



An AEP Company

BOUNDLESS ENERGY

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October 1, 2021

Via Electronic Mail

Connie Graley
Executive Secretary
Public Service Commission of West Virginia
201 Brooks St.
Charleston, WV 25301

01:55 PM OCT 01 2021 EXEC SEC DIV

**Re: Appalachian Power Company and Wheeling Power Company
Case No. 19-0387-E-PC (closed filing), General Order 236.1 (closed filing)**

Dear Ms. Graley:

Please find enclosed for filing in the above-referenced matters the latest quarterly report of Appalachian Power Company and Wheeling Power Company pursuant to the Commission's Final Order dated January 9, 2020 in Case No. 19-0387-E-PC. On this date, copies thereof were served in accordance with the Certificate of Service.

The Companies submitted their last quarterly report on July 30, 2021. The Companies determined that these periodic reports would be most useful if they were presented as a cumulative account of activities from program inception to the current date, rather than as isolated reports mentioning only what has been done in each individual quarter. The instant report has been formulated in this manner.

This filing is made via electronic mail in accordance with the Commission's General Order No. 262.3 *Regarding Processing of Cases During COVID-19 West Virginia State of Emergency*.

Thank you for your attention to this matter.

Sincerely,

Keith D. Fisher (WV State Bar #11346)
Counsel for Appalachian Power Company
and Wheeling Power Company

Enclosure

cc: Certificate of Service

Appalachian Power Company and Wheeling Power Company

West Virginia Advantage Plan for Economic Growth and Development

Report to the Public Service Commission of West Virginia

October 1, 2021

Site Readiness Programs:

The Companies undertook an aggressive implementation strategy on site readiness, which has been an inherent weakness in West Virginia for new business growth, jobs, and investment. In order to address the site readiness needs, an assessment of current and potential business sites was required. The Companies engaged the services of InSite Consulting, a nationally recognized site selection, economic development, and real estate evaluation firm in Greer, South Carolina. InSite Consulting was asked to use its proven site evaluation process to provide a gap analysis evaluation of sites submitted by the Local Economic Development Organizations (LEDOs). The process is not a certification of sites, but a validation of a site's strengths and weaknesses. The first stage of this process involved a series of three regional meetings with LEDOs to explain the site assessment process and site selection criteria that a client uses when making new strategic investments. The LEDOs were granted a 30 to 45-day period to submit their sites for evaluation. Due to COVID-19, the LEDOs were granted an extension to submit properties. LEDOs submitted 44 sites to InSite Consulting by May 8, 2020, and a report was provided to the Companies by InSite on May 19, 2020. A subsequent follow-up meeting was scheduled with the Companies and the West Virginia Development Office (WVDO) in June. The results of the submissions warranted additional training for LEDOs on completing the Request for Information (RFI) process. InSite Consulting was contracted to host personalized training; these training sessions were conducted virtually in the month of July, 2020. The LEDOs resubmitted their sites for final evaluation; eleven LEDOs resubmitted 20 of the 44 sites. The consultants further evaluated the 20 sites and narrowed focus to 11 for future funding considerations. The consultants were contracted to do an additional Deep Dive into those sites with the participating communities. The week of October 19-23, 2020, the consultants conducted 11 deep dive calls and scheduled 11 site tours for November 17-20, 2020.

InSite Consulting conducted in-person site tours in the counties of: Jackson, Mason, Cabell, Wayne, Lincoln, Boone, Wyoming, Raleigh, Greenbrier and Mercer from November 17-20, 2020. Starting the week of November 30-December 14, 2020, InSite Consultants participated in virtual community presentations with the LEDOs. These presentations allowed the LEDOs to present their sites and communities as if they were presenting to a prospect. The consultants gave real time feedback and assessed their performance. InSite Consulting and the Companies' leadership team had a benchmark call on December 16, 2020 to discuss professional gaps, data gaps and discuss next steps. Next steps included a Site Selection 101 training for local leadership in each community to educate decision makers on infrastructure requirements necessary to attract manufacturing at a national level.

