

UBS WINTER ENERGY CONFERENCE

January 12, 2021



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

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, electricity usage, employees, customers, service providers, vendors and suppliers, 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, 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 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 generation plants and related assets, evolving public perception of 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, 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.

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The Premier Regulated Energy Company

16,900 EMPLOYEES

24GW OWNED GENERATION

5.5M CUSTOMERS, 11 STATES

\$79B TOTAL ASSETS

40,000 TRANSMISSION MILES

221,000 DISTRIBUTION MILES

\$47B RATE BASE

\$40B CURRENT MARKET CAPITALIZATION

Statistics as of October 1, 2020 except for rate base as of December 31, 2019 and market capitalization as of January 7, 2021

AEP Leading the Way Forward

**Confidence in
Steady and
Predictable
Earnings
Growth Rate
of 5%-7%**

**Commitment
to Growing
Dividend
Consistent
with Earnings**

**Well
Positioned as
a Sustainable
Regulated
Business**

**Compelling
Portfolio of
Premium
Investment
Opportunities**

AEP's Strategic Vision and Execution

EXECUTE STRATEGY

TOP PRIORITIES

Promote clean energy transformation

- Invest in regulated and contracted renewables
- Optimize the generation fleet

Enable growth and prosperity for our communities

- Grow top line revenue
- Champion economic development
- Be good neighbors

Innovate for the benefit of our customers

- Improve customer experience through use of technology and business innovation
- Modernize regulatory mechanisms to support customer expectations

Build a modern, secure and resilient grid

- Deploy technologies that enhance grid safety, security and value
- Invest in leveraging energy infrastructure

Drive operational excellence

- Achieve Zero Harm
- Drive relentless O&M optimization
- Implement automation, digitization and process improvements
- Be a great place to work

AEP KEY THEMES

Pure Play Electric Utility with Significant
Renewables Upside

- 5%-7% Earnings Growth Rate and 2021 Range
- Proven Track Record of TSR and EPS Performance
- Strong Dividend Growth
- O&M Optimization
- ESG Focus and Transition Towards a Clean Energy Future



Strong Return Proposition for Investors

TOTAL SHAREHOLDER RETURN

8% - 10%

DIVIDEND YIELD
3%

+

EPS GROWTH
5% - 7%

2021 OPERATING EARNINGS GUIDANCE RANGE

\$4.51 - \$4.71

2020 EPS
MIDPOINT
\$4.35

+

EPS GROWTH
6%

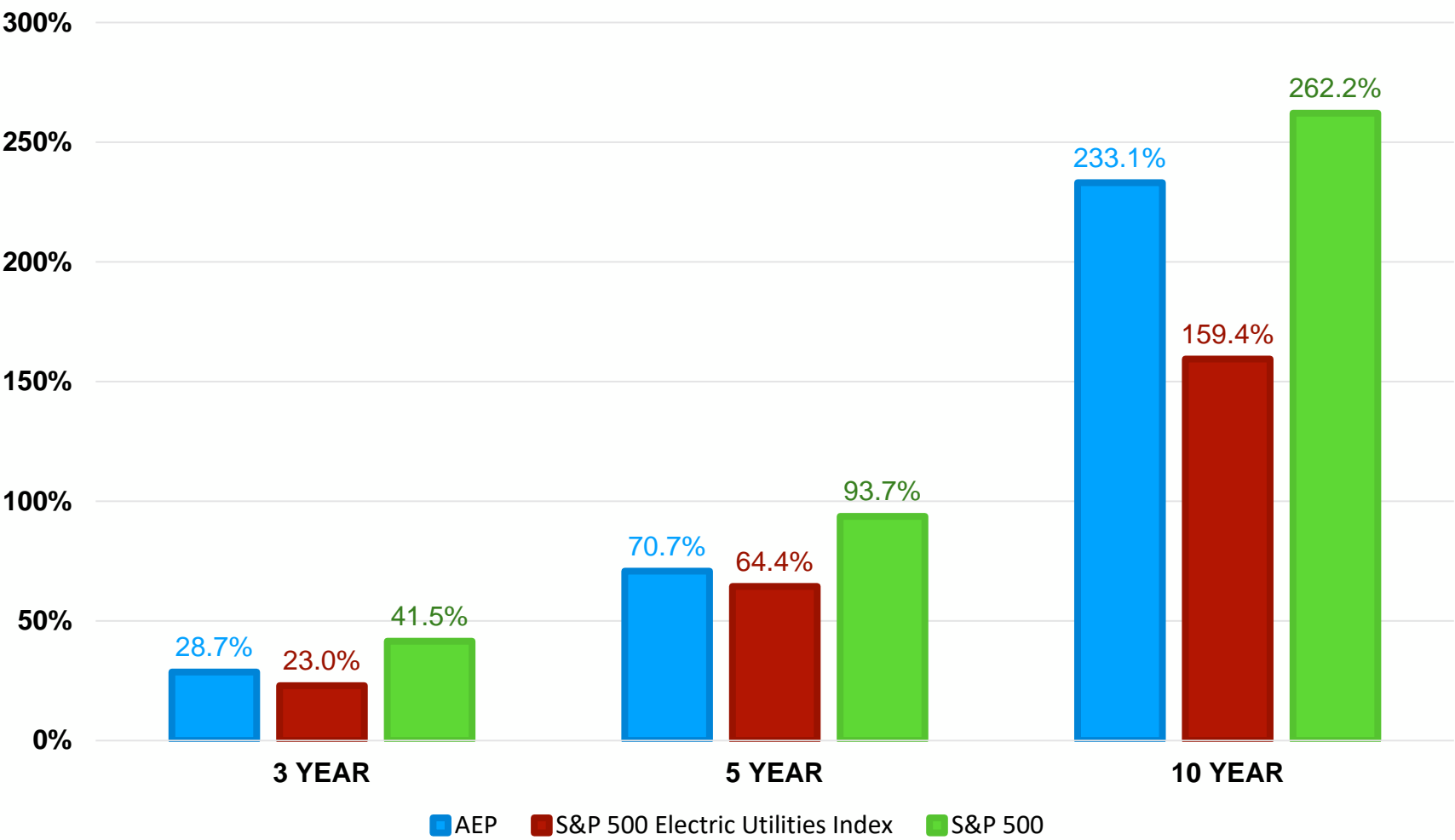
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2021 EPS
MIDPOINT
\$4.61

- ✓ **STEADY GROWTH**
- ✓ **CONSISTENT DIVIDENDS**
- ✓ **LOW RISK, REGULATED ASSETS**
- ✓ **INVESTMENT PIPELINE**
- ✓ **INCENTIVE COMPENSATION TIED TO EPS RESULTS**

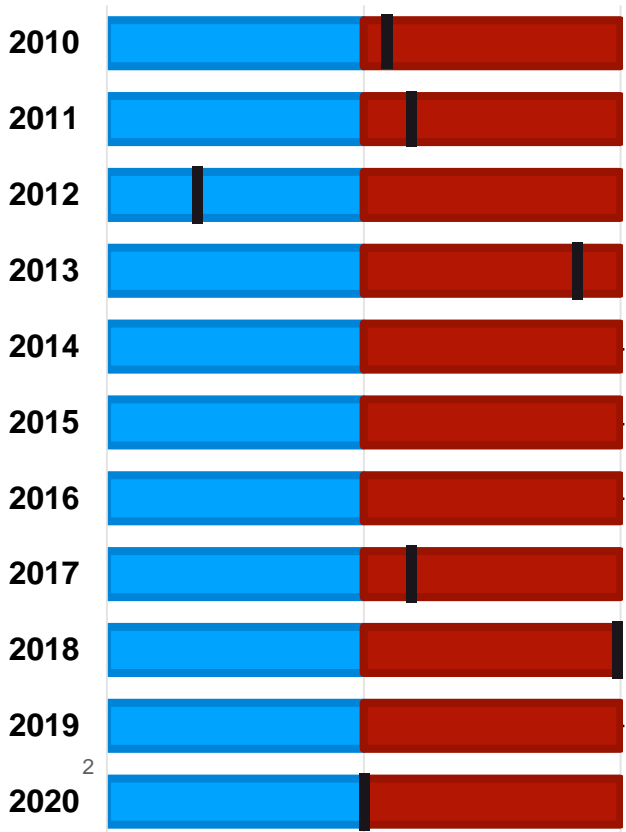
Proven Track Record of Performance

FAVORABLE TOTAL SHAREHOLDER RETURN¹

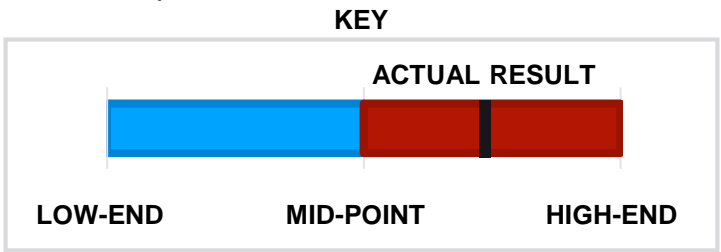


¹ Data as of September 30, 2020

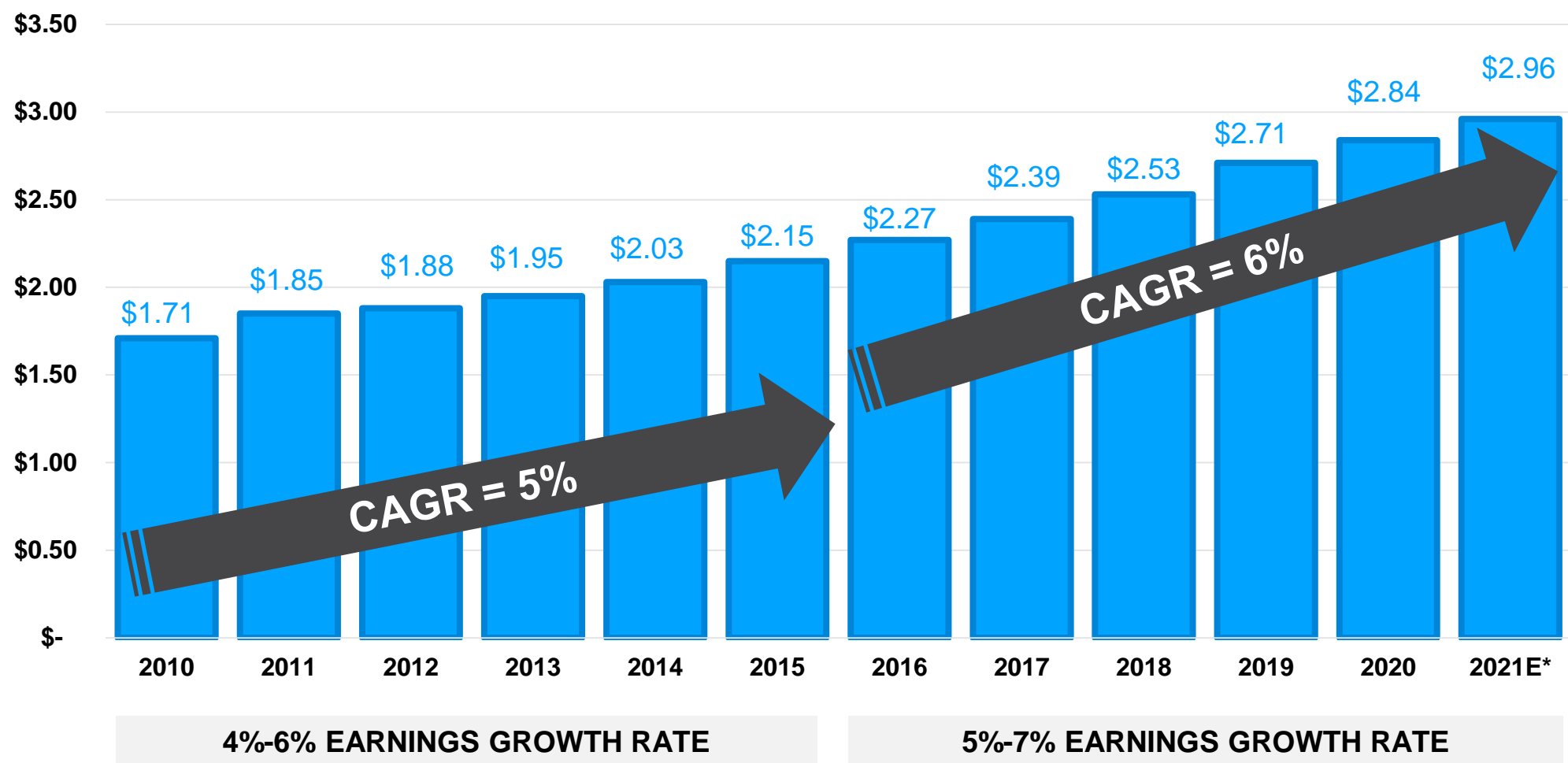
DECADE OF MEETING OR EXCEEDING ORIGINAL OPERATING EPS GUIDANCE



² EPS midpoint



Strong Dividend Growth



- ✓ Targeted payout ratio 60-70% of operating earnings
- ✓ Over 110 years of consecutive quarterly dividends
- ✓ Targeted dividend growth in line with earnings

EPS Growth + Dividend Yield = 8% to 10% Annual Return Opportunity

* Subject to Board approval

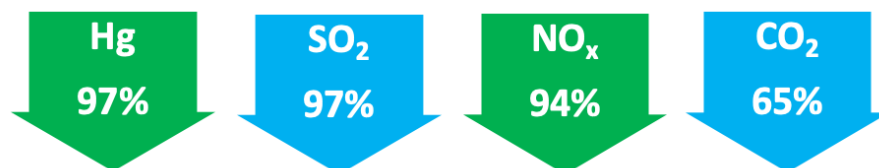
O&M Optimization

| INITIATIVES | ACTIONS |
|--|---|
| Achieving Excellence Program | <ul style="list-style-type: none"> • Employee based O&M prioritization and optimization effort • Driven down costs in 2020 & beyond, initial results imbedded in budgets • Program was transitioned from EHS partners to internal resources and will continue annually • 2021 Program – New O&M savings ideas, evaluation of further study ideas and Future of Work opportunities • Future of Work – Optimization of Value Streams (end-to-end work flow) |
| Lean Management System Implementation/Continuous Process Improvement | <ul style="list-style-type: none"> • Distribution – Enhanced reliability to reduce O&M and improve storm hardening • Supply chain – Optimize the material requisition process to improve material lead times, reducing stock and increasing crew productivity • Fleet operations – Reduce the number of vehicle platforms and optimize the acquisition process • Generation (system productivity) – Optimize plant systems and operations |
| Data Analytics | <ul style="list-style-type: none"> • Workforce optimization – Employee/contractor mix • Hot socket model – Using AMI data to preemptively identify meters at risk • Revenue protection – Detecting meter tampering • Frequency regulation – Analysis of PJM bidding strategies |
| Automation | <ul style="list-style-type: none"> • Scrap metal billing and management • Service Corp billing allocation factors • No-bill workflow assignment process • Customer workflow scheduling |
| Digital Tools | <ul style="list-style-type: none"> • “The Zone” – Machine learning tool to operate fossil units to minimize O&M and capital, while maintaining improved performance • Generation Monitoring and Diagnostic Center – Predictive capabilities that save O&M and capital |
| Use of Drones | <ul style="list-style-type: none"> • Storm damage assessment • Real estate and land surveys • Transmission facility inspections, construction monitoring and documentation • Telecommunication tower inspections • Cooling tower and boiler inspections |
| Outsourcing | <ul style="list-style-type: none"> • Accounting and tax initiative • Rapid application and information support • Lockbox for customer payments by check |
| Workforce Planning | <ul style="list-style-type: none"> • Approximately 4,000 employees will retire or leave in the next 5 years |
| Strategic Sourcing | <ul style="list-style-type: none"> • Reducing cost through procurement category management – Continuing to mature our Category Management program and aggressively using strategic sourcing opportunities to optimize the value AEP receives from the \$6B spent annually on goods and services |

ESG Focus

ENVIRONMENTAL

- Dramatic reductions in emissions
- 42% reduction in coal capacity by 2030
- Coal capacity = 15% of rate base
- ~\$9B spent on environmental controls since 2000
- Carbon emission reduction goals: 70% by 2030, 80% by 2050, with zero emission aspirations
- Emission reduction strategy tied to long-term incentive compensation



SOCIAL

- Diversity and inclusion vision
- Focused on economic and business development in our service territories
- Zero Harm mentality – zero injuries, zero occupational illnesses and zero fatalities



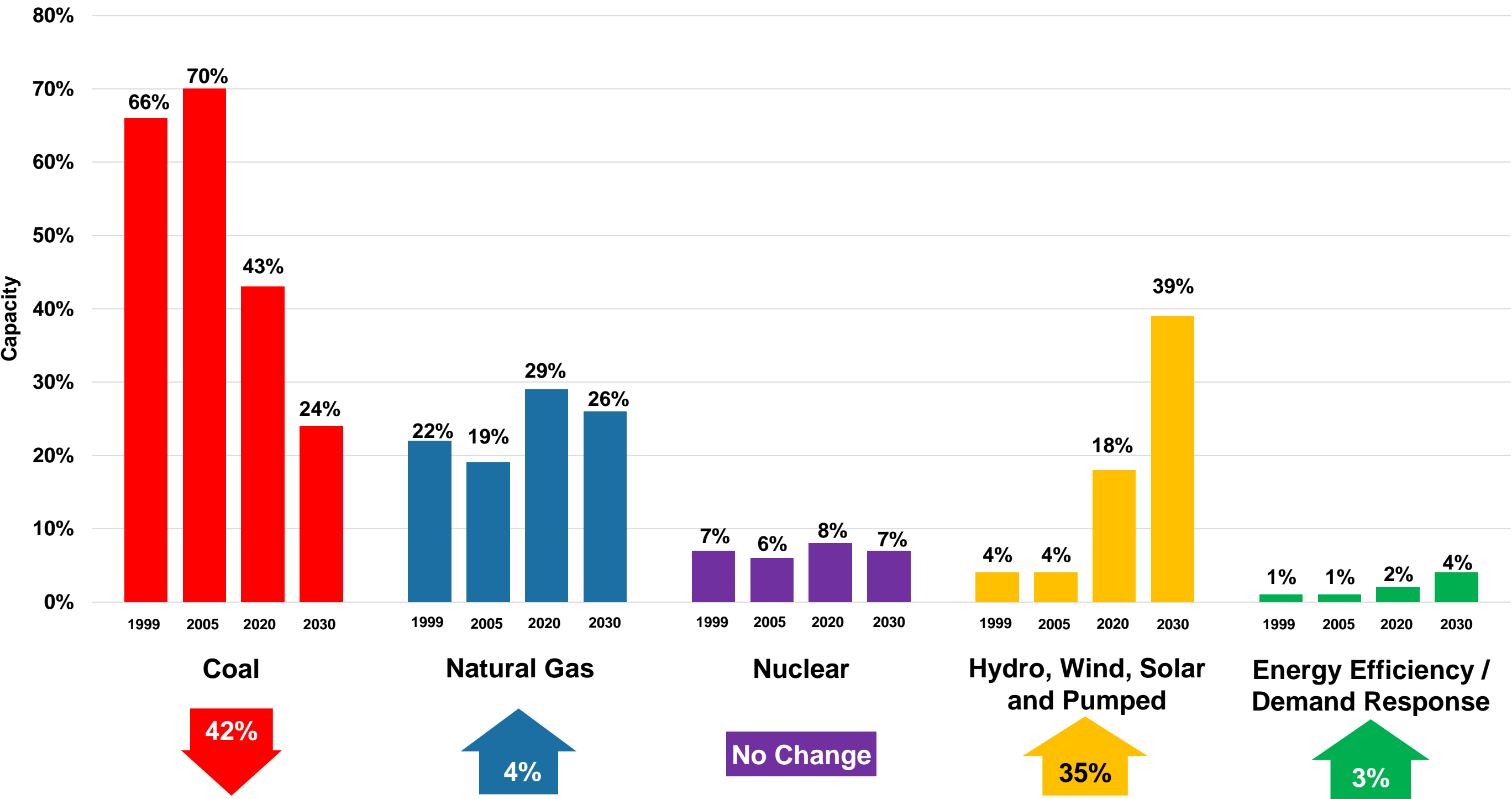
GOVERNANCE

- 14 directors, 13 are independent, 43% diverse with an average tenure of 8 years
- Annual shareholder engagement on strategy and ESG matters with lead independent director participation
- Environmental reports provided at every Board meeting



