Risk Factors Comparison 2024-02-16 to 2023-02-24 Form: 10-K

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You should carefully consider each of the risks described below relating to Alliant Energy, IPL and WPL, together with all of the other information contained in this combined report, before making an investment decision with respect to our securities. If any of the following risks develop into actual events, our business, financial condition or results of operations could be materially and adversely affected, and you may lose all or part of your investment. Risks Related to Business Operations A cyber attack may disrupt our operations or lead to a loss or misuse of confidential and proprietary information or potential liability- We operate in an industry that requires the continuous use and operation of ~~sophisticated~~ information ~~technology~~ **and telecommunications** systems ~~and network infrastructure~~. We face threats from use of malicious code (such as malware, viruses and ransomware), employee theft or misuse, advanced persistent threats, vulnerabilities **(** such as the log4j **and MOVEit** ~~vulnerability~~ **vulnerabilities)** , fraud attempts, and phishing attacks ~~. More of our workforce is working remotely, which increases the number of devices connected to the internet that impact our operations and increases our cyber security risk~~. Incidents of ransomware attacks have been increasing in frequency and magnitude **. Emerging artificial intelligence technologies may be used** ~~, including the ransomware attack that resulted in the operator of the Colonial Pipeline paying millions of dollars in ransom~~ to ~~hackers as a result of a cyber attack disabling~~ **develop new hacking tools, exploit vulnerabilities, obscure malicious activities, and increase** the **difficulty detecting threats** ~~pipeline for several days in 2021~~. Cyber attacks targeting electronic control systems used at our generating facilities and for electric and gas distribution systems could result in a full or partial disruption of our electric and / or gas operations. We have relied on a global supply chain for certain components of our operating and technology systems, which may increase our exposure to cyber attacks. Any disruption of these operations could result in a loss of service to customers and a significant decrease in revenues, as well as significant expense to repair system damage and remedy security breaches. Due to the evolving nature of cyber attacks and ~~cyber security~~ **cybersecurity** , our current safeguards to protect our operating systems and information technology assets may not always be effective. We rely on third parties for software to protect against cyber attacks and we are at risk if such third parties are targets of cyber attacks. **Measures taken to avoid, detect, mitigate or recover from cybersecurity breaches or incidents may be insufficient or become ineffective, and there are no assurances that cybersecurity breaches or incidents will not impact our business, operations and financial condition.** If the technology systems were to fail or be breached by a cyber attack or a computer virus, and not be recovered in a timely fashion, we may be unable to fulfill critical business functions and confidential data could be compromised, adversely impacting our financial condition and results of operation. In addition, we ~~may~~ **use information technology systems to** collect and retain sensitive information, including personal information about our customers, shareowners and employees. In some cases, we outsource administration of certain functions to vendors that **have been or** could be targets of cyber attacks ~~. For example, we outsource administration of our employee health insurance to Anthem, which was the target of a cyber attack in 2014~~. Any theft, loss and / or fraudulent use of customer, shareowner, employee or proprietary data as a result of a cyber attack could subject us to significant litigation, liability and costs, as well as adversely impact our reputation with customers and regulators, among others. Demand for energy may decrease- Our results of operations are affected by the demand for energy in our service territories. Energy demand may decrease due to many things, including **economic conditions,** proliferation of customer and third party- owned generation, technological advances that reduce the costs of renewable energy and storage solutions for our customers, government policies, such as the Inflation Reduction Act of 2022 **(IRA Act)** , which incentivize customer and third party- owned generation, loss of service territory or franchises, energy efficiency measures, technological advances that improve energy efficiency, third- party disrupters, loss of wholesale customers, **loss of customers that pursue their own renewable projects to achieve specific sustainability goals, and** the adverse impact of tariffs on our customers ~~, and economic conditions~~. The loss of sales due to lower demand for energy may increase our rates for remaining customers, as our rates must cover our fixed costs. Increased customer rates may cause decreased demand for energy as customers move to customer and third party- owned generation and implement energy efficiency measures to reduce costs. The loss of customers, the inability to replace those customers with new customers, and the decrease in demand for energy could negatively impact our financial