

# **AEP Ohio Competitive Bidding Process March 2016 Auction**

**Bidder Webcast  
Wednesday, January 13, 2016**

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## Disclaimer

Any statements herein describing or referring to documents and agreements are summaries only, and are ***qualified in their entirety*** by reference to such governing documents

- These governing documents include:
  - PUCO decisions in Case No. 13-2385-EL-SSO related to AEP Ohio's third Electric Security Plan (“ESP III”)
  - Bidding Rules for the Auctions Under the Competitive Bidding Process of Ohio Power Company (“CBP Rules”)
  - Master Standard Service Offer (“SSO”) Supply Agreement
  - Rules and Protocols for Participation by Associated Bidders
  - Part 1 Application
  - Part 2 Application

**Please see the CBP website for complete documentation**  
**<http://www.aepohiocbp.com/>**

# CBP Website is Central Source of Information

## www.AEPOhioCBP.com

The screenshot shows the 'Register for an Application Account' page. On the left is a navigation menu with 'Contact Us' highlighted. The main content area contains a registration form with the following fields: Company \*, Primary Contact First Name \*, Primary Contact Last Name \*, Primary Contact Phone \*, Primary Contact Mobile, Primary Contact Email \*, Secondary Contact First Name, Secondary Contact Last Name, Secondary Contact Phone, Secondary Contact Mobile, and Secondary Contact Email. Below the form is a reCAPTCHA challenge with the numbers 3525462 and 401. A 'Submit' button is located at the bottom of the form.

### Contact Us / Register

- Sign up for email alerts

### Contact Us / Ask A Question

- Allows bidders to ask questions
- All Q&As posted as FAQs

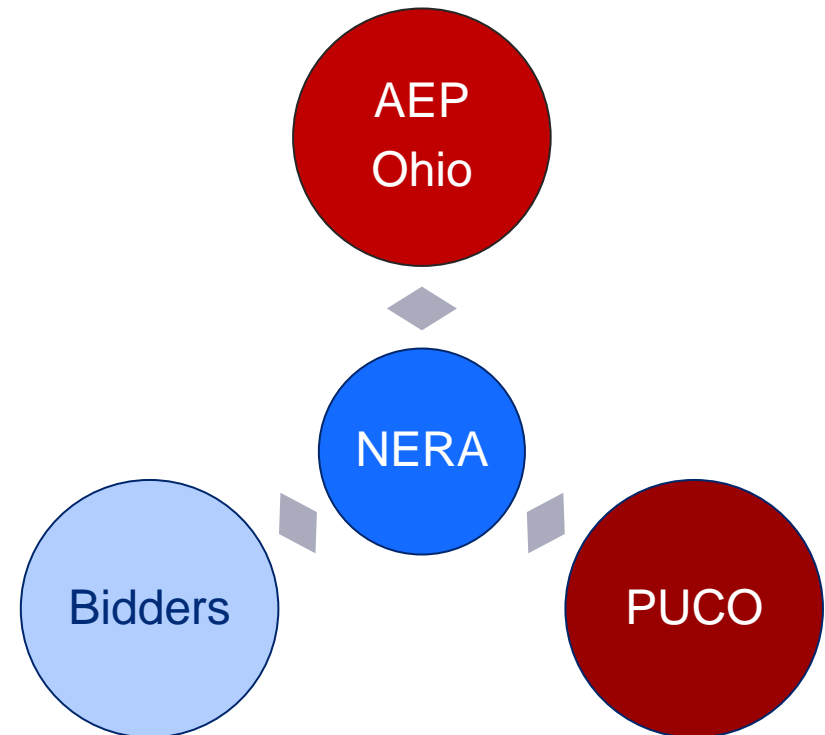
### Get account for Application website

- Username and password for access to forms

**This presentation as well as questions and answers will be posted to the CBP website**

# NERA's Role as Auction Manager

Role	Description
<b>Communication</b>	To be the main point of contact with bidders
<b>CBP Rules</b>	To ensure the CBP Rules, as approved by the PUCO, are followed
<b>Qualifications</b>	To ensure bidder qualifications are evaluated equitably and fairly
<b>Auction</b>	To administer the Auction
<b>Results</b>	To present results to PUCO

