

BEGIN CONFIDENTIALITY
Community Benefits Plan

1. Community and Labor Engagement

A. Community Engagement

i. Stakeholder Engagement and Environmental & Social Justice (“ESJ”) Philosophy

American Electric Power Service Corporation, a wholly owned subsidiary of American Electric Power Company, Inc. and its operating subsidiaries (“OpCos”) that cover portions of Arkansas, Indiana, Louisiana, Michigan, Ohio, Oklahoma, Tennessee, Texas, Virginia, and West Virginia (collectively, “AEP” or the “Company”) is dedicated to meaningful engagement with its customers and the communities it serves as part of the Company’s focus on delivering safe, clean, reliable, resilient, and affordable electricity to nearly 5.6 million homes and businesses¹ within the Company’s service territory. AEP plans to demonstrate this commitment to meaningful engagement through its holistic approach to the Grid Resilience and Innovation Partnerships (“GRIP”) grant opportunities, including the AEP Advanced Distribution Management System and Distributed Energy Resource Management System, or ADMS and DERMS project(s) (the “Project”). Meaningful engagement involves listening, learning, and seeking opportunities to partner with stakeholders to ensure fair treatment and equitable decision making. AEP is committed to proactive engagement with customers and communities regardless of race, color, ethnicity, national origin, culture, faith, ability, or income.

This passion for meaningful engagement is central to the Company’s focus on ESJ, which AEP defines as a commitment to consider the environmental and social impacts of its recommendations and decisions, especially impacts to low-wealth communities, communities of color, and other historically disadvantaged communities (“DACs”). AEP introduced a new policy in January 2022 to build upon its long history of stakeholder outreach by formalizing and strengthening its commitment to ESJ. The Company is currently developing a framework to help AEP employees implement the Company’s new ESJ policy and integrate ESJ considerations into their existing practices, processes, and thinking. This framework would include company-wide and business unit-specific ESJ guidance, resources such as mapping

AEP’s Charitable Giving

A key aspect of AEP’s community engagement involves giving back to the communities it serves in meaningful ways. Through the American Electric Power Foundation, AEP provides resources for charitable organizations across AEP’s service territory.

In 2021, the Company dispersed more than \$35 million in charitable giving, focusing on improving lives through early childhood to adult education, specifically in math and science. Donations and local employee volunteerism support nonprofit organizations that address the needs most prevalent in these communities, including affordable housing, food scarcity, environmental protection, healthcare, and safety.

¹ AEP 2022 Form 10-K

tools to help identify DACs, employee education materials and training courses, and ESJ measurement and tracking methods. Ultimately, AEP seeks to advance ESJ, including GRIP projects such as the ADMS and DERMS Project.

ii. Project Area Demographics & Project Benefits

AEP is uniquely situated in that 54% of its customer base, or 3.1 million customers, live in DACs.² AEP used the Climate & Economic Justice Screening Tool issued by the White House Council on Environmental Quality³ to identify DACs within its service territory. AEP's service territory demographics, as outlined in this chart, indicate that about 77% of AEP's customers have an annual income of less than



\$75,000 per year, significantly lower than the average United States household income of over \$102,000 per year.⁴ Additionally, approximately 96% of customers in AEP's service territory live in counties where the median income is below the national average.⁵ Throughout AEP's service territory, the Company offers creative solutions to help its customers manage energy use and pay their bills, including flexible payment arrangements such as Average Monthly Payment plans and payments extensions; payment assistance programs; Neighbor to Neighbor programs; and Lighting Utility Vouchers.

AEP's presence in lower-income communities provides the Company with a unique opportunity to enhance its service to these disadvantaged areas with federal funding for the Project. The \$55,699,525 investment associated with the Project, 54% of which would be in DACs, would provide significant direct benefits to these communities, including (1) increasing grid reliability and resilience; (2) reducing the likelihood and duration of power outages; (3) reducing customer energy burdens through decreased outage costs (4) providing approximately \$35 million in total gross regional product; (5) providing an estimated total tax impact of \$7 million; and (6) offering

² AEP internal analysis based on OPCo Customers by Disadvantaged Area

³ Council on Environmental Quality, Climate & Economic Justice Screening Tool, available at screeningtool.geoplatform.gov/en/#3/33.47/-97.5.

