

XCEL ENERGY INC
Form DEF 14A
April 01, 2019
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material pursuant to §240.14a-12

XCEL ENERGY INC.

(Name of Registrant as Specified In Its Charter)

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(2) Form, Schedule or Registration Statement No.:

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We are keenly focused on achieving our industry-leading vision for 100 percent carbon-free energy by 2050. At the same time we are grounded in our values — Committed, Connected, Safe, Trustworthy — which guide us as we serve customers in ways that protect public safety, drive economic growth, protect the environment and move our communities forward.

We re building the future, today.

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Ben Fowke

Chairman of the Board, President and

Chief Executive Officer

April 1, 2019

Dear Fellow Shareholders:

Xcel Energy looks forward to welcoming you to Pueblo, Colorado for our 2019 Annual Shareholders Meeting! We have many exciting things underway across our service territories and I look forward to showcasing our operations, community involvement, and team in our western territory.

2018 was another great year for Xcel Energy. Highlights of the year include:

- Meeting or exceeding our annual ongoing earnings guidance for the 14th consecutive year

- Increasing our dividend for the 15th consecutive year

- Exceeding total shareholder return for our 21-member industry peer group on a one-, three-, and five-year basis

- Executing our clean energy strategy and leading the industry in pursuing a carbon-free energy future

- Delivering strong operational results

We have many opportunities in front of us, including strategic investments that will serve our customers and our shareholders well into the future. Xcel Energy's future is indeed bright, and I look forward to sharing more with you regarding our plans for:

- Providing shareholders and customers value through the pursuit of carbon-free electricity

- Enhancing our customers' experience through innovative products and excellent service that builds loyalty and satisfaction

- Keeping customer bills low, all while delivering outstanding service and value

Details for meeting attendance are included in this proxy statement. You can also listen to the meeting via webcast at www.xcelenergy.com.

Also enclosed are details for how and when to vote and other important information. Your vote is very important, so please cast it promptly.

Thank you for your confidence in us. I hope to see you in Pueblo.

Sincerely,

Ben Fowke

Chairman, President and Chief Executive Officer

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Chris Policinski

Lead Independent Director

April 1, 2019

Dear Fellow Shareholders:

On behalf of the Board of Directors, I join Ben in inviting you to Xcel Energy's 2019 Annual Shareholders Meeting. Your Board is committed to effective governance that delivers both strong results for you and great value for customers.

We are proud to have delivered those results consistently over time. Our sound governance practices combine the benefits of strong, independent oversight with broad expertise and strong management that working together allow us to successfully execute innovative strategies in a complex and changing industry. Our practices ensure effective Board operations, encourage independent thought and judgment, and execute appropriate levels of Board oversight to produce these consistent and strong results.

We are committed not only to delivering outstanding results, but also representing your interests. These and other practices are detailed in the proxy statement, which I encourage you to review as you cast your vote.

As your Lead Independent Director, I am focused on the important obligations that our Board owes to you, our shareholders. My responsibilities include reviewing and approving the agenda for our Board meetings to ensure they cover key areas of Company focus, working with the Chairman to provide the directors information needed to effectively govern, developing and executing succession plans for both the Board and management to ensure strong independent oversight over the long term, and acting as a regular communications channel between our independent directors and our chief executive officer duties all designed to ensure the efficient operations of the Board and effective oversight of the Company.

2018 was another great year for Xcel Energy. It is my privilege to serve as Xcel Energy's Lead Independent Director, and I look forward to continuing my service to the Company. Know that your Board remains focused on delivering value to you, today and long into the future.

Thank you for investing in Xcel Energy. We look forward to seeing you in Pueblo.

