



DELIVERED VIA EMAIL

February 17, 2021

Brian Knipe
FirstEnergy Corp.
76 South Main Street
Akron, OH 44308

Re: Notification of CBP Auction Results

Dear Brian:

Pursuant to the requirements of paragraph 10 of the January 27, 2021 Finding and Order of the Public Utility Commission of Ohio ("PUCO" or "Commission"), please find attached a less redacted version of the post-auction letter. That letter, addressed to Robert Reeping (and cc'd to you and others) was submitted by the Auction Manager, CRA International, on January 26, 2021 following the conclusion of the FirstEnergy Ohio Utilities' Competitive Bidding Process Auction. The Auction procures supply for Standard Service Offer customers for the FirstEnergy Ohio Utilities.

Compared to the redacted letter submitted on January 26, the attached letter has fewer redactions pursuant to paragraph 10 of the Finding and Order cited above.

Sincerely yours,

CRA INTERNATIONAL, INC.

A handwritten signature in black ink that reads "Bradley A. Miller". The signature is written in a cursive, flowing style.

Bradley A. Miller
Vice President

cc:

M. Beth Trombold, Acting Chair, Public Utilities Commission of Ohio
Tim Benedict, Public Utilities Commission of Ohio

Attachment



DELIVERED BY EMAIL

CRA No. D20048 / D20049

January 26, 2021

Robert Reeping
FirstEnergy Corp.
800 Cabin Hill Drive
Greensburg, PA 15601

Re: Notification of CBP Auction Results

Dear Bob:

This is to inform you that we have confirmed the results of the FirstEnergy Ohio Utilities' Competitive Bidding Process Auction ("Auction") to procure supply for Standard Service Offer (SSO) customers for the FirstEnergy Ohio Utilities. The Auction began on Tuesday, January 26, 2021 and concluded the same day.

There are three tables attached to this letter.

- Table 1 summarizes the results of the Auction.
- Table 2 shows, for each winning bidder, the number of tranches won for each contract in the Auction.
- Table 3 provides the Auction Manager's assessment of the conduct of the Auction.

In accordance with the Bidding Rules, winning bidders will be contacted directly by the FirstEnergy Ohio Utilities to execute the Master SSO Supply Agreement no later than three (3) business days following the close of the Auction.

Sincerely yours,

CRA INTERNATIONAL, INC.



Bradley A. Miller
Vice President

cc:

M. Beth Trombold, Acting Chair, Public Utilities Commission of Ohio
Lawrence Friedeman, Commissioner, Public Utilities Commission of Ohio
Dennis Deters, Commissioner, Public Utilities Commission of Ohio
Daniel Conway, Commissioner, Public Utilities Commission of Ohio
Timothy Benedict, Public Utilities Commission of Ohio
Tamara Turkenton, Public Utilities Commission of Ohio
Brian Knipe, FirstEnergy Utilities
Sonny Fanelli, FirstEnergy Utilities
Sam Belcher, FirstEnergy Utilities
Richard Sweeney, FirstEnergy Utilities
Mark Jones, FirstEnergy Utilities
Gary Grant, Jr, FirstEnergy Utilities
Ed Shuttleworth, FirstEnergy Utilities
John Skory, FirstEnergy Utilities
Dean Stathis, FirstEnergy Utilities
Melanie Mancuso, FirstEnergy Utilities
Frank Mossburg, Bates White

Table 1. Summary of SSO Auction Results

Period of Delivery	June 1, 2021 - May 31, 2022
Number of Registered Bidders	12
Total initial eligibility of Registered Bidders	
Total initial eligibility divided by tranche target	
Number of bidders that submitted bids in round 1	
Number of tranches bid in round 1	157
Number of tranches bid in round 1 divided by tranche target	4.76
Number of tranches to procure in auction (tranche target)	33 tranches
Number of tranches procured in auction	33 tranches
Number of rounds in clock phase	14
Was there a sealed-bid round?	Yes
Number of winning bidders	9
Starting price range	\$60.00 to \$80.00 per MWh
Starting price	
Tranche-weighted average price of winning bids	\$46.80

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	\$46.80
DTE Energy Trading, Inc.	2	\$46.80
Dynegy Marketing and Trade, LLC	12	\$46.80
Energy Harbor LLC	1	\$46.80
Hartree Partners, LP	2	\$46.80
Interstate Gas Supply, Inc.	1	\$46.80
NextEra Energy Marketing, LLC	2	\$46.81
TransAlta Energy Marketing (U.S.), Inc.	4	\$46.80
Vitol, Inc.	6	\$46.80
	33	\$46.80

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

	Question	
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 Information Website, questions-and-answers posted to the Information Website, and bidder information sessions.
4	Was the information generally provided to bidders in accordance with the published timetable? Was the timetable updated appropriately as needed?	Yes
5	Were there any issues and questions left unresolved prior to the auction that created material uncertainty for bidders?	We do not believe that there were any unresolved issues or questions that created material uncertainty for bidders.
6	Were there any procedural problems or errors with the auction, including the electronic bidding process, the back-up 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
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 back-up procedures planned and carried out?	Yes
12	Were any security breaches observed with the auction process?	No

	Question	
13	Were protocols followed for communications among FirstEnergy Ohio Utilities, 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
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
16	Was there evidence of confusion or misunderstanding on the part of bidders that delayed or impaired the auction?	No
17	Were the communications between the Auction Manager and bidders timely and effective?	Yes
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?	<p>There was uncertainty associated with the 2022/23 PJM BRA. To mitigate any potential bidder concerns, the tranches originally scheduled for a delivery period of 36 months were reduced to 12 months.</p> <p>Due to restrictions related to COVID-19, the auction was conducted remotely by the Auction Manager team. There were no issues in conducting the auction remotely.</p>

This foregoing document was electronically filed with the Public Utilities

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Case No(s). 16-0776-EL-UNC

Summary: Notification of CBP Auction Results - Updated Redacted Version electronically filed by Mr. Timothy W Benedict on behalf of PUCO Staff