InSite wrapped up the last three virtual community presentations and presented feedback to the participating LEDOs. On January 26, 2021, InSite presented the final gap analysis matrix to the West Virginia Development Office. The results of the matrix were that eleven sites showed no return on investment at this time, four sites needed additional reconnaissance, and only two sites qualified for further consideration. On March 2, 2021, InSite completed the APCo Site-Specific Playbook. This document contains each community's written deliverables and graded RFI, along with the revised All Sites Matrix and some general cost estimates.

The Companies are seeing a Return on Investment (ROI) of the InSite Readiness program. In August 2021, the Huntington Area Development Council closed on the sale of seventy (70) plus acres in Lesage, WV to TruLieve, a medical cannabis company. TruLieve will construct multiple buildings on the property and employ between 100 and 121 workers. The Lincoln County Economic Development Authority closed on the sale of property in the Lincoln North Industrial Park to a private business that will create four jobs initially but will grow to over ten in the future.

Several other initiatives have been implemented under Site Readiness. As identified in the initial Advantage Plan, APCo owns the 1,300+ acre Apple Grove Site in Mason County. The site has been marketed by the Companies and the WVDO to industrial clients for many years. However, a key infrastructure requirement of a public wastewater system has hindered its development.

The Mason County Development Authority and the Region 2 Planning and Development Council applied for and received a \$1.2 million US Army Corp of Engineers grant to develop a wastewater design plan to serve the site and the Apple Grove unincorporated area of Mason County. A requirement of the grant was matching funds of \$325,000. This amount was divided equally by the Companies and the WVDO, each providing \$162,500 to allow the wastewater system design grant to move forward. The Region 2 PDC is currently initiating plans for construction funding once the design phase is completed; Region 2 and engineers worked with the Companies' real estate team on final location of the wastewater plant. A map with the proposed site has been developed as well as preliminary construction cost estimates. The cost to serve existing residential and business customers is estimated in excess of eleven million dollars. In addition, the Companies are nearing the completion of a Master Plan for the Apple Grove Site that will promote its development as a large-scale industrial park that could be utilized by several companies. The Companies' parent company, AEP, has engaged the services of Clayco, a nationally recognized design and build construction firm to evaluate and perform a site analysis of the Apple Grove property, which has been completed. This analysis - not paid for by the Advantage Plan - will allow a targeted Master Plan to be developed. This Master Plan will allow the Companies and the WVDO to work in concert to market the site more effectively. On November 20, 2020, AEP and Clayco hosted a virtual site tour of Apple Grove. The participants included the WVDO, utilities providers, CSX and local development authority. Discussions included prior lost projects, current prospect activity and next steps. On January 7, 2021, Clayco presented the Apple Grove Master Plan site report. On March 22, 2021, AEP, APCo and Clayco met virtually to review and discuss the Apple Grove Master Plan. During this meeting, the Companies made additional suggestions to include river and barging access. Following this meeting, the Companies and Clayco had a follow-up meeting with the Army Corps of Engineers to discuss placement and access to the river. On July 22, 2021, Clayco and AEP met virtually to revise the most recent master plans to include river access and a separate master plan to demonstrate a mega-site option. Final master plans were delivered for review on September 22, 2021.

The Mason County Public Service District received new rates for the Ashton water plant that went online in March 2021. This provides a four-well water plant at Ashton, which would serve

the Apple Grove site. Their primary mission is to provide potable water to area customers. The Ashton Plant is projected to have a pumping/treatment capacity of approximately 24,000gals/hr. Half that capacity is already dedicated to existing customers, which means that roughly 12,000gals/hr excess capacity is available for new uses.

The Companies made a financial commitment to provide matching funds to the Raleigh County Airport Authority (\$200,000) and the New River Gorge Regional Development Authority (\$50,000) to assist with a major \$8.3 million site development project at the Raleigh County Airport Industrial Park. Grant applications to the Federal EDA and ARC Power Grant allocations were made. This project is a result of the Aero-Ready Certification Program Studies that the Companies conducted for not only the Raleigh County Airport Region, but also the Charleston and Greenbrier Airports. (There is further discussion of Aero-Ready Certification later in the report.)

