

AEP JUST TRANSITION PRINCIPLES

The nation's energy transition has practical challenges affecting people, communities and society at large. These challenges are particularly apparent in communities and regions dependent upon the fossil fuel industry for jobs, a tax base that supports public services such as education and safety, corporate philanthropic support and volunteerism.

AEP recognizes these challenges and is committed to building upon our long history of caring for our employees and communities in areas where we may need to retire a plant in the future.

We seek inclusive and collaborative partnerships to facilitate a Just Transition to help ensure these communities and our employees are not left behind after a plant ceases operation. We want to empower our communities to create and own their future while equipping our employees with the skills needed to find new career opportunities.

To AEP, Just Transition matters because we care about our communities and want them to remain strong and vibrant long after a plant retires. Our focus on a Just Transition reflects AEP's culture, focused on doing the right thing every time for our customers and communities, each other and the future.

OUR CUSTOMERS & COMMUNITIES

We strive to provide our customers and communities with safe, reliable and affordable power throughout our energy transition.

As we transition from fossil-fuel generation to lower- and non-emitting resources, we must do so in a responsible manner that balances safety and reliability with affordability for our customers. Several factors are driving our transition, such as diversifying our electric generation fleet to minimize costs and risks to customers; conducting scenario planning to understand future risks and opportunities and sharing this information with our regulators, policymakers and key stakeholders; supporting and engaging with our communities; and other factors. Our goal is to work collaboratively with our communities, employees, regulators, elected officials, investors and other stakeholders to enable a safe, reliable, secure and cost-effective transition.

We acknowledge the impacts of generation plant retirements on a community.

The nation's energy transition has trade-offs, including the loss of jobs from plant retirements and the loss of tax payments that support public services such as education



and public safety. In 2024, we conducted an economic impact analysis of coal plants. On average, a typical coal-fueled AEP plant generates \$159 million in regional economic activity, generates \$56 million in labor income and supports a network of more than 630 regional jobs annually. Each direct job at a plant supports an additional two to three jobs in the region, including supply chain jobs and restaurant, retail and leisure jobs. Beyond these economic impacts, plants typically support communities through philanthropy. Plant workers and their families may also volunteer in the community and serve with local faith and civic groups. Our goal is to recognize the ripple effects of plant retirements and work with communities as they navigate the impact of a closure.

We believe proactive, transparent engagement is vital to empower communities to create and own their future.

AEP believes in proactive collaboration with communities where we plan to retire a plant. This could involve helping to create a community transition task force that works together to gather data, identify priorities and conduct community outreach. The goal is for the community task

force to outline a vision and plan that it can carry forward. We believe in having these conversations facilitated by an independent, third-party organization so that we can participate in the discussion while not leading or dictating the community's future plans. We want to help empower the community to create and own its future.

EACH OTHER

We will treat our workforce respectfully throughout our transition.

We appreciate and value our employees for their contributions, diligence and expertise. When we make the difficult decision to retire a plant, we acknowledge the impacts this will pose to our workforce and, in many cases, their families. Our goal is to provide notice of the plant's closure to employees as far in advance as is feasible. We also commit to treat employees with respect as we help them navigate the transition. This includes continuing to prioritize employees' safety and well-being leading up to the plant's retirement. AEP offers an Employee Assistance Program with resources in areas such as stress management and emotional health.

We believe proactive partnership with employees can position them for future success.

We believe in partnering proactively with employees to provide reasonable and practical career development



support. This may include facilitating job fairs, and sharing news with employees about internal job openings and potential career opportunities elsewhere in AEP. We offer an Educational Assistance Program to financially support employees' professional learning and career development. We also provide opportunities for workers to develop new skillsets through internal training and work experiences related to different roles. Our goal is to facilitate proactive collaboration with our employees to help position them for growth and success in the next phase of their lives.

THE FUTURE

We believe a Just Transition requires responsible decommissioning and planning for the site's future.

As we retire plants, we commit to responsible decommissioning activities. Our goal is to plan early to ensure the safe management and disposal of any remaining waste, and to focus on other environmental remediation efforts as needed. We also will participate in discussions with the community as appropriate regarding possible plans for the site's future. These efforts might involve replacement generation at the plant site or redevelopment for other beneficial use.

We commit to continuously improve our Just Transition processes and to share updates on our journey with key stakeholders.

We are dedicated to refining and evolving our approach following each Just Transition process. Our commitment



to continuous improvement allows us to leverage best practices and apply lessons learned in the future. We also plan to continue discussing updates on our journey through AEPCommunityTransition.com, industry conversations and other forums. Our goal is to encourage the ongoing consideration of the socio-economic impacts of plant retirements on communities.