

NOTICE OF EXEMPT SOLICITATION: (VOLUNTARY SUBMISSION)
NAME OF REGISTRANT: AMERICAN ELECTRIC POWER CO INC
NAME OF PERSON RELYING ON EXEMPTION: Majority Action
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Notice of Exempt Solicitation

Vote Recommendation: Vote **AGAINST** Sandra Beach Lin (Chair of the Nominating and Governance Committee) and Ben Fowke (Chair of the Finance Committee) for inadequate oversight of climate risk and capital expenditure strategy with respect to powering data centers.

AEP Doubles Down on Fossil Fuels and Backtracks on Climate Commitments to Power the Data Center Boom

Data centers have emerged as primary drivers of demand for American Electric Power Company (AEP). The utility, which is in the midst of a “generational load growth phenomenon,” experienced 10% commercial sales growth in 2025 and has 56 GW of contracted load additions by 2030, driven primarily by data centers.¹

While much of this demand could be met with renewables, storage, and demand flexibility, AEP has chosen a costlier, riskier, and dirtier route. It is powering data centers by significantly expanding gas-fired generation while backtracking on climate commitments.

- AEP’s buildout of new gas-fired generation outpaces its buildout of renewables and storage. AEP plans to build 15.3 GW of new gas-fired generation by 2035, compared to just 11.4 GW of renewables and 502 MW of storage.²
- Simultaneously, AEP has backtracked on its medium-term emissions reduction target and Scope 1 and Scope 2 net zero by 2045 targets. AEP states in its most recent annual report that “changing external conditions and business growth, including unprecedented load growth, evolving market and policy dynamics, and jurisdictional preferences will impact AEP’s corporate-wide pathway to reduce Scope 1 GHG

¹ American Electric Power Co. Inc., “Q4 2025 Earnings Conference Call,” Transcript, February 12, 2026, accessed via Pitchbook.

² American Electric Power Co. Inc., “[Investor Meetings](#),” March 2026, p. 25.

emissions by 80% by 2030 through collective state IRPs.”³ Instead of proactively pursuing a net zero strategy, AEP has said that it will allow state environmental and energy policies to determine whether it will keep and pursue its net zero targets.⁴ Even independent of its forecasted gas buildout, AEP would need to significantly accelerate its pace of emissions reductions in order to reach its net zero by 2045 target.⁵

- In a recent interview, AEP’s President and CEO Bill Fehrman remarked that if the federal government repeals Section 111(d) of the Clean Air Act, “that [would] be very positive for [AEP]” because it would allow the company to build polluting gas-fired plants that are not subject to emissions restrictions.⁶

Risks to investors

AEP’s massive investment in fossil fuels to power data centers poses system-level and idiosyncratic risks to investors.

- **AEP is intensifying system-level climate risk by expanding gas-fired generation.** Given the 30- to 50-year lifespan of gas plants, AEP’s gas buildout is likely to lock in emissions for decades to come, delaying its transition to clean energy and rendering its net zero by 2045 target increasingly out of reach.
- **Everyday ratepayers and shareholders will likely bear the financial risks of building expensive gas-fired generation.** The cost to build and maintain new gas plants and infrastructure has soared in recent years due to tight supply chains and rising fuel costs.⁷ AEP could pass at least some of these expenses onto everyday ratepayers and shareholders, especially if large-load tariffs do not fully offset the cost of power plants and grid investments, if projected data center load growth or demand for AI services does not materialize, and/or if gas prices spike. A 2025 study found that extant large-load tariffs are not sufficient to cover the cost of new gas-fired plants and concluded that utilities could “be forced to burden shareholders or other customers with the revenue shortfall from long-term generation commitments” if data center customers exit early.⁸
 - **Subjecting working- and middle-class families to higher energy burdens in anticipation of speculative data center demand contributes to system-level inequality risk.** Conversely, investing primarily in wind, solar, and battery reduces system-level inequality risk. In addition to becoming price-competitive with fossil fuels on build cost, renewables and storage deliver lower-cost power,

³ American Electric Power Co. Inc., [SEC Form 10K](#), filed February 12, 2026, p. 60.

