

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Duke Energy Ohio, Inc., for an Increase in Electric Distribution Rates.	)	Case No. 17-32-EL-AIR
)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Tariff Approval.	)	Case No. 17-33-EL-ATA
)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Approval to Change Accounting Methods.	)	Case No. 17-34-EL-AAM
)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Approval to Modify Rider PSR.	)	Case No. 17-872-EL-RDR
)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Approval to Amend Rider PSR.	)	Case No. 17-873-EL-ATA
)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Approval to Change Accounting Methods.	)	Case No. 17-874-EL-AAM
)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Electric Security Plan, Accounting Modifications and Tariffs for Generation Service.	)	Case No. 17-1263-EL-SSO
)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Authority to Amend its Certified Supplier Tariff, P.U.C.O. No. 20.	)	Case No. 17-1264-EL-ATA
)	
In the Matter of the Application of Duke Energy Ohio, Inc., for Authority to Defer Vegetation Management Costs.	)	Case No. 17-1265-EL-AAM
)	
In the Matter of the Application of Duke Energy Ohio, Inc., to Establish Minimum Reliability Performance Standards Pursuant to Chapter 4901:1-10, Ohio Administrative Code.	)	Case No. 16-1602-EL-ESS
)	

**DUKE ENERGY OHIO, INC.'S NOTICE OF FEDERAL ENERGY
REGULATORY COMMISSION ORDER CAUSING PJM
INTERCONNECTION, L.L.C., TO DELAY ITS JANUARY BASE RESIDUAL
AUCTION (BRA) FOR THE 2023-2024 DELIVERY YEAR AND REQUEST
FOR GUIDANCE REGARDING WHETHER AN AMENDMENT TO DUKE
ENERGY OHIO, INC.'S UPCOMING STANDARD SERVICE OFFER
AUCTION SCHEDULE SHOULD OCCUR**

I. INTRODUCTION

Duke Energy Ohio, Inc., (Duke Energy Ohio or Company) hereby notifies the Public Utilities Commission of Ohio (Commission) that the Federal Energy Regulatory Commission (FERC) issued an order on December 22, 2021 (Order), that among other things, impacts the timing of the upcoming PJM Interconnection L.L.C., (PJM) BRA for the May 2023-June 2024 delivery year presently scheduled for January 25, 2022 (2023-2024 DY).¹ As a result of this recent Order, Duke Energy Ohio requests the Commission to once again consider whether the Company's upcoming standard service offer (SSO) supply auctions provided for under its current electric security plan (ESP) should be amended. The Company submits that good cause exists for the Commission to consider doing so once again.

As set forth in the accompanying Memorandum, absent a Commission-approved change to the Company's upcoming February 2022 auction, the Order will likely affect the auction result because the PJM's January 25, 2022 PJM capacity auction for the 2023/2024 delivery year is being delayed, and a schedule for this and future capacity auctions is not anticipated to be released for at least 30 to 60 days.

¹ *Order On Voluntary Remand*, Docket Nos. EL 19-58-006 and EL 19-1486-003 December 22, 2021. Available at <https://www.pjm.com/-/media/documents/ferc/orders/2021/20211222-er19-1486-000-el19-58-000.ashx>.

With its upcoming February 2022 SSO auction, Duke Energy Ohio is scheduled to procure 20 tranches of a 2022-2023 product (1-year product) and 30 tranches of a 2022-2024 product (2-year product). Because of the FERC-Ordered BRA delay, Duke Energy Ohio could modify its February 2022 SSO auction to procure 50 tranches for the 2022-2023 delivery year. Duke Energy Ohio would procure the remaining portion of the 30 tranches that had been a 2023-2024 product as part of a future SSO auction, most likely the September 2022 SSO auction, assuming PJM has filed complying tariffs and a new auction schedule by that time Order. Once PJM releases its proposed auction schedule, it may be necessary to consider additional amendments to Duke Energy Ohio's remaining ESP auction schedule.

If desired by the Commission, Duke Energy Ohio will proceed pursuant to the ESP auction schedule previously approved in these proceedings, but the Commission may find that uncertainty as to the applicable PJM rate for a portion of the period covered by the February 2022 SSO auction warrants modifying the ESP auction schedule. Duke Energy Ohio welcomes guidance from the Commission on the most prudent course of action for the benefit of customers.

Respectfully submitted,
DUKE ENERGY OHIO, INC.

