

Growth & Trends

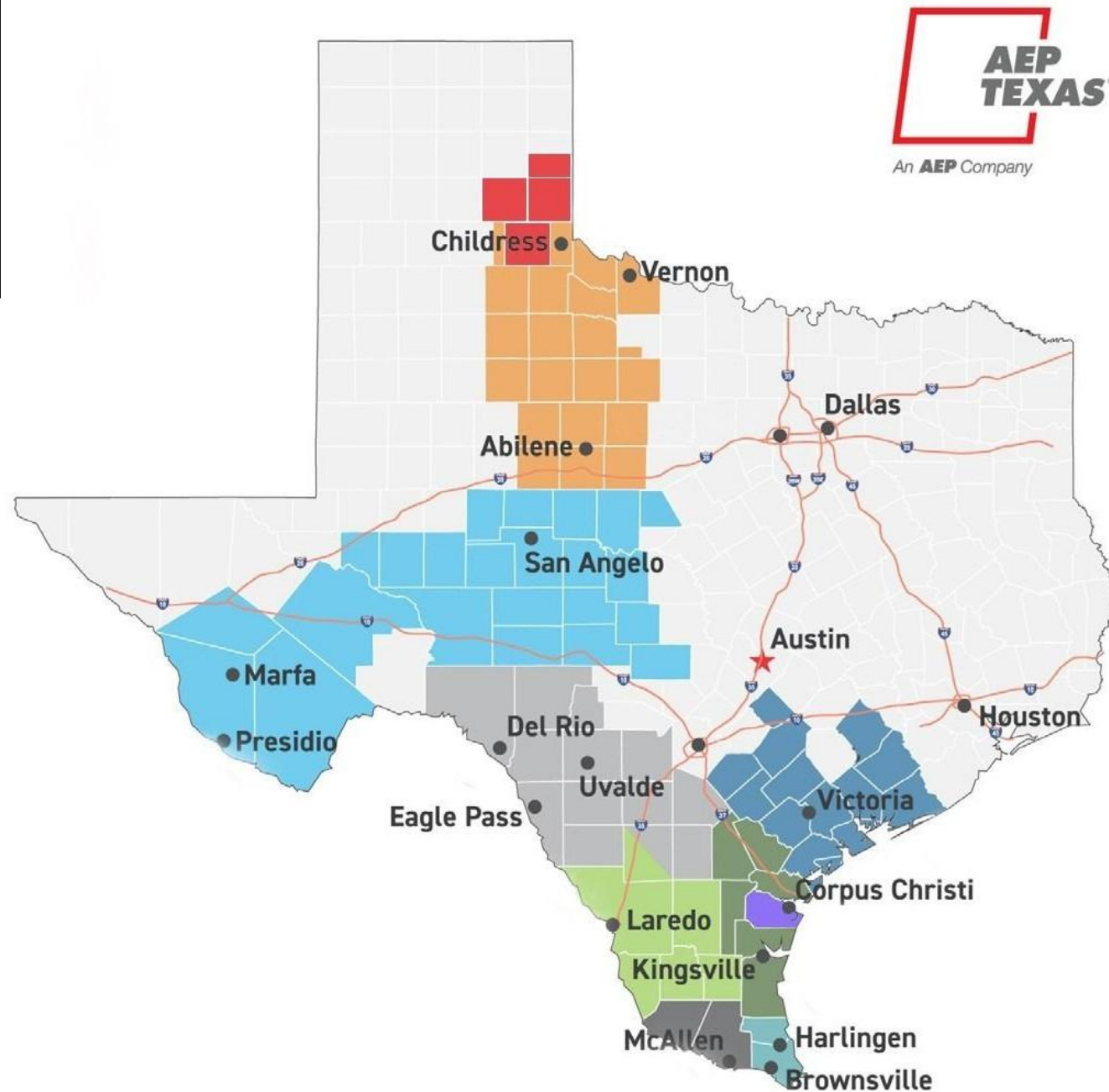
Daniel Lucio, External Affairs Manager

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Last updated: October 2025



AEP Texas



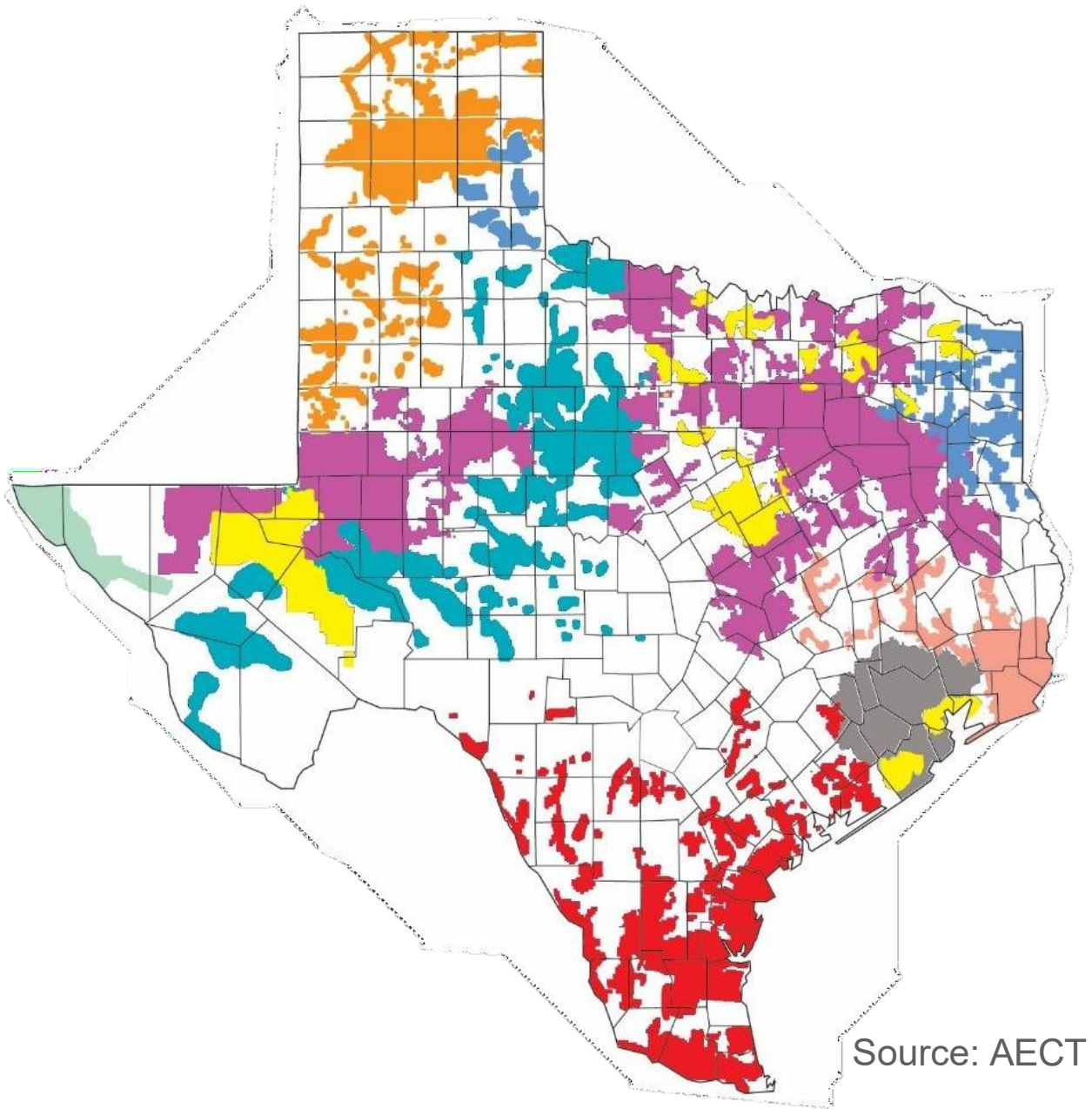
AEP Texas is a unit of American Electric Power. We deliver electricity to over one million homes, businesses and industries in south and west Texas.