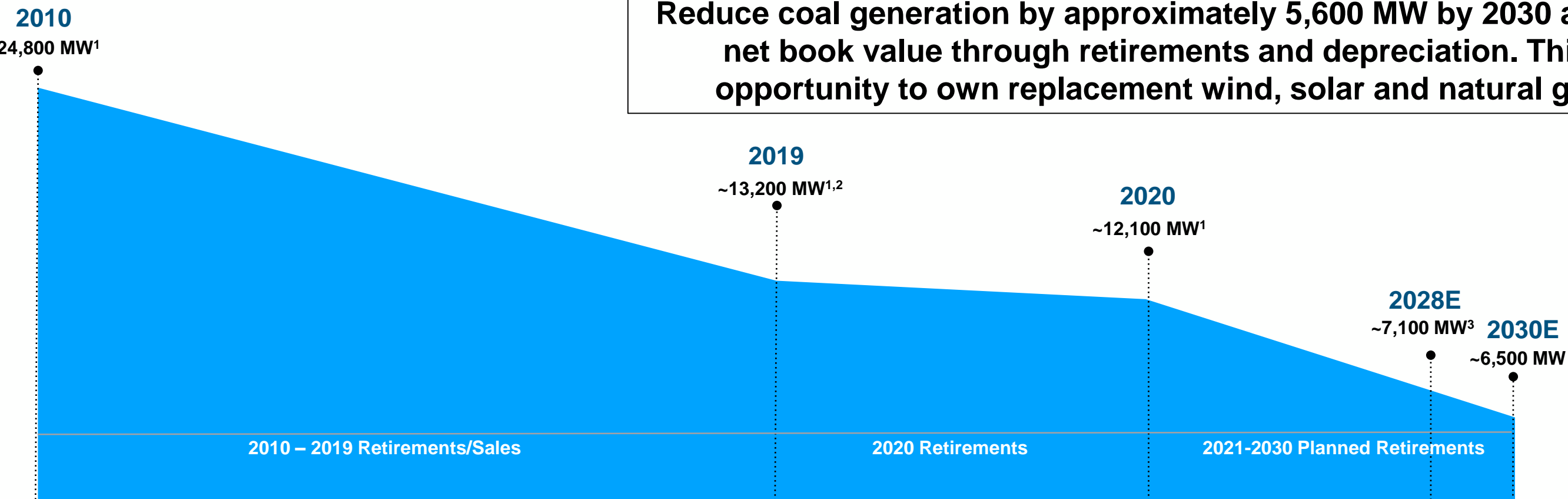
Note: See "Environmental, Social & Governance section for further information

Transforming Our Generation Fleet



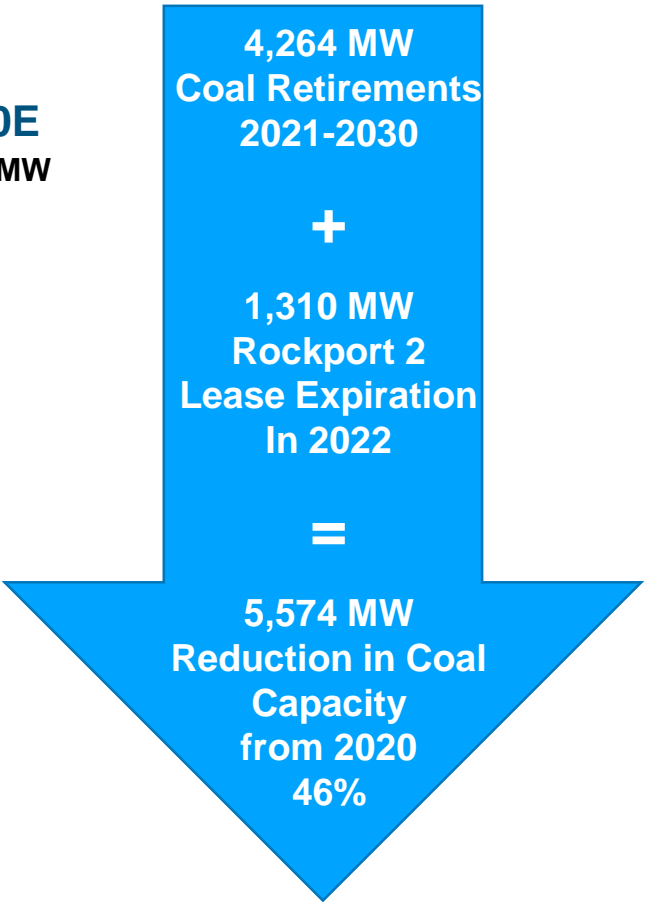
2020 data as of 10/1/2020. 2030 includes IRP forecasted additions and retirements as well as subsequent public filings. 2030 does not include wind, solar and natural gas replacement capacity for certain recently announced coal retirements. Energy Efficiency / Demand Response represents avoided capacity rather than physical assets.

Retirement Progress and Plans



Reduce coal generation by approximately 5,600 MW by 2030 and decrease coal net book value through retirements and depreciation. This creates the opportunity to own replacement wind, solar and natural gas resources.

| YEAR | PLANT | CAPACITY | YEAR | PLANT | CAPACITY | YEAR | PLANT | CAPACITY | YEAR | PLANT | CAPACITY |
|------|---------------------|----------|------|--------------------|----------|------|--------------|----------|------|----------------|----------|
| 2011 | Sporn 5 | 450 MW | 2015 | Sporn 1-4 | 600 MW | 2020 | Conesville 4 | 651 MW | 2021 | Dolet Hills | 257 MW |
| 2012 | Conesville 3 | 165 MW | 2015 | Tanners Creek 1-4 | 995 MW | 2020 | Oklaunion | 460 MW | 2023 | Pirkey | 580 MW |
| 2014 | Beckjord | 53 MW | 2016 | Big Sandy 1 | 278 MW | | | | 2026 | Northeastern 3 | 469 MW |
| 2015 | Big Sandy 2 | 800 MW | 2016 | Clinch River 1 & 2 | 470 MW | | | | 2028 | Rockport 1 | 1,310 MW |
| 2015 | Clinch River 3 | 235 MW | 2016 | Northeastern 4 | 470 MW | | | | 2028 | Welsh | 1,053 MW |
| 2015 | Glen Lyn 5 & 6 | 335 MW | 2016 | Welsh 2 | 528 MW | | | | 2030 | Cardinal | 595 MW |
| 2015 | Kammer 1-3 | 630 MW | 2017 | Gavin 1 & 2 | 2,640 MW | | | | | | |
| 2015 | Kanawha River 1 & 2 | 400 MW | 2017 | Zimmer | 330 MW | | | | | | |
| 2015 | Muskingum River 1-5 | 1,440 MW | 2018 | Stuart 1-4 | 600 MW | | | | | | |
| 2015 | Picway 5 | 100 MW | 2019 | Conesville 5 & 6 | 820 MW | | | | | | |



¹ Total includes owned coal units and the Rockport 2 lease
² Includes 2012 Turk Plant addition and 40% of Conesville 4 that was acquired in conjunction with the sale of Zimmer Plant
³ Total accounts for the expiration of the Rockport 2 lease

EPA Notice of New Coal Retirements

- The EPA recently revised requirements of both the Coal Combustion Residual Rule (CCR) and Effluent Limitation Guidelines (ELG), requiring significant dollar investment to utilities' coal-fired generation fleets.
- AEP continues to evaluate its fleet on a plant-by-plant basis to determine the economic value to both the customer and the company
- AEP filed its intentions with the EPA in November 2020

| Plant/Unit | Operating Company | EPA Filing Details | Authority to Operate (current plans) |
|----------------|-------------------|---|--|
| Rockport 2 | AEG/I&M | CCR + ELG Extension, CCR Compliant in 2023 | Returning to lessors at the end of lease term (Dec 2022) |
| Pirkey | SWEPCO | Retirement Extension, Close Ponds by 10/17/2023 Stop Generation in 2023 | Retire in 2023 |
| Rockport 1 | AEG/I&M | CCR-Only Extension, CCR Compliant in 2023 | Full Depreciable Life (2028) |
| Welsh 1 & 3 | SWEPCO | Retirement Extension, Close Ponds by 10/17/2028 Stop generation in 2028 | Retire in 2028 |
| Flint Creek | SWEPCO | CCR + ELG Extension, CCR Compliant in 2023 | Full Depreciable Life (2038) |
| Amos 1, 2, & 3 | APCo | CCR + ELG Extension, CCR Compliant in 2023 | Full Depreciable Life (2040) |
| Mountaineer | APCo | CCR + ELG Extension, CCR Compliant in 2023 | Full Depreciable Life (2040) |
| Mitchell 1 & 2 | KPCo/WPCo | CCR + ELG Extension, CCR Compliant in 2023 | Full Depreciable Life (2040) |

Advancing Towards a Clean Energy Future

Projected Resource Additions¹

| SOLAR ADDITIONS (MW) ☀️ | | | | WIND ADDITIONS (MW) 🌿 | | | | NATURAL GAS ADDITIONS (MW) 🔥 | | | | TOTAL PROJECTED RESOURCE ADDITIONS (MW) | |
|-------------------------|-------------|-------------|-------------|-----------------------|------------------|-------------|-------------|------------------------------|------------------|-----------------|------------------|---|-----------|
| Company | 2021 - 2022 | 2023 - 2025 | 2026 - 2030 | Company | 2021 - 2022 | 2023 - 2025 | 2026 - 2030 | Company | 2021 - 2022 | 2023 - 2025 | 2026 - 2030 | Resource | 2021-2030 |
| APCo | 110 | 150 | 450 | APCo | - | 200 | 400 | I&M | 18 | 18 | 788 | Solar | 3,794 |
| I&M | 150 | 300 | 850 | I&M | 300 | 150 | 300 | PSO | 373 ³ | 37 ³ | 373 ³ | Wind | 4,235 |
| KPCo | 20 | 253 | - | KPCo | - | - | 200 | Totals | 391 | 55 | 1,161 | Natural Gas | 1,607 |
| PSO | 11 | 300 | 900 | PSO | 675 ² | 400 | 200 | | | | | Totals | 9,636 |
| SWEPCO | - | 200 | 100 | SWEPCO | 810 ² | 600 | - | | | | | | |
| Totals | 291 | 1,203 | 2,300 | Totals | 1,785 | 1,350 | 1,100 | | | | | | |

¹ Representative of IRP filings and subsequent public filings or RFPs, as well as projects that have obtained regulatory approval, but have not yet reached commercial operation. Projected resource additions do not include wind, solar and natural gas replacement capacity for certain recently announced future coal retirements.

² Represents North Central Wind

³ To replace expiring PPA

As of 11/2/20

Renewables Progress Update

| Company | Structure | Solar (MW) ☀️ | Wind (MW) 🌿 | Public Status | Expected In-Service | In 2021-2025 Capital Plan |
|-----------------|---------------------|------------------|------------------|---|---------------------|---------------------------|
| APCo (VA) | PPA | 15 | - | Expected COD Q2 2021 | 2021 | N/A |
| APCo (VA) | PPA | 40 | - | Expected COD 2021 | 2021 | N/A |
| APCo (VA) | Owned | 105 | - | Solar RFP issued in January 2020 | 2023 | Yes |
| APCo (WV) | Owned | 50 | - | Solar RFP issued in June 2020 | 2022 | Yes |
| I&M | Owned | 20 | - | Approval received (St. Joseph Solar) | 2021 | Yes |
| I&M | 2/3 Owned & 1/3 PPA | 300 ⁴ | 150 ⁴ | Solar and wind RFP issued November 2020 | 2023 | Yes |
| PSO | Owned | - | 675 | Approval received (North Central Wind) | 2021/2022 | Yes |
| SWEPCO (AR, LA) | Owned | - | 810 | Approval received (North Central Wind) | 2021/2022 | Yes |
| SWEPCO (LA) | Owned or PPA | 200 | - | Solar RFP planned for 4Q20 (part of North Central Wind settlement for LA) | 2024 | No |
| Total MW | | 730 | 1,635 | | | |

⁴ Final solar and wind split to be determined

Total of 2,365 MW of renewable projects in progress

APCo Virginia Clean Energy Initiative Details

Current & Pending Renewable Resources (MW)

| | PPA | Owned | Total | Counts Toward VCEA ¹ MW Goal ² | VCEA Targets ³ | % Progress |
|--|------------|------------|------------|---|------------------------------|-------------|
| Hydro – Current | 80 | 200 | 280 | 254 | 254 | 100% |
| Wind – Current | 495 | - | 495 | 140 | 2,200 | 6.4% |
| Total Current | 575 | 200 | 775 | 394 | | |
| Solar - Pending | 55 | 105 | 160 | 160 | 3,460 | 4.6% |
| Total Current & Pending⁴ | 630 | 305 | 935 | 554 | 5,914 | 9.4% |

Projected Long Term Resource Additions (MW)

| | 2021-2025 ⁵ | | | 2026-2030 | | | 2031-2050 | | | Total | | | Counts Toward VCEA MW Goal ² | VCEA Targets ³ | % Progress |
|--------------|------------------------|------------|------------|------------|------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|--|------------------------------|---------------|
| | PPA | Owned | Total | PPA | Owned | Total | PPA | Owned | Total | PPA | Owned | Total | | | |
| Wind | - | 200 | 200 | - | 400 | 400 | - | 1,600 | 1,600 | - | 2,200 | 2,200 | 2,200 | 2,200 | 100% |
| Solar | 105 | 105 | 210 | 150 | 300 | 450 | 1,000 | 1,800 | 2,800 | 1,255 | 2,205 | 3,460 | 3,460 | 3,460 | 100% |
| Total | 105 | 305 | 410 | 150 | 700 | 850 | 1,000 | 3,400 | 4,400 | 1,255 | 4,405 | 5,660 | 5,660 | 5,660 | 100% |

¹ Virginia Clean Economy Act

² Includes Virginia jurisdictional share of owned and contracted facilities

³ Targets reflect renewable resources necessary to meet requirements in VCEA through 2050

⁴ Does not include an additional 585 MWs of in-service pumped storage owned by APCo

⁵ Includes pending solar projects

Additional Clean Energy Initiatives



An **AEP** Company

- In November 2020, I&M released a RFP for **450 MW** of combined wind and solar resources projected to be in service by the end of 2023

| (MW) | Solar | Wind | Total ¹ |
|-------|-------|------|--------------------|
| PPA | 100 | 50 | 150 |
| Owned | 200 | 100 | 300 |
| Total | 300 | 150 | 450 |

¹ Final solar and wind split to be determined

- In addition, I&M announced that it will not renew its lease of Rockport Unit 2 which expires in Dec. 2022
- With the previously-announced retirement of Rockport Unit 1, I&M will be coal-free by the end of 2028
 - Does not include I&M's 7.85% contractual share of OVEC
 - Generation fleet will consist of Cook nuclear facility and renewables
- On track to meet 100% of its energy needs from clean resources by 2028



An **AEP** Company

- Over the next 20 years, SWEPCO will generate over **one-third** of its energy from **wind and solar** (9% to 36%)
- Will begin offering large scale solar directly to Arkansas municipal customers in 2021
- Committed to purchasing up to **30 MW** of solar from independent producers in Louisiana through its Renewable Energy Pilot Program tariff



An **AEP** Company

- In June 2020, PSO signed a 30-year lease with the Army to install an energy resilience project on approximately 81 acres at Fort Sill
- Project includes the construction of **36 MW** of gas-fired generation and **11 MW** of solar panels
- In October 2020, PSO filed for commission approval for \$118 million of investment for construction of the gas-fired and solar generation



An **AEP** Company

- Aggregation where eligible customers within the City of Columbus will be served by 100% clean energy sourced from Ohio renewable assets. The aggregation will tackle social and environmental equity issues, employing Ohio workers and providing job training.
- Customers - 180,000 to 220,000
- Term - June 2021 thru December 2035
- Renewable Supply – Ohio renewable projects such as Emerson Creek Wind Farm **240 MW**, Columbus Solar Park **50 MW**, Atlanta Farms Solar Farm **200 MW**

North Central Wind Overview



APPROVED MW ALLOCATION

| Jurisdiction (Docket #) | MW | % of Project |
|-------------------------|-------|--------------|
| PSO (PUD 2019-00048) | 675 | 45.5% |
| SWEPCO – AR (19-035-U) | 268 | 18.1% |
| SWEPCO – LA (U-35324) | 464 | 31.2% |
| SWEPCO - FERC | 78 | 5.2% |
| Total: | 1,485 | 100% |

SWEPCO AND PSO REGULATED WIND INVESTMENT

| | | | | |
|----------------------------|-----------------------------------|-----------|-------------------|----------------------------------|
| Total Rate Base Investment | ~\$2 billion (1,485 MW) | | | |
| North Central Wind | <u>Name</u> | <u>MW</u> | <u>Investment</u> | <u>Target Date</u> |
| | Sundance | 199 | \$348M | Mar. 2021 (100% PTC) |
| | Maverick | 287 | \$402M | Dec. 2021 (80% PTC) |
| | Traverse | 999 | \$1,235M | Dec. 2021 to Apr. 2022 (80% PTC) |
| Net Capacity Factor | 44.0% | | | |
| Customer Savings | ~\$3 billion (30-year nominal \$) | | | |
| Developer | Invenergy | | | |
| Turbine Supplier | GE | | | |

Note: Facilities to be acquired on a fixed cost, turn-key basis at completion

Regulatory approvals achieved in Oklahoma, Louisiana, Arkansas and at FERC

POSITIONING FOR THE FUTURE

- Robust Organic Capital Opportunities
- 2021-2025 Capital Forecast
- Cash Flows and Financial Metrics
- Rate Base Growth
- Efficient Cost Recovery Mechanisms



Robust Organic Capital Opportunities

TRANSMISSION

- Grid modernization
- Aging infrastructure
- Physical/cyber security
- Reliability
- Market efficiency
- Economic development projects

DISTRIBUTION

- Grid modernization
- Reliability improvement projects
- Distribution station refurbishment

