

# 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 March 10, 2021

### I. SUMMARY

{¶ 1} The Commission accepts the results of the auction conducted on March 9, 2021, 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 July 25, 2019, the Federal Energy Regulatory Commission (FERC) issued an order directing PJM Interconnection, LLC (PJM) to not conduct its base residual auction (BRA) for the 2022-2023 delivery year, which was scheduled to occur in August 2019. *Calpine Corp. v. PJM Interconnection, LLC*, 168 FERC ¶ 61,051 (2019). This directive prevented PJM from moving forward with a wholesale competitive bidding process, the output of which informs potential bidders in an electric distribution utility's retail competitive bidding process associated with the SSO development of the forward cost of the capacity obligation arising from the provision of SSO generation supply. Thereafter, on December 19, 2019, FERC ordered that PJM must submit a new schedule regarding the BRA within 90 days. *Calpine Corp. v. PJM Interconnection, LLC*, 169 FERC ¶ 61,239 (2019).

{¶ 6} In order to mitigate potential significant effects caused by the uncertainty surrounding PJM's BRA, the Commission issued a Finding and Order on July 15, 2020, in the above-captioned case. Among other things, the Commission directed AEP Ohio and the other electric distribution utilities to submit a plan to substitute a 12-month product for their currently planned products for the fall 2020 and spring 2021 auctions.

{¶ 7} On August 26, 2020, the Commission granted AEP Ohio's August 7, 2020 motion to adjust its CBP, in order to address the uncertainty regarding the BRA resulting from FERC's directives. Specifically, AEP Ohio's motion proposed to remove the 36-month product for both the fall 2020 and spring 2021 auctions, thereby allocating each auction's entire tranche target of 33 to the 12-month product for each auction.

{¶ 8} On March 10, 2021, 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 March 9, 2021, which included a 12-month product. 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.

{¶ 9} According to the reports filed by NERA and Bates White, for the 12-month product, the auction resulted in a clearing price of \$46.35 per megawatt hour for the delivery period of June 1, 2021, 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.

{¶ 10} 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.

{¶ 11} On March 10, 2021, 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 March 10, 2021, 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.

{¶ 12} 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 March 10, 2021, 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 pre-auction offers.

{¶ 13} 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 March 31, 2021: 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 12. The Commission's docketing division is directed to work with Staff to assure the appropriate public release of information.

{¶ 14} 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

{¶ 15} It is, therefore,

{¶ 16} ORDERED, That Staff's motion for protective order be granted and the information set forth in Paragraph 12 be deemed confidential and remain under seal indefinitely, until otherwise ordered by the Commission. It is, further,

{¶ 17} ORDERED, That, unless otherwise ordered by the Commission, the information set forth in Paragraph 13 be subject to public release 21 days after the issuance of this Finding and Order, or on March 31, 2021. It is, further,

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

COMMISSIONERS:

*Approving:*

M. Beth Trombold  
Lawrence K. Friedeman  
Daniel R. Conway  
Dennis P. Deters

SJP/kck

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Summary: Finding & Order accepting the results of the auction conducted on March 9, 2021, to procure generation supply for standard service offer customers of Ohio Power Company d/b/a AEP Ohio electronically filed by Heather A Chilcote on behalf of Public Utilities Commission of Ohio