- AEP Texas provides regulated energy delivery service to consumers, regardless which Retail Electric Provider (REP) they choose.
- Serves 375 Cities & Towns
- Service Area of over 97,000 Square Miles
- 44,609 Miles of Distribution Lines
- 8,506 Miles of Transmission Lines

Market Structure



Transmission & Distribution Utilities in Texas



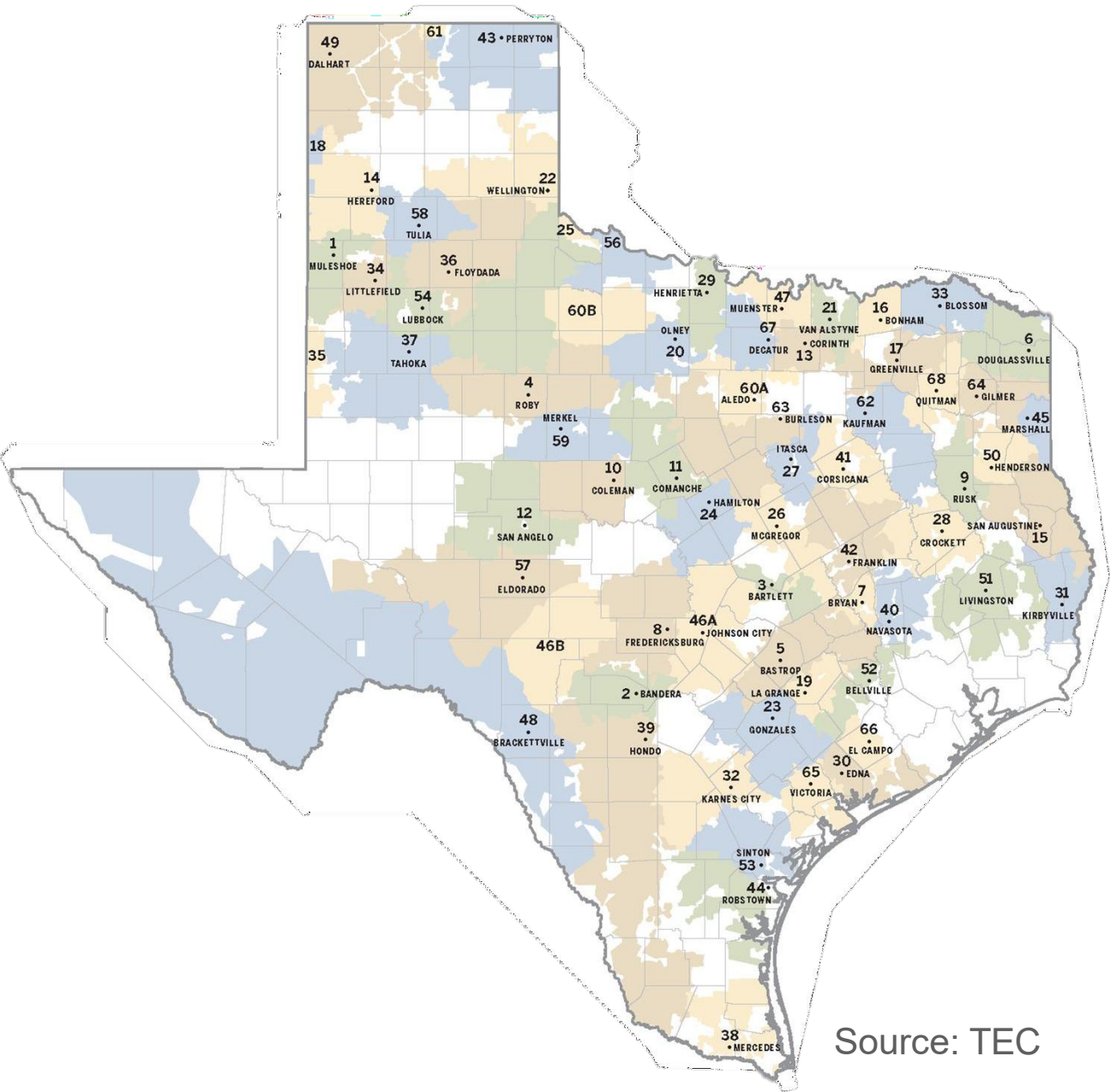
Source: AECT

Legend

| |
|----------------------------|
| AEP Texas Central Company |
| AEP Texas North Company |
| AEP SWEPCO |
| CenterPoint Energy |
| El Paso Electric Co. |
| Entergy Texas |
| Oncor |
| Texas-New Mexico Power Co. |
| Xcel Energy |

Market Structure

Coop Regions in Texas



Source: TEC

| COOPERATIVE | NUMBER | HEADQUARTERS |
|-----------------------|--------|----------------|
| Bailey County ECA | 1 | Muleshoe |
| Bandera EC | 2 | Bandera |
| Bartlett EC | 3 | Bartlett |
| Big Country EC | 4 | Roby |
| Bluebonnet EC | 5 | Bastrop |
| Bowie-Cass EC | 6 | Douglassville |
| Bryan Texas Utilities | 7 | Bryan |
| Central Texas EC | 8 | Fredericksburg |
| Cherokee County ECA | 9 | Rusk |
| Coleman County EC | 10 | Coleman |
| Comanche EC | 11 | Comanche |
| Concho Valley EC | 12 | San Angelo |
| CoServ Electric | 13 | Corinth |
| Deaf Smith EC | 14 | Hereford |
| Deep East Texas EC | 15 | San Augustine |
| Fannin County EC | 16 | Bonham |
| Farmers EC | 17 | Greenville |
| Farmers EC, NM | 18 | Clovis, NM |
| Fayette EC | 19 | La Grange |
| Fort Belknap EC | 20 | Olney |
| Grayson-Collin EC | 21 | Van Alstyne |
| Greenbelt EC | 22 | Wellington |
| Guadalupe Valley EC | 23 | Gonzales |
| Hamilton County ECA | 24 | Hamilton |
| Harmon EA | 25 | Hollis, OK |
| Heart of Texas EC | 26 | McGregor |
| HILCO EC | 27 | Itasca |
| Houston County EC | 28 | Crockett |
| J-A-C EC | 29 | Henrietta |
| Jackson EC | 30 | Edna |
| Jasper-Newton EC | 31 | Kirbyville |
| Karnes EC | 32 | Karnes City |
| Lamar County ECA | 33 | Blossom |
| Lamb County EC | 34 | Littlefield |
| Lea County EC | 35 | Lovington, NM |