RENEWABLES

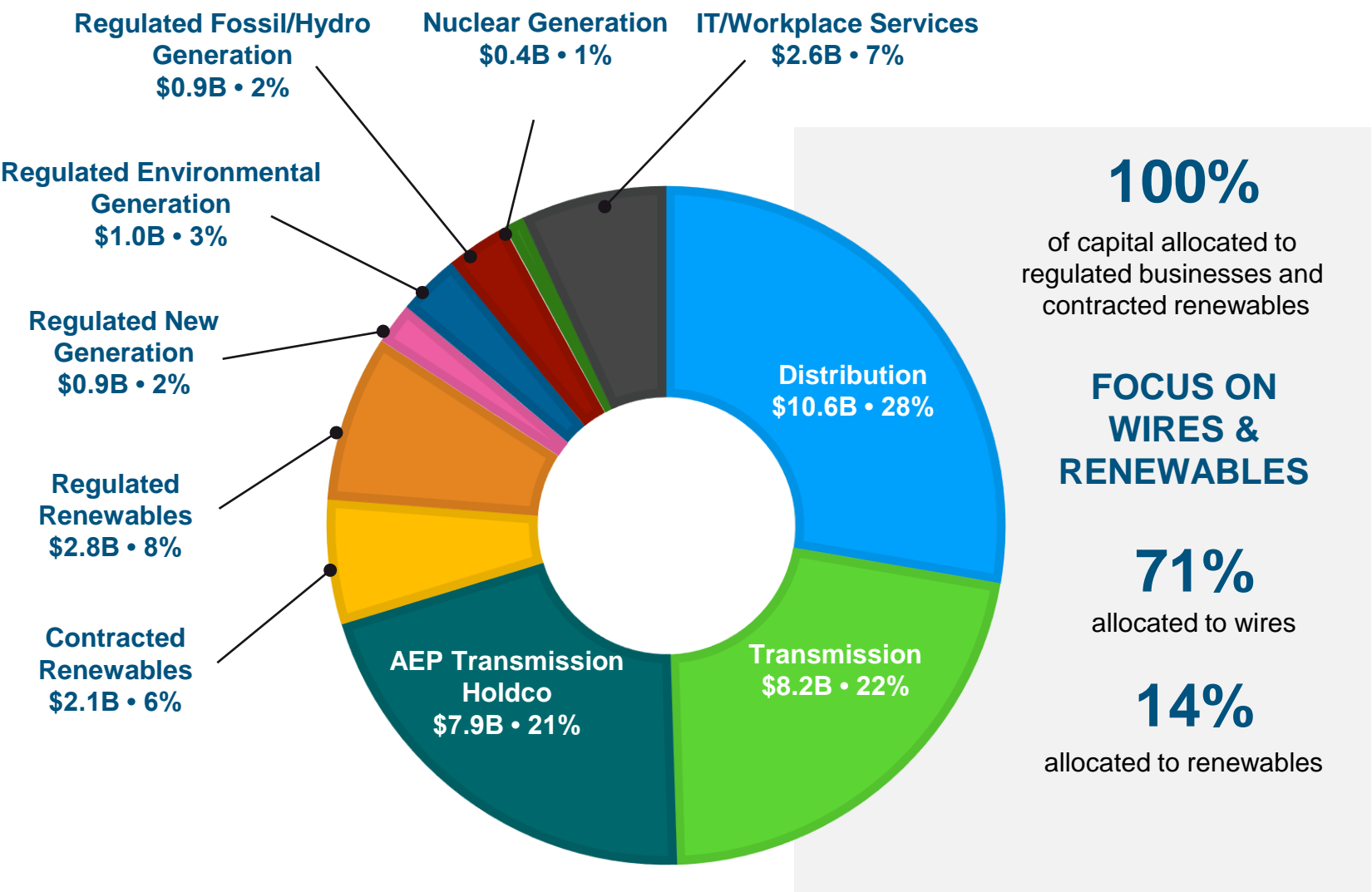
- Regulated renewables supported by integrated resource plans and contracted renewables

TECHNOLOGY

- Digitization
- Automation
- Cyber security
- Enterprise-wide applications

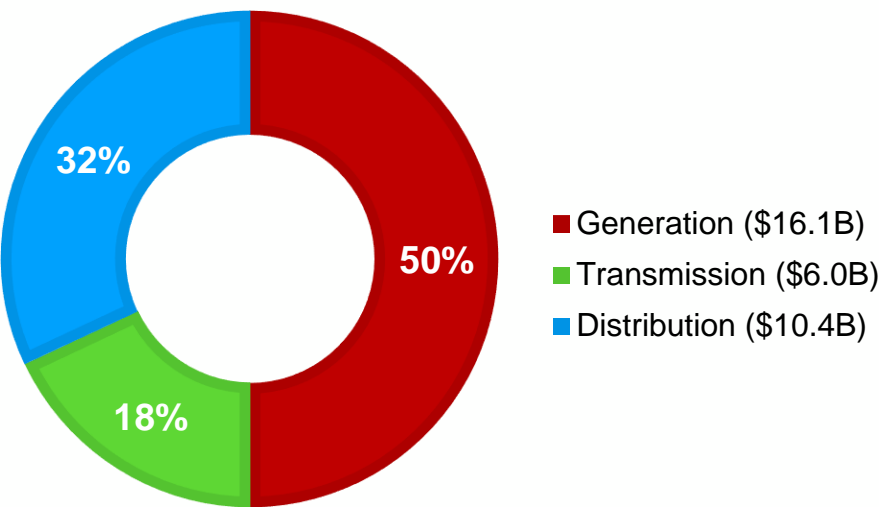
2021 - 2025 Capital Forecast of \$37B and Net Plant

2021-2025 Capital Forecast

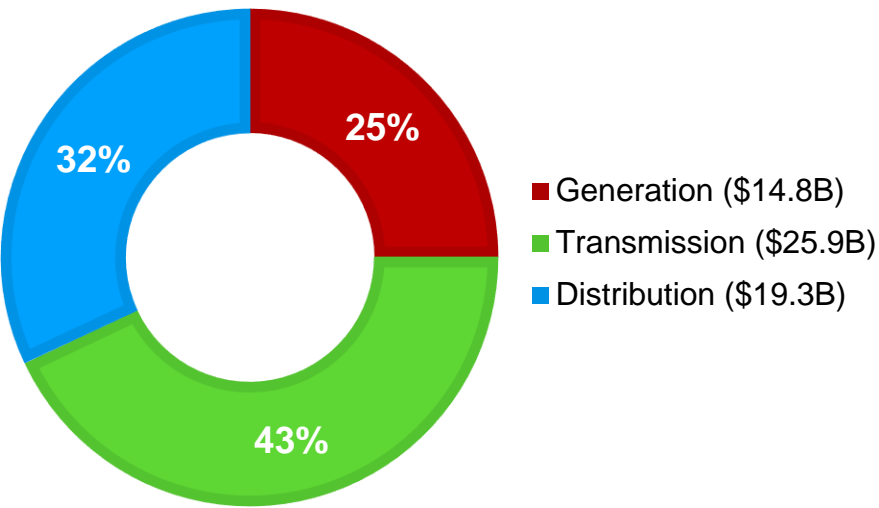


Historical Net Plant Profiles

2010 (Total \$32.5B)



2020 (Total \$60B)



2021-2025 Capital Forecast by Subsidiary

| \$ in millions (excludes AFUDC) | 2021E | 2022E | 2023E | 2024E | 2025E | TOTAL |
|--|----------|----------|----------|----------|----------|-----------|
| Appalachian Power Company | \$ 884 | \$ 1,163 | \$ 981 | \$ 920 | \$ 1,004 | \$ 4,952 |
| Wheeling Power Company | \$ 45 | \$ 83 | \$ 37 | \$ 37 | \$ 32 | \$ 234 |
| Kingsport Power Company | \$ 21 | \$ 20 | \$ 19 | \$ 18 | \$ 18 | \$ 96 |
| Indiana Michigan Power Company | \$ 578 | \$ 569 | \$ 937 | \$ 575 | \$ 705 | \$ 3,364 |
| Kentucky Power Company | \$ 180 | \$ 235 | \$ 164 | \$ 184 | \$ 231 | \$ 994 |
| AEP Ohio | \$ 789 | \$ 754 | \$ 802 | \$ 878 | \$ 821 | \$ 4,044 |
| Public Service Company of Oklahoma | \$ 730 | \$ 1,105 | \$ 474 | \$ 378 | \$ 921 | \$ 3,608 |
| Southwestern Electric Power Company | \$ 872 | \$ 1,097 | \$ 537 | \$ 564 | \$ 634 | \$ 3,704 |
| AEP Texas Company | \$ 1,194 | \$ 1,091 | \$ 1,098 | \$ 1,300 | \$ 1,388 | \$ 6,071 |
| AEP Generating Company | \$ 44 | \$ 33 | \$ 12 | \$ 18 | \$ 19 | \$ 126 |
| AEP Transmission Holdco | \$ 1,597 | \$ 1,404 | \$ 1,370 | \$ 1,647 | \$ 1,914 | \$ 7,932 |
| Generation & Marketing | \$ 501 | \$ 412 | \$ 415 | \$ 418 | \$ 348 | \$ 2,094 |
| Other | \$ 30 | \$ 22 | \$ 21 | \$ 16 | \$ 2 | \$ 91 |
| Total Capital and Equity Contributions | \$ 7,465 | \$ 7,988 | \$ 6,867 | \$ 6,953 | \$ 8,037 | \$ 37,310 |

Capital plans are continuously optimized which may result in redeployment between functions and companies.

Cash Flows and Financial Metrics

| \$ in millions | 2021E | 2022E | 2023E |
|--|---|-------------------|-------------------|
| Cash from Operations | \$ 5,000 | \$ 5,500 | \$ 6,000 |
| Capital & JV Equity Contributions ¹ | (7,500) | (8,000) | (6,900) |
| Other Investing Activities | (300) | (300) | (300) |
| Common Dividends ² | (1,400) | (1,500) | (1,500) |
| Required Capital | \$ (4,200) | \$ (4,300) | \$ (2,700) |
| Financing | | | |
| Required Capital | \$ (4,200) | \$ (4,300) | \$ (2,700) |
| Debt Maturities (Senior Notes, PCRBs) | (2,000) | (3,000) | (1,400) |
| Securitization Amortizations | (100) | (100) | (100) |
| Equity Units Conversion | - | 805 | 850 |
| Equity Issuances – Includes DRP ³ | 600 | 1,400 | 100 |
| Debt Capital Market Needs (New) | \$ (5,700) | \$ (5,195) | \$ (3,250) |
| Financial Metrics | | | |
| Debt to Capitalization (GAAP) | Approximately 60% | | |
| FFO/Total Debt (Moody's) | Low to Mid Teens Reflecting Accelerated Flowback of ADFIT | | |

¹ Capital expenditures in 2021 include \$750M for North Central Wind's Sundance and Maverick projects. Expenditures in 2022 include \$1.235B for North Central Wind's Traverse project.

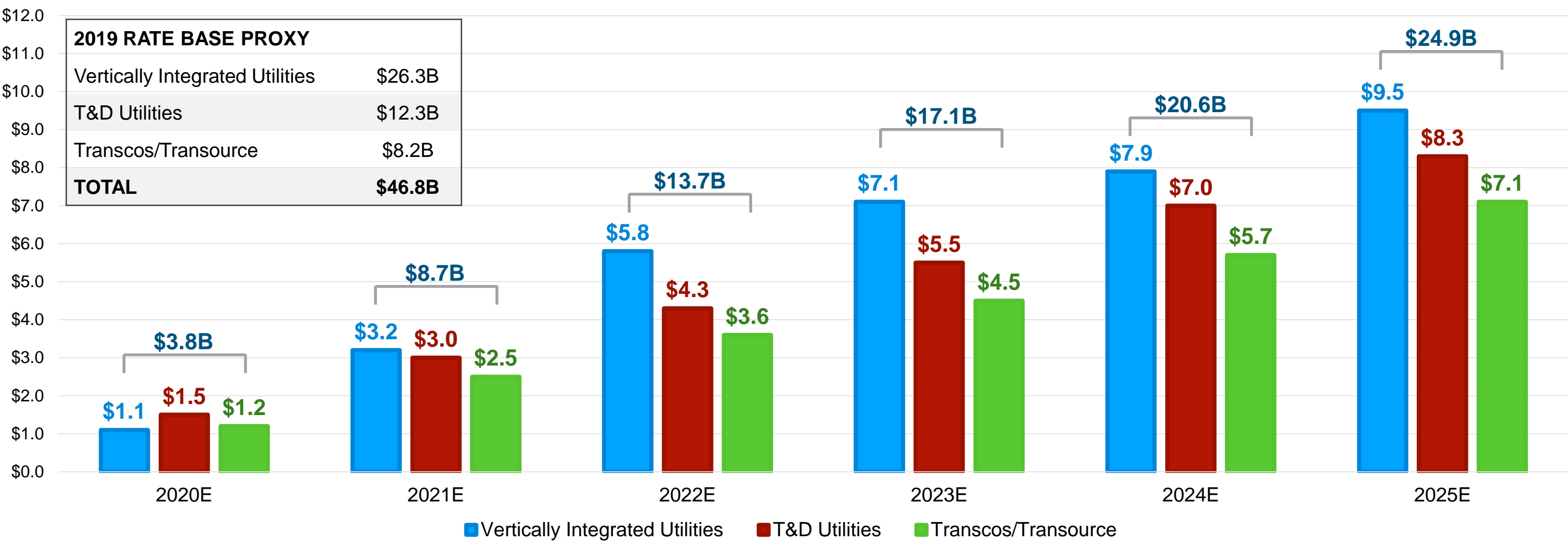
² Common dividends increased to \$0.74 per share Q4 2020; \$2.96/share 2021-2023. Dividends evaluated by Board of Directors each quarter; stated target payout ratio range is 60%-70% of operating earnings. Targeted dividend growth in line with earnings.

³ Equity needs in 2021 include \$500M for North Central Wind's Sundance and Maverick projects. Equity needs in 2022 include \$800M for North Central Wind's Traverse project. Total equity needs for the project are \$1.3B.

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

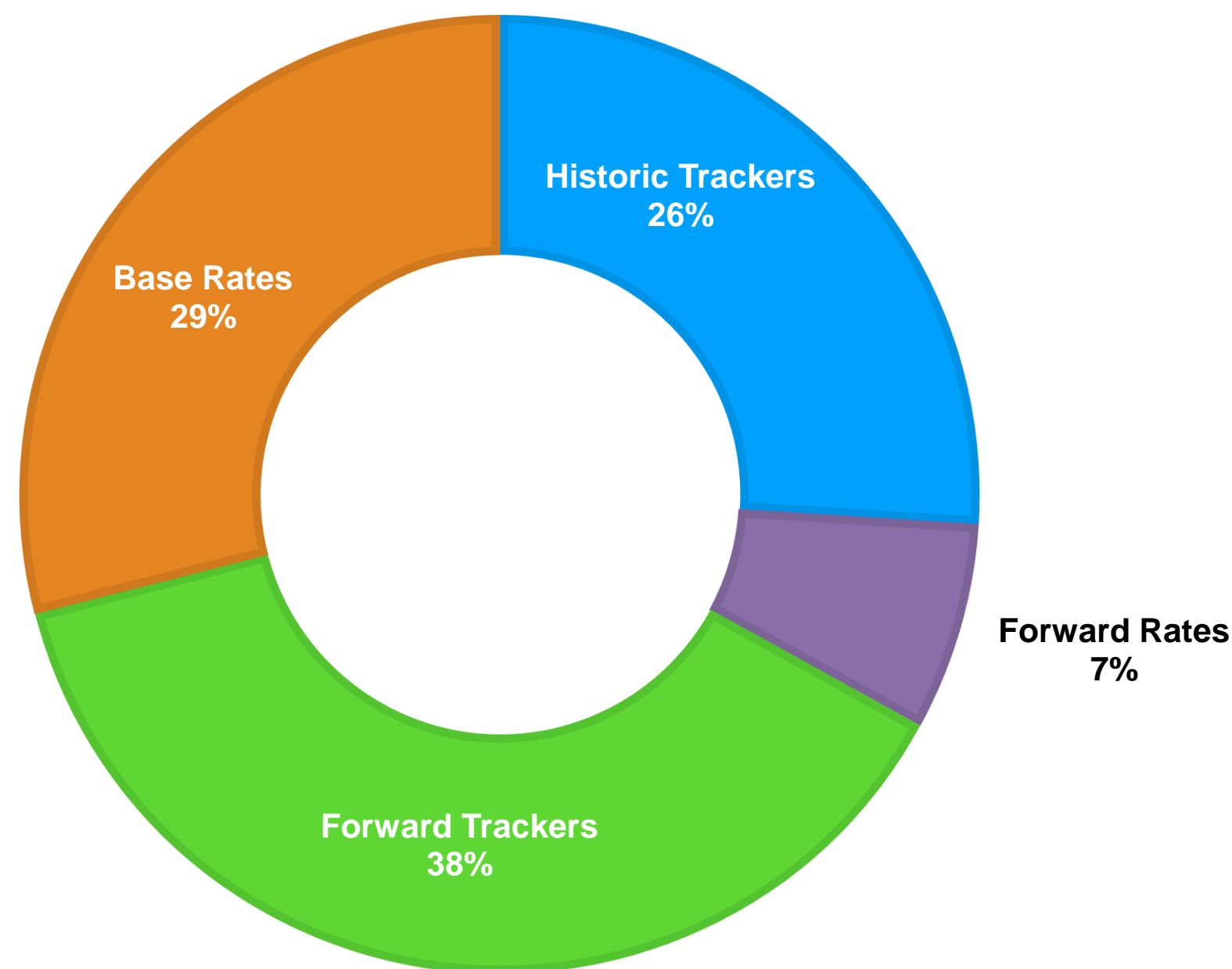
7.4% CAGR in Rate Base Growth

CUMULATIVE CHANGE FROM 2019 BASE



5%-7% EPS growth is predicated on regulated rate base growth

Efficient Cost Recovery Mechanisms



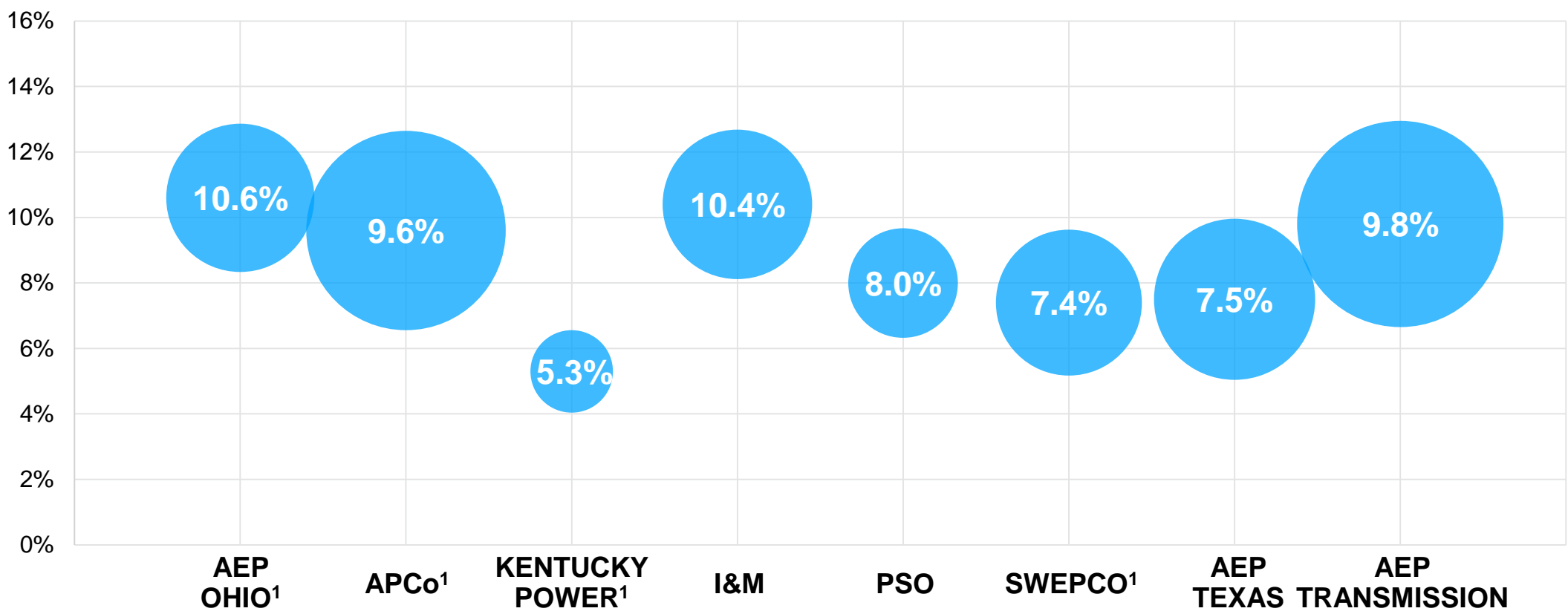
More than 70% of 2021-2025 capital plan recovered through reduced lag mechanisms