condition and results of operations. Our strategy includes large construction projects, which are subject to risks- Our strategy includes constructing renewable generating facilities **, energy storage facilities, natural gas- fired generating facilities** and large- scale additions and upgrades to our electric and gas distribution systems **and generating assets** . These construction projects are subject to various risks. These risks include: the inability to obtain necessary regulatory approvals and permits in a timely manner; adverse interpretation or enforcement of permit conditions; changes in applicable laws or regulations; changes in costs of materials, equipment, commodities, fuel or labor including due to inflation, tariffs, labor issues, or supply shortages; delays caused by construction accidents or injuries; shortages in materials, equipment, or qualified labor; changes to the scope or timing of the projects; general contractors, subcontractors, or equipment not performing as required under their contracts; the inability to agree to contract terms or disputes in contract terms; the inability to successfully resolve warranty claims; poor initial cost estimates; work stoppages; adverse weather conditions; government actions; legal action; unforeseen engineering or technology issues; limited access to capital or other financing arrangements; and other adverse economic conditions. We **outsource certain business functions to third- party suppliers and service providers, and substandard performance by those third parties could harm our business, reputation and results of operations. We** may not be able to recover all costs for the projects in rates and face increased risk of potential impairment of our project investment if a construction project is not completed or is delayed, or final costs exceed expectations or the costs approved by our regulators **. For example, WPL has notified the PSCW that its solar generating facility developments have exceeded the approved costs** . We may not be able to meet capacity requirements to comply with electric demand planning reserve margins if a construction project is not completed or is delayed. Inability to recover costs, or inability to complete projects **or recover costs** in a timely manner, could adversely impact our financial condition and results of operations. Supply chain disruptions could negatively impact our operations and implementation of our strategy- Our operations and strategy depend on the global supply chain to procure the equipment, materials and other resources necessary to provide services in a safe and reliable manner and construct new utility infrastructure. The global supply chain has experienced, and is expected to continue to experience, disruptions due to a multitude of factors, such as geopolitical issues, supplier manufacturing constraints, labor issues, transportation issues, resource availability, long lead times, tariffs, tighter credit markets, inflation, ~~the COVID- 19 pandemic~~ **pandemics** and weather. These disruptions have impacted, and are expected to continue to impact, our ability to receive critical materials, supplies and services in a timely and economic manner. This could have an adverse impact by increasing costs and delaying the construction, maintenance or repair of items that are needed to support normal operations or are necessary to our construction projects to implement our strategy. Inability to recover higher costs, or inability to complete projects in a timely manner, could adversely impact our financial condition and results of operations. Our utility business is seasonal and may be adversely affected by the impacts of weather- Electric and gas utility businesses are seasonal businesses. Demand for electricity is greater in the summer months associated with higher air conditioning needs and winter months associated with higher heating needs. Demand for natural gas depends significantly upon temperature patterns in winter months due to heavy use in residential and commercial heating. As a result, our overall operating results in the future may fluctuate substantially on a seasonal basis. In addition, we have historically generated less revenues and income when temperatures are warmer in the winter and / or cooler in the summer. Thus, mild winters and / or summers could have an adverse impact on our financial condition and results of operations. We face risks associated with operating electric and natural gas infrastructure- The operation of electric generation and distribution infrastructure involves many risks, including start- up risks, breakdown or failure of equipment, fires developing from our power lines, transformers **, energy storage facilities,** or substations, dam failure at one of our hydroelectric facilities, the dependence on a specific fuel source, including the supply and transportation of fuel, the risk of performance below expected or contracted levels of output or efficiency, **members of the public or contractors coming into contact with our infrastructure,** public and employee safety, operator error and ruptured oil and chemical tanks. The operation of our natural gas distribution and transportation infrastructure also involves many risks, such as leaks, explosions, mechanical problems, members of the public ~~and~~ **or** contractors coming into contact with our infrastructure, and employee and public safety. In addition, the North American electric transmission