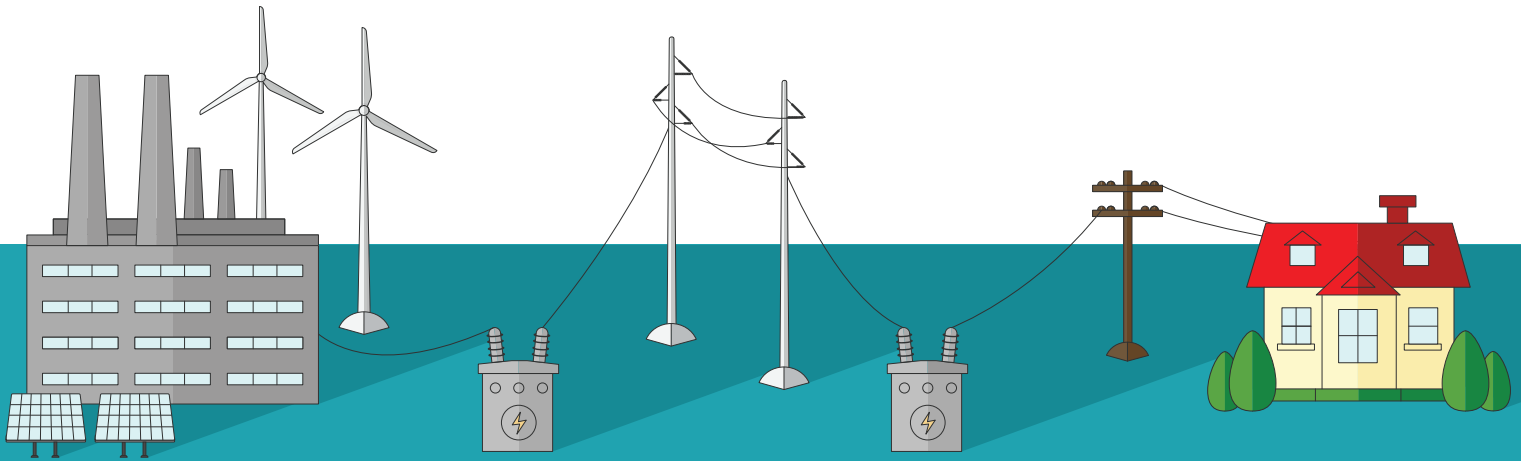


ELECTRIC TRANSMISSION INVESTMENT TO BENEFIT CUSTOMERS



AEP TEXAS' PLANNED POWER GRID INVESTMENTS FROM 2020-2022 ARE PROJECTED TO PROVIDE THE FOLLOWING BENEFITS TO OUR CUSTOMERS AND COMMUNITIES:

BENEFITS & VALUE



Safety

→ **Safety** for our customers, employees and the public is our top priority

- Replacing old equipment and employing new equipment with new safety features help keep everyone safe.

Public Security

Regulatory Compliance



Reliability & Resilience

← A grid with **reliability and resilience** reduces customer outages

- Stronger, steel poles can better withstand extreme weather.
- New technologies help crews identify and respond to problems more quickly.
- New equipment provides greater protection from cyber and physical threats.

Reduce Consumer Impacts

System Security



Environment & Efficient Regional Markets

→ Transmission projects help make **efficient regional markets** through reduced congestion on the grid and help move electricity more efficiently. Connecting renewables also benefits the **environment** and reduces carbon.

Clean Energy

Connecting Markets



Economic

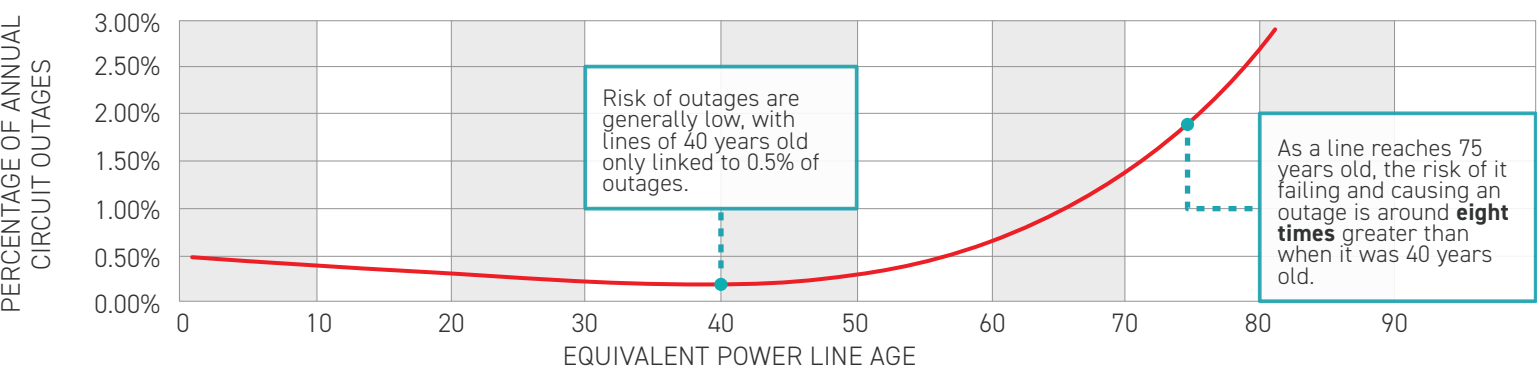
← Transmission infrastructure investment supports **economic** development providing jobs, taxes and economic activity.

Financial Value

Community Benefits

RELIABILITY & RESILIENCE

AEP owns more than 40,000 miles of electric transmission line. Almost 11,000 miles will be more than 70 years old within the next decade. No matter how well the company maintains its equipment, parts do eventually wear out and need replacement.



This graphic shows the relationship between age and historical outage data. A sharp increase in outages occurs after a line reaches 60 years old. **This is why it's critical to invest today to modernize the power grid.**

PROACTIVE AND TRANSPARENT PLANNING FOR OUR CUSTOMERS

AEP regularly evaluates the performance and condition of its transmission grid to ensure an efficient, reliable and resilient system.

- ✓ **Customer and Stakeholder Feedback** – Incorporate input into prioritizing transmission projects.
- ✓ **System Performance** – Review and analyze power outage information and other system data.
- ✓ **Condition** - Perform field inspections and assess the physical condition of lines, poles, towers and substations.
- ✓ **Risk** - Evaluate probability of equipment failure and potential impact on customers.

ECONOMIC BENEFITS

AEP TEXAS

SUPPORTS 3,600 JOBS
EACH YEAR BECAUSE OF ONGOING
TRANSMISSION PROJECT CONSTRUCTION

**STIMULATES JUST OVER
\$2.4 BILLION**
IN ECONOMIC ACTIVITIES ACROSS
TEXAS FROM 2020-2022

**CONTRIBUTES
ABOUT \$335
MILLION**
IN TOTAL TAXES PAID TO STATE AND
LOCAL GOVERNMENTS FROM 2020-2022

