2024 Load Forecast Adjustments

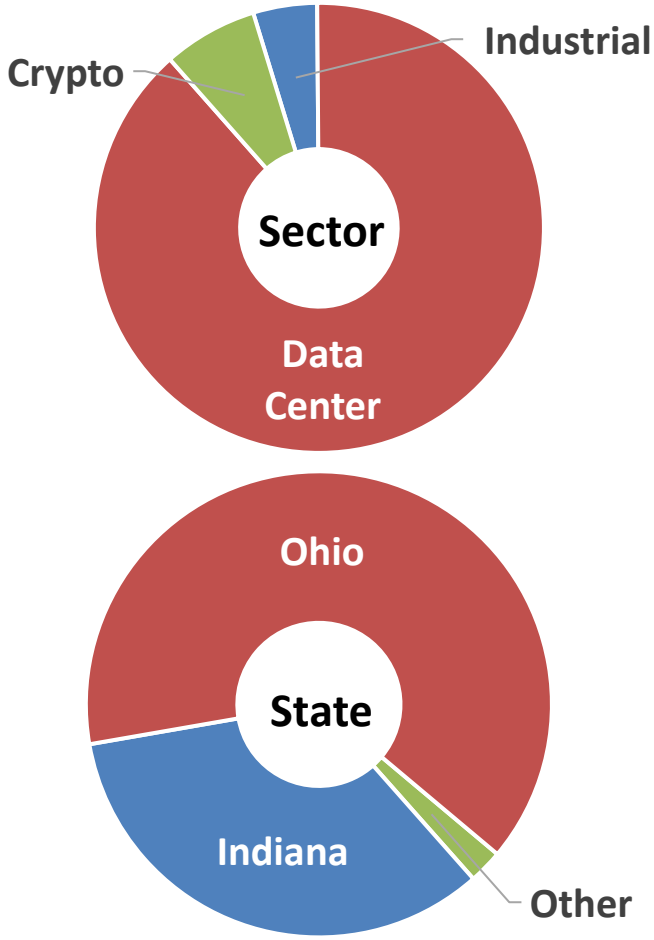
PJM Load Analysis Subcommittee – October 25, 2024

Forecast Overview

- The era of datacenters has caused load growth to become:
  - More concentrated,
  - More disconnected from underlying economics,
  - And thus, more unpredictable.

- AEP is proactively addressing this by:
  - Making our forecasts as transparent as possible,
  - Relying on customer financial commitments more than predictive modeling to plan for new loads,
  - Working to ensure that system costs for new loads are distributed fairly and sustainably.

2025 – 2030 Load Adjustment Breakdown:



Load Addition Criteria

Basis for load to be included in the forecast across time periods:

Year 0 (2024)

1) LOA Necessary

2) ESA Signed or in Progress

Year 6 (2030)

1) LOA's or ESA's as Available

2) 60% of Interconnection Queue with Land Control Where Capacity is Constrained

Year 20 (2045)

- Within the first five years of the forecast, a project must, at a minimum, have a signed LOA, and an ESA in progress to be included.
- An ESA becomes all-the-more important if the in-service date falls within a year of the three-year capacity planning window to ensure time to develop a sufficient generation plan.