| COOPERATIVE | NUMBER | HEADQUARTERS |
|-----------------------------|---------|---------------|
| Lighthouse EC | 36 | Floydada |
| Lyntegar EC | 37 | Tahoka |
| Magic Valley EC | 38 | Mercedes |
| Medina EC | 39 | Hondo |
| MidSouth EC | 40 | Navasota |
| Navarro County EC | 41 | Corsicana |
| Navasota Valley EC | 42 | Franklin |
| North Plains EC | 43 | Perryton |
| Nueces EC | 44 | Robstown |
| Panola-Harrison EC | 45 | Marshall |
| Pedemales EC | 46 A, B | Johnson City |
| PenTex Energy | 47 | Muenster |
| Rio Grande EC | 48 | Brackettville |
| Rita Blanca EC | 49 | Dalhart |
| Rusk County EC | 50 | Henderson |
| Sam Houston EC | 51 | Livingston |
| San Bernard EC | 52 | Bellville |
| San Patricio EC | 53 | Sinton |
| South Plains EC | 54 | Lubbock |
| Southwest Arkansas | 55 | Texarkana, AR |
| Southwest Rural EA | 56 | Tipton, OK |
| Southwest Texas EC | 57 | Eldorado |
| Swisher EC | 58 | Tulia |
| Taylor EC | 59 | Merkel |
| Tri-County EC | 60 A,B | Aledo |
| Tri-County EC, OK | 61 | Hooker, OK |
| Trinity Valley EC | 62 | Kaufman |
| United Cooperative Services | 63 | Burleson |
| Upshur Rural ECC | 64 | Gilmer |
| Victoria EC | 65 | Victoria |
| Wharton County EC | 66 | El Campo |
| Wise EC | 67 | Decatur |
| Wood County EC | 68 | Quitman |

Market Structure

Municipally Owned Electric Utilities (MOUs)

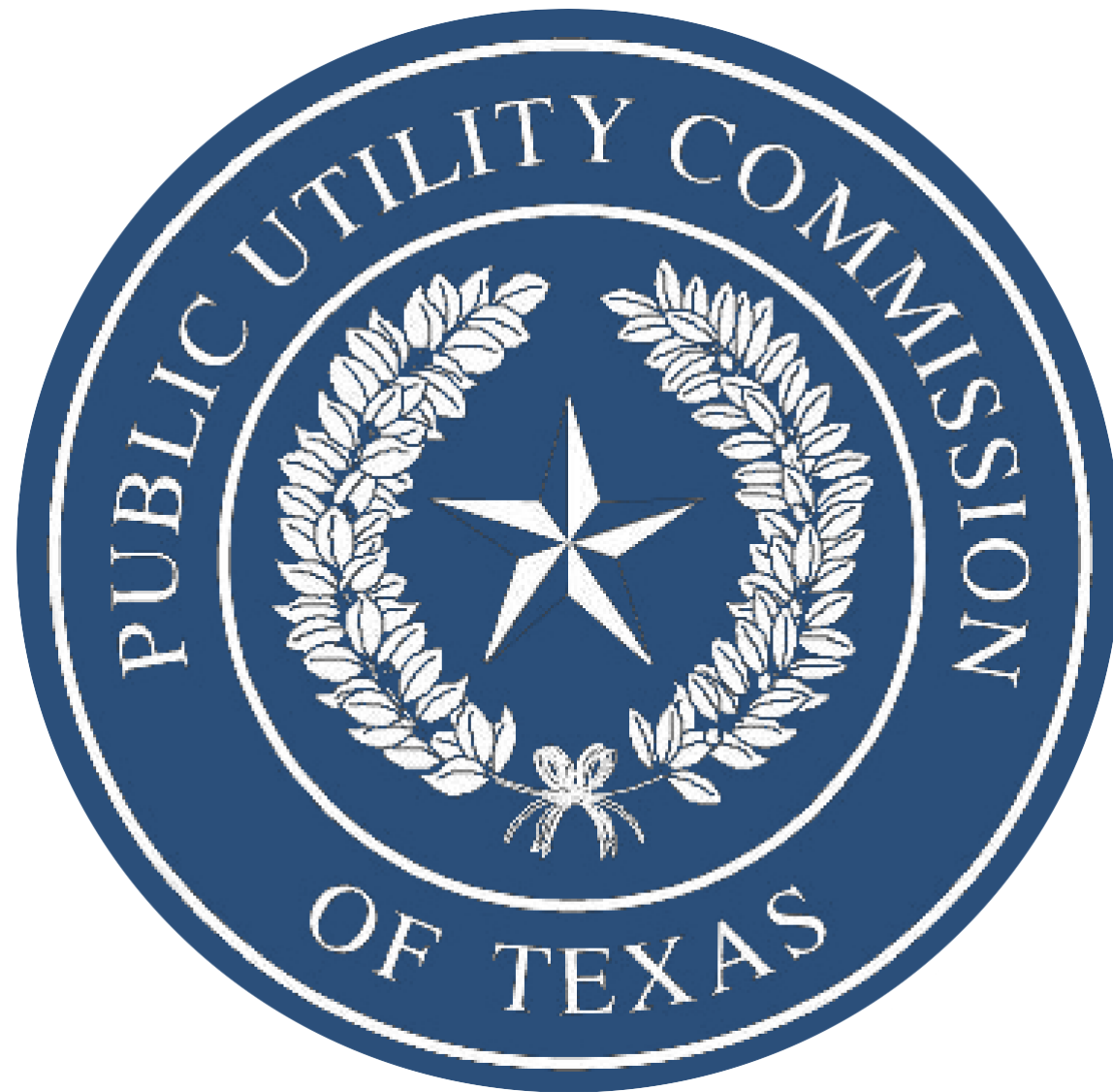


Source: TPPA

- In addition to RTOs and Coops, Texas is served by 72 **Municipally Owned Utilities (MOUs)**.
- MOUs operate as “full service” electric utilities that own poles and wires and often power plants.
- Some of the largest population centers in Texas are served by MOUs such as Denton, Austin, and San Antonio.