FINANCIAL INFORMATION

- Return on Equity and Authorized Equity Layers
- 2021 Operating Earnings Guidance
- Current Rate Case Activity
- Bending the O&M Curve
- Normalized Load Trends
- Capitalization and Liquidity
- 2021 Debt Issuances and Maturities
- Credit Ratings

Return on Equity and Authorized Equity Layers

Twelve Months Ended 9/30/2020 Earned ROE's
(non-GAAP operating earnings, not weather normalized)



2021 Forecasted Regulated ROE is 9.0%

¹ Base rate cases pending

² 9/30/20 data represents equity layers as requested in pending base rate case

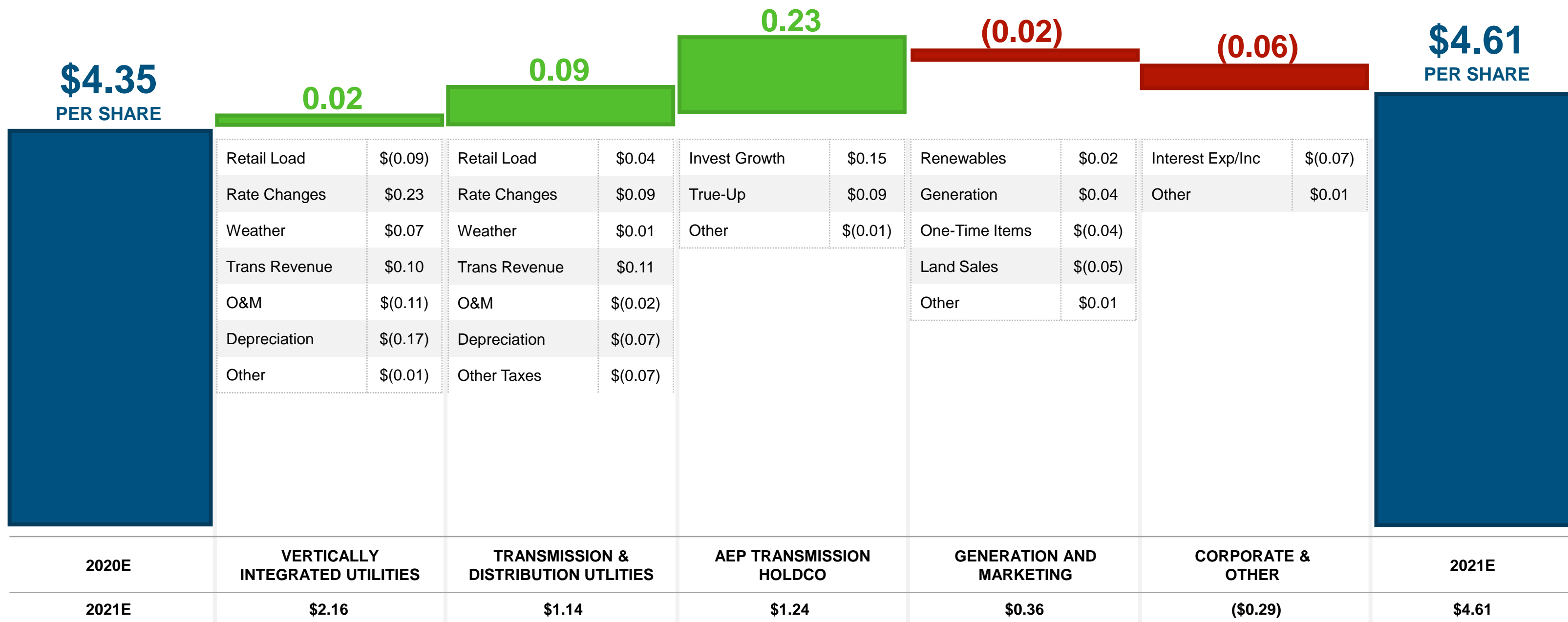
Sphere size based on each company's relative equity balance

Authorized Equity Layers
(in whole percentages)

| Operating Company | 12/31/17 | 9/30/20 | Improvement |
|------------------------------|----------|---------|-------------|
| AEP Ohio ² | 48% | 54% | 6% |
| APCo – Virginia ² | 43% | 50% | 7% |
| APCo – West Virginia | 47% | 50% | 3% |
| Kentucky Power ² | 42% | 43% | 1% |
| PSO | 44% | 48% | 4% |
| SWEPCO – Arkansas | 46% | 48% | 2% |
| AEP Texas | 40% | 43% | 3% |
| AEP Transmission | 50% | 55% | 5% |

Improving Our Authorized Equity Layers Over Time

2021 Operating Earnings Guidance



Note: Waterfall components may change based on actual 2020 results.

Current Rate Case Activity

AEP OHIO

| | |
|------------------------|-----------------------------------|
| Docket # | 20-0585-EL-AIR |
| Filing Date | 06/01/2020 |
| Requested Rate Base | \$3.1B |
| Requested ROE | 10.15% |
| Cap Structure | 45.6%D / 54.4%E |
| Gross Revenue Increase | \$36M (Less \$4.5M Depr Decrease) |
| Net Revenue Increase | \$41M |
| Test Year | 11/30/2020 |

Note: On 11/25/2020, AEP Ohio filed a joint motion to extend the procedural schedule to allow the parties to engage in settlement discussions.



APCo - VIRGINIA

| | |
|------------------------|------------------------|
| Docket # | PUR-2020-00015 |
| Filing Date | 03/31/2020 |
| Requested Rate Base | \$2.5B |
| Requested ROE | 9.9% |
| Cap Structure | 50%D / 50%E |
| Gross Revenue Increase | \$65M (Less \$27M D&A) |
| Net Revenue Increase | \$38M |
| Test Year | 12/31/2019 |

Commission Order Summary

| | |
|------------------------|-------------------------|
| Order Received | 11/24/2020 |
| Effective Date | 01/23/2021 |
| ROE | 9.2% |
| Cap Structure | 50%D / 50%E |
| Gross Revenue Increase | \$0M (Less \$25.5M D&A) |
| Net Revenue Decrease | \$25.5M |

Note: On 11/25/2020, APCo filed an appeal of the commission order with the Virginia Supreme Court. On 12/14/2020, APCo filed a petition for reconsideration with the Virginia SCC which was subsequently granted on 12/15/2020, resulting in a suspension of the final order.



Current Rate Case Activity

KPCo

| | |
|-------------------------|--------------------------|
| Docket # | 2020-00174 |
| Filing Date | 06/29/2020 |
| Requested Rate Base | \$1.4B |
| Requested ROE | 10% |
| Cap Structure | 53.7%D / 3.0%AR / 43.3%E |
| Net Revenue Increase | \$65M |
| Test Year | 03/31/2020 |
| Expected Effective Date | January 2021 |



SWEPCO - Louisiana

| | |
|------------------------|----------------------------|
| Docket # | U-35441 |
| Filing Date | 12/18/2020 |
| Requested Rate Base | \$2.1B |
| Requested ROE | 10.35% |
| Cap Structure | 49.2%D / 50.8%E |
| Gross Revenue Increase | \$134M (Less \$41M D&A) |
| Net Revenue Increase | \$93M |
| Test Year | 12/31/2019 ¹ |

¹ Includes proposed pro-forma adjustment to plant in-service through 12/31/2020



SWEPCO - Texas

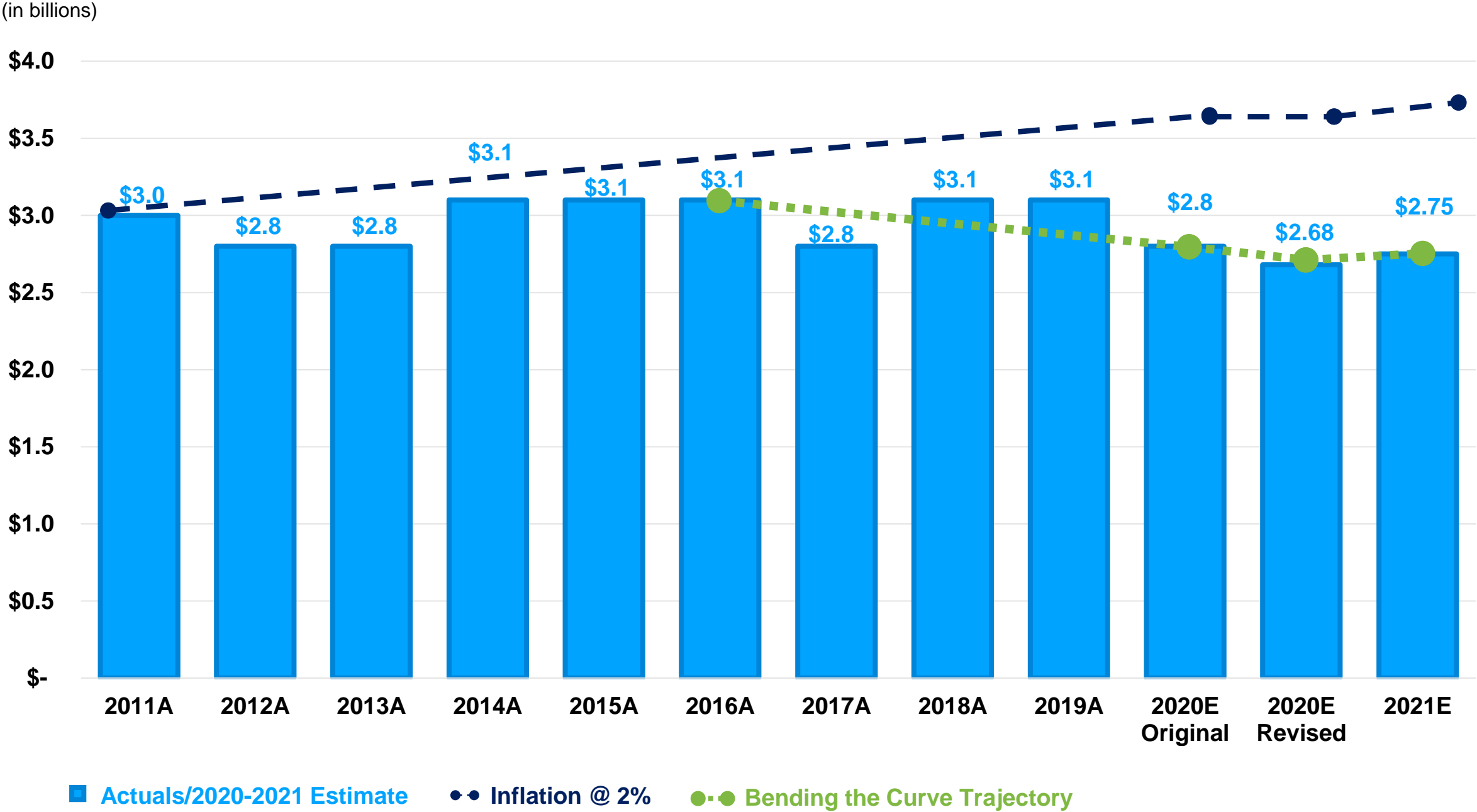
| | |
|------------------------|--|
| Docket # | 51415 |
| Filing Date | 10/13/2020 |
| Requested Rate Base | \$2.0B |
| Requested ROE | 10.35% |
| Cap Structure | 50.6%D / 49.4%E |
| Gross Revenue Increase | \$90M ² (Less \$17M D&A) |
| Net Revenue Increase | \$73M |
| Test Year | 03/31/2020 |

| | |
|---------------------------|------------|
| Procedural Schedule | |
| Intervenor Testimony | 03/31/2021 |
| Staff Testimony | 04/07/2021 |
| Rebuttal Testimony | 04/23/2021 |
| Hearing | 05/19/2021 |
| Expected Commission Order | 10/27/2021 |

² Does not include \$15M of current riders moving to base rates



Bending the O&M Curve



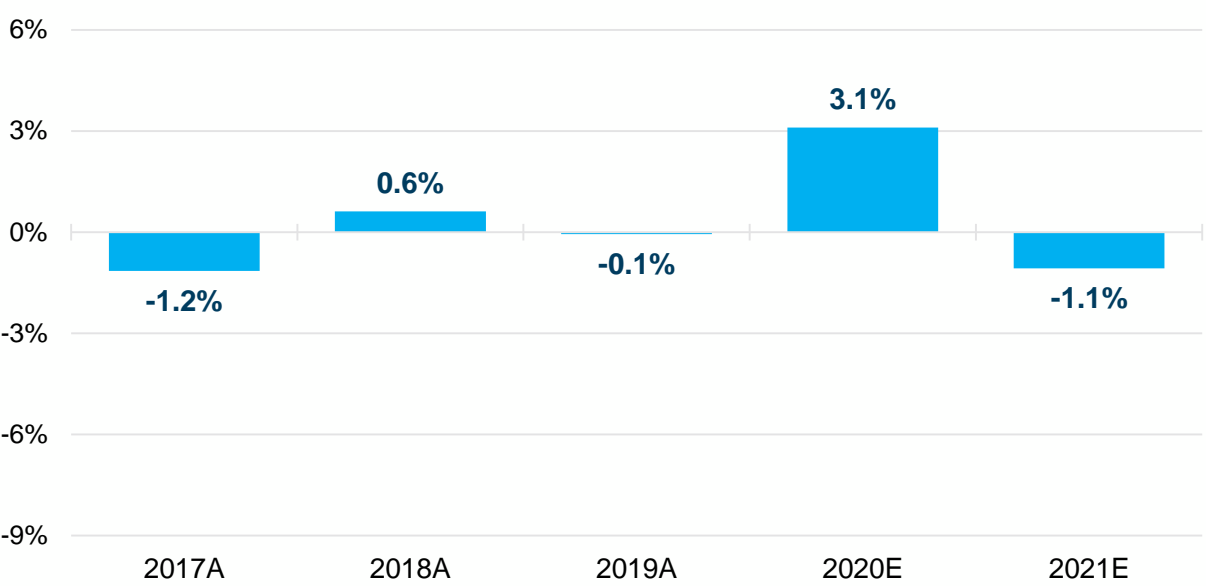
O&M focuses on bending the O&M curve down

