

**BEFORE THE  
PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Procurement of	:	
Standard Generation for Customers of	:	Case No. 17-957-EL-UNC
The Dayton Power and Light Company.	:	

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**APPLICATION OF  
THE DAYTON POWER AND LIGHT COMPANY D/B/A AES OHIO  
FOR APPROVAL OF PROPOSED AUCTION SCHEDULE**

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The Dayton Power and Light Company d/b/a AES Ohio (“AES Ohio” or the “Company”) submits this Application requesting that the Public Utilities Commission of Ohio (“PUCO” or “Commission”) issue an order authorizing AES Ohio to conduct a competitive auction for a 12-month and 24-month supply in both March 2022 and March 2023, for its standard service offer (“SSO”) customers, without, at this time seeking proposal for a 36-month supply. The auction conducted in March 2023, will run through the delivery of May 31, 2025. As part of its Application, AES Ohio has included an Auction schedule detailing the timeframe in which they will conduct their Auctions as Exhibit 1.

As background and support for its Application, AES Ohio states as follows:

On October 20, 2017, the Public Utilities Commission of Ohio (“PUCO” or “the Commission”) issued an order approving the Amended Stipulation and Recommendation filed in Case No. 16-395-EL-SSO (“ESP III”) that, among other things, required DP&L to conduct annual competitive bid auctions in order to procure load for its standard service offer (“SSO”) customers.<sup>1</sup> Using a standard blending technique, these competitive auctions offer multiple

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<sup>1</sup> *In the Matter of the Application of The Dayton Power and Light Company to Establish a Standard Service Offer in the Form of an Electric Security Plan*, Case No. 16-395-EL-SSO, Opinion and Order at p. 8 (October 20, 2017).]

products with varying lengths in order to secure load at low and stable prices for customers. The Commission later amended the ESP III approval Order,<sup>2</sup> which resulted in AES Ohio being granted authority to withdraw its ESP III<sup>3</sup> and restore the conditions of ESP I that were in effect prior to ESP III.<sup>4</sup> Specifically, in the December 18, 2019 Second Finding and Order in Case No. 08-1094-EL-SSO, the Commission approved AES Ohio's proposed revised tariffs subject to modifications, which, among other things approved AES Ohio's request to maintain the integrity of AES Ohio's current process for procuring SSO generation through competitive bid auctions.<sup>5</sup> In addition, the Commission stated "[w]e expect DP&L to continue to request appropriate CBP auction schedules as necessary to continue to serve SSO customers until DP&L's next SSO is approved."<sup>6</sup>

In the meantime, however, the Federal Energy Regulatory Commission ("FERC") issued an order, that among other things, approved substantial changes to the PJM Interconnection, L.L.C., ("PJM") Minimum Offer Price Rule and in turn, the eligibility of resources to participate in the Base Residual Auctions ("BRA").<sup>7</sup> FERC also directed PJM to establish a new auction schedule, which ultimately resulted in delays and suspension of the 2020 BRA. Due to this uncertainty in the long-term energy and capacity markets, AES Ohio was granted authority to eliminate the 36-month product in the March 2020 CBP auction.<sup>8</sup> A year

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<sup>2</sup> Case No. 16-395-EL-SSO, Supplemental Opinion & Order (November 2, 2019).

<sup>3</sup> Case No. 16-395-EL-SSO, Finding and Order (December 18, 2019).

<sup>4</sup> *In the Matter of the Dayton Power and Light Company to Establish a Standard Service Offer in the Form of an Electric Security Plan*, Case No. 08-1094-EL-SSO, Second Finding and Order (Dec. 18, 2019).

<sup>5</sup> Case No. 08-1094-EL-SSO, Second Finding and Order at ¶28 (Dec. 18, 2019).

<sup>6</sup> *In the Matter of the Procurement of Standard Generation for Customers of The Dayton Power and Light Company*, Case No. 17-957-EL-UNC, Second Entry on Rehearing (Feb. 24, 2021).

