

DELIVERED BY EMAIL

30 March 2022

Tim Benedict
Public Utilities Commission of Ohio
The Office of the Federal Energy Advocate

Tamara S. Turkenton
Public Utilities Commission of Ohio
Rates & Analysis Department
Regulatory Services Division

Re: Update to Redactions

Dear Mr. Benedict and Ms. Turkenton:

Pursuant to the requirements of paragraph 10 of the March 9, 2022 Finding and Order of the Public Utilities Commission of Ohio (“PUCO” or “Commission”), please find attached to this letter a redacted version of the report that NERA Economic Consulting (“NERA”), as Auction Manager under AEP Ohio’s Competitive Bidding Process (“CBP”), prepared at the conclusion of the March 2022 Auction. This report was submitted on March 8, 2022 following the conclusion of the auction to procure full requirements supply for 50% of the energy and capacity requirements of AEP Ohio’s Standard Service Offer (“SSO”) customers for a supply period of one year.

Other than an update to the redactions pursuant to paragraph 10 of the Finding and Order cited above, the attached report is the same as the report sent to you on March 8, 2022.

Sincerely yours,



Kathleen Orlandi
Associate Director, NERA Economic Consulting



Rachel Northcutt
Consultant, NERA Economic Consulting

cc:

Jenifer French, Chair, Public Utilities Commission of Ohio
Daniel R. Conway, Commissioner, Public Utilities Commission of Ohio
Dennis P. Deters, Commissioner, Public Utilities Commission of Ohio
Lawrence K. Friedeman, Commissioner, Public Utilities Commission of Ohio
M. Beth Trombold, Commissioner, Public Utilities Commission of Ohio

Greg Price, Public Utilities Commission of Ohio
Matthew D. Snider, Public Utilities Commission of Ohio

Frank Mossburg, Bates White, LLC

Michael McCulty, AEP Ohio
Andrea Moore, AEP Ohio
Steven T. Nourse, AEP Ohio

Final Report of the Auction Manager

AEP Ohio CBP

March 8, 2022

(Redacted Version)

NERA
ECONOMIC CONSULTING

Confidential Information

Table 1. Summary of Auction Results

	Delivery Period June 1, 2022 to May 31, 2023
Number of Registered Bidders	11
Total initial eligibility of Registered Bidders (# of tranches)	
Total initial eligibility divided by volume	
Number of bidders that submitted a non-zero bid in round 1	
Number of tranches bid in round 1	157
Number of tranches bid in round 1 divided by tranche target	3.14
Number of tranches to procure in auction (tranche target)	50
Number of tranches procured in auction	50
Number of rounds in the auction	11
Number of winning bidders	9
Starting price range (\$/MWh)	80.00 - 105.00
Starting price (\$/MWh)	
Clearing price (\$/MWh)	69.27

Table 2. Winning Bidders, Tranches Won, and Clearing Price

	Delivery Period
	June 1, 2022 to May 31, 2023
Clearing Price (\$/MWh)	69.27
Winning Bidder	Tranches Won
BP Energy Company	3
ConocoPhillips Company	4
Constellation Energy Generation, LLC	12
DTE Energy Trading, Inc.	4
DXT Commodities North America Inc.	4
Dynegy Marketing and Trade, LLC	15
Enel Trading North America, LLC	1
NextEra Energy Marketing, LLC	2
Vitol Inc.	5
Total	50

Table 3. Auction Manager's Assessment of the Conduct of the Auction

#	Question	Answer
1	Were the competitive bidding rules violated?	No.
2	Does the Auction Manager believe the auction was open, fair, transparent, and competitive?	Yes.
3	Did bidders have sufficient information to prepare for the auction?	Yes. Bidders received information from the competitive bidding process documents, the CBP website, FAQs posted to the CBP website, and a bidder webcast.
4	Was the information generally provided to bidders in accordance with the published timetable? Was the timetable updated appropriately as needed?	Yes. No updates to the timetable were needed.
5	Were there any issues and questions left unresolved prior to the auction that created material uncertainty for bidders?	No.
6	Were there any procedural problems or errors with the auction, including the electronic bidding process, the backup bidding process, and communications between bidders and the Auction Manager?	No.
7	Were protocols for communication between bidders and the Auction Manager adhered to?	Yes.

#	Question	Answer
8	Were there any hardware or software problems or errors, either with the auction system or with its associated communications systems?	No.
9	Were there any unanticipated delays during the auction?	No.
10	Did unanticipated delays appear to adversely affect bidding in the auction?	No.
11	Were appropriate data backup procedures planned and carried out?	Yes. The database was saved in two locations each round.
12	Were any security breaches observed with the auction process?	No security breaches were observed.
13	Were protocols for communications followed by AEP Ohio, the Auction Manager, the PUCO, and the PUCO's consultant during the auction?	Yes.
14	Were the protocols followed for decisions regarding changes in auction parameters (e.g., volume adjustments and price decrements)?	Yes. The Auction Manager increased the starting price range in accordance with the CBP Rules in light of recent increases in energy prices. Bidders had sufficient time to revise their indicative offers on an optional basis. There were no volume adjustments or changes to the decrements.
15	Were the calculations (e.g., for price decrements or bidder eligibility) produced by the auction software double-checked or reproduced off-line by the Auction Manager?	Yes.

#	Question	Answer
16	Was there evidence of confusion or misunderstanding on the part of bidders that delayed or impaired the auction?	No. There was no such evidence.
17	Were the communications between the Auction Manager and bidders timely and effective?	Yes. The Auction Manager provided information on the schedule and reminders.
18	Was there evidence that bidders felt unduly rushed during the process?	No.
19	Was there any evidence of collusion or improper coordination among bidders?	No.
20	Was there any evidence of anti-competitive behavior in the auction?	No.
21	Was information made public appropriately? Was confidential and sensitive information treated appropriately?	Yes.
22	Were there factors exogenous to the auction (e.g., changes in market environment) that materially affected the auction in unanticipated ways?	Consistent with the prior auctions, members of the auction manager team were not co-located for purposes of managing this auction. However, this did not affect the conduct of the auction or the results. We are not aware of additional factors exogenous to the auction that materially affected the auction in unanticipated ways.

**This foregoing document was electronically filed with the Public Utilities
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Case No(s). 17-2391-EL-UNC

Summary: Notification of Auction Results under AEP Ohio's CBP - Updated
Redacted Version electronically filed by Mr. Timothy W. Benedict on behalf of
PUCO Staff