O&M actual spend represents adjusted spend throughout each year as needed

Normalized Load Trends

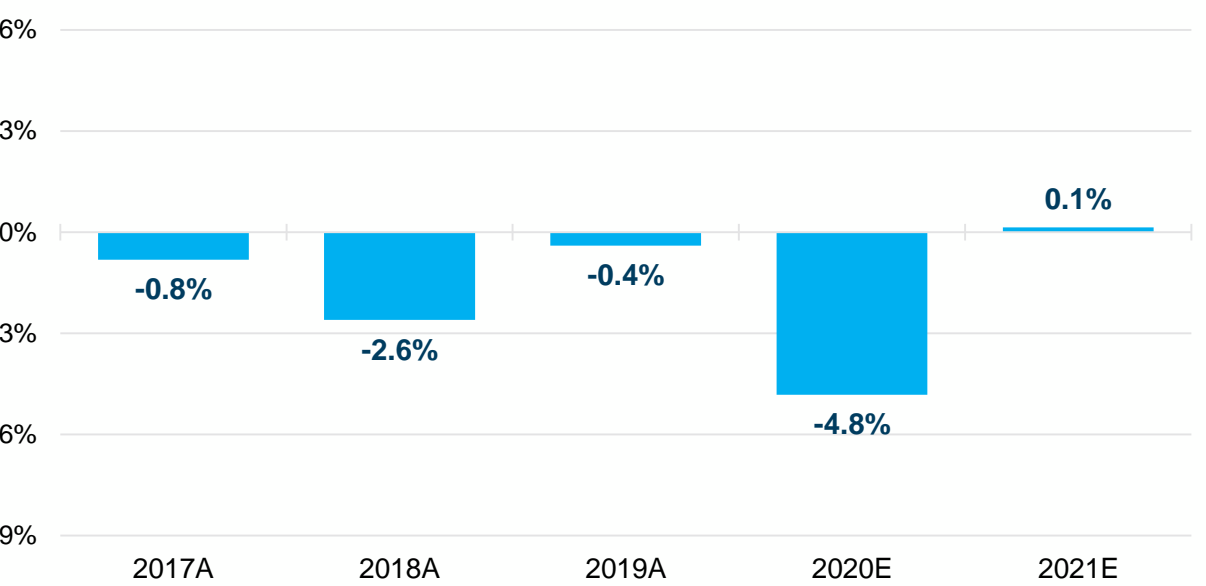
AEP Normalized Residential GWh Sales

% Change vs. Prior Year



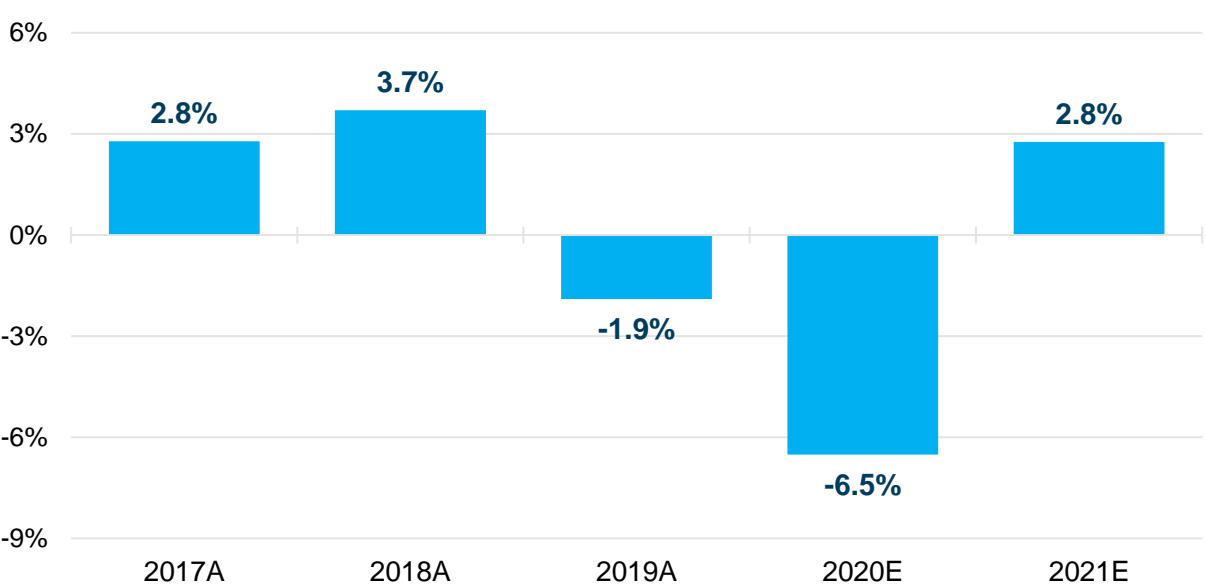
AEP Normalized Commercial GWh Sales

% Change vs. Prior Year



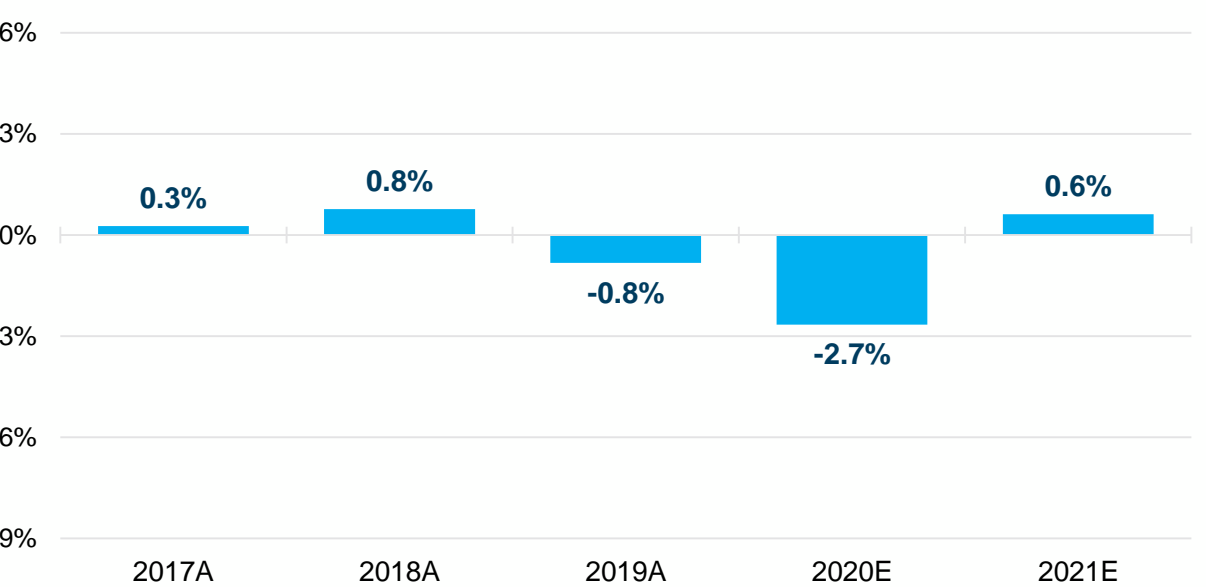
AEP Industrial GWh Sales

% Change vs. Prior Year



AEP Total Normalized Retail GWh Sales

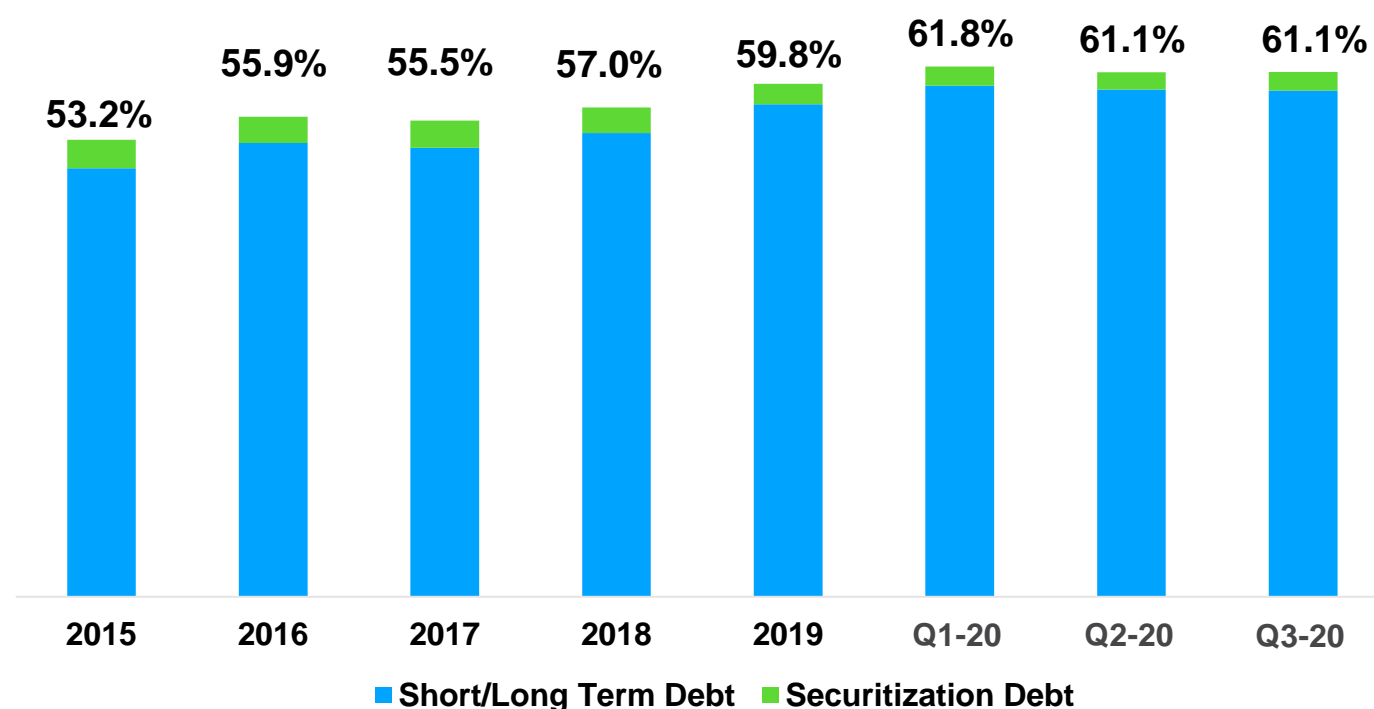
% Change vs. Prior Year



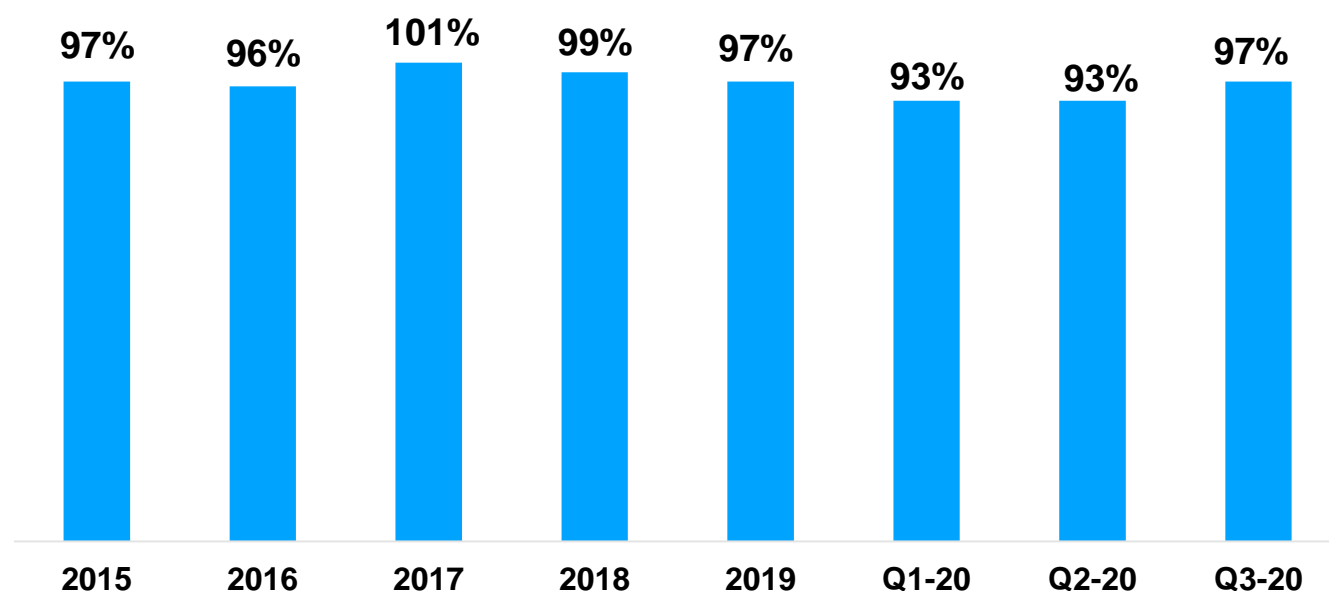
Note: 2020 consists of 9 months weather normalized actual results plus 3 months forecasted values. The 2020 and 2021 comparison may change based on actual 2020 results.

Capitalization & Liquidity

Total Debt/Total Capitalization



Qualified Pension Funding



Credit Statistics

| | ACTUAL | | TARGET |
|-------------------|---------|-------|------------------|
| | Moody's | GAAP | |
| FFO to Total Debt | 12.8% | 12.5% | Low to Mid Teens |

Represents the trailing 12 months as of 9/30/2020

Liquidity Summary

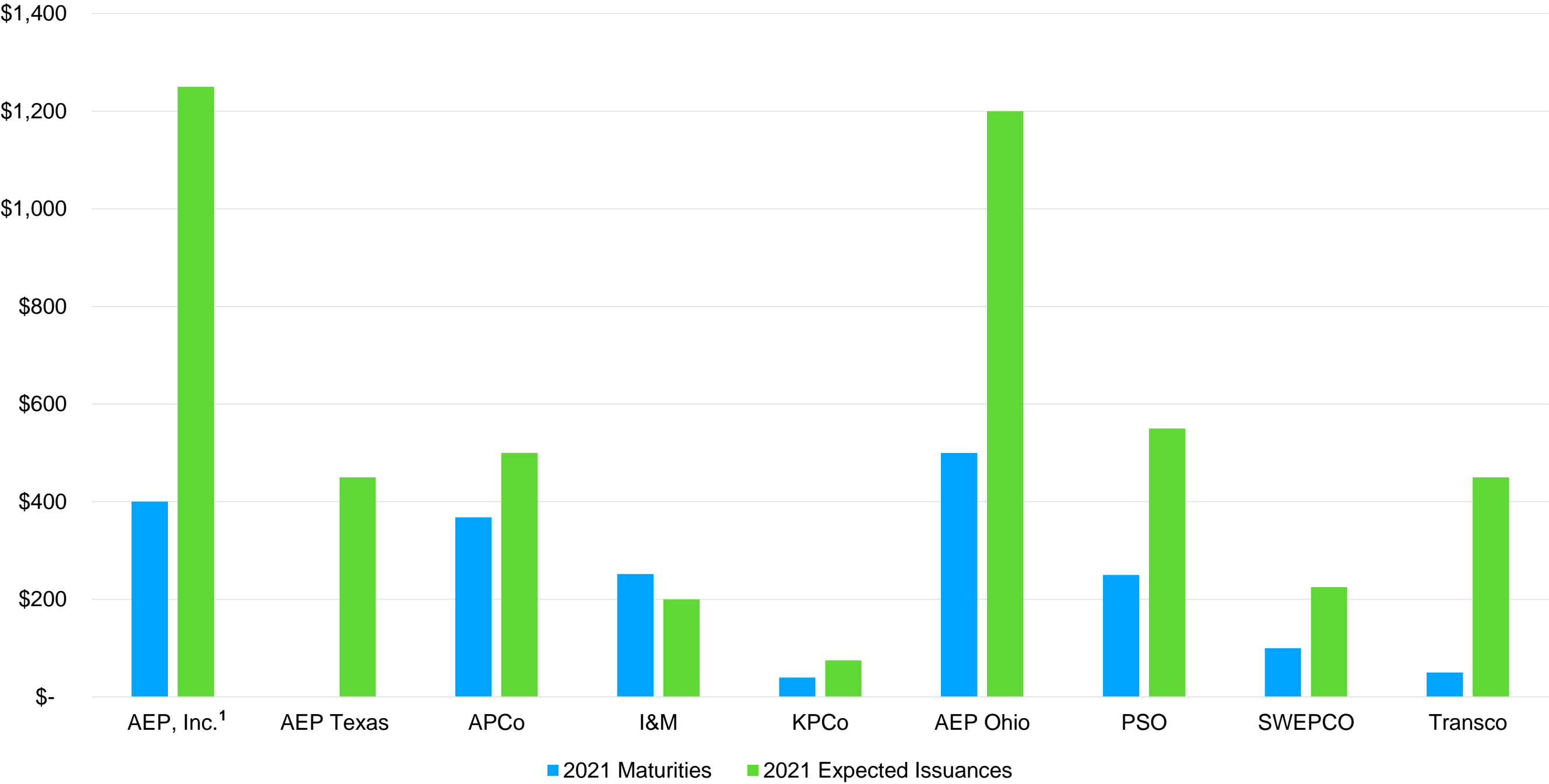
(unaudited) (\$ in millions)

| | 09/30/2020 ACTUAL | |
|--------------------------------|-------------------|------------|
| | Amount | Maturity |
| Revolving Credit Facility | \$ 4,000 | June 2022 |
| 364-Day Term Loan ¹ | 1,000 | March 2021 |
| Plus | | |
| Cash & Cash Equivalents | 410 | |
| Less | | |
| Commercial Paper Outstanding | (650) | |
| 364-Day Term Loan ¹ | (1,000) | |
| Letters of Credit Issued | - | |
| Net Available Liquidity | \$ 3,760 | |

¹ Repaid and retired term loan in November 2020

2021 Debt Issuance and Maturities Overview

(\$ in millions)



¹ In November 2020, due to favorable market conditions, AEP Inc. issued \$1.5B senior unsecured notes and subsequently retired \$1B 364-day term loan, both of which were scheduled to occur in 2021. AEP Inc. maturities and expected issuances for 2021 are now \$400M and \$1.25B, respectively.

Credit Ratings

CURRENT RATINGS FOR AEP, INC. & SUBSIDIARIES (as of 09/30/2020)

| Company | Moody's | | S&P | | Fitch | |
|---|------------------|---------|------------------|---------|------------------|---------|
| | Senior Unsecured | Outlook | Senior Unsecured | Outlook | Senior Unsecured | Outlook |
| American Electric Power Company Inc. | Baa2 | S | BBB+ | S | BBB+ | S |
| AEP, Inc. Short Term Rating | P2 | S | A2 | S | F2 | S |
| AEP Texas Inc. | Baa2 | S | A- | S | A- | S |
| AEP Transmission Company, LLC | A2 | S | A- | S | A | S |
| Appalachian Power Company ¹ | Baa1 | S | A- | S | A- | S |
| Indiana Michigan Power Company ¹ | A3 | S | A- | S | A- | S |
| Kentucky Power Company | Baa3 | S | A- | S | BBB+ | S |
| AEP Ohio | A3 | S | A- | S | A | S |
| Public Service Company of Oklahoma | Baa1 | S | A- | S | A- | S |
| Southwestern Electric Power Company | Baa2 | S | A- | S | BBB+ | S |
| Transource Energy ² | A2 | S | NR | NR | NR | NR |

¹ In conjunction with the unenhanced VRDN remarketings, APCo and I&M both received short term credit ratings of A-2/P2 from S&P and Moody's, respectively.

² NR stands for Not Rated

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

- **Delivering Clean Energy Resources**
- **Emission Reduction Goals**
- **Investment in Environmental Controls**
- **Dramatic Reduction in Emissions**
- **Electrifying Our Fleet**
- **Employees and Communities**
- **Energizing the Talent Pipeline**
- **Supplier Diversity**

Delivering Clean Energy Resources - Environmental

AEP's October 1, 2020 Renewable Portfolio (in MW)

| HYDRO, WIND, SOLAR & PUMPED STORAGE | OWNED MW | PPA MW | TOTAL MW |
|-------------------------------------|--------------|--------------|--------------|
| AEP Ohio | - | 209 | 209 |
| Appalachian Power Company | 785 | 575 | 1,360 |
| Indiana Michigan Power Company | 36 | 450 | 486 |
| Public Service Company of Oklahoma | - | 1,137 | 1,137 |
| Southwestern Electric Power Company | - | 469 | 469 |
| Competitive Wind, Solar & Hydro | 1,567 | 101 | 1,668 |
| TOTAL | 2,388 | 2,941 | 5,329 |



APPROXIMATELY

11,900 MW

OF RENEWABLE GENERATION INTERCONNECTED
ACROSS THE U.S. VIA AEP'S TRANSMISSION
SYSTEM TODAY

Emission Reduction Goals - Environmental

AEP's Carbon Emission Reduction Goals

70% by 2030
80% by 2050¹
(both from a 2000 baseline)

Strategy to Achieve

- ☐ Investments in renewable energy within and outside of our traditional service territory
- ☐ Technology deployment (e.g., energy storage)
- ☐ Modernization of the grid with significant investments in transmission and distribution
- ☐ Increased use of natural gas
- ☐ Optimization of our existing generating fleet
- ☐ Electrification

¹ Aspiration is net-zero emissions

AEP's Environmental, Social and Governance (ESG) Reporting:

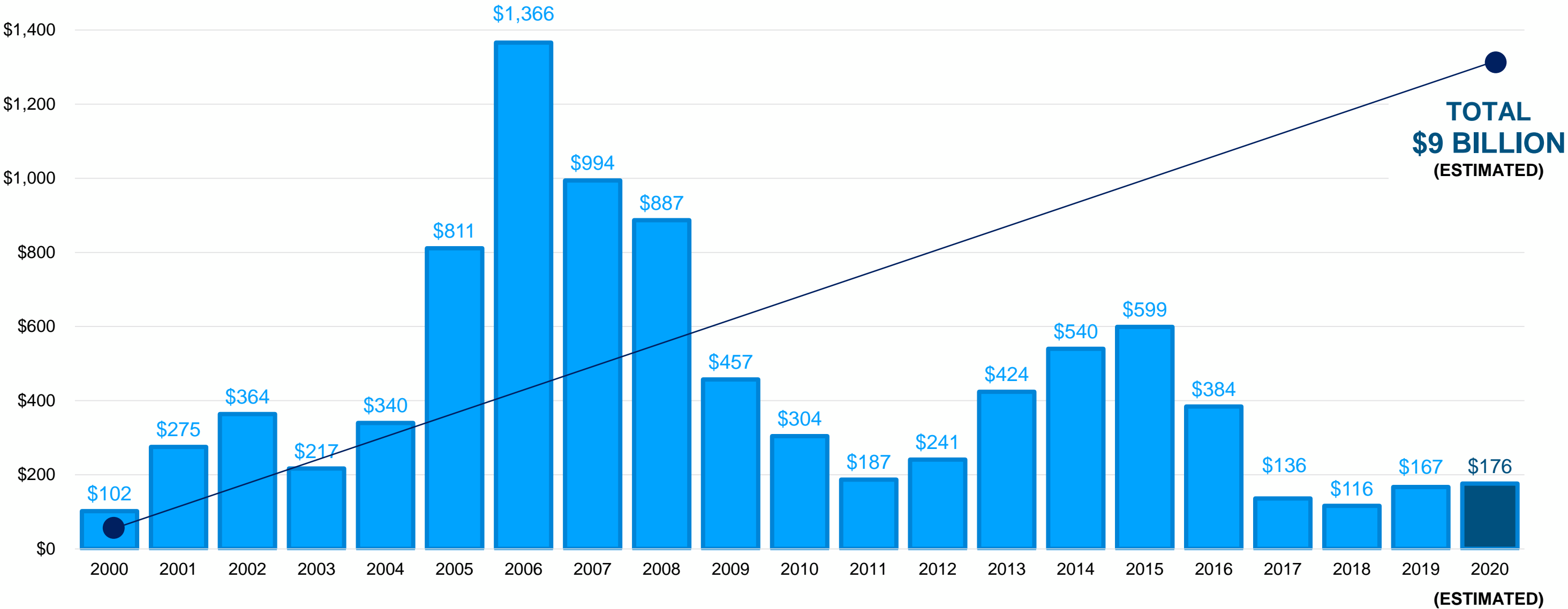
- Corporate Accountability Report
- Strategic Vision for a Clean Energy Future
- EEI ESG Sustainability Report
- Sustainability Accounting Standards Board (SASB)
- Task Force on Climate-related Financial Disclosure (TCFD)
- CDP Survey Responses
- GRI Report
- AEP also responds to investor-related surveys, including MSCI and Sustainalytics



