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 Plan for Customers of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company.	)	Case No. 16-776-EL-UNC
In the Matter of the Procurement of Standard Service Offer Generation for Customers of Dayton Power & Light Company.	)	Case No. 17-957-EL-UNC
In the Matter of the Procurement of Standard Service Offer Generation for Customers of Ohio Power Company.	)	Case No. 17-2391-EL-UNC
In the Matter of the Procurement of Standard Service Offer Generation for Customers of Duke Energy Ohio, Inc.	)	Case No. 18-6000-EL-UNC

ENEL TRADING NORTH AMERICA, LLC'S COMMENTS ON THE COMMISSION'S PROPOSED SSO AUCTION MODIFICATIONS

I. INTRODUCTION

Enel Trading North America, LLC ("Enel") is an Ohio SSO supplier and the trading arm of Enel North America, Inc., a clean energy leader with more than 8GW of renewable capacity in North America. Enel is part of the Enel Group, which is one of the world's largest renewable energy companies and suppliers. Enel has recently announced its expansion into the U.S. retail supply market.

Enel is a regular participant in the SSO load auctions for EDUs in Ohio. Enel is currently responsible for 4% of FirstEnergy's SSO load, 6% of AEP Ohio's SSO load, 5% of AES Ohio's SSO load, and 2% of Duke's SSO load, for the delivery period running from June 1, 2022 to May 31, 2023.

Enel has extensive experience and industry knowledge, including its participation in Ohio's wholesale electricity market as an SSO load supplier, that can assist the Commission as it evaluates potential changes to the SSO load auction process. Enel applauds the Commission's use of these SSO Auction Cases[1] to reassess and implement meaningful changes to its current processes and rulemaking, and offers the following Comments in response to the Commission's proposed changes.

II. BACKGROUND

As is well known by now, "SSO prices resulting from the EDUs' SSO procurement auctions have significantly increased" over the past year. *SSO Auction Cases*, Entry, ¶ 3 (Jan. 3, 2023) (collecting recent auction results). Indeed, the recent disruption of SSO auctions has created widespread uncertainty among load suppliers, discouraged market participation, and inflated prices. *Id.*

The Commission announced by Entry on January 3, 2023 that it "is investigating whether directing the EDUs to implement certain SSO auction modifications would help significantly reduce prices from SSO auction." *Id.* at ¶ 4. Specifically, the Commission's proposed modifications include "requiring EDUs to … [i]nclude six-month products in the mix of products for each auction," and to "[r]evise credit requirements for companies seeking to bid at the auctions in order to promote participation without unduly increasing risk." *Id.* The Commission has sought "stakeholder input regarding the effectiveness of the proposed modifications," and "invite[d] stakeholders to file public comments discussing the proposal" no later than January 24, 2023. *Id.* at ¶ 5.

[1] The "SSO Auction Cases," as used herein, refers to the above-captioned consolidated cases (Case Nos. 16-776-EL-UNC, 17-957-EL-UNC, 17-2391-EL-UNC, and 18-6000-EL-UNC).

Enel believes the Commission is correctly focused on finding structural solutions to bring stability to Ohio's energy market. However, in Enel's view the current proposals will not be sufficient to align SSO auction clearing prices with actual market prices. More fundamental changes are needed to effectively address the severe market volatility currently plaguing Ohio SSO auctions. To that end, Enel proposes specific changes to the SSO auction process intended to (1) encourage and foster competition; (2) increase stability in the SSO load auction process; and (3) provide certainty regarding load obligations going forward.

Enel would welcome the opportunity to further explore these issues and recommendations with the Commission to aid its deliberation and rulemaking processes and foster improvements if doing so would be useful in developing long-term solutions to prevent any future *en masse* migration in either direction (either to or from SSO service), as either can be equally disruptive to the market and detrimental to consumers' interests.

III. THE CURRENT STATE OF OHIO'S SSO AUCTIONS

Like the Commission and many other market participants, Enel is concerned about the recent trends it is observing at the fall and winter SSO load auctions for the June 1, 2023 – May 31, 2024 delivery year. Without exception, these auctions saw severely reduced participation, increased concentration among winning bidders, and significantly higher auction clearing prices that were divorced from the forward market prices for electricity. In two instances, the SSO auctions failed to secure all of the required tranches of energy. Enel believes that such developments are directly related to the mass return of a significant number of residential customers to the SSO load in August 2022, which in turn exacerbated concerns about the stability of the Ohio market overall and discouraged market participants, like Enel, from participating in SSO load auctions due to uncertainty about obligations moving forward and the consequent inability to effectively hedge for enormous swings in the SSO load.

