



An AEP Company

BOUNDLESS ENERGY™

PwrPt-C6 10-3-19  
Hardin-AEP SWEPCO

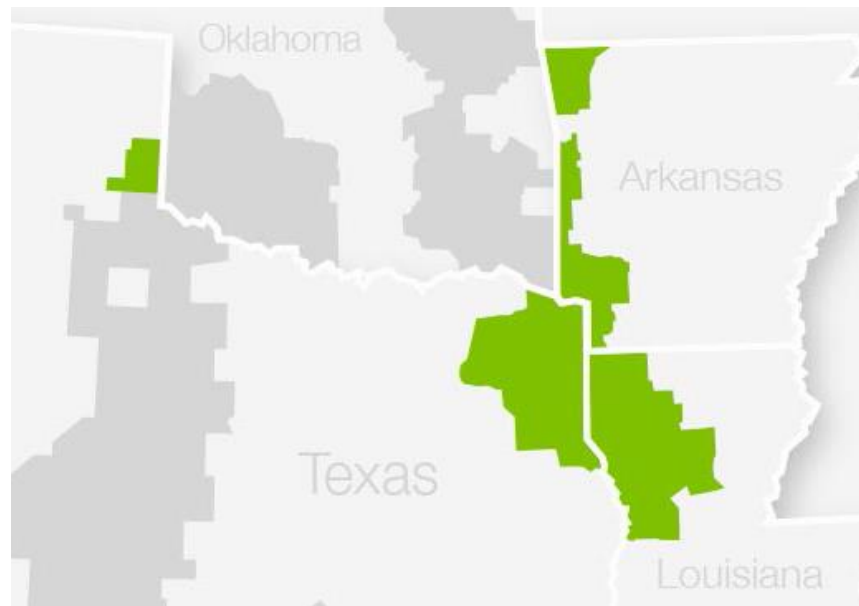
# *More Clean Energy Ahead*

A young girl with long brown hair, wearing a red and white striped shirt and blue shorts, is running across a green field at sunset. She is holding a colorful kite with a long tail. The sun is low on the horizon, creating a warm, golden glow. The background shows a line of trees and a few houses in the distance.

Presentation to  
Arkansas State Legislature  
Joint Committee - Energy  
Oct. 3, 2019

# About SWEPCO

- An American Electric Power (AEP) company
- Regulated, fully integrated
- 119,800 Arkansas retail customers
  - Wholesale customers include Bentonville, Hope, Prescott
  - 536,300 total retail customers in AR, LA, TX



# AEP Strategy

- Reduce CO2 emissions by 70% from 2000 levels by 2030
  - More than 80% by 2050
- **Add over 8,800 MW of regulated wind and solar by 2030**
  - Includes current proposal to add 1,485 MW of wind energy to serve customers in AR, LA, TX, OK
- Invest \$2.2 billion in contracted renewables and renewables integrated with storage by 2023
- Continue investment in a smarter, more modern power grid

# AEP Strategy

“AEP’s long-term strategy, driven by the expectations of our customers and technology advances, includes diversifying our power plant portfolio with clean, renewable generation.”

- Nick Akins  
AEP Chairman,  
President & CEO  
7/24/19

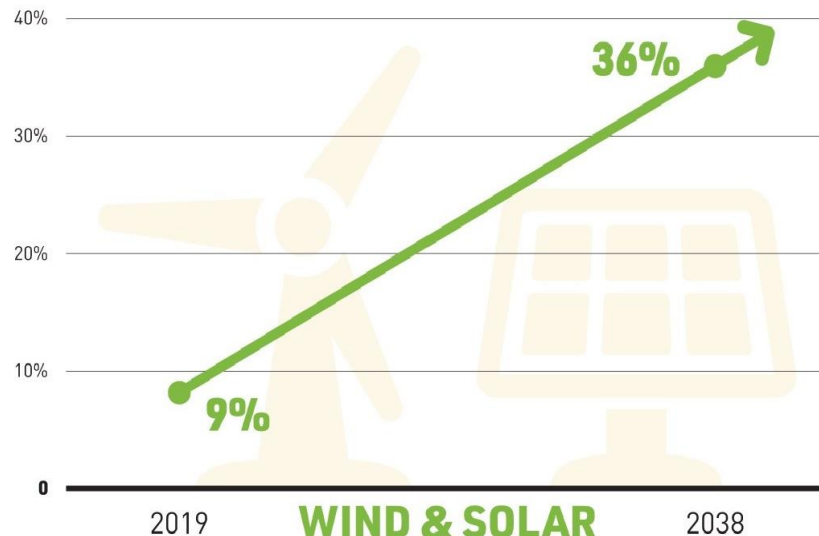


# SWEPCO Strategy

- More clean energy ahead
- SWEPCO's long-range plan (IRP – next 20 years)
- Changing our energy resource mix
- More than one-third of SWEPCO energy from wind and solar
- Customers already served by 469 MW of wind energy

## CLEAN ENERGY ON THE RISE

Increase of SWEPCO clean energy sources by 2038



# *Changing Resource Mix*



- In the next 20 years:
  - Wind 9% to 26%
  - Solar 0% to 10%
  - Natural gas 7% to 19%
  - Coal 83% to 44%

# *Robust RFP Response*

- SWEPCO issued RFP in January 2019 for up to 1,200 MW of new or existing wind energy projects in service by end of 2021
- PSO issued similar proposal for 1,000 MW
- Robust response from the market
- 35 bids totaling approximately 5,900 MW and 19 different projects in OK and TX
- Three projects selected as providing the most benefits to customers – filed applications July 2019



# *New Wind Opportunity*

- North Central Wind Energy Facilities Project
- 1,485 MW
  - SWEPCO – 810 MW; PSO – 675 MW
- Multiple facilities selected in RFP
- No extended generation tie line
  - Facilities closer to PSO/SWEPCO system
- Options for regulatory approval
  - Not all states required



# New Wind Opportunity



# *For SWEPCO Customers*



- Adding 810 MW wind energy
- Enough to power 200,000 homes
- Help customers meet their own sustainability and renewable energy goals

# *For SWEPCO Customers*

- Save customers \$2 billion over 30-year life of wind facilities
- Production Tax Credits provide \$750 million



# *What's Next*



- Applications filed July 2019
- Subject to approval in AR, LA, TX and FERC
- Anticipate decisions April-July 2020

[SWEPCO.com/CleanEnergy](https://www.swepcoco.com/CleanEnergy)

Bradley Hardin

[behardin@aep.com](mailto:behardin@aep.com)