

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE PROCUREMENT
OF STANDARD SERVICE OFFER
GENERATION FOR THE CUSTOMERS OF
OHIO POWER COMPANY.

CASE NO. 17-2391-EL-UNC

FINDING AND ORDER

Entered in the Journal on November 6, 2019

I. SUMMARY

{¶ 1} The Commission accepts the results of the auction conducted on November 5, 2019, to procure generation supply for standard service offer customers of Ohio Power Company d/b/a AEP Ohio.

II. DISCUSSION

{¶ 2} Ohio Power Company d/b/a AEP Ohio (AEP Ohio or the Company) is an electric distribution utility as defined in R.C. 4928.01(A)(6) and a public utility as defined in R.C. 4905.02, and, as such, is subject to the jurisdiction of this Commission.

{¶ 3} R.C. 4928.141 provides that an electric distribution utility shall provide consumers within its certified territory a standard service offer (SSO) of all competitive retail electric services necessary to maintain essential electric services to customers, including a firm supply of electric generation services. The SSO may be either a market rate offer in accordance with R.C. 4928.142 or an electric security plan (ESP) in accordance with R.C. 4928.143.

{¶ 4} In Case No. 16-1852-EL-SSO, et al., the Commission modified and approved a stipulation and recommendation filed by AEP Ohio, Staff, and numerous other signatory parties, which authorized the Company to implement an ESP for the period of June 1, 2018, through May 31, 2024. *In re Ohio Power Co.*, Case No. 16-1852-EL-SSO, et al., Opinion and Order (Apr. 25, 2018). AEP Ohio's ESP includes a competitive auction-based SSO format, as well as a competitive bid procurement (CBP) process for the Company's auctions, which procure generation supply for customers receiving service under the SSO.

{¶ 5} On November 6, 2019, in the above-captioned case, National Economic Research Associates, Inc. d/b/a NERA Economic Consulting (NERA), the auction manager for AEP Ohio's SSO auctions, and Bates White Economic Consulting (Bates White), a consultant retained by the Commission to monitor the auctions, filed reports regarding the conduct of the Company's auction held on November 5, 2019, which included one-year and two-year products. These reports consisted of confidential versions, filed under seal, and a redacted version of the report filed by NERA, which is publicly available in this docket.

{¶ 6} According to the reports filed by NERA and Bates White, for the one-year product, the auction resulted in a clearing price of \$40.18 per megawatt hour (MWh) for the delivery period of June 1, 2020, to May 31, 2021. For the two-year product, the auction resulted in a clearing price of \$42.83 per MWh for the delivery period of June 1, 2020, to May 31, 2022. NERA and Bates White each recommended that the Commission find that the auction, within the limits of its structures, had sufficient competitive attributes and resulted in a winning price that is reasonable.

{¶ 7} The Commission finds that the reports filed by NERA and Bates White do not contain any recommendation or evidence that the auction violated the CBP rules in such a manner as to invalidate the auction. Accordingly, the Commission will not reject the results of the auction.

{¶ 8} On November 6, 2019, Staff filed a motion for protective order, pursuant to Ohio Adm.Code 4901-1-24, requesting that both the report of the Commission's consultant regarding AEP Ohio's auction and the notification of the auction results filed on November 6, 2019, be kept confidential. In support of the motion, Staff submits that these documents are highly competitively sensitive, in that they identify the details of various bids and parties making the bids in the auction. According to Staff, disclosure of this information would be highly prejudicial to the bidding parties and the viability of any future auction in Ohio.

{¶ 9} Ohio Adm.Code 4901-1-24 provides that, unless otherwise ordered, protective orders issued pursuant to the rule automatically expire after 24 months. However, given

the highly competitive and sensitive nature of the reports filed by NERA and Bates White, the Commission finds that it would be appropriate to grant protective treatment indefinitely, until the Commission orders otherwise. Therefore, we find that Staff's motion for protective order of the information filed on November 6, 2019, is reasonable and should be granted, to the extent set forth in this Finding and Order. Accordingly, the Bates White report and the following information related to the NERA report will be protected from public release: the names of unsuccessful bidders; price information, including starting price methodologies and round prices/quantities for individual bidders; all information contained in Part I and Part II of the bidder applications; and indicative preauction offers.

{¶ 10} However, the Commission finds that certain information regarding the auction contained in the report submitted by NERA should be released to the public after a brief period of time to allow the winning bidders to procure any additional necessary energy or capacity to serve the SSO load. Therefore, unless otherwise ordered by the Commission, the following information will be subject to public release 21 days after the issuance of this Finding and Order, or on November 27, 2019: the names of bidders who won tranches in the auction; the number of tranches won by each bidder; the first round ratio of tranches supplied compared to tranches needed; and the redacted report filed by NERA detailing the auction proceedings, subject only to redaction of any confidential information enumerated in Paragraph 9. The Commission's docketing division is directed to work with Staff to assure the appropriate public release of information.

{¶ 11} Finally, all bidders are required to immediately disclose to the Commission and Staff all prices, terms, and conditions for any post-auction assignments of tranches obtained through the CBP, subject to appropriate protections for confidential or proprietary information.

III. ORDER

{¶ 12} It is, therefore,

{¶ 13} ORDERED, That Staff's motion for protective order be granted and the information set forth in Paragraph 9 be deemed confidential and remain under seal indefinitely, until otherwise ordered by the Commission. It is, further,

{¶ 14} ORDERED, That, unless otherwise ordered by the Commission, the information set forth in Paragraph 10 be subject to public release 21 days after the issuance of this Finding and Order, or on November 27, 2019. It is, further,

{¶ 15} ORDERED, That a copy of this Finding and Order be served upon all interested persons and parties of record.

COMMISSIONERS:

Approving:

Sam Randazzo, Chairman

M. Beth Trombold

Lawrence K. Friedeman

Daniel R. Conway

Dennis P. Deters

SJP/mef

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