BOUNDLESS ENERGY℠

News from AEP

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FOR IMMEDIATE RELEASE

AEP SIGNS AGREEMENT TO PURCHASE WIND ASSETS FROM SEMPRA

- *Company signs agreement to acquire Sempra Renewables business*
- *Acquisition advances part of planned $2.2 billion investment by 2023 in contracted renewables*

COLUMBUS, Ohio, Feb. 12, 2019 – American Electric Power (NYSE: AEP) today announced that its competitive renewable energy subsidiary has signed an agreement to acquire Sempra Renewables LLC and its 724 megawatts (MW) of operating wind generation and battery assets for approximately $1.056 billion, including $551 million in cash, assumption of $343 million in existing project debt and $162 million in tax equity obligation. The final acquisition cost will be subject to closing and working capital adjustments.

Sempra Renewables, a subsidiary of Sempra Energy, jointly owns all or part of seven wind farms and one battery installation in seven states. Five of the wind farms are jointly owned with BP Wind Energy. BP Wind Energy will retain its ownership share of those projects.

"Our long-term strategy is focused on diversifying our generation portfolio including expanding our ownership of renewable generation. We targeted $2.2 billion of capital investment in competitive, contracted renewables by 2023. Adding these high-quality renewable assets to our portfolio will achieve a significant portion of that goal this year. The long-term contracts and attractive returns associated with these existing assets will be immediately accretive to earnings and solidify our projected 5 to 7 percent earnings growth rate. The business also includes a pipeline of development projects that could provide additional value," said Nicholas K. Akins, AEP chairman, president and chief executive officer.

AEP reaffirms its 2019 operating earnings guidance range of $4.00 to $4.20 per share.

The seven operating wind farms have an average capacity factor of 37 percent. They are located in Colorado, Hawaii, Indiana, Kansas, Michigan, Minnesota and Pennsylvania. They all have long-term, power purchase agreements (PPAs) for 100 percent of the energy produced with investment-grade investor-owned utilities, municipal utilities and electric cooperatives. The project PPAs have an average remaining life of 16 years. AEP operating units AEP Ohio, Indiana Michigan Power and Southwestern Electric Power Company have PPAs with two of the wind farms.

AEP expects to finance the acquisition with a combination of debt, equity, and/or equity-linked securities. The transaction is expected to close in the second quarter of 2019 and is subject to approvals from the Federal Energy Regulatory Commission and Hart-Scott-Rodino clearance.

AEP Renewables also recently signed a separate agreement to purchase a 75 percent interest (227 MW) in the Santa Rita East Wind Project currently under construction west of San Angelo, Texas. AEP Renewables will acquire its share of the project upon completion in mid-2019.

AEP's competitive renewable generation portfolio currently includes 351 MW of contracted renewable generation including wind and solar projects in Texas (261 MW wind), California (20 MW solar), Nevada (50 MW solar) and Utah (20 MW solar).

The portfolio will grow to 1,302 MW of renewable generation in 11 states after close of the Sempra transaction and completion of Santa Rita, making AEP the seventh largest utility owner of competitive wind generation in the United States.

AEP has announced a plan to cut its carbon dioxide emissions 60 percent from 2000 emission levels by 2030 and 80 percent from 2000 emission levels by 2050. The company is developing a more balanced portfolio of power generation to help achieve those targets. AEP's generation capacity has gone from 70 percent coal-fueled in 2005 to 47 percent today. Its natural gas capacity increased from 19 percent in 2005 to 28 percent today, and its renewable generation capacity has increased from 4 percent in 2005 to 14 percent today. After closure of the Sempra transaction, AEP's renewable generation portfolio will increase to 16 percent, coal will be 46 percent, natural gas will be 27 percent and nuclear generation will remain the same.

Wells Fargo Securities LLC served as the exclusive financial advisor and Bryan Cave Leighton Paisner served as legal advisor for AEP for the transaction.

More information about the transaction is available at www.aep.com/investors/events.