grid is highly interconnected and, in extraordinary circumstances, disruptions at particular points within the grid could cause an extensive power outage in our service territories. Increased utilization of customer- and third party- owned generation technologies could also disrupt the reliability and balance of the electricity grid. Further, the electric transmission system in our utilities' service territories can experience constraints, limiting the ability to transmit electricity within our service territories. The transmission constraints could result in an inability to deliver electricity from generating facilities, particularly wind **and solar** generating facilities, to the national grid, or to access lower cost sources of electricity. These risks could cause significant harm to employees, customers and the public, including loss of human life, significant damage to property, adverse impacts on the environment and impairment of our operations, all of which could result in substantial financial losses to us. We are also responsible for compliance with new and changing regulatory standards involving safety, reliability and environmental compliance, including regulations under the Pipeline and Hazardous Materials Safety Administration, the Occupational Health and Safety Administration, the North American Electric Reliability Corporation and **the Department of Homeland Security** Transportation Security Administration. Failure to meet these regulatory standards could result in substantial fines. Lastly, we have obligations to provide electric and natural gas service to customers under regulatory requirements and contractual commitments. Failure to meet our service obligations **, and failure of IPL' s solar generating facilities to achieve a certain level of output,** could adversely impact our financial condition and results of operations. Storms or other natural disasters may impact our operations in unpredictable ways- Storms and other natural disasters, including events such as floods, tornadoes, windstorms like the 2020 derecho in Iowa, blizzards, ice storms, extreme hot temperatures, extreme cold temperatures, fires **, wildfires** , solar flares or pandemics may adversely impact our ability to generate, purchase or distribute electric energy and gas or obtain fuel or other critical supplies. In addition, we could incur large costs to repair damage to our generating facilities and electric and gas infrastructure, or costs related to environmental remediation, due to storms or other natural disasters. The restoration costs may not be fully covered by insurance policies and may not be fully recovered in rates, or recovery in rates may be delayed. Storms and natural disasters may impact our customers and the resulting reduced demand for energy could cause lower sales and revenues, which may not be replaced or recovered in rates, or rate recovery may be delayed. Any of these items could adversely impact our financial condition and results of operations. Threats of terrorism and catastrophic events that could result from terrorism may impact our operations in unpredictable ways- We are subject to direct and indirect effects of terrorist threats and activities. Generation, transmission and distribution facilities, in general, have been identified as potential targets of physical or cyber attacks. Physical attacks on transmission and distribution facilities that appeared to be terrorist- style attacks have occurred. Our gas distribution system could also be the target of terrorist threats and activities. The risks posed by such attacks could include, among other things, the inability to generate, purchase or distribute electric energy or obtain fuel sources, the increased cost of security and insurance, the disruption of, volatility in, or other effects on capital markets, and a decline in the economy and / or energy usage within our service territories, all of which could adversely impact our financial condition and results of operations. In addition, the cost of repairing damage to our facilities and infrastructure caused by acts of terrorism, and the loss of revenue if such events prevent us from providing utility service to our customers, could adversely impact our financial condition and results of operations. We may not be able to fully recover costs related to commodity prices- We have natural gas and coal supply and transportation contracts in place for some of the natural gas and coal we require to generate electricity. We also have transportation and supply agreements in place to facilitate delivery of natural gas to our customers. Our counterparties to these contracts may not fulfill their obligations to provide natural gas ~~or~~ **,** coal **, financial settlements or collateral** to us due to financial or operational problems caused by natural disasters, severe weather, economic conditions, labor shortages, employee strikes, transportation issues, pandemics, physical attacks or cyber attacks. If we were unable to obtain enough natural gas or coal for our electric generating facilities under our existing contracts, or to obtain electricity under existing or future purchased power agreements, we could be required to purchase natural gas or coal at higher prices, **need to secure higher cost delivery of natural gas or coal, be forced to curtail the operation of our natural gas- fired or coal- fired generating facilities, be** forced to purchase electricity from higher- cost