Statement of Brett Mattison
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March 17, 2026

Chairman Latta, Ranking Member Castor, and members of the Committee, thank you for inviting me to testify before the Energy and Commerce Committee's Energy Subcommittee today. My name is Brett Mattison. I serve as the President and Chief Operating Officer of Southwestern Electric Power Company (SWEPCO), overseeing the company's electric distribution system, engineering, operations, construction, and maintenance, serving approximately 558,000 customers across Louisiana, Arkansas, northeast Texas, and the Texas panhandle.

For over a century, SWEPCO has been a trusted energy provider, tracing its roots back to 1912. In its early days, SWEPCO was instrumental in electrifying rural areas while also serving urban centers such as Shreveport, Louisiana; Texarkana, Arkansas and Texas; Longview, Texas; and Fayetteville, Arkansas. Our mission continues today, alongside our 1,377 dedicated employees, as we support industrial growth and enhance the quality of life for customers across our service territory.

SWEPCO is a subsidiary of American Electric Power (AEP), whose 17,000 employees produce and deliver reliable, affordable electricity to 5.6 million customers across 11 states. AEP operates the nation's largest electric transmission system with approximately 40,000 miles, along with more than 252,000 miles of distribution lines and approximately 31,000 megawatts (MW) of diverse generating capacity. Through its family of operating companies, AEP focuses on safety, operational excellence, economic development and community engagement.

I. Executive Summary

SWEPCO serves customers with a diverse generation portfolio that includes coal, natural gas, wind, and purchased power.[1] While each resource contributes value, our experience during Winter Storm Fern – and other storms in recent years – reinforced what we have long understood: reliability depends on dispatchability, or the ability to call on a resource when it is needed, for as long as it is needed, regardless of weather conditions.

[1] SWEPCO-owned and power purchase agreement generating capacity includes 2,411 MW of natural gas across five plants, 1,792 MW of coal across three plants, and 1,608 MW of wind across five plants.

II. Performance During Winter Storm Fern

Winter Storm Fern hit SWEPCO in two waves: the early hours of January 24 and again on January 25. During the storm, our service area experienced prolonged periods of extreme cold – with temperatures dipping to -2 degrees Fahrenheit (F) in Fayetteville and to 17 degrees F in Shreveport – resulting in elevated electricity demand and widespread stress across the regional power grid.

We had more than 200,000 customers impacted and restored throughout the event with the help of our dedicated SWEPCO staff and talented International Brotherhood of Electrical Workers frontline workers who worked tirelessly to keep the lights on and restore power in extremely difficult conditions.

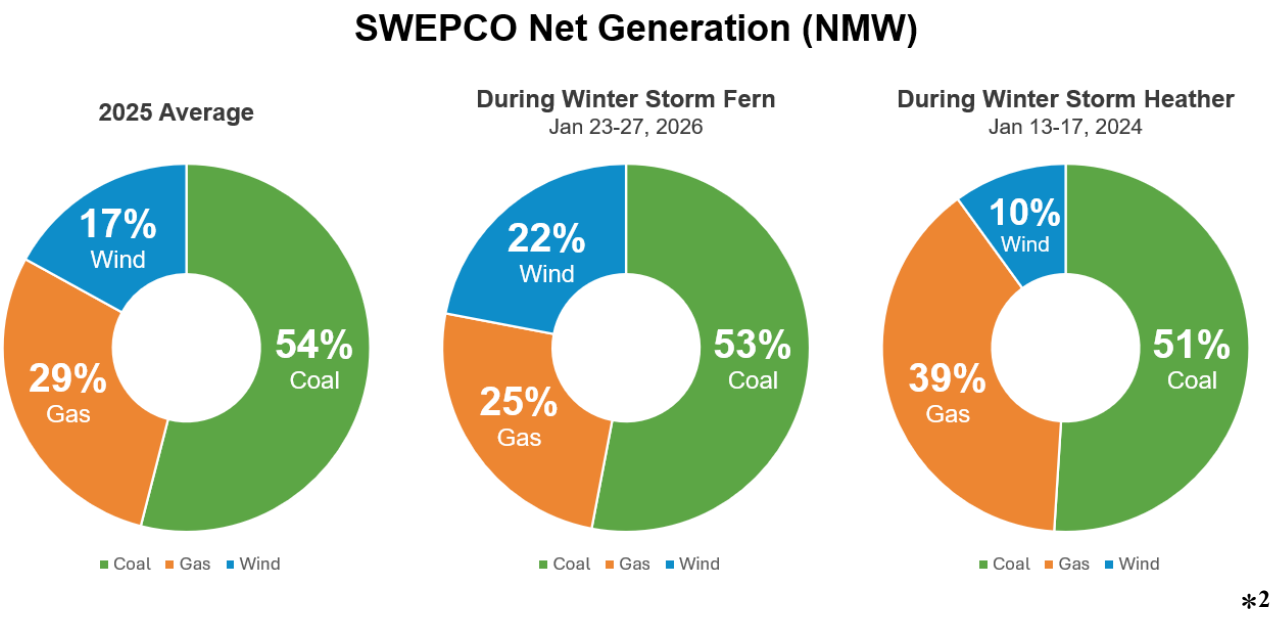
One of several base camps established by SWEPCO during Winter Storm Fern.