⁴ Josh Saul, “[AEP to Heed Wants of State Leaders. Putting Climate Aim in Flux](#),” *Bloomberg*, November 11, 2024.

⁵ Matt Kasper and Keriann Conroy, “[Electric utilities falling behind on emission reduction targets](#),” *Energy and Policy Institute*, March 17, 2025.

⁶ Darren Sweeney, “[COMMODITIES 2025: US utilities could reassess emissions reduction goals, unlikely to scrap them](#),” *S&P Global*, January 6, 2025.

⁷ Dennis Wamsted, “[The misguided stampede to build gas power plants](#),” *Institute for Energy Economics and Financial Analysis*, April 8, 2026.

⁸ Ben Hertz-Shargel, “[Large load tariffs: a looming challenge for utilities](#),” *Wood Mackenzie*, June 5, 2025.

drive down wholesale electricity rates, and are insulated from the volatility of gas prices.

- **Regulatory disallowances or legal settlements could force AEP to shift costs onto shareholders** if regulators determine that the utility's investments in new fossil plants or infrastructure are "imprudent," or if market conditions result in a revenue shortfall that cannot be legally or practically recovered from ratepayers. Southern Company's Kemper scandal serves as a stark warning: In 2017, regulators ruled that Mississippi Power could not recover costs for its experimental coal plant from ratepayers after the project incurred billions in cost overruns, resulting in investors absorbing \$6.4 billion in losses.⁹
- **Displacing the costs of data center-driven gas generation onto residential customers exposes AEP to increased political and reputational risk.** According to a recent Quinnipiac poll, 65% of Americans oppose building data centers in their communities, with 72% citing electricity costs as the top objection.¹⁰
- **AEP's strategy of continuing to invest in long-lived fossil fuel assets amplifies its exposure to transition risk.** While current regulations are conducive to expanding gas-fired generation, future regulators may impose more stringent climate and environmental requirements, thereby increasing compliance costs. In addition, AEP could be locked into more expensive fossil power as the cost to build and maintain utility-scale renewables and storage continues to fall. Moreover, as the climate crisis accelerates, capital markets are likely to reprice fossil fuel assets by tightening credit conditions and raising insurance costs.¹¹

Vote AGAINST Directors Sandra Beach Lin (Item 1.04) and Ben Fowke (Item 1.02) for Failures Related to Climate Oversight and Capital Expenditure Strategy

AEP's massive investments in fossil fuels to power the AI stack mark a critical failure of board oversight with respect to climate governance and capital expenditures.

While oversight of climate-related risks is shared by the full Board, the Nominating and Governance Committee oversees the company's sustainability performance, and the Finance Committee has primary oversight of financing plans.¹² As Chair of the Nominating and Governance Committee and Chair of the Finance Committee, Sandra Beach Lin and Ben Fowke, respectively, bear the most responsibility for AEP's risky climate and capex strategy. **Shareholders are therefore urged to vote against the re-election of Directors Lin and Fowke at AEP's annual general meeting on April 28, 2026.**

⁹ Jeff Amy, "[Settlement reached over clean coal fiasco in Mississippi](#)," *Associated Press*, February 6, 2018.

¹⁰ Quinnipiac University, "[The Age Of Artificial Intelligence: Americans' AI Use Increases While Views On It Sour, Quinnipiac University Poll On AI Finds; 7 In 10 Think AI Will Cut Jobs With Gen Z The Most Pessimistic](#)," March 30, 2026.

¹¹ Tom Sanzillo, [A Matter of Opinion: Credit Rating Agency Evolution on Climate Change Risk and Fossil Fuel Financial Volatility](#), Institute for Energy Economics and Financial Analysis, March 2024.

¹² American Electric Power Co. Inc., [SEC DEF 14A](#), filed March 18, 2026, p. 29; American Electric Power Co. Inc., [Finance Committee of the Board of Directors Charter](#), updated December 6, 2022.