

**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. 16-0776-EL-UNC
In the Matter of the Procurement of Standard Service Offer Generation for Customers of Dayton Power	:	Case No. 17-0957-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

COMMENTS OF AES OHIO

The Dayton Power and Light Company d/b/a AES Ohio (“AES Ohio” or the “Company”) files these comments pursuant to the January 3, 2023 Entry in these matters. As the Commission observed in its Entry, Standard Service Offer prices resulting from competitive auctions to procure SSO supply have significantly increased over the past year. Entry, ¶ 3. Since last spring, AES Ohio has explored opportunities to provide customers with greater protections against market volatility and more stable SSO prices over time. *E.g., In re AES Ohio*, Case No. 17-0957-EL-UNC, Application (Aug. 12, 2022) (requesting authority to hold two auctions for the 2023/2024 delivery year and to reintroduce varied-length products) and Finding and Order (Sept. 21, 2022) (approving that reform); *In re AES Ohio*, Case No. 22-1138-EL-ATA, Application

(Dec. 8, 2022) (requesting authority to amend tariffs to impose limits on governmental aggregators prematurely returning customers to SSO service).

The Commission now is investigating whether directing the state's electric distribution utilities to implement certain SSO auction modifications would help significantly reduce prices resulting from SSO auctions. Entry, ¶ 4. The modifications include requiring the EDUs to:

1. Include six-month products in the mix of products for each auction; and
2. Revise credit requirements for companies seeking to bid at the auctions in order to promote participation without unduly increasing risk.

Id.

AES Ohio appreciates the Commission's request for stakeholder input regarding the effectiveness of those proposed modifications. *Id.* at ¶ 5. As for the first proposal, while AES Ohio believes that varied-length products are an appropriate mechanism to mitigate risk in SSO auctions, the Company would prefer the Commission to consider longer-term products to reduce the impact of market volatility.

As for the second proposal, AES Ohio believes that loosening credit restrictions – while potentially increasing participation in SSO auctions – will not reduce market volatility. In light of that volatility, this change may increase the risk of supplier default and, therefore, customers returning to the standard service offer, placing upward pressure on auction outcomes and resulting SSO rates.

AES Ohio, nevertheless, remains interested in exploring potential reforms of the SSO procurement process and reserves the right to file reply comments in response to proposals filed by other interested stakeholders.

Respectfully submitted,

/s/ Christopher C. Hollon

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CERTIFICATE OF SERVICE

I certify that the foregoing document was e-filed with the Public Utilities Commission of Ohio on January 24, 2022. The PUCO's e-filing system will electronically serve notice of the filing of this document.

/s/ Christopher C. Hollon
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UNC**

Summary: Comments Comments of AES Ohio electronically filed by Mr.
Christopher C. Hollon on behalf of The Dayton Power and Light Company d/b/a
AES Ohio