



**INDIANA
MICHIGAN
POWER**

An AEP Company

MOVING FORWARD TOGETHER FOR A BRIGHTER FUTURE



I&M customers benefit from the continued transition towards a clean energy future. Today, **over 2/3 of I&M's generation mix is emission-free.**



In 2019, AEP and the AEP Foundation **donated nearly \$30 million in grants** to more than 1,800 community organizations, including \$2.9 million in Indiana and \$577,434 in Michigan.



In 2019, energy efficiency programs helped I&M customers **save more than 167,000 MWh of energy**, avoiding more than 48,700 metric tons of CO₂ emissions.



In 2019, AEP spent more than **\$193 million on goods and services with local suppliers** in Indiana and Michigan.

At I&M, we know the basic needs of our customers are constant and simple — reliable, safe, secure and affordable electricity. We take to heart our responsibility to help meet those needs every day, regardless of what is happening in the world around us. While our strategy for the future is unchanged, the world around us has changed significantly. As we adapt to new norms from a public health crisis and confront the social justice divisions in our society, our resolve that a clean energy future has a place for everyone is stronger than ever.

The pandemic and civil unrest have underscored the importance of nonfinancial risks that we must weigh as we execute our strategy. Whether protecting our employees during the pandemic by pivoting to new ways of doing our work; supporting our customers and communities during an economic crisis; or taking a public stand against racism — we have never been more certain of our responsibility to a sustainable energy future. We will continue to take steps to reduce our carbon footprint, to empower customers and communities and to value and develop a more diverse and inclusive workforce. Together, our energy and future are truly boundless.

Our Vision for a Clean Energy Future

AEP continues to move forward with its transition to a clean energy future. Through 2019, we reduced our carbon emissions by 65% compared with a 2000 baseline. We are shrinking our carbon footprint by diversifying our resource portfolio, deploying technologies to mitigate risk, modernizing the power grid and working with our industry peers to achieve a low- to no-carbon future. Climate change remains a significant risk for AEP but also presents new business opportunities that we continue to explore.

AEP's Carbon Emissions Reduction Goals

70% by 2030

80% by 2050

(both from a 2000 baseline)

We continue making significant investments in renewable energy, inside and outside of our traditional regulated service territory. Today, I&M has enough emission free generation to supply power to more than 1.6 million homes. Within our footprint, our integrated resource plans call for the addition of more than 8,000 MW of wind and solar between 2020 and 2030. In July 2020, I&M began construction of the St. Joseph Solar Farm, I&M's largest solar generation facility. I&M is collaborating with the University of Notre Dame on this 20-MW project in St. Joseph County, Ind. This project also provides educational and research opportunities and supports I&M's and Notre Dame's sustainability goals.

Going Electric

Electrification of end-use technologies in industry, buildings and the transportation sector, combined with cleaner electricity from the grid, creates a clear pathway for a low-carbon future. The electric mobility revolution continues to accelerate. Electric vehicle (EV) adoption provides substantial environmental and economic benefits for society. It will also have substantial impacts on many major industries, including the electric utility industry. In 2019, I&M assisted Three Rivers Community Schools in Michigan to develop the charging infrastructure for the school district's two new electric buses. The new buses are quieter, cost less to maintain and provide health benefits by reducing exposure to diesel exhaust fumes. The buses were even used to transport and hand out snacks and meals during the COVID-19 pandemic to Three Rivers students.

Supporting our Local Communities

Giving back to our communities is fundamental to our vision of powering a new and brighter future. Through volunteerism and corporate giving, AEP proudly supports the vibrancy and resilience of the communities we serve – as an energy provider and a system of community support. The need to support our local communities was never more prevalent than during the COVID-19 pandemic.

In May 2020, the AEP Foundation donated more than \$700,000 in new grants to help communities in Indiana and Michigan address social needs during the coronavirus pandemic. The funds will support local not-for-profits, including multiple foodbanks and United Way locations, delivering basic human needs such as housing assistance, shelter and food.

AEP's most significant area of philanthropic giving is STEM education, with programs ranging from pre-kindergarten through higher education. Focusing on STEM provides a pathway out of poverty for urban and rural youth. Many 21st century jobs will



require proficiency in STEM courses, and these jobs have a high likelihood of delivering a living wage. Examples of I&M's investments in STEM education in 2019 include:

- The AEP Foundation awarded the Potawatomi Zoological Society in South Bend, Indiana a \$216,000 grant to provide camps, classes and scout activities to students.
- The AEP Foundation awarded a \$300,000 grant to Science Central in Fort Wayne, Indiana to build a public planetarium.
- I&M partnered with the Boys & Girls Club for hands-on learning experiences about safety, careers in the energy industry and STEM programs.

Helping our Customers

Across AEP, many factors influence our customers' overall experience with us. From initial communication and account management to billing, payment and social media posts, their experience with each connection forms their opinion about AEP. Customers drive the channels through which we communicate, and we work diligently to ensure every channel yields a positive solution. When we engage with a customer, we want to communicate about the topics that matter to them.

In 2019, Indiana Michigan Power (I&M) launched a tool enabling customers to review their energy use at their convenience. Select customers receive automated emails showing their energy cost mid-way through their billing cycle, as well as an estimate of their bill based on their to-date usage that month. Later this summer,

all customers will have access to the My Energy Use tool on our website, indianamichiganpower.com/account/.

We also recognize that customers want simple and secure payment options. In Indiana, qualified I&M residential and small commercial customers can sign up for an EZ Bill Plan. Each customer receives a custom rate based on the location's previous 12 months of energy use and expected weather in the coming year. This gives customers predictability of their monthly bills, as long as they remain enrolled in the program.

AEP also has several initiatives and resources to help customers manage their energy bills, including monthly payment plans and energy assistance grants and programs. In 2019, I&M provided \$9.2 million in energy assistance to help customers pay their electric bill. For additional energy assistance programs please visit indianamichiganpower.com/assistance