The Raleigh County Airport Industrial Park Site Preparation project will expand the Airport Industrial Park by 105 acres. Development of the identified acreage will allow expansion within the Park for 16 developable sites. This should encourage new business development and new industry attraction in southern West Virginia, which has experienced a difficult economic downturn with the coal industry. At least four of the 16 sites will have direct access to the Raleigh County Memorial Airport's runways/taxiways, which is a key to attracting new and innovative businesses in the aerospace industry.

On October 14, 2020, the Appalachian Regional Commission awarded the New River Gorge Regional Development Authority \$50,000 to hire a consultant in the aerospace education field to assess the current training resources available to develop an aerospace specific workforce in the New River Gorge Region. This study encompasses 10 AERO Ready counties: Fayette, Nicholas, Summers, Raleigh, Pocahontas, Monroe, Greenbrier, Mercer, McDowell, and Wyoming, and also partners with New River Community and Technical College and WVU Tech to build out the program once the plan is completed.

The New River Community and Technical College is developing an FAA-certified Aircraft Maintenance Technician School (AMTS) with an Airframe and Powerplant (A&P) rating. In a press conference on Tuesday, February 23, 2021, New River CTC President Dr. Bonny Copenhaver announced that the college was applying for a FAA start-up grant to assist the college in starting the program. A&P mechanics are certified general mechanics who can independently perform many maintenance tasks on planes. They repair and maintain most parts of an aircraft, including the engines, landing gear, brakes, and air-conditioning systems. The program will support manufacturing and innovation initiatives by working with the Raleigh County Memorial Airport and the New River Gorge Regional Development Authority. The college plans to start accepting students as early as January 2023.

Due to the increased prospect activity that the State and the Companies are witnessing, LEDOs are pursuing additional site development projects.

Beginning in October 2021, Advantage Valley, a regional organization that represents nine counties in central West Virginia, will receive funds for the development of master plans for the North Point Pleasant Industrial Property and Lincoln County Industrial Park. InSite Consulting, the third-party consulting firm contracted to do site development assessment in 2019-2020, evaluated the properties. These master plans would include due diligence items necessary to be competitive when completing RFIs in prospect activity.

In October 2021, the Huntington Area Development Council (HADCO) will receive \$17,358 to contract with Kimley-Horn and Associates, Inc. to evaluate the utility capacity on the Tri-State Aeroplex property. HADCO is marketing to new prospective aerospace businesses. This review will investigate what utilities are present on the site and what deficiencies might exist and what needs to be done to facilitate future development.

In October 2021, the City of Bluefield will receive \$25,000 to conduct a feasibility study to analyze three developable properties between U.S. Route 460 and Interstate 77 Exit 1.

Workforce Training and Workforce Assessment Programs:

Workforce training programs are critical to economic development, especially to the small businesses in the Companies' 23-county service area. Small businesses add new job growth slowly, but steadily. Providing a source for training funds is a critical need. The Companies worked with the WVDO and the Governor's Guaranteed Workforce Program leadership to continue a training program administered by them that had no remaining funds. An allocation of \$180,000 was made to the WVDO to administer a small business training program for growing manufacturing and business services companies. Each firm could receive a maximum of \$5,000. The firms must meet strict guidelines and must be tax compliant with the state. The Companies are pleased with the collaborative arrangement with the WVDO to serve the State's small business firms. As of September 30, 2021, \$95,626.12 was awarded of the \$180,000 committed to train 409 existing employees and create 472 net new employees.

