



AEP ANALYST DAY 2022

Delivering Maximum Value to Stakeholders
through Active Management

Nasdaq MarketSite • New York City
October 4, 2022 • 1:30pm – 4:00pm



“Safe Harbor” Statement Under the Private Securities Litigation Reform Act of 1995

Darcy Reese, Vice President

Investor Relations
614-716-2614
dlreese@aep.com

Annie Pribisko, Director

Investor Relations
614-716-2646
acpribisko@aep.com

This presentation 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, the impact of pandemics, including COVID-19, and any associated disruption of AEP’s business operations due to impacts on economic or market conditions, costs of compliance with potential government regulations and employees’ reactions to those regulations, electricity usage, supply chain issues, customers, service providers, vendors and suppliers, the economic impact of escalating global trade tensions including the conflict between Russia and Ukraine, and the adoption or expansion of economic sanctions or trade restrictions, 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 (i) if expected sources of capital, such as proceeds from the sale of assets or subsidiaries, do not materialize, and (ii) during periods when the time lag between incurring costs and recovery is long and the costs are material, decreased demand for electricity, weather conditions, including storms and drought conditions, and the 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, the availability of fuel and necessary generation capacity and performance of generation plants, the ability to recover fuel and other energy costs through regulated or competitive electric rates, the ability to transition from fossil generation and the 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, including favorable tax treatment, and to recover those costs, new legislation, litigation and government regulation, including changes to tax laws and regulations, 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 generation plants and related assets, the risks associated with fuels used before, during and after the generation of electricity, including coal ash and 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, the 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, the ability to recover through rates any remaining unrecovered investment in generation units that may be retired before the end of their previously projected useful lives, volatility and changes in markets for 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 contractual arrangements, including participants in the energy trading market, actions of rating agencies, including changes in the ratings of debt, the impact of volatility in the capital markets on the value of the investments held by the pension, other postretirement benefit plans, captive insurance entity and nuclear decommissioning trust and the impact of such volatility on future funding requirements, accounting standards periodically issued by accounting standard-setting bodies, and other risks and unforeseen events, including wars and military conflicts, the effects of terrorism (including increased security costs), embargoes, naturally occurring and human-caused fires, cyber security threats and other catastrophic events, the ability to attract and retain requisite work force and key personnel.

Today's Speakers and Agenda



Nick Akins

Chair and CEO
Executive Chair
(Effective 1/1/2023)

**Opening Remarks &
Kentucky Sale Update**



Julie Sloat

President and CFO
President and CEO
(Effective 1/1/2023)

**Commitments & Robust
Financial Plan**



Greg Hall

Executive Vice
President,
Chief Commercial
Officer

**Competitive Business
Portfolio Management**



Antonio Smyth

Senior Vice President,
Grid Solutions

**Regulated Investment
Opportunities**



Matt Satterwhite

Senior Vice President,
Regulatory

Regulatory Initiatives



Raja Sundararajan

Executive Vice
President,
External Affairs

**Economic Development
& Customer Affordability**



Nick Akins

Opening Remarks and Kentucky Sale Update

Stakeholder Commitments and Robust Financial Plan

Competitive Business Portfolio Management

Abundant Regulated Investment Opportunities

Proactive Regulatory Initiatives

Economic Development and Customer Affordability

Closing Remarks Followed by Q&A Session

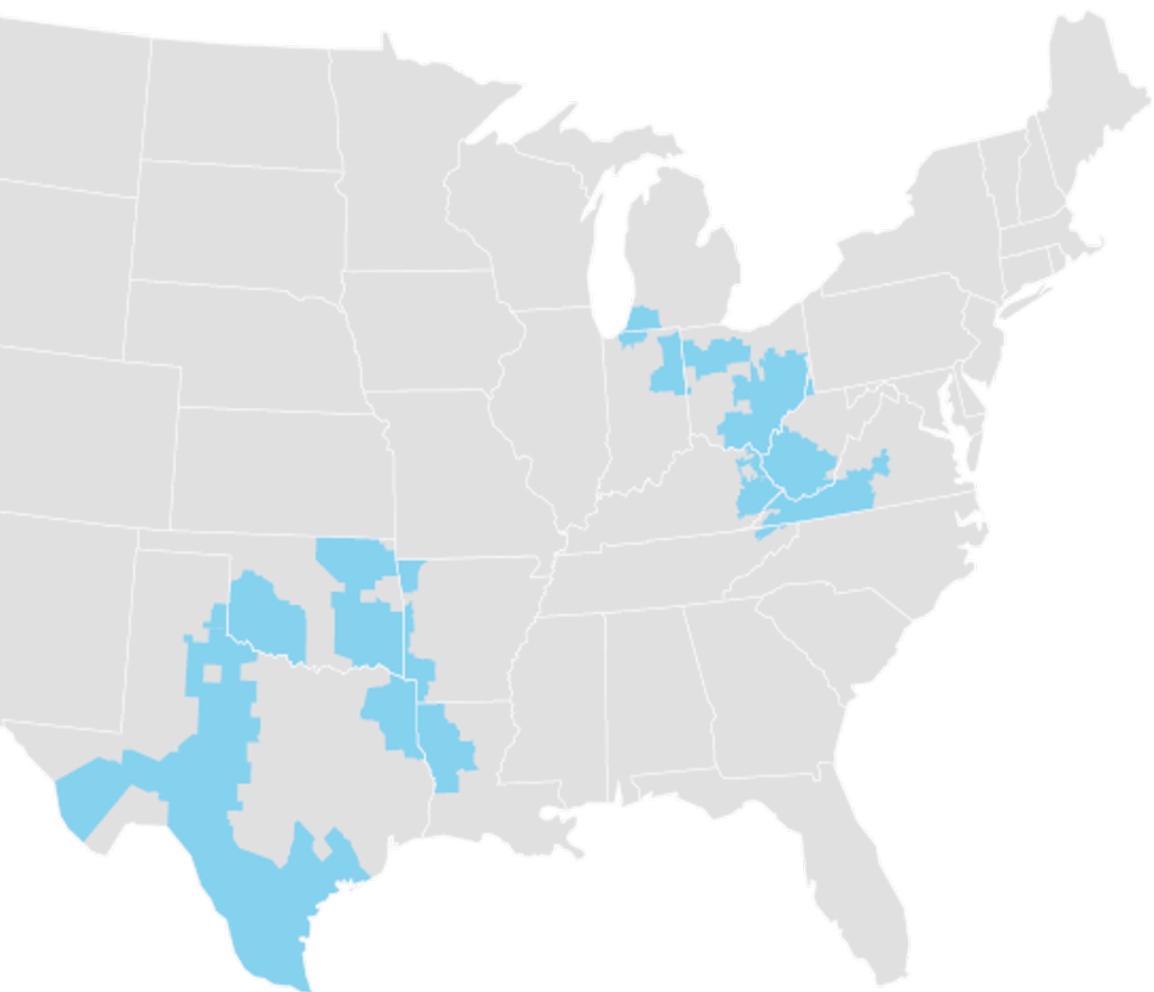
ANALYST DAY 2022

Delivering Maximum Value to Stakeholders
through Active Management





AEP Is a Pure Play Regulated Utility



40k
TRANSMISSION MILES
Nation's largest electric transmission system

224k
DISTRIBUTION MILES
One of the largest distribution systems in the U.S.

26GW
OWNED GENERATION
Diverse generation fleet

\$91B
TOTAL ASSETS
Strong balance sheet

\$56B
RATE BASE
As of December 31, 2021

\$48B
CURRENT MARKET CAPITALIZATION
As of September 28, 2022

17,000
EMPLOYEES
Across the system

5.5M
CUSTOMERS
Throughout 11 states

Statistics are as of June 30, 2022 except for rate base and market capitalization; data on this page currently includes Kentucky operations until sale closes.



AEP's Strategic Vision and Execution

ZERO HARM

STRONG, DIVERSE & INCLUSIVE CULTURE

6%-7% PER YEAR EPS GROWTH

OPERATIONAL EXCELLENCE

STRATEGIC PILLAR

AFFORDABLE

Enable equitable access to affordable and reliable electricity

CUSTOMER & COMMUNITY CENTRIC GROWTH

Expand investments and service offerings

CLEAN & RELIABLE

Lead the transformation to a clean energy economy through a grid utilizing zero carbon resources in an economically responsible manner

ADVANCE & ACHIEVE

Advance how we work to drive financial and operational excellence; empower teams to integrate technologies, analytics and risk mitigation tools for the benefit of our customers and communities

ENGAGE

Be a great place to work; inclusive and high performing culture; opportunity and growth; organization alignment and performance

STRATEGIC PRIORITIES

- Be an industry leader in cost efficiency while prioritizing spending appropriately to ensure safe and reliable service
- Grow our business while keeping rates at or below regional average and competing technologies
- Demonstrate the value received of our service and evolve rate design to recognize differences in our customers

- Position AEP service territory more competitively (locations/rates/time to serve) to increase economic develop and job growth
- Diversify our asset base and service offerings
- Advance electrification of the economy
- Maximize federal and state funding opportunities for infrastructure investment

- Transition to zero carbon reliable generation mix
- Build the transmission system of the future to facilitate the interconnection of zero carbon resources across and in between our regions
- Plan and develop the distribution system of the future to support electrification and integration of distributed loads and sources

- Simplify our organizational design and align decisions rights with accountability
- Drive cross functional optimization in our work, invest and focus on our core competencies, and leverage outside expertise for non-core
- Leverage technology and data to drive efficiency, quality and improved decision making

- Build and sustain a culture that embraces authenticity at work; foster a highly engaged, safe, inclusive work environment promoting employee well-being
- Equip the organization with effective goal planning, development planning and performance management processes, and support to ensure employees are invested in and understand their link to AEP's overall success
- Create a continuous learning culture through expanded access to learning paths for all employees
- Develop and support leaders to excel in talent management, succession and development planning to effectively leverage the workforce

Taking Bold Steps to Accelerate CO₂ Emission Goals

We are rebasing our near-term CO₂ emission reduction target to 2005, upgrading our 2030 target to include full Scope 1 emissions and accelerating our net-zero goal by 5 years

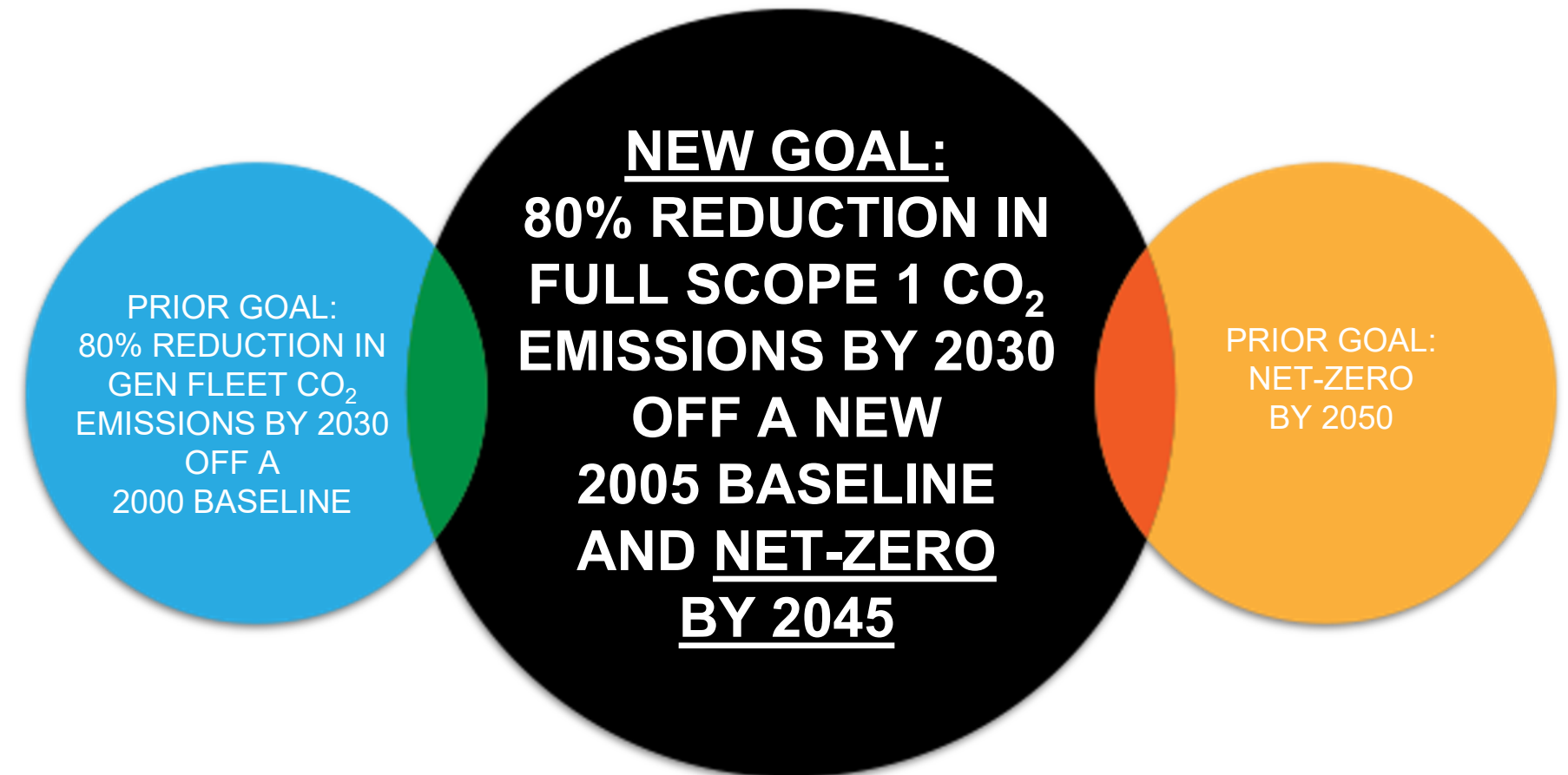
We Have an Achievable Pathway to Net-Zero by 2045

NEAR TERM

- ➖ Planned Retirement and Disposition of Select Fossil Units
- ➕ Adding Solar, Wind, Natural Gas and Energy Storage to Our Generation Portfolio
- ➕ Building-out a Resilient and Reliable Grid to Efficiently Deliver Clean Energy to Customers
- ➕ Closely Evaluating New Technologies to Further Reduce or Eliminate CO₂ Emissions

LONG TERM

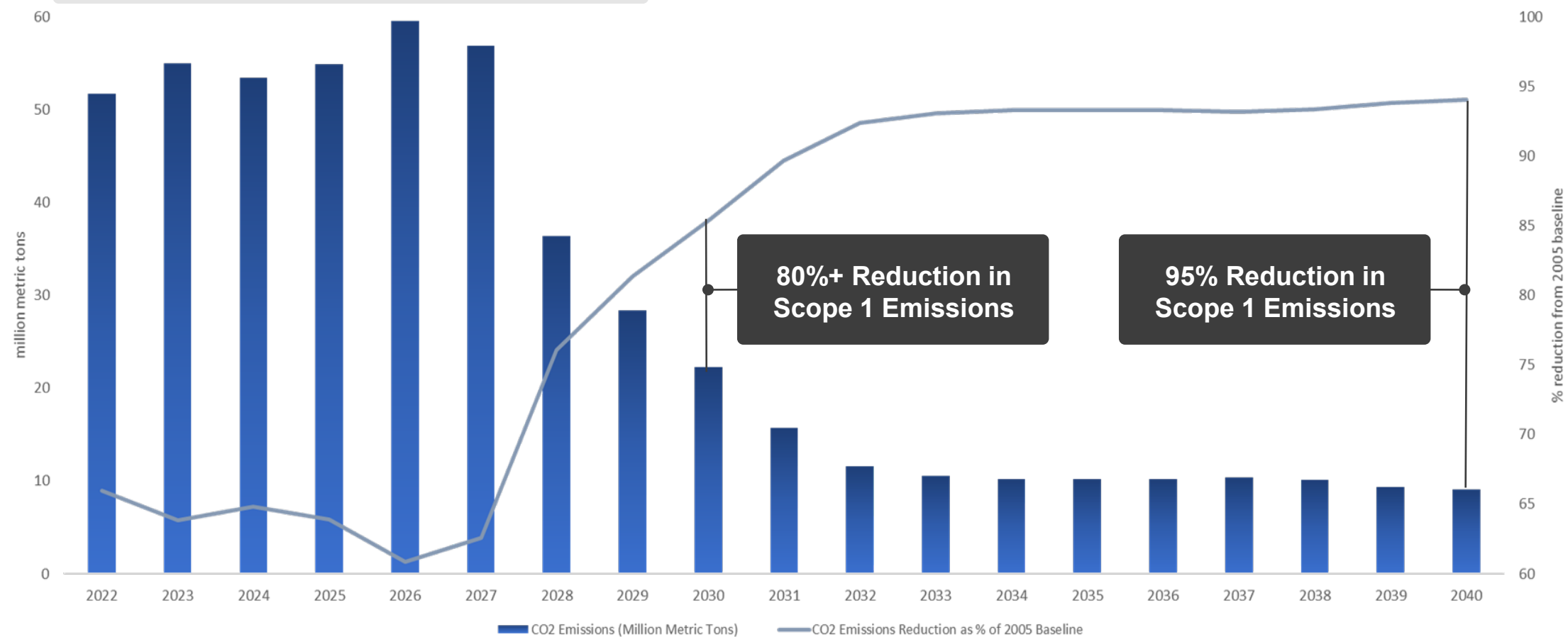
- ➕ Procure Carbon Offsets to Neutralize Any Remaining CO₂ Emissions from our Generation Fleet



Climate goals remain highly assumption driven and are dependent upon factors outside of our control such as generation resource adequacy in our markets, access to clean energy projects, power/commodity market assumptions, federal and state public policy, development of new technologies, cost of abatement, ability to recover costs from customers, etc.

Proven Track Record of Reducing Fleet Emissions

Forecasted CO₂ Emissions (Scope 1)



Projections based upon latest filed Integrated Resource Plans for regulated companies and also assumes an extension of the Cook nuclear power plant through the forecast period. Ability to meet the transition timeline is dependent upon market availability of resources, regulatory approvals, transmission system availability, etc.

63%

Reduction in CO₂ emissions from 152M metric tons in 2005 to 56M metric tons in 2021