As shown in the below chart, the market forces evident in the load migration patterns in 2022, culminating in NOPEC's decision to prematurely return 550,000 customers to SSO, have severely damaged the effectiveness of Ohio's SSO auctions.

Figure 1: Comparison of SSO Auction Results 2020-2023

Auction:	Clearing Price ($/MWh)	Est. Capacity ($/MWh)	Energy FWD ADHUB ATC	Premium to Block ATC	Tranche Target	Procured	# Bidders
AES March 2020 (6/20-5/21)	$36.96	$7.30	$25.10	118%	15	15	14
AES March 2021 (6/21-5/22)	$47.22	$13.40	$27.89	121%	48	48	12
AES March 2022 (6/22-5/23)	$75.13	$4.50	$57.20	123%	100	50	9
AES April 2022 (6/22-5/23)	$122.50	$4.50	$91.95	128%	50	50	9
AES November 2022 (6/23-5/24)	$113.42	$3.70	$65.29	168%	35	35	9
FE OH January 2020 (6/20-5/21)	$38.65	$7.40	$26.59	118%	16	16	13
FE OH October 2020 (6/21-5/22)	$48.47	$16.60	$27.62	115%	33	33	12
FE OH January 2021 (6/21-5/22)	$46.80	$16.60	$27.32	111%	33	33	12
FE OH August 2021 (6/22-5/23)	$42.10	$2.30	$33.32	119%	33	33	12
FE OH October 2021 (6/22-5/23)	$50.21	$2.30	$39.85	120%	33	33	11
FE OH March 2022 (6/22-5/23)	$68.11	$2.30	$54.69	120%	34	34	11
FE OH October 2022 (6/23-5/24)	$122.30	$1.10	$62.03	195%	33	33	7
FE OH January 2023 (6/23-5/24)	$97.70	$1.10	$49.82	194%	33	33	6
DUKE Sept 2020 (6/21-5/22)	$45.85	$12.50	$27.67	121%	17	17	13
DUKE February 2021 (6/21-5/22)	$46.00	$12.50	$28.17	119%	17	17	14
DUKE Sept 2021 (6/22-5/23)	$47.99	$6.70	$35.86	115%	50	50	12
DUKE February 2022 (6/22-5/23)	$64.78	$6.70	$50.19	116%	50	50	12
DUKE Sept 2022 (6/23-5/24)	$115.75	$5.20	$65.21	170%	40	20	6
AEP March 2020 (6/20-5/21)	$36.74	$7.80	$24.85	116%	17	17	14
AEP November 2020 (6/21-5/22)	$46.71	$14.90	$28.80	110%	33	33	15
AEP March 2021 (6/21-5/22)	$46.35	$14.90	$27.96	112%	33	33	15
AEP November 2021 (6/22-5/23)	$55.14	$5.50	$42.59	117%	50	50	14
AEP March 2022 (6/22-5/23)	$69.27	$5.50	$53.74	119%	50	50	11
AEP November 2022 (6/23-5/24)	$119.98	$3.60	$58.06	200%	50	45	7

Ohio's SSO auctions are specifically designed to be a market-based mechanism for securing electric energy for SSO customers. However, as this chart demonstrates, the five auctions held since September 2022 have all deviated substantially from the forward market energy prices.

For example, FirstEnergy's October 2022 SSO auction produced auction clearing prices that represented a *95% premium* over forward market energy prices, and AEP Ohio's October 2022 SSO auction produced auction clearing prices that represented a *100% premium* over forward market energy prices. Even FirstEnergy's more recent auction from January 10, 2023, resulted in auction clearing prices that represented a *94% premium* over forward market energy prices. It is no coincidence that these are the same service territories where NOPEC dropped 550,000 customers to SSO. Further, Duke and AES Ohio's auctions also produced auction results that deviated substantially from forward market energy prices.