Market Structure

Public Utilities Commission (PUC)

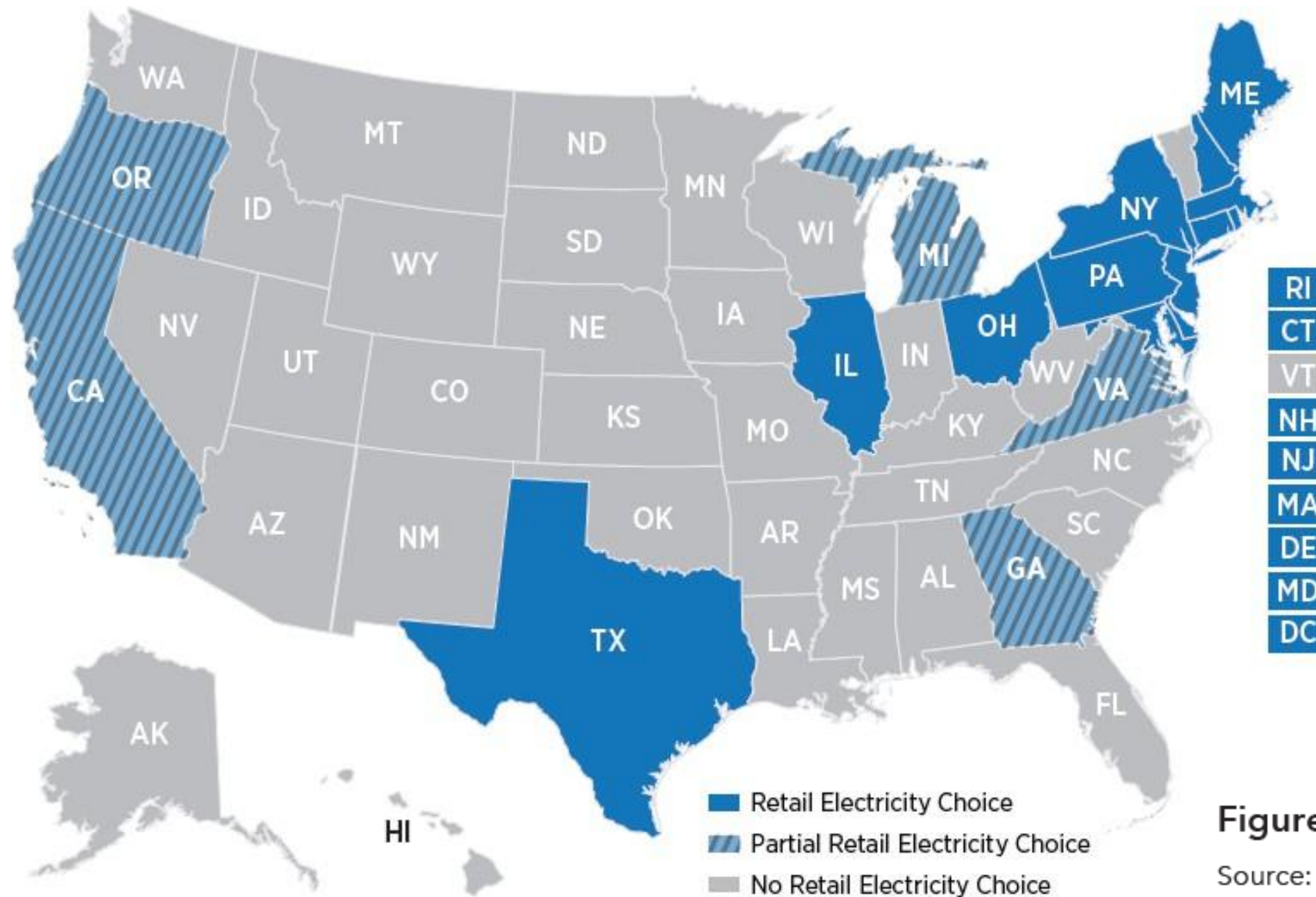


The **Public Utility Commission of Texas** is a state agency that regulates the state's electric, water and telecommunication utilities.

- The PUC, along with the Texas state Legislature, have oversight of ERCOT, as well as Transmission Line Route Approval.
- The PUC is led by five full-time Commissioners who are appointed by the Governor and confirmed by the Texas Senate for six-year terms.

Electric Utility Regulated States

Vertically Integrated Utilities – Outside ERCOT



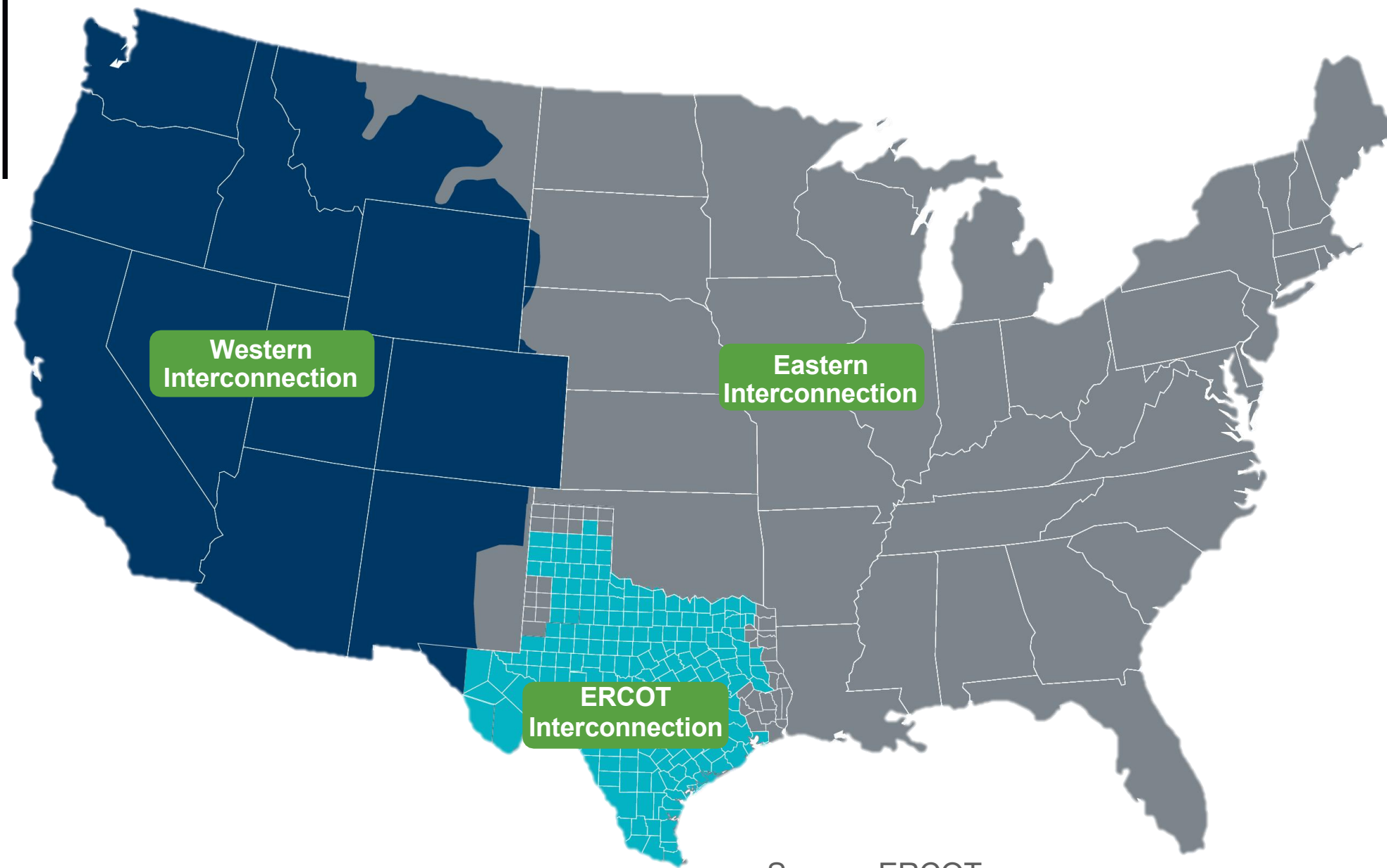
- Retail choice is not widely available in most parts of the country.
- Vertically integrated utilities own generation, transmission, distribution, and manage the relationship with the customer.
- In these markets, utilities determine the mix of resources that they use to generate electricity, with approval from state public utility commissions.