98%

Reduction in SO₂ emissions between 1990-2021

95%

Reduction in NO_x emissions between 1990-2021

97%

Reduction in mercury air emissions from 2001-2021



Continuing to Advance Our Coal Fleet Transition

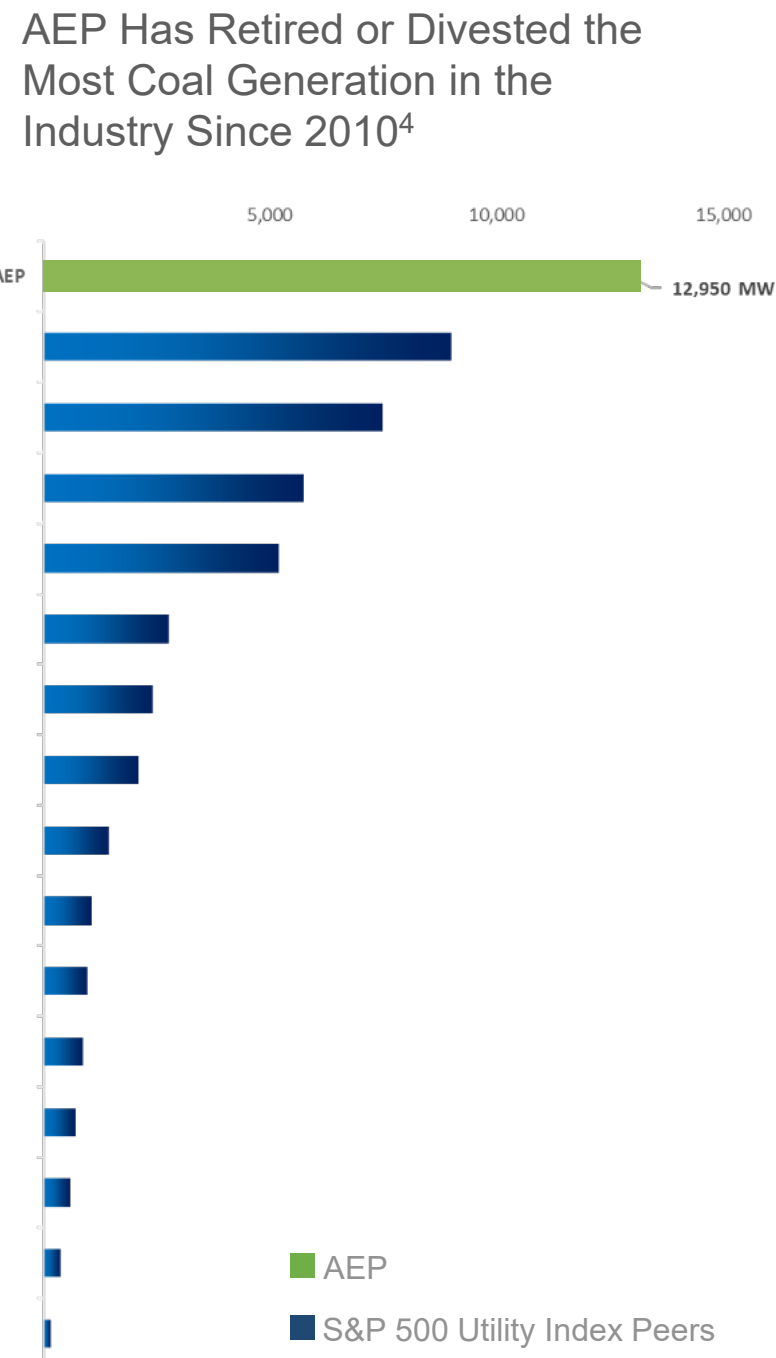
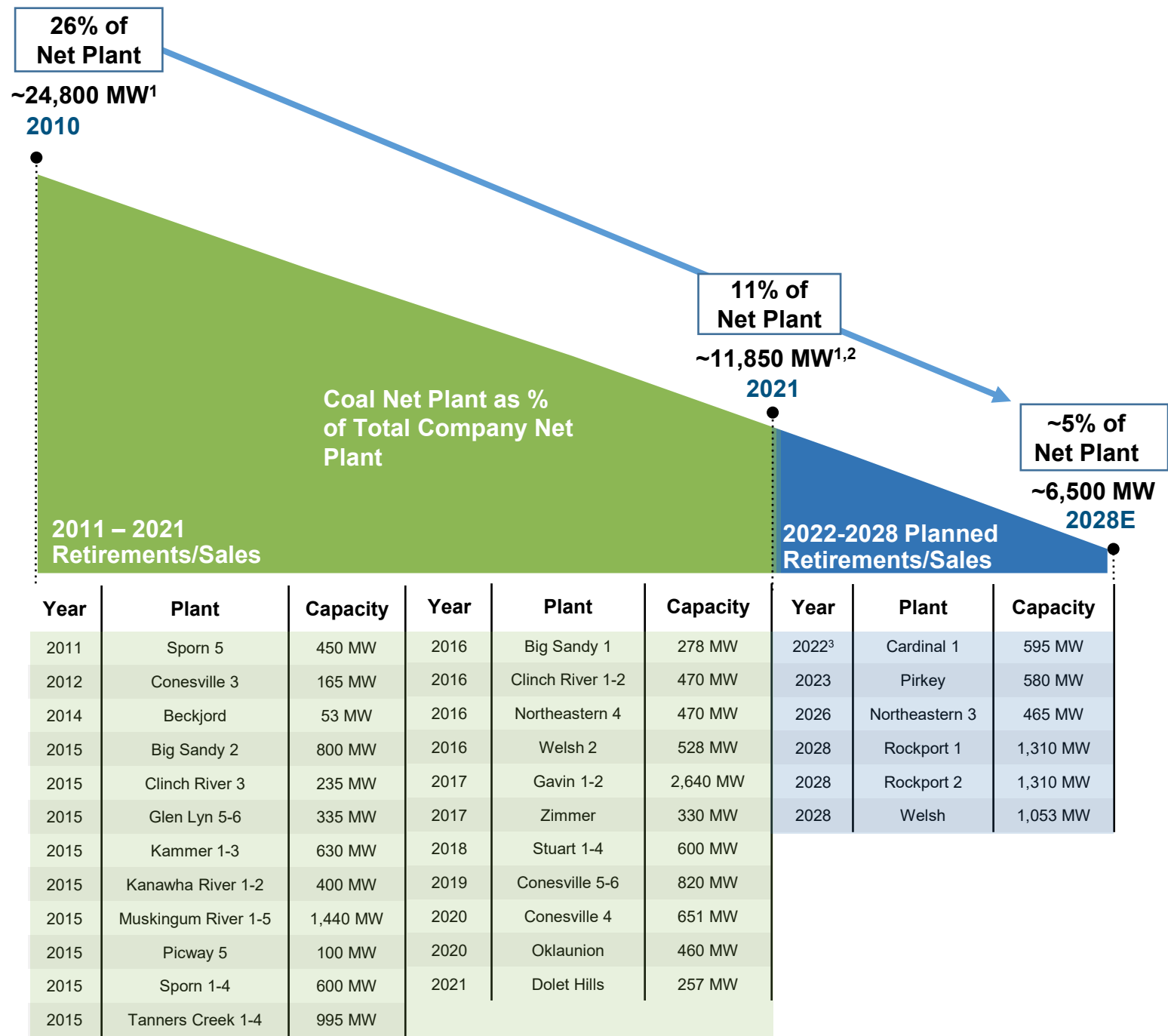
Coal-fired generation is projected to be less than 5% of AEP’s Net Plant by YE 2028

¹ Total includes owned coal units and the Rockport 2 lease; excludes AEP’s investment in OVEC.

² Includes 2012 Turk Plant addition.

³ In April 2022, AEP executed simultaneous agreements with Buckeye Power to sell Cardinal 1 and purchase 100% of the output through 2028 via a PPA. The sale was completed in August 2022.

⁴ Chart represents AEP vs. S&P 500 Utility Index peers; data sourced from 10-K filings and company presentations and publications.





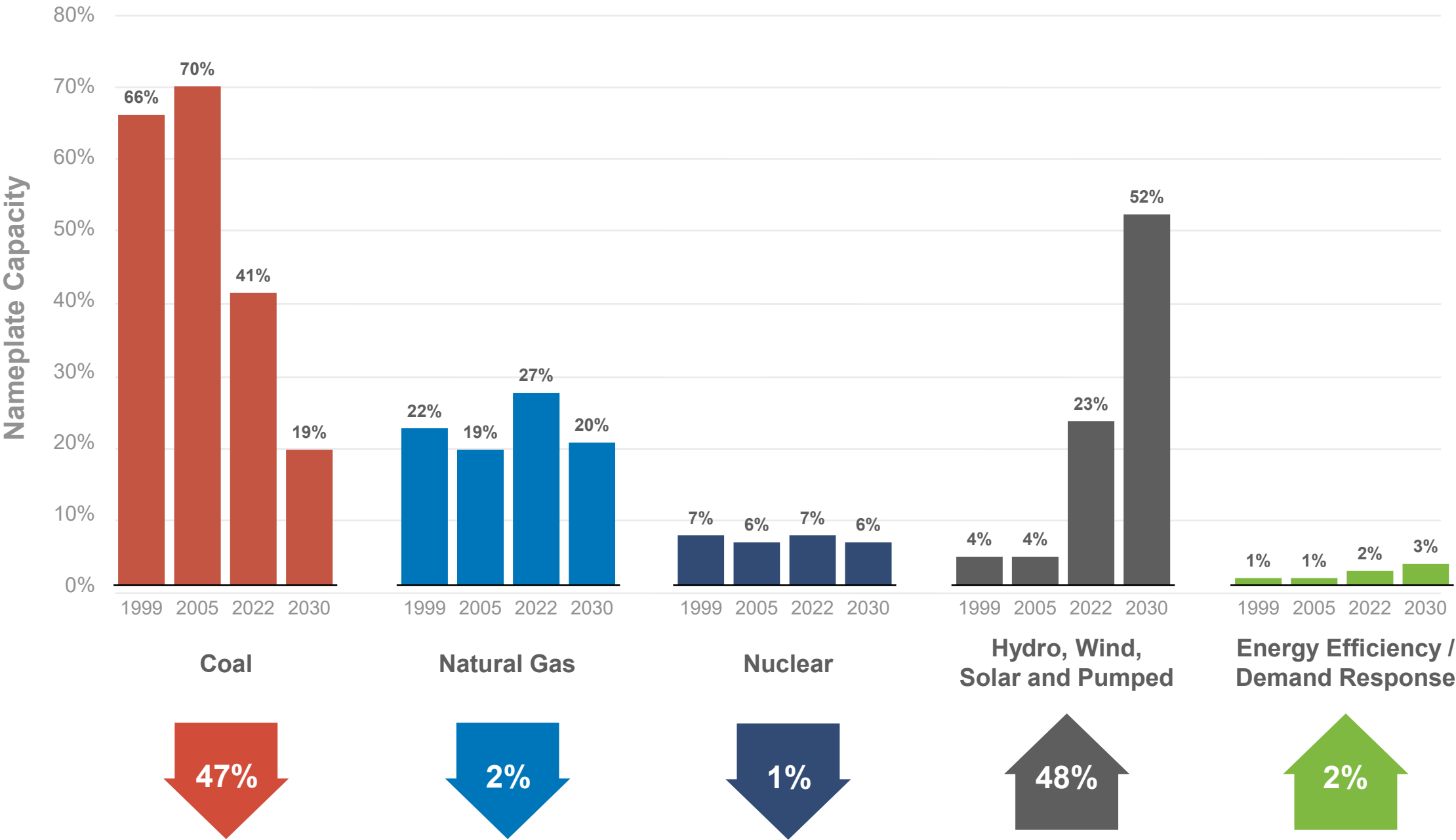
Transforming Our Generation Fleet

Capacity includes both owned and PPA generation. Energy Efficiency / Demand Response represents avoided capacity rather than physical assets.

2022 data as of 6/30/2022 and includes current capacity of KPCo. In October 2021, AEP entered into an agreement to sell its Kentucky operations to Algonquin Power & Utilities. The sale is expected to close in January 2023 following regulatory approvals. 2030 includes forecasted additions and retirements and excludes previously identified projected resource additions for KPCo.

2030 coal capacity includes Amos, Mountaineer and Mitchell plants as the WVPSC approved ELG investment to keep optionality for these plants to operate post 2028. 2030 coal capacity also includes SWEPCO's Turk and Flint Creek plants.

2030 Hydro, Wind, Solar and Pumped capacity includes unregulated contracted renewable assets business announced for sale in 2022. Excluding this capacity would not materially change 2030 projected capacity mix.





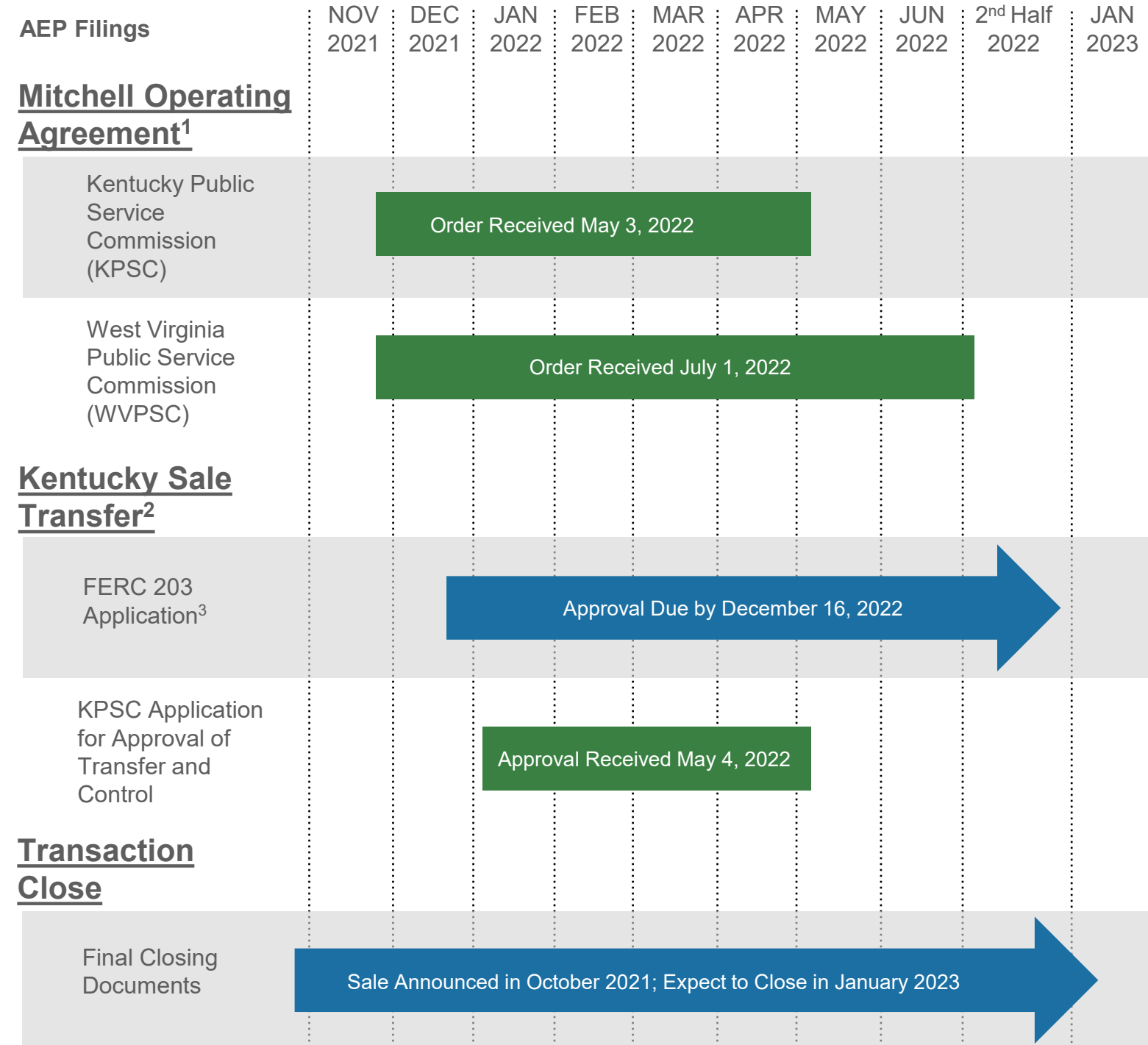
Regulatory Timeline of Kentucky Sale

In October 2021, AEP entered into an agreement to sell its Kentucky operations to Liberty (Algonquin Power & Utilities); FERC 203 approval is due by 12/16/2022 under federal rules and the sale is expected to close in January 2023 following FERC 203 approval

¹ On 7/11/2022, AEP made a compliance filing as required by WVPSC stating its plan to move forward under the existing Mitchell Operating Agreement to implement the near-term operational changes directed by WVPSC and KPSC. AEP also filed an update with KPSC sharing the same information. On 9/1/2022, AEP filed updates with the commissions providing resolutions adopted by the Mitchell Operating Committee consistent with the 7/11/2022 compliance filing.

² Committee on Foreign Investment in the United States and Hart-Scott-Rodino review; clearance from both was obtained in January 2022.

³ On 6/17/2022, FERC issued a brief order exercising its ability to take up to 180 additional days to act on the 203 application in order to afford time for consideration.



Mitchell Operating Agreement Update:

- Filings made July 11, 2022 with Commissions
- Move forward under existing Mitchell Operating Agreement

Kentucky Sale Transfer Update:

- FERC 203 approval is in process and due by December 16, 2022

Transaction Close Update:

- Agreement to close in January 2023 following FERC 203 approval, allowing stakeholders to properly plan for the transition



Julie Sloat

Opening Remarks and Kentucky Sale Update

Stakeholder Commitments and Robust Financial Plan

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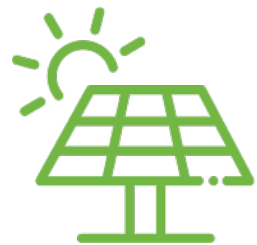
Delivering Maximum Value to Stakeholders
through Active Management



Stakeholder Commitments



**6%-7% Annual
Operating Earnings
Growth**



**New ESG Goal of
Net Zero by 2045**



**Dividend Growth In-line with
Earnings Growth and Targeted
Payout Ratio of 60%-70%**



**Customer Care: Commitment to
Identification and Realization of
Efficiencies to Keep Customer Rates
Affordable**



**Strong Balance Sheet
with a Target FFO/Debt
of 14%-15%**



**Active Management of the AEP
Portfolio with the Primary Objective
to De-risk and Simplify Our
Business**



Strong Return Proposition

Steady and Predictable Growth

Consistent Dividends

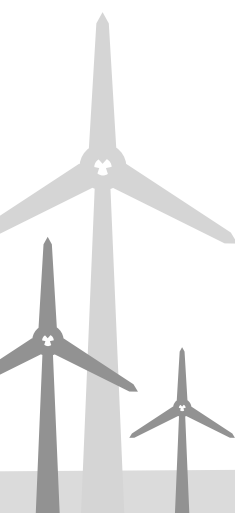
Strong Balance Sheet

Low Risk, Regulated Assets

Robust Electric Infrastructure
Investment Pipeline

Incentive Compensation Tied to EPS
Results, Total Shareholder Return
and Environmental Goals

Organic growth opportunities
in renewables and wires
significantly extends 6%-7%
runway



\$4.97 - \$5.07

UPDATED 2022 OPERATING EARNINGS
GUIDANCE RANGE

Narrowing 2022 Operating Guidance Range

Raising Midpoint to \$5.02

\$5.19 - \$5.39

2023 OPERATING EARNINGS
GUIDANCE RANGE

2022 EPS Original Midpoint \$4.97

+ 6.5% EPS Growth

2023 EPS Midpoint \$5.29

9% - 10%

TOTAL SHAREHOLDER RETURN

Dividend Yield 3%

EPS Growth 6%-7%

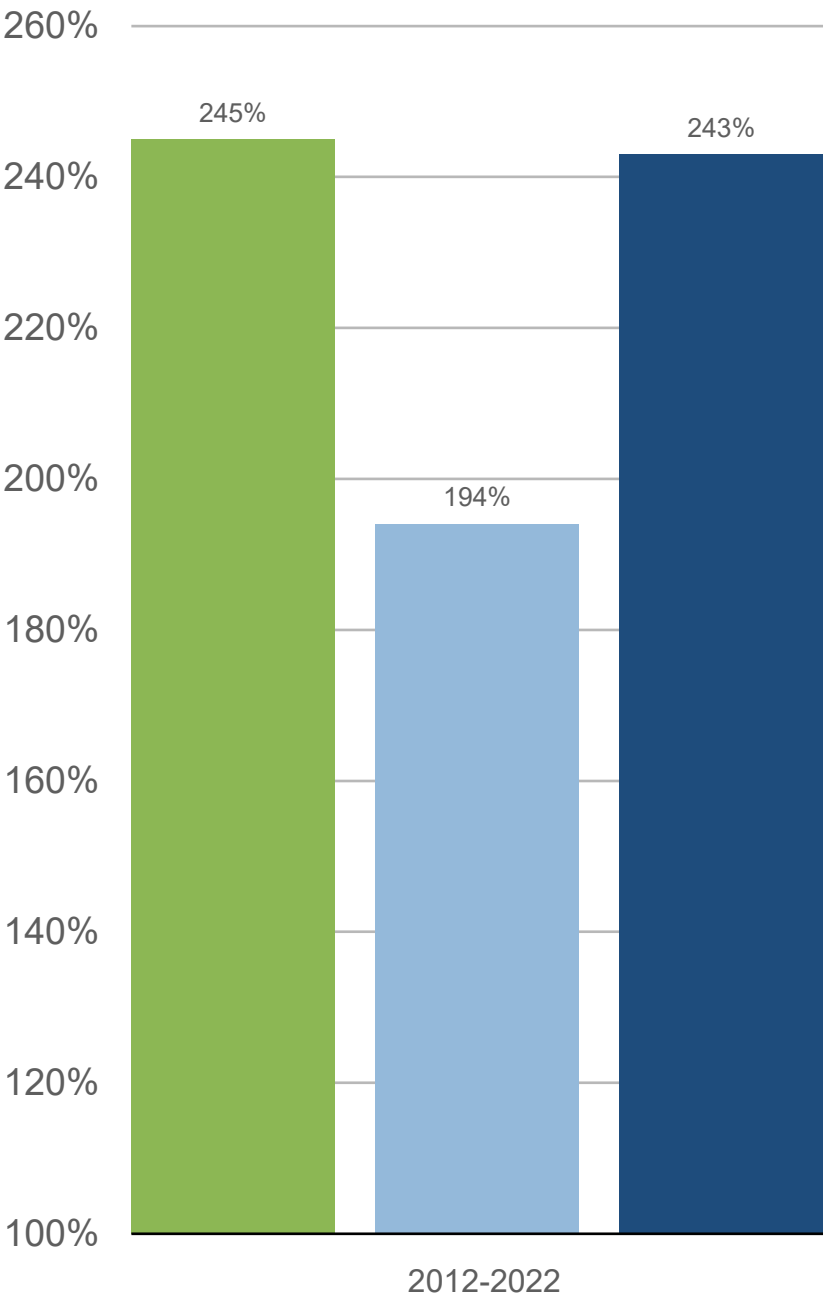




Total Shareholder Return

AEP’s total shareholder return outperformed the S&P 500 Electric Utility Index and the broader S&P 500 Index over the last decade under Nick Akins’ leadership

- AEP
- S&P 500 Electric Utility Index
- S&P 500 Index



Inflation Reduction Act (IRA) Quick Takeaways

1

**Poised to Deliver
Significant Benefits for
Our Customers**

- Extension and modification of renewable energy tax credits and inclusion of nuclear Production Tax Credit (PTC) supports our customers desire for an affordable and reliable clean energy transition
- Incentives for electrification and domestic manufacturing support economic growth in our regions

2

**Improves Opportunity for
Utility-Scale Ownership
Providing Further Value
to Customers**

- Supports efficient monetization of tax credits for our customers, including option to utilize PTCs for solar investments and transferability of credits

3

**Book Minimum Tax
(BMT) Begins in 2023 and
We Expect to Maintain
Our Target FFO/Debt of
14%-15%**

- Applicable to corporations with financial statement income in excess of \$1B
- Expect adjustments to financial statement income for accelerated tax depreciation
- Plan to use credit carryforwards plus the generation of new tax credits to offset BMT