The extremely high auction clearing prices cannot be explained by reference to inflation or the Ukraine war, because the forward market energy prices already "price in" those macroeconomic forces and events. The additional premium that bidders are adding to the SSO auction clearing prices is *on top of* the forward market energy prices whose value already takes into account inflation and the Ukraine war, and reflects the risk which suppliers must assume in order to participate in the auction. Again, as shown in the chart above, the auction clearing prices are at a historically high premium when compared to results from the past several years. The severe disruption to Ohio's SSO auctions and the decoupling of their results from market prices is the direct outcome of an SSO auction design that does not have sufficient safeguards.

In addition to the dislodging of SSO auction clearing prices from forward market energy prices, one of the other overarching trends in the fall/winter 2022/2023 SSO load auctions is the significant drop-off in the number of auction participants and winners, and a high concentration of tranches being won by a single bidder (NextEra). This is shown by the following chart that compiles all of the winning bidders and number of tranches won by each bidder in Duke's September 2022 auction, FirstEnergy's October 2022 auction, AEP Ohio's November 2022

auction, and AES Ohio's November 2022 auction:[2]

Chart 1

Fall/Winter 2022-2023 SSO Auctions - Winning Bidders

Winning Bidder	Tranches Won	% Won
NextEra Energy Marketing LLC	62 tranches	47%
Energy Harbor LLC	18 tranches	14%
Constellation Energy Generation LLC	16 tranches	12%
Conoco/Phillips Company	13 tranches	10%
Interstate Gas Supply Inc.	11 tranches	8%
AEP Energy Partners Inc.	9 tranches	7%
Boston Energy Trading and Marketing LLC	4 tranches	3%
TOTAL	133 tranches	100%

In total, only seven SSO load suppliers have made a commitment to serving Ohio's SSO load in all EDU service territories for the June 1, 2023 - May 31, 2024 delivery year, and of those seven, NextEra Energy Marketing LLC represents an astounding 47% of *all* tranches auctioned at these four auctions. This lack of sufficient auction participants and winning bidders, the extreme concentration of tranches in a single bidder, an open-ended tranche design with no MWh cap, and continued migration risk in Ohio has resulted in SSO auction results that are significantly above the forward market energy prices.

For comparison, this next chart compiles all of the SSO auction winning bidders from the four February and March 2022 auctions held by each of the four EDUs:[3]

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[2] This chart excludes FirstEnergy's January 10, 2023 auction results because the identities of the winning bidders and tranches won by each remain sealed.
[3] This chart excludes AES Ohio's April 2022 auction.

Chart 2

Spring 2022 Auctions - Winning Bidders

Winning Bidder	Tranches Won	% Won
Dynegy Marketing & Trade, LLC	43 tranches	26%
Constellation Energy Generation, LLC	27 tranches	16%
DTE Energy Trading, Inc.	18 tranches	11%
NextEra Energy Marketing, LLC	17 tranches	10%
Vitol Inc.	15 tranches	9%
ConocoPhillips Company	12 tranches	7%
Enel Trading North America, LC	11 tranches	7%
Hartree Partners, LP	10 tranches	6%
AEP Energy Partners, Inc.	4 tranches	2%
DXT Commodities North America Inc.	4 tranches	2%
TransAlta Energy Marketing (U.S.) Inc.	4 tranches	2%
BP Energy Company	3 tranches	2%
TOTAL	168 tranches	100%

As is evident from Chart 2, Ohio's SSO auctions held in February and March 2022 produced nearly double the number of winning bidders (12) with more even tranche distribution among those winning bidders. Moreover, no bidder won more than 30% of the total number of tranches sold at these auctions, and certainly nowhere near the 47% won by NextEra in the most recent auctions. Below is a more a detailed discussion of the recent SSO auction results and, following that, additional recommendations that the Commission should consider in order to fix a broken SSO auction system.

A. September 20, 2022 Duke SSO Auction

The September 20, 2022 Duke SSO auction for the delivery period of June 1, 2023 to May 31, 2024, was the first indication that the fall 2022 auction process had been disrupted by recent market events. Only one of the four winning bidders from the previous year's Duke auction was a winning bidder at the September 20, 2022 Duke SSO auction. *See* Notification of CBP

Auction Results, Case No. 18-6000-EL-UNC, at 3 (Oct. 12, 2022). Indeed, given the significant reduction in participating bidders, "the tranche target was reduced from 40 tranches to 20 tranches in accordance with established auction protocols due to lower than anticipated participation," meaning that 20 tranches went unsold. *Id.* The tranches that did sell did so at an average clearing price of $115.75 per MWh. *Id.* & Table 2 (reproduced below).