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MEMORANDUM IN SUPPORT

On June 1, 2017, Duke Energy Ohio filed an application for approval of its SSO for the period between June 1, 2018, and May 31, 2024 (the Application).² The Company proposed to implement this SSO in the form of an ESP. The Application docket was ultimately consolidated with numerous other dockets and resolved in a Stipulation that the Commission approved and adopted on December 19, 2018.³ Among other things, the Stipulation recommended approval of the Application (subject to amendments in the Stipulation) for the period of June 1, 2018, through May 31, 2025.⁴

As approved, the ESP provided that Duke Energy Ohio was to conduct a series of auctions to satisfy its SSO obligation. Since that time, the Company's auction schedule has been modified by the Commission to account for delays in the timing of the PJM BRA such that currently, its upcoming February 2022 SSO auction is scheduled to procure 20 tranches of the load for the 2022-2023 DY(1-year product) and 30 tranches for the 2022-2024 DY (2-year product).

Recently, on December 22, 2021 the FERC issued its Order that, among other things, reversed (in part) its prior determination that the Reserve Penalty Factors and two-step Operating Reserve Demand Curves and ancillary services offset were just and reasonable. In doing so, FERC further directed that PJM submit compliance filings within sixty (60) days to revise its Tariff and Operating Agreements and to file a revised

² *Application of Duke Energy Ohio, Inc.*, Case No. 17-1263-EL-SSO, Application (June 1, 2017).

³ *Application of Duke Energy Ohio, Inc.*, No. 16-1602-EL-ESS, *et al.*, Stipulation and Recommendation (April 13, 2018); Opinion and Order) (approving and adopting stipulation) (Dec. 19, 2018).

⁴ Stipulation, p. 4.

schedule for the 2023/2024 BRA within thirty (30) days of FERC's Order.⁵ This directive confirms that PJM will not conduct its January 25, 2022 BRA prior to Duke Energy Ohio's upcoming February 2020 ESP auction.

Accordingly, Duke Energy Ohio submits this Notice to (1) inform the Commission of the Order's potential implications for the upcoming, previously scheduled SSO auction that Duke Energy Ohio had planned to conduct in February 2022; and (2) request guidance as to whether the ESP auction scope should, once again, be adjusted accordingly.

While Duke Energy Ohio is prepared to conduct the February 2022 SSO auction as scheduled, it would be doing so without knowing the applicable PJM capacity rate for a substantial part of the covered period (the 2023-2024 DY). This would create substantial uncertainty and confusion among bidders. The uncertainty could lead to some potential participants refraining from participation or including additional risk premiums in their bidding strategies for this period.

Accordingly, the Company requests the Commission consider modifying the ESP auction timetable to once again eliminate the uncertainty caused by the parallel FERC proceedings without delaying the auction altogether. As the Commission previously authorized, Duke Energy Ohio could once again modify its auction so to limit its February SSO auction to 20 tranches of the load during the 2022-2023 DY. If it limits the auction in this manner, Duke Energy Ohio would correspondingly adjust for the load for the remaining period (June 2023 through May 2024) after a final PJM rate is established. Doing so would delay the SSO auction of a portion of the 2023- 2024 load until a later date, and once the PJM auction(s) for the delivery years in

⁵ *Order On Voluntary Remand*, Docket Nos. EL 19-58-006 and EL 19-1486-003 December 22, 2021. Available at <https://www.pjm.com/-/media/documents/ferc/orders/2021/20211222-er19-1486-000-el19-58-000.ashx>.

question have occurred.

Given that the applicable PJM rate for the 2023-2024 DY will not be known by February 2022, Duke Energy Ohio seeks guidance from the Commission as to whether the previously approved ESP auction schedule should be further modified.

Respectfully submitted,

DUKE ENERGY OHIO, INC.

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CERTIFICATE OF SERVICE

I certify that a copy of the foregoing Notice was served via electronic mail or ordinary mail on the following parties this 10th day of January 2022.

/s/Rocco O. D'Ascenzo
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RDR, 17-0873-EL-ATA, 17-0874-EL-AAM, 17-1263-EL-SSO, 17-1265-EL-AAM,
16-1602-EL-ESS**

Summary: Notice Notice of Upcoming Auction date electronically filed by Mrs.
Debbie L. Gates on behalf of Duke Energy Ohio Inc. and D'Ascenzo, Rocco O. Mr.
and Vaysman, Larisa