

DELIVERED BY EMAIL

23 November 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 11 of the November 2, 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 November 2022 Auction. This report was submitted on November 1, 2022 following the conclusion of the auction, which procured full requirements supply for 45% of the energy and capacity requirements of AEP Ohio’s Standard Service Offer (“SSO”) customers for a supply period of one year.¹

Other than an update to the redactions pursuant to paragraph 11 of the Finding and Order cited above, the attached report is the same as the report sent to you on November 1, 2022.

Sincerely yours,



Kathleen Orlandi
Associate Director, NERA Economic Consulting

¹ The auction was originally scheduled to procure 50% of the energy and capacity requirements for AEP Ohio’s SSO customers. Additional information is provided in the Final Report.



Rachel Northcutt
Senior 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
Jaime Mayhan, AEP Ohio
Steven T. Nourse, AEP Ohio

Final Report of the Auction Manager

AEP Ohio CBP

November 1, 2022

(Redacted Version)

NERA
ECONOMIC CONSULTING

Confidential Information

Table 1. Summary of Auction Results

	Delivery Period
	June 1, 2023 to May 31, 2024
Number of Registered Bidders	7
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	72
Number of tranches bid in round 1 divided by tranche target	1.44
Number of tranches to procure in auction (tranche target)	50
Number of tranches procured in auction	45
Number of rounds in the auction	4
Number of winning bidders	6
Starting price range (\$/MWh)	100.00 - 130.00
Starting price (\$/MWh)	
Clearing price (\$/MWh)	119.98

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

	Delivery Period
	June 1, 2023 to May 31, 2024
Clearing Price (\$/MWh)	119.98
Winning Bidder	Tranches Won
AEP Energy Partners, Inc.	3
ConocoPhillips Company	3
Constellation Energy Generation, LLC	7
Energy Harbor LLC	5
Interstate Gas Supply, Inc.	5
NextEra Energy Marketing, LLC	22
Total	45

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 reduced the volume in accordance with the protocols set out for this purpose. There were no 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?	The open proceeding related to the Northeast Ohio Public Energy Council (“NOPEC”) may have resulted in increased uncertainty. Volatility in energy markets may have resulted in increased uncertainty as well.

**This foregoing document was electronically filed with the Public Utilities
Commission of Ohio Docketing Information System on**

11/23/2022 12:56:41 PM

in

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

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