Addressing workforce requirements for prospects seeking new locations or existing firms wanting to grow or retain market share are essential in economic development. The Companies concluded that a workforce skills assessment study could ensure that firms needing certain skillsets had workers available to meet those needs. A study would also help better understand any potential transferable skillsets of employees subject to downsizing in the coal, basic chemical, and heavy metals industries. To fund the study, the Companies engaged the Robert C. Byrd Institute (RCBI) to seek federal funds from the EDA. In late fall 2019, the EDA approved a grant of \$57,373 with matching funds of \$54,875 from the Companies. The grant funds allowed RCBI to engage the services of Boyette Strategic Advisors to conduct the study. Aspects of the study include the following: In-depth focus groups across the 23-county service area, as well as in-depth surveys of manufacturing companies, workforce service providers, community college students and counselors, the unemployed and underemployed, high school students and counselors, and economic development professionals.

Data was collected from 404 employers, 974 resident/job seekers, 700 high school students, 382 Post-Secondary Students, 22 high school counselors and 16 post-secondary counselors. Through the first quarter of 2021, the WV WIN project team held bi-weekly meetings to discuss the final results of the workforce skillset study. A final report and summary report were provided to the

Companies and RCBI. A meeting was held virtually in May 2021 to present the results to the communities and stakeholders; thereafter, additional training was provided on how to use and market the information provided by the Boyette team, which took place on May 17 and 20, 2021. The Companies are exploring the recommendations made by the Boyette Strategic Advisors for future workforce pathways as outlined by the study.

Aerospace Industry and Aero-Ready Program:

One of the fastest growing industries in the world is the aerospace industry, which includes not only the major aircraft assembly firms, but also the thousands of parts manufacturing suppliers around the globe. There are also great opportunities in the Maintenance and Repair Operations for the servicing and repair of aircraft and the growing unmanned aerospace industry market, i.e., drones.

Through its previous economic development programs, the Companies funded the certification of several West Virginia counties surrounding the Huntington Tri-State Airport. The certification process included an in-depth analysis of the current economic conditions and indicators that the area had sufficient opportunities, labor force, developable sites, training programs and an airport capable of further development. The consultant team of Tucson Roberts of Tucson Atlantic Consulting and Robert Ingram of Common Sense Consulting were engaged to certify the Huntington Airport and four surrounding counties. Both of the consultant teams have extensive experience in economic development as well as the recruitment of the aerospace industry. Mr. Roberts was also dean of an aerospace training school in Alabama.

In consultation with the WVDO, it was recommended that the Companies retain the services of the previously mentioned consultant teams to evaluate the Charleston, Greenbrier County and Raleigh County Airports and the surrounding regions. The AeroReady studies were conducted over an eight-month period and found that each of the airports had superior growth opportunities, and collectively the surrounding counties had sufficient labor, training and infrastructure to service aerospace-related industries. All three airports received an AeroReady Certification with documented reports and recommendations. This report led to the previously mentioned effort by the Raleigh County Airport Authority to expand the Airport

Industrial Park by 105 acres and seek federal grant assistance to deploy a site development plan. The Companies' commitments of financial assistance with matching funds for those grants will allow for new economic growth and job opportunities for southern West Virginia.

U.S. Senators Joe Manchin and Shelley Moore Capito announced seven projects under the ARC Partnerships for POWER program. Of those projects, \$1,360,852 was awarded to the Region II Planning and Development Council for a tri-state aviation maintenance technician program, working with Marshall University and Mountwest Community College. The New River Gorge Regional Development Authority was awarded \$50,000 for a strategic plan to support the aerospace industry; the advantage plan provided the matching funds mentioned above.

On March 26, 2021, representatives of Marshall, Mountwest Community & Technical College, and the Robert C. Byrd Institute ceremonially broke ground at Huntington Tri-State Airport for their joint program. Marshall President Jerome Gilbert said this has been three years in the making after officials held an aerospace conference in Huntington in 2018. Facilities construction under the program includes renovations to an existing hangar, and a makeover for an old armory at Tri-State that will house laboratory and classroom space. Construction is projected to be finished in the latter part of 2021 and the first classes are expected to begin in January 2022. This new aviation program influenced Thoroughbred Aviation's decision to expand its operations with the opening of the facility at the Huntington Tri-State Airport. An announcement was made in June 2021 to local media. Thoroughbred Aviation is central Kentucky's largest aviation maintenance and avionics provider. The new Huntington location will provide maintenance for general aviation and corporate aircraft as well as helicopter maintenance, structures, avionics and on-call maintenance for commercial airlines. On August 10, 2021, a ribbon cutting for the Marshall University Bill Noe Flight School was held.

