

LEGAL NOTICE

NOTICE TO THE PUBLIC OF A PETITION BY APPALACHIAN POWER COMPANY FOR APPROVAL OF A RECALCULATED MINIMUM BILL AND TARIFF FOR ITS SHARED SOLAR PROGRAM, PURSUANT TO VIRGINIA CODE § 56-594.4 CASE NO. PUR-2025-00175

On October 31, 2025, Appalachian Power Company ("APCo" or "Company") filed a petition ("Petition") with the State Corporation Commission ("Commission") pursuant to the Commission's September 26, 2025 Order Initiating Proceeding and § 56-594.4 of the Code of Virginia ("Code") for approval of a recalculated minimum bill and tariff for APCo's shared solar program. The Company proposes a minimum bill rate of \$34.59 per 1,000 kilowatt-hours ("kWh"), and further requests approval of a proposed Subscriber Tariff (Schedule SSP-S).

According to the Petition, the Company largely followed the methodology approved by the Commission for APCo's initial shared solar minimum bill proceeding in Case No. PUR-2025-00028 ("APCo Minimum Bill Final Order"), which includes both fixed and volumetric costs. APCo states that the Company's minimum bill recalculation includes fixed costs such as the Customer Charge and the Administrative Charge. APCo continues to propose that the existing Customer Charge apply from the applicable tariff under which a customer takes service. The Company states that the Administrative Charge is appropriately set at \$1 because the Company's shared solar program is still in its early stages, and APCo does not yet have an updated estimate of the costs of program administration.

APCo states that the Company includes as proposed volumetric costs: (1) Statutorily Non-Bypassable Generation Charges; (2) Base Distribution Charges; (3) Distribution Rate Adjustment Clause ("RAC") Charges; and (4) Transmission RAC charges.

APCo asserts that its proposed minimum bill also includes five Non-Bypassable charges which are statutorily mandated: Rider Percentage of Income Payment Program (PIPP); Rider Broadband Capacity (BC) RAC; Rider RPS ("Renewable Energy Portfolio Standard") Compliance A.5; Rider PCAP Capacity A.5; and Rider Renewables Capacity A.6. Additionally, APCo explains that its proposed minimum bill includes base distribution charges from the applicable tariff under which a customer takes service, including the Rider Energy Efficiency RAC and the Company's Transmission RAC for transmission charges.

The Company states that prior to the consideration of benefits, the Company's proposed gross minimum bill equals \$89.25 for a customer who uses 1,000 kWh of grid electricity per month and subscribes for the same amount.

The Company asserts that it quantified benefits to the electric grid and the Commonwealth pursuant to the APCo Minimum Bill Final Order, and that such benefits were calculated similarly to how the benefits of utility-scale, distribution-interconnected solar facilities have been presented to and approved by the Commission in the past. The Company proposes to include credits for shifted PJM Interconnection, LLC ("PJM") zonal transmission costs, avoided load-based ancillary service costs, and Renewable Energy Certificates ("RECs") generated by the shared solar facilities, which would be used to comply with the Company's Renewable Energy Portfolio Standard obligations under the Virginia Clean Economy Act ("VCEA").

According to the Petition, the Company accounted for the Commission's directives in the APCo Minimum Bill Final Order, including the Commission's guidance about what benefits should be excluded and included in the minimum bill recalculation. Specifically, the Company states that it adhered to the Commission's directive to exclude from the minimum bill recalculation the benefits of Demand Reduction Induced Price Effect, any generation reliability cost, jobs and economic benefits, benefits that are already encompassed in the REC credit, and the avoided hedging risk premium.

APCo further states that the Company's REC credit on the proposed minimum bill recalculation encompasses the environmental attributes of renewable energy, as well as other potential RPS benefits. The Company asserts that the basis for the REC credit on the recalculated minimum bill is the Tier I Renewable Energy Premium component in APCo's Optional Rider W.W.S. (Wind, Water, and Sunlight) in effect over the period for the applicable subscriber's schedule. According to APCo, this aligns with the Commission's direction in the APCo Net Metering Final Order, in Case No. PUR-2024-00161.

To calculate the proposed transmission credit, the Company states that it utilized the average generation output from two 5-megawatt solar facilities that were operational throughout the 2024 calendar year. APCo calculated an average reduction of 1,061 kilowatts in peak load, and then used the Annual Network Integration Transmission (NITS) Rates for the AEP Transmission Zone to ascertain the annual avoided transmission cost credit. The Company states that it derived the annual avoided transmission cost credit rate by dividing this cost credit by the total generation. APCo further stated that it determined the ancillary service cost component rate by relying on its actual PJM Ancillary Services charges from 2024. According to the Company, both the transmission and ancillary services benefits were grossed up for average distribution line loss.