Across our service territory, SWEPCO's fleet of coal and natural gas units showed up when it mattered most, supported by wind power, providing consistent, reliable power throughout the winter storm. During these winter events, as shown in the charts below, all SWEPCO resources have been called up at higher levels than normal to ensure continued, reliable power.

- **Coal units** provided the majority of SWEPCO-owned electricity production during the storm (53%). For comparison, coal on average makes up 31% of SWEPCO's resource mix. Onsite fuel was a significant advantage; our coal units maintain onsite fuel storage to support between 30 and 45 days of operation. This stockpile reduced our exposure to price spikes and delivery disruptions and was essential in maintaining reliability throughout the storm. From a performance standpoint, coal generation has been the most dependable resource for SWEPCO during the last four winter storms, with the highest capacity factors, the highest dispatchable availability, and the lowest rates of forced outages.

- **Natural gas units** performed well and provided 25% of our net generation and remain essential components of our system. Throughout the event, SWEPCO's gas units were ramped up as needed to meet the demand of the Southwest Power Pool (SPP), our regional transmission organization (RTO). However, gas performance is directly linked to deliverability. In areas where units are served by a single pipeline or located at the end of the system, cold weather curtailments by gas pipeline and fuel providers can and do occur.

- **Wind power** also performed well, with optimal wind speeds and snow (rather than freezing rain), and provided 22% of SWEPCO's net generation during Winter Storm Fern. Renewable energy, particularly wind, remains important to SWEPCO's long-term strategy as it provides cost-effective, emissions-free energy to customers, particularly during periods of high gas prices. However, wind remains weather-dependent and does not displace the need for dispatchable generation. Sleet or freezing rain – as occurred during Winter Storm Heather in 2024 – can result in icing on blades or towers which presents a safety and operational issue for wind turbines and may force shutdowns.