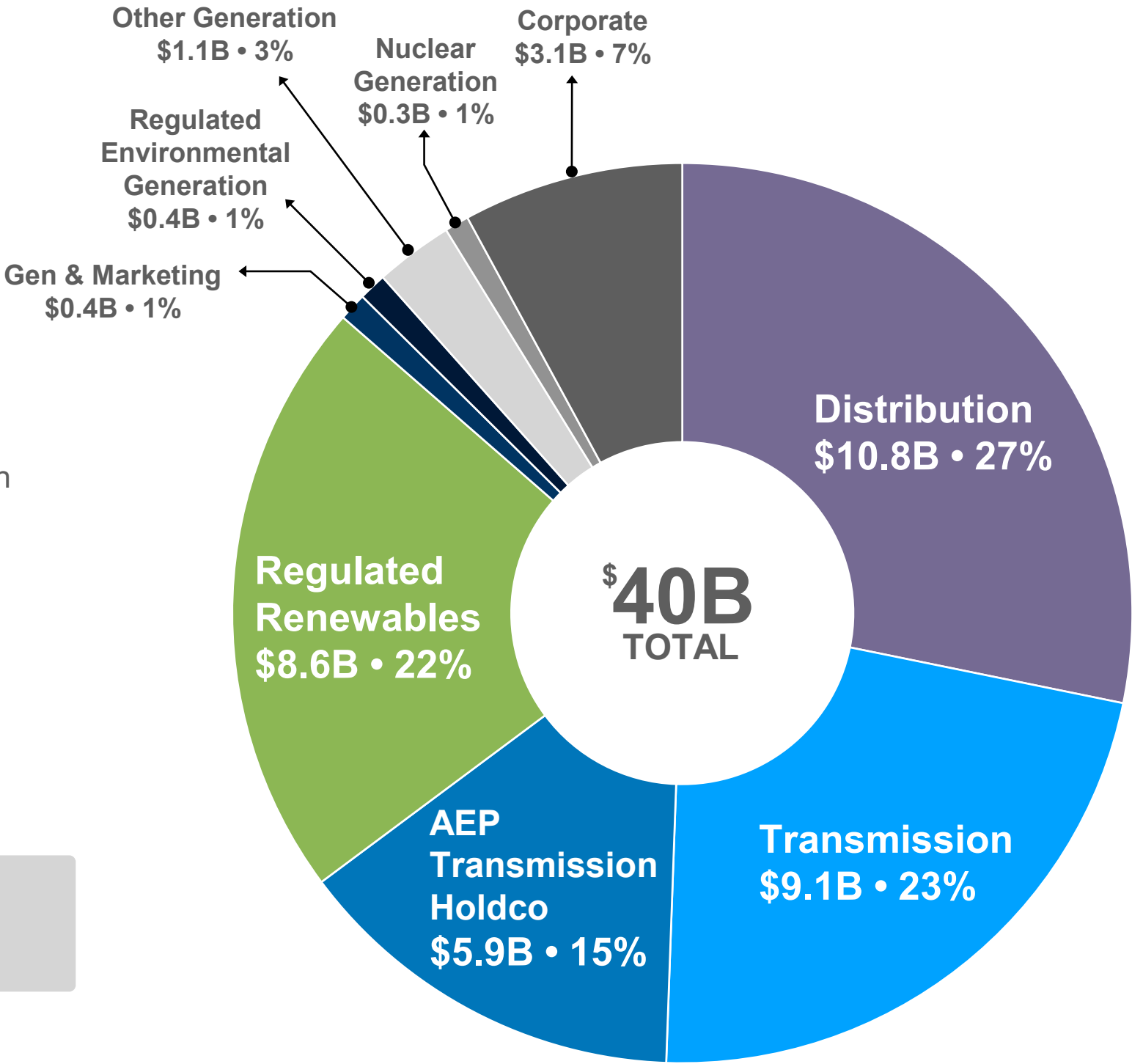


2023-2027 Capital Forecast of \$40B

The ability to quickly redeploy transmission and distribution investment ensures we maintain capital spend while mitigating customer bill impact

On a system average, we expect rates to go up approximately 4% annually over the forecasted period

Capital forecast emphasizes investment in wires and renewables



99%
of capital allocated to regulated businesses

\$26B 65%
allocated to wires

\$9B 22%
allocated to regulated renewables

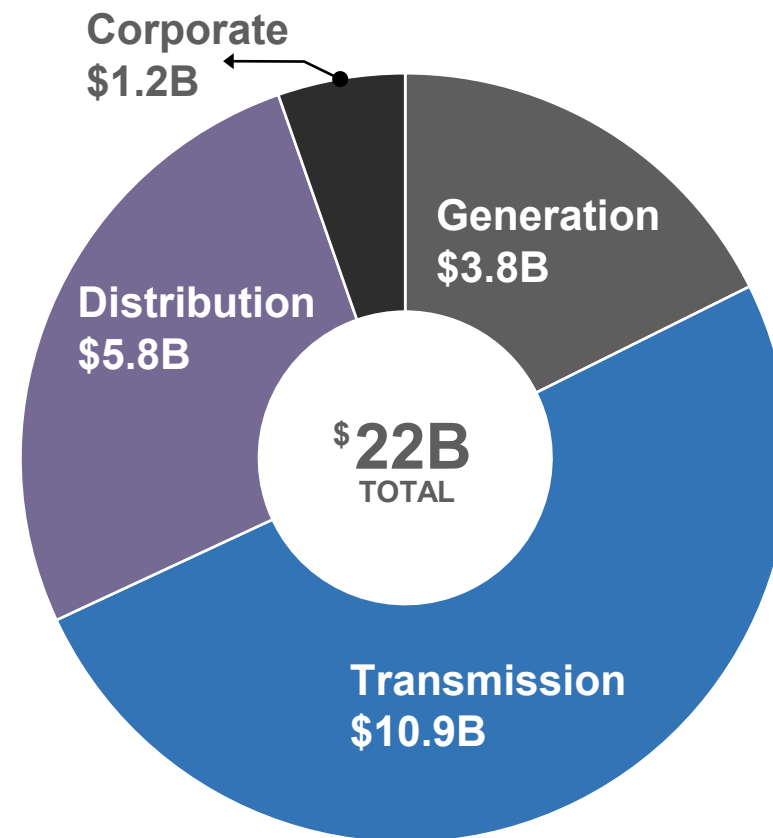
7.6%
resulting rate base CAGR

Shift to Wires and Renewables

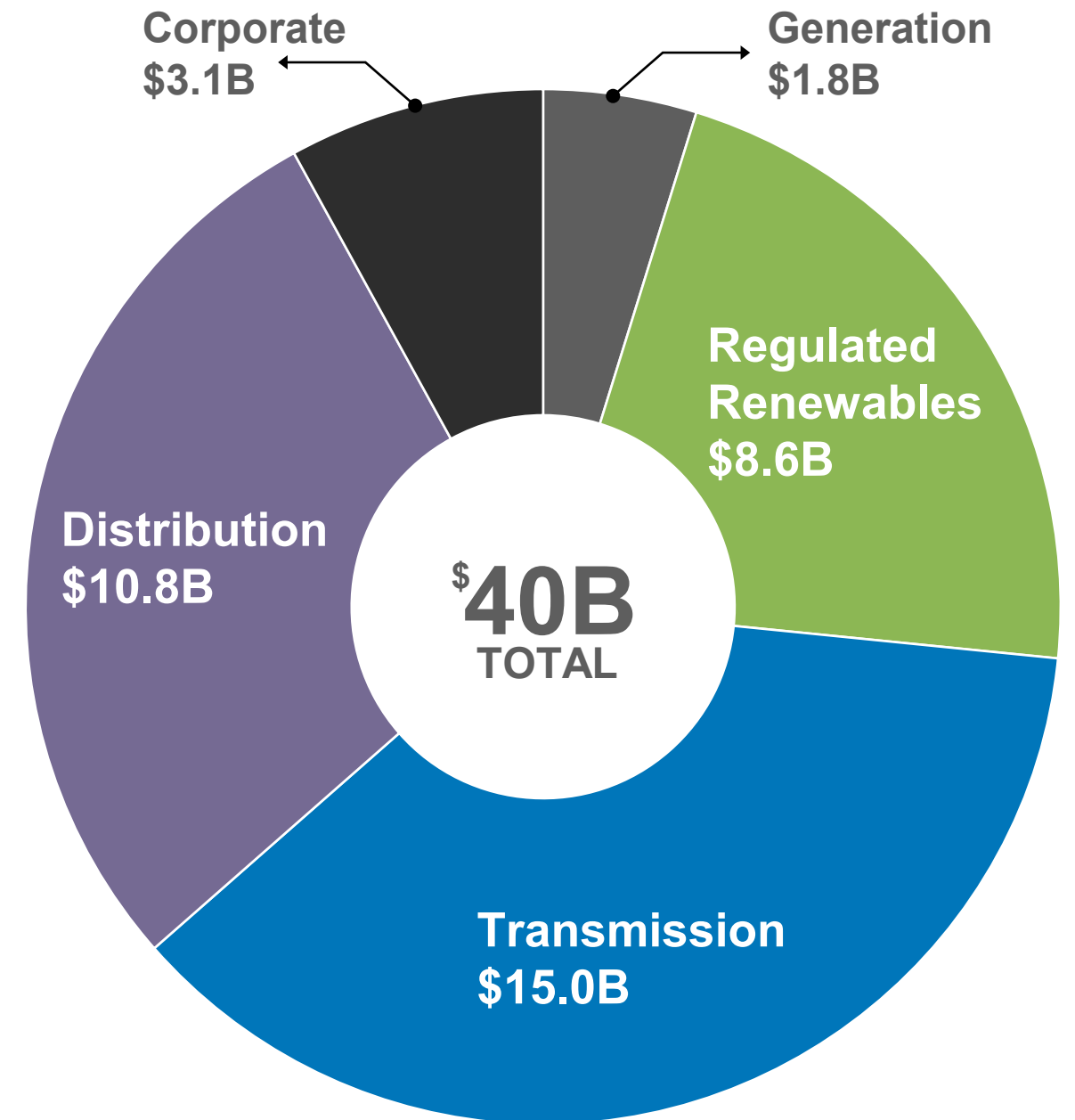
~90% of future investment
is in wires and renewable
generation

For comparative purposes, data excludes
Kentucky-related capital.

**2013-2017
Regulated Capital**



**2023-2027 Regulated
Capital Forecast**





Undervalued Transmission Business

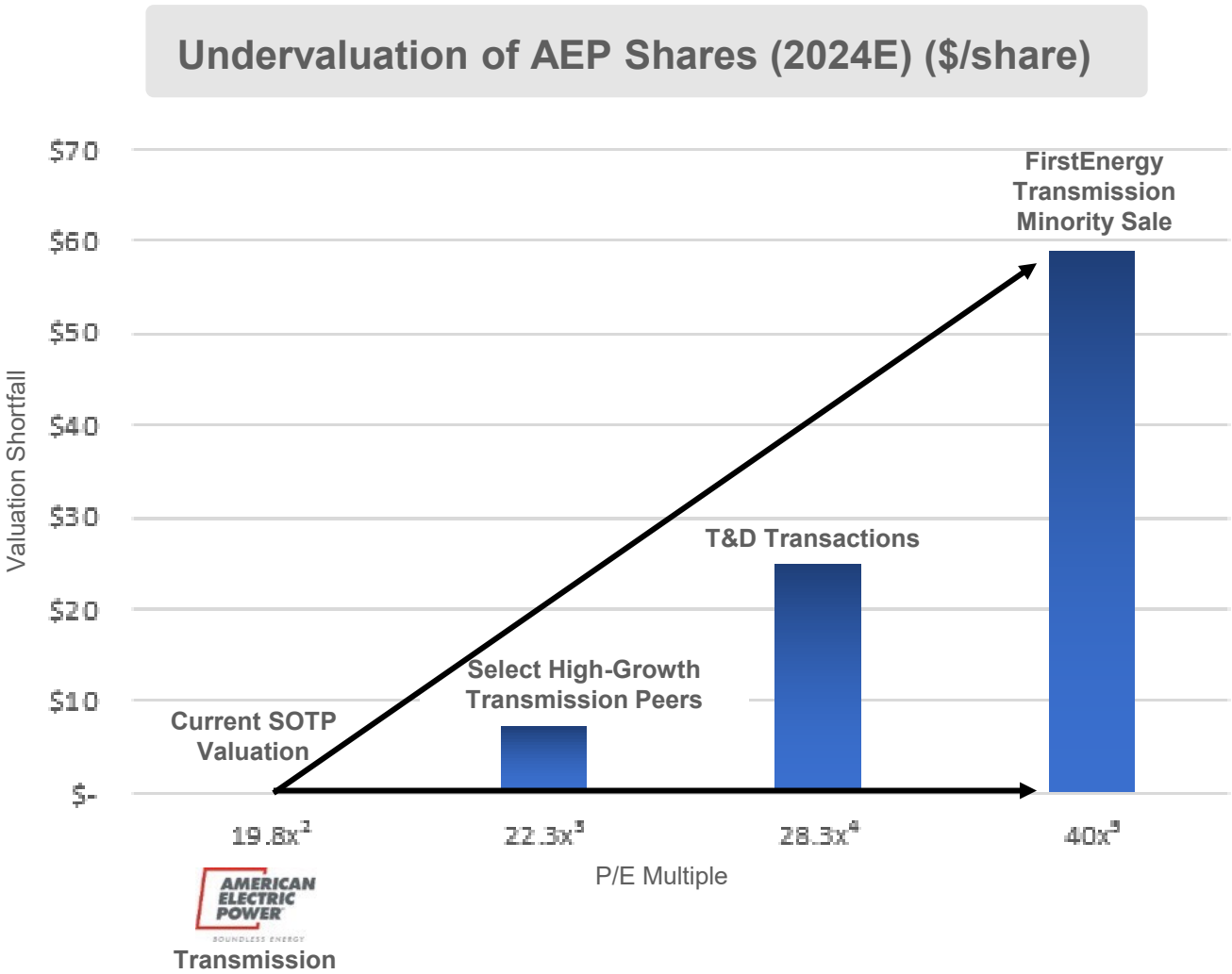
AEP’s high growth transmission business is stable, predictable and undervalued between 2x-20x our earnings power, resulting in a significant opportunity for investors

AEP derives more than 50% of its earnings per share from its transmission business

\$/share	AEP Trans Holdco	Transmission in AEP Operating Companies	Total AEP Transmission
Estimated 2024 EPS Contribution	\$1.44	\$1.48	\$2.92 ¹

AEP transmission has a superior capital investment growth rate, warranting a premium valuation

Transmission Gross Plant	2018 – 2027E
Compound Annual Growth Rate %	10.0%



¹ Total 2024 AEP Transmission EPS contribution based upon midpoint of Trans Holdco 2024 expected EPS contribution plus 2024 estimated earnings contribution from transmission segment of AEP operating companies.

² AEP’s Transmission business P/E multiple is derived from the average of recent sum-of-the-parts (SOTP) valuations for AEP Trans Holdco from Bank of America Merrill Lynch, UBS Securities and Credit Suisse.

³ Select high-growth transmission peers P/E multiple is derived from the average of recent SOTP valuations for the transmission-only subsidiaries of the following utilities (AEE, WEC, Fortis).

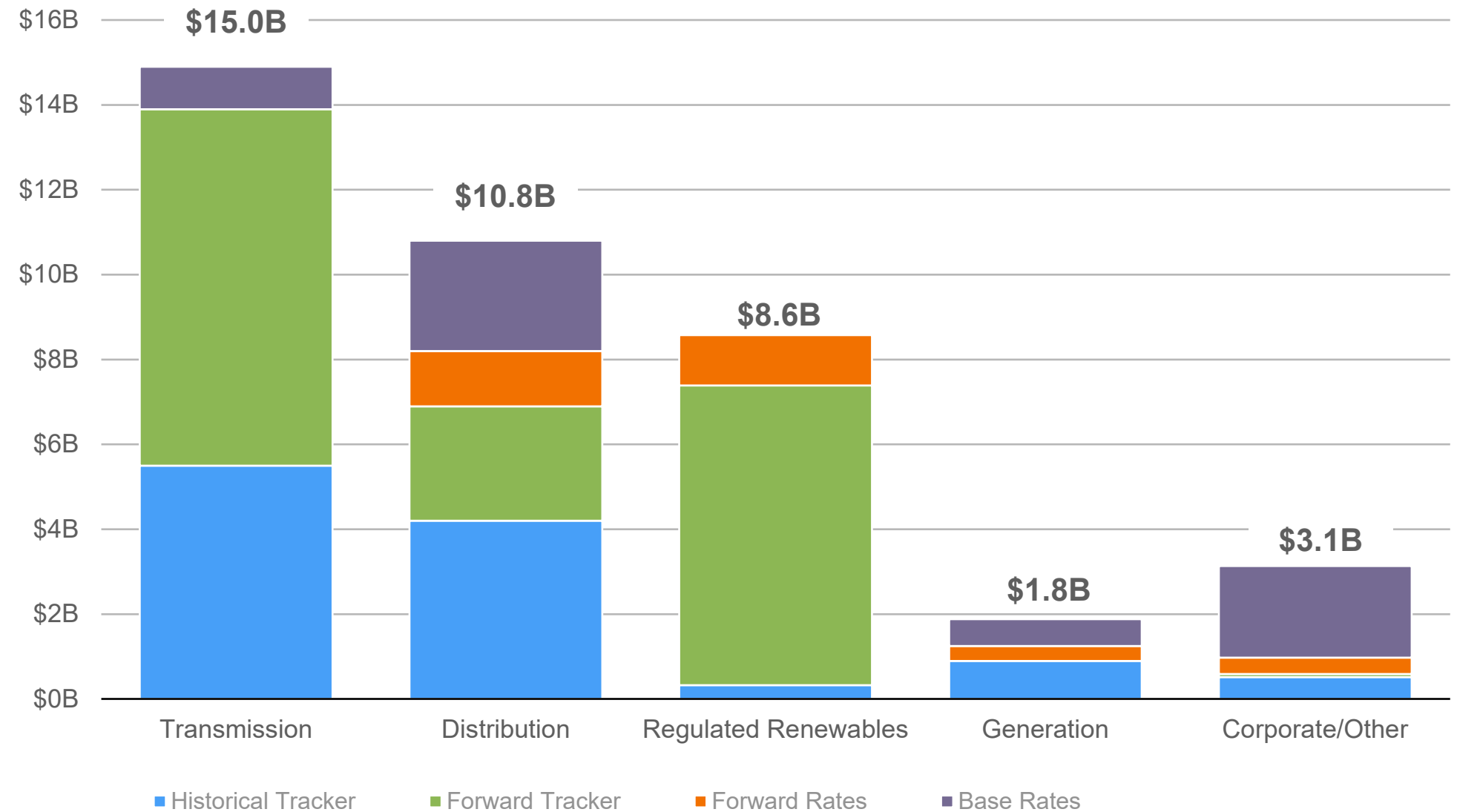
⁴ T&D transactions P/E multiple represents the median LTM multiples for applicable 2017-2022 transactions, as reported by an investment bank.

⁵ FirstEnergy Transmission LLC 19.9% sale valuation at 40x LTM P/E, as reported in FirstEnergy EEI Financial Conference slides – published November 8, 2021.

Efficient Cost Recovery Mechanisms

~85% of capital plan is recovered through reduced lag mechanisms

2023-2027 Regulated Capital Investments





Continuous Focus on O&M Efficiency

O&M discipline over time amid rising costs and growing asset base helps keep customer rates affordable

\$41B

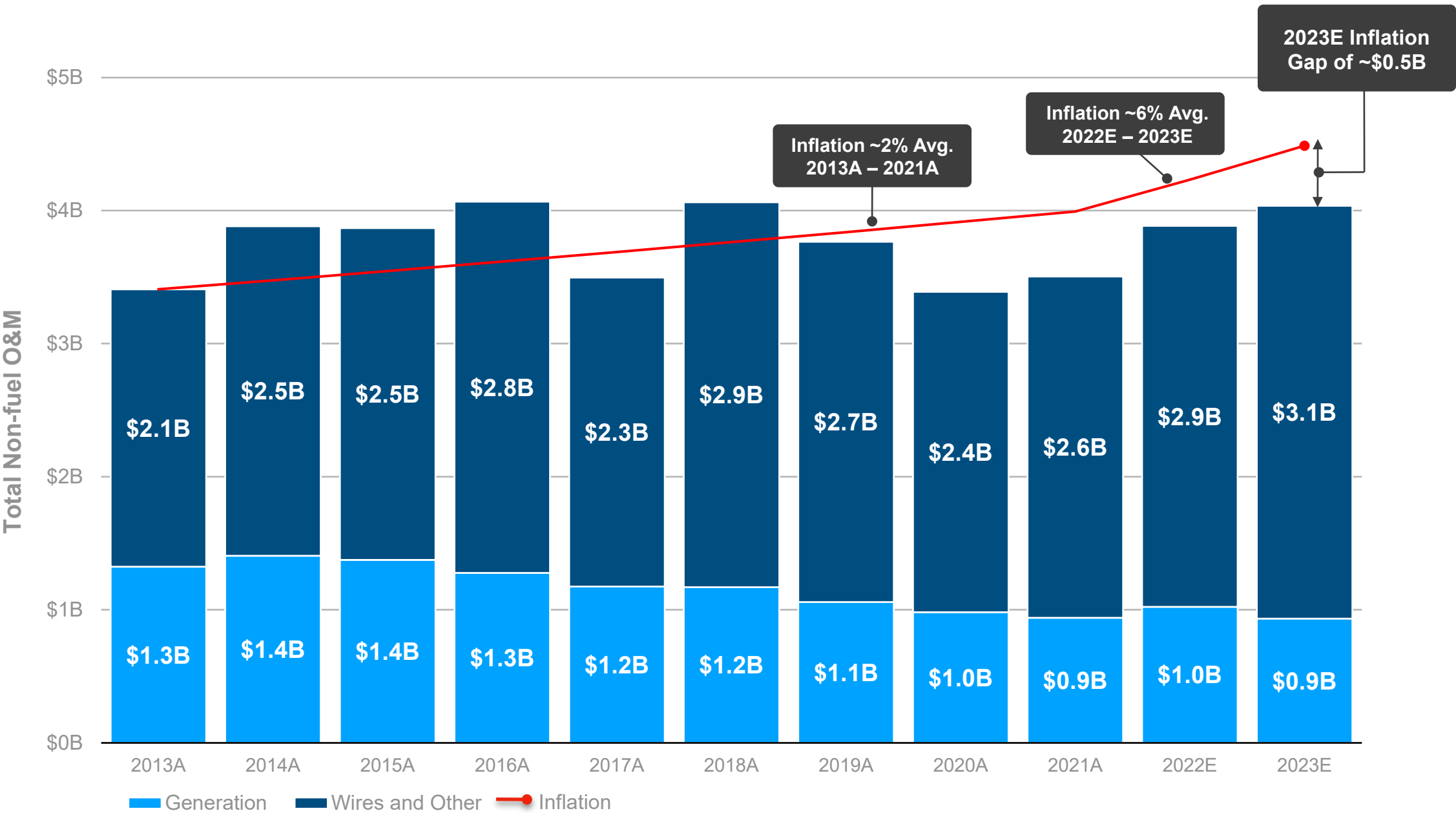
2013A Net Plant

»»

\$76B

2023E Net Plant

Total tracked and untracked O&M are both actively managed to address customer affordability



(in billions)	2013A	2014A	2015A	2016A	2017A	2018A	2019A	2020A	2021A	2022E	2023E
Untracked O&M	\$2.7	\$3.0	\$2.9	\$3.0	\$2.7	\$3.0	\$2.9	\$2.5	\$2.6	\$2.7	\$2.9

For comparative purposes, data excludes Kentucky-related O&M.