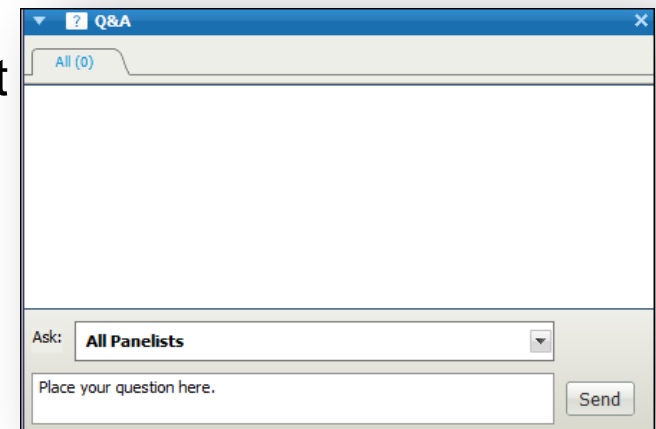


# Agenda

1. Overview of this Auction
2. Product Design and Contract
3. Application Process
4. Bidding in the Auction
5. CBP Website

## Ask a Question during the Webcast

- Questions will be taken in writing through the WebEx interface:
  - Locate the “Q&A” on the right hand side of your screen
  - Select “All Panelists” in the “Ask” box
  - Type in your question including the relevant slide number
  - Click “Send” to submit your question
- We will respond to questions as we go along as practicable and we will also pause to provide responses:
  - After Part 2 on “Product Design and Contract”
  - At the end of the presentation



# Part 1 | Overview





# Product Description

<b>Product</b>	Load-following, slice-of-system, full requirements. Denominated in tranches
<b>Tranche</b>	a percentage of the load of SSO customers
<b>SSO Customers</b>	those customers who take retail generation service from AEP Ohio
<b>Delivery Point</b>	Pnode ID 1269364670
<b>LSE Responsibility</b>	is assumed by the SSO Supplier, including scheduling SSO Supply and making arrangements for delivery of SSO Supply

## Results of Last Auction Held November 3, 2015

<b>Registered Bidders</b>	14
<b>Rounds in the Auction</b>	13
<b>Range of Starting Price</b>	\$70/MWh - \$95/MWh
<b>Delivery Period Start</b>	June 1, 2016

<b>Product</b>	<b>Tranche Target</b>	<b>Clearing Price (\$/MWh)</b>
<b>24-month</b>	17	48.29

PUCO accepted results on Nov 4, 2015.

# Supply Will Be Divided into Tranches

<b>Auction Date</b>
<b>Tuesday, Mar. 29</b>

Product Type	Delivery Period	Tranche Target	Load Cap	Tranche Size
<b>24-month</b>	<b>June 2016- May 2018</b>	<b>17</b>	<b>13</b>	<b>1%</b>

## Auction Format is a Clock Auction

- Multiple tranches of a single term
- **Multiple rounds**
  - Each round, suppliers state how many tranches they want to supply at the going price announced by the Auction Manager
  - From one round to the next, auction continues and price ticks down if there is excess supply
- **No sealed bid round**: bidders provide exit prices as they withdraw tranches throughout the auction
- Auction establishes a **single clearing price**

# Announcements: Minimum & Maximum starting price, MW-Measure

- The **minimum and maximum** starting prices are:

<b>Max</b>	<b>\$90/MWh</b>
<b>Min</b>	<b>\$70/MWh</b>

- **The PLC (MW)** is based on the five highest coincident peaks experienced by PJM in 2015 for SSO customers (i.e., non-shopping only).

<b>PLC (MW)*</b>	<b>2,627</b>
<b>MW-measure*</b>	<b>26.27</b>

\*The MW-measure is provided for reference purposes only. The amount of actual quantity to be delivered depends on many factors (e.g., migration of SSO customers).

## Announcement: Seasonal Factors

Suppliers are paid the auction clearing price for each MWh of supply during the delivery term



**ANNOUNCEMENT:** Seasonal Factors  
Summer (June to September): 1.00  
Non-Summer (October to May): 1.00

# Key Events in the March 2016 Auction

M	T	W	Th	F
Jan. 25	26	27	28 P1 Window Opens	29
Feb. 1	2	3	4	5
8	9	10	11	12
15	16	17 P1 Due	18	19
22	23 P1 Notification	24 P2 Window Opens	25	26
29	Mar. 1	2	3	4
7	8	9	10	11
14	15 P2 Due	16	17	18
21	22 P2 Notification	23 Trial Auction	24	25
28	29 Auction Starts	30	31	Apr. 1

**January 05:** Deadline to submit alternate guaranty for consideration

**By January 28:** Bidders can access account for application

## Announcements:

**January 13:** Tranche targets, tranche size, MW-measure, and range of starting price

**March 09:** Update to seasonal factors and MW-measure

**March 24:** Auction R1 Price

## Application Process is Online

### Part 1 Application (Jan. 28 – Feb. 17)

- Provide contact and company information
- Upload Inserts
- Upload required supporting documents