Figure 1. States with retail electricity choice

Source: State public utility commissions (2017)*

Market Structure

Grid Interconnections



Source: ERCOT

Local electricity grids are interconnected to form larger networks & maintain reliability.

The U.S. power system is largely made up of three main interconnections:

- The Eastern Interconnection
- The Western Interconnection
- **The Electric Reliability Council of Texas (ERCOT) Interconnection**

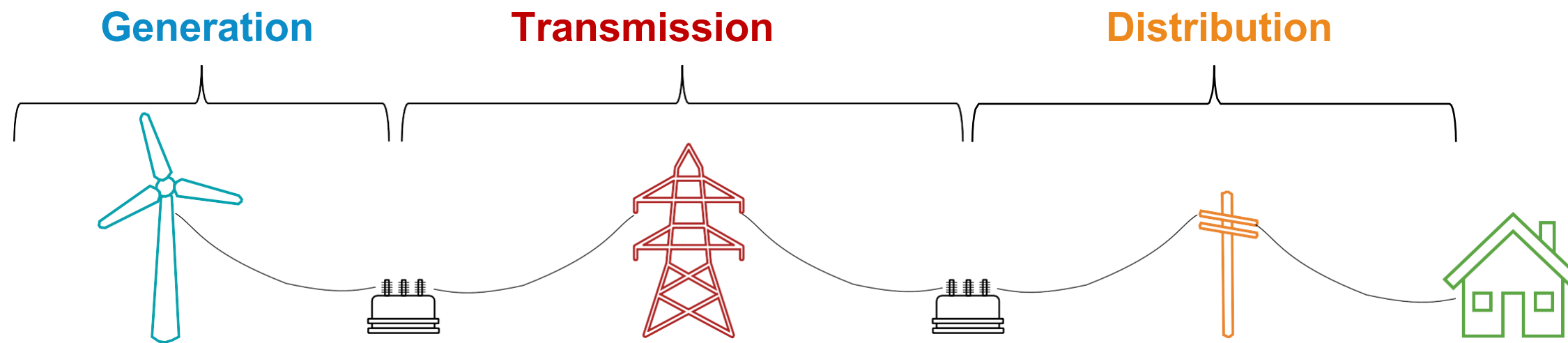
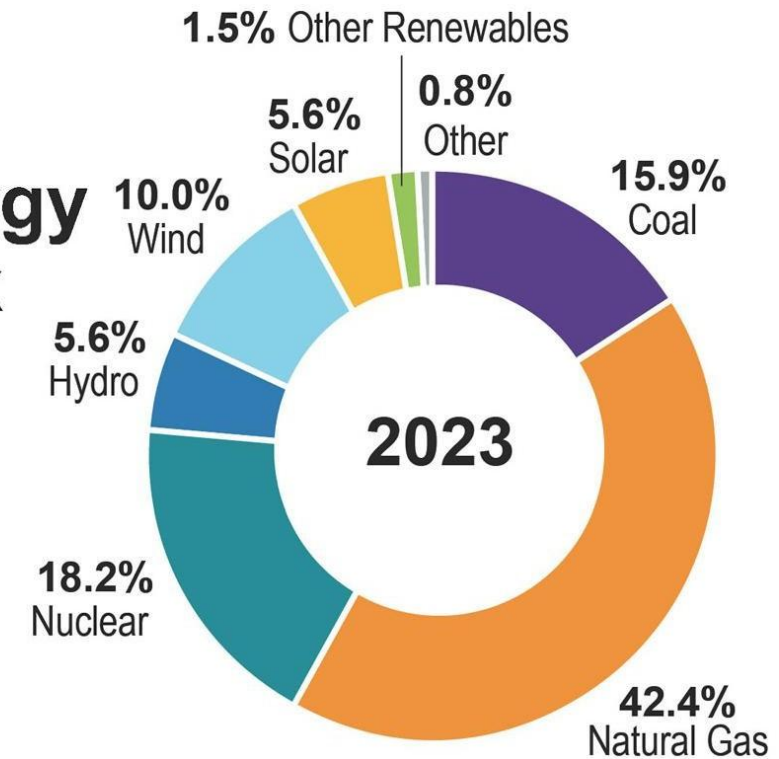
Market Structure

Generation

- Generation:** To ensure a steady supply of electricity to consumers, operators of the electric grid, call on electric power plants to produce and supply the right amount of electricity to the grid at every moment to instantaneously meet and balance electricity demand.