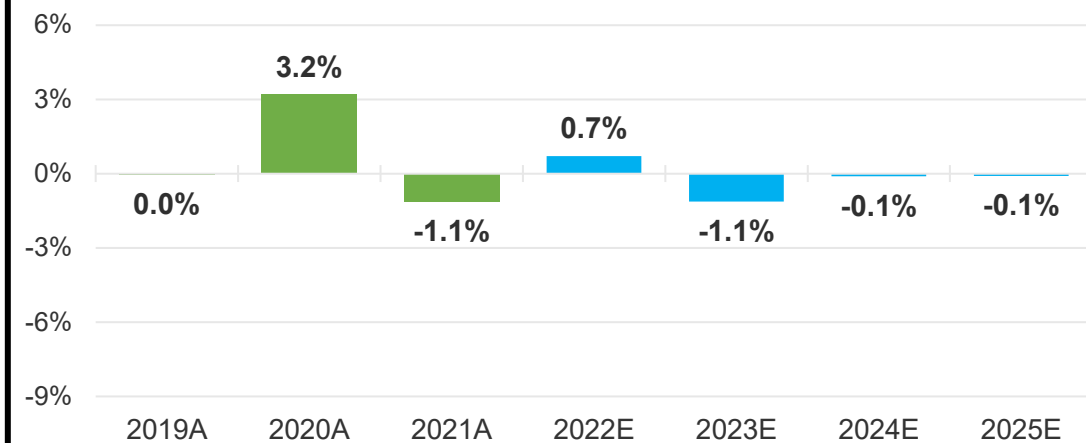
Weather Normalized Billed Retail Load Trends

Load in AEP's service territory continues to maintain significant momentum

Load figures are billed retail sales excluding firm wholesale load. 2022E is composed of 7 months of weather normalized actuals plus 5 months forecasted values. For comparative purposes, data excludes Kentucky-related load.

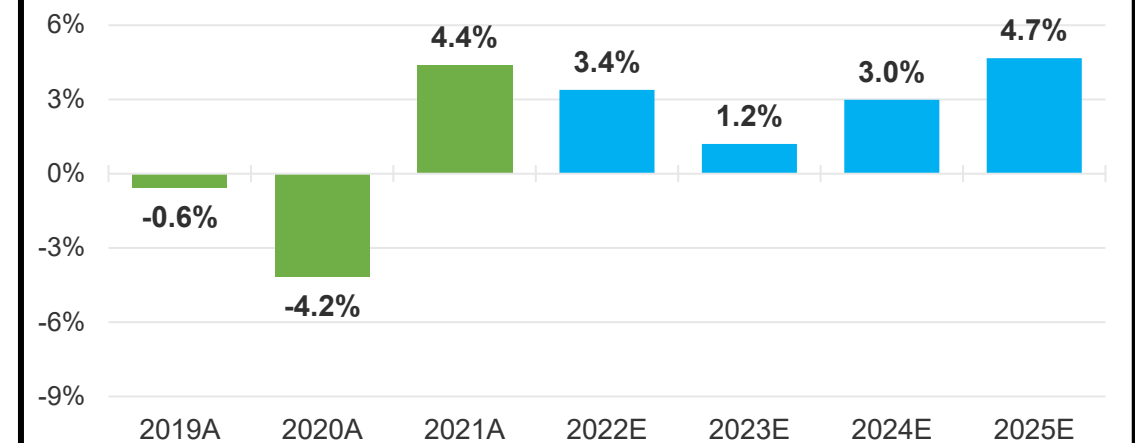
AEP Normalized Residential GWh Sales

% Change vs. Prior Year



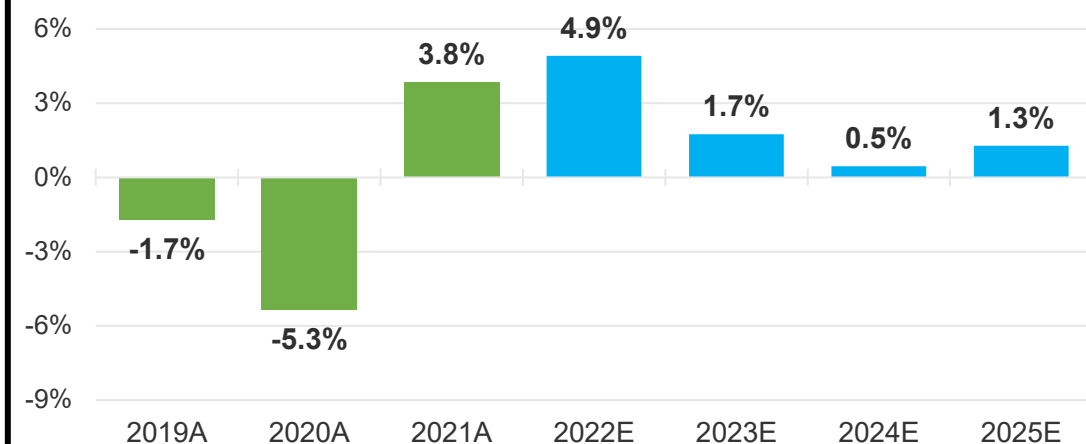
AEP Normalized Commercial GWh Sales

% Change vs. Prior Year



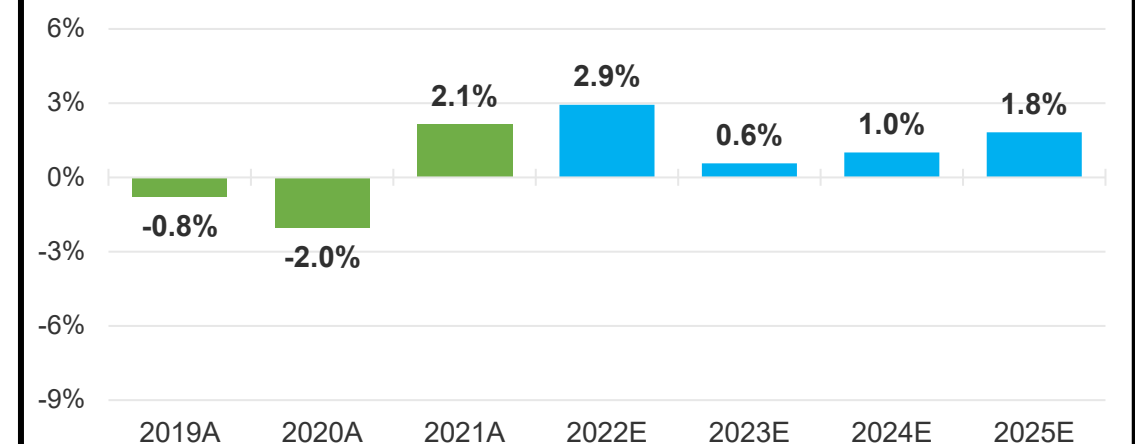
AEP Industrial GWh Sales

% Change vs. Prior Year



AEP Normalized Retail GWh Sales

% Change vs. Prior Year



■ Actual Normalized Load ■ Estimated Normalized Load



2023-2027 Cash Flows and Financial Metrics

Cash proceeds related to the sale of unregulated contracted renewable assets and other future sales are not included, all of which will be used to responsibly eliminate equity while maintaining a strong balance sheet

\$ in millions	2022E	2023E	2024E	2025E	2026E	2027E
Cash from Operations	\$ 5,400	\$ 6,000	\$ 6,400	\$ 6,900	\$ 7,100	\$ 7,700
Net Cash Proceeds from Sale of Assets	200	1,200 ¹	-	-	-	-
Capital and JV Equity Contributions ²	(7,800)	(6,800)	(8,900)	(9,700)	(7,300)	(6,900)
Other Investing Activities	100	(300)	(300)	(300)	(300)	(300)
Common Dividends ³	(1,600)	(1,600)	(1,700)	(1,700)	(1,700)	(1,700)
Required Capital	\$ (3,700)	\$ (1,500)	\$ (4,500)	\$ (4,800)	\$ (2,200)	\$ (1,200)
Financing						
Required Capital	\$ (3,700)	\$ (1,500)	\$ (4,500)	\$ (4,800)	\$ (2,200)	\$ (1,200)
Long-term Debt Maturities	(2,800)	(2,500)	(1,500)	(2,200)	(1,500)	(900)
Securitization Amortizations	(100)	(200)	(200)	(100)	(100)	(100)
Equity Units Conversion	805	850	-	-	-	-
Equity Issuances – Includes DRP	-	100	600	700	700	700
Debt Capital Market Needs (New)	\$ (5,795)	\$ (3,250)	\$ (5,600)	\$ (6,400)	\$ (3,100)	\$ (1,500)
Financial Metrics						
Debt to Capitalization (GAAP)	Approximately 60%					
FFO/Total Debt (Moody's)	14%-15% Target Range					

¹ Cash proceeds to Parent of \$1.2B in 2023 all relates to sale of Kentucky operations. Proceeds are net of Kentucky indebtedness, tax and transaction costs and adjusted for residual pay-down of Parent debt.

² Capital investments in 2022 include approximately \$1.3B for NWC – Traverse project.

³ Common dividends at \$3.12/share 2023-2027 (dividends per share remain constant until approved by Board of Directors). Dividends evaluated by Board of Directors each quarter, stated target payout ratio range is 60%-70% of operating earnings. Targeted dividend growth in-line with earnings.

Actual cash flows will vary by company and jurisdiction based on regulatory outcomes.

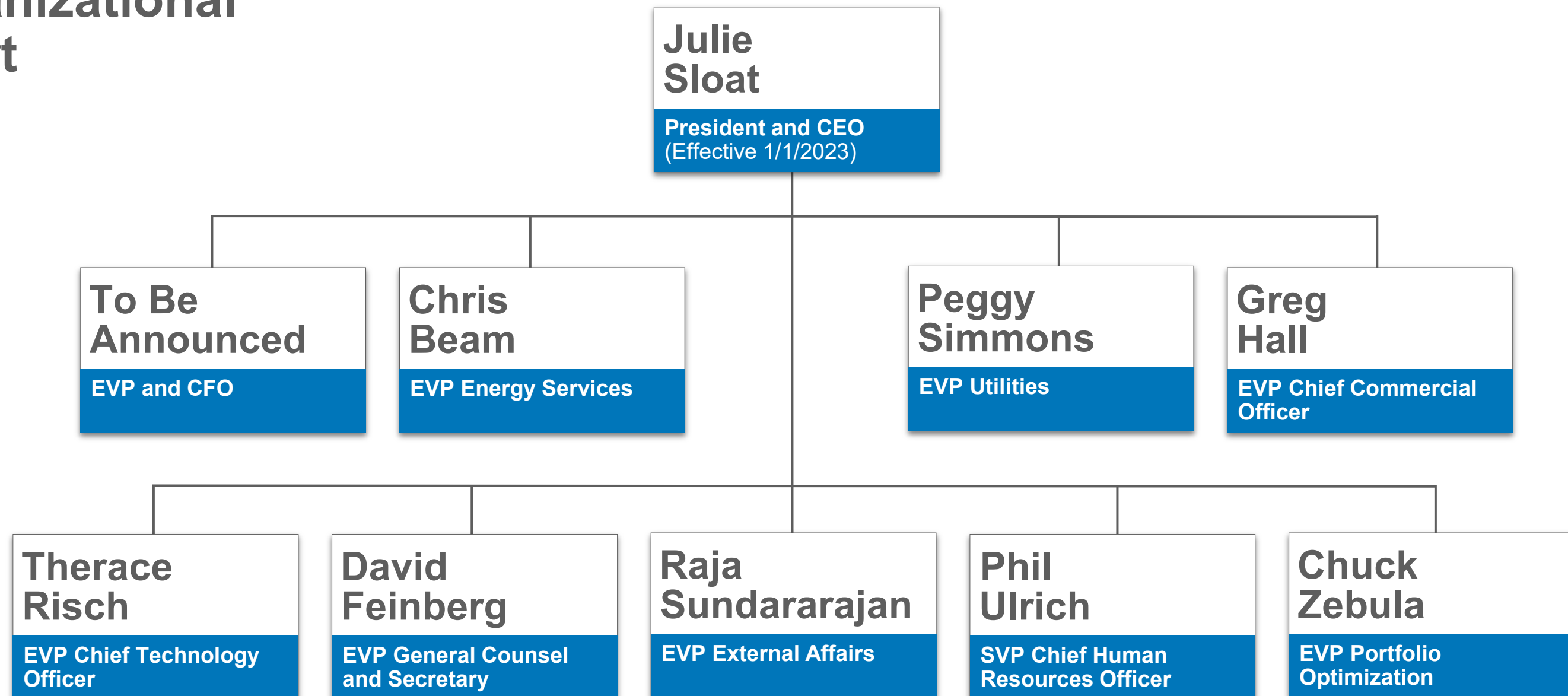


Active Management and Capital Recycling

After the close of our Kentucky operations sale, AEP will have recycled approximately \$6B of capital to date into regulated investment growth since 2015

Capital Recycling	Enterprise Value	Transaction Close Date
AEP River Operations	\$0.8B	2015
5,200 MW Merchant Generation	\$2.2B	2017
Racine Hydro	Not Disclosed	2021
Kentucky Operations	\$2.6B	Expected January 2023
Unregulated Contracted Renewable Assets	TBD	Q2 2023
<i>Up Next: Strategic Review of Retail Business</i>	<i>TBD</i>	<i>TBD</i>

Organizational Chart





Greg Hall

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Unregulated Contracted Renewable Assets

1,365 MW

net capacity (Wind: 1,200 MW; Solar: 165 MW)¹

14 operating assets

of relatively new vintage across wind and solar technologies

11 states / 7 power markets

across the U.S.

10+ year PPA

weighted average remaining PPA term

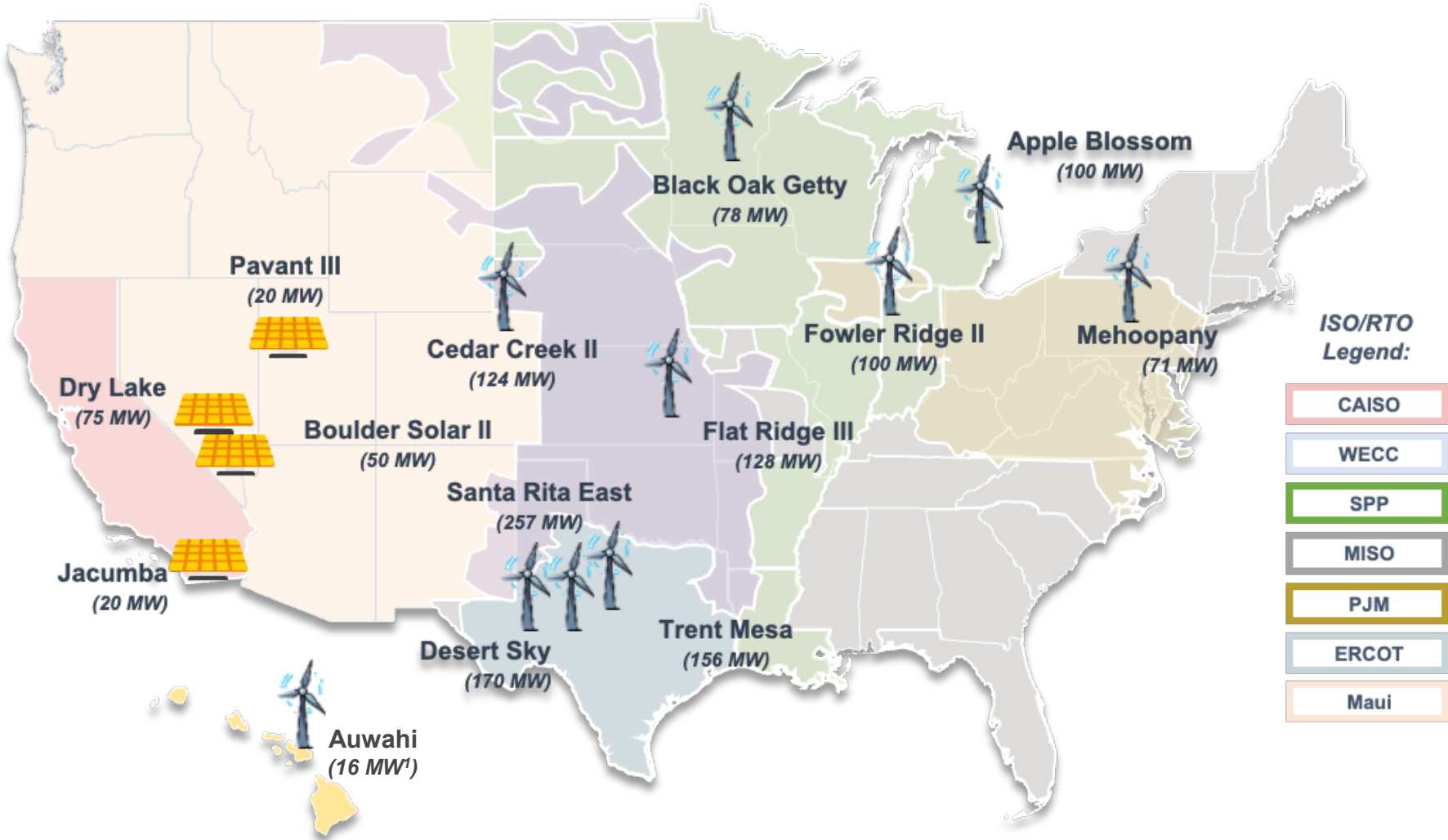
¹ Represents AEP owned net capacity. Includes 5 MW of storage at Auwahi. Represents net AC capacity for solar assets.

² Chart breakdowns represent share of net capacity (MW), unless noted otherwise.

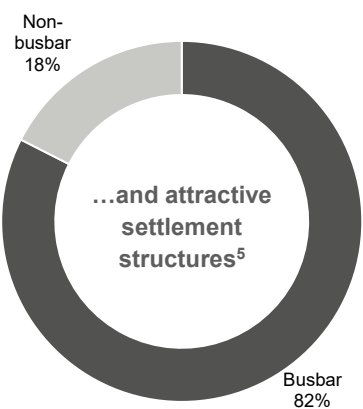
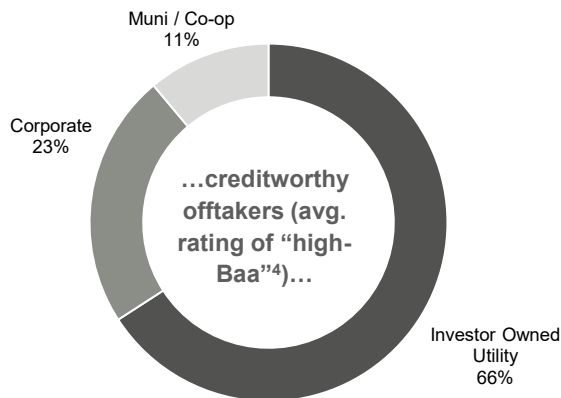
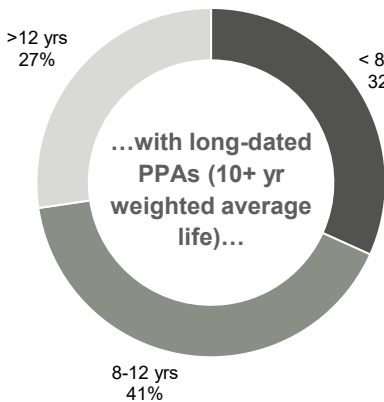
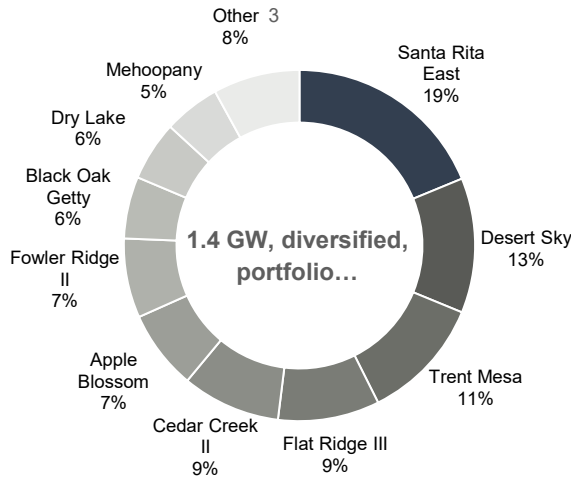
³ Other includes Boulder Solar II (3.7%), Jacumba (1.5%), Pavant III (1.5%), Auwahi (1.2%).

⁴ Based on Moody's ratings.

⁵ Busbar breakdown based on 2021A revenue except for Flat Ridge III (COD: Dec 2021) which represents 2022E revenue forecast based on management projections as of August 2022.