Sincerely,

Chris Policinski

Lead Independent Director

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Forward-Looking Statements

The statements contained in this proxy statement about our future performance, including, without limitation, future financial and operational results, strategies, prospects, consequences and all other statements that are not purely historical, are forward-looking statements for purposes of the safe harbor provisions under The Private Securities Litigation Reform Act of 1995. Although we believe that our expectations are based on information currently available and on reasonable assumptions, we can give no assurance they will be achieved. There are a number of risks and uncertainties that could cause actual results to differ materially from any forward-looking statements made herein. A discussion of some of these risks and uncertainties is contained in our Annual Report on Form 10-K and subsequent reports on Form 8-K filed with the Securities and Exchange Commission (SEC), and available on our website: www.xcelenergy.com. These reports address in further detail our business, industry issues and other factors that could cause actual results to differ materially from those indicated in this proxy statement. In addition, any forward-looking statements included herein represent our estimates only as of the date hereof and should not be relied upon as representing our estimates as of any subsequent date. While we may elect to update forward-looking statements from time to time, we specifically disclaim any obligation to do so, even if our internal estimates change, unless otherwise required by applicable securities laws.

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Xcel Energy Inc.

414 Nicollet Mall, Minneapolis, MN 55401

Notice of 2019 Annual Shareholders Meeting

Meeting Information

Time and Date 11:00 a.m. MDT

May 15, 2019

Attend in Person Pueblo Convention Center
320 Central Main Street
Pueblo, Colorado 81003

Record Date March 21, 2019

Voting Information

Please act as soon as possible to vote your shares, even if you plan to attend the annual meeting.

Your broker will NOT be able to vote your shares on the election of directors and advisory vote on executive compensation presented at the meeting unless you have given your broker specific instructions to do so. We strongly encourage you to vote.

You may vote via the internet, by telephone, or, if you have received a printed version of these proxy materials, by mail.

See [Questions and Answers about the Proxy Materials and the Annual Meeting](#) beginning on page 63 of this proxy statement for more information.

Annual Meeting Agenda

Proposals

1. Election of 13 directors named in the proxy statement
2. Approval of executive compensation in an advisory vote

3. Ratification of the appointment of Deloitte & Touche LLP as the independent registered public accounting firm for 2019
4. Transaction of other business that may properly come before the meeting

Attending in Person

You do not need to attend the annual meeting to vote if you submit your proxy in advance.

To attend the annual meeting, you will need to:

provide proof of your stock ownership as of the record date;

make a reservation as described on page 66; and

provide government-issued photo identification (such as a driver's license) prior to entering the meeting.

Doors open at 10:45 a.m. MDT

Meeting starts at 11:00 a.m. MDT

Please refer to the Questions and Answers Section under *Are there any rules regarding admission to the Annual Meeting?* on page 65 and *How do I make a reservation to attend the Annual Meeting?* on page 66.

Notice of Internet Availability of Proxy Materials or this proxy statement and proxy card are being distributed on or about April 1, 2019. **Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be held on May 15, 2019: Our 2019 proxy statement and Annual Report are available free of charge at www.proxydocs.com/xel**

You are receiving these proxy materials in connection with the solicitation by the Board of Directors (Board) of Xcel Energy Inc. (referred to in this proxy statement as Xcel Energy, the Company, we, us, and our) of proxies to be at Xcel Energy's 2019 Annual Meeting of Shareholders. Please vote on the proposals described in this proxy statement.

Thank you for investing in Xcel Energy.

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Destination **2050** 1

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CORPORATE GOVERNANCE

Corporate Governance

Serving shareholders well is a key priority for your Board. We believe that the most effective oversight comes from:

Strong and effective practices in corporate governance and ethical business conduct, as these practices create the business culture that drives successful performance.

Directors who bring a diverse range of experiences and perspectives to provide the collective skills, qualifications and attributes needed to provide sound governance.

An engaged Board that works well as a whole and plans for its own refreshment, with members bringing their experience to the table and dialoguing freely with both each other and management to create an environment of well-functioning oversight.

Xcel Energy has the practices, the Board, and the management team to deliver consistent and strong results for shareholders.

We regularly monitor issues and trends in corporate governance and employ practices that best serve shareholders. Current practices include:

Leadership and organization most appropriate to our business. Ours is a rapidly changing business that benefits from industry experience and expertise coupled with strong independent oversight. Through the roles of the Chairman and CEO, Lead Independent Director, and committees of independent directors, we are best positioned to continue delivering strong results. We annually review and confirm this structure to ensure it remains the best suited for our business.

