UNITED STATES OF AMERICA FEDERAL ENERGY REGULATORY COMMISSION

Carbon Pricing in Organized Wholesale)	Docket No. AD20-17-000
Electricity Markets)	

Opening Statement of Brett Mattison President and Chief Operating Officer, Kentucky Power Company

Chairman Chatterjee and Commissioners, thank you for the opportunity to participate in this important dialogue. My name is Brett Mattison, and I am President and Chief Operating Officer of Kentucky Power Company. Kentucky Power is a wholly-owned subsidiary of American Electric Power Company, Inc. ("AEP"), one of the largest electric utilities in the United States, delivering electricity to more than 5.5 million customers in 11 states. Kentucky Power is a franchised public utility that provides service to approximately 166,000 customers in all or part of 20 eastern Kentucky counties. Kentucky Power is headquartered in Ashland, Kentucky.

Environmental impact is a priority to AEP and its subsidiaries, and reducing carbon dioxide emissions is an important step towards reducing our environmental footprint. Consistent with this priority, AEP's generation fleet has transformed significantly over the last two decades, resulting in a 65% reduction in carbon dioxide emissions from 2000-2019. AEP expects our 2050 goal to exceed an 80% reduction and achieve larger reductions – with an aspiration of zero emissions. AEP will add more than 8,000 MW of regulated wind and solar generation through 2030. Thus, AEP continues to move to transform the energy industry to provide for cleaner generation.

At the same time, however, Kentucky Power and AEP's other retail electric service providers have an obligation to provide low-cost energy to safely and reliably

serve our customers. The cost of energy is particularly important in areas that are experiencing economic hardships, such as in Kentucky Power's retail service territory. In evaluating carbon pricing and other mechanisms designed to incentivize the participation of renewable resources in organized markets, it is important to consider the impacts of such mechanisms on our customers. AEP recognizes and is committed to transformation to a greener economy; we cannot, however, overlook issues of cost and reliability as we realize this change. We must promote a diverse supply mix that can lower emissions while preserving cost and reliability goals.

Thank you for organizing this technical conference and for allowing me to participate.