⁴ U.S. Census Bureau, Income in the United States: 2021, p. 16, available at census.gov/content/dam/Census/library/publications/2022/demo/p60-276.pdf (see Table A-2, 2021 Mean household income).

⁵ AEP's 2022 Corporate Sustainability Report – Customer Experience, available at <http://aepsustainability.com/social/customer-experience/>.

potential opportunities to work with small, minority-owned, women-owned, veteran-owned and other diverse suppliers in these disadvantaged areas.⁶

iii. Typical Community Engagement Practices

AEP believes effective community engagement is critical to ensure all stakeholders are aware of, and have the opportunity to provide feedback on, the Company's plans related to existing and future facilities, programs, services, and technologies. This offers impacted communities an opportunity to understand the Company's proposed activities and discuss their concerns so that AEP fully considers the impacts of its decisions and leverages community feedback to shape project outcomes. In many cases, AEP's stakeholder engagement goes beyond what AEP is required to do by the Company's regulators.

The Company uses an established best practices framework that has been successfully implemented for past projects. As part of the Company's standard engagement approach, AEP identifies local, state, and federal stakeholders with whom it would engage, including chambers of commerce, school districts, county and city officials, economic development corporations, fire and police departments, and property owners. The Company has already fostered strong relationships with many of these key stakeholder groups in the communities in which it serves through previous projects and activities.

To reach these key stakeholders, AEP uses a variety of channels that are most suitable for each group, particularly those that are traditionally excluded. AEP engages key stakeholders through electronic media, such as project websites and phone calls, and non-electronic media, such as homeowner mailings and door hangers. Most important, AEP directly engages key stakeholders through one-on-one meetings, particularly with public officials, and in-person or virtual open-house style public meetings so that the public can experience two-way communication with project representatives and learn about the Company's plans and processes. For public events, AEP ensures those events are held at appropriate times, such as evenings, to offer flexibility and account for the varying schedules of community members and at facilities that accommodate community members' physical requirements. AEP's other considerations include providing project-related informational materials for public consumption in physical, high-traffic locations, including places of worship, United States Postal Service ("USPS") offices, town halls, community centers, education centers, libraries, and grocery store bulletin boards.

Dissemination of appropriate project-related materials to key stakeholders is essential for those groups to understand a project's scope and goals so they can provide meaningful feedback. Appropriate project-related information includes the anticipated project construction timeline, fact sheets describing the project's scope and additional details, and frequently asked questions addressing common concerns.

Although this general framework has been successful, the Company recognizes that each community is unique and may require targeted communications and strategies to meet specific community needs and satisfy local requirements. AEP has identified multiple additional strategies to allow traditionally excluded communities an opportunity to learn about a project

⁶ Based on IMPLAN output, economic development industry standard modeling and forecasting tool.

and provide feedback. For example, if AEP determines there is a high percentage of non-native English speakers in project communities, the Company provides translators at public meetings and documentation in the appropriate language.

iv. Project-Specific Community Engagement Activities

AEP plans to leverage its best practices framework and existing engagement programs to ensure effective public outreach and stakeholder engagement throughout the Project, from the project planning process to project execution and operation. AEP has not yet entered into community benefits agreements with respect to the Project. As applicable, AEP would consider negotiations of community benefits agreements with key community stakeholders to formalize AEP's commitment to community engagement. Below is an example of the demographic analysis and outreach strategies AEP developed for a project in Russell County, Virginia.

Russell County: Social Characterization Assessment

According to the United States Department of Energy ("DOE"), Russell County ranks in the 99th national percentile for persons with disabilities, 98th national percentile for no internet access, and 97th national percentile for transportation costs. Within this DAC, the annual median household income of \$41,100 is significantly below the national average and over 18% of the population lives below the federal poverty line. As one of the largest employers in the County, AEP is well positioned to improve the standard of living within Russell County with Project investments.