Sound practices to ensure effective Board operations and independent oversight. To ensure the Board remains focused on the right issues over time, Xcel Energy employs sound practices to regularly assess enterprise risks and industry trends and then refreshes charters and practices as appropriate.

Effective Board planning and succession. Succession planning is important for both management and the Board. We employ good practices to ensure regular and planned Board refreshment while maintaining valuable and reasonable continuity to ensure effective oversight over the long term.

Strong governance practices. Serving shareholders well is a top priority for Xcel Energy. We keep abreast of developments in corporate governance and practices and adopt those that best serve our shareholders.

Regular oversight of key corporate policies. Our governance practices set the foundation for excellent management and operations for the Company. Corporate policies communicate expectations to employees so that they understand and adhere to good business conduct.

Highlights of our practices are summarized on the following table, followed by additional explanation of key features.

Summary of Governance Practices

Structure

Lead Independent Director	Specified duties ensure robust independent oversight and effective flow of information between management and independent directors. Governance structure is reviewed and approved annually.
Committees	Membership and chairs are reviewed annually and are set to both leverage directors' expertise and provide development opportunities to promote effective oversight over the long term.
Independence and Expertise	The Governance, Compensation and Nominating Committee (GCN) regularly reviews and validates director independence and assesses desired expertise for potential new directors to ensure the Board is well positioned to effectively manage risks and execute strategies. The Board also regularly determines which directors qualify as Audit Committee financial experts and meet independence standards under the requirements of Nasdaq and the Securities and Exchange Commission.

Practices

Risk Management	Regular updates on enterprise risks are provided to the Board, which then assigns new and emerging risks to the appropriate committee. Regular updates on compliance risks and legal risks are provided to the Audit Committee, which oversees plans to mitigate those risks.
Strategy Session	The Board holds a regular session to review industry landscape, hear from outside experts and refine strategies for execution. The Board and committees receive updates throughout the year on progress made on the key initiatives to execute those strategies.
Annual Evaluations	The Board employs a formal and regular process for evaluating the effectiveness of Board and committee operations including surveys, individual director conversations with the Lead Independent Director, and executive session discussions at both the Board and committee levels to address identified areas for improvement.
Training	Every committee regularly identifies topics and dedicates committee time to training that keeps them fresh on emerging issues and best practices. Directors are also encouraged to participate in topical conferences and off-site training opportunities, including specialized training in overseeing nuclear operations, audit committee issues, and industry topics.

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CORPORATE GOVERNANCE

Summary of Governance Practices

Tenure Policies

Term Limit Directors may not serve on the Board for more than 15 years (directors at the time of the merger in 2000 are exempt from this requirement). Having this requirement, coupled with the mandatory retirement age, is rare among our peers and most public companies and provides an additional impetus to board refreshment.

Mandatory Retirement Directors must retire on the day of the annual meeting of shareholders after turning age 72.

Change in Principal Employment Directors must offer to resign upon any substantial change in principal employment.

Shareholder Rights

Shareholder Voting Our shareholders have the opportunity to annually vote for directors, provide an advisory vote on executive compensation and ratify the selection of auditors.

No Supermajority There are no supermajority voting provisions.

Opportunities to be Heard We provide an open forum at our annual meeting as well as published lines of communication to our directors and management.

Proxy Access Shareholders have the ability to include nominees for director candidates for nomination as directors in our proxy statement, in accordance with the terms of our bylaws.

Corporate Policies

Code of Conduct Our Code of Conduct guides our actions and frames the honest and ethical practices needed for business success. The GCN Committee annually reviews the Code and requires annual training of directors, officers and employees.

Stock Ownership Requirements Directors and executive officers are required to maintain specific levels of stock ownership.

Hedging and Pledging We have in place policies that prohibit hedging and restrict pledging of our stock.

Political Contributions,

Lobbying and
Government

Communications