generating resources in the Midcontinent Independent System Operator, Inc. (MISO) energy market and / or **be** required to purchase replacement capacity to comply with electric demand planning reserve margins. We may be obligated to pay for coal deliveries under our contracts even if our coal- fired generating facilities do not operate enough to fully utilize the amounts of coal covered by the contracts. If, for natural gas delivery to our customers, we were unable to obtain our natural gas supply requirements under existing or future natural gas supply and transportation contracts, we could be required to purchase natural gas at higher prices from other sources. Natural gas market prices have been volatile in the past and could be volatile in the future due to additional future regulations, increased demand including due to increased liquified natural gas demand from foreign countries, limited global suppliers of natural gas, periods of extremely cold temperatures or disruption in supply caused by major storms or pipeline explosions **. Our utility business also operates wind and solar generating facilities that sell electricity in the MISO energy market. If MISO energy market prices result in unfavorable pricing for wind or solar energy, this may reduce the energy market revenue produced by those facilities and result in higher electricity costs that would need to be recovered from customers** . We may not be able to pass on all of the changes in costs to our customers, especially at WPL where we do not have an automatic retail electric fuel cost adjustment clause to timely recover such costs and where electric fuel cost recovery may be limited if WPL earns in excess of its authorized return on common equity. Increases in prices and costs due to disruptions that are not recovered in rates fully ~~,~~ **or not recovered** in a timely manner, may adversely impact our financial condition and results of operations. Energy industry changes could have a negative effect on our businesses- We operate in a highly regulated business environment. The advent of new and unregulated markets has the potential to significantly impact our financial condition and results of operations. Further, competitors may not be subject to the same operating, regulatory and financial requirements that we are, potentially causing a substantial competitive disadvantage for us. Changes in public policy, such as new tax incentives that we cannot take advantage of or efforts to deregulate the utility industry, could provide an advantage to competitors. Changes in technology could also alter the channels through which electric customers produce, store, buy or utilize power, which could reduce the revenues or increase the expenses of our utility companies. Increased competition in our primary retail electric service territories may have an adverse impact on our financial condition and results of operations. We face risks related to non- utility operations- We rely on our non- utility operations for a portion of our earnings. If our non- utility holdings do not perform at expected levels, we could experience an adverse impact on our financial condition and results of operations. Risks Related to Laws and Regulations Our utility business is significantly impacted by government legislation, regulation and oversight- Our utility financial condition is influenced by how regulatory authorities, including the IUB, the PSCW and FERC, establish the rates we can charge our customers, our authorized rates of return and common equity levels, and the costs that may be recovered from customers. Our ability to timely obtain rate adjustments to earn authorized rates of return depends upon timely regulatory action under applicable statutes and regulations, and cannot be guaranteed. ~~In future rate reviews,~~ IPL and WPL may not receive an adequate amount of rate relief to recover all costs and earn their authorized rates of return, rates may be reduced, rate refunds may be required, rate adjustments may not be approved on a timely basis, costs may not be otherwise recovered through rates, future rates may be temporarily frozen, **laws or rules may limit the ability to file rate adjustments or the period covered by a rate adjustment, regulatory decisions may limit the ability to defer recovery of and a return on prudently incurred costs in between rate reviews,** certain rate base items may not receive a full weighted average cost of capital, and authorized rates of return on capital may be reduced. As a result, we may experience adverse impacts on our financial condition and results of operations. In addition, our operations are subject to extensive regulation primarily by the IUB, the PSCW and FERC. We are also subject to oversight and monitoring by organizations such as the North American Electric Reliability Corporation, the Midwest Reliability Organization, the Pipeline and Hazardous Materials Safety Administration, MISO and the **Department of Homeland Security** Transportation Security Administration. The impacts on our operations include: our ability to site and construct new ~~generating~~ **energy** facilities, such as renewable energy **or battery storage** projects, and recover associated costs ~~, including our ability to continue to use a renewable energy rider in Iowa~~ ; our ability to decommission generating facilities and recover related costs and the remaining carrying value of these facilities and related assets; changes to MISO' s