

In the Matter of the Certification of)
Northeast Ohio Public Energy Council as a) **Case No. 00-2317-EL-GAG**
Governmental Aggregator.)

The Commission recently facilitated the return of approximately 550,000 opt-out governmental aggregation customers from monthly variable pricing to the Companies’¹ Standard Service Offer (“SSO”), which was approximately half of the variable price. The Companies administered the immediate return of those customers to the SSO, coordinated the increased obligations of their current SSO suppliers, and conducted an auction on October 4, 2022, for future SSO supply starting June 1, 2023. The migration of so many customers to the SSO provides the Commission with an opportunity to examine how large-scale opt-out governmental aggregation may impact not only aggregation customers, but all SSO customers through its impacts on the Companies’ current and prospective SSO suppliers. The Companies urge the Commission, in its resolution of this proceeding, to consider how to minimize the impacts of any action it takes, directly or indirectly, on customers.

In addition, the Companies recommend the Commission take advantage of these recent events to examine the potential effects of opt-out governmental aggregations on customers and explore the need for additional customer protections in its pending five-year rule reviews in Case Nos. 17-1843-EL-ORD and 17-1862-EL-ORD. Among other things, the Commission could consider whether opt-out governmental aggregation is a suitable method for putting customers on monthly variable pricing. Opt-out governmental aggregation customers are residential and small

¹ “Companies” refers to Ohio Edison Company and The Cleveland Electric Illuminating Company.

commercial customers, who may have entrusted their energy purchasing decisions to others, and may not fully appreciate their potential exposure to market volatility.

The Commission could also explore other potential improvements to customer protections, including communications to customers—in marketing materials, disclosure materials, and opt-out notices—regarding the pricing and other terms and conditions. If the Commission finds opt-out is appropriate for variable pricing, it could examine the sufficiency of requirements for aggregators to communicate changes in variable prices to customers in advance. In addition, the Commission could review whether aggregators should post prices on the Commission’s Apples to Apples website, an easy-to-access resource that would allow customers to compare aggregation prices to the prices and contract terms offered by other suppliers.

Finally, the Commission’s review of governmental aggregation rules could examine the potential effects of opt-out governmental aggregations on SSO supply procurements and wholesale suppliers. Significant changes in SSO load may impact all customers. Significant volumetric risk may strain current SSO suppliers, which are obligated to serve the increased load, potentially at a loss, and who may face increased collateral requirements. Such risk may chill participation in future SSO auctions and increase the risk premiums included in the bids of suppliers that do participate. This would raise the price-to-compare for all non-shopping customers,² and could also impact prices for PIPP customers. These effects may be exacerbated in the case of large-scale opt-out governmental aggregation, where there is the potential for a large volume of customers to be returned to SSO only to be placed back on an opt-out government aggregation program *en masse* and in quick succession. Additional measures to mitigate volumetric risk related to governmental aggregation could protect all customers.

² An increase in the price-to-compare could also result in higher prices for shopping customers.

The Companies appreciate this opportunity to comment and respectfully request that the Commission both examine the potential impacts of opt-out governmental aggregation on customers and explore enhancements to customer protections.

Dated January 27, 2023

Respectfully submitted,

/s/ Michael R. Gladman

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*On behalf of Ohio Edison Company and The
Cleveland Electric Illuminating 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 on January 27, 2023. The PUCO's e-filing system will electronically serve notice of the filing of this document on counsel for all parties.

/s/ Shalini B. Goyal

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Summary: Comments electronically filed by Mrs. Shalini B. Goyal on behalf of Ohio Edison Company and The Cleveland Electric Illuminating Company