

American Electric Power (AEP)	
Sector	Electric Utilities
Latest full assessment published	November 2021
CDP Responder	Yes

**9.5C-\***

ACT Score (2021)

**#17**<sub>/50</sub>

Sector Rank (2021)



**Company recommendations:**

**Targets:** The company should aim to achieve net-zero emissions by 2035 in order to align with its 1.5°C pathway.

**Emissions reductions and reporting:** The company's emissions contrast with its 1.5°C pathway which requires it to make substantial decreases in its emissions intensity.

**Transition plan:** The company can improve the elements of its transition plan by ensuring it includes long-term targets and financial commitments. The plan should be regularly reviewed to ensure its ambition is sufficient for a 1.5°C pathway.

For the last full ACT assessment and more information visit: [Climate and Energy Benchmark - Electric Utilities](https://www.worldbenchmarkingalliance.org/decarbonisation-and-energy-system-transformation/2021-electric-utilities-benchmark)

Module	Last Assessment Performance (2021)	Current Performance (2023)		Module summary	Change in performance since last full assessment
Targets		Net zero target (scopes 1 + 2)?	No	AEP has increased the ambition of its targets. The company is targeting an 80% reduction in absolute scope 1 emissions by 2030 compared to a 2005 base year (previously the base year was 2000) and to be net-zero scope 1 and 2 by 2045 (previously 2050). The 2030 target is aligned with the company's 1.5°C pathway.	 Improves
		Interim target(s)?	Yes		
		Targets cover all scopes?	Yes		
		All targets SBTi 1.5°C validated?	No		
Emissions reductions and reporting		Scope 1 and 2 emissions intensity disclosed?	Yes	The company's emissions intensity increased between 2020 and 2021 deviating from its 1.5°C pathway. This is likely due to an increase in coal generation in 2021.	 Worsens
Transition Plan		Public transition plan?	Yes	AEP has created a transition plan which includes financial commitments for the next five years and was informed by scenario analysis. The company has created a Sustainable Finance Framework to help guide investment decisions. However, the plan lacks details beyond 2030 and the company has not committed to phase out coal from its portfolio.	 Remains the same
		Relevant expertise on the board?	No		
		Incentives linked to emissions reductions?	Yes		
		Financial content in plan?	Yes		
		Plan informed by scenario analysis?	Yes		

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\*ACT scores are constructed of three parts. The performance score out of 20, narrative score A – E and trend score + / = / -