resource adequacy process establishing seasonal capacity planning reserve margin and capacity accreditation requirements that may impact how and when new generating facilities such as IPL' s and WPL' s additional solar generation may be accredited with energy capacity, and may require IPL and WPL to adjust their current resource plans, to add resources to meet the requirements of MISO' s ~~new~~ **seasonal resource adequacy** process, or procure capacity ~~in the market~~ whereby such costs might not be recovered in rates; the impact of the lack of availability of existing and new generating facilities has on our accredited capacity for such facilities pursuant to MISO' s ~~new~~ seasonal resource adequacy process **; IPL' s ability to achieve certain aggregate summer capacity factors under the consumer protection plan for its up to 400 MW of solar generation projects** ; the rates paid to transmission operators and how those costs are recovered from customers, including our ability to continue to use a transmission rider in Iowa; our ability to site, construct and recover costs for new natural gas pipelines; our ability to recover costs to upgrade our electric and gas distribution systems; the amount of certain sources of energy we must use, such as renewable sources; our ability to purchase generating facilities and recover the costs associated therewith; our ability to sell utility assets and any conditions placed upon the sale of such assets; our ability to enter into purchased power agreements and recover the costs associated therewith; the allocation of expenditures by transmission companies on transmission network upgrades and our ability to recover costs associated therewith; reliability; safety; the issuance of securities and ability to use other financing arrangements for our renewable energy projects; accounting matters; and transactions between affiliates. These regulatory authorities and organizations are also empowered to impose financial penalties and other sanctions, including requirements to implement new compliance programs. Failure to obtain approvals for any of these matters in a timely manner, or receipt of approvals with uneconomical conditions, may cause us not to pursue the construction of such projects **,** or to record an impairment of our assets **, or may cause a delay in construction of such projects such that we are not able to meet new demand growth,** and may have a material adverse impact on our financial condition and results of operations. Our regulators or legislatures could change regulations or laws to permit third parties to provide renewable energy directly to our customers without being treated as a utility, potentially causing a competitive disadvantage for us. Changes to these regulations could materially increase our costs or cause us to reconsider our strategy, which could have a material adverse impact on our financial condition and results of operations. Provisions of the Wisconsin Utility Holding Company Act may limit our ability to invest in or grow our non- utility activities and may deter potential purchasers who might be willing to pay a premium for our stock. Changes to certain tax elections, tax...... financial condition and results of operations. Our utility businesses are subject to numerous environmental laws and regulations- Our utilities are subject to numerous federal, regional, state and local environmental laws, regulations, court orders, and international treaties. These laws, regulations and court orders generally concern emissions into the air, discharges into water, use of water, wetlands preservation, remediation of contamination, waste disposal and containment, disposal of coal combustion residuals, hazardous waste disposal, threatened and endangered species, and noise regulation, among others. Failure to comply with such laws, regulations and court orders, or to obtain or comply with any necessary environmental permits pursuant to such laws and regulations, could result in injunctions, fines or other sanctions. Environmental laws and regulations affecting power generation and electric and gas distribution are complex and subject to continued uncertainty and could be changed by the current **or future** Presidential **or Gubernatorial** ~~Administration~~ **Administrations** . These laws and regulations have imposed, and proposed laws and regulations could impose in the future, additional costs on our utility operations. We have incurred, and will continue to incur, capital and other expenditures to comply with these and other environmental laws and regulations. Changes in or new development of environmental restrictions may force us to incur significant expenses or expenses that may exceed our estimates **. Our future plans and existing operations may be impacted by changing expectations, including heightened emphasis on environmental and social justice concerns related to supporting an equitable transition to cleaner energy and a low- carbon economy** . There can be no assurance that we would be able to recover all or any increased environmental costs from our customers. Failure to comply with the laws, regulations and court orders, changes in the laws and regulations and failure to recover costs of compliance may adversely impact our financial condition and results of operations. Actions related to global climate change and reducing greenhouse gas (GHG) emissions could negatively impact us- ~~Regulators, customers~~ **We