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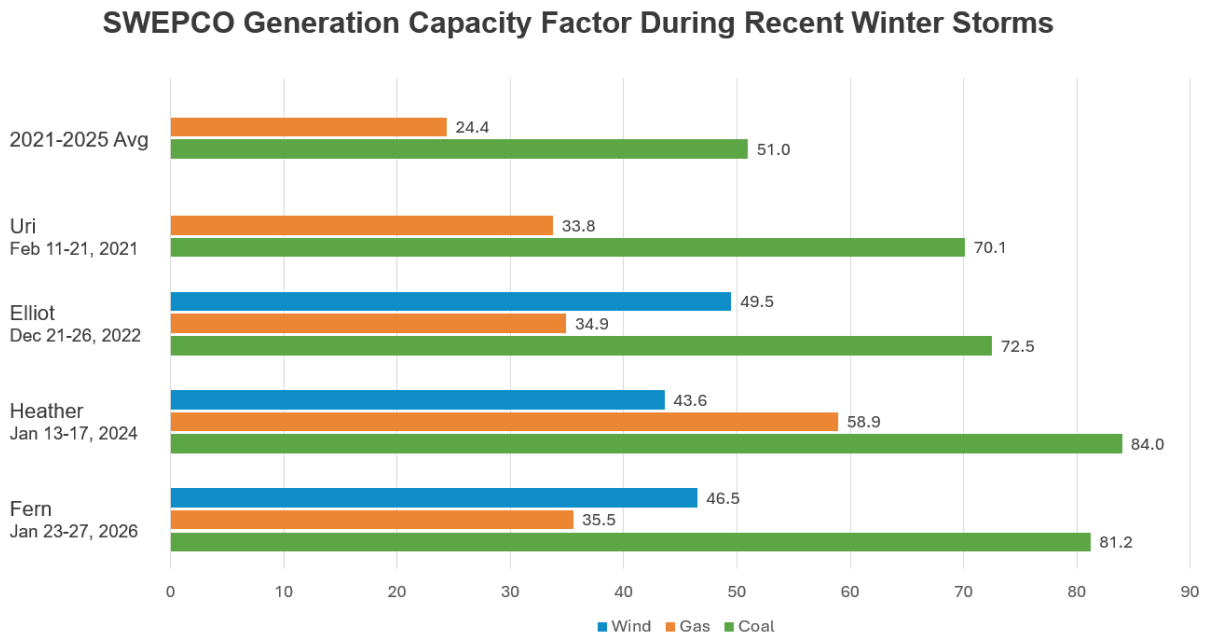


Natural gas prices jumped significantly during the storm as demand increased and pressure on supply and deliverability tightened. Over the last year, gas prices averaged between $2 to $3 per MMBtu. During Winter Storm Fern, prices spiked to nearly $41 per MMBtu. This was significantly better than during Winter Storm Uri, however, when we saw prices rise to over $210 per MMBtu. For SWEPCO, gas price stability and infrastructure adequacy are critical components of overall affordability.

[2] Notes on **SWEPCO Generation Capacity Factor During Recent Winter Storms** Chart: SWEPCO-owned wind generation began operation in April 2021. Capacity factor is the ratio of a unit's net generation to a net generation the unit would have produced had it been operating at its full load for the entire period. The higher the capacity factor, the higher the unit is operating at or near its maximum load. Natural gas units were ramped up to meet demand throughout the duration of the event.

By contrast, coal prices do not exhibit the same short-term volatility. Because coal must be mined and transported well in advance, its pricing does not fluctuate in one or two-week weather events, and spot prices remained stable across Fern, Elliott, Heather, and even Uri. As a result, coal units – and their 30-45 days of onsite inventory – can serve as a hedge against natural gas price spikes, reducing reliability risk and fuel cost exposure for customers. Wind resources are also insulated from fuel price swings, but their performance remains weather dependent and cannot replace the need for dependable, dispatchable generation during periods of extreme cold.

III. Strengthening Resilience Through Lessons from Uri

Winter Storm Uri – the prolonged cold wave that hit in February 2021 – was a defining event for our region. It exposed a fundamental reality: the electricity systems in the South, including SWEPCO's territory, were not designed for sustained single-digit or lower temperatures.

Following Winter Storm Uri, the North American Electric Reliability Corporation (NERC) established new weatherization requirements, which require detailed cold-weather preparedness plans, updated equipment data, identification and winter protection measures of critical components and equipment, and incorporation of lessons learned from prior storm events. SWEPCO has implemented the more robust requirements across all generating units. Each facility maintains a cold-weather preparedness plan, plant personnel participate in annual training to ensure readiness, and SWEPCO conducts after-action reports.