Local LEDO Resource Programs:

When the WV Advantage Program began, the Companies and WVDO concluded that an informational session for LEDOs and the professionals they came in contact with on a regular basis would be beneficial. A meeting such as this would be an opportunity for people who interact with the LEDOs - such as the Companies' external affairs and customer services

employees and WVDO representatives - to learn about the unique challenges and opportunities that the LEDOs face. The Companies engaged the services of Tom Heywood, a seasoned facilitator, to organize and lead a strategic session. The sessions were especially beneficial for the LEDOs and representatives in the more rural counties that deal with limited budgets and staff. The result was a valuable exchange of ideas and a set of recommendations or goals the LEDOs felt were achievable. The LEDOs shared that they would like to continue such sessions so they feel more united and can continually build a support network for assistance. The Companies offered professional development training assistance to LEDOs. In 2019, the Lincoln County EDO attended the Standup Rural America Summit in Tulsa, OK, an excellent opportunity to learn about solutions to rural issues across America. The Companies were successful in securing the national 2020 Stand Up Rural America Summit to be held in West Virginia; however, due to COVID-19 and crowd limitations, the summit was rescheduled for April 2021. The 2021 Stand Up Rural America Summit occurred the last week of April 2021 and included over 150 attendees from 18 states across the country. The West Virginia Economic Development practitioners received Local Economic Development Credits for attending.

On September 17, 2021, the Companies met with the West Virginia Office of Economic Development (WVOED) (formerly West Virginia Development Office) to discuss next steps for projects. In partnership with the WVOED, additional LEDO and Community Support will begin in Q4 2021 for distinct areas of the APCo region.

It is imperative for LEDOs to maintain a database of existing companies, leads, projects, and contacts, and to report out progress and trends. They need the right technology to help them compete for projects and to build relationships with existing, local companies via a consistent Business Retention and Expansion (BRE) program. The Companies will contract with a third-party consultant who will design and build a specialized, WV EDA-version of HubSpot based on their current product for economic developers, which is used across North America. The project would offer the setup and training of the HubSpot System for up to 15 LEDOs with information shared with APCo. The LEDOs will be able to use the HubSpot marketing tools to further their own, local efforts with the built-in email marketing tools, utilization of landing pages for

promotion of events, sites, buildings, press releases, news etc., use website forms and online chat tools to capture leads, and create marketing lists to target groups with specific messaging. Additionally, the Companies will contract with a third-party consultant to conduct a Regional Action Plan for the six counties of Lincoln, Boone, Logan, Mingo, Wyoming and McDowell. The plan will be structured to gather data, provide an analysis of the communities, and create an action plan that will show them how to leverage what they have and market from where they are. There will be a base line of where the communities are, identify their challenges, build context around their purpose/mission, and then create a plan specific to meet their goals. This effort will transform data and analysis into an Action Plan using the reports and studies already completed across the region including broadband study, site readiness, website audits and workforce skillset study. These six counties have very similar challenges, opportunities, and geographical similarities, but are otherwise not regionally developed. Local EDAs lack capacity to carry out many initiatives on their own; therefore, this regional action plan would align their goals with tangible actions they can leverage as a region to accomplish.

With the growing tourism industry in southern West Virginia, the Companies will collaborate with WV Tourism, LEDOs, and the WVOED to focus on an outdoor recreational manufacturing and supply chain marketing event. This event will bring targeted site consultants and industry decision makers to the southern area to highlight industrial sites and state resources attractive for outdoor recreation manufacturing. The focus is outdoor recreational manufacturing and supply chain businesses that would match and support the manufacturing growth and skillsets in southern WV; this would be the first of this type of marketing initiative highlighting the assets of southern WV and build off of the success with the Hatfield McCoy Trail System and the New River Gorge National Park.

