BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Procurement of)	
Standard Service Offer Generation as)	Case No. 16-0776-EL-UNC
Part of the Fourth Electric Security Plan)	
for Customers of Ohio Edison Company,)	
The Cleveland Electric Illuminating)	
Company, and The Toledo Edison)	
Company)	

<u>APPLICATION FOR APPROVAL TO MOVE JANUARY 2022 SSO PROCUREMENT</u> <u>AUCTION TO MARCH 2022</u>

I. INTRODUCTION

For the reasons more fully set forth below, Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company (the "Companies") respectfully request Commission approval to conduct their next Standard Service Offer ("SSO") procurement auction in March 2022 rather than in January 2022. This change is necessitated by the 55-day delay recently ordered by FERC for PJM Interconnection, L.L.C.'s ("PJM") Base Residual Auction ("BRA") for capacity for delivery year 2023/2024.¹

Further, the Companies request Commission approval of this schedule modification on or before December 15, 2021, to allow sufficient time to undertake necessary pre-auction activities, including bidder information sessions, and to conduct the proposed March 2022 auction.

II. DISCUSSION

On July 15, 2020, the Commission issued a Finding and Order that, among other things, directed Ohio's Electric Distribution Utilities ("EDUs"), including the Companies, to adjust their Fall 2020 and Spring 2021 SSO procurement auctions.² The Commission's directive was in

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¹ Docket No. ER21-2877-000, Order on Compliance and Requests for Waiver (10/25/2021).

² Finding and Order (7/15/2020) at ¶ 35.a.

response to the fact that the PJM BRA for capacity had not yet been held for the 2022/2023 delivery year.³ The Commission concluded that "it is reasonable to modify the approved SSO auction processes to mitigate the possible significant effects caused by the uncertainty surrounding PJM's BRA."⁴ The Companies' Motion to Adjust SSO Auction Schedule⁵ was granted,⁶ and the Companies conducted successful SSO procurement auctions on October 5, 2020⁷ and January 26, 2021.⁸

The changes to the October 2020 and January 2021 SSO procurement auctions necessitated changes to the Companies' subsequent SSO auctions. Also, on February 24, 2021 the Commission issued a Second Entry on Rehearing, which required Ohio's EDUs to submit, within 60 days, their new proposed SSO auction schedules consistent with the timeframes established by PJM for future BRAs and consistent with the provisions for staggering and laddering auctions contained in the EDUs' ESPs.⁹ In accordance with the Second Entry on Rehearing, and in order to make the adjustments necessitated by the changes to their October 2020 and January 2021 SSO auctions, on April 13, 2021, the Companies filed their Application for Approval of New Proposed Auction Schedules.¹⁰ The Commission approved that Application on June 16, 2021, ¹¹ and the Companies have conducted their August 2021 and October 2021 SSO auctions.¹²

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 $^{^{3}}$ *Id.* at ¶ 2.

⁴ *Id*

⁵ Mot. to Adjust SSO Auction Schedule and Mem. in Support (8/21/2020).

⁶ Finding and Order (8/26/2020).

⁷ Finding and Order (10/7/2020).

⁸ Finding and Order (1/27/2021).

⁹ Second Entry on Rehearing (2/24/2021) at ¶ 22. *See also*, Case No. 14-1297-EL-SSO (the Companies' ESP IV ("ESP IV")).

¹⁰ Application for Approval of New Proposed Auction Schedules of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company (4/13/2021).

¹¹ Finding and Order (6/16/2021).

¹² See Finding & Order (8/25/2021) (approving the results of the auction conducted on August 23, 2021) and Finding & Order (10/6/2021) (approving the results of the auction conducted on October 4, 2021).

Pursuant to the terms of ESP IV, the Companies' remaining SSO auctions are currently scheduled for January 2022, October 2022, and January 2023. However, on October 25, 2021, FERC issued an order approving a 55-day delay of PJM's next BRA for capacity for delivery year 2023/2024. As a result, this BRA will open on January 25, 2022, instead of December 1, 2021. Due to this delay, the Companies cannot conduct their SSO auction as scheduled in January 2022, and they propose to conduct it in March 2022 instead. Specifically, if this Application is approved, the Companies intend to conduct this SSO auction on March 7, 2022. This will allow them not only to receive the results of the BRA, but also to promptly seek Commission approval of the SSO auction results at a Commission meeting and afford sufficient time for the Companies to subsequently conduct their PIPP supply auctions(s) such that they can timely submit their Rider GEN tariff filings for Commission approval.

The Companies are not requesting any other changes to this auction. As previously approved, ¹⁷ and as reflected on Attachment A hereto, through this auction the Companies will procure 34 tranches of a 24-month product for the period June 2022 – May 2024. ¹⁸ The Companies are not requesting any changes to their October 2022 auction or their January 2023 auction at this time. ¹⁹

The Companies' proposed auction schedules are consistent with the timeframes established by PJM for future BRAs – including the January 2022 BRA for delivery year 2023/2024. The

 $^{^{13}}$ Application for Approval of New Proposed Auction Schedules of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company (4/13/2021) at 3-4; Finding and Order (6/16/2021) at \P 20.

¹⁴ Docket No. ER21-2877-000, Order on Compliance and Requests for Waiver (10/25/2021).

¹⁵ See Attachment A.

¹⁶ See Case No. 16-0541-EL-RDR, Finding and Order (5/25/2016) at ¶ 13 ("the Companies shall, for the remaining term of the ESP, file the PIPP and non-PIPP generation rates for Commission review no later than 30 days following the date of the last auction, and the final Rider GEN tariffs reflecting the updated PIPP and non-PIPP generation rates shall be approved effective June 1 of each year, contingent upon the Commission's review.").

¹⁷ Finding and Order (6/16/2021) at ¶ 20.

¹⁸ Attachment A.

¹⁹ *Id*.

proposed schedules are also consistent with staggering and laddering as set forth in the Companies' ESP IV.

III. CONCLUSION

For the foregoing reasons, Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company hereby request approval to conduct their next SSO procurement auction in March 2022 rather than in January 2022. The Companies respectfully request Commission approval of their proposed auction schedules on or before December 15, 2021, to allow sufficient time to undertake necessary pre-auction activities, including bidder information sessions, and to conduct the proposed March 2022 auction.

Respectfully submitted,

/s/Christine E. Watchorn

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CERTIFICATE OF SERVICE

I certify that a copy of the foregoing was filed electronically through the Docketing Information System of the Public Utilities Commission of Ohio ("PUCO") on this 12th day of November 2021. The PUCO's e-filing system will electronically serve notice of the filing of this document on counsel for all parties.

/s/Christine E. Watchorn

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

Summary: Application for Approval to Move January 2022 SSO Procurement Auction to March 2022 electronically filed by Ms. Christine E. Watchorn on behalf of Ohio Edison Company and The Cleveland Electric Illuminating Company and The Toledo Edison Company