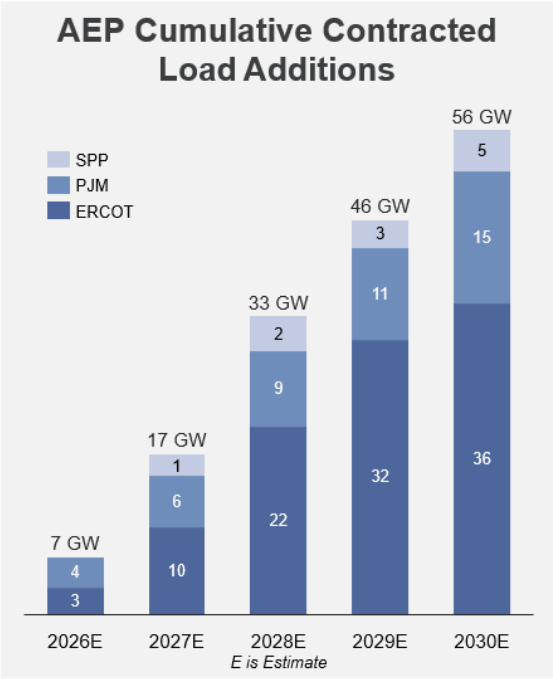
Starting in 2021, SWEPCO undertook a comprehensive effort to review and improve our cold-weather readiness by making specific, operationally focused corrections. From 2022 through the end of 2025, SWEPCO has invested approximately $7.5 million in winterization improvements. Key investments included: expanding freeze protection systems on critical equipment ("heat tracing"); adding infrared cameras to detect compromised insulation and heating; temperature monitors for critical equipment; increasing insulation; and new coal-pile management practices and equipment upgrades.

Last October, prior to Winter Storm Fern, SWEPCO conducted a comprehensive storm drill involving distribution, transmission, and emergency response personnel. The scenario we practiced was, by coincidence, almost identical to the conditions we experienced in Fern. That drill proved invaluable and directly contributed to our strong operational performance. Our performance during Winter Storm Fern shows that we have internalized the lessons we learned from Uri and the resilience of our system continues to strengthen.

In both Winter Storm Fern and Winter Storm Uri, AEP and SWEPCO's response efforts benefitted from close coordination with federal government partners via the Electricity Subsector Coordinating Council (ESCC). AEP's CEO Bill Fehrman currently serves as one of the ESCC's three industry co-chairs. The ESCC provides a forum for real-time coordination between senior federal agency and electric sector leaders before, during, and after major national events. Through this collaboration, utilities and government partners share critical operational information, elevate resource needs, streamline mutual assistance mobilization, and strengthen nationwide grid resilience during significant incidents.

IV. Ensuring Resilient Systems for Historic Load Growth

We are entering a new era of electric demand. Load growth is no longer measured in megawatts but in gigawatts. The scale and speed are unlike anything we've seen before. A clear example is the development underway in Northwest Louisiana, where SWEPCO has partnered with one of our customers – Amazon – to provide reliable power to a newly announced data center campus. This is a $12 billion investment that is measured in multi-gigawatt increments.



Across the country, AEP has 56 gigawatts (GW) of firm, incremental contracted load – primarily for large data centers – backed by signed customer agreements and expected by 2030. This is double the previous forecast of 28 GW by 2030. These projects are concentrated in three key regions: ERCOT (Texas) with 36 GW, PJM Interconnection with 15 GW, and SPP with 5 GW.

That is the new reality for utilities throughout the South and across the country. In order to make this happen, we need a clear and timely permitting process for all projects to accommodate the energy expansion required to meet the needs of tomorrow.

a. New Natural Gas Generation

To meet this demand responsibly, SWEPCO is planning to construct new combined-cycle natural gas plants that will be built to winterization design standards that are substantially more robust than the fleet constructed 40 or more years ago. The new units will incorporate comprehensive freeze-protection measures, protecting all cold weather critical components so the units can operate at their extreme cold weather temperature ratings with sustained 20 mile per hour wind conditions for at least 12 continuous hours. Because even the most advanced winterized gas generation is only as reliable as its fuel supply, these new plants must be paired with expanded and modernized natural gas pipeline capacity to ensure year-round deliverability and resilience during peak cold-weather periods.

b. New Nuclear Generation

With data center and AI load driving unprecedented year-round demand, new nuclear generation will be essential to meeting long-term baseload needs, providing unmatched reliability, zero carbon energy, and geographic stability. We have seen bipartisan support from Congress and our states – Arkansas, Louisiana, and Texas – that will promote new nuclear development.

SWEPCO is actively working to ensure the region is positioned for next generation nuclear deployment by conducting siting studies and other diligence activities across its service territory to assess potential locations for future nuclear development. SWEPCO is also supporting the Texas

Energy Fund's Advanced Nuclear Grant Program, which provides state-backed funding to help advance early planning and feasibility work for emerging nuclear technologies.