2023 National Energy Resource Mix

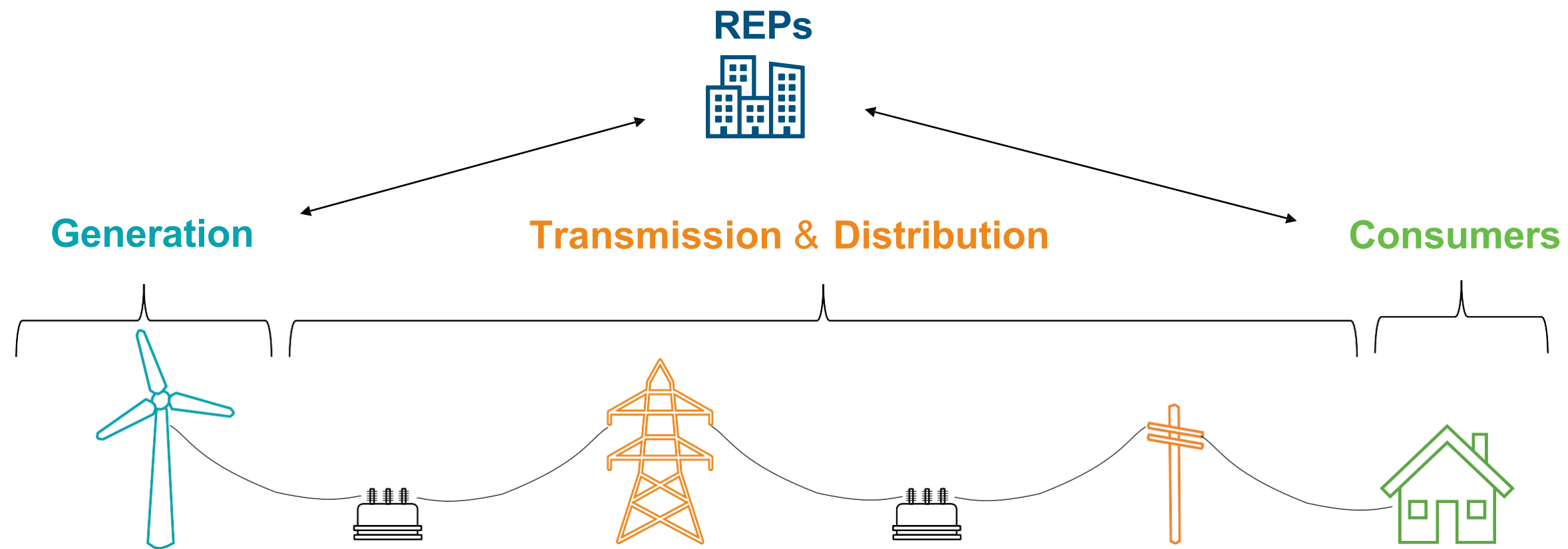
Source: EEI



Market Structure

Market Participants in ERCOT

- The ERCOT Electric Market is deregulated. Market participants are separated into:
 - **Generating Companies**
 - **Transmission and Distribution Service Providers (TDSPs)**
 - **Retail Electric Providers (REPs)**
 - **Consumers**

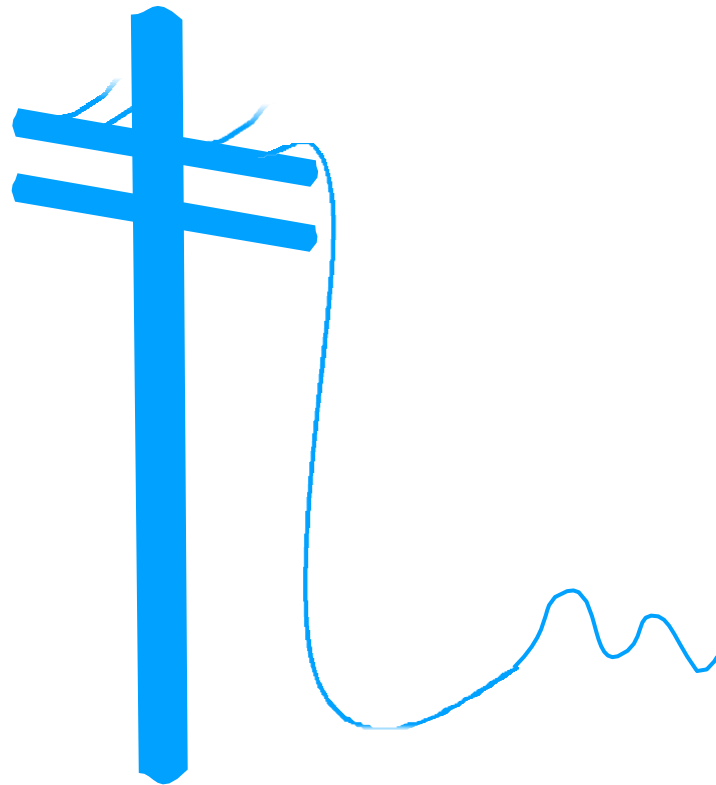


AEP Texas' Largest Cities by Meter Count

| | | # Meters | % Load Growth |
|----|--------------|----------|---------------|
| 1 | CC | 148034 | 0.7 |
| 2 | Laredo | 101346 | 1.3 |
| 3 | Mission | 67,447 | 1.3 |
| 4 | Abilene | 61,991 | 1 |
| 5 | McAllen | 58,473 | 1.5 |
| 6 | Harlingen | 57,237 | 0.7 |
| 7 | Aransas Pass | 55,427 | 1.2 |
| 8 | San Angelo | 54,596 | 0.4 |
| 9 | Weslaco | 54,112 | 1.8 |
| 10 | Pharr | 33,655 | 1.5 |
| 11 | Edinburg | 31,600 | 2.3 |

The Texas Electrical Grid

Change is already here



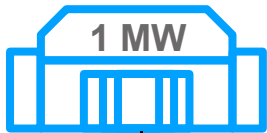
Texas electric grid experiencing unprecedented growth, especially outside the traditional 'Texas Triangle'.

Industrial and commercial loads (data centers, crypto mining) are driving demand surges.

Grid has shifted from traditional, one-way power flow to a complex, distributed, and bidirectional system.

Measures of Electricity

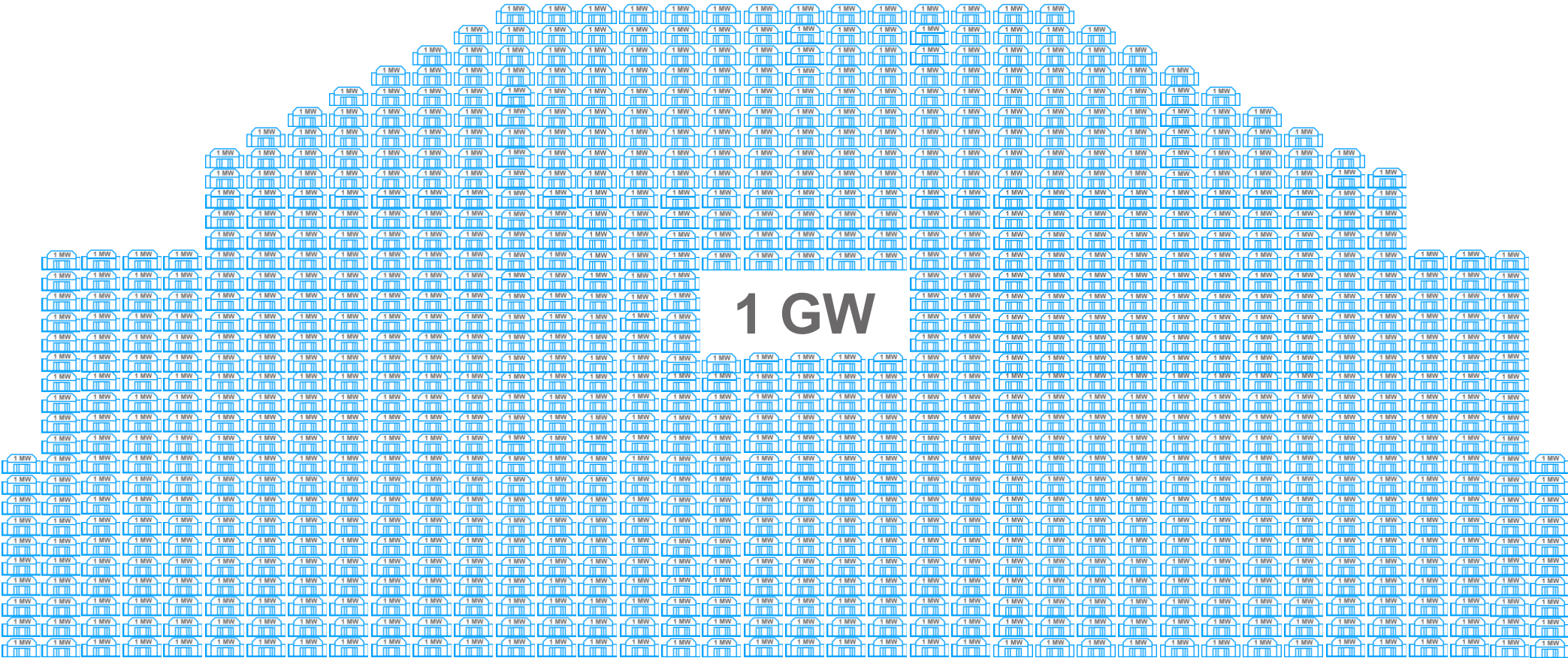
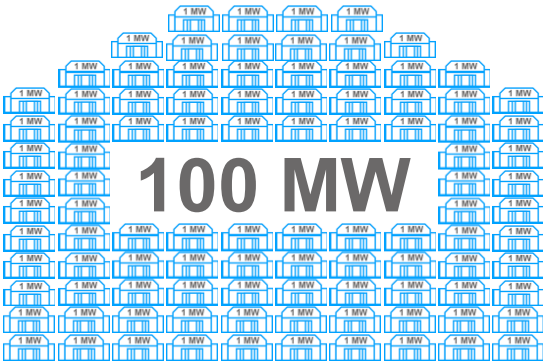
Example: Assume one well-known big box grocery retailer with refrigeration, grocery, HVAC, lighting,, and parking lot lights uses **1 MW** of load.