have established GHG reduction goals** and ~~investors~~ continue to **review our strategy** ~~raise concerns about climate change~~ and **our role in supporting the transition to a low- carbon economy. However, the ability to achieve our** GHG **reduction goals** ~~emissions. National regulatory action~~ and **implement our** ~~international regulatory actions continue to evolve. We are focused on executing a long-term~~ strategy ~~to deliver safe, reliable and affordable energy with lower carbon dioxide (CO2) emissions independent of changing policies and political landscape. However, it~~ is ~~unclear~~ **subject to uncertainties as to** how ~~these~~ climate change concerns will ultimately impact us **and various factors that may be out of our control. These uncertainties include transition risks related to laws and regulations, technology and business operations, or economic and market conditions. In addition, there are physical risks associated with adapting to changing climate conditions and extreme weather events. Further, assessment of the science to evaluate and limit global temperature rise continues to evolve** . We could incur costs or other obligations to comply with future GHG regulations, and could become the target of legal claims or challenges, because generating electricity using fossil fuels emits ~~CO2 and other~~ GHGs. Further, investors may determine that we are too reliant on fossil fuels, reducing demand for our stock, which may cause our stock price to decrease, or not buy our debt securities, which may cause our cost of capital to increase. We could face additional pressures from customers, investors or other stakeholders to more rapidly reduce ~~CO2~~ **GHG** emissions on a voluntary- basis, including faster adoption of lower ~~CO2~~ **GHG** emitting technologies and management of excess renewable energy credits. The ~~timing and~~ pace **and feasibility** to fully achieve decarbonization is also contingent on the future development **and full- scale deployment** of **emerging energy** technologies ~~to reliably store~~ and ~~manage electricity~~ **supporting infrastructure** , as well as electrification of other economic sectors. **We may not be able to recover all costs for projects to reduce GHG emissions in rates if regulators determine that the pace of GHG emissions efforts or new technologies are not prudent.** The **extent of the** EPA' s **proposed** ~~approach and timing for implementing~~ rules to regulate ~~CO2~~ **GHG** emissions at fossil- fuel fired electric generating units **and specific impacts, including state plans to implement the emissions reductions,** remains **uncertain. There** ~~undecided and subject to litigation and~~ could **also be** ~~change~~ **changes** ~~in~~ **by** the current **or future** Presidential **or Gubernatorial** ~~Administration~~ **Administrations** . Various legislative and regulatory proposals to address climate change at the national, state and local levels continue to be introduced. Potential future requirements to reduce ~~CO2, methane and other~~ GHGs from the energy and manufacturing sectors could affect our operations in various ways. Regulation or legislation mandating ~~CO2~~ **GHG** emissions reductions or other clean energy standards affecting utility companies could materially increase costs, causing some electric generating units to be uneconomical to operate or maintain. We are vulnerable to potential risks associated with transition to a lower- carbon economy that may extend to our supply chain and natural gas operations. Regulation of oil and gas production could affect our upstream supply of natural gas for electricity generation and to provide directly to our residential and business customers from our local distribution company. This could result in rapid increased demand for alternative non- fossil energy sources and economy- wide electrification. Changes to regional and local climate trends such as the frequency, seasonality, and severity of weather conditions could directly and indirectly impact our company. Acute and chronic physical risks could disrupt our operations or affect our property. Furthermore, it could affect the timing of peak demand and overall energy consumption of our customers. We cannot provide any assurance regarding the potential impacts of climate change or related policies and regulations to reduce GHG emissions on our operations ~~and these~~ **, which** could have a material adverse impact on **Changes to** certain tax elections,tax regulations and future taxable income could negatively impact our financial condition and results of operations- We have significantly reduced our federal and state income tax obligations through tax planning strategies and the utilization of bonus depreciation deductions for certain expenditures for property.These tax planning strategies and bonus depreciation deductions have ~~reduced taxable income,which in turn has~~ generated large tax credit carryforwards.We plan to utilize all of these tax credit carryforwards in the future to reduce our income tax obligations.If we cannot generate enough taxable income in the future to utilize all of the tax credit carryforwards before they expire due to lower than expected financial performance or changes to tax regulations,we may incur material charges to earnings.The ~~IRA~~ **Inflation Reduction** Act **of 2022** allows for the sale or transfer of ~~eligible~~ renewable tax credits to other taxpayers.We