The Company states that it analyzed additional potential benefits for inclusion in the minimum bill, including avoided RPS compliance benefits and distribution benefits, but ultimately concluded that such benefits were not warranted.

In sum, the Company states that it determined the total proposed shared solar benefits to be \$54.66 per 1,000 kWh. The resultant minimum bill (net of benefits) the Company proposes in the Petition is thus \$34.59 per 1,000 kWh. According to the Company, the proposed minimum bill calculation would ensure that subscribing shared solar customers contribute their

fair share towards the Company's cost of retail electric service while minimizing cost shifts to non-subscribing customers. APCo also asserts that the proposed minimum bill would compensate subscribing customers for shifted transmission costs, avoided ancillary costs, and RECs transferred to the Company.

Interested persons are encouraged to review the Petition and supporting documents in full for details of the Company's proposals in this case.

The Commission entered an Order for Notice and Hearing in this proceeding that, among other things, scheduled public hearings on APCo's Petition. A hearing for the receipt of testimony from public witnesses on the Company's Petition shall be convened telephonically at 10 a.m. on May 28, 2026. On or before May 21, 2026, any person desiring to offer testimony as a public witness shall provide to the Commission: (a) your name, and (b) the telephone number that you wish the Commission to call during the hearing to receive your testimony. This information may be provided to the Commission: (i) by filling out a form on the Commission's website at scc.virginia.gov/case-information/webcasting; or (ii) by calling (804) 371-9141. This public witness hearing will be webcast at scc.virginia.gov/case-information/webcasting.

Beginning at 10 a.m. on May 28, 2026, the Hearing Examiner assigned to this matter will telephone sequentially each person who has signed up to testify as provided above.

On May 28, 2026, at 10 a.m., or at the conclusion of the public witness portion of the hearing, whichever is later, in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, the Hearing Examiner will convene a hearing to receive testimony and evidence related to the Petition from the Company, any respondents, and the Commission's Staff ("Staff").

To promote administrative efficiency and timely service of filings upon participants, the Commission has directed the electronic filing of testimony and pleadings, unless they contain confidential information, and has required electronic service on parties to this proceeding.

An electronic copy of the Company's Petition may be obtained by submitting a written request to counsel for the Company: Elisabeth M. Bruce, American Electric Power Service Corporation, 3 James Center, 1051 East Cary Street, Suite 1100, Richmond, Virginia 23219, or ebruce@aep.com. Interested persons may also download unofficial copies of the Petition and the public versions of other documents filed in this case from the Commission's website: scc.virginia.gov/case-information.

On or before May 21, 2026, any interested person may submit comments on the Petition by following the instructions found on the Commission's website: scc.virginia.gov/case-information/submit-public-comments. Those unable, as a practical matter, to submit comments electronically may file such comments by U.S. mail to the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All such comments shall refer to Case No. PUR-2025-00175.

On or before February 13, 2026, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation with the Clerk of the Commission at scc.virginia.gov/clerk/efiling. Those unable, as a practical matter, to file a notice of participation electronically may file such notice by U.S. mail to the Clerk of the Commission at the address listed above. Such notice of participation shall include the email addresses of such parties or their counsel, if available. The respondent simultaneously shall serve electronically a copy of the notice of participation on counsel to the Company, Staff, and all other respondents. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.* ("Rules of Practice"), any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2025-00175.

On or before March 13, 2026, each respondent may file with the Clerk of the Commission at scc.virginia.gov/clerk/efiling any testimony and exhibits by which the respondent expects to establish its case. Any respondent unable, as a practical matter, to file testimony and exhibits electronically may file such by U.S. mail to the Clerk of the Commission at the address listed above. Each witness's testimony shall include a summary not to exceed one page. All testimony and exhibits shall be served electronically on the Company, Staff, and all other respondents. In all filings, respondents shall comply with the Rules of Practice, as modified herein, including, but not limited to: 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2025-00175.

Any documents filed in paper form with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, except as modified by the Commission's Order for Notice and Hearing, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Rules of Practice.

The Company's Petition, the Rules of Practice, the Commission's Order for Notice and Hearing, and the public versions of other documents filed in the case may be viewed at: scc.virginia.gov/case-information.