Portfolio breakdown²





Sale Update of Unregulated Contracted Renewable Assets

PROCESS

In February 2022, AEP announced the sale of its unregulated contracted renewable asset portfolio

AEP's net investment (equity position) in this portfolio is \$1.4B as of 6/30/2022; assets contribute \$0.13-\$0.17 EPS in 2022 operating earnings guidance

Sale process launched in late August 2022

Strong buyer interest from financial and strategic investors



BENEFITS

Continue to de-risk and simplify the business

Shift focus and rotate capital towards regulated businesses

FLAT RIDGE II UPDATE

In July 2022, we announced our intentions to sell Flat Ridge II; parties expect to close on this sale in Q4 2022 following FERC approval

On track for a Q2 2023 close

Competitive Business Platform



CUSTOMER CLASSES

- Residential
- Commercial
- Industrial
- Municipals
- Cooperatives

DISTRIBUTED RESOURCES



- Solar
- Energy Storage
- Reciprocating Engines
- Fuel Cells
- Substations

RETAIL SERVICES



- Electric Sales
- Natural Gas Sales
- Demand Response Sales
- Sustainability Services

WHOLESALE SERVICES



- Electric Sales
- Renewable PPA Sourcing
- Congestion Management
- RTO Services
- Portfolio Optimization

Customer Centric, Commercial Mindset

Retail Business (Begin Strategic Review)¹

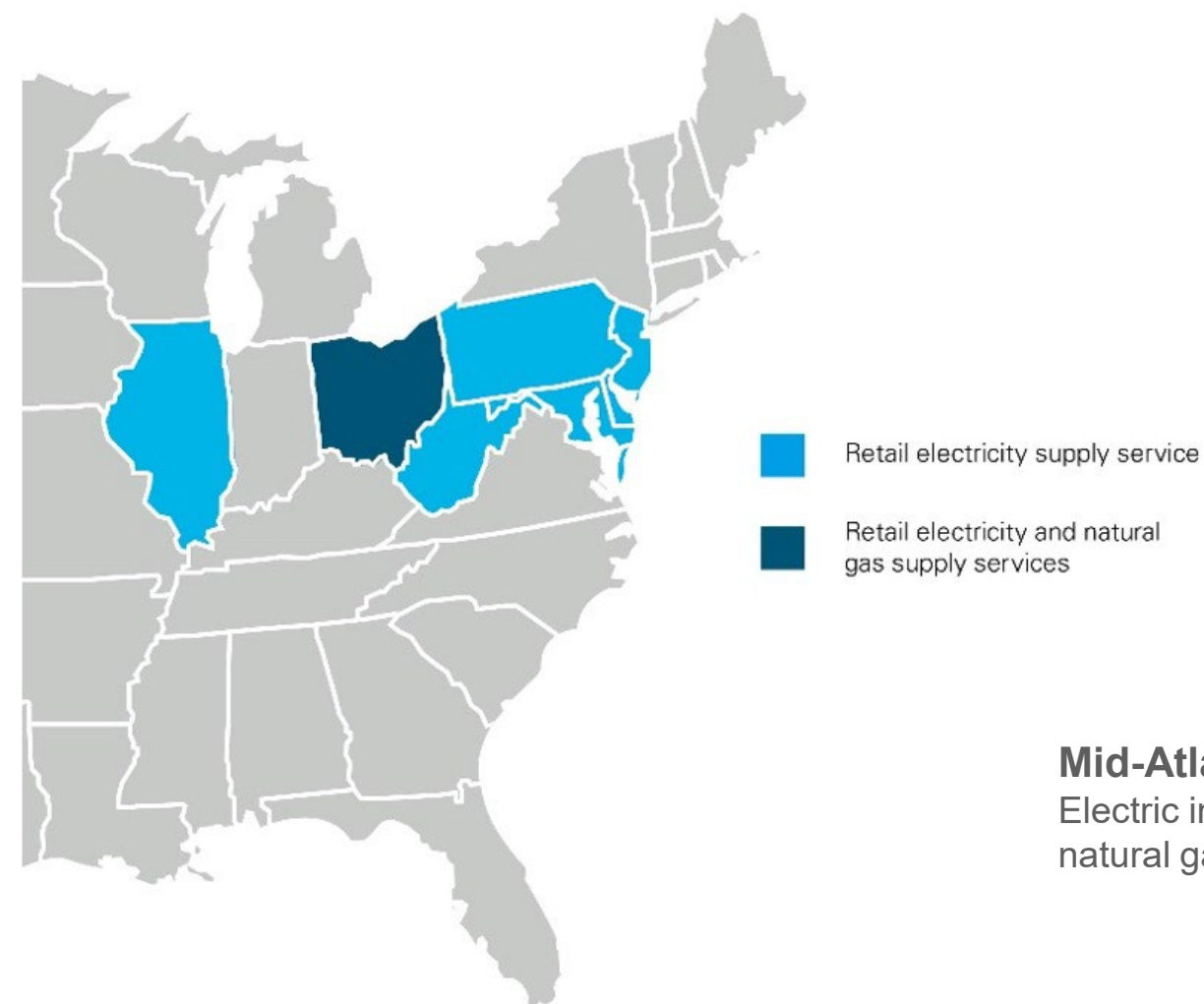
BUSINESS MODEL

Commodity and Services Sales

- Focused where AEP operating companies can't offer solutions
- Base platform is electric and natural gas sales
- Channel for distributed energy resources for resiliency and sustainability into sales offerings
- Integrates universal scale renewable supplies into retail sales
- Consultancy offerings focused on decarbonization and sustainability services and execution

Customer Expert for Platform

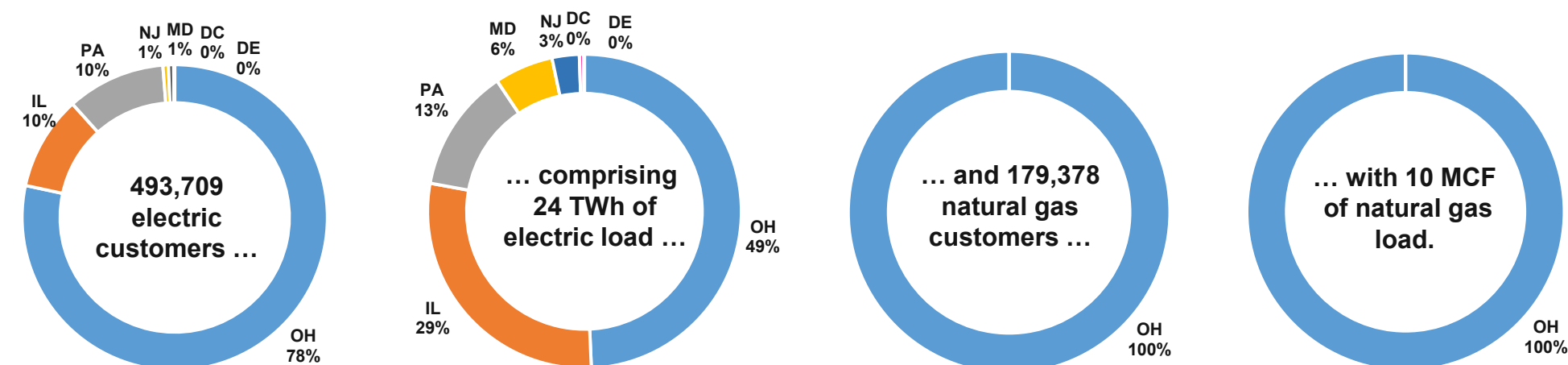
- Ranked #4 largest non-residential power retailer in PJM
- Ranked #8 largest residential nationally



Mid-Atlantic Focus

Electric in 7 states/27 utilities and natural gas in 4 utilities in Ohio

Portfolio breakdown



¹ Retail business contributes \$0.06 EPS in 2022 operating earnings guidance

Distributed Resources Business

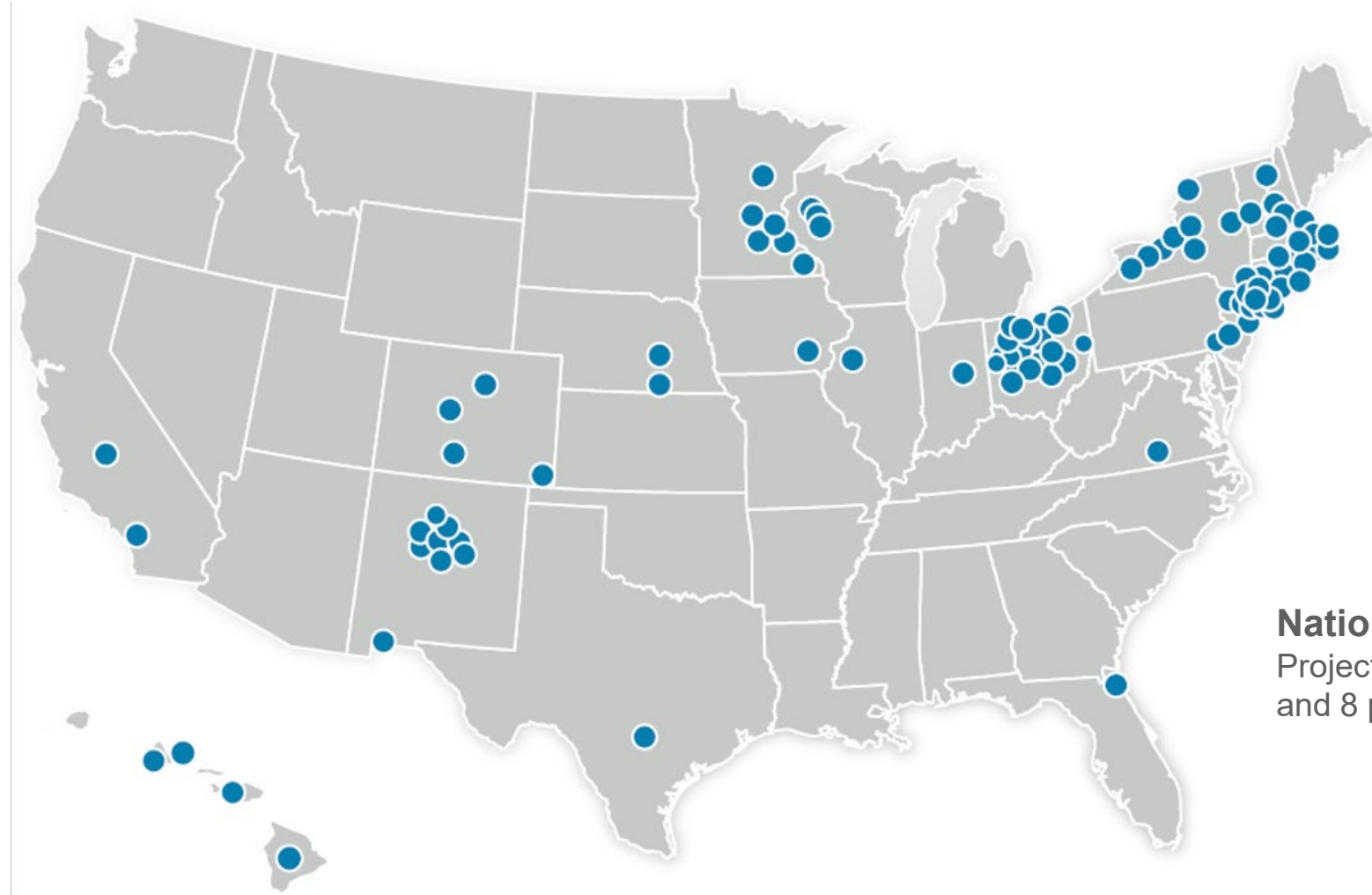
BUSINESS MODEL

Customer Asset Development

- Customer centric business where AEP regulated businesses can't offer solutions
- Focused on behind-the-meter generation assets
- Assisting customers achieve:
 - Cost savings
 - Progress towards sustainability targets
 - Energy resiliency and independence

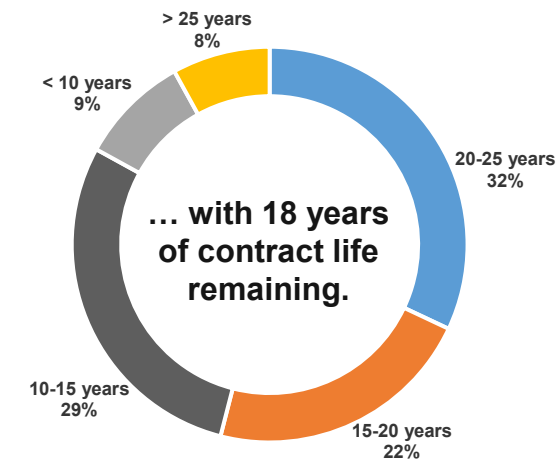
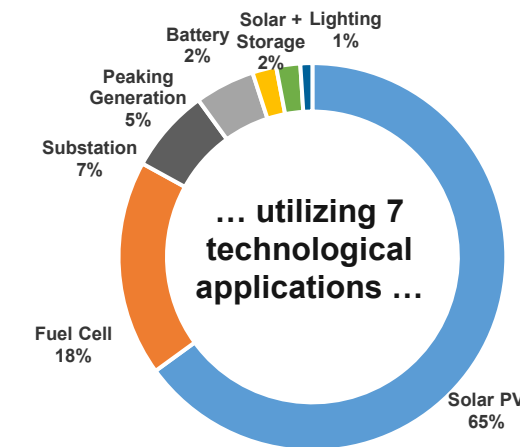
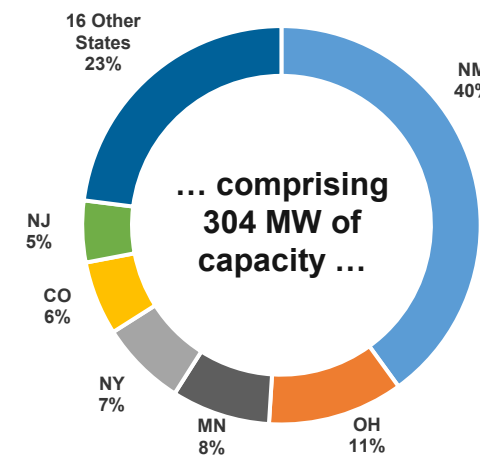
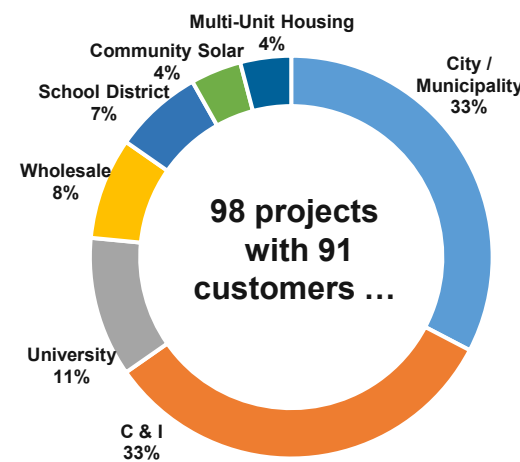
Technology Expert for Platform

- Solar, fuel cells, batteries, reciprocating engines, substations, solar + storage and lighting



National Focus
Projects in 22 states
and 8 power markets

Portfolio breakdown



Wholesale Business

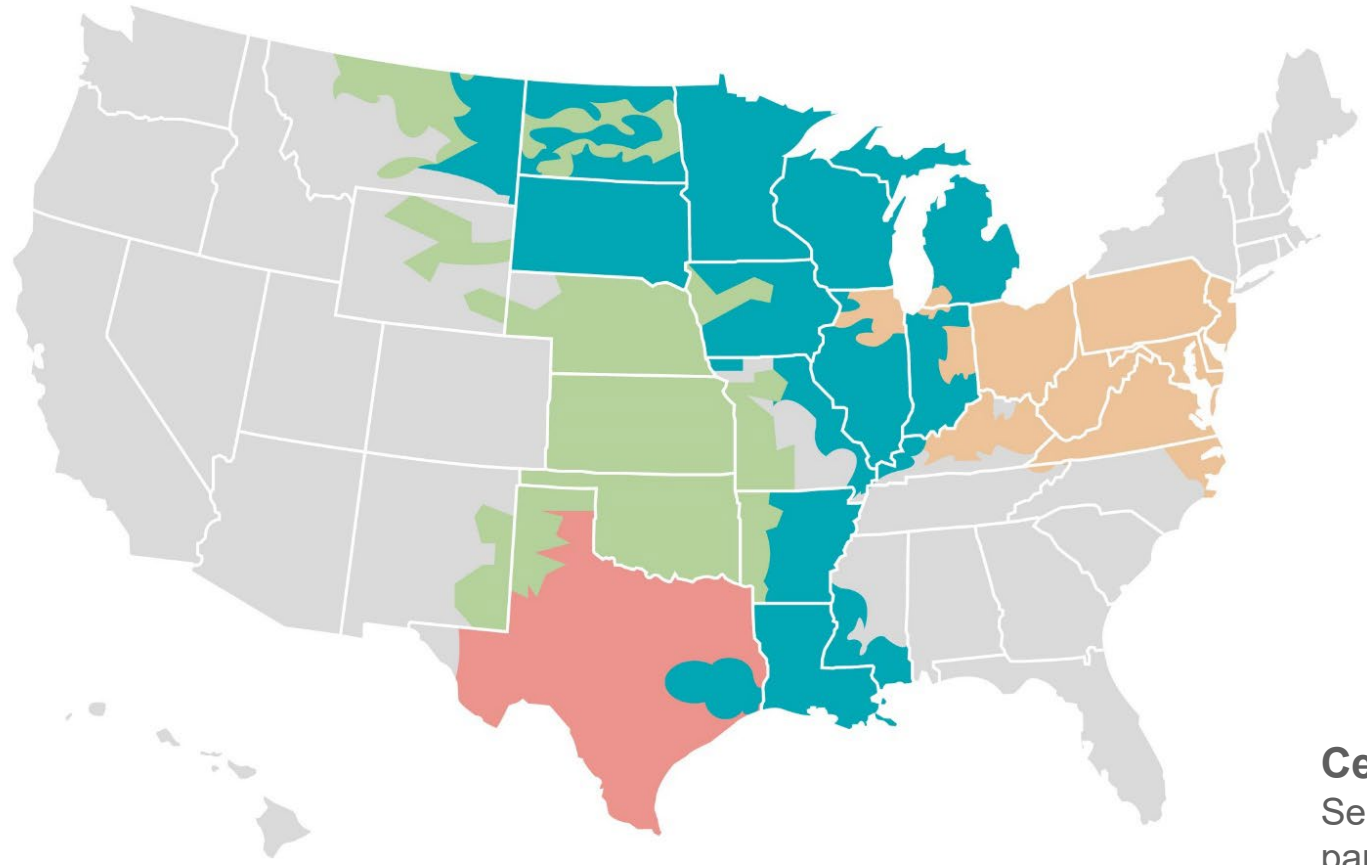
BUSINESS MODEL

Portfolio Optimization

- Traditional municipal and cooperative customer portfolio
- Cardinal Plant and renewables PPA optimization
- Manages wholesale components of retail business including; energy, capacity, congestion, RECs and ancillary services

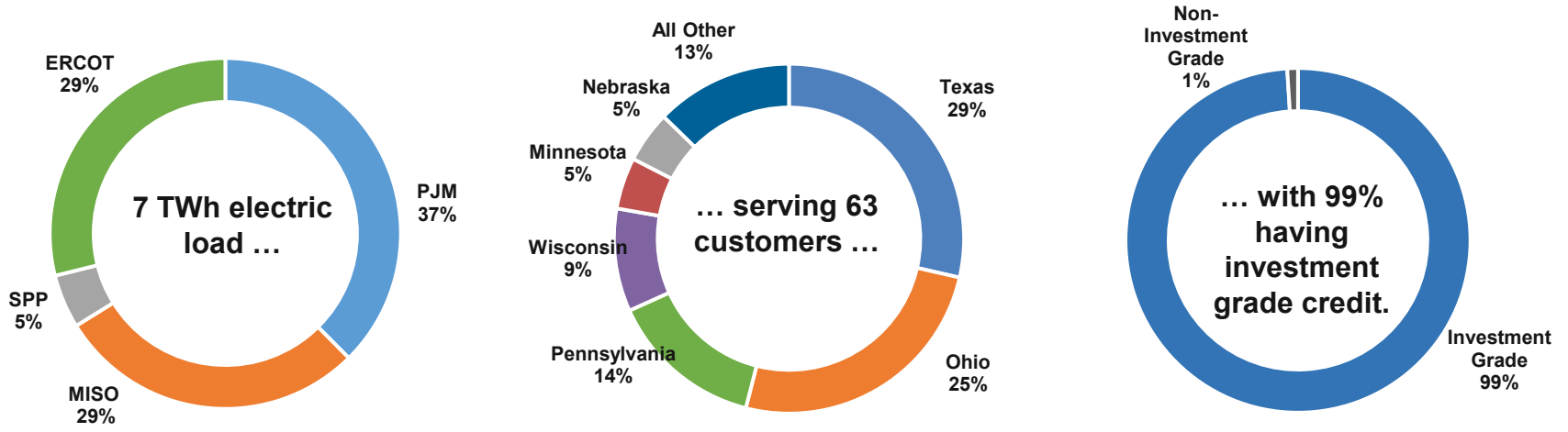
Risk Manager for Platform

- Low value at risk and low position limits
- Predominately hedged book
- Strict credit requirements



Central and Mid-Atlantic Focus
Serve wholesale loads in 12 states and participate in 4 power markets