plan to sell a substantial amount of our eligible renewable tax credits **in future years** . ~~The inability~~ **This is a new market that will require regulations and guidance from taxing authorities.It is unclear what terms and pricing the sale of renewable tax credits will require.If we are unable** to sell renewable tax credits at reasonable terms, ~~or if renewable tax credits~~ that ~~we generate or sell are determined to not be eligible or eligible at a different rate,~~ could materially impact our tax credit carryforward position ~~or result in liability to purchasers of the tax credits.Repeal or amendment of the IRA Act,or portions of the IRA Act,could have an adverse impact on our financial condition and results of operations~~ .In addition,our tax liability is determined by our taxable income multiplied by the current tax rates in effect.If the ~~federal or state~~ tax rates are increased,we may experience adverse impacts to our financial condition and results of operations ~~until those rates are reflected in our regulatory filings~~ .Our utility business currently operates wind and solar generating facilities,which generate production tax credits **for us** ~~that are eligible~~ to ~~be used~~ - **use** to reduce our federal tax obligations.The amount of production tax credits we earn is dependent on the **date the qualifying generating facilities are placed in service,the** level of electricity output generated by our qualifying generating facilities and sold to an unrelated buyer,and the applicable tax credit rate **.If there is a disagreement on the in- service date,the amount of production tax credits that we can generate may be significantly reduced** .A variety of operating and economic parameters,including transmission constraints,the imbalance of supply and demand of energy resulting in unfavorable pricing for wind or solar energy,adverse weather conditions and breakdown or failure of equipment,could significantly reduce the production tax credits generated by our wind or solar facilities resulting in a material adverse impact on our financial condition and results of operations.Our ~~utility business is~~ **strategic plan includes** developing ~~battery~~ storage facilities,which are expected to generate investment tax credits.Investment tax credits are dependent on the **date** ~~tax capitalized costs of~~ the qualifying generating facilities **begin** and **end construction and** the ~~applicable tax credit rate~~ **costs of the qualifying generating facilities** .If there is a disagreement on the **dates construction began and ended or the** qualifying costs ~~or whether the facility qualifies for higher levels of investment tax credits~~ ,the amount of investment tax credits awarded may be significantly reduced,possibly adversely impacting our financial condition and results of operations.The ~~IRA~~ **Inflation Reduction** Act **of 2022** introduced new labor requirements that are required to qualify for the full value of renewable tax credits.Failure to meet these requirements on **future** renewable projects ~~that began construction after January 28,2023~~ could result in a significant reduction in the amount of renewable tax credits, **which could adversely impact our financial condition and results of operations.** our financial condition and results of operations. Risks Related to Economic, Financial and Labor Market Conditions We are subject to employee workforce factors that could affect our businesses- We operate in an industry that requires specialized technical skills. Further, we must build a workforce that is innovative, customer- focused and competitive to thrive in the future in order to successfully implement our strategy. We have seen ~~an~~ **and** ~~increase in~~ **anticipate a steady pace of** retirements due to our aging workforce ~~and the recent impact of rising interest rates on pension plan benefits~~ . The labor market for our employees is very competitive, increasing the likelihood that we may lose critical employees or have difficulty hiring qualified employees for critical roles ~~. Critical~~ **and not have enough time to adequately train** employees **to prepare for upcoming retirements** ~~are being hired at a higher cost~~ . It may be difficult to hire and retain such a skilled workforce due to labor market conditions, such as low unemployment rates in our service territories, the length of time employees need to acquire the skills, and general competition for talent. The competitive employment market also increases the amounts we pay our employees in critical positions. We are also subject to collective bargaining agreements covering approximately 1, ~~700~~ **800** employees. Any work stoppage experienced in connection with negotiations of collective bargaining agreements could adversely affect our financial condition and results of operations as well as our ability to implement our strategy. We are subject to limitations on our ability to pay dividends- Alliant Energy is a holding company with no significant operations of its own. The primary sources of funds for Alliant Energy to pay dividends to its shareowners are dividends and distributions from its subsidiaries, primarily its utility subsidiaries. Our subsidiaries are separate and distinct legal entities and have no obligation to pay any amounts to Alliant Energy, whether by dividends, distributions, loans or other payments. The ability of our subsidiaries to pay dividends or