

Innovating for a Boundless Energy Future

**PUBLIC SERVICE
COMPANY OF
OKLAHOMA**

An **AEP** Company

Electricity is essential to the economic vitality and well-being of society. At AEP, we are using our expertise at producing and delivering safe, reliable and secure electricity to innovate for a clean and boundless energy future. Our investments are creating a smarter and more sophisticated system that provides access to cleaner, cost-effective power for all customers, delivers an exceptional customer experience and supports our mission of building stronger local communities. As we further electrify our economy, we remain committed to being responsible environmental stewards.

AEP's Clean Energy Transition

Today's age of technology, innovation and disruption is transforming the electric industry. Our local and regional grid modernization investments are making the grid

more efficient, reliable and resilient, enabling the expansion of distributed energy production and electrification — the use of electricity to power not only buildings but also transportation systems and industrial processes.

We envision a future where an electrified economy creates new opportunities for economic

AEP's Carbon Emissions Reduction Goals

60% by 2030
80% by 2050

(both from a 2000 baseline)

growth, fewer carbon emissions, greater mobility, and optimization of the grid for all resources and technologies. As we lead the way forward, we are engaging with our many stakeholders to help them understand why our investments are needed to ensure the future stability and resilience of the grid and our communities.

“At AEP, we see a future full of opportunities for our customers, employees, investors, communities and our company. To create the future, we must be increasingly innovative to develop cutting-edge solutions to complex problems.

Our stakeholders are critical to our success. For decades, we have listened to diverse viewpoints about what we can, and should do to set and meet ambitious goals. We embraced their aspirations for a clean energy future and, together, set a realistic path to achieve it.”

— Nicholas K. Akins, Chairman, President & CEO



Clean Energy

In Oklahoma, more than 90 percent of energy serving PSO customers comes from clean natural gas and renewable resources.



Energy Efficiency/Avoided CO2 Emissions

In 2018, energy efficiency programs helped customers in Oklahoma save nearly 138,000 MWh of energy, avoiding more than 73,800 metric tons of CO2 emissions.



Philanthropic Giving

In 2018, AEP and the AEP Foundation awarded \$25.4 million in grants to more than 1,800 community organizations, including more than \$648,000 in Oklahoma.



Supplier Diversity

In 2018, PSO spent more than \$128 million on goods and services with local suppliers in Oklahoma.

Developing a 21st Century Workforce

A significant focus of our corporate giving is on education, especially STEM (Science, Technology, Engineering and Math) programs, and basic human needs, such as food security and affordable housing. AEP's most significant area of philanthropic giving is STEM education because many 21st century jobs will require proficiency in STEM courses, and these jobs have a high likelihood of delivering a living wage.

Credits CountSM, the signature program of the AEP Foundation, addresses the issues of college preparedness and affordability for under-served urban and rural students who want to seek STEM-related career opportunities. PSO partners with Tulsa Community College and Tulsa Public Schools on this program. For 2019, PSO has a goal to participate in at least six STEM activities locally with a focus on middle-school-aged children. Since the program's creation in 2014, the AEP Foundation has committed \$14.2 million to the program across our service territory.



Caring for Our Communities

Supporting community projects and programs requires more than financial support. It also takes time and labor to make progress possible. Every year, AEP employees give their time, talent and financial donations to support local organizations in their communities. Our employees are a force of voices, hands and hearts caring together to make our communities stronger and better for us all. Compassion and inspiration



are part of our culture at PSO, and we support a wide range of organizations across the state. In 2018, PSO and the American Electric Power Foundation donated nearly \$1.7 million in the areas we serve to education and nonprofit partners, including support for agencies providing food and housing for those in

need. In 2019, PSO awarded The Center for Individuals with Physical Challenges an AEP Foundation contribution of \$150,000 to support the construction of an adaptive sports complex. This contribution reflects PSO's continued support for diversity and inclusion in our communities.

Economic Development Supports Jobs, Communities

Building strong, vibrant and sustainable communities requires innovation, investment and collaboration among state, regional and local business partners. In 2018, we supported 110 projects that will bring 14,700 jobs to the local economies across AEP's 11-state service territory.

At PSO, we support economic development within our communities by working with companies to expand or relocate, providing community training and education or financial support, and connecting customers with communities to create shared value for all. In 2018, Italian manufacturer Sofidel broke ground on a \$360 million, 300-employee, integrated paper plant in Inola, Oklahoma, on property PSO owned and had made available for economic development in the region.