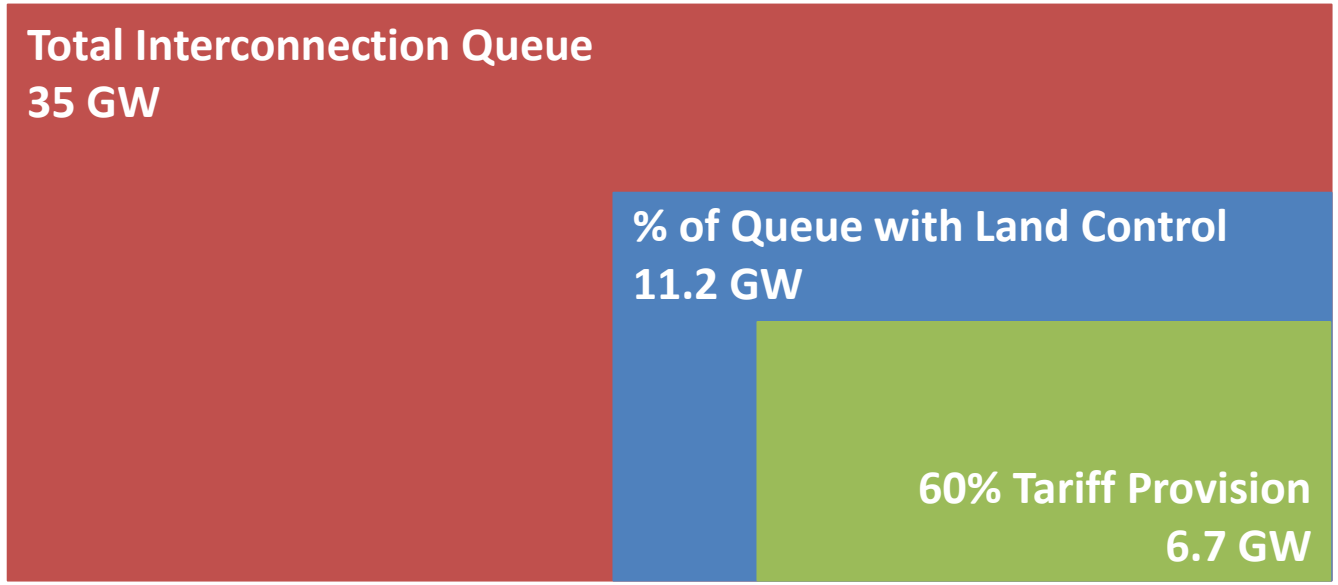
- In Years 6 and beyond we are outside the range of most signed agreements but still see substantial demand from customers awaiting sufficient transmission capacity for service.
- Capacity constraints have prevented AEP from signing agreements with customers, while the lack of signed agreements has prevented us from adding the necessary capacity to serve those customers. Including this unsigned load in the planning process allows AEP to end this circular reference, ultimately increasing the accuracy of the forecast and PJM's overall planning processes.

Accounting for Unsigned Demand

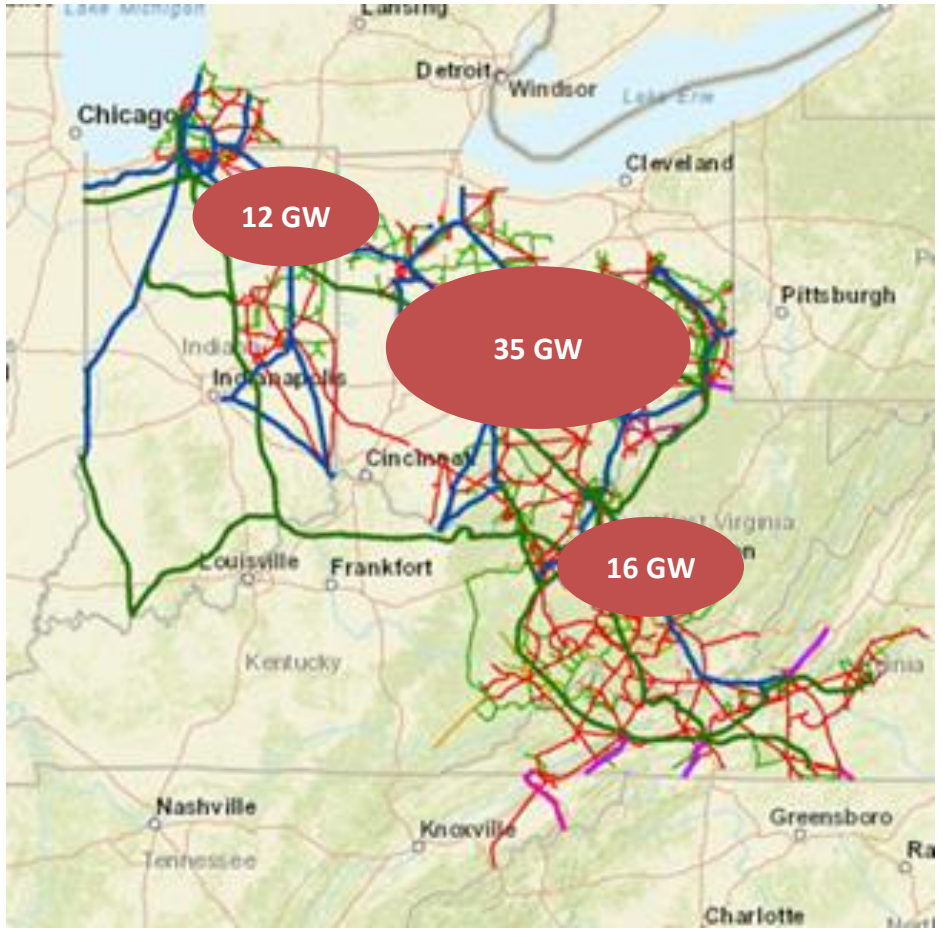
Criteria for including unsigned load additions into the long-term forecast:

