

AEP Energy, Inc.'s Bi-Annual Environmental Disclosure Statement In the District of Columbia's Service Territory



The disclosure of this information is required under D.C. Municipal Regulations - 15 DCMR §4201 *et seq.*

When you choose a retail electric supplier, that supplier is responsible for purchasing power that is added to the power grid in an amount equivalent to your electricity use. Electricity customers served by AEP Energy that are located in the District of Columbia's service territory are supplied by system power purchased from PJM, the local regional transmission organization. AEP Energy does not provide power from any particular generating facilities; rather, the PJM system power purchased by AEP Energy consists of electricity from a variety of power plants that PJM then transmits throughout the region as needed to meet the requirements of all customers in the PJM territory (including Pennsylvania, New Jersey, Maryland, Delaware, Washington, DC, and the Commonwealth Edison territory in Illinois).

AEP Energy reports fuel sources and emissions data from PJM to its customers bi-annually, allowing customers to compare data among the companies providing electricity service in the District of Columbia. This product mix is subject to change and is updated on a bi-annual basis.

Average Amount of Emissions and Amount of Nuclear Waste per 1 megawatt hour (MWh) Produced from Known Sources for the 6 months ending June 30, 2016

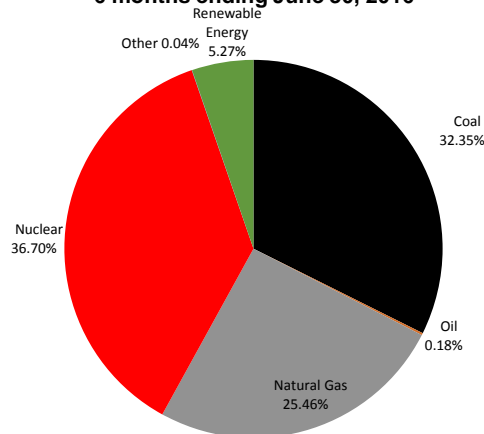
Air Emissions

Average Nitrogen Oxides (NO_x), Sulfur Dioxide (SO₂), and Carbon Dioxide (CO₂) emissions for the system mix used by AEP Energy in the PJM region as compared to the overall Supply Mix.

| Emission Type | lbs./MWh |
|-----------------|------------|
| Carbon Dioxide | 939.15 lbs |
| Nitrogen Oxides | 0.69 lbs |
| Sulfur Dioxides | 1.21 lbs |

CO₂ is a "greenhouse gas" which may contribute to global climate change. SO₂ and NO_x released into the atmosphere react to form acid rain. Nitrogen Oxides also react to form ground level ozone, an unhealthy component of "smog".

Sources of Electricity Supplied for the 6 months ending June 30, 2016



Sources of Electricity Supplied for the 6 months ending June 30, 2016
PJM System Mix

The following distribution of energy resources was used to produce electricity in the PJM Region from the System Mix.

| | |
|---------------------------|--------|
| Coal | 32.35% |
| Oil | 0.18% |
| Natural Gas | 25.46% |
| Nuclear | 36.70% |
| Other | 0.04% |
| Renewable Energy | |
| Biomass | 0.00% |
| Captured Methane Gas | 0.34% |
| Solar Voltaic | 0.13% |
| Solid Waste | 0.55% |
| Water | 1.45% |
| Wind | 2.57% |
| Wood/Wood Waste | 0.24% |
| Renewable Energy Subtotal | 5.27% |
| Total | 100% |

The PJM System average emission levels are based on PJM data from the system mix for 6 months ending June 30, 2016 from PJM Generation Attributes Tracking System (GATS).