

*DELIVERED BY EMAIL*

15 April 2020

Tim Benedict  
Public Utilities Commission of Ohio  
The Office of the Federal Energy Advocate

Tamara S. Turkenton  
Public Utilities Commission of Ohio  
Rates & Analysis Department  
Regulatory Services Division

**Re: Update to Redactions**

Dear Mr. Benedict and Ms. Turkenton:

Pursuant to the requirements of paragraph 10 of the March 25, 2020 Finding and Order of the Public Utilities Commission of Ohio (“PUCO” or “Commission”), please find attached to this letter a redacted version of the report that NERA Economic Consulting (“NERA”), as Auction Manager under AEP Ohio’s Competitive Bidding Process (“CBP”), prepared at the conclusion of the March 2020 Auction. This report was submitted on March 24, 2020 following the conclusion of the auction to procure full requirements supply for 34% of the energy and capacity requirements of AEP Ohio’s Standard Service Offer (“SSO”) customers for supply periods of one year and two years.

Other than an update to the redactions pursuant to paragraph 10 of the Finding and Order cited above and removal of confidentiality markings, the attached report is the same as the report sent to you on March 24, 2020.

Sincerely yours,



Kathleen Orlandi  
Senior Consultant, NERA Economic Consulting

cc:

Samuel Randazzo, Chairman, Public Utilities Commission of Ohio  
Daniel R. Conway, Commissioner, Public Utilities Commission of Ohio  
Dennis P. Deters, Commissioner, Public Utilities Commission of Ohio  
Lawrence K. Friedeman, Commissioner, Public Utilities Commission of Ohio  
M. Beth Trombold, Commissioner, Public Utilities Commission of Ohio

Dorothy Bremer, Public Utilities Commission of Ohio  
Greg Price, Public Utilities Commission of Ohio  
Matthew D. Snider, Public Utilities Commission of Ohio  
Ray Strom, Public Utilities Commission of Ohio

Frank Mossburg, Bates White, LLC

Michael McCulty, AEP Ohio  
Andrea Moore, AEP Ohio  
Steven T. Nourse, AEP Ohio

# **Final Report of the Auction Manager**

## **AEP Ohio CBP**

**March 24, 2020**

**(Redacted Version)**

**NERA**  
ECONOMIC CONSULTING

***Confidential Information***

**Table 1. Summary of Auction Results**

	Delivery Period		Total
	June 1, 2020 to May 31, 2021	June 1, 2020 to May 31, 2022	
Number of Registered Bidders			14
Total initial eligibility of Registered Bidders (# of tranches)			
Total initial eligibility divided by volume			
Number of bidders that submitted bids in round 1			
Number of tranches bid in round 1	93	75	168
Number of tranches bid in round 1 divided by tranche target	5.47	4.41	4.94
Number of tranches to procure in auction (tranche targets)	17	17	34
Number of tranches procured in auction	17	17	34
Number of rounds in the auction			17
Number of winning bidders	6	3	6
Starting price range (\$/MWh)	55.00 - 75.00		
Starting price (\$/MWh)			
Clearing price (\$/MWh)	36.74	40.00	

**Table 2. Winning Bidders, Tranches Won, and Clearing Prices**

	<b>Delivery Period</b>		<b>Total</b>
	<b>June 1, 2020 to May 31, 2021</b>	<b>June 1, 2020 to May 31, 2022</b>	
<b>Clearing Price (\$/MWh)</b>	36.74	40.00	
<b>Winning Bidder</b>	<b>Tranches Won</b>		
AEP Energy Partners, Inc.	2	1	3
BP Energy Company	1	8	9
ConocoPhillips Company	2	-	2
DTE Energy Trading, Inc.	2	-	2
Exelon Generation Company, LLC	7	8	15
Vitol Inc.	3	-	3
<b>Total</b>	<b>17</b>	<b>17</b>	<b>34</b>

**Table 3. Auction Manager's Assessment of the Conduct of the Auction**

#	Question	Answer
1	Were the competitive bidding rules violated?	No.
2	Does the Auction Manager believe the auction was open, fair, transparent, and competitive?	Yes.
3	Did bidders have sufficient information to prepare for the auction?	Yes. Bidders received information from the competitive bidding process documents, the CBP website, FAQs posted to the CBP website, and a bidder webcast.
4	Was the information generally provided to bidders in accordance with the published timetable? Was the timetable updated appropriately as needed?	Yes. No updates to the timetable were needed.
5	Were there any issues and questions left unresolved prior to the auction that created material uncertainty for bidders?	No.
6	Were there any procedural problems or errors with the auction, including the electronic bidding process, the backup bidding process, and communications between bidders and the Auction Manager?	No.
7	Were protocols for communication between bidders and the Auction Manager adhered to?	Yes.

#	Question	Answer
8	Were there any hardware or software problems or errors, either with the auction system or with its associated communications systems?	No.
9	Were there any unanticipated delays during the auction?	No.
10	Did unanticipated delays appear to adversely affect bidding in the auction?	No.
11	Were appropriate data backup procedures planned and carried out?	Yes. The database was saved in two locations each round.
12	Were any security breaches observed with the auction process?	No security breaches were observed.
13	Were protocols for communications followed by AEP Ohio, the Auction Manager, the PUCO, and the PUCO's consultant during the auction?	Yes.
14	Were the protocols followed for decisions regarding changes in auction parameters (e.g., volume adjustments and price decrements)?	Yes. There were no volume adjustments or changes to the decrements.
15	Were the calculations (e.g., for price decrements or bidder eligibility) produced by the auction software double-checked or reproduced off-line by the Auction Manager?	Yes.

#	Question	Answer
16	Was there evidence of confusion or misunderstanding on the part of bidders that delayed or impaired the auction?	No. There was no such evidence.
17	Were the communications between the Auction Manager and bidders timely and effective?	Yes. The Auction Manager provided information on the schedule and reminders.
18	Was there evidence that bidders felt unduly rushed during the process?	No.
19	Was there any evidence of collusion or improper coordination among bidders?	No.
20	Was there any evidence of anti-competitive behavior in the auction?	No.
21	Was information made public appropriately? Was confidential and sensitive information treated appropriately?	Yes.
22	Were there factors exogenous to the auction (e.g., changes in market environment) that materially affected the auction in unanticipated ways?	Due to the public health crisis, members of the auction manager team were not co-located for purposes of managing this auction. However, this did not affect the conduct of the auction or the results. We are not aware of additional factors exogenous to the auction that materially affected the auction in unanticipated ways.



**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

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**Case No(s). 17-2391-EL-UNC**

Summary: Report of the Auction Manager, AEP Ohio CBP, March 24, 2020 - Updated  
Redacted Version electronically filed by Zee Molter on behalf of PUCO Staff