Below is a summary of financial allocations to date, and financial commitments with disbursements to be made at a later date:

Workforce Training:

- \$180,000 – WVDO Workforce Training Program for small businesses
- \$54,875 – Workforce Skills Assessment Study, RCBI Federal EDA Grant matching funds

Site Readiness:

- \$162,500 – Mason County Corp. Engineers Wastewater Design matching funds
- \$105,000 – Aerospace AeroReady Certification Studies Program – Professional Services Contract
- \$7,500 – Appalachian Sky: Organizational fees
- \$43,600 – Blue Ridge Broadband Group (Gigabeam) Broadband project with Logan and Mingo counties
- \$304,000 – InSite Consulting Site Readiness Professional Services Contract, Deep Dive, Project Mobilization and Alignment, Training and Site Selection 101 Academy for Communities
- \$200,000 – Raleigh Airport Development 105 acres matching funds Federal EDA Grant
- \$50,000 – New River Gorge RDA-ARC Power Grant matching Funds
- \$17,358 – Tri-State Aeroplex Utilities Study (October spend)
- \$25,000 – City of Bluefield Site Feasibility Study (October Spend)
- \$40,000 – Site Database Support (tentative)
- \$158,500 – Site Readiness Master Plans for North Point Pleasant Industrial Property and Lincoln County Industrial Park (October Spend)
- \$150,000 – Cash Match for Industrial Access Road for recruitment of new business in Buffalo, WV (Reserved)

Professional Development:

- \$5,800 - LEDO Strategic Planning Session - Professional Facilitation Services Contract
- \$2,803 - Professional Training and Hosting Expenses, Standup Rural America Conference, Lincoln County
- \$29,250 – Regional Action Planning for Lincoln, Boone, Logan, Mingo, Wyoming and McDowell (Q4 Spending)
- \$65,000 – Outdoor Recreation Manufacturing and Supply Chain Marketing (Q3 2022)
- \$14,250 – CRM Technology System for up to 15 LEDOs (HubSpot) (Q4 Spending)

Remaining resources of the Advantage Plan and Economic Development Funds are being considered for tentative projects (as noted above) and future strategic plan initiatives.

**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

**APPALACHIAN POWER COMPANY and
WHEELING POWER COMPANY,**
public utilities.

CASE NO. 19-0387-E-PC (closed filing)
Petition for consent and approval of
Economic Development Fund.

GENERAL ORDER NO. 236.1 (closed filing)
In the matter of the Effects on Utilities of
the 2017 Tax Cuts and Jobs Act.

CERTIFICATE OF SERVICE

I, Keith D. Fisher, counsel for Appalachian Power Company and Wheeling Power Company, do hereby certify that a true and correct copy of the foregoing Report was served electronically, on this 1st day of October, 2021, upon the following:

Wendy Braswell, Esq. Public Service Commission 201 Brooks Street Charleston, WV 25301 <i>Counsel for Staff of West Virginia Public Service Commission</i>	Robert F. Williams, Esq. Heather Osborne, Esq. Bobby Lipscomb, Esq. Consumer Advocate Division 300 Capitol Street, Suite 810 Charleston, WV 25301 <i>Counsel for Consumer Advocate Division</i>
Susan J. Riggs, Esq. Jason C. Pizatella, Esq. Spilman Thomas & Battle, PLLC 300 Kanawha Blvd E Charleston, WV 25301 <i>Counsel for WVEUG</i>	Derrick P. Williamson, Esq. Barry A. Naum, Esq. Spilman Thomas & Battle, PLLC 1100 Bent Creek Blvd, Suite 101 Mechanicsburg, PA 17050 <i>Counsel for WVEUG</i>
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Keith D. Fisher (WV State Bar #11346)