

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE PROCUREMENT
OF STANDARD SERVICE OFFER
GENERATION FOR CUSTOMERS OF DUKE
ENERGY OHIO, INC.

CASE NO. 18-6000-EL-UNC

FINDING AND ORDER

Entered in the Journal on August 24, 2022

I. SUMMARY

{¶ 1} In this Finding and Order, the Commission directs Duke Energy Ohio, Inc. to modify its standard service offer procurement auction schedule in the manner set forth in its filing.

II. PROCEDURAL BACKGROUND

{¶ 2} Duke Energy Ohio, Inc. (Duke) qualifies as an electric utility as defined by R.C. 4928.01(A)(11) and as an electric distribution utility (EDU) as defined by R.C. 4928.01(A)(6).

{¶ 3} R.C. 4928.141 provides that electric utilities shall provide consumers a standard service offer (SSO) of all competitive retail electric services in accordance with R.C. 4928.142 or 4928.143. The SSO functions to make generation supply available to customers that are not receiving this supply from a competitive retail electric services provider and is sometimes referred to as default supply. The Commission approved Duke's most recent electric security plan (ESP), which implemented a competitive auction-based SSO format, as well as a competitive bid procurement process for Duke's auctions to procure generation supply for Duke's customers for a certain period of time. *In re Duke Energy Ohio, Inc.*, Case No. 17-1263-EL-SSO, et al., Opinion and Order (Dec. 19, 2018).

{¶ 4} Since the approval of Duke's ESP, Duke's auction schedule has been modified due to delays in the timing of PJM Interconnection, LLC's (PJM) base residual auction (BRA). *In re the Procurement of Standard Service Offer Generation Customers of Duke Energy Ohio, Inc.*, Case No. 18-6000-EL-UNC, Finding and Orders (Aug. 26, 2020) and (June 16, 2021).

{¶ 5} On December 22, 2021, the Federal Energy Regulatory Commission (FERC) issued an order reversing FERC's previous determination that the backward-looking energy and ancillary services offset (E&AS Offset) was just and reasonable. Given this reversal, FERC directed PJM to submit a compliance filing within 60 days to revise its Tariff and Operating Agreement and, in order to incorporate the revised E&AS Offset in the BRA for the 2023/2024 delivery year, directed PJM to submit a compliance filing within 30 days that proposes a new schedule for the BRA and subsequent BRAs. *Order on Voluntary Remand*, Case Nos. EL19-58-006; ER19-1486-003, at ¶ 2 (Dec. 22, 2021).

{¶ 6} On January 10, 2022, Duke filed a notice advising the Commission of FERC's order cited above delaying the January 2022 BRA for the 2023/2024 delivery year and a request for guidance regarding whether an amendment to Duke's upcoming SSO auction schedule should occur. Duke also provided a modified auction schedule in case the Commission believed the SSO auction schedule should be amended.

{¶ 7} On January 26, 2022, the Commission approved Duke's proposal to modify its February 2022 SSO auction such that it procures 50 tranches of load during the 2022/2023 delivery year.

{¶ 8} On August 17, 2022, Duke filed a motion to confirm and clarify the SSO auctions for the remaining period of its ESP term.

III. DISCUSSION

A. *Summary of Duke's Filing*

{¶ 9} In its filing, Duke notes that, now that the timing of the BRA auctions seem more certain, it is necessary for Duke to provide greater certainty as to the auction procurements for the remainder of its ESP term, currently set to expire May 31, 2025. Duke states that the January 26, 2022 Finding and Order in this case determined the procurement scope for Duke's February 2022 auction for the 2022/2023 delivery year and authorized Duke to adjust its tranche procurement for the remainder of the ESP term. Duke asserts that

the following tranche procurement schedule for the remainder of Duke's ESP term will provide clarity and certainty to potential bidders:

- (1) September 2022 auction: 12-month, 40-tranche auction for the 2023/2024 delivery year.
- (2) February 2023 auction: 12-month, 30-tranche auction for the 2023/2024 delivery year and a 24-month, 30-tranche auction for the 2023/2024 and 2024/2025 delivery years.
- (3) September 2023 auction: 12-month, 35-tranche auction for the 2024/2025 delivery year.
- (4) February 2024 auction: 12-month, 35-tranche auction for the 2024/2025 delivery year.

B. Commission's Decision

{¶ 10} Upon review of Duke's filing, we find Duke's proposal to modify its SSO auction schedule for the remainder of its ESP term reasonable; therefore, we direct Duke to adjust its SSO auction schedule in accordance with Duke's motion.

IV. ORDER

{¶ 11} It is, therefore,

{¶ 12} ORDERED, That the Duke SSO auction schedule be modified in a manner consistent with this Order. It is further,

{¶ 13} ORDERED, That a copy of this Finding and Order be served upon all parties of record in this case.

COMMISSIONERS:

Approving:

Jenifer French, Chair
M. Beth Trombold
Lawrence K. Friedeman
Daniel R. Conway
Dennis P. Deters

MJS/dmh

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Case No(s). 18-6000-EL-UNC

Summary: Finding & Order directing Duke Energy Ohio, Inc. to modify its standard service offer procurement auction schedule in the manner set forth in its filing electronically filed by Heather A. Chilcote on behalf of Public Utilities Commission of Ohio