

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Procurement of)	
Standard Service Offer Generation as)	
Part of the Fourth Electric Security)	Case No. 16-776-EL-UNC
Plan for Customers of Ohio Edison)	
Company, the Cleveland Electric)	
Illuminating Company, and the Toledo)	
Edison Company.)	

In the Matter of the Procurement of)	
Standard Service Offer Generation for)	Case No. 17-957-EL-UNC
Customers of the Dayton Power and)	
Light Company.)	

In the Matter of the Procurement of)	
Standard Service Offer Generation for)	Case No. 17-2391-EL-UNC
Customers of Ohio Power Company.)	

In the Matter of the Procurement of)	
Standard Service Offer Generation for)	Case No. 18-6000-EL-UNC
Customers of Duke Energy Ohio, Inc.)	

**CONSUMER PROTECTION COMMENTS ON PROPOSED MODIFICATIONS
TO STANDARD SERVICE AUCTIONS
BY
OFFICE OF THE OHIO CONSUMERS' COUNSEL**

On January 3, 2023, the PUCO issued an Entry asking for stakeholder input about proposed modifications to the standard service offer auctions.¹The PUCO's proposed modifications are 1) include six-month products in the mix of products for each auction, and 2) revised credit requirements for companies seeking to bid at the auctions in order to promote participation without unduly increasing risk.² The reason for the proposed modifications, according to the PUCO, is to determine whether they “would help

¹ Entry (January 3, 2023) at ¶ 5.

² *Id.* at ¶ 4.

significantly reduce prices resulting from SSO auctions.”³ The problem, the PUCO noted, is that “[o]ver the past year, SSO prices resulting from the EDUs’ SSO procurement auctions have significantly increased.”⁴ The PUCO is right to seek lower auction prices for consumers through the utilities’ standard service offers.

The Entry comes on the heels of another issue with the standard service auctions. On September 7, 2022, the PUCO issued an Entry following NOPEC’s recent return of its consumers to the FirstEnergy Utilities’ (and, to a lesser extent, AEP’s) standard service offer in Case Nos. 00-2317-EL-GAG and 22-806-EL-WVR.⁵ The Entry directed Ohio’s four electric distribution utilities to file proposed tariffs for a “minimum stay” to limit how soon government aggregators can re-enroll consumers in an aggregation program after earlier returning consumers to the utilities’ standard service.

It should also be noted that the PUCO has initiated a process that is evaluating minimum stays. The concept behind the minimum stay is to moderate the risk premium (increased costs) that suppliers bidding into the standard service offer auctions build into their bids to address perceived (primarily residential) migration risk. The minimum stay builds certainty into the auction process by limiting consumer migration through the minimum stay tariff requirements. With migration certainty it is hoped the market will deliver lower prices for the benefit of consumers. To protect consumers, OCC filed

³ *Id.*

⁴ *Id.* at ¶ 3.

⁵ *In the Matter of the Certification of Northeast Ohio Public Energy Council as a Governmental Aggregator and In the Matter of the Motion of Northeast Ohio Public Energy Council for a Limited Waiver of Rule 4901:1010-29(H) of the Ohio Administrative Code*, respectively.

comments and reply comments in which we made several consumer protection recommendations.⁶

Also, OCC has pointed out the travesty of justice facing PIPP consumers, the most vulnerable Ohioans. PIPP consumers have been charged more for the standard service offer than other consumers served by the electric utilities' standard service offer.⁷ This is unconscionable and contrary to law.⁸

In addition, the PUCO should investigate ordering separate auctions by customer class. That should ensure that residential consumers are protected from paying costs caused by business customers such as when business customers move their load back and forth between the standard offer and marketer offers. And other consumer protections should be considered that are being used in other states their wholesale electric procurement auction processes. Such protections could be the implementation of stand-by charges. The consideration of these consumer protections should be applicable to residential and non-residential consumers.

Importantly, the PUCO's review of auctions should include a more expansive review of market issues in Ohio. For example, the PUCO should focus on preventing high or unconscionable prices charged to consumers by energy marketers.

The issues on which the PUCO seeks stakeholder input here need more time than three weeks for stakeholders to prepare and address. All the moving parts and the public

⁶ See Case Nos. 22-1127-EL-ATA; 22-1129-EL-ATA; 22-1138-EL-ATA; and 22-1140-EL-ATA (January 6, 2023 and January 17, 2023, respectively).

⁷ Case No. 18-6000-EL-UNC, OCC's Application for Rehearing (October 21, 2022); Case No. 17-957-EL-UNC, OCC's Application for Rehearing (October 21, 2022); Case No. 17-957-EL-UNC, OCC's Application for Rehearing (December 30, 2022); Case No. 16-776-EL-UNC, OCC's Application for Rehearing (November 4, 2022); Case No. 17-2391, OCC's Application for Rehearing (December 2, 2022).

⁸ See *id.*; see also R.C. 4928.542.

interest at risk justifies more time for stakeholders. The additional time should allow for government offices to utilize the state hiring process for consultants. The additional time should enable a wholistic and deliberate process (perhaps in the form of a commission ordered investigation).

We do appreciate the PUCO's interest in timely solutions. The timeline should be months not years for finding the solutions for giving Ohioans lower standard service offer prices. So, we are suggesting a process with a duration of months (*e.g.* 4 months), not years for consumer protection.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a copy of these Consumer Protection Comments on Proposed Modifications to Standard Service Auctions was served on the persons stated below via electronic transmission this 24th day of January 2023.

/s/ William J. Michael

William J. Michael

Assistant Consumers' Counsel

The PUCO's e-filing system will electronically serve notice of the filing of this document on the following parties:

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Summary: Comments Consumer Protection Comments on Proposed Modifications
to Standard Service Auctions by Office of the Ohio Consumers' Counsel
electronically filed by Ms. Alana M. Noward on behalf of Michael, William J.