American Electric Power, based in Columbus, Ohio, is focused on building a smarter energy infrastructure and delivering new technologies and custom energy solutions to our customers. AEP's approximately 18,000 employees operate and maintain the nation's largest electricity transmission system and nearly 220,000 miles of distribution lines to efficiently deliver safe, reliable power to nearly 5.4 million regulated customers in 11 states. AEP also is one of the nation's largest electricity producers with approximately 32,000 megawatts of diverse generating capacity, including more than 4,300 megawatts of renewable energy. AEP's family of companies includes utilities AEP Ohio, AEP Texas, Appalachian Power (in Virginia and West Virginia), AEP Appalachian Power (in

Tennessee), Indiana Michigan Power, Kentucky Power, Public Service Company of Oklahoma, and Southwestern Electric Power Company (in Arkansas, Louisiana, east Texas and the Texas Panhandle). AEP also owns AEP Energy, AEP Energy Partners, AEP OnSite Partners, and AEP Renewables, which provide innovative competitive energy solutions nationwide.

This report made by American Electric Power and its Registrant Subsidiaries contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. Although AEP and each of its Registrant Subsidiaries believe that their expectations are based on reasonable assumptions, any such statements may be influenced by factors that could cause actual outcomes and results to be materially different from those projected. Among the factors that could cause actual results to differ materially from those in the forward-looking statements are: changes in economic conditions, electric market demand and demographic patterns in AEP service territories; inflationary or deflationary interest rate trends; volatility in the financial markets, particularly developments affecting the availability or cost of capital to finance new capital projects and refinance existing debt; the availability and cost of funds to finance working capital and capital needs, particularly during periods when the time lag between incurring costs and recovery is long and the costs are material; electric load and customer growth; weather conditions, including storms and drought conditions, and AEP's ability to recover significant storm restoration costs; the cost of fuel and its transportation, the creditworthiness and performance of fuel suppliers and transporters and the cost of storing and disposing of used fuel, including coal ash and spent nuclear fuel; availability of necessary generating capacity, the performance of AEP's generating plants and the availability of fuel; AEP's ability to recover fuel and other energy costs through regulated or competitive electric rates; AEP's ability to build or acquire renewable generation, transmission lines and facilities (including the ability to obtain any necessary regulatory approvals and permits) when needed at acceptable prices and terms and to recover those costs; new legislation, litigation and government regulation, including oversight of nuclear generation, energy commodity trading and new or heightened requirements for reduced emissions of sulfur, nitrogen, mercury, carbon, soot or particulate matter and other substances that could impact the continued operation, cost recovery, and/or profitability of AEP's generation plants and related assets; evolving public perception of the risks associated with fuels used before, during and after the generation of electricity, including nuclear fuel; timing and resolution of pending and future rate cases, negotiations and other regulatory decisions, including rate or other recovery of new investments in generation, distribution and transmission service and environmental compliance; resolution of litigation; AEP's ability to constrain operation and maintenance costs; prices and demand for power generated and sold at wholesale; changes in technology, particularly with respect to energy storage and new, developing, alternative or distributed sources of generation; AEP's ability to recover through rates any remaining unrecovered investment in generating units that may be retired before the end of their previously projected useful lives; volatility and changes in markets for capacity and electricity, coal, and other energy-related commodities, particularly changes in the price of natural gas; changes in utility regulation and the allocation of costs within regional transmission organizations, including ERCOT, PJM and SPP; changes in the creditworthiness of the counterparties with whom AEP has contractual arrangements, including participants in the energy trading market; actions of rating agencies, including changes in the ratings of AEP debt; the impact of volatility in the capital markets on the value of the investments held by AEP's pension, other postretirement benefit plans, captive insurance entity and nuclear decommissioning trust and the impact of such volatility on future funding requirements; accounting pronouncements periodically issued by accounting standard-setting bodies; and other risks and unforeseen events, including wars, the effects of terrorism (including increased security costs), embargoes, cyber security threats and other catastrophic events.

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