Russell County: Key Stakeholder Groups

The project team identified an extensive list of potential local, state, and federal stakeholders. County- and municipal-specific key stakeholders include County Administrator Lonzo Lester, the Russell County Board of Supervisors, the Russell County Department of Emergency Management, the Russell County Chamber of Commerce, the Russell County Industrial Development Authority, Cleveland Mayor Jennifer Carter Chumbley, the Cleveland Town Council, the Cleveland Volunteer Fire Department, Lebanon Mayor Nelson "Tony" Dodi, the Lebanon Town Council, and the Lebanon Fire and Police Departments. State and federal key stakeholders include the regions public officials, including Virginia House Delegate William Wampler, Virginia State Senator Travis Hackworth, U.S. Representative Morgan Griffith, U.S. Senator Tim Kaine, and U.S. Senator Mark Warner. These public officials recognize the importance of federal funding in transforming these communities. In addition, the project team will likely also include all landowners within a one-mile radius of each Project site.

Russell County: Stakeholder Outreach Practices & Timeline

To reach as many stakeholders as possible, the project team will utilize a variety of communications channels, including engaging the local media outlet The Lebanon News, ensuring public dissemination of news and advertising related to the Project; maintaining a publicly accessible website to publish pertinent information; holding several "open-house" style public meetings throughout the Project phases where members of the public can engage with Project representatives and learn about the Company's plans and processes; and making available to the public informational materials regarding Project scope and additional details at high-traffic locations. These high-traffic locations include the Carbo Community Church; the

Cleveland and Lebanon U.S. Postal Service offices; the Cleveland Town Hall, Community Center, and Head Start Center; the Russell County Library; and at least two Food City locations.

AEP proposed the following timeline of outreach and engagement activities concurrently with regulatory and project activities:

Within three months of award announcement:

- Develop informational materials and grant award announcement to support facility construction.
- Hold individual and small-group meetings with public officials, community leaders, and other stakeholders who represent local agencies and nonprofit, civic, or other community-oriented groups.

Within approximately three months after award announcement:

- Publish advertisements for “open-house” public meeting.
- Hold “open-house” style meeting to share information and collect additional public feedback.
- Consider negotiations of community benefits agreements, as/if applicable, with the intention of formalizing AEP’s commitment to community engagement.
- Submit application to State Corporation Commission. Mail to stakeholders, and provide in high-traffic public locations, a letter with project status.
- Hold a public job fair for local recruitment of positions associated with construction of the Project.

Within approximately twelve months after award announcement:

- Announce start of construction through news advisories, webpage posts, and direct mailings to stakeholders.

AEP designated project team would be responsible for implementing these community engagement goals and activities. Work would be delegated to the appropriate teams and resources, including human resources, external relations, and operations sub-organizations.

B. Labor Relations

i. Partnerships with Labor Unions

AEP abides by the National Labor Relations Act, fully recognizing its employees’ rights to join an organization of their choosing and the importance of complying with collective bargaining agreements (“CBAs”) from properly certified labor unions. As outlined in the chart, nearly 25% of

AEP companies' systemwide workforce (excluding AEP Texas) is represented by five labor unions comprising 3,846 AEP union employees⁷.

AEP values the relationships with its union-represented employees and believes these relationships promote trusting, collaborative, and respectful partnerships. AEP continuously works to strengthen these relationships to ensure its culture attracts and supports employees who can adapt to the rapid changes occurring in the Company and industry. AEP's partnerships with labor unions are critical to meeting the growing expectations of the Company's customers and adapting to the challenges of rapidly changing technologies.

AEP has negotiated CBAs for its represented employees and supports contractors' use of represented workers. These CBAs include specific terms related to work hours, total compensation, safety policies, training opportunities, non-discrimination policies, and grievance procedures. In February 2023, the National Maintenance Agreements Policy Committee ("NMAPC") certified that AEP is in good standing with the NMAPC and the National Maintenance Agreements to which AEP is a signatory.