Licensing and oversight processes at the Nuclear Regulatory Commission (NRC) must support the timely development and deployment of advanced nuclear technologies - including small modular reactors - while maintaining NRC's essential independence and strong commitment to safety. Support from the Department of Energy also remains critical to affordability, particularly through programs such as the Advanced Reactor Demonstration Program and the Energy Dominance Financing program, which help reduce early-stage costs and accelerate deployment.

c. Existing Baseload Generation

Dispatchable baseload generation must remain a central pillar of grid reliability. As system conditions tightened in the storm, it was our baseload units that delivered the stability the grid required. The Department of Energy's funding for coal power plant modernizations, announced in September 2025, will provide much needed support to improve operations and preserve these units that are critical for extreme weather events. Environmental regulations, including the Clean Air Act Greenhouse Gas standards, the Effluent Limitation Guidelines, and Coal Combustion Residuals regulations issued in 2024 by the prior EPA, should be reevaluated as soon as possible. The federal government must recognize the essential reliability role these units play and ensure compliance timelines and requirements do not force their retirement before equally dependable replacements are in place.

d. Transmission Expansion, the High-Voltage Backbone, and Permitting Needs

Generation can only be as effective as the transmission system that supports it. To reliably serve gigawatt-scale load growth, the nation must build new high-capacity transmission and upgrade existing corridors on timelines aligned with new load and new generation. AEP has long been a national leader in 765-kilovolt (kV) transmission development, demonstrating how extra-high-voltage backbones unlock remote low-cost generation, relieve congestion, and efficiently move large quantities of power to high-growth regions.

These same principles apply today in SPP, where a 765-kV transmission line regional network could significantly enhance affordability and reliability for rapidly growing areas such as SWEPCO's service territory. The Federal Energy Regulatory Commission (FERC) can further support affordability in SPP and other regions across the country by encouraging the development of cost-effective backbone options, such as 765-kV lines.

Reliable, dispatchable power to meet AI-driven load growth requires building modern, winterized gas generation and new nuclear alongside matched expansions of pipeline and transmission capacity. Modernizing federal and state permitting is essential so these lines, pipelines, and power plants can be sited and constructed quickly enough to keep pace with accelerating demand.

e. Ensuring Affordable Power

As we build this future system, affordability must remain a central priority. When thoughtfully integrated, large loads can help strengthen the system by providing grid-wide benefits that enhance

resiliency and reliability without increasing costs for residential or small business customers. We can meet these objectives by:

- Utilizing long-term contracts and financial assurances to protect existing customers from stranded costs;
- Applying proven large-load tariff structures that align cost responsibility with cost causation; and
- Leveraging the scale of new load growth to spread fixed system costs and support modernization of grid infrastructure.

AEP has been an industry leader in developing large load tariff structures and has implemented or advanced large load tariff frameworks in several states, including Ohio, Indiana, Kentucky and West Virginia, designed to shield existing customers from costs related to serving new large loads. Similar approaches are under consideration in Virginia, Michigan, Oklahoma, and Texas.

Within SPP, recent reforms are enabling utilities such as SWEPCO to accommodate rapid growth in data-center demand while protecting reliability and affordability. SPP's High-Impact Large Load framework ensures major new facilities are studied alongside the transmission and generation needed to serve them, preventing cost shifts to existing customers. At the same time, enhancements to SPP's integrated planning and market design help ensure new load is served by the lowest-cost resources.

Lastly, the Low-Income Home Energy Assistance Program (LIHEAP) and Weatherization Assistance Program are both essential tools for helping the lowest income households, including many SWEPCO customers, manage energy costs. These programs offer direct bill payment support and funding for energy efficient home repairs. SWEPCO also provides its own affordability programs, including the "Neighbor-to-Neighbor" assistance fund, which offers eligible customers bill-payment grants through local community action agencies, and the "Pay As You Go" prepaid electricity program in Louisiana and, as of yesterday, Arkansas.

Conclusion

Our grid is already facing extraordinary challenges, including rapid load growth, severe weather, cyber and physical security threats, and the deployment of new technologies. But with the right policies in place, our system can remain reliable, affordable, and resilient.

Thank you for the opportunity to testify. I look forward to your questions.