

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE PROCUREMENT
OF PERCENTAGE OF INCOME PAYMENT
PLAN PROGRAM GENERATION FOR
CUSTOMERS OF OHIO POWER COMPANY.

CASE NO. 16-1031-EL-UNC

FINDING AND ORDER

Entered in the Journal on April 19, 2023

I. SUMMARY

{¶ 1} The Commission accepts the results from the competitive auction to procure generation supply for percentage of income payment plan program customers of Ohio Power Company d/b/a AEP Ohio.

II. DISCUSSION

{¶ 2} Ohio Power Company d/b/a AEP Ohio (AEP Ohio or Company) is an electric distribution utility as defined in R.C. 4928.01(A)(6) and a public utility as defined in R.C. 4905.02, and, as such, is subject to the jurisdiction of this Commission.

{¶ 3} R.C. 4928.54 requires the director of development services to aggregate percentage of income payment plan (PIPP) program customers for the purpose of establishing a competitive procurement process for the supply of competitive retail electric service for those customers, which shall be an auction. Additionally, under R.C. 4928.544, upon written request by the director of development services, the Commission shall design, manage, and supervise the competitive procurement process.

{¶ 4} On March 2, 2016, in Case No. 16-247-EL-UNC, the Commission adopted a competitive request for proposal (RFP) auction process to procure generation supply to serve the PIPP load. The first phase of the competitive RFP auction process consists of an initial RFP auction during which competitive retail electric service (CRES) providers submit bids to serve the PIPP load for less than the standard service offer (SSO). If no CRES provider submits a bid to serve the PIPP load for less than the SSO, then a supplemental

RFP auction is conducted where CRES providers may submit bids to serve the PIPP load at any price. Finally, if no CRES provider participates in either RFP auction, the electric utility may implement contingency measures to procure supply for the PIPP load. The Commission found that this process satisfies the requirements in R.C. 4928.542 to ensure reliable electric service to PIPP program customers, reduce the cost of the PIPP program relative to the otherwise applicable SSO, and result in the best value for persons paying the universal service rider. *In re Implementation of Sections 4928.54 and 4928.544 of the Revised Code*, Case No. 16-247-EL-UNC (*RFP Auction Case*), Finding and Order (Mar. 2, 2016).

{¶ 5} AEP Ohio, in consultation with Staff and National Economic Research Associates, Inc. d/b/a NERA Economic Consulting (NERA), an independent auction manager retained by the Company, accepted bids for a competitive RFP auction on April 18, 2023. The competitive RFP auction procured supply for 100 percent of AEP Ohio's PIPP load for the delivery period of June 1, 2023, through May 31, 2024.

{¶ 6} NERA and Bates White, LLC (Bates White), a consultant retained by the Commission to monitor the RFP auctions, submitted reports regarding the auction conducted on April 18, 2023. These reports consisted of confidential versions, filed under seal, and a redacted version of the report filed by NERA, which is publicly available in this docket. In the reports for the RFP auction, NERA and Bates White each recommend that the Commission find that the RFP auction, within the limits of its structures, had sufficient competitive attributes and resulted in a winning price that is reasonable.

{¶ 7} The Commission finds that the reports filed by NERA and Bates White do not contain any recommendation or evidence that the auction violated the RFP auction bidding rules in such a manner as to invalidate the auction. Further, the Commission finds that the competitive RFP auction followed the process adopted by the Commission in the *RFP Auction Case* and met the requirements of R.C. 4928.542. Accordingly, the Commission will not reject the results of the competitive RFP auction.

{¶ 8} As noted above, NERA and Bates White filed two sets of reports. In relation to each set of reports, Staff filed a motion for protective order pursuant to Ohio Adm.Code 4901-1-24. Each motion requests that the associated Bates White report be kept confidential and seeks identical treatment for the notification of auction results filed by NERA. In support of the motions, Staff states that the documents are highly competitively sensitive because they identify details of various bids and parties making the bids in the auctions. Staff submits that disclosure of the information would be highly prejudicial to the bidding parties and the viability of any future auction in Ohio.

{¶ 9} Ohio Adm.Code 4901-1-24 provides that, unless otherwise ordered, protective orders issued pursuant to the rule automatically expire after 24 months. However, given the highly competitive nature of the reports filed by NERA and Bates White, the Commission finds that sensitive information contained within them should be deemed confidential and remain under seal indefinitely, or until otherwise ordered by the Commission. Accordingly, we find that the motion for protective order filed by Staff on April 19, 2023, should be granted to the extent set forth in this Finding and Order. Unless and until the Commission orders otherwise, the Bates White report will be protected from public release. Further, the Commission finds that the names of unsuccessful bidders and the price of unsuccessful bids should be protected from public release indefinitely.

{¶ 10} However, the Commission finds that certain information regarding the competitive RFP auctions contained in the report submitted by NERA should be released to the public after a brief period of time to allow the winning bidder to procure any additional necessary capacity to serve the PIPP load. Accordingly, unless otherwise ordered by the Commission, the Commission finds that the redacted report filed by NERA detailing the competitive RFP auction proceedings shall be subject to public release 21 days after the issuance of this Finding and Order.

{¶ 11} Finally, the Commission finds that the winning bidder and winning bid price shall remain confidential until ordered by the Commission.

III. ORDER

{¶ 12} It is, therefore,

{¶ 13} ORDERED, That the information set forth in Paragraph 9 be deemed confidential and remain under seal indefinitely, until otherwise ordered by the Commission. It is, further,

{¶ 14} ORDERED, That, unless otherwise ordered by the Commission, the information set forth in Paragraph 10 be subject to public release 21 days after the issuance of this Finding and Order. It is, further,

{¶ 15} ORDERED, That the information set forth in Paragraph 11 remain confidential until ordered by the Commission. It is, further,

{¶ 16} ORDERED, That AEP Ohio be authorized to file tariffs, in final form, consistent with this Finding and Order. It is, further,

{¶ 17} ORDERED, That the effective date of the new tariffs shall be June 1, 2023, contingent upon final review by the Commission. It is, further,

{¶ 18} ORDERED, That a copy of this Finding and Order be served upon all interested persons and parties of record.

COMMISSIONERS:

Approving:

Jenifer French, Chair
Daniel R. Conway
Lawrence K. Friedeman
Dennis P. Deters
John D. Williams

GNS/dr

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Case No(s). 16-1031-EL-UNC

Summary: Finding & Order accepting the results from the competitive auction to procure generation supply for percentage of income payment plan program customers of Ohio Power Company d/b/a AEP Ohio electronically filed by Debbie S. Ryan on behalf of Public Utilities Commission of Ohio.