Largest Investment In Environmental Controls - Environmental

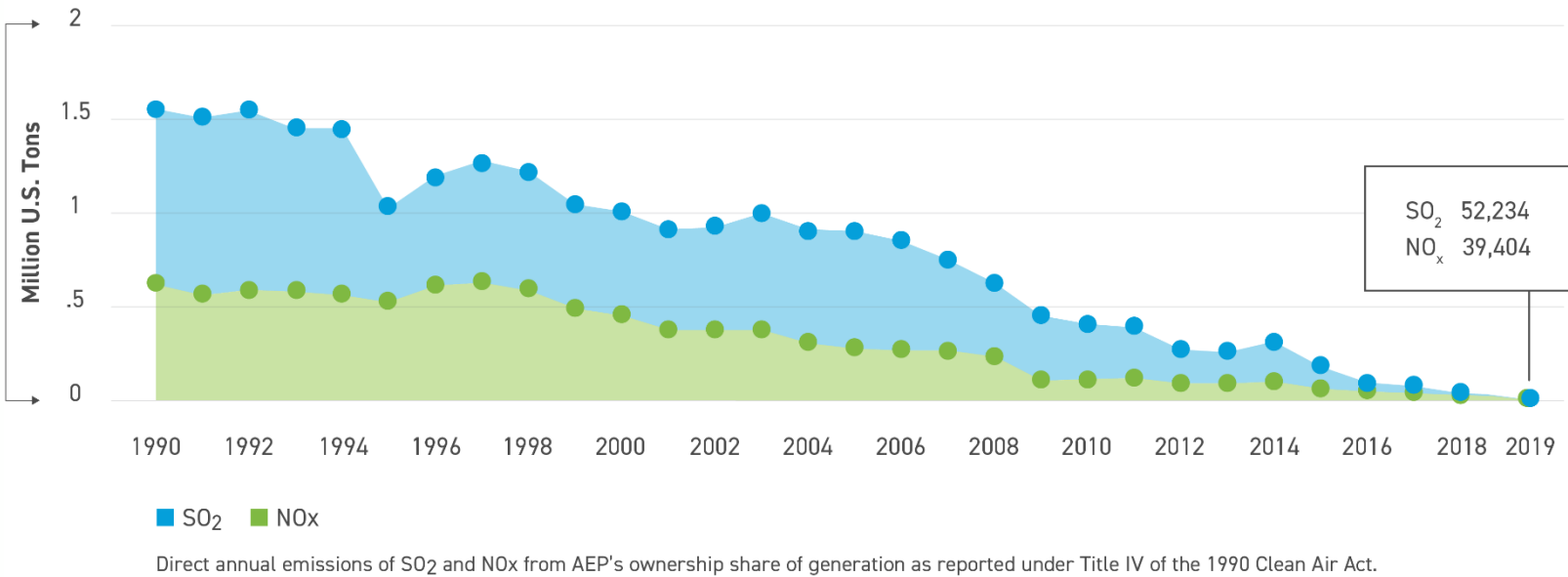
INVESTMENT IN ENVIRONMENTAL CONTROLS

\$ in millions

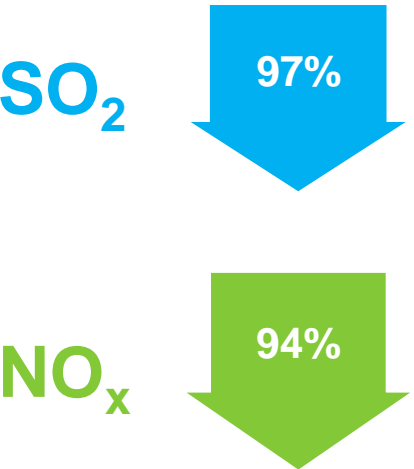


Dramatic Reductions in Emissions - Environmental

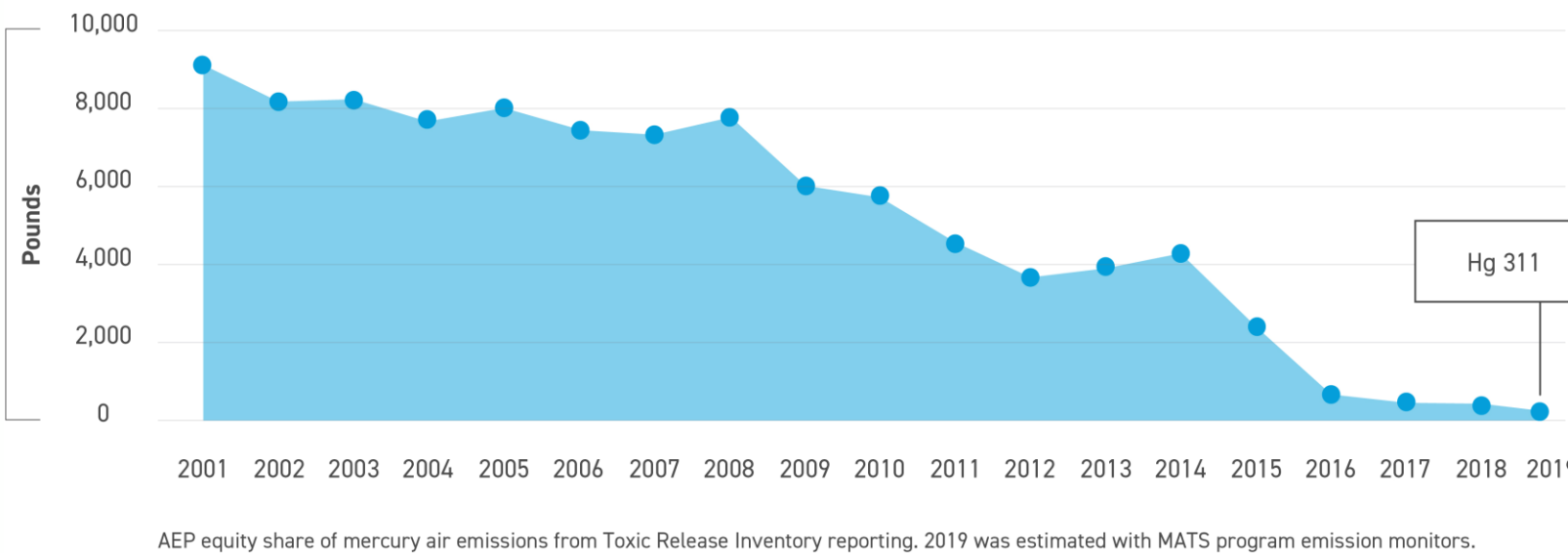
TOTAL AEP SYSTEM NO_x & SO₂ EMISSIONS



1990-2019
ACTUAL



TOTAL AEP SYSTEM MERCURY AIR EMISSIONS

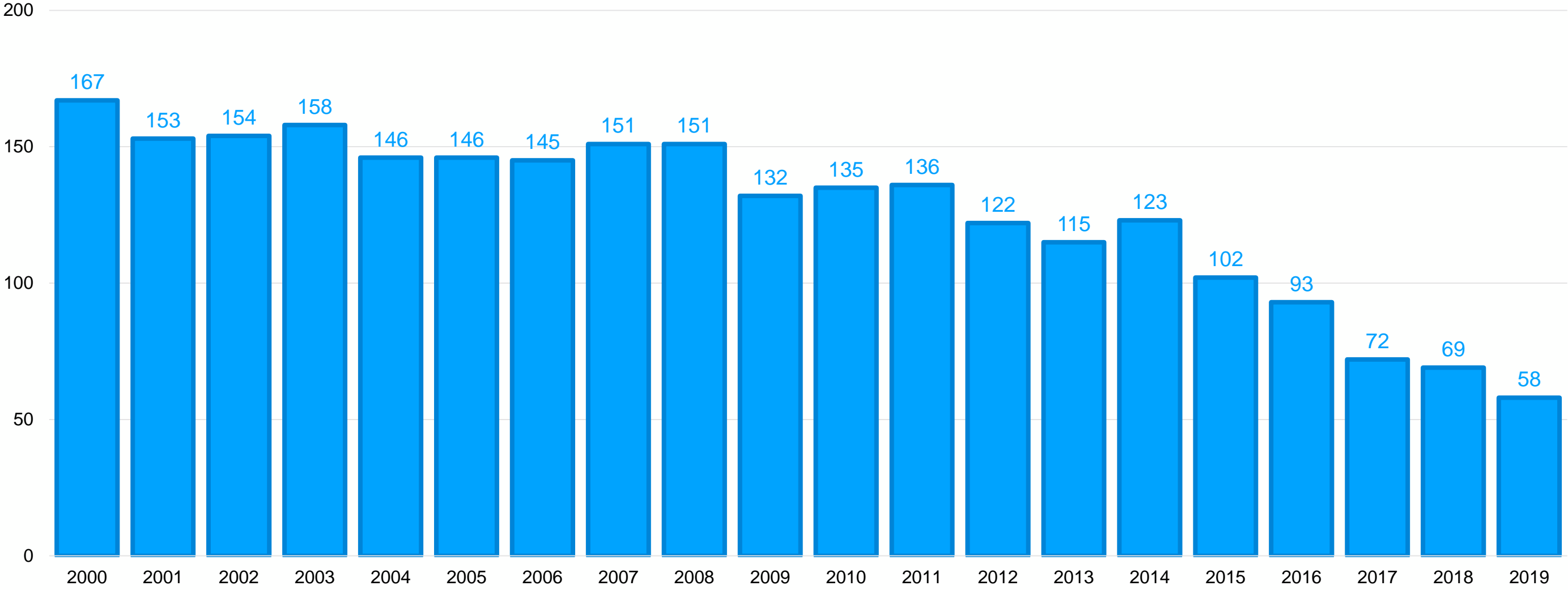


2001-2019
ACTUAL



Dramatic Reduction in Emissions - Environmental

TOTAL AEP SYSTEM – ANNUAL CO₂ EMISSIONS in million metric tons



CO₂

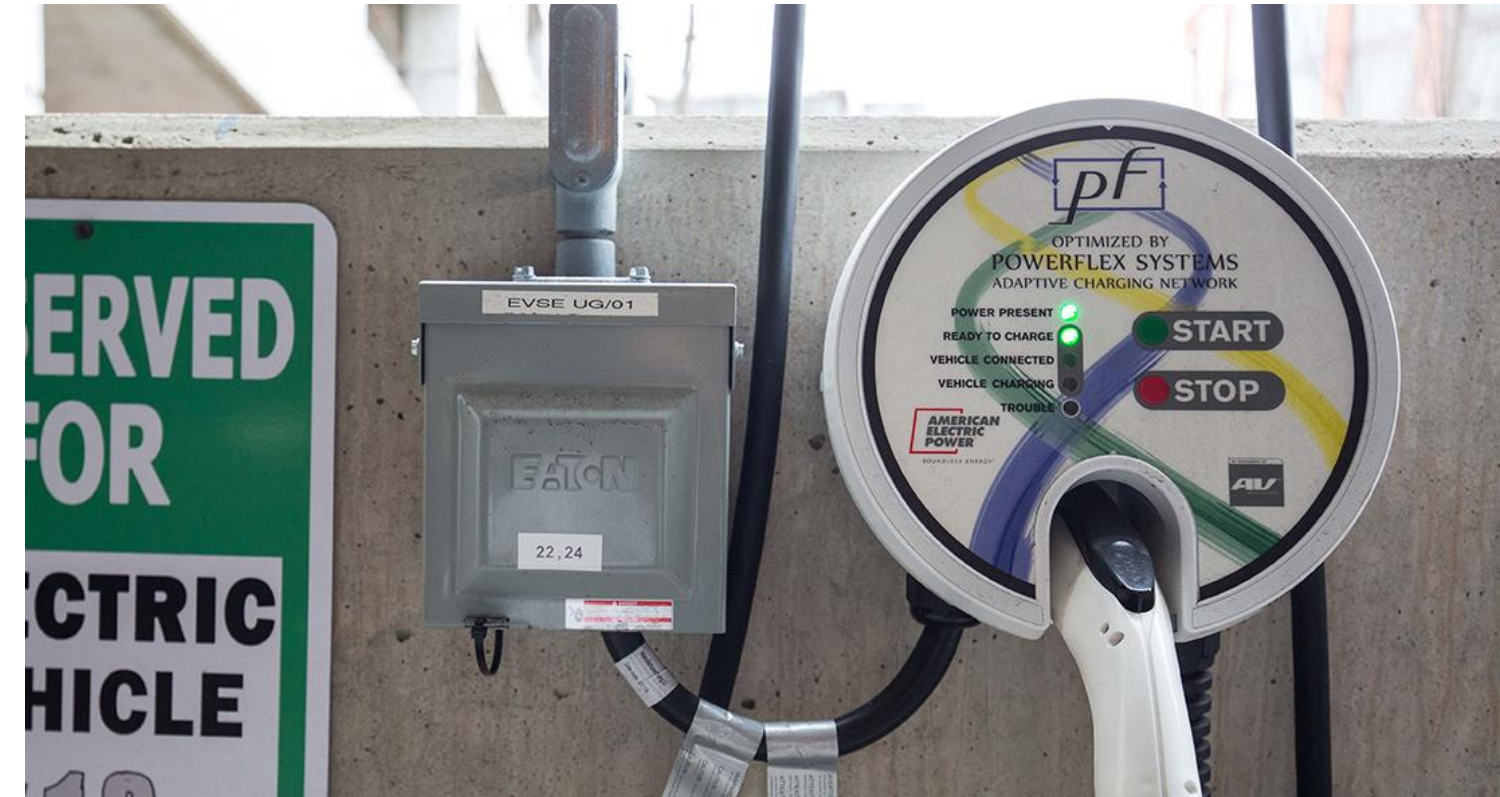
2000-2019
ACTUAL

65%

Electrifying Our Fleet - Environmental

- In 2020, AEP set a new goal to replace 100% of its 2,300 cars and light-duty trucks with EV alternatives by 2030.
- By converting medium- and heavy-duty vehicles as electric or hybrid models become available, AEP will electrify 40% of its entire 8,000-vehicle, on-road fleet in less than 10 years.
- The switch to EVs is estimated to save more than 10 million gallons of fuel, amounting to a \$40 million reduction in fuel costs over the life of the vehicles.

AEP is leading by example and encouraging other companies with large fleets to consider EVs or hybrid models, while promoting EV programs and incentives to customers.



Committed to Our Employees and Communities - Social



#1 IN UTILITIES

Forbes 2021



Energizing the Talent Pipeline - Social

Boundless Energy Career Wheels “Steering Workforce Development Efforts”

Workforce Development

Expanding diverse community connections, fostering employee creativity and adopting artificial intelligence in the workplace

Trade & Vocational

Assisting individuals in acquiring the skills needed to be successful in post-secondary education, apprenticeships and AEP employment

Education

Training, developing and preparing individuals academically, technically and professionally for positions within AEP



Community Engagement

Proactively improving transparency and educating our customers to build better communities

Employee Development

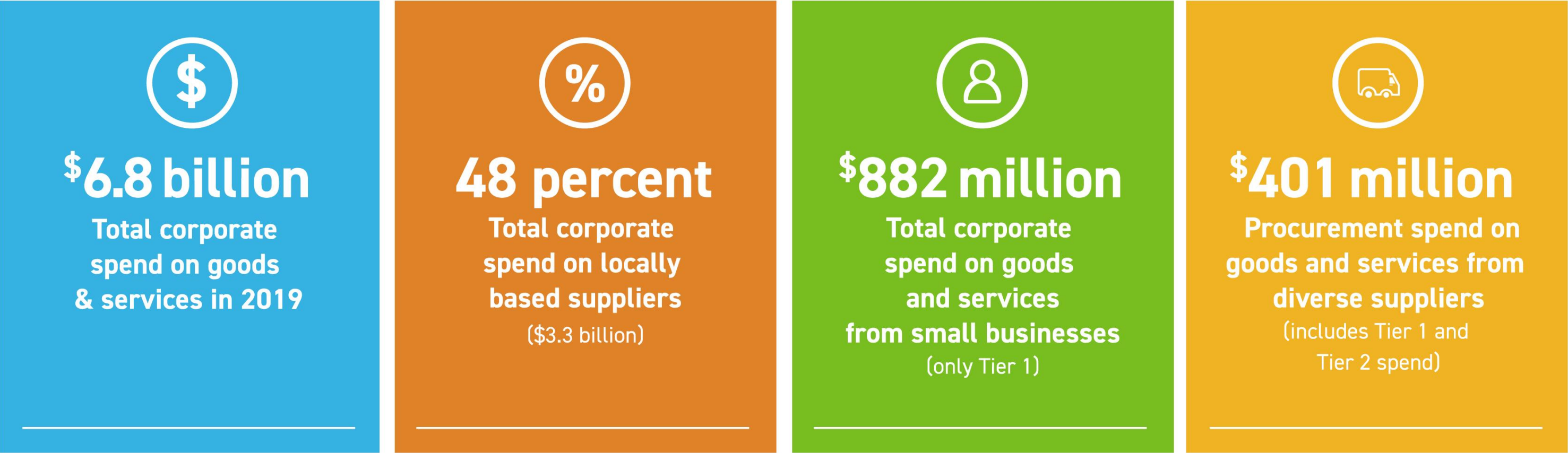
Experience with a wide variety of business units and leaders throughout the company by gaining cross exposure and visiting locations of technical interest outside of an employee's business unit

Diversity & Inclusion

Committed to a culture where differences are valued and recognized as a significant positive influence on AEP's ability to serve our employees, customers, suppliers and other key stakeholders

Dedicated to Supplier Diversity - Social

AEP'S 2019 DIVERSE SPEND PROFILE



TRANSMISSION TRANSFORMATION

- **AEP Transmission Strategy**
- **Five-Year Capital Plan**
- **Investments in Asset Renewal**
- **Stable Cost Recovery Framework**
- **Transmission Customer and Shareholder Value**
- **Well Positioned for New Investment**
- **Holdco Legal Entity Structure**



AEP Transmission Strategy

AEP Transmission's strategy is to modernize and enhance the reliability, security and efficiency of the transmission network to provide our customers the grid of the future

Diverse 5-year capital investment portfolio of \$16.1 billion across AEP's broad geographic footprint of 15 states and 4 regional energy markets

Delivering significant customer benefits:

- ✓ Higher reliability & resilience
- ✓ Lower energy costs
- ✓ Enabling public policies and customer demand for clean energy
- ✓ Economic development

Disciplined execution:

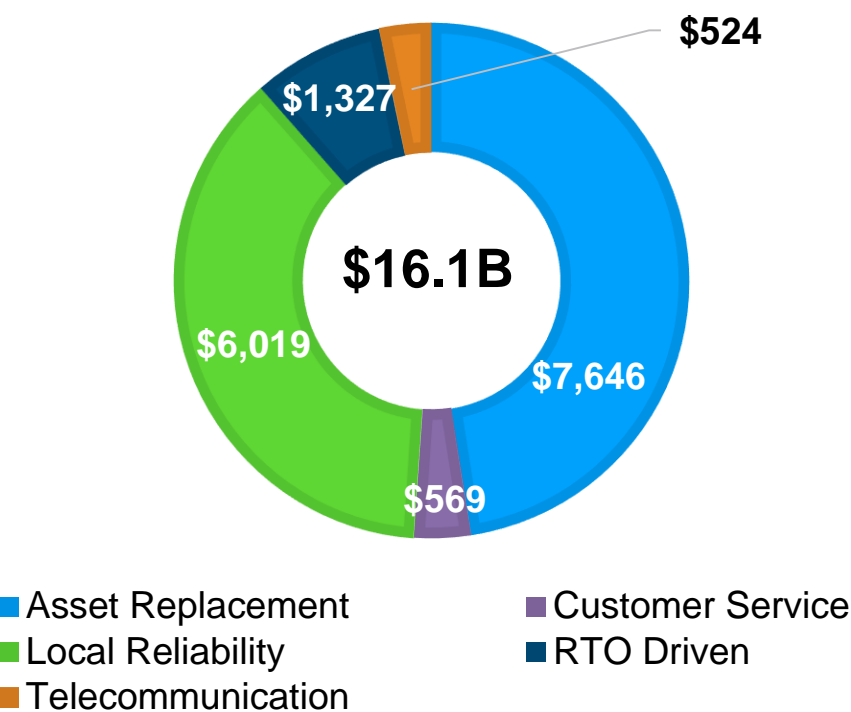
- Low cost, high value solutions
- High speed delivery
- Technological innovation