### Part 2 Application (Feb. 24 – Mar. 15)

- Provide information and indicative offer
- Upload Inserts
- Provide hardcopy of pre-bid letter of credit or wire cash

**No hardcopy of application forms required!**



## Post-Auction: PUCO Approval and Power Flow

- Auction results are contingent on final PUCO approval
- Auction Manager submits a **confidential report** on auction results to PUCO on the day the auction closes
- PUCO will issue a decision within two days of auction close
  - If PUCO does not act within this window, auction results are deemed accepted
- PUCO may publicly release the auction clearing price and the names of the winning bidders from the auction
- Master SSO Supply Agreement fully executed and winning bidders fulfill creditworthiness requirements within three days of the Commission's acceptance of results

## Part 2 | Product Design and Contract

# Full Requirements

- SSO Suppliers:
  - **Will assume all responsibilities of an LSE**
  - Are responsible for providing full requirements service to SSO customers of AEP Ohio and to bear all costs that are associated with this responsibility.
- Full requirements service and the LSE obligations of SSO Suppliers are defined in the Master SSO Supply Agreement.

**Attachment F of the Master SSO Supply Agreement:  
Sample PJM Invoice**

# Supplier Obligations

Suppliers  
provide

- Energy, capacity, ancillary services, certain transmission services, as well as any other service as may be required by PJM

AEP Ohio  
provides

- Firm Transmission Service from the Delivery Point
- other FERC-approved non-market-based charges
- renewable resource requirement

## What are SSO Customers?

- **SSO customers take retail generation service from AEP Ohio**
  - SSO customers have NOT switched to a Competitive Retail Electric Service (“CRES”) Supplier

### Includes<sup>1</sup>

- Residential Customers
- Commercial / Industrial Customers
- Lighting Customers
- Special Contract Customers

1. Revised March 7, 2016, in response to March 2, 2016 PUCO Order.

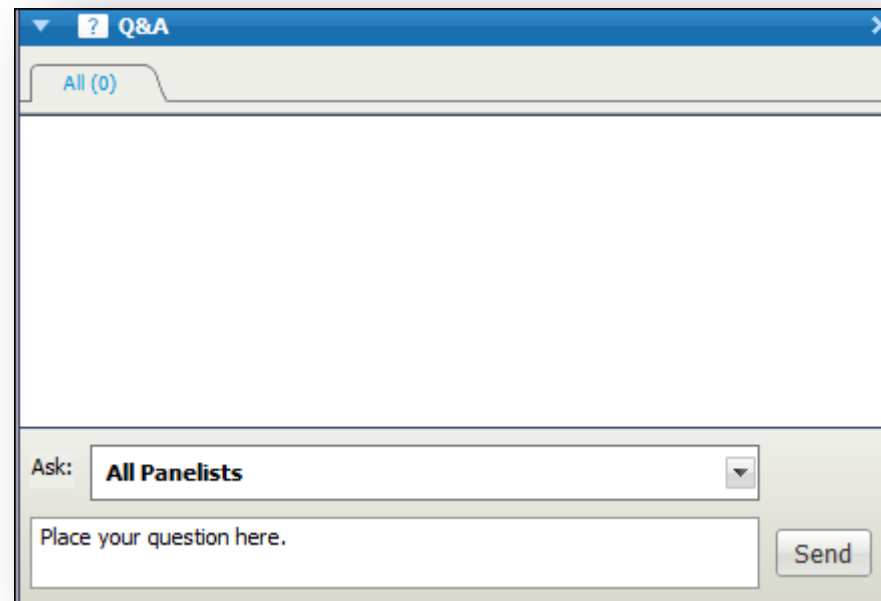
# Credit Requirements under the Master SSO Supply Agreement

## Two Credit Requirements and Two Unsecured Credit Lines:

- **Independent Credit Requirement (ICR)** and the **Independent Credit Threshold (ICT)**
    - Amount required per tranche; declines throughout the term of the Master SSO Supply Agreement
  - **Mark-to-Market (MTM)** and **Credit Limit**
    - Differences between the prevailing market prices on a valuation date and the market prices in effect on the date the auction is completed
- Credit Limit and Independent Credit Threshold will depend upon a credit evaluation
- Form of Guaranty and Form of Performance Assurance Letter of Credit provided as attachments to the Master SSO Supply Agreement

## Questions?

- To submit questions to the presenters, **please locate the “Q&A” on the right hand side of your screen**, and select “All Panelists” in the “Send to” box; type in your question and click “Send” to submit your question



The screenshot shows a web browser window titled "Q&A". At the top, there is a tab labeled "All (0)". Below the tab is a large empty white area. At the bottom of the window, there is a form with the following elements:

- A label "Ask:" followed by a dropdown menu currently showing "All Panelists".
- A text input field with the placeholder text "Place your question here."
- A "Send" button to the right of the text input field.