AEP's relationships with labor unions often goes beyond the confines of a contract to support infrastructure development projects and the talent pipeline and skills needed. AEP continues to be a leader in organizing the annual National Labor and Management Public Affairs Committee meeting. This collaborative effort of labor and management is designed to bring together energy company executives and leaders from the International Brotherhood of Electrical Workers ("IBEW") to advance the common objectives of the electric power industry and IBEW members.

ii. Project-Specific Labor-Related Activities

AEP's project team anticipates leveraging these established relationships and CBAs with labor unions to implement the Project.

Investing in the American Workforce

A. Job Quality

AEP recognizes that the Company's performance and project success is directly correlated to the well-being of its employees. To that end, AEP is committed to supporting its employees in a variety of areas, including ensuring they have a safe and productive work environment; have the opportunity to achieve financial security; have resources to feel supported, heard, and engaged; have access to physical and mental healthcare; have social support through networking opportunities; and feel included and connected to the mission and values of the Company.

Organized Labor at AEP - 2022	
Labor Unions	Employees
International Brotherhood of Electrical Workers	3,091
Utility Workers Union of America	448
United Steelworkers of America	220
United Mine Workers of America	85
International Union of Operating Engineers	2
Total	3,846
As of 12/31/2022	

⁷ AEP internal labor union participation analysis.

AEP ensures employees are compensated equitably and competitively relative to the applicable industry and labor market pursuant to the terms of applicable CBAs, including all wage scales and overtime practices for all employees. Commitment to complying with applicable laws related to minimum wage, wage payment, work hours, overtime, and benefits, as well as preventing the misclassification of workers, is essential to ensure employees are compensated fairly. AEP establishes work shifts and schedules as appropriate to meet business needs and to comply with applicable laws and CBAs.

To gauge employee satisfaction and the Company's opportunities for improvement, AEP employees annually share their perspectives by participating in the Employee Culture Survey, administered by Gallup, Inc. ("Gallup"), which measures the progress the Company is making in improving its culture, including employee well-being and inclusiveness. In 2022, 86% of Company employees participated in the survey, and AEP continued to improve its grand mean score to remain in the top decile compared with Gallup's overall company database. Additionally, in 2022, AEP received the Gallup Exceptional Workplace Award for the third consecutive year, which recognizes organizations with engaged workplace cultures⁸.

B. Workforce Continuity

i. Employee Safety and Security

AEP's Zero Harm philosophy is at the center of everything the Company does to protect its employees, business partners, and communities. AEP places a strong emphasis on workplace safety through the implementation of policies, procedures, training, and governance structures for its employees and contractors. The Company has dedicated committees tasked with raising health and safety concerns in connection with the delivery of deployment projects by committing to strong labor standards and ensuring protections for the workforce. AEP tracks and reports safety performance in compliance with the Occupational Safety and Health Administration ("OSHA"). In addition, the Company supports a learning-centric safety culture through proactive initiatives, information sharing, and data analysis to identify and address gaps in performance.

The Company's safety and health procedures are designed to create a culture of shared commitment to a safe, healthy, and productive workplace; integrate safety and health into the Company's operations; engage employees at all levels; and create accountability for each individual performing the work. AEP not only expects, but requires, that employees and contractors be an active part in the development and implementation of all safety plans and procedures. AEP actively encourages employees to speak up, ask questions, and stop a job if they feel unsafe or are unsure of how to perform an assigned task. As an example of AEP's safety and health initiatives, the Company started in 2020 the Serious Injuries and Fatalities ("SIF") program, working with electric utility peers and the Edison Electric Institute to design the program. Through the program, employees learn how to identify and mitigate high-energy hazards with the goal of reducing SIFs and achieving Zero Harm.

⁸ Gallup, Announcing the 2022 Gallup Exceptional Workplace Award Winners, available at gallup.com/workplace/391211/announcing-2022-gallup-exceptional-workplace-award-winners.aspx

ii. Employee Training and Continuing Education

AEP invests in the upskilling of their employees by providing internal continuing education opportunities, sponsoring recertification, and offering tuition reimbursement for testing, bootcamps, and recertifications. Instructors are experienced professionals holding industry-recognized certifications and are authorized to teach courses, such as OSHA 10, OSHA 30, Crane Certification, and Scaffolding. Continuing education is required for trainers to maintain their credentials and develop competencies. In 2022, AEP employees completed more than 950,000 hours of training in programs for which the Company tracks participation.⁹ In addition, AEP introduced a comprehensive platform that provides more than 8,000 learning courses to support employee development.¹⁰ AEP also has invested over \$3 million in employee education, supporting over 1,000 employees through its tuition reimbursement program.¹¹ AEP's educational assistance program additionally gives employees access to university discounts to encourage them to continue their education.

