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FOR IMMEDIATE RELEASE**AEP SHARES UPDATES ON STRATEGIC INITIATIVES, HIGHLIGHTS PLANNED CAPITAL INVESTMENTS IN RENEWABLES AND ENERGY GRID**

- 2022 operating earnings guidance narrowed to \$4.97-\$5.07 per share and midpoint raised to \$5.02; 2023 operating earnings guidance range of \$5.19 to \$5.39 announced
- Emission reduction targets accelerated, including new net zero goal by 2045 and 80% reduction in full Scope 1 emissions by 2030 from 2005 baseline
- Strategic review of retail energy business will begin; company on track to divest unregulated renewable assets and complete Kentucky sale

COLUMBUS, Ohio, Oct. 4, 2022 – American Electric Power (Nasdaq: AEP) plans to invest in its regulated businesses, accelerate its carbon reduction targets and streamline the business to drive value for customers, communities and investors. AEP leadership will share the company's financial plan and strategy with analysts in New York City today. The presentation will be webcast live at 1:30 p.m. ET at <https://aep.com/investors/events>.

AEP narrowed its 2022 operating earnings (earnings excluding special items) guidance range to \$4.97-\$5.07 per share, raising the midpoint to \$5.02 per share. The company also announced its 2023 operating earnings guidance range of \$5.19 to \$5.39 per share with a projected annual operating earnings growth rate of 6% to 7%.

Operating earnings could differ from those prepared in accordance with Generally Accepted Accounting Principles (GAAP) for matters such as impairments, divestitures or changes in accounting principles. AEP is unable to forecast if any of these items will occur or any amounts that may be recorded for future periods. Therefore, AEP is not able to provide a corresponding GAAP equivalent for earnings guidance.

"AEP is committed to providing maximum value to our customers and stakeholders, while de-risking and simplifying the business through active management of our portfolio," said Julie Sloat, AEP president and chief financial officer. "Our strategic vision prioritizes delivering clean,

reliable energy and service offerings that boost and empower the communities we serve, all while maintaining affordability for our customers and offering significant shareholder value.”

The company plans to invest \$40 billion in capital from 2023 through 2027 with an emphasis on transmission, distribution and renewable energy. AEP will allocate \$26 billion to transmission and distribution operations to continue building a modern, efficient, reliable and resilient energy grid. During the same period, AEP plans to invest \$9 billion in regulated renewable generation.

“Nearly all of our capital will be allocated to our regulated businesses, and 90% of our future investment will focus on wires and renewables,” Sloat said. “This approach will enable us to enhance service for customers, advance the clean energy transition and take advantage of a robust pipeline of growth opportunities in the grid and renewable energy space. Our high-growth transmission business has a long runway of investment opportunities focused on improving system performance, increasing reliability and resiliency and enhancing market efficiency.”

As the company transitions to a clean energy future, AEP is adjusting its near-term carbon dioxide emission reduction target from a 2000 baseline to a 2005 baseline, upgrading its 80% reduction by 2030 target to include full Scope 1 emissions and accelerating its net-zero goal by five years to 2045.

“AEP has a proven track record of reducing fleet emissions and repeatedly has reached our goals ahead of schedule,” said Nicholas K. Akins, AEP chair and chief executive officer. “Raising our carbon reduction targets reflects our progress in reducing our environmental footprint and delivering more low-emissions energy to our customers. We’re confident we can continue this momentum to a net-zero future by integrating more clean energy resources, strengthening the energy grid and harnessing the power of emerging technologies. In addition to environmental benefits, renewable resources offer stability for customers from fuel price volatility.”

AEP announced Sept. 30 that it expects to complete the sale of its Kentucky operations to Liberty in January 2023. Earlier this year, AEP also announced it would sell its portfolio of contracted, unregulated renewable energy assets. The sales process for those renewable resources began in August 2022 and is on track to close during the second quarter of 2023. AEP also will initiate a strategic review of its retail business as part of its ongoing strategy to de-risk and streamline the company.

“The sale of our unregulated, contracted renewable assets and our Kentucky operations will allow us to shift capital to revitalize our transmission and distribution systems and implement energy solutions to benefit our customers and communities,” Sloat said. “We’re beginning a

strategic review of our retail business as we focus on growth in our regulated businesses and simplify the structure of the company.”

American Electric Power, based in Columbus, Ohio, is powering a cleaner, brighter energy future for its customers and communities. AEP’s approximately 16,700 employees operate and maintain the nation’s largest electricity transmission system and more than 224,000 miles of distribution lines to safely deliver reliable and affordable power to 5.5 million regulated customers in 11 states. AEP also is one of the nation’s largest electricity producers with approximately 31,000 megawatts of diverse generating capacity, including more than 7,100 megawatts of renewable energy. The company’s plans include growing its renewable generation portfolio to approximately 50% of total capacity by 2030. AEP is on track to reach an 80% reduction in carbon dioxide emissions from 2005 levels by 2030 and has committed to achieving net zero by 2045. AEP is recognized consistently for its focus on sustainability, community engagement, and diversity, equity and inclusion. 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, which provides innovative competitive energy solutions nationwide. For more information, visit aep.com.

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; 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 if expected sources of capital, such as proceeds from the sale of assets or subsidiaries, do not materialize, and 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 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; the availability of fuel and necessary generation capacity and the performance of generation plants; AEP’s 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 AEP’s 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; 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 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 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 standards periodically issued by accounting standard-setting bodies; 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; and the ability to attract and retain the requisite work force and key personnel.

WEBSITE DISCLOSURE

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