STABLE COST RECOVERY FRAMEWORK

DELIVER VALUE TO CUSTOMERS & PREDICTABLE EARNINGS GROWTH

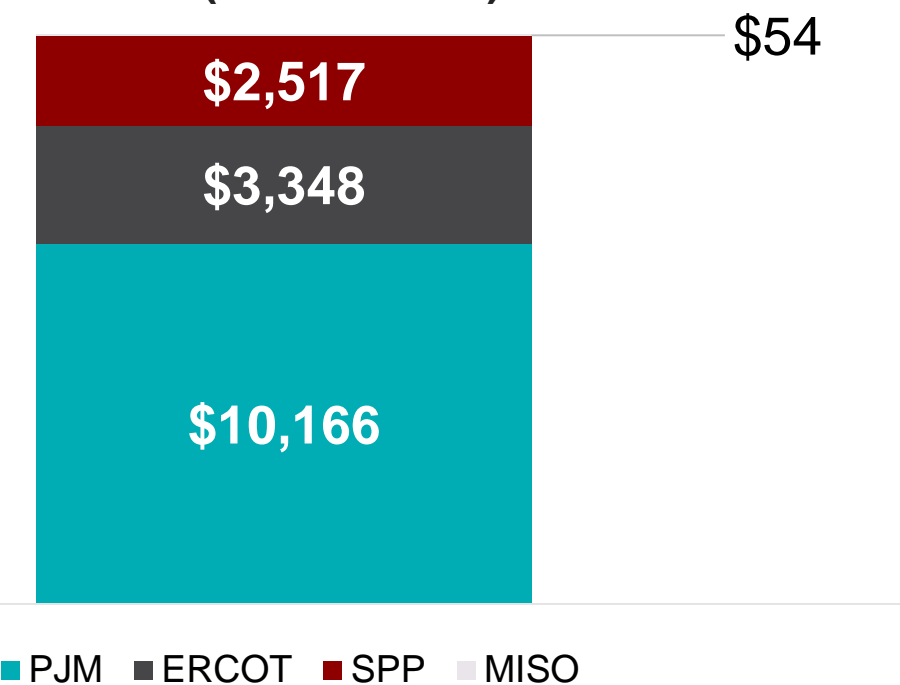
Five-Year Transmission Capital Plan

2021-2025 TRANSMISSION INVESTMENT BY CATEGORY (\$ MILLIONS)



\$16.1 Billion Investment Diversified In Four RTOs

2021-2025 TRANSMISSION INVESTMENT BY RTO (\$ MILLIONS)

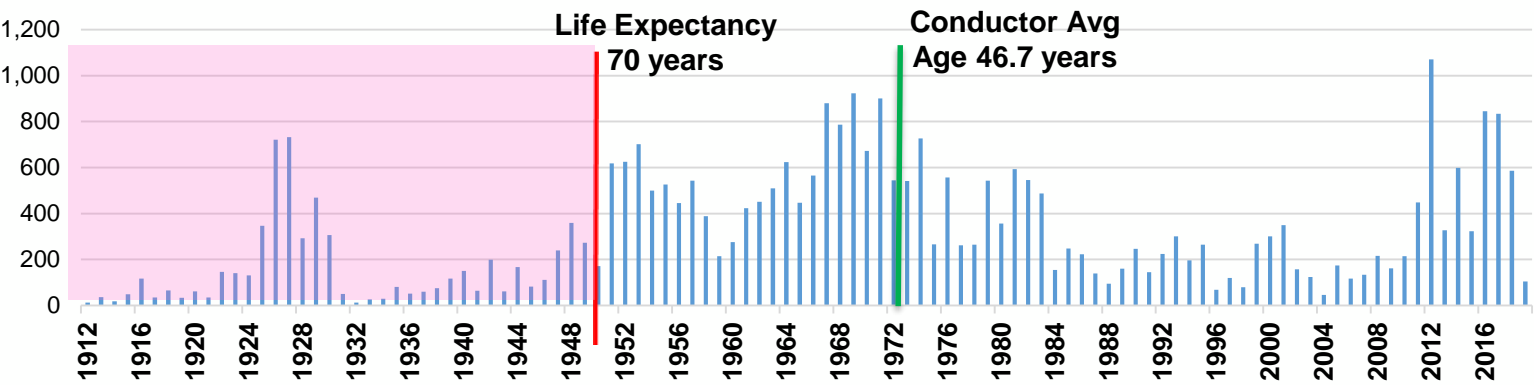


INVESTMENT CATEGORIES

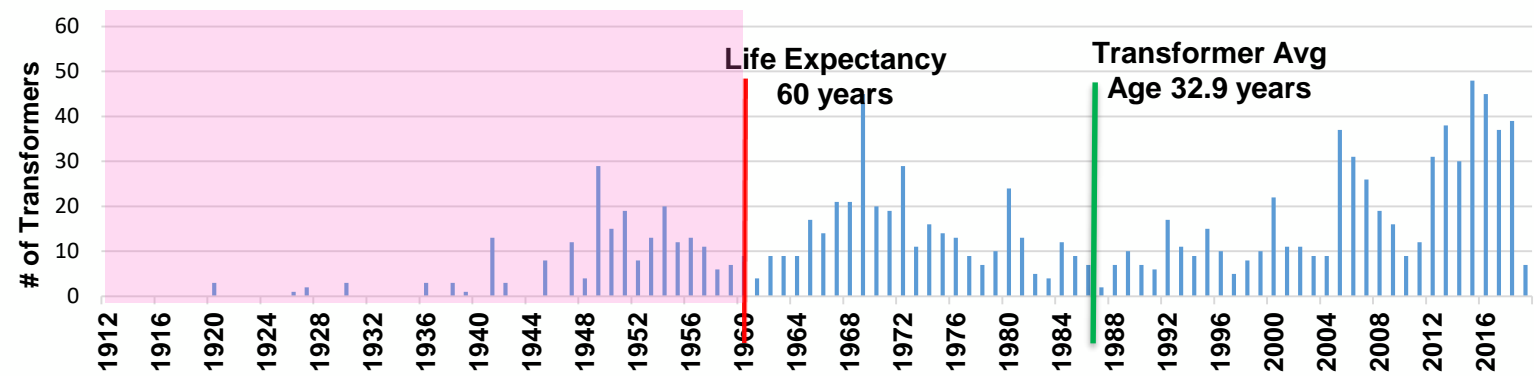
| | ASSET REPLACEMENT | LOCAL RELIABILITY | RTO DRIVEN | CUSTOMER SERVICE | TELECOM |
|---------|---|---|--|--|--|
| DRIVERS | <ul style="list-style-type: none">Replacement and rehabilitation investments based on age and performance to reduce customer outages and interruption times | <ul style="list-style-type: none">Upgrades based on AEP standards to address thermal and voltage violations, and contingency conditions | <ul style="list-style-type: none">Upgrades needed to address RTO standards related to thermal voltage overloads and contingency conditions | <ul style="list-style-type: none">Upgrades to connect new customers and enhanced service requestsFacilitates local economic development | <ul style="list-style-type: none">Upgrades to support equipment monitoring, cyber-security requirements, and efficient grid operations |

AEP's Investments in Asset Renewal Strengthen and Enable the Grid of the Future

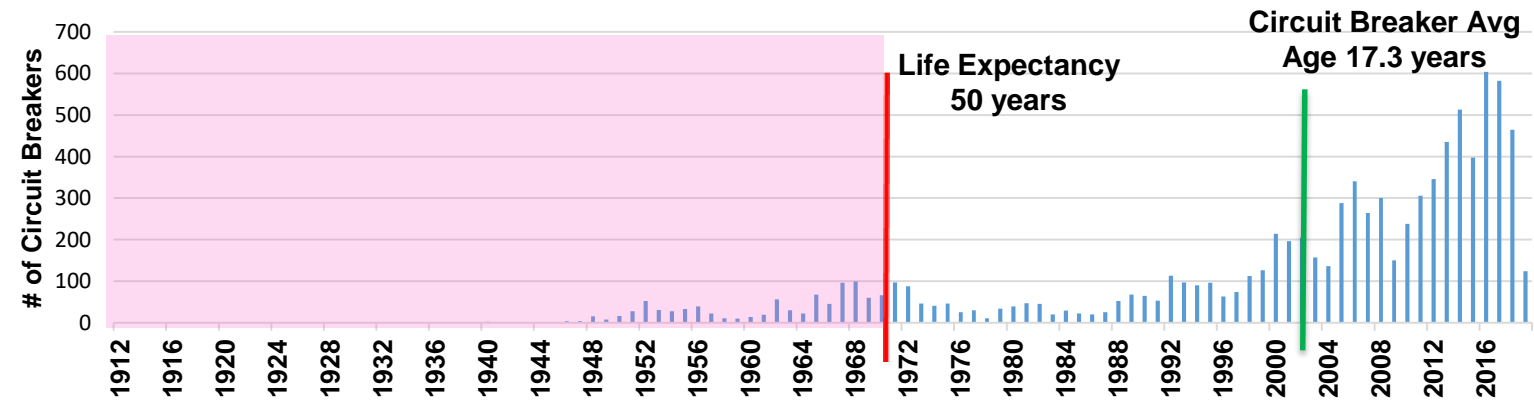
AEP T-Line Age Profile - (Line Mile Age based on oldest conductor age)



AEP Transmission Transformer Age Profile



AEP Circuit Breaker Age Profile



Beyond Life Expectancy Range

- **\$2.2 billion** of annual on-system capital investment is required to replace and enhance all assets beyond life expectancy over the next 10 years.
- Asset renewal projects are prioritized based on performance, condition and risk.

| AEP Transmission Assets | Line Miles | Transformers | Circuit Breakers |
|--|------------|--------------|------------------|
| Life Expectancy (Years) | 70 | 60 | 50 |
| Current Quantity Over Life Expectancy | 5,959 | 209 | 808 |
| Quantity That Will Exceed Life Expectancy in Next 10 Years | 4,732 | 158 | 473 |
| Total Replacement Need Over Next 10 Years | 10,691 | 367 | 1,281 |
| % of AEP System | 31% | 30% | 14% |

| Average Age (years) | Line Miles | Transformers | Circuit Breakers |
|---------------------|------------|--------------|------------------|
| 2016 Year-End | 52.5 | 36.1 | 22.9 |
| 2019 Year-End | 46.7 | 32.9 | 17.3 |

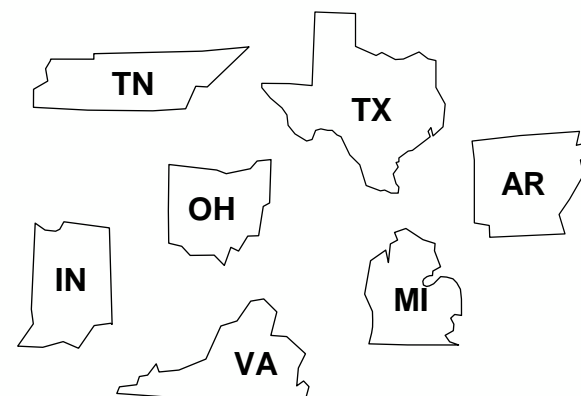
Stable Cost Recovery Framework

Stable and transparent wholesale cost recovery for transmission

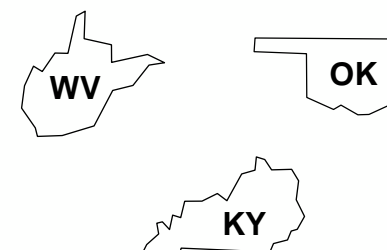
~93% of transmission capital investment is recovered through state tracker/rider mechanisms

| | PJM | SPP | ERCOT |
|-----------------------|------------------------------|----------------------------------|--|
| ROE | 9.85% Base + 0.50% RTO adder | 10.0% Base ROE + 0.50% RTO adder | 9.4% |
| Forward Looking Rates | Yes | Yes | Allowed two updates per year (not forward looking) |
| Equity Structure | Capped at 55% | No Cap | Capped at 42.5% |
| Rate Approval Date | May 2019 | June 2019 | April 2020 |

FULL TRACKER/RIDER (T/R) RECOVERY



PARTIAL (T/R) RECOVERY



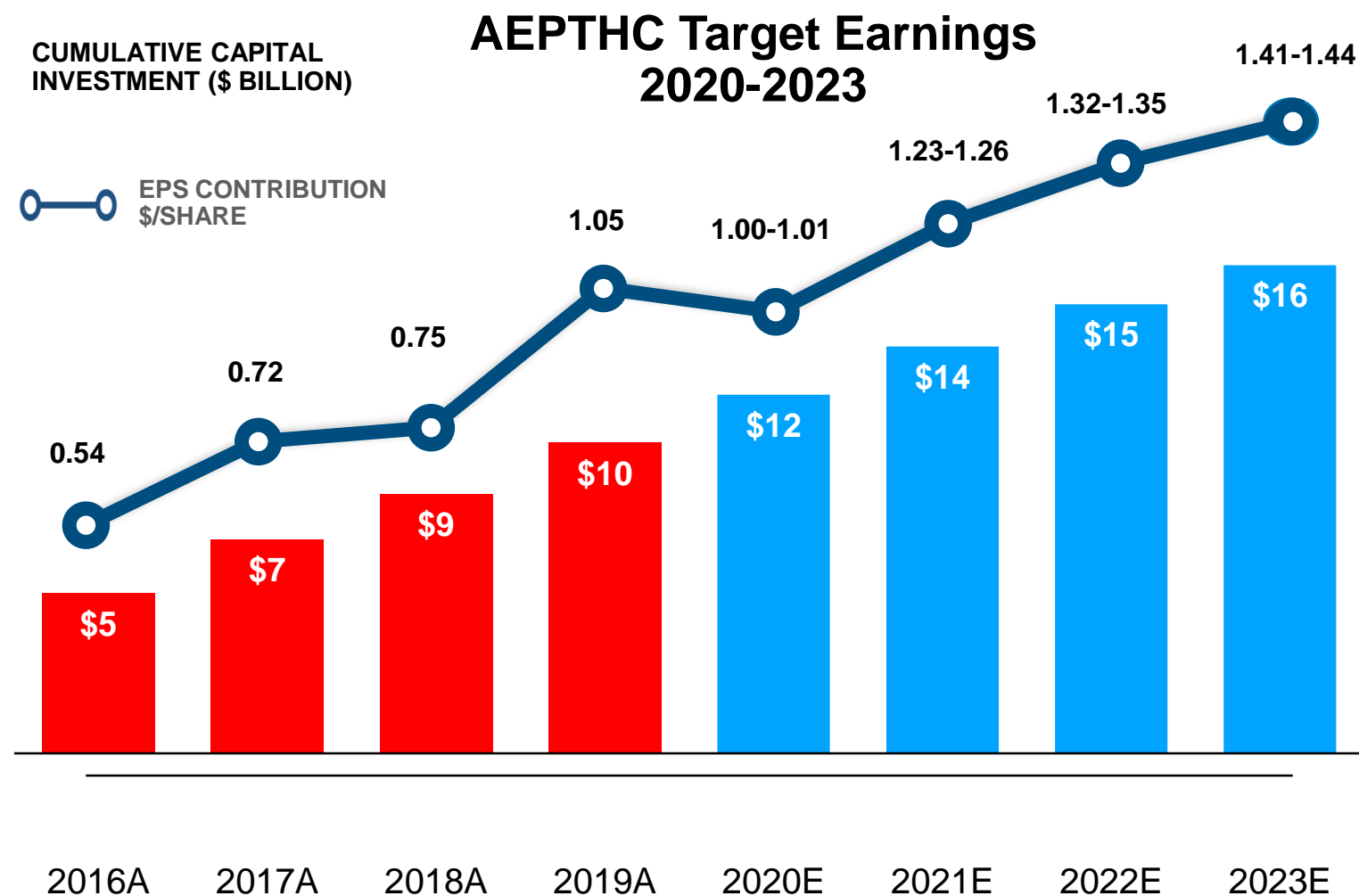
PENDING/FORMULA OR BASE CASE



Note: Arkansas retail formula not currently being utilized

Delivering Significant Customer and Shareholder Value

Shareholder Benefits



AEPTHC's 2016 – 2023 EPS growth projected at a CAGR of 14.8%

Customer Benefits

Reducing customer costs

Enabling efficient economic dispatch of generation in each of our regions

Driving down emissions

Facilitating the fast and reliable interconnection of renewables to the grid to meet customer demand and public policy goals for clean energy

Improving reliability and security

Keeping the economy productive and connected by powering communications networks and electronics with reduced outages and a storm-hardened system

Creating economic benefits

Supporting economic development through construction projects that deliver community benefits including:

- ✓ Jobs
- ✓ State & local taxes
- ✓ Economic stimulus

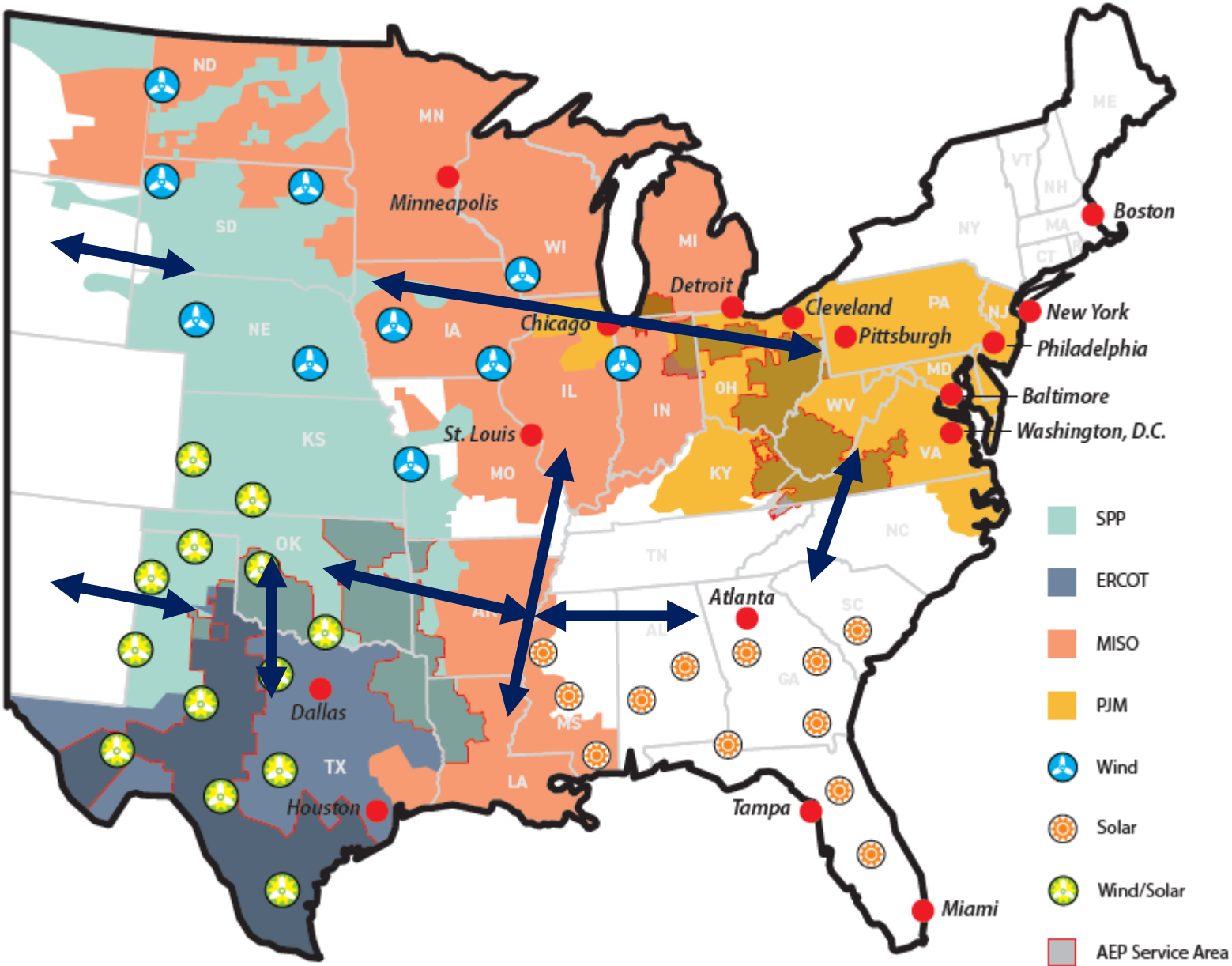
Well Positioned to Capture Potential New Transmission Investment Necessary to Link Clean Resource Rich Areas to Customers