- Is an area capacity constrained?
- What loads in the interconnection queue already have land control and thus the ability and desire to sign an immediate ESA?
- What are the minimum tariff provisions relevant to the respective load?

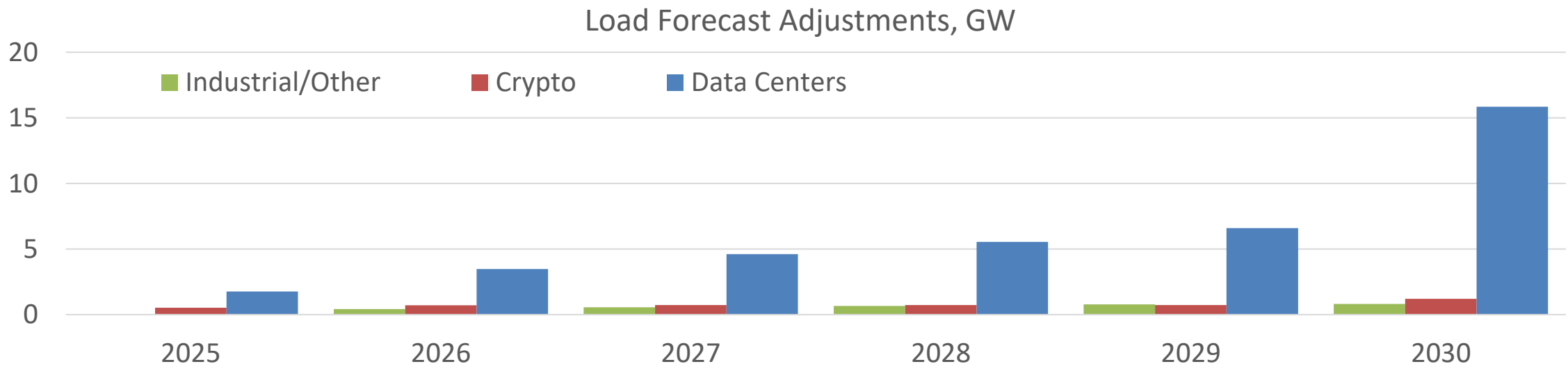
Ohio Example:



PJM Load Interconnection Queues at AEP



Forecast Adjustment Summary



Cumulative Additions (MW)	2025	2026	2027	2028	2029	2030
Appalachian Power	41	421	421	421	421	421
Indiana & Michigan Power	721	1,489	2,076	2,565	3,265	6,045
Kentucky Power	3	3	3	3	3	3
AEP Ohio	1,509	2,726	3,423	3,969	4,443	11,421
Total AEP	2,274	4,639	5,924	6,958	8,122	17,890