To train the next generation of workers, AEP maintains United States Department of Labor-registered apprenticeship programs. AEP has two registered apprenticeship programs for the Journeyman line worker (Line Mechanic A, Journeyman Lineman) for transmission and distribution collectively. Annually, over 800 craft apprentices complete their training toward becoming qualified Journeyman Line Workers. Apprentices and journeymen are required to obtain 8,000 hours of on-the-job learning and training.¹² AEP maintains 10 training facilities specifically designed to allow teaching of the craft in a safe and controlled environment.

AEP also partners with community colleges, universities, and vocational and technical schools across AEP's 10-state service territory to provide co-op and internship programs for high school and college students, supporting the development of a well-qualified talent pipeline. AEP works with these institutions to develop academic programs that prepare students for new jobs and career opportunities in the energy industry.

iii. In addition, AEP partners with federal, state, and local organizations focused on building a stronger talent pipeline. For example, the Company is currently participating in a federal work-study program with the Ohio Department of Education and Columbus State Community College. Students hired through the program would have completed at least two semesters of information technology ("IT") coursework and received "Career READY" status from the college, which includes an approved résumé and mock interview experience.¹³ AEP's participation in this experimental site program would provide the

⁹ AEP 2022 Form 10-K.

¹⁰ AEP's learning platform.

¹¹ AEP 2022 Form 10-K.

¹² DOL Standards of Apprenticeship for the Distribution Line Apprenticeship Program

¹³ AEP 2021 Corporate Accountability Report, p.69, available at aepsustainability.com/performance/report/docs/2021AEPsustainabilityReport.pdf.

Company with access to a larger IT talent pipeline when these students complete their education. Project-Specific Workforce Continuity Activities

Project-specific workforce continuity activities would be informed by feedback from relevant stakeholders. AEP intends to leverage its robust safety and health procedures to ensure employee and contractor safety throughout the Project and, if necessary, develop new trainings.

3. Diversity, Equity, Inclusion, and Accessibility (“DEIA”)

A. Advancing DEIA

i. Employee-Centric Culture

AEP is committed to cultivating a diverse, equitable, and inclusive environment that supports the development and advancement of all. The Company fosters an inclusive workplace that encourages diversity of thought, culture, and background. AEP believes its workforce should generally reflect the diversity of its customers and the communities it serves so that it better understands how to tailor its services to meet their needs and expectations.

AEP has taken actions to denounce all forms of racism in the wake of the racial and social unrest across the country in recent years. The Company’s actions to accelerate its diversity and inclusion strategy include facilitating "Community Conversations" for employees to discuss how race and equity issues impact the individual and the workplace, along with providing tools to take action; providing "Mitigating Bias in Candidate Selection" training for all supervisors with a direct report and employees involved in the interview process; providing dedicated faith or meditation rooms; developing and maintaining affirmative action plans for all AEP sites with more than 50 employees; and conducting pay equity studies to identify and address pay variances for female and minority employees.¹⁴ AEP is also a signatory of the CEO Action for Diversity and Inclusion pledge, Paradigm for Parity, and several other local and industry DEIA initiatives to demonstrate the Company's commitment to advancing diversity and inclusion within the workplace.¹⁵

Additionally, AEP’s Delivering on the Dream: Social and Racial Justice grant program, launched in 2021, plays a pivotal role in addressing systemic racism by directing funds to support non-profits that are focused on outcomes that enhance social and racial justice. The program provides an initial investment of \$5 million over five years to these organizations.¹⁶ The Company also encourages employees to make personal commitments as allies and advocates and supports events that create greater collaboration within communities for equity and racial justice.