AEP's Competitive Advantage

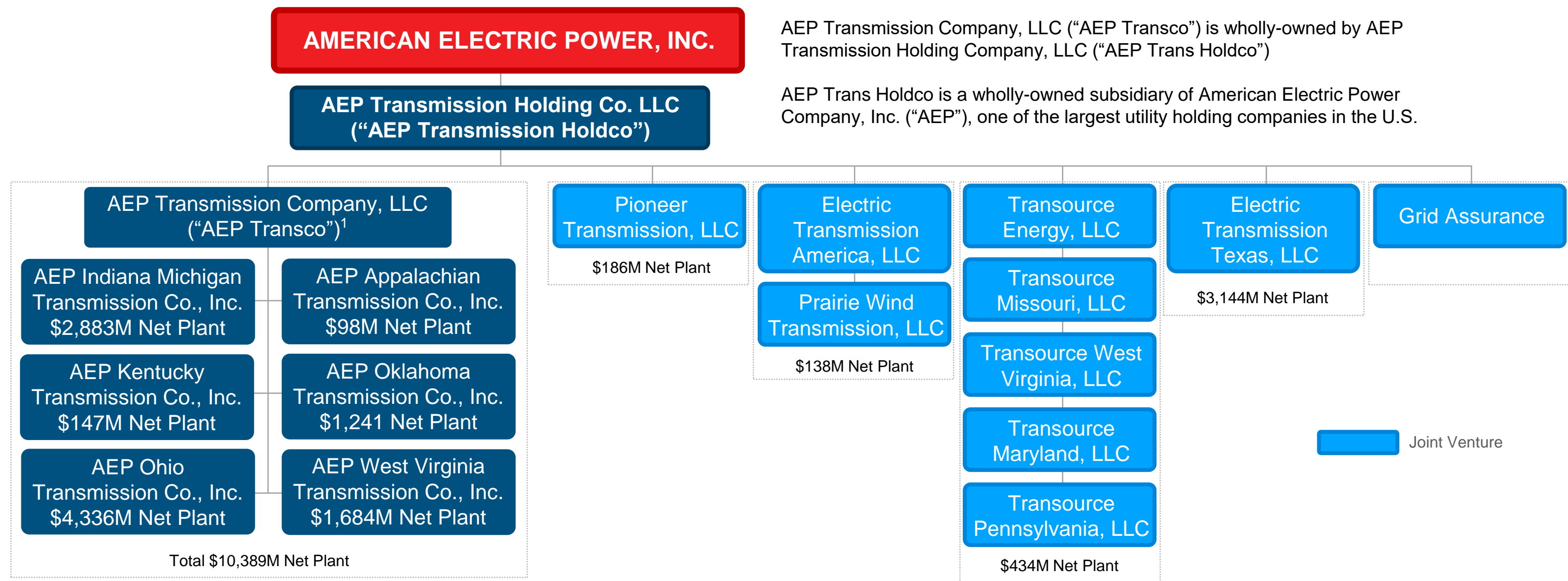
| | |
|---|---|
| Scale and Purchasing Power | ☑ Largest transmission owner in the U.S. |
| Investment Opportunities In Grid Of Future | ☑ Robust asset renewal program with technology upgrades |
| Strategically Located | ☑ Geographically diverse and located on multiple market seams |
| Established Competitive Entity With Proven Track Record | ☑ Transource is active in four RTOs |
| Culture Of Innovation | ☑ Savings to customers and advantage in competitive solutions |

Capturing these new investments provide upside to current investment plan

Increasing flows across regional seams will be critical to a cost-effective and efficient clean energy future



AEP Transmission Holdco Legal Entity Structure



Joint Venture net plant balances are inclusive of non-affiliate share

Net plant totals are as of September 30, 2020, except Pioneer and Prairie Wind, which are as of August 31, 2020

¹ Debt issued at AEP Transco level for transmission companies

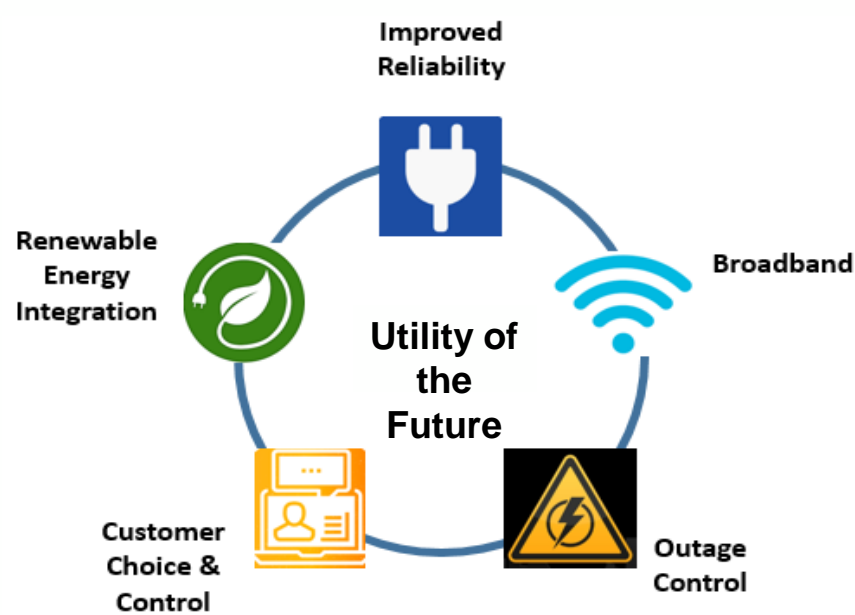
UTILITY TRANSFORMATION

- Expanded Core and Future Investments
- Robust Distribution Capital Expenditure Opportunities



Expanded Core and Future Investments

- INCREASE CORE INVESTMENTS IN SYSTEM RELIABILITY
- FULLY ADVANCE METERING INFRASTRUCTURE (AMI) AND DISTRIBUTION AUTOMATION CIRCUIT RECONFIGURATION (DACR) PENETRATION
- LED STREET LIGHT MODERNIZATION
- PROMOTE AN INTERACTIVE, MODERN AND EFFICIENT GRID
- ADAPT GRID TO INTEGRATE MORE DIVERSE ENERGY SOURCES
- BROADBAND AND BEHIND THE METER TECHNOLOGIES TO ALIGN WITH CHANGING CUSTOMER EXPECTATIONS
- ADVANCE ELECTRIFICATION



Positioning to align future investments with customer preferences

Advancing policies and regulatory mechanisms that support timely recovery and diversification of investments

ASSET RENEWAL

+

GRID MODERNIZATION

+








NEW PRODUCT LINES

=

DISTRIBUTION INVESTMENT OPPORTUNITY

Robust Distribution Capital Expenditure Opportunities

Capital Investments in Distribution Modernization are expected to be \$8 to \$10 billion over the next five years

| | | | |
|---|---|----------|--|
| Distribution Base Investment |  Incremental \$463 million | \$4,207M | Distribution investments for new service, capacity additions, base material and storms |
| Distribution Grid Resiliency |  Incremental \$604 million | \$3,429M | Asset renewal and reliability investments including pole, conductor, cutout, and station transformer and breaker replacements |
| Distribution Automation and Technology |  Incremental \$146 million | \$1,124M | Implementation of automated technology including distribution supervisory control and data acquisition, smart switches and reclosers, volt var optimization and sensors. Investments include telecommunication and system components |
| Advance Metering Infrastructure |  Incremental \$259 million | \$503M | Advanced metering technology for the remaining AEP customers |
| Distribution – Distributed Energy Resources |  Incremental \$53 million | \$63M | AEP owned energy storage and micro-grid projects connected at distribution voltages |
| Rural Broadband |  Incremental \$260 million | \$571M | Investment in fiber assets to provide middle mile broadband to rural communities and for company use |
| Green Technology |  Incremental \$231 million | \$297M | Investments in LED outdoor and streetlights and electric vehicle charging infrastructure, ownership of charging stations if allowed |

AEP is committed to making significant grid modernization investments that create win-win solutions for both our customers and our communities

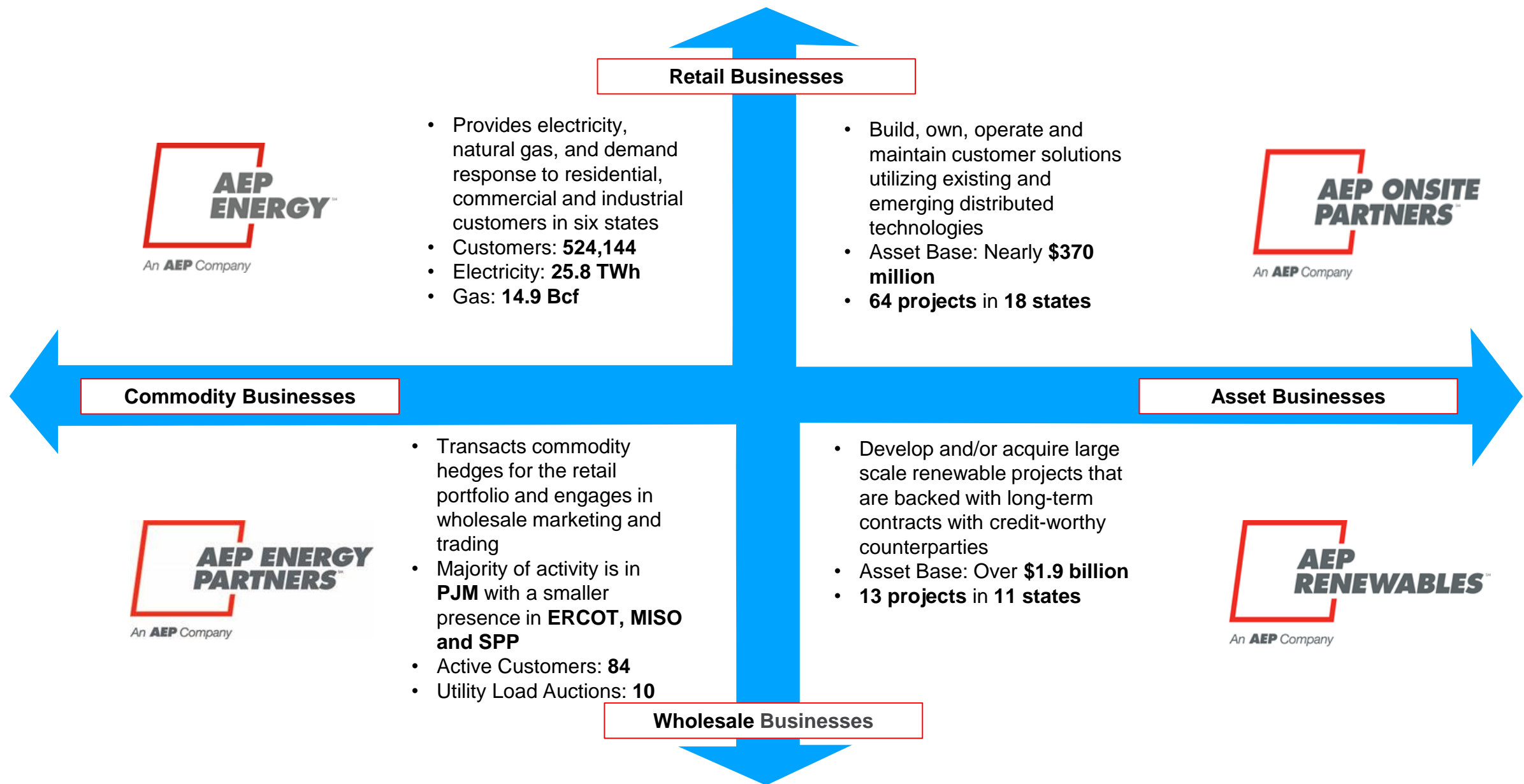
Key:  In budget  Incremental Opportunities

COMPETITIVE BUSINESS

- **Strategy and Operations**
- **Competitive Business Presence**
- **Development Pipeline and Repower Initiatives**

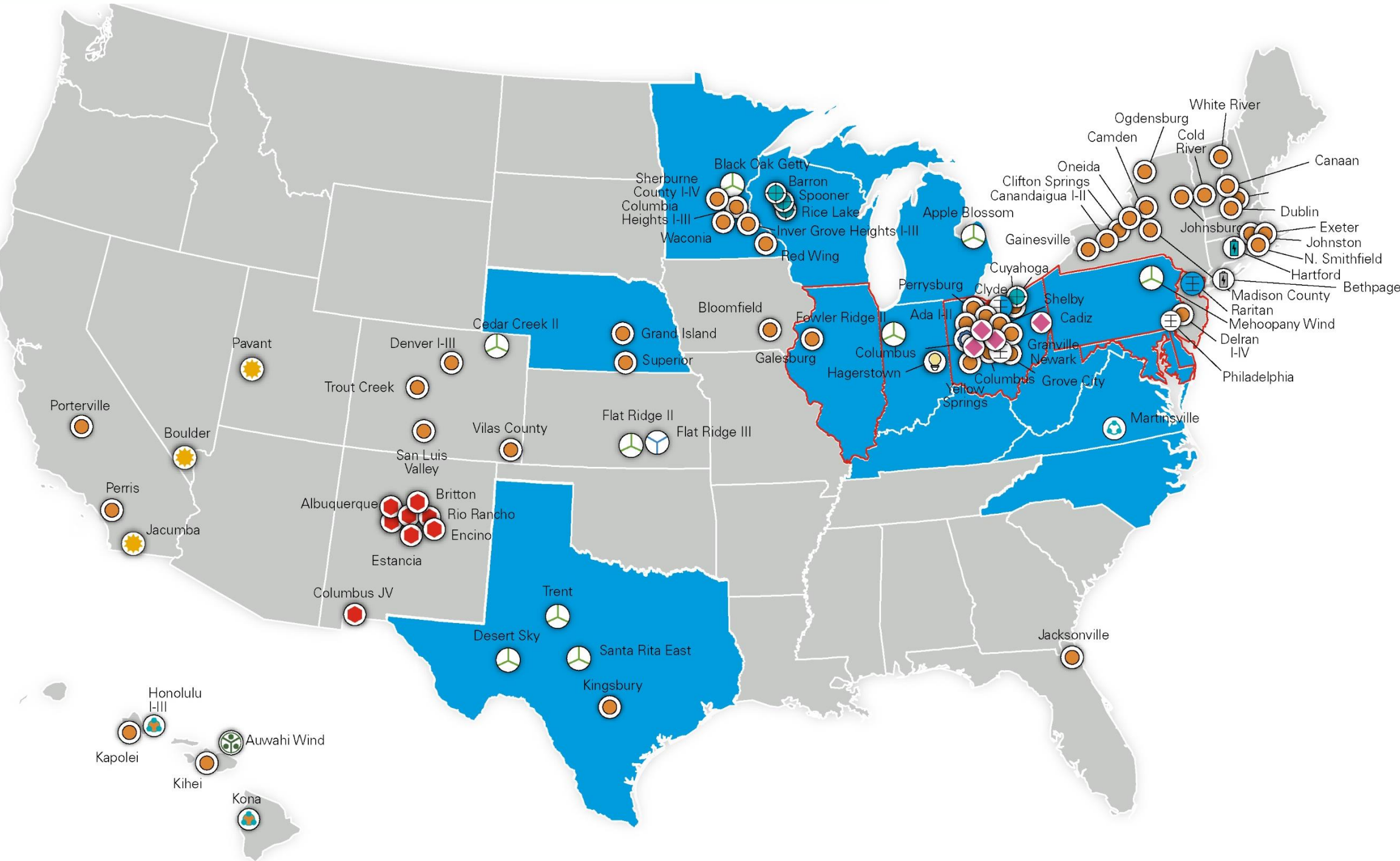
Competitive Business Strategy and Operations

\$2.1B Capital Allocated 2021-2025



Competitive Business Presence

Active in 31 States (7 states overlap with AEP Utilities)



- AEP Renewables**
 - Wind (Active) - 9 Sites | 1,260 MW
 - Wind (Planned) - 1 Site | 128 MW
 - Solar (Active) - 3 Sites | 116 MW
 - Wind/Storage (Active) - 1 Site | 17 MW
- AEP OnSite Partners**
 - Solar (Active) - 50 Sites | 109 MW
 - Solar (Planned) - 4 Sites | 11 MW
 - Fuel Cell (Active) - 1 Site | 1 MW
 - Fuel Cell (Planned) - 1 Site | 2 MW
 - Engine (Planned) - 3 Sites | 14 MW
 - Station (Active) - 4 Sites | 475 MVA
 - Solar (Active) Joint Venture - 8 Sites | 89 MW
 - Solar (Planned) Joint Venture - 0 Sites | 0 MW
 - Engine (Active) - 2 Sites | 6 MW
 - Energy Efficiency - 1 Site | NA
 - Solar/Storage (Active) - 2 Sites | 1 MW
 - Station (Planned) - 1 Site | 600 MVA
 - Battery Energy Storage System (Planned) - 1 Site | 10 MW

- Retail Supply**
 - Service Territory
- Wholesale Energy**
 - Service Territory

As of 10/01/2020

Development Pipeline and Repower Initiatives

DEVELOPMENT PIPELINE

Progress continues in our development portfolio across three geographically dispersed areas.

The 128 MW Flat Ridge 3 wind project in Kansas is under construction and expected to be placed in-service early 2021 using all of our PTC Safe Harbor equipment (qualifying the plant for 100% PTCs). The project has a long-term power agreement with Evergy for the entire energy output.

The other mid- to late-stage opportunities in our development portfolio possess solid project and market fundamentals, and continue to attract strong interest from utilities, municipalities, cooperatives and corporates.

REPOWER INITIATIVE

Similar to Trent and Desert Sky Wind Farms, we are evaluating our other existing projects for repower.

Review includes Fowler Ridge 2, Cedar Creek 2, Flat Ridge 2 and Mehoopany.

If the repowers were to take place, it would most likely be at 60% PTC level.

