

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE PROCUREMENT
OF STANDARD SERVICE OFFER
GENERATION FOR CUSTOMERS OF OHIO
POWER COMPANY.

CASE NO. 17-2391-EL-UNC

FINDING AND ORDER

Entered in the Journal on February 9, 2022

I. SUMMARY

{¶ 1} In this Finding and Order, the Commission directs Ohio Power Company to modify its standard service offer procurement auction schedules in the manner set forth in its filing.

II. PROCEDURAL BACKGROUND

{¶ 2} Ohio Power Company d/b/a AEP Ohio (AEP Ohio) qualifies as an electric utility as defined by R.C. 4928.01(A)(11) and as an electric distribution utility (EDU) as defined by R.C. 4928.01(A)(6).

{¶ 3} R.C. 4928.141 provides that electric utilities shall provide consumers a standard service offer (SSO) of all competitive retail electric services in accordance with R.C. 4928.142 or 4928.143. The SSO functions to make generation supply available to customers that are not receiving this supply from a competitive retail electric services provider and is sometimes referred to as default supply. The Commission approved AEP Ohio's most recent electric security plan (ESP), which implemented a competitive auction-based SSO format, as well as a competitive bid procurement process for AEP Ohio's auctions, to procure generation supply for AEP Ohio's customers for a certain period of time. *In re Ohio Power Co.*, Case No. 16-1852-EL-SSO, et al., Opinion and Order (Apr. 25, 2018).

{¶ 4} Since the approval of AEP Ohio's ESP, AEP Ohio's auction schedule has been modified due to delays in the timing of PJM Interconnection, LLC's (PJM) base residual auction (BRA). *In re the Procurement of Std. Serv. Offer Generation Customers of Ohio Power Co.*, Case No. 17-2391-EL-UNC, Finding and Orders (Aug 26, 2020) and (June 16, 2021).

{¶ 5} On December 22, 2021, the Federal Energy Regulatory Commission (FERC) issued an order reversing FERC's previous determination that the backward-looking energy and ancillary services offset (E&AS Offset) was just and reasonable. Given this reversal, FERC directed PJM to submit a compliance filing within 60 days to revise its Tariff and Operating Agreement and, in order to incorporate the revised E&AS Offset in the BRA for the 2023/2024 delivery year, directed PJM to submit a compliance filing within 30 days that proposes a new schedule for the BRA and subsequent BRAs. *Order on Voluntary Remand*, Case Nos. EL19-58-006; ER19-1486-003, at ¶ 2 (Dec. 22, 2021).

{¶ 6} On January 21, 2022, PJM submitted a compliance filing in response to the above order in which PJM proposed changing the BRA for the 2023/2024 delivery year from January 25, 2022, to June 8, 2022. *Compliance Filing Concerning Certain Proposed Revised Pre-Auction Deadlines*, Case Nos. EL19-58-010; ER19-1486-00, at 2 (Jan. 21, 2022).

{¶ 7} On January 27, 2022, AEP Ohio filed a motion to adjust its SSO procurement auctions.

III. DISCUSSION

A. Summary of AEP Ohio's Filing

{¶ 8} In its filing, AEP Ohio notes that, as currently approved, its upcoming March 2022 SSO auction is scheduled to procure 50 tranches of a 24-month product for the 2022/2024 delivery period. Due to FERC's recent order described above, AEP Ohio asserts that PJM will not conduct a BRA prior to AEP Ohio's March 2022 SSO auction. To avoid the uncertainty that would result from conducting the March 2022 SSO procurement auction without a known PJM capacity rate, AEP Ohio proposes to procure 50 tranches of a 12-month product for delivery year 2022/2023 at its March 2022 SSO auction instead of 50 tranches of the 24-month product. Further, AEP Ohio proposes to procure the remaining portion of the 50 tranches by evenly distributing these tranches to its November 2022 and March 2023 SSO procurement auctions so that the November 2022 SSO auction will procure

50 tranches, instead of the currently approved 25 tranches, of a 12-month product for delivery year 2023/2024, and the March 2023 SSO auction will procure 50 tranches, instead of the currently approved 25 tranches, of a 12-month product for delivery year 2023/2024.

B. Commission's Decision

{¶ 9} Upon review of FERC's December 22, 2021 order and AEP Ohio's filing, and given the uncertainty that proceeding with the SSO auction without a known PJM capacity rate for the 2023/2024 delivery year would cause, we find AEP Ohio's proposed schedule to modify its SSO procurement auctions reasonable; therefore, we direct AEP Ohio to adjust its SSO procurement auctions accordingly.

IV. ORDER

{¶ 10} It is, therefore,

{¶ 11} ORDERED, That AEP Ohio's SSO procurement auctions be modified in a manner consistent with this order. It is further,

{¶ 12} ORDERED, That a copy of this Finding and Order be served upon all parties of record to this case.

COMMISSIONERS:

Approving:

Jenifer French, Chair
M. Beth Trombold
Lawrence K. Friedeman
Daniel R. Conway
Dennis P. Deters

MJS/kck

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Case No(s). 17-2391-EL-UNC

Summary: Finding & Order directing Ohio Power Company to modify its standard service offer procurement auction schedules in the manner set forth in its filing. electronically filed by Kelli C. King on behalf of The Public Utilities Commission of Ohio