Table 2. Winning Bidders and Tranches Won

Winning Bidder	Number of Winning Tranches	Tranche-Weighted Average Price to be Paid ($/MWh)
ConocoPhillips Company	4	$115.50
Boston Energy Trading and Marketing LLC	4	$115.50
Constellation Energy Generation, LLC	7	$115.50
NextEra Energy Marketing, LLC	5	$116.50
TOTAL	**20**	**$115.75**

These results represent a significant downturn in Duke auction results. As shown in Figure 1 above, Duke's auctions over the past two years have cleared at a 15% to 21% premium over forward energy prices. But the September 20, 2022 Duke auction resulted in a *70% premium* to energy market prices based on the same forward market curves—a more than threefold increase in the premium. That is an increase of between $36.85 and $40.76/MWh that customers on SSO service will be required to bear beyond the normal premium above forward market prices.

B. October 4, 2022 FirstEnergy SSO Auction

These trends continued at FirstEnergy's SSO auction on October 4, 2022, for the delivery period of June 1, 2023 to May 31, 2024. *See* Finding and Order, Case No. 16-776-EL-UNC, ¶ 7 (Oct. 5, 2022). Again, many previous winning bidders declined to participate, and nearly all of the bidders only picked up a handful of traches. The vast majority of the remaining tranches, 25 of the 33 total available for bid, were acquired by a single bidder (NextEra). *Id.* & Table 2

(reproduced below).

Table 2. Winning Bidders and Tranches Won

Winning Bidder	Number of Winning Tranches	Tranche-Weighted Average Price to be Paid ($/MWh)
AEP Energy Partners, Inc	3	$122.30
ConocoPhillips Company	2	$122.30
Constellation Energy Generation, LLC	2	$122.30
Interstate Gas Supply, Inc.	1	$122.30
NextEra Energy Marketing, LLC	25	$122.30
	33	**$122.30**

Not only had auction participation dropped nearly 40%, the auction saw a significantly higher weighted average price over previous years, $122.30 per MWh. *See* Notification of CBP Auction Results, Case No. 16-0776-EL-UNC at p. 4 (Oct. 26, 2022). Since October 2020, the average auction clearing price has shown a premium above forward market prices of between 11% and 16%. As shown in Figure 1 above, the average auction clearing price was 92% higher than market prices based on forward market curves, a more than sixfold increase. *Id.*

C. November 1, 2022 AEP Ohio SSO Auction

The recent AEP Ohio auction for the June 1, 2023 to May 31, 2024 delivery period reflected similar market trends. *See* Finding and Order, Case No. 17-2391-EL-UNC (Nov. 2, 2022). Only 7 bidders participated in the auction, whereas 11 bidders had participated in AEP Ohio's November 2021 auction. *See id.* ¶ 7. In fact, Enel was one of the winning bidders from the 2021 auction that declined to participate in 2022; in light of the uncertainty created by the sudden shift of customers to the SSO, and the resulting market instability, Enel declined to participate (as did many other prior winners).

Like the Duke auction, the AEP Ohio auction failed to sell all available tranches; only 45 of the available 50 sold. *Id.* Nearly half of those sold tranches (22 out of 45) went to a single

bidder (again, NextEra). *Id.* & Table 2 (reproduced below).

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Table 2. Winning Bidders, Tranches Won, and Clearing Price

	Delivery Period June 1, 2023 to May 31, 2024
Clearing Price ($/MWh)	**119.98**
Winning Bidder	**Tranches Won**
AEP Energy Partners, Inc.	3
ConocoPhillips Company	3
Constellation Energy Generation, LLC	7
Energy Harbor LLC	5
Interstate Gas Supply, Inc.	5
NextEra Energy Marketing, LLC	22
Total	**45**

Once again, the clearing price soared to $119.8/MWh, which constitutes an increase of *73 percent* above the clearing price from AEP Ohio's March 2022 auction and a sharply increased premium above forward prices. *Id.*

