

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Procurement of)	
Standard Service Offer Generation as)	Case No. 16-0776-EL-UNC
Part of the Fourth Electric Security Plan)	
for Customers of Ohio Edison Company,)	
The Cleveland Electric Illuminating)	
Company, and The Toledo Edison)	
Company)	

**APPLICATION FOR APPROVAL OF NEW PROPOSED AUCTION SCHEDULES OF
OHIO EDISON COMPANY, THE CLEVELAND ELECTRIC ILLUMINATING
COMPANY, AND THE TOLEDO EDISON COMPANY**

I. INTRODUCTION

On February 24, 2021, the Commission issued its Second Entry on Rehearing, requiring Ohio’s Electric Distribution Utilities (“EDUs”) to submit, within 60 days, their new proposed Standard Service Offer (“SSO”) auction schedules consistent with the timeframes established by PJM Interconnection, L.L.C. (“PJM”) for future Base Residual Auctions (“BRAs”) and consistent with the provisions for staggering and laddering auctions contained in the EDUs’ ESPs.¹ Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company (the “Companies”) hereby submit their new proposed auction schedules for the balance of ESP IV’s term (August 2021, October 2021, January 2022, October 2022, and January 2023). For the reasons more fully set forth below, the Companies request Commission approval of their proposed SSO auction schedules on or before June 16, 2021 to allow sufficient time to undertake necessary pre-auction activities, including bidder information sessions, and to conduct the proposed August 2021 auction.

¹ Second Entry on Rehearing (2/24/2021) at ¶ 22. *See also*, Case No. 14-1297-EL-SSO (the Companies’ ESP IV (“ESP IV”)).

II. DISCUSSION

On July 15, 2020, the Commission issued a Finding and Order that, among other things, directed Ohio's EDUs, including the Companies, to adjust their upcoming Fall 2020 and Spring 2021 SSO procurement auctions.² The Commission's directive was in response to the fact that the PJM BRA for capacity had not yet been held for the 2022/2023 delivery year.³ The Commission concluded that "it is reasonable to modify the approved SSO auction processes to mitigate the possible significant effects caused by the uncertainty surrounding PJM's BRA,"⁴ and it directed the Companies to change their auction schedules for Fall 2020 and Spring 2021 to substitute a 12-month product for the products that were previously planned and approved in ESP IV.⁵

In compliance with the Finding and Order, the Companies filed their Motion to Adjust SSO Auction Schedule on August 21, 2020.⁶ The Companies' Motion was granted,⁷ and the Companies conducted successful SSO procurement auctions, for 12-month products only, on October 5, 2020⁸ and January 26, 2021.⁹ The 36-month products ending May 2024 that had been originally planned for the October 2020 and January 2021 auctions were replaced with 12-month products ending May 2022. These changes to the Companies' October 2020 and January 2021 SSO procurement auctions have necessitated changes to the Companies' future SSO auction schedules as set forth below.

On February 24, 2021, the Commission issued its Second Entry on Rehearing.¹⁰ The Commission noted that "[o]n October 15, 2020 and November 12, 2020, FERC issued orders that

² Finding and Order (7/15/2020) at ¶ 35.a.

³ *Id.* at ¶ 2.

⁴ *Id.*

⁵ *See id.* at ¶ 35.a.

⁶ Mot. to Adjust SSO Auction Schedule and Mem. in Support (8/21/2020).

⁷ Finding and Order (8/26/2020).

⁸ Finding and Order (10/7/2020).

⁹ Finding and Order (1/27/2021).

¹⁰ Second Entry on Rehearing (2/24/2021).

enabled PJM to schedule its next capacity auction.”¹¹ The Commission further took administrative notice “that PJM has reestablished its capacity auction schedule, with the next capacity auction, for delivery year 2022-2023, to open May 19, 2021, and close May 25, 2021.”¹² As a result, the Commission directed “the EDUs to file, within 60 days, new proposed auction schedules consistent with the timeframes established by PJM for future BRAs and consistent with the provisions of staggering and laddering auctions contained in the ESPs.”¹³

In accordance with the Second Entry on Rehearing, and in order to make the adjustments necessitated by the changes to their October 2020 and January 2021 SSO auctions, the Companies propose the new auction schedules as set forth on Attachment A hereto. Specifically, the Companies propose to:

- Add an August 2021 auction to procure 33 tranches for a 12-month product for the period June 2022 – May 2023. This auction will compensate, in part, for the October 2020 and January 2021 auctions having been truncated to procure only 12-month products. Adding the August 2021 auction will allow the Companies to procure fewer tranches in the October 2021 auction, creating more diversity in the Companies’ supply portfolio. This auction will occur after the PJM BRA for the 2022/2023 delivery year, which is scheduled for May 2021 as noted above.
- Conduct an October 2021 auction, as scheduled, but procure all 33 tranches through a 12-month product for the period June 2022 – May 2023 and not procure 17 of the 33 tranches through a 24-month product for the period June 2022 – May 2024. The procurement of the originally planned 24-month product will not be possible, as the BRA for delivery year 2023/2024 is not scheduled to be conducted by PJM until December 2021.
- Conduct a January 2022 auction, as scheduled, but procure 34 tranches of a 24-month product for the period June 2022 – May 2024 and not procure 16 tranches through a 12-month product for the period June 2022 – May 2023. This adjustment is necessary to compensate, in part, for the October 2020 and January 2021 auctions having been truncated to procure only 12-month products.
- Conduct an October 2022 auction, as scheduled, but procure 33 tranches of a 12-month product for the period June 2023 – May 2024, rather than 16 tranches of a

¹¹ *Id.* at ¶ 22 (internal citation omitted).

¹² *Id.*

¹³ *Id.*

12-month product covering the same period. This adjustment is necessary to compensate, in part, for the truncated October 2020 and January 2021 auctions.

- Conduct a January 2023 auction, as scheduled, but procure 33 tranches of a 12-month product for the period June 2023 – May 2024, rather than 16 tranches of a 12-month product covering the same period. This adjustment is necessary to compensate, in part, for the truncated portions of the October 2020 and January 2021 auctions.

The Companies' proposed auction schedules are consistent with the timeframes established by PJM for future BRAs – including the May 2021 BRA for delivery year 2022/2023 and the December 2021 BRA for the delivery year 2023/2024. The proposed schedules are also consistent with staggering and laddering as set forth in the Companies' ESP IV.

III. CONCLUSION

For the foregoing reasons, Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company hereby request approval of their proposed auction schedules for August 2021, October 2021, January 2022, October 2022, and January 2023. The Companies respectfully request Commission approval of their proposed auction schedules on or before June 16, 2021 to allow sufficient time to undertake necessary pre-auction activities, including bidder information sessions, and to conduct the proposed August 2021 auction.

Respectfully submitted,

/s/Christine E. Watchorn

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CERTIFICATE OF SERVICE

I certify that a copy of the foregoing was filed electronically through the Docketing Information System of the Public Utilities Commission of Ohio (“PUCO”) on this 13th day of April 2021. The PUCO’s e-filing system will electronically serve notice of the filing of this document on counsel for all parties.

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Summary: Application for Approval of New Proposed Auction Schedules electronically filed by Ms. Christine E. Watchorn on behalf of Ohio Edison Company and The Cleveland Electric Illuminating Company and The Toledo Edison Company