<sup>7</sup> Order on Motion for Supplemental Clarification, Case No. EL16-49-00 (FERC Order), at ¶ 2 (July 25, 2019)

<sup>8</sup> Case No. 17-957-EL-UNC, Entry at ¶ 9 (February 14, 2020).

later, uncertainty still existed and AES Ohio was granted authority to only offer a 12-month product in the March 2021 CBP auction.<sup>9</sup>

While the PJM uncertainty continued throughout 2020 and into 2021, the Commission grappled with ways to address the impact of that uncertainty on competitive bid auctions for the electric distribution utilities (“EDUs”). First, issuing a Finding and Order requiring all EDUs to file a proposal to modify their respective SSO procurement auctions in the manner described in the Order.<sup>10</sup> But then, in response to Applications for Rehearing and FERC resolution of the PJM issues allowing the BRAs to resume in May 2021, the Commission issued a Second Entry on Rehearing on February 24, 2021 thereby ordering the EDUs to file a new proposed auction schedule consistent with the timeframes established by PJM for future BRAs.<sup>11</sup>

The BRA process is to resume in May 2021 for delivery period June 2022 – May 2023, followed by another BRA in December 2021 for delivery period June 2023 – May 2024, and then a June 2022 BRA for delivery period June 2024 – May 2025. Per the February 10, 2021 Entry issued in this case and described above, AES Ohio conducted a competitive auction with a 12-month product on March 22, 2021. While AES Ohio has no end date to its current ESP, as part of a pending Stipulation and Recommendation, AES Ohio has agreed to file its Fourth Electric Security Plan by October 1, 2023.<sup>12</sup> Based on the current BRA Schedule and AES Ohio’s current Auction processes, AES Ohio respectfully requests that the Commission approve its request to offer a 12-month and 24-month supply in both March 2022 and March 2023, as shown on Exhibit 1, for its standard service offer (“SSO”) customers, through the delivery of May 31, 2025.

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<sup>9</sup> Case No. 17-957-EL-UNC, Entry at ¶ 20 (February 10, 2021).

<sup>10</sup> Case No. 17-957-EL-UNC, Finding and Order at ¶ 35 (July 15, 2020).

<sup>11</sup> Case No. 17-957-EL-UNC, Second Entry on Rehearing at ¶ 22 (Feb. 24, 2021).

<sup>12</sup> 18-1875-EL-GRD *et al.*, Stipulation and Recommendation at ¶19.a (October 23, 2020).

Respectfully submitted,

/s/ Michael J. Schuler

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### CERTIFICATE OF SERVICE

It is hereby certified that a true copy of the foregoing was served upon the persons listed below  
via electronic transmission this 23<sup>rd</sup> day of April 2021:

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**THE DAYTON POWER AND LIGHT COMPANY  
d/b/a AES Ohio CASE NO. 17-957-EL-UNC**

**Exhibit 1**

**AES Ohio Revised Auction  
Schedule**

## AES Ohio - Competitive Bid Process Schedule

[illegible][illegible]

\*\*\* Due to the delayed BRA auction, the 36-month product in the March 2020 auction has been updated (pending PUCO approval) to a 24-month delivery period (ending May 2022). The additional 12 months will be auctioned at a later date.

\*\*\*\*Due to the delayed BRA auction, the 24-month product in the March 2021 auction has been updated (pending PUCO approval) to a 12-month delivery period (ending May 2022). The additional 12 months will be auctioned at a later date.

May 2021 BRA PERIOD	2022/2023 BRA PERIOD
Dec 2021 BRA PERIOD	2023/2024 BRA PERIOD
June 2022 BRA PERIOD	2024/2025 BRA PERIOD

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Summary: Application Of The Dayton Power and Light Company D/B/A AES Ohio for Approval of Proposed Auction Schedule electronically filed by Mr. Hani S Jaber on behalf of The Dayton Power and Light Company