D. November 29, 2022 Dayton Power & Light Company's ("AES Ohio") Auction.

AES Ohio's November 29, 2022 SSO auction saw comparably high prices with a tranche-weighted average of $113.42. *See Notification of CBP Auction Results*, Case No. 17-0957 at p. 4 (Dec. 21, 2022) & chart below:

Table 2. Winning Bidders and Tranches Won

Winning Bidder	Number of Winning Tranches	Tranche-Weighted Average Price to be Paid ($/MWh)
AEP Energy Partners, Inc.	3	$113.42
ConocoPhillips Company	4	$113.42
Energy Harbor LLC	13	$113.42
Interstate Gas Supply, Inc.	5	$113.42
NextEra Energy Marketing, LLC	10	$113.42
TOTAL	**35**	**$113.42**

The auction also saw few tranches put up for sale. Whereas 50 tranches were offered in the prior auction, only 35 trances were offered for biding at the November 29, 2022 auction. *Compare id.*, *with Notification of CBP Auction Results*, Case No. 17-0957 at p. 3 (May 11, 2022).

E. January 10, 2023 FirstEnergy Auction.

On January 10, 2023, 6 bidders participated in FirstEnergy's auction for the delivery period of June 1, 2023 to May 31, 2024. *See* Notification of CBP Auction Results, Case No. 16-0776-EL-UNC, at 3 (Jan. 11, 2023). Thirty-three tranches were sold with a tranche-weighted average price of $97.70 per MWh. *Id.*

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As the analysis above shows, the recent SSO supply auctions have been severely disrupted by historically high migration of customers to SSO, particularly NOPEC's sudden and premature return of 550,000 of its customers to SSO. *See In the Matter of the Certification of Northeast Ohio Public Energy Council as Government Aggregator*, Case No. 00-2317-EL-GAG, Entry (Sept. 7, 2022). This in turn has created uncertainty among load suppliers, discouraged widespread market participation, and inflated prices—all of which creates an adverse environment for all market participants. After all, the SSO auction model is intended to attract an increasing number of bidders, not a shrinking one, to foster more competition and lower prices for consumers.

In light of the resulting market uncertainty, and the very real potential for significant load-shifting going forward when the recent SSO auction prices become effective and thereafter, the Commission needs to take concrete, meaningful steps to foster stability in the market and create a market environment where all participants can engage with protection from load variability due to massive migrations into and out of SSO service—a risk that cannot be effectively or efficiently hedged without imposing substantial unnecessary costs on Ohio consumers remaining under the SSO. In the next section, Enel provides several concrete recommendations for improving the

market intended to achieve such benefits.

IV. RECOMMENDED IMPROVEMENTS TO THE CURRENT SSO MARKET

Enel acknowledges that the changes to SSO auctions proposed by the Commission, including the introduction of 6-month products and the lowering of credit requirements to attract additional bidders, are meant to bring stability to Ohio's SSO auctions. Based on Enel's significant and expansive experience in wholesale and retail energy markets in the United States and across the world, Enel respectfully submits that those proposals are insufficient to fix a broken SSO auction system. Rather, to improve the competitive health of the SSO market and bring auction results in line with market prices once again, Enel respectfully proposes that the Commission take the following steps to increase stability and predictability in the markets and prevent sizeable load shifts on a go-forward basis:

- **SSO Load Bifurcation:** For purposes of future SSO auctions, the Commission should organize customer loads into groups (*e.g.*, residential/small commercial and industrial (medium and large commercial and industrial) with different calendar terms (*i.e.*, staggered start dates and shorter terms for large C&I) so that SSO customers are charged a rate that reflects the costs of serving them and not a risk premium attributable to higher migration rates among other customer classes. Such SSO load bifurcation

has been adopted in a number of states, including Connecticut;[4] Delaware;[5] Maryland;[6] Massachusetts;[7] New Jersey;[8] Pennsylvania;[9] and Rhode Island.[10]

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[4] Decision, Dkt. No. 06-01-08PH01, 2006 WL 1774221 (Conn. Dept. of Pub. Util. June 21, 2006) (RFPs for auctions for standard service must include pricing for residential and small and/or large commercial and industrial customers).