Portfolio breakdown





Antonio Smyth

Opening Remarks and Kentucky Sale Update

Stakeholder Commitments and Robust Financial Plan

Competitive Business Portfolio Management

Abundant Regulated Investment Opportunities

Proactive Regulatory Initiatives

Economic Development and Customer Affordability

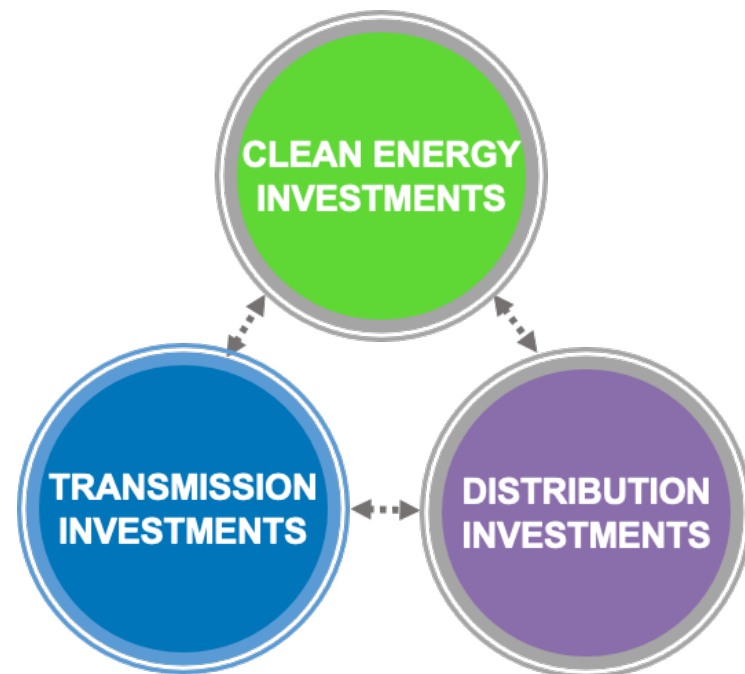
Closing Remarks Followed by Q&A Session

ANALYST DAY 2022

Delivering Maximum Value to Stakeholders
through Active Management



Linking Investments to Outcomes: Regulated Capital Investment Strategy



KEY INVESTMENT STRATEGIES

- **Transform our electric generation fleet** to drive-down costs to customers and achieve our climate goals
- **Develop a modern and secure electric transmission grid** to bolster system reliability, enhance market efficiency and integrate new generation resources
- **Modernize the electric distribution system** to enhance reliability, accommodate changing resources, loads, advanced technologies and increase customer satisfaction
- Work with regulators, policymakers, and key stakeholders to **ensure a durable and sustainable transition to a clean energy economy** by balancing decarbonization goals and timelines with system reliability, resiliency, security and affordability

Our flexible and robust capital plan is designed to meet our customer needs

2023-2027 CAPITAL INVESTMENT

\$15.0B

TRANSMISSION

Transmission Investment in Current 5-year Capital Plan

\$10.8B

DISTRIBUTION

Distribution Investment in Current 5-year Capital Plan

\$8.6B

REGULATED RENEWABLES

Regulated Renewable Investment in Current 5-year Capital Plan

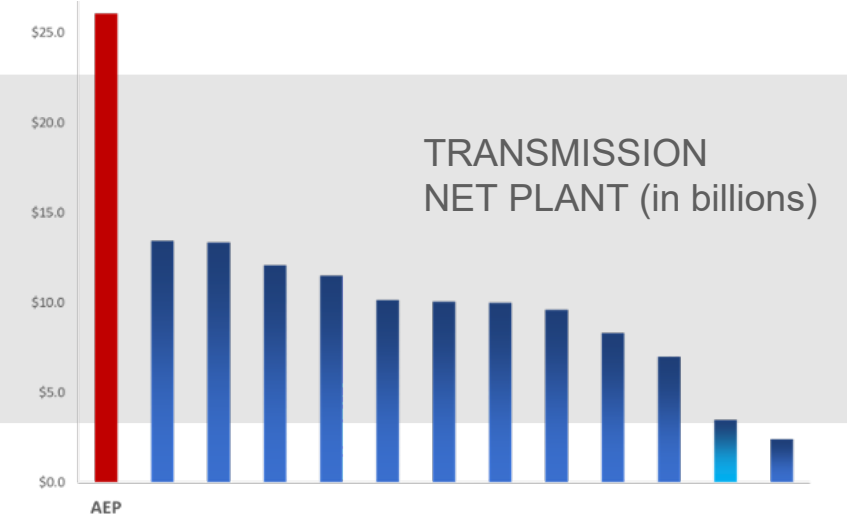
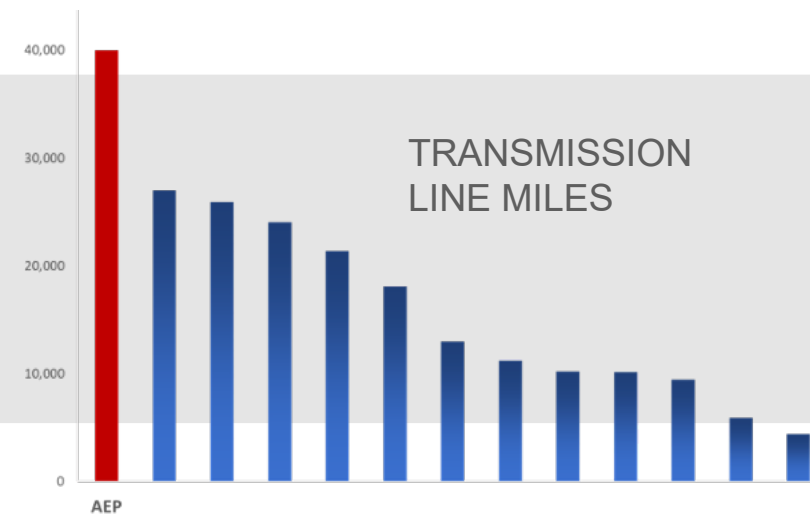
We have developed a significant pipeline of organic growth opportunities beyond the investments included in our 5-year capital plan

Leader in Electric Transmission in the U.S.

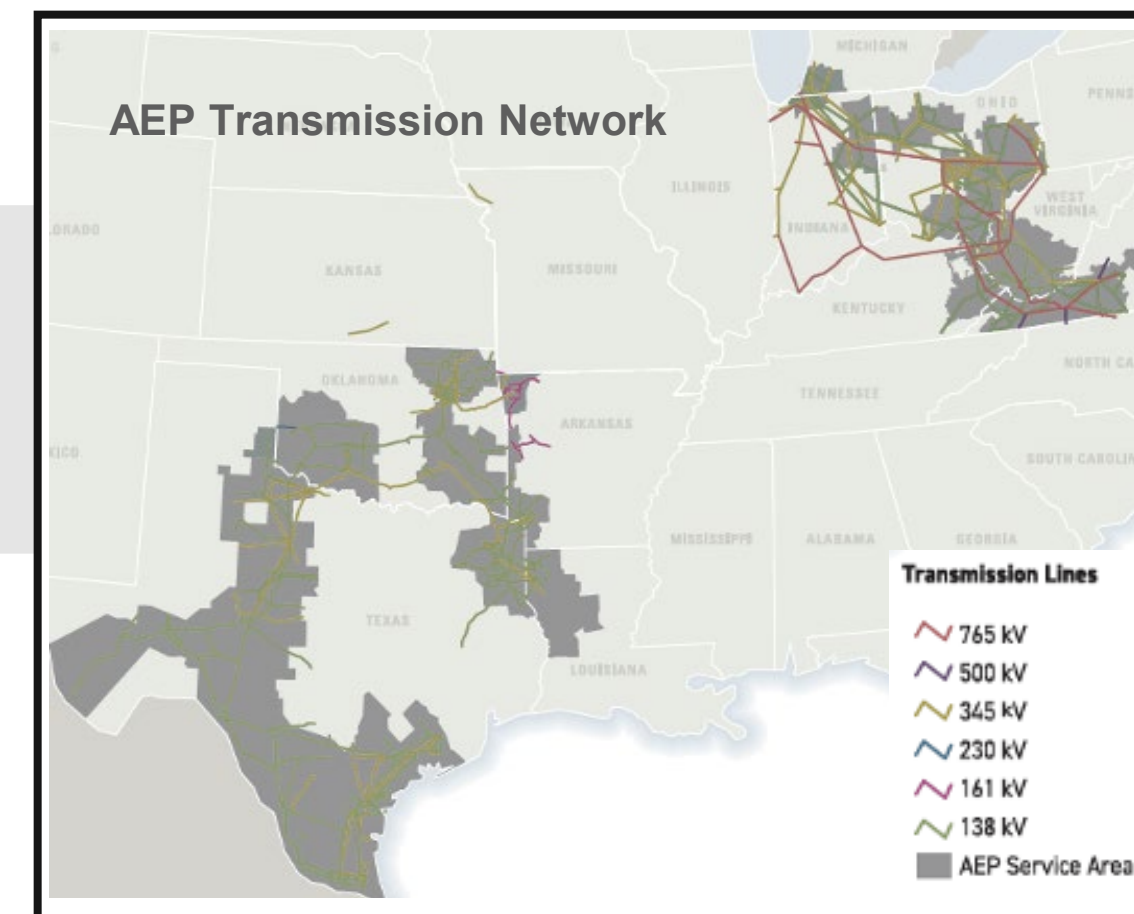
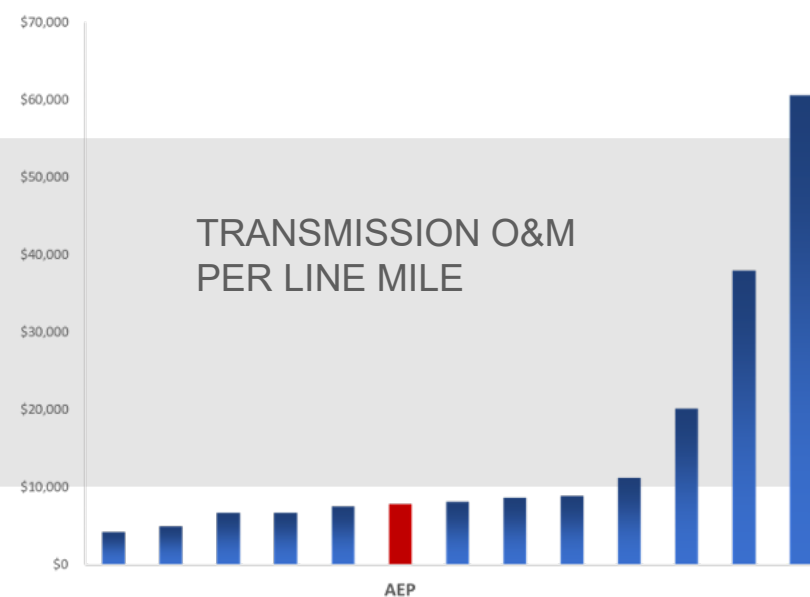
AEP's transmission system is critical to serving customers across the U.S. Eastern Interconnection and ERCOT and we are uniquely situated in 4 RTOs and on multiple market seams

Charts represent AEP vs. S&P 500 Electric Utility Index, excluding companies with no transmission. Transmission Line Miles sourced from 2021 10-K filings (if data available) or FERC Form 1 filings. Transmission Net Plant and Transmission O&M per Line Miles data sourced from 2021 FERC Form 1 filings, normalized for revenue true-ups.

Largest Transmission System in the U.S.



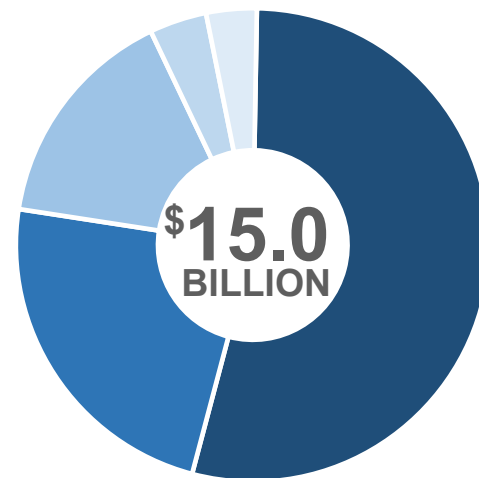
Low Cost Provider



Transmission Organic Growth Opportunity

AEP has a long runway of organic transmission investment opportunities focused on improving system performance, increasing reliability and resiliency, and enhancing market efficiency

2023-2027 CAPEX



DRIVERS

ASSET REPLACEMENT

Asset renewal investments based on condition, performance and risk to reduce customer outages and interruption times

LOCAL RELIABILITY

Multi-driver projects on the local network addressing reliability and customer concerns

RTO DRIVEN

Upgrades needed to address RTO standards related to thermal voltage overloads and contingency conditions; opportunities driven by enabling access to renewable generation

TELECOM / TECHNOLOGY

Asset health monitoring, cyber-security requirements and enhanced situational awareness for grid operations

CUSTOMER SERVICE

Upgrades to connect new customers and enhanced service requests; facilitates local economic development

TRANSMISSION PIPELINE

Large-scale and Growing Pipeline

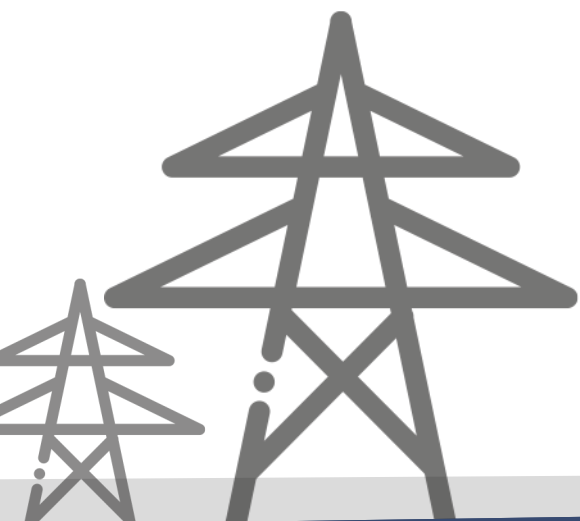
We have a **transmission investment pipeline of over \$35B** in various phases of development over the next 10 years (inclusive of current 5-year capital plan)

Capital Flexibility

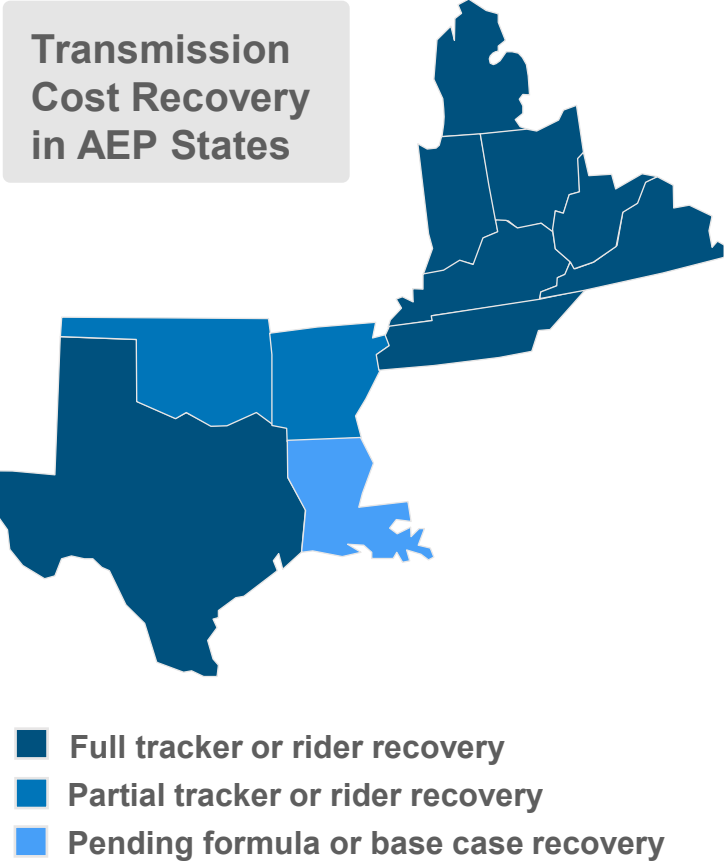
Additional investments in the pipeline are currently being planned to ensure long-term capital investment flexibility

Future Growth Drivers

Integration of renewable resources, fossil-fuel generation retirements, regional reliability, inter-regional projects, customer interconnections, positive policy changes that influence inter-regional expansion and cost allocation



Stable and Efficient Transmission Investment Recovery

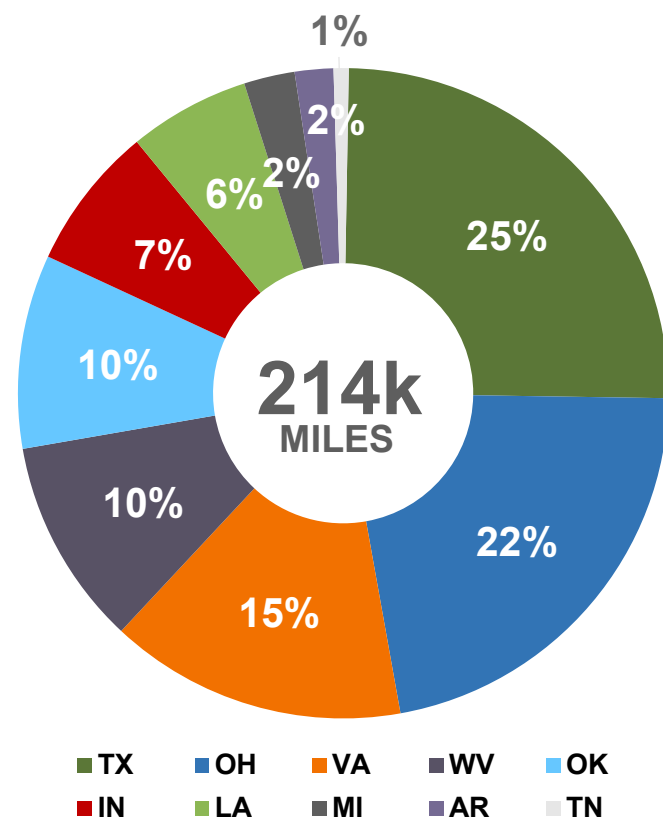


ROE	9.85% Base + 0.50% RTO adder	10.0% Base + 0.50% RTO adder	9.4%
Forward Looking Rates	Yes	Yes	Capital updates allowed 2x per year (not forward looking)
Equity Layer	Capped at 55%	No Cap	Capped at 42.5%
Rate Approval Date	May 2019	June 2019	April 2020

Table data for ERCOT reflects AEP Texas subsidiary; AEP's ETT joint venture in ERCOT has 9.6% ROE, 40% equity layer with rate approved in January 2021.

~92% of transmission capital investment is recovered through state tracker/rider mechanisms

Transforming the Distribution Grid



INVESTING IN THE DISTRIBUTION GRID OF THE FUTURE

Improve Reliability and Resiliency through Broad Asset Renewal and Reliability Investments

Significantly Enhance Reliability Performance Across All Operating Companies

Accelerate Service Delivery to All Customers through Enhanced Capacity Investments

Enable Economic Development, Electrification and Decarbonization Across Our Customer Base

Expand Operational Flexibility and Visibility through Targeted Telecommunications, Monitoring and Automation Investments

Enable a Seamless 2-way Exchange of Information and Energy and Optimize Operations for All Customers

AEP's distribution system is among the largest distribution systems in the U.S.

AEP DISTRIBUTION SYSTEM AT A GLANCE:

~214k
CIRCUIT MILES^{1,2}

2,300+
DISTRIBUTION
SUBSTATIONS²

\$10.8B
5-YEAR CAPEX
(2023-2027)

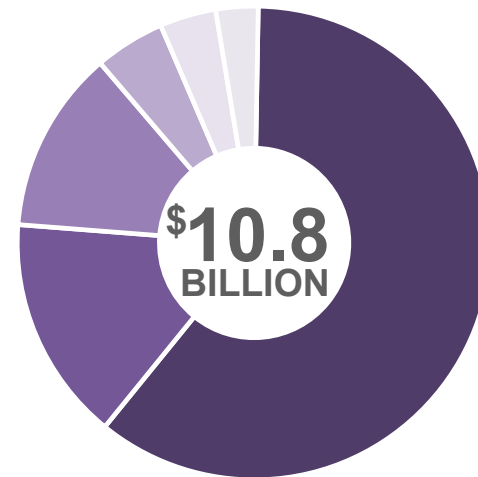
¹ Includes approximately 36,400 miles of underground circuits.

² As of year-end 2021 excluding Kentucky operations.