AEP’s principal method to create a trusting and inclusive work environment is to empower employees to form and participate in Employee Resource Groups (“ERGs”). AEP’s eight ERGs include Abled and Differently-Abled Partnering Together, the Black ERG, the Asian-American ERG,

¹⁴ AEP 2022 Form 10-K.

¹⁵ See, e.g., CEO Action for Diversity and Inclusion, available at ceoaction.com/ceos/, and Paradigm for Parity, available at paradigm4parity.org/about/member-companies/

¹⁶ Additional information regarding AEP’s Delivering on the Dream grant program is available at aep.com/community/social-and-racial-justice.

the Hispanic Origin Latin American ERG, the Military Veteran ERG, the Native American ERG, the Pride Partnership, and the Women at Work ERG. The Company's ERGs reflect the diverse makeup of its workforce and enable it to gain valuable insight into the diverse communities it serves. These ERGs' strategic priorities focus on recruiting and retaining diverse employees, identifying community volunteerism opportunities, and building cultural competencies.

AEP has been recognized and awarded for its commitment to DEIA, including being listed on Bloomberg's Gender-Equality Index for four years, being a two-time winner of Women on Board's Commitment to Board Diversity Award, and being listed in Forbes Magazine's Best Employers for Diversity and Best Employers for New Grads, among many others.¹⁷

ii. Diversified Supply Chain

Diversifying the Company's suppliers is a strategic focus at AEP. Small and diverse suppliers enable innovation, increase competition, and enhance local communities and economies. The Company's goal is to develop a pool of diverse, strategic suppliers and business partners that generally reflect the customers it serves.

AEP's Supplier Diversity Program focuses on maximizing opportunities for diverse businesses, which include those owned by women; racial minorities, including Hispanic, African American, Asian American, Indian (subcontinent), and Native American persons; LGBTQ+ persons; veterans and service-disabled veterans; as well as HUBZone and disadvantaged businesses. AEP has a supplier diversity goal to achieve about 15% of its total managed spend with diverse suppliers, which includes Tier 1 (prime) and Tier 2 (subcontractors) suppliers, by the end of 2025.¹⁸ This goal is in alignment with AEP's companywide DEIA goals and is tied to leadership incentive compensation.

AEP Procurement Policy states that the acquisition of goods and services with an estimated value above the minimum competitive bidding threshold shall solicit a qualified diverse supplier. All bid events for which a diverse supplier does not exist are documented. For the acquisition of goods and services below the minimum competitive bidding threshold, the inclusion of a diverse supplier is strongly encouraged as a good business practice.

iii. Project-Specific DEIA Activities

AEP's approach to workforce development activities for the Project would be driven, in part, by feedback received through key stakeholders, as well as leveraging established business practices, particularly regarding sourcing goods and services from small and diverse suppliers. In 2022, AEP spent \$8.5 billion total on goods and services. Of that amount, 47.5% was spent on locally based suppliers, \$1.3 billion on small businesses, and \$887 million on goods and services from diverse suppliers. Based on AEP's total 2022 supplier spend profile, the Project could award as much as \$7.8 million to small suppliers and \$5.8 million to minority-owned, women-owned, and veteran-owned suppliers.

¹⁷ Additional examples of AEP's DEIA awards are available at aep.com/about/ourstory/awards.

¹⁸ Additional information on AEP's Supplier Diversity commitment is available at aep.com/b2b/suppliers.

AEP's Supplier Spend Profile - 2022



4. Justice40 Initiative

The Company recognizes and supports the Justice40 initiative, which requires that 40% of overall program benefits of federal funding flow to DACs. The Project would support the Company's grid resilience enhancement efforts in Arkansas, Indiana, Louisiana, Michigan, Ohio, Oklahoma, Tennessee, Texas, Virginia, and West Virginia.¹⁹ About 14 million residents, approximately 54% of whom are in DACs,²⁰ would be impacted positively by the Project.

This Project represents a significant investment by AEP into these communities and addresses the Justice40 initiative's policy objectives to benefit DACs. AEP is developing a coordinated approach to tracking, measuring and identifying key milestones for each benefit listed below, from the onset of the project and following project completion. About 54% of the benefits listed below are expected to be attributed to DACs.