[5] Seimens, *Market Assessment Report for FP-SOS 2022 RFP* 5-7 (Feb. 16, 2022) (identifying results of auctions for four different customer classes); Delmarva Power, SOS Procurement (discussing Delaware's separation of SSO between four customer classes), *available at* https://www.delmarva.com/DoingBusinessWithUs/Pages/WholesaleEnergySuppliers/SOSProcurement.aspx.

[6] MD SOS RFP, FirstEnergy (discussing bifurcation of residential and Type I and II commercial and industrial loads), *available at* https://www.firstenergycorp.com/upp/md/power_procurements/mdsosrfp.html.

[7] National Grid, *Request for Power Supply Proposals to Provide the Following Services: Default Service in: Massachusetts*, § 1 (Aug. 6, 2021) (discussing separate auctions for residential, commercial, and industrial customer classes); *see also Re Pricing & Procurement of Default Service*, Dkt. No. 99-60; *Re Pricing & Procurement of Default Service*, Dkt. No. 99-60-A (May 12, 2000); *Re Pricing & Procurement of Default Service*, Dkt. No. 99-60-B, 2000 WL 1273687 (June 30, 2000).

[8] *Re: In re Provision of Basic Generation Serv. for the Period Beginning June 1, 2022*, No. ER21030631, 2022 WL 2953726, at *1 (N.J. Bd. of Pub. Utils. May 4, 2022) (identifying separate auction results for "Basic Generation Service" for "Residential and Small Commercial Pricing" and "Commercial and Industrial Energy Pricing").

[9] FirstEnergy's Pennsylvania Default Service Program, https://www.fepaauction.com/Home.aspx (default service products for residential and commercial customers will be offered in an auction separate from industrial customers).

[10] National Grid, *Request for Power Supply Proposals to Provide the Following Services: Last Resort Service for the Industrial Group . . . , Commercial Group . . . [&] Residential Group in Rhode Island*, § 1 (Mar. 11, 2021) (National Grid provides services for residential, commercial, and industrial customer classes).

- **SSO Load Information:** The Commission should require that the EDUs provide SSO auction participants with greater visibility into utility hourly data and customer volumes to allow SSO suppliers to be better informed when bidding and making hedging decisions. Further, the Commission should require that the EDUs provide more frequent updates to the data made available to SSO suppliers. Additional and more updated information will help SSO load suppliers more accurately gauge potential load service risks, which will help mitigate price elevation due to incomplete or outdated load data.
- **MWh Caps on Tranches:** The Commission should require that the auction managers for each EDU introduce a MWh cap on each tranche sold at auction to limit the total volume that an SSO load supplier would be required to supply in the event that load migration exceeds anticipated estimates, as happened in 2022. That MWh cap can be set by the SSO auction managers depending on specific factors involved in each auction, market prices, auction participation interest and specific load information available at the time of the auction. This will give each SSO auction participant visibility into potential total monetary and contractual exposure in formulating bids and planning load service and energy hedging.

As an example of the benefits of load bifurcation, the chart below shows the results of SSO auctions held by Pennsylvania's utilities since 2020 for the bifurcated residential load with comparisons to forward market energy prices. As this chart demonstrates, auction clearing prices have remained closely tied to forward market energy prices with limited price premium (and in case some cases, a negative premium) even in recent auctions held during the past few months of energy volatility.

Chart 3

PENNSYLVANIA (RESIDENTIAL)