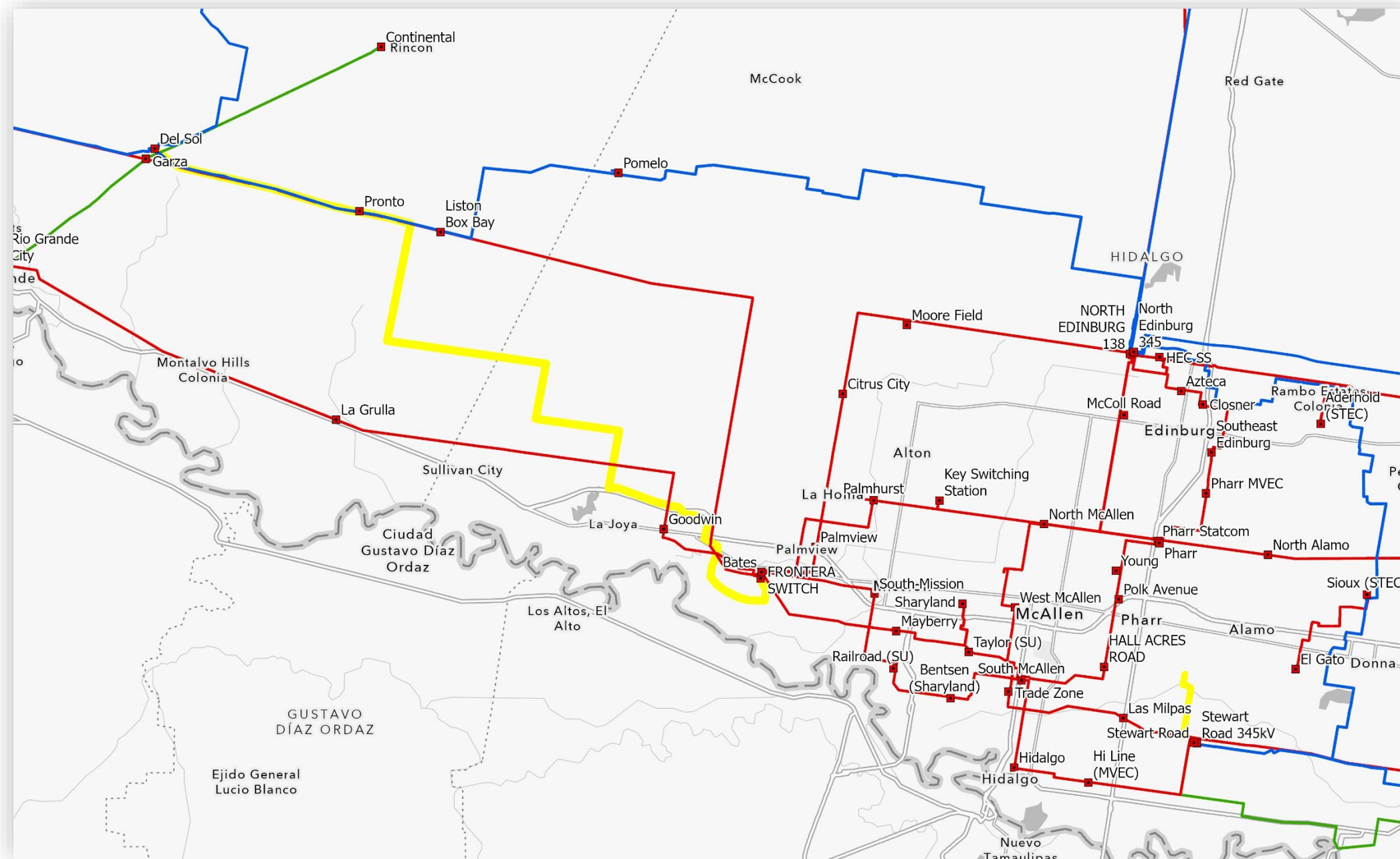
| Symbol | Prefix | Multiplication Factor |
|--------|----------|-----------------------|
| W | Watt | 1 |
| kW | Kilowatt | 1,000 |
| MW | Megawatt | 1,000,000 |
| GW | Gigawatt | 1.000,000,000 |

We see regular requests over 1GW.

A large manufacturer might use 10-20 MW.
A large refinery campus may range 100-600 MW.