(1) A decrease in energy burdens: The Project is expected to reduce energy-related burdens for customers in DACs by reducing expenses such as customer interruption costs, which are the financial values incurred by an electricity consumer as a result of power supply interruption to the customer's daily activities.²¹ The Project would help to increase electric service reliability and grid resilience for customers, thereby reducing the likelihood and duration of power outages, and ultimately increasing customer affordability and energy security.

Investing in updated grid infrastructure and technology not only reduces power interruption costs for customers, but also mitigates other related customer burdens. A 2015 Ernest Orlando Lawrence Berkeley National Laboratory Report²² funded by the DOE found that momentary outages, or outages lasting less than five minutes, disproportionately impacted commercial and industrial ("C&I") customers, such as healthcare, manufacturing, and retail outlets. If C&I customers do not have the business continuity equipment necessary to reduce or negate the effects, a momentary outage can lead to loss of production and related loss of products such as food and medication. These product losses can place a burden on customers, especially customers in DACs, who rely on the availability of these daily necessities.

¹⁹ See Project Performance Site Locations for a full list of Project locations, including in DACs

²⁰ AEP internal customer count with estimated household size from 2021 Census Data [Census Bureau Data](#)

²¹ IGI Global, What is Customer Interruption Cost, available at [igi-global.com/dictionary/customer-interruption-cost/76565#:~:text=1.,interruption%20to%20its%20daily%20activities.](#)

²² Ernest Orlando Lawrence Berkeley National Laboratory, Updated Value of Service Reliability Estimates for Electric Utility Customers in the United States (January 2015), available at [eta-publications.lbl.gov/sites/default/files/lbnl-6941e.pdf.](#)

(3) An increase in the clean energy jobs, job pipeline, and job training for individuals: The Project is expected to drive grid resiliency and reliability through further visualization and management of Distributed Energy Resources (“DERs”). Specifically, DERMS would provide AEP with the necessary tools to safely interconnect DERs at a larger scale more aggressively. Large scale deployment of these resources could create thousands of jobs and enable these political subdivisions to leverage clean energy for LMI households and communities of color. Clean DERs already provide Texans with approximately 205,000 jobs.²³ Completion of the Project could help eliminate the bottleneck in the system that is currently limiting DERs and has the potential to indirectly create thousands of jobs across AEP’s service territory for years to come. As mentioned earlier, Project-specific workforce continuity activities related to areas such as safety and security, job training, and continuing education will be informed by feedback from relevant stakeholders. AEP intends to leverage its robust safety and health procedures to ensure employee and contractor safety throughout the Project and, if necessary, develop new trainings.

(4) An increase in clean energy enterprise creation and contracting: AEP’s approach for the Project would be driven, in part, by feedback received through key stakeholders, as well as leveraging established business practices, particularly regarding sourcing goods and services from small and diverse suppliers. Based on AEP’s total 2022 supplier spend profile, the project team could award as much as \$7.8 million to small suppliers and \$5.8 million to minority-owned, women-owned, and veteran-owned suppliers.

(5) An increase in energy democracy: The Project’s successful completion could be a driver for an increase in DERs. Community solar, a DER that enables many customers to use solar energy generated at an off-site location, has shown to be a great option for DACs. LMI households typically are less likely to participate in DERs due to the lack of access to capital, lower credit scores, and lower rates of homeownership.²⁴ Community solar can be designed to offer low-cost electricity subscriptions while circumventing traditional barriers for LMI households and can help eliminate existing energy inequalities.²⁵

(8) An increase in energy resiliency: The Project is expected to yield reliability and resiliency benefits for DACs. When complete, the Project could improve the System Average Interruption Duration Index (“SAIDI”) by approximately 5%.²⁶

In addition, AEP is also currently evaluating the potential impact of the Project on a decrease in environmental exposure and burdens; an increase in access to low-cost capital; and increased parity in clean energy technology access and adoption, which may not be applicable due to the nature of the Project.

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²³ Id.

²⁴ Id.

²⁵ Id.

²⁶ AEP ADMS Business Case Model