sunset again on the current one?

**A - Martin J. Lyons** {BIO 4938648 <GO>}

Sunset on the current one is the end of 2023.

**Q - Paul Patterson** {BIO 1821718 <GO>}

Okay.

**A - Michael L. Moehn** {BIO 5263599 <GO>}

Now when we say sunset said, it doesn't necessarily go away. It just means that we would need to go to the commission and re-up or ask them to re-up for another five years. So we would need to make a filing and the commission would need to approve that for another five years.

**Q - Paul Patterson** {BIO 1821718 <GO>}

So it's not a real sunset. I mean, so I mean, I guess it will be at the discretion of the commission as opposed to having it let -- sort of legislatively in place, is that the way to think of it?

**A - Martin J. Lyons** {BIO 4938648 <GO>}

Yes, it's the right way to think about it. That's right. And that's why I wanted to clarify my thoughts you'd use the word sunset and I'd responded, but it's not a hard stop, just a checking point, if you will, to go back to the commission and re-up for another five years, but you're absolutely right in the way you've characterized the legislation, which would be more of a steady state going forward.

**A - Michael L. Moehn** {BIO 5263599 <GO>}

And Paul, this is Michael. I mean, if we were to do that opt in and then everything that sort of exists today from our cap structure, all of that will continue to apply going forward, it's in the commission has the ability to do extended but not modify it in anyway, just to be clear.

**Q - Paul Patterson** {BIO 1821718 <GO>}

And then on the coal, any thought about what the and I apologize if I missed this, what the total number in terms of the EPA impact might be and also, is that, how would that be treated regulatory speaking. Is that something that could be securitized or just how should we think about any potential coal ash cleanup expense.

**A - Martin J. Lyons** {BIO 4938648 <GO>}

No, you know, Paul, there's really no -- we weren't really talking about coal ash cleanup expenses. It's really modifications to the impoundments that we have at these power plants in order to be able to continue to dispose of either ash or residuals coming out of our scrubbing. So again, what we said on the call there is really don't expect to have any material impact from the EPA's decision, part of it related to Meramec which we have plans to close at the end of

2022 and then the other potential impact was that our Sioux Energy Center and we are working through options which we believe will ultimately mean that there is no significant impact in terms of the EPA's recent ruling.

**A - Michael L. Moehn** {BIO 5263599 <GO>}

Yeah, it's all right and then, Paul.

**A - Martin J. Lyons** {BIO 4938648 <GO>}

Yeah, it would just be.

**Q - Paul Patterson** {BIO 1821718 <GO>}

Okay, so in other words the impoundment improvements really aren't going to be all that costly, is that right?

**A - Martin J. Lyons** {BIO 4938648 <GO>}

Correct. It would just be a typical capital project that we would recover in the normal course of a rate review. Yeah, correct, it is not going to be an overly material number as we sit here today.

**Q - Paul Patterson** {BIO 1821718 <GO>}

Well, that's very good. Okay, awesome. Thanks so much guys and congratulations again.

**A - Martin J. Lyons** {BIO 4938648 <GO>}

All right, thanks.

## Operator

Our next question is from Julien Dumoulin-Smith with Bank of America. Please proceed with your question.

**Q - Julien Dumoulin-Smith** {BIO 15955666 <GO>}

Thanks for the time. Sorry for being late. Just with respect to the comments on Jeremy's question earlier I want to go back, if I can just understand the cadence of some of these updates. If I hear you guys right now with respect to Rush Island and some of the MISO agreements in principle that you have, you could be in a position to at least update some of the transmission spending earlier than perhaps say some of the increments of renewables here. Can you talk about the timeline here.

I mean, you've got Attachment Y coming pretty soon it would seem. If this agreement translates as you say Stage 1 in mid-2022, could you be in a position to look at kind of a more holistic view on transmission by say November EEl timeframe. Just curious if you can elaborate a little bit

more on how that comes together and to what extent. It seems like there is an overlap in what you would be doing from a transmission perspective and what ultimately transpires around Rush Island or do you need to really wait for the full IRP process to play itself out prior to knowing what that transmission spend looks like?

**A - Michael L. Moehn** {BIO 5263599 <GO>}

Yeah. Julien, obviously you had a lot of topics in that question and there are a bunch of moving parts. I think number one, like you said on Rush Island, we'll let this MISO Y play out, but even if they come back pretty quickly on the MISO Y and again confirm that transmission investments are needed for both voltage support and long-term reliability, still then there'll be a process to determine what exactly those investments are and over what time period they'll be made. I can't give you an exact timeline in terms of one will have clarity on all of that, but that's item number one. Item number two is the MISO actually approving projects as part of their Midwest region tranche one approval process and like I said, we do expect that will occur around mid-year.

And so there we should get some clarity in terms of what projects of that portfolio would be ours to do and we can begin assessing how we'll go about executing those and when those would be added to our plan. So we'll get some clarity there as well. And then with respect to the IRP again timeline there is again around the middle of the year, we said first half of this year. There is a little bit of dependency there, we'd certainly like to have clarity in terms of when transmission investments could be made when Rush Island will actually be closing. And so we expect that over the course of this next six months, we should be able to have working with the District Court MISO et cetera get some clarity on that.

So all of those I think things will come to fruition likely in the first half of this year. We should get a lot of information, which we'll certainly be able to discuss I think on our second quarter call. We'll have a lot of information there. Whether we update or not at EEI hard to say. What traditionally we've done and we discussed this earlier step back, look at all these additional projects, look at the prioritization within our overall plan consider which of those projects we can get done, which of those are going to be additive, et cetera how we're going to finance it. Typically, we've laid that out on our fourth quarter call, but again, we should be able to provide I think a pretty comprehensive update on where things stand at the end of the second quarter and going into the EEI. Michael, any additional thoughts there? No, Marty. That's good.

**Q - Julien Dumoulin-Smith** {BIO 15955666 <GO>}

Awesome guys. Thank you. And a quick clarification from Paul's question. Just with respect to the QIP. Obviously, you've laid out your gas CapEx expectations through the full period here including the I'm going to use the word sunset. I guess that's not entirely appropriate. How do you think about whether or not that's extended and how that impacts your CapEx budget. I understand it impacts the recovery mechanisms and timing there in, but it presumably does not impact your CapEx one way or another.

**A - Michael L. Moehn** {BIO 5263599 <GO>}

That's right. I mean look CapEx is important CapEx and needs to be done on behalf of customers. While it is a step back, I think, as Marty said in his answer and look at if that was not

in place, how we file rate reviews and those types of things but look, this is needed CapEx that's driving reliability improvements for customers, safety improvement for customers et cetera.

**Q - Julien Dumoulin-Smith** {BIO 15955666 <GO>}

Got it. All right, excellent. Guys, I'll leave it there. Sorry, you were going to say something?

**A - Martin J. Lyons** {BIO 4938648 <GO>}

No, I was going to say thanks, Julien. I appreciate the questions.

**Q - Julien Dumoulin-Smith** {BIO 15955666 <GO>}

Thank you.

## Operator

We have reached the end of the question-and-answer session. I'd now like to turn the call back over to Marty Lyons for closing comments.

**A - Martin J. Lyons** {BIO 4938648 <GO>}

Great. Well, hey, I just wanted to say thank you to all of you for joining us today. As you can see, we had a really strong 2021 and we remain very, very focused on delivering again in 2022 and beyond for our customers, our communities, and for all of you, our shareholders. So with that, please be safe and we look forward to seeing many of you in person over the coming months.

## Operator

This concludes today's conference. You may disconnect your lines at this time and we thank you for your participation.

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