McAllen/ Pharr Area – Transmission

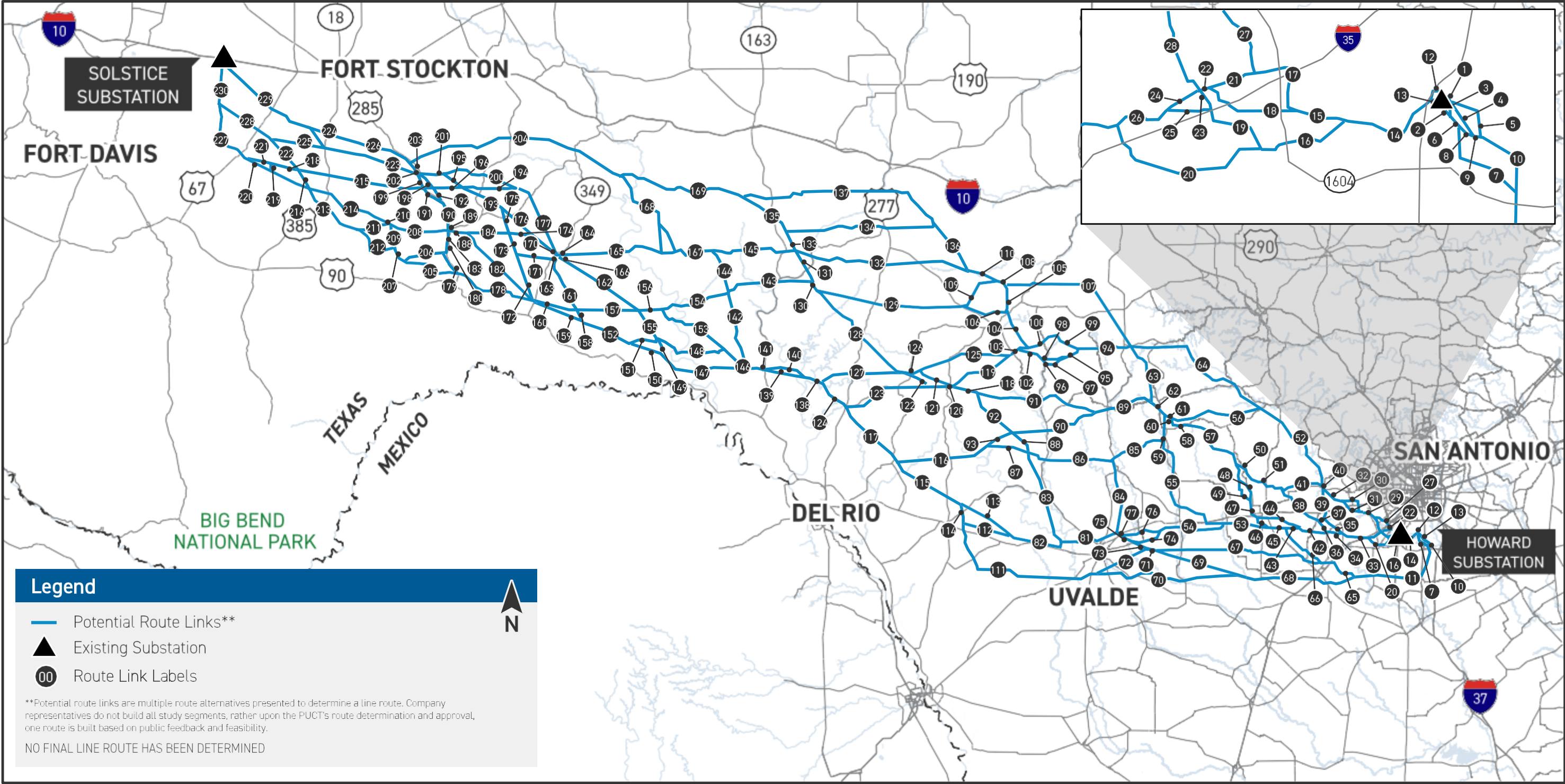


AEP Transmission

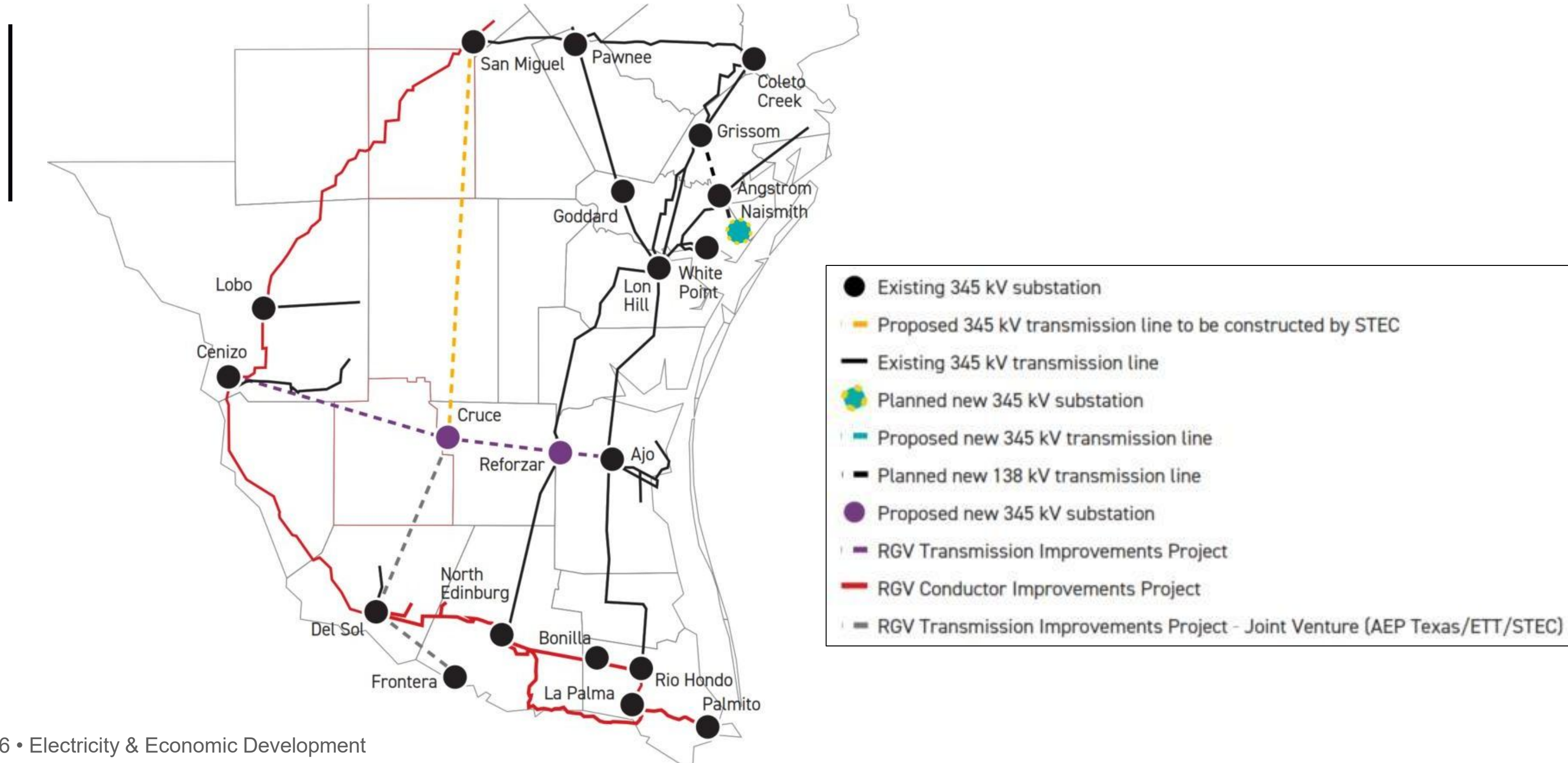
- 69 kV
- 138 kV
- 345 kV
- AEP Station
- New Project

- <https://www.aeptransmission.com/texas/DelSol-Frontera/> (West Line)
- <https://www.aeptransmission.com/texas/Lion/> (East Line)

765 kV Proposed Transmission Routes



Region Overview – Transmission Upgrades



Questions?