Distribution Organic Growth Opportunity

AEP's expansive, aged distribution system provides significant opportunity for investment and we are developing a portfolio of projects to address system needs and ramping-up our capabilities to execute these projects

2023-2027 CAPEX



DRIVERS

CAPACITY EXPANSION, RELIABILITY AND MODERNIZATION

Asset renewal and reliability investments including pole, conductor, cutout, station transformer and breaker replacements and capacity additions

CUSTOMER REQUESTS

Investments for new service, upgrades, relocation

AUTOMATION AND TECHNOLOGY

Implementation of automated technology including distribution supervisory control and data acquisition, smart switches and reclosers, volt-var optimization and sensors

RESTORATION AND SPARING

Storm restoration and spare equipment

ADVANCED METERING (AMI)

Advanced metering technology for the remaining AEP customers

RURAL BROADBAND

Investment in fiber assets to provide middle mile broadband to rural communities and for company use

DISTRIBUTION PIPELINE

Robust Pipeline Under Development

Significant capital investment opportunity over the next 10-years to renew the distribution system, improve reliability and resilience, and expand operational capabilities

Capital Flexibility

Additional investments in the pipeline are currently being planned to ensure long-term capital investment flexibility

Future Growth Drivers

Electrification and higher penetration levels of distributed resources will drive additional distribution investment opportunities



Resource Plans Are Aligned with Climate Goals

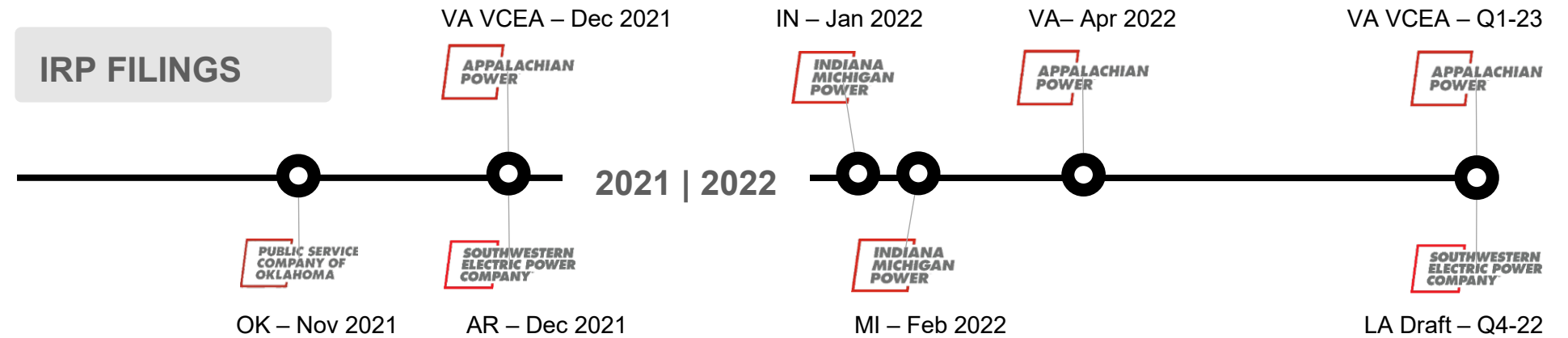
Current IRPs identify a significant need for new clean energy resources over the next 10 years

¹ Resource additions are from most recent Integrated Resource Plans (IRP) filings.

² Investments in renewables will be subject to market availability of viable projects and regulatory approvals.

³ Natural gas additions are peaking units and fuel switching that are primarily selected for capacity (i.e., expected low capacity factors).

IRP FILINGS



10-YEAR RESOURCE NEEDS

GENERATION ADDITIONS 2023-2032 (MW) ^{1,2}	SOLAR	WIND	STORAGE	NAT. GAS ³	TOTAL
APCo	1,020	1,154	250	-	2,424
I&M	1,300	800	60	1,000	3,160
PSO	2,550	2,800	-	-	5,350
SWEPCO	3,300	2,450	-	528	6,278
TOTAL	8,170	7,204	310	1,528	17,212

1.5 GW
North Central Wind
In-Service



~17 GW
2023-2032



~18.5 GW
New Generation Opportunity
Over Next 10-years

Regulated New Generation Investment Growth

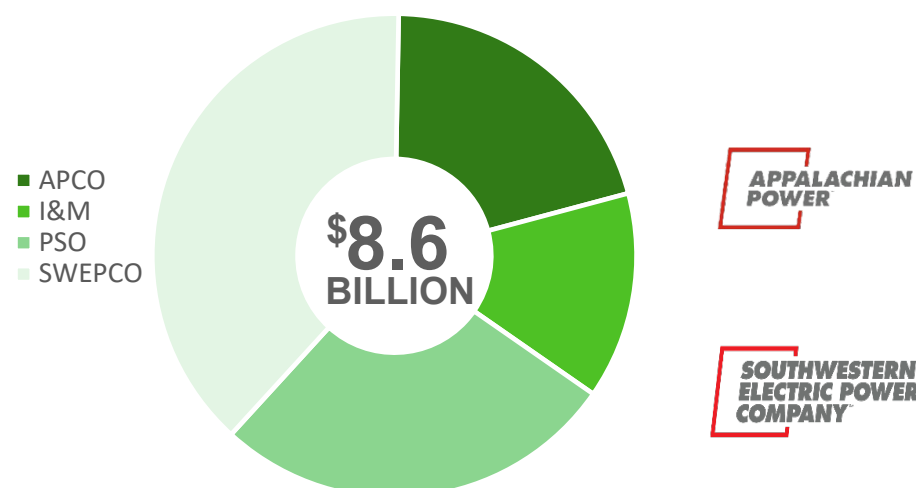
Continuing progress towards AEP's commitment to 80% CO₂ emissions reduction by 2030 and net-zero by 2045

¹ RFPs represent up-to MW capacity values.

² In February 2022, APCo issued an RFP for owned West Virginia sited solar/storage of 150 MW with a projected in-service date of YE24 – YE25.

³ RFP solicits bids for both owned projects and PPAs.

2023-2027 CAPEX



Resource	Project	MW	Projected In-Service Date	Status
Solar	Amherst / Virginia	5	Q4-22	Projects Approved: June/July 2022 Total investment: 409 MW / ~\$850M
Solar	Bedington / West Virginia	50	Q2-24	
Solar	Firefly / Virginia	150	Q3-24	
Wind	Top Hat / Illinois	204	Q3-25	
Wind	Diversion / Texas	201	Q4-24	Expected Order: 2023 Total investment: 999 MW / ~\$2.2B
Solar	Mooringsport / Louisiana	200	Q4-25	
Wind	Wagon Wheel / Oklahoma	598	Q4-25	

RFPs IN PROGRESS¹

RFP Issued	November 2021	January 2022 ²	March 2022 ³	July 2022 (Draft)
Wind	2,800 MW	1,000 MW	800 MW	1,900 MW
Solar / Storage	1,350 MW	100 MW	500 MW	500 MW
Reg. Filings and Approvals	Q4-22 – Q3-23	Q1-23 – Q3-23	Q4-22 – Q2-23	Q3-23 – Q3-24
Projected In-service Dates	YE24 – YE25	YE25	YE24 – YE25	YE25 – YE26

PUBLIC SERVICE COMPANY OF OKLAHOMA

APPALACHIAN POWER

INDIANA MICHIGAN POWER

SOUTHWESTERN ELECTRIC POWER COMPANY

REGULATED GENERATION PIPELINE

~17 GW Pipeline

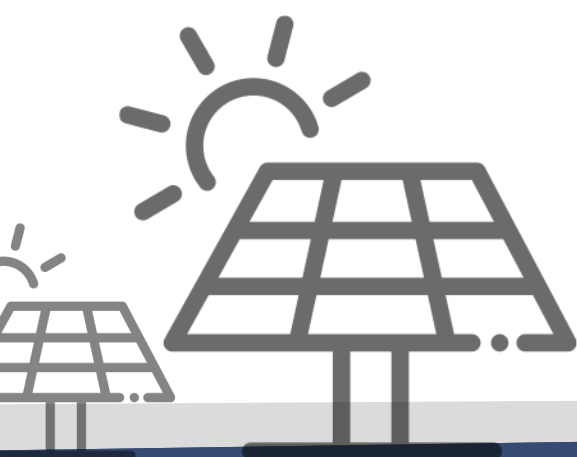
Long-term investment potential beyond current 5-year plan

Capital Flexibility

Investments contingent upon markets and regulatory approvals and are backed-up by a flexible pipeline of T&D investments

Growth Drivers

Generation needs coupled with new federal legislation supports our clean energy goals and extends our investment runway



IRA Provides a Clean Energy Investment Tailwind



Tax credits extend the runway for clean energy investments and will significantly drive-down costs to customers

- Long-term extension of clean energy tax credits and reinstatement of the full credit value
- Establishment of a new energy storage tax credit
- Establishment of a nuclear generation tax credit
- Bonus credits for qualifying projects



Tax credit package is advantageous for utility ownership of clean energy investments

- Normalization inefficiencies are addressed through the implementation of the solar PTC and technology-neutral PTC as well as the opt-out provision within the storage ITC
- The tax credits are transferrable which limits potential tax credit utilization inefficiencies
- Bonus credits for locating assets in existing energy communities



Provides flexibility to invest in other clean energy resource types and new technologies

- Credits transition to technology-neutral tax credits over time



Provides incentives for advanced manufacturing which can lead to economic growth in the communities in which we serve



Matt Satterwhite

Opening Remarks and Kentucky Sale Update

Stakeholder Commitments and Robust Financial Plan

Competitive Business Portfolio Management

Abundant Regulated Investment Opportunities

Proactive Regulatory Initiatives

Economic Development and Customer Affordability

Closing Remarks Followed by Q&A Session

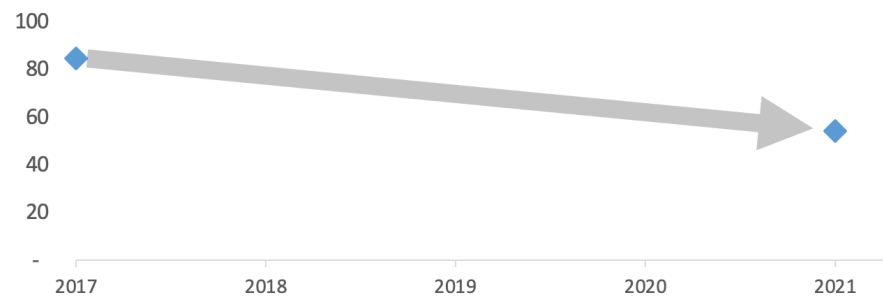
ANALYST DAY 2022

Delivering Maximum Value to Stakeholders
through Active Management



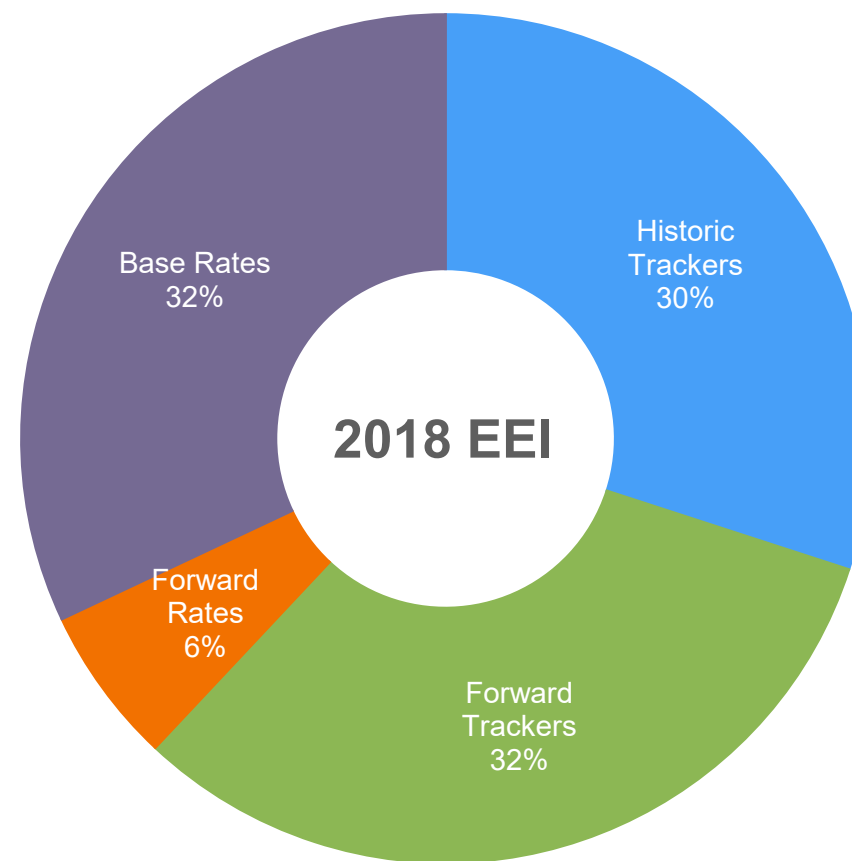
Improved Recovery Mechanisms of Growing Rate Base

Reduced lag mechanisms help narrow the gap between earned and authorized ROE¹ which decreased from 85 bps to 49 bps from 2017 to 2021

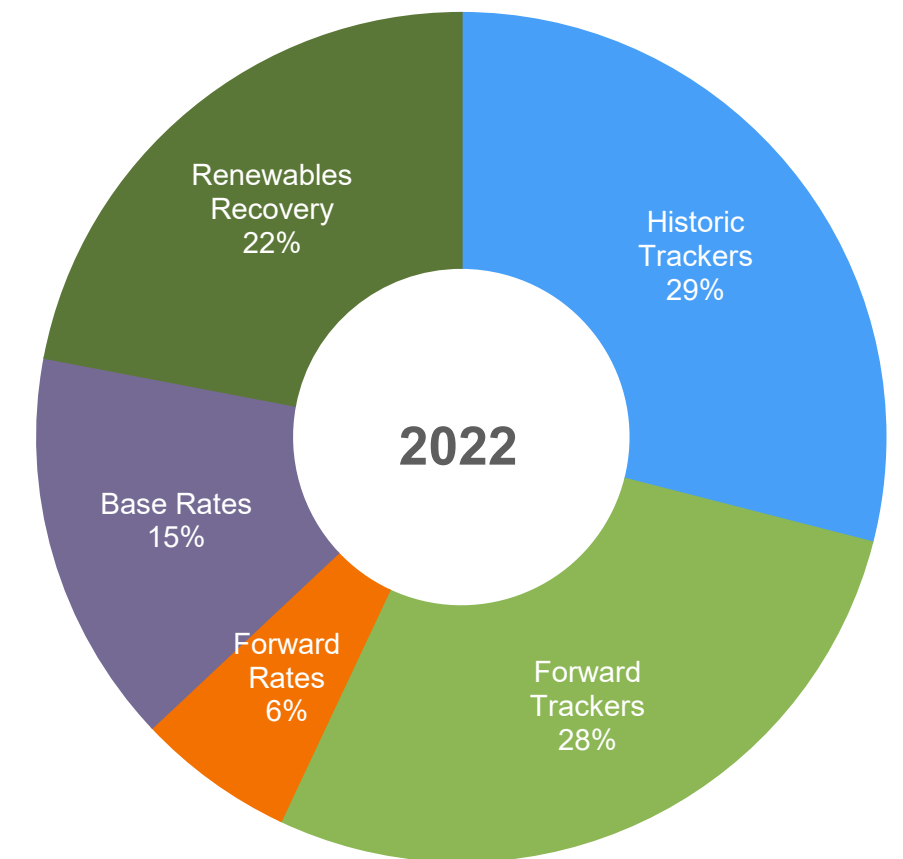


¹ Authorized ROEs as of end of each calendar year and weighted by equity; earned operating ROEs as reported.

2019-2023: ~68% of capital via reduced lag mechanisms



2023-2027: ~85% of capital via reduced lag mechanisms

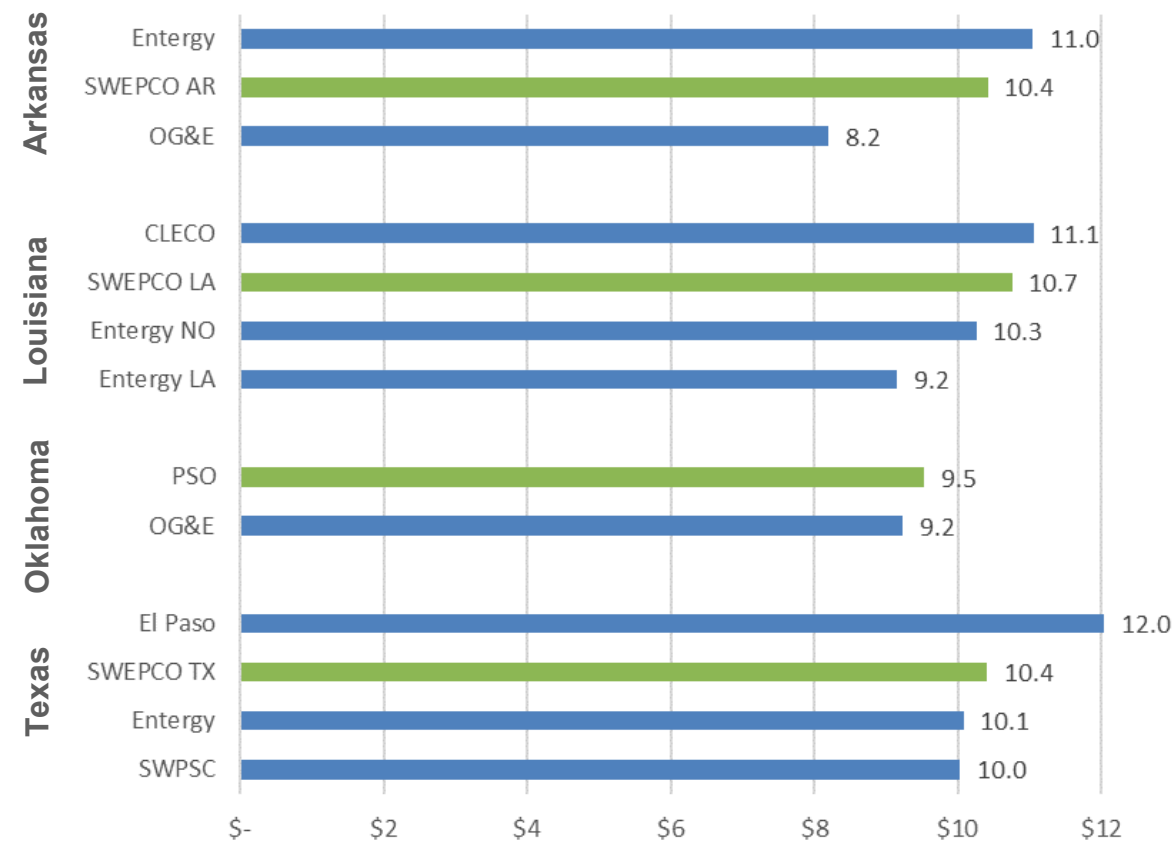




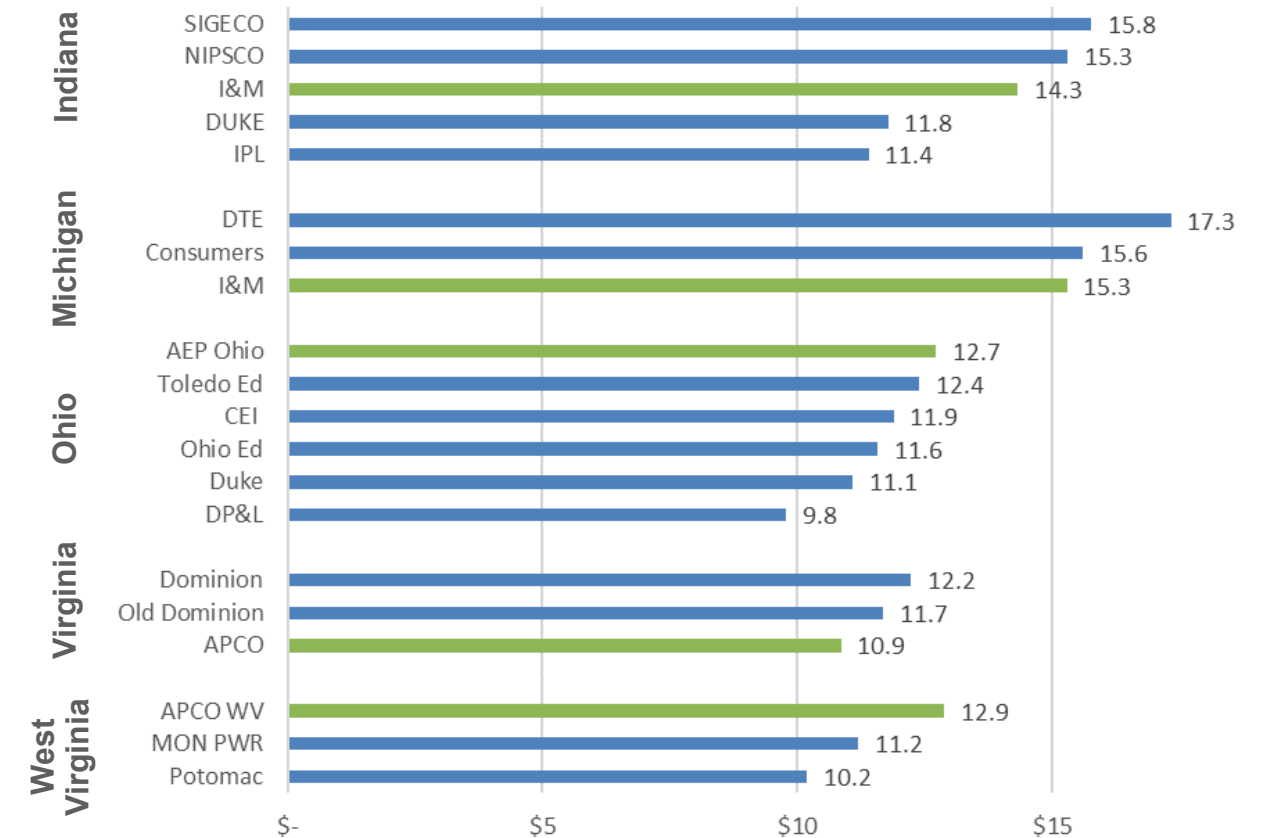
2021 Average Residential Monthly Rate (cents/kWh)

AEP rates are in-line with peers in the states we operate

WEST



EAST



Data source: EIA 861M.