make distributions to Alliant Energy and, accordingly, our ability to pay dividends on Alliant Energy common stock will depend on regulatory limitations, earnings, cash flows, capital requirements and general financial condition of our subsidiaries. Our utilities have dividend payment restrictions based on the terms of regulatory limitations applicable to them. If we do not receive adequate dividends and distributions from our subsidiaries, then we may not be able to make, or may have to reduce, dividend payments on Alliant Energy common stock. We are subject to risks related to inflation- We have recently experienced a significant increase in inflation. The impact of supply chain disruptions ~~, COVID- 19~~ and other factors continue to create uncertainty in near- term economic conditions, including whether inflation will continue and at what rate. Increases in inflation raise our costs for labor, materials and services. Inflation may also cause interest rates to increase, increasing our cost of capital.

Failure to timely recover these increased costs in rates may adversely impact our financial condition and results of operations. Further, increased costs due to inflation will directly and indirectly increase customer costs, which may decrease demand for energy ~~and~~ **or impact our customers' ability to pay their bills, which could** adversely impact our financial condition and results of operations. We may incur material post- closing adjustments related to past asset and business divestitures- We have sold certain non- utility subsidiaries such as Whiting Petroleum Corporation (Whiting Petroleum). We may continue to incur liabilities relating to our previous ownership of, or the transactions pursuant to which we disposed of, these subsidiaries and assets. Any potential liability depends on a number of factors outside of our control, including the financial condition of Whiting Petroleum, certain of its partners, and / or their assignees. Any required payments on retained liabilities, guarantees or indemnification obligations with respect to Whiting Petroleum or other past and future asset or business divestitures could adversely impact our financial condition and results of operations. We are dependent on the capital markets and could be negatively impacted by disruptions in the capital markets- Successful implementation of our strategy is dependent upon our ability to access the capital markets. We have forecasted capital expenditures of approximately $ ~~8~~ **9** billion over the next four years. Disruption, uncertainty or volatility in the capital markets could increase our cost of capital or limit our ability to raise funds needed to operate our businesses. Disruptions could be caused by Federal Reserve policies and actions, currency concerns, inflation, economic downturn or uncertainty, monetary policies, a negative view of the utility industry or our company, failures of financial institutions, U. S. debt management concerns, U. S. debt limit and budget debates, including government shutdowns, European and worldwide sovereign debt concerns, other global or geopolitical events, or other factors. Increases in interest rates will cause the cost of capital to increase and may cause the price of our equity securities to decline. Any disruptions in capital markets could adversely impact our ability to implement our strategy. We rely on our strong credit ratings to access the credit markets. If our credit ratings are downgraded for any reason, such as worsening credit metric impacts, negative changes to our regulatory environment, or general negative outlook for the utility industry, we could pay higher interest rates in future financings, the pool of potential lenders could be reduced, borrowing costs under existing credit facilities could increase, our access to the commercial paper market could be limited, or we could be required to provide additional credit assurance, including cash collateral, to contract counterparties. If our access to capital were to become significantly constrained or costs of capital increased significantly due to lowered credit ratings, prevailing industry conditions, regulatory constraints, volatility of the capital markets, inflation or other factors, our financial condition and results of operations could be adversely affected. Our pension and other postretirement benefits plans are subject to investment and interest rate risk that could negatively impact our financial condition- We have pension and other postretirement benefits plans that provide benefits to many of our employees and retirees. Costs of providing benefits and related funding requirements of these plans are subject to changes in the liabilities of the plans and market value of the assets that fund the plans. The funded status of the plans and the related costs reflected in our financial statements are affected by various factors, which are subject to an inherent degree of uncertainty, including economic conditions, financial market performance, interest rates, life expectancies and demographics. Recessions and volatility in the domestic and international financial markets have negatively affected the asset values of our pension plans at various times in the past. Poor investment returns or lower interest rates may necessitate accelerated funding of the plans to meet minimum federal government requirements, which could have an adverse impact on our financial condition and results of operations.