

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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

**APPLICATION FOR APPROVAL TO ADJUST MARCH 2022 SSO PROCUREMENT
AUCTION AND TO CONDUCT ADDITIONAL AUCTION**

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: (1) adjust the product to be procured in their March 7, 2022 Standard Service Offer (“SSO”) procurement auction from a 24-month product ending May 2024 to a 12-month product ending May 2023, and (2) to conduct one additional auction between August 2022 and March 2023 at a date to be set in consultation with the Commission’s auction consultant, Bates White Economic Consulting (“Bates White”), and the Companies’ auction manager, CRA International, Inc. (“CRA”).

These adjustments are necessary due to a December 22, 2021 FERC Order that, among other things, required PJM Interconnection, L.L.C. (“PJM”) to file a revised schedule for the 2023/2024 Base Residual Auction (“BRA”).¹ As a result, PJM’s 2023/2024 BRA, which was

¹ Docket Nos. EL 19-58-006 and EL 19-1486-003, Order on Voluntary Remand (12/22/2021), at 2 (“Given the reversal of the Commission’s prior determinations regarding Reserve Penalty Factors and ORDCs, we also direct PJM to submit a compliance filing within 60 days of the date of this order to revise its Tariff and Operating Agreement records previously accepted in this proceeding (to become effective May 1, 2022) to reflect the currently effective Reserve Penalty Factors and the ORDCs and restore its Tariff provisions related to its prior backward-looking E&AS Offset,

previously scheduled for January 25, 2022 will not occur before the Companies' March 7, 2022 auction.²

Further, the Companies request Commission approval of this Application on or before February 23, 2022, to allow them to conduct the March 7, 2022 SSO auction as scheduled, 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.³

II. DISCUSSION

On October 25, 2021, FERC issued an order approving a 55-day delay of PJM's BRA for capacity for Delivery Year 2023/2024.⁴ As a result, this BRA was scheduled to open on January 25, 2022, instead of December 1, 2021. Due the impact of the changed BRA schedule on the Companies' planned January 2022 SSO procurement auction, on November 12, 2021, the Companies filed an Application for Approval to Move January 2022 SSO Procurement Auction to March 2022 and indicated that they intended to conduct their next SSO procurement auction on March 7, 2022.⁵ The Commission entered a Finding and Order approving the Companies'

effective November 12, 2020. **Additionally, we recognize that PJM will need to delay the base residual auction (BRA) for the 2023/2024 delivery year to incorporate the revised E&AS Offset in the BRA for the 2023/2024 delivery year. Accordingly, we direct PJM to submit a compliance filing within 30 days of the date of this order proposing a new schedule for that BRA and subsequent BRAs.**" (Emphasis added)).

² PJM has proposed to hold the BRA for the 2023/2024 Delivery Year on June 8, 2022; however, this BRA may be further postponed. *See*, Docket No. ER19-105-005, Order on Remand (1/20/2022).

³ *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.").

⁴ Docket No. ER21-2877-000, Order on Compliance and Requests for Waiver (10/25/2021).

⁵ Application for Approval to Move January 2022 SSO Procurement Auction to March 2022 (11/12/2021) ("November 2021 Application").

November 2021 Application on December 1, 2021.⁶ Then, on December 22, 2021, FERC issued an order that, among other things, required PJM to file a revised schedule for the 2023/2024 BRA.⁷ PJM's 2023/2024 BRA, which was previously scheduled for January 25, 2022 will not occur before the Companies' March 7, 2022 SSO procurement auction.⁸

As a result, the Companies now request Commission approval to adjust the product to be procured in their March 7, 2022 SSO procurement auction from a 24-month product ending May 2024 to a 12-month product ending May 2023. Subject to the Commission's approval of this Application sufficiently in advance of the Companies' March 7, 2022 auction, the Companies intend to proceed with the auction on that date. However, in the event that this Application is not approved on or before February 23, 2022, the Companies anticipate that they will have to postpone their March 7, 2022 auction to the soonest available date after Commission approval.⁹

In addition, and to procure the necessary tranches for delivery year 2023/2024, the Companies further seek Commission approval to conduct one additional auction between August 2022 and March 2023 at a date to be set in consultation with Bates White and CRA. The Companies are not proposing any changes to their currently planned October 2022 and January 2023 auctions at this time.

In summary, and as set forth on Attachment A hereto, the Companies propose to:

1. Adjust the March 7, 2022 auction to procure 34 tranches of a 12-month product ending May 2023;

⁶ Finding and Order (12/1/2021).

⁷ Docket Nos. EL 19-58-006 and EL 19-1486-003, Order on Voluntary Remand (12/22/2021), at 2.

⁸ *Id.*

⁹ Such a postponement will delay the timing of the Companies' PIPP RFP, which is currently scheduled for March 21, 2022, and any supplemental PIPP RFP, which is currently scheduled for April 4, 2022. See [FirstEnergy Ohio Utilities PIPP RFP > Calendar \(firstenergypipprfp.com\)](https://www.firstenergyohio.com/firstenergyohio/Utilities/PIPP-RFP/Calendar). A delay in the PIPP RFP(s) will also impact the timing of the Companies' Rider GEN tariff filings.

2. Conduct their October 2022 auction as planned and procure 33 tranches of a 12-month product ending May 2024;
3. Conduct their January 2023 auction as planned and procure 33 tranches of a 12-month product ending May 2024; and
4. Add one additional auction to procure 34 tranches of a 12-month product ending May 2024 on a date to be scheduled between August 2022 and March 2023 in consultation with Bates White and CRA.

The proposed schedules are 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: (1) adjust the product to be procured in their March 7, 2022 SSO procurement auction from a 24-month product ending May 2024 to a 12-month product ending May 2023, and (2) to conduct one additional auction between August 2022 and March 2023 at a date to be set in consultation with Bates White and CRA. The Companies respectfully request Commission approval of this Application on or before February 23, 2022.

Respectfully submitted,

/s/Christine E. Watchorn

Christine E. Watchorn (0075919)

Counsel of Record

FIRSTENERGY SERVICE COMPANY

100 E. Broad Street, Suite 2225

Columbus, Ohio 43215

(614) 437-0183

cwatchorn@firstenergycorp.com

(Willing to accept service by email)

Attorney for Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company

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 31st day of January 2022. 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

Christine E. Watchorn (0075919)

*Attorney for Ohio Edison Company, The Cleveland
Electric Illuminating Company, and The Toledo
Edison Company*

Email Service List:

William.Michael@occ.ohio.gov

mpritchard@mwncmh.com

glpetrucci@vorys.com

fykes@whitt-sturtevant.com

whitt@whitt-sturtevant.com

Joe.Oliker@igs.com

Michael.Nugent@igs.com

mkurtz@BKLawfirm.com

kboehm@BKLawfirm.com

jkylercohn@BKLawfirm.com

talAlexander@beneschlaw.com

slesser@beneschlaw.com

mkeaney@benechlaw.com

khehmeyer@beneschlaw.com

RGlover@mcneeslaw.com

Jeanne.Kingery@duke-energy.com

Rocco.Dascenzo@duke-energy.com

Larisa.Vaysman@duke-energy.com

Michael.Schuler@aes.com

stnourse@aep.com

cblend@aep.com

Thomas.Lindgren@ohioattorneygeneral.gov

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