Actively Managing Current Fuel Cost Impacts

Adapting fuel clause recovery with a focus on customer impacts

APCo VA

- Current Mechanism: 12-month fuel clause to reset and account for prior year
- Adjustment: Reset base of fuel level and seek a 24-month recovery with carrying charge on under-recovered balance (September 2022)

APCo/WPCo WV

- Current Mechanism: 12-month fuel clause to reset and account for prior year, currently in hearing
- Adjustment: Contemplating securitization of outstanding balance, rate increase to going level cost

PSO OK

- Current Mechanism: 12-month fuel clause to reset and account for prior year
- Adjustment: Reset base of fuel level for 15-month period of October 2022-December 2023 which includes 27 months to recover under recovered balance

SWEPCO AR

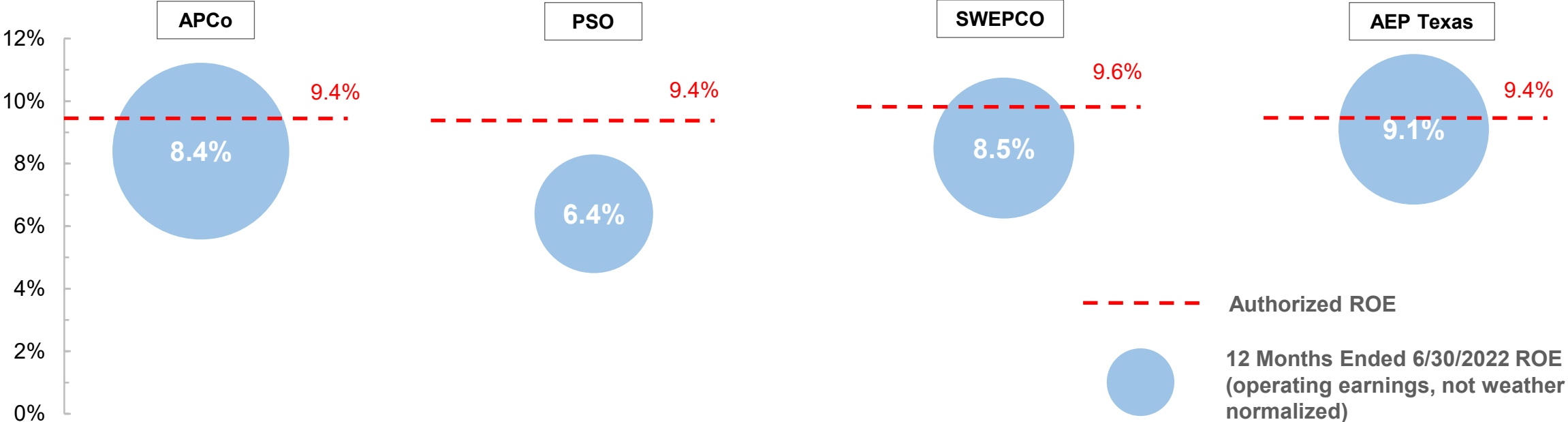
- Current Mechanism: 12-month fuel clause to reset and account for prior year filed annually in March, effective for April bills
- Adjustment: Filed an interim factor effective the start of October 2022 to recover the under recovery in a 6 month surcharge; this makes the increase effective during the lower winter seasonal rate

SWEPCO TX

- Current Mechanism: SWEPCO may update its factor up to three times per year in a process resetting fuel (filed only in January, May, and/or September); this is not done every year
- Adjustment: For emergency situations, a utility can file for temporary relief of the costs without updating the fuel factor; SWEPCO will file under this clause in October 2022 and review a factor review later

Actions to Close the ROE Gap

Focus on achieving authorized ROEs in all operating companies



Other ROEs – 12 Months Ended 6/30/2022:

- AEP Ohio – authorized 9.7% vs earned 9.7%.
- I&M – authorized 9.7% vs. earned 10.9%.
- AEP Transmission Holdco – authorized 10.4% vs. earned 10.6%.

Authorized ROE in multijurisdictional companies estimated by weighting various jurisdictional factors.

ACTION PLANS TO CLOSE GAP			
APCo	PSO	SWEPCO	AEP Texas
<ul style="list-style-type: none"> WV: Rate base and renewables trackers in place VA: G, T, broadband, EE, RPS and DR trackers recover most incremental investment; triennial process for balance of recovery In 2022 - Implemented 2020 VA triennial rate adjustment pursuant to VA Supreme Court ruling in APCo’s favor Filing new VA triennial in 2023 	<ul style="list-style-type: none"> Base cases for majority of recovery require continued filing Next base case to be filed late-2022; will pursue approval of more efficient cost recovery mechanisms (i.e. similar to peer formula rate request) and continuation or expansion of T&D trackers G tracker for future renewables In 2022 – Securitization of Winter Storm Uri costs and North Central rates in place 	<ul style="list-style-type: none"> TX – G, T and D trackers in place Timing of formula rate updates and new generation in-service dates to minimize lag In 2022 – AR formula rate plan in place In 2022 – LA formula rate plan in place In 2022 – Turk CCN filing and rider request in AR 	<ul style="list-style-type: none"> Bi-annual TCOS filings recover significant capital investment Annual DCRF filings recover D-related capital Pursuing regulatory and legislative options to further close gap Reviewing rate structures for 2024 rate case filing

Review of Multi-jurisdictional Regulatory Constructs

Allows customers and states greater flexibility in generation transformation

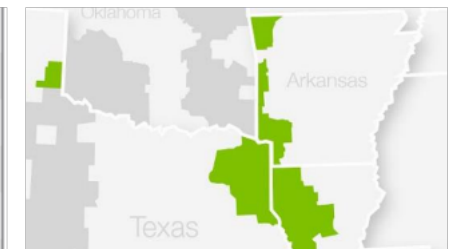
APCo

Owned Generating Capacity	7,409 MW
PPA Capacity	919 MW
Generating & PPA Capacity by Fuel Mix	
Coal	64.5%
Natural Gas	19.1%
Hydro & Wind	16.4%



SWEPCO

Owned Generating Capacity	5,298 MW
PPA Capacity	469 MW
Generating & PPA Capacity by Fuel Mix	
Coal	45.5%
Natural Gas	41.8%
Wind	12.7%



Recent State-level Divergence and Need:

- ELG investments for existing coal assets facing initial differences between Virginia and West Virginia regulators
- Virginia Clean Energy Act (VCEA) mandated renewables now being planned and built to serve Virginia-jurisdictional customers
- Customer Focus – Develop renewables tariff and contract offerings to meet customer needs and support economic development
- Studying the Future – Reviewing IRA options and infrastructure support for new potential options in Appalachia

Recent State-level Divergence and Need:

- Arkansas portion of Turk was never included in rates due to Arkansas Supreme Court ruling; presenting the commission an option to allow customers to benefit from physical hedge provided by Turk
- North Central Wind declined in Texas and flexed up in Louisiana and Arkansas; costs/benefits of resource being direct assigned by states
- SPP recently raised reserve margin from 12% to 15%, driving further need for new supply for SWEPCO

Reviewing current construct to ensure individual states and AEP alignment on generation supply

- Reviewing path to dedicated state-by-state resources
- Determining process to organize resource mix based on state policy
- Applying lessons learned in past execution to manage the generation fleet



Raja Sundararajan

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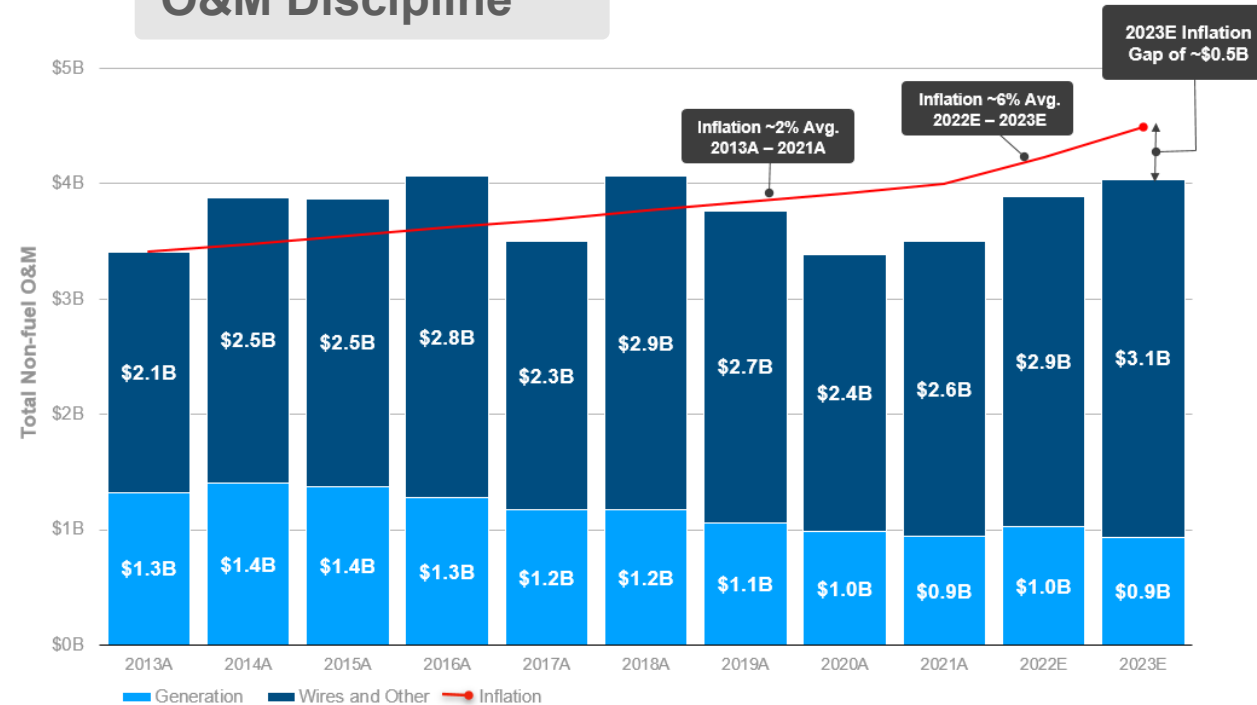


Keeping Customer Rates Affordable

AEP's efforts will transform customer bills and control costs while keeping rates affordable and maintaining reliable service for customers

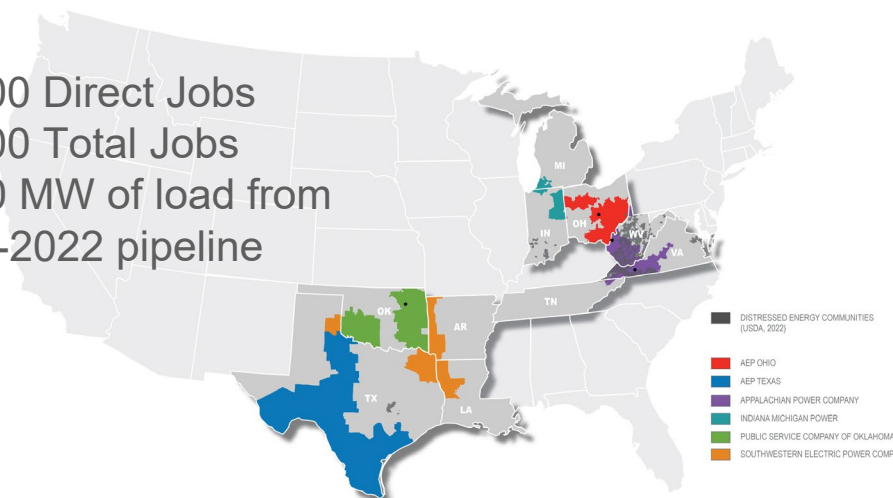
On a system average, we expect rates to go up approximately 4% annually over the forecasted period.

O&M Discipline



Economic Development and Load Growth

- 22,000 Direct Jobs
- 37,900 Total Jobs
- 2,500 MW of load from 2021-2022 pipeline



Generation Transformation



~20,600 MW

Renewable Generation Interconnected Across the U.S. via AEP's Transmission System Today

Federal Grant Activity

Aggressively pursuing share of \$47B Infrastructure Investment and Jobs Act (IIJA) Broadband Grant programs, \$5B IIJA Grid Resiliency Grants and IRA Energy Producing Communities Funds to offset costs and help grow the communities we serve

Economic Development Project Highlights: 2021-2022

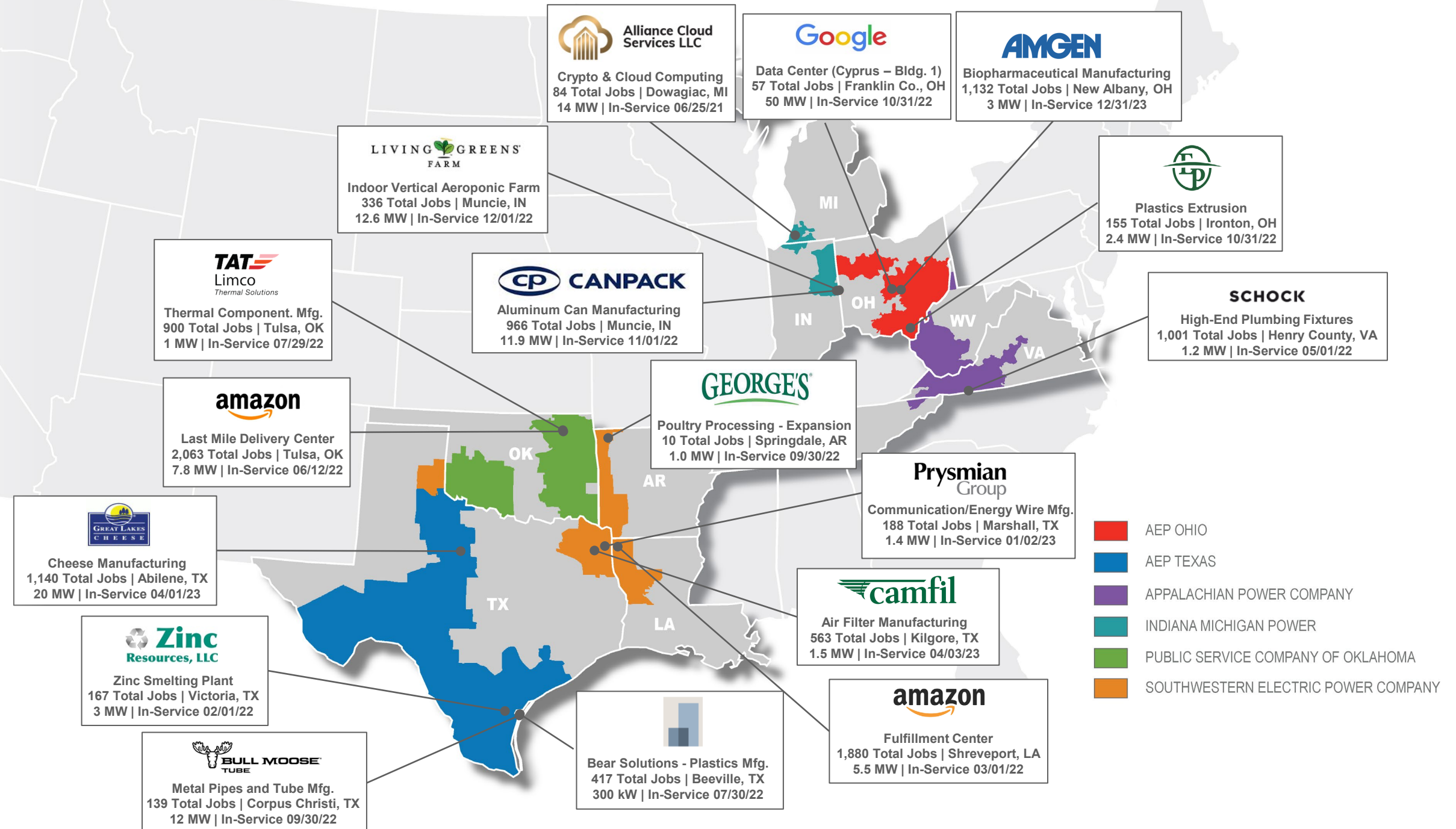
AEP has an attractive
service territory for
economic development

Summary

22,000 direct jobs

37,900 total jobs

2,500 MW of load from
2021-2022 pipeline



Recent AEP Reshoring Successes

Parts of AEP service territory in OH, VA and WV may be eligible for recently announced federal tax credits from the IRA

Nucor (APCo)

- The largest single investment in West Virginia history. Site chosen because of high voltage infrastructure, AEP's proven ability to serve large loads and AEP's excellent customer service.
- 800 jobs (plus 1,000 construction jobs) and 375-400 MW of new load.

Intel (AEP Ohio)

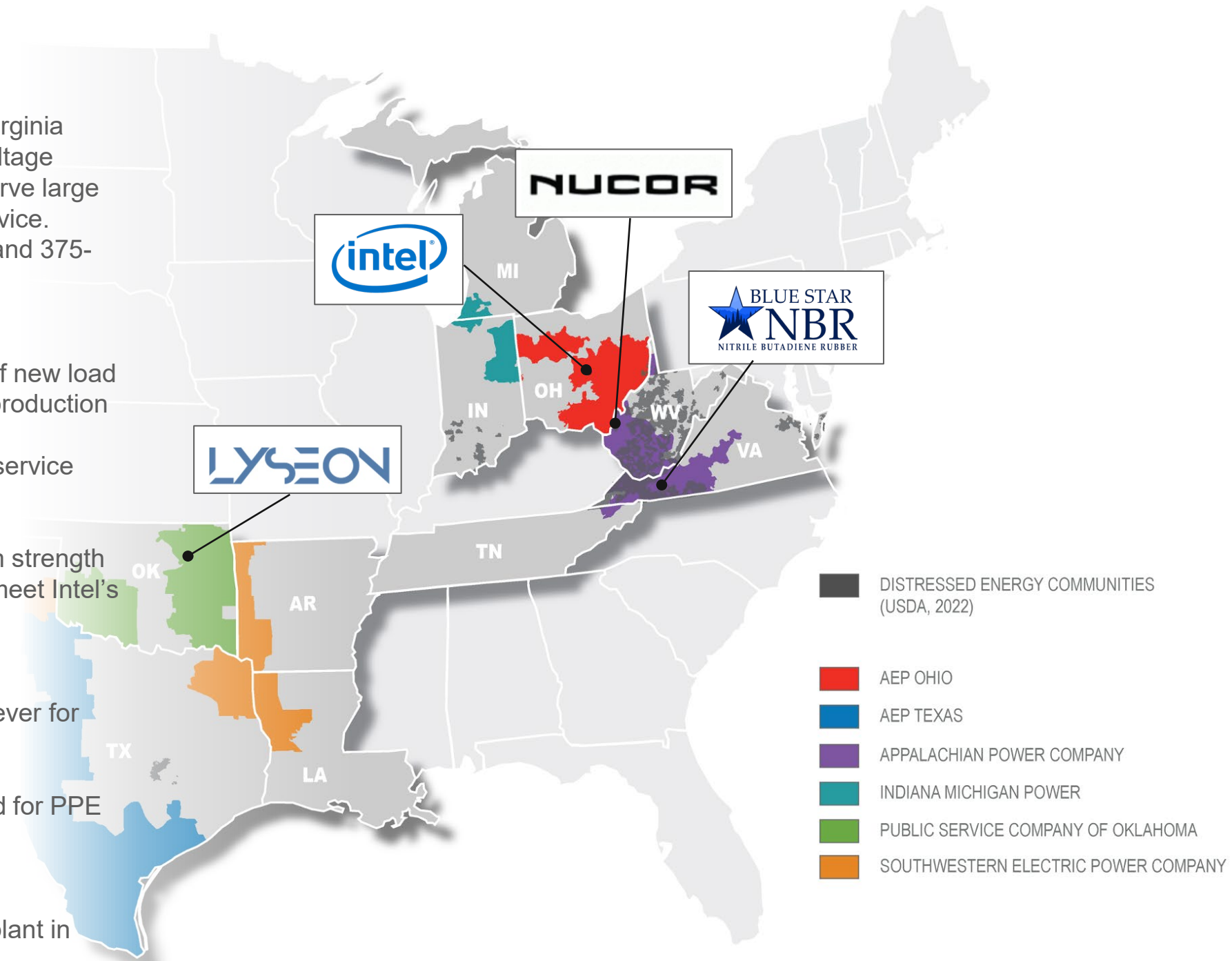
- \$20B investment will result in 360 MW of new load and 3,000 jobs at the 1st Midwest chip production plant.
- Property being annexed into AEP Ohio service territory.
- The site was selected because of AEP's competence in serving large loads, team strength and depth, and demonstrated ability to meet Intel's unique needs.

Blue Star NBR (APCo)

- Largest economic development project ever for Southwest Virginia.
- 2,400 new jobs and 15 MW of new load.
- Supported by Federal dollars designated for PPE production.

Lyseon North America (PSO)

- Automotive supplier to Navistar/IC bus plant in Tulsa, OK for electric buses.
- Locating in large vacant facility at Tulsa Port of Catoosa.





Julie Sloat

Opening Remarks and Kentucky Sale Update
Stakeholder Commitments and Robust Financial Plan
Competitive Business Portfolio Management
Abundant Regulated Investment Opportunities
Proactive Regulatory Initiatives
Economic Development and Customer Affordability
Closing Remarks Followed by Q&A Session

ANALYST DAY 2022

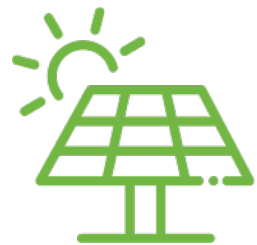
Delivering Maximum Value to Stakeholders
through Active Management



Closing Remarks: Stakeholder Commitments



**6%-7% Annual
Operating Earnings
Growth**



**New ESG Goal of
Net Zero by 2045**



**Dividend Growth In-line with
Earnings Growth and Targeted
Payout Ratio of 60%-70%**



**Customer Care: Commitment to
Identification and Realization of
Efficiencies to Keep Customer Rates
Affordable**

- ☐ O&M and fuel cost management
- ☐ Close the gap on authorized vs. earned ROEs and reduce volatility in returns



**Strong Balance Sheet
with a Target FFO/Debt
of 14%-15%**



**Active Management of the AEP
Portfolio with the Primary Objective to
De-risk and Simplify Our Business**

- ☐ Complete sale of Kentucky operations
- ☐ Complete sale of unregulated contracted universal scale renewable portfolio assets
- ☐ Up Next: Engage in strategic review of AEP Retail business to optimize the value



AEP ANALYST DAY 2022

Delivering Maximum Value to Stakeholders
through Active Management

Nasdaq MarketSite • New York City
October 4, 2022