Auction:	Clearing Price ($/MWh)	Est. Capacity ($/MWh)	Est. NITS ($/MWh)	Est. REC	Energy FWD West Hub ATC	Premium to Block ATC
DUQ March 2020 (6/20-5/21)	$40.23	$10.35	$0.00	$3.50	$25.83	102%
DUQ September 2020 (12/20-11/21)	$46.84	$14.48	$0.00	$3.50	$28.86	100%
DUQ March 2021 (6/21-5/22)	$51.35	$19.17	$0.00	$3.50	$28.37	101%
DUQ September 2021 (12/21-11/22)	$63.51	$13.32	$0.00	$3.50	$43.82	107%
DUQ March 2022 (6/22-5/23)	$72.04	$6.69	$0.00	$3.50	$57.98	107%
DUQ September 2022 (12/22-11/23)	109.31	$5.90	$0.00	$3.50	$84.87	118%
PECO March 2021 (6/21-5/22)	$52.73	$14.26	$0.00	$3.50	$28.91	121%
PECO September 2021 (12/21-11/22)	$72.70	$11.56	$0.00	$3.50	$48.82	118%
PECO March 2022 (6/22-5/23)	$74.25	$8.95	$0.00	$3.50	$59.81	103%
PECO September 2022 (12/22-11/23)	$100.22	$6.83	$0.00	$3.50	$77.80	116%
PPL April 2021 (6/21-5/22)	$45.17	$13.92	$0.00	$3.50	$28.47	97%
PPL October 2021 (12/21-11/22)	$71.94	$11.86	$0.00	$3.50	$50.69	112%
PPL April 2021 (6/22-5/23)	$100.20	$9.70	$0.00	$3.50	$77.92	112%
PPL October 2022 (12/22-11/23)	$106.47	$7.12	$0.00	$3.50	$77.30	124%
METED April 2020 (6/20-5/21)	$49.09	$8.89	$8.63	$3.50	$27.64	102%
METED November 2020 (6/21-5/22)	$58.91	$15.00	$12.25	$3.50	$28.67	98%
METED January 2021 (6/21-5/22)	$59.44	$15.00	$12.25	$3.50	$28.30	101%
METED November 2021 (6/22-5/23)	$77.38	$10.23	$11.72	$3.50	$45.41	114%
METED April 2022 (6/22-5/23)	$138.12	$10.23	$11.72	$3.50	$92.26	122%
METED November 2022 (6/23-5/24)	$100.59	$5.29	$13.50	$3.50	$62.26	126%

Pennsylvania's EDUs auction 12-month products for the residential load, and they also auction multiple products, both 3-month and 12-month products, for the commercial/industrial load. This product variation also helps achieve a more blended rate throughout the delivery year.

These Pennsylvania auction results are demonstrably better than those in the Ohio market and align with actual market prices as intended by SSO auctions. The chart also demonstrates that some states like Pennsylvania have structural protections already in place to prevent the type of price volatility and excessive risk premiums being experienced in the Ohio SSO auctions.

In addition to the above structural changes to the SSO auction processes, which the Commission has the authority and ability to implement in these SSO Auction Cases, the Commission should also consider larger structural changes to the Ohio market rules in order to promote fairness, market-based prices, and rate stability. Specifically, Enel respectfully submits that the Commission should open a Commission Ordered Investigation (COI) to consider larger structural changes to the Ohio market, including the following:

- **Limiting Load Migration:** The Commission should consider adopting express rules prohibiting mass or high-level migration. This could be accomplished through minimum "stay" requirements or other requirements that customers stay on certain programs or loads for a period of time before switching to another service. Such prohibitions on "gaming" the default service would be consistent with the Commission's policy of encouraging fair competition in the Ohio electric services market.
- **Limiting Switching:** The Commission should enact new restrictions on switching frequency in line with regulations enacted in other states.[11] Customers who return to default service should be required to remain there for a minimum amount of time before returning to competitive retail supply.

[11] *See In re Connecticut Light & Power Co.*, Dkt. No. 99-08-24, 1999 WL 986939 (Conn. Dept. of Pub. Util. Sept. 9, 1999) (it is "reasonable and appropriate to implement a 12-month switching moratorium to address the potential for customers to manipulate Standard Offer Service by

V. CONCLUSION

Enel appreciates the opportunity to provide these comments and perspectives on the SSO load market and would welcome the opportunity to discuss these comments further as the Commission works to improve the auction and SSO load-servicing processes in Ohio.

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Respectfully submitted,

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returning to it when it is the less expensive supply alternative" and therefore, "once customers leave Standard Offer Service and return, they must stay on that service for at least 12 consecutive months from the date of their return.").

CERTIFICATE OF SERVICE

I certify that on January 24, 2023, the foregoing document was filed using the Commission's Docketing Information System and was served by electronic mail on all persons signed up to receive electric notices from the DIS system.

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Summary: Comments ENEL TRADING NORTH AMERICA, LLC'S COMMENTS ON THE COMMISSION'S PROPOSED SSO AUCTION MODIFICATIONS electronically filed by Mr. David F. Proano on behalf of Enel Trading North America, LLC