## Part 3 | Application Process



# Register for your Online Application Account Only for NEW bidders

## www.AEPOhioCBP.com

Home  
Search  
Background Information  
Data Room  
Calendar  
**Contact Us**  
Register  
Ask a Question  
RSVP for an Information Session  
Contact the Auction Manager  
Register for an Application Account

Register for an Application Account

Please complete the Expression of Interest to request an account for the application portion of the website. Application materials for AEP Ohio's CBP are submitted online through the application portion of this website.

Company \*:

Primary Contact First Name \*:

Primary Contact Last Name \*:

Primary Contact Phone \*:

Primary Contact Mobile :

Primary Contact Email \*:

Secondary Contact First Name :

Secondary Contact Last Name :

## Contact Us / Register for an Application Account

## Alternatively, email [AEP-CBP@nera.com](mailto:AEP-CBP@nera.com) with:

- Company name
- full name of contact
- phone and alternate number
- email address

Returning bidders will receive reminder of  
login credentials by email from the  
Auction Manager

# Application Process Features and Reminders

- Application process for returning bidders is **streamlined**
  - Reminder of login credentials will be sent to returning bidders
  - Part 1 Form **pre-populated** with previously submitted contact information and PJM information
  - However, all bidders (including returning bidders) must provide financial information and make certifications
- **Inserts**. Bidders download, prepare, sign, and upload their own “Inserts” with their applications
- **Acceptable modifications of credit documents** will be posted on the CBP website

# Online Part 1 Form

## AEP OHIO CBP AUCTION

My account Log out

APPLY

### Application Process

- Part 1 Inserts
- Part 1 Form**
- Part 2 Inserts
- Part 2 Form
- Cash Return Instructions

## Part 1 Form

**Due Date** February 17, 2016 @ 12PM (noon)

**Info** In the Part 1 Application, interested parties apply to become Qualified Bidders. Interested parties respond to the qualification standards required in the Part 1 Application by completing the online Part 1 Form.

**Contact** [aep-cbp@nera.com](mailto:aep-cbp@nera.com) or (215) 568-0200

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### Initial Certification

Please make the following certifications before continuing with the Part 1 Form.

- The information provided for the auction, including but not limited to information provided on the CBP website, has been prepared to assist bidders in evaluating the auction process. It does not purport to contain all the information that may be relevant to a bidder in satisfying its due diligence efforts. Neither AEP Ohio nor the Auction Manager make any representation or warranty, expressed or implied, as to the accuracy or completeness of the information, and shall not, either individually or as a corporation, be liable for any representation expressed or implied in the auction process or any omissions from the auction process, or any information provided to a bidder by any other source. A bidder should check the CBP website frequently to ensure it has the latest documentation and information. Neither AEP Ohio, nor the Auction Manager, nor any of their representatives, shall be liable to a bidder or any of its representatives for any consequences relating to or arising from the bidder's use of information.
- Bidder shall hold AEP Ohio and the Auction Manager harmless of and from all damages and costs, including but not limited to legal costs, in connection with all claims, expenses, losses, proceedings or investigations that arise in connection with the auction process or the award of a bid pursuant to the auction process.
- All bids submitted by bidders participating in the auction will become the exclusive property of AEP Ohio upon conclusion of the auction.
- Through its participation in the auction process, a bidder acknowledges and accepts all the terms, conditions

# Download “Inserts” before starting

## AEP OHIO CBP AUCTION

My account Log out

APPLY

### Part 1 Inserts

**Due Date** February 17, 2016 @ 12PM (noon)

**Info** “Inserts” are separate forms in Microsoft Word format posted to the Application website. Applicants fill in each applicable Insert, sign the Insert (and have the signature notarized when instructed), scan the signed and completed Insert, and upload the scanned Insert to the [Part 1 Form](#).

**Contact** [aep-cbp@nera.com](mailto:aep-cbp@nera.com) or (215) 568-0200

**Part 1 Inserts**

[Insert Package DOWNLOAD](#) ↓

[AEP Ohio CBP - Part 1 Inserts \(#P1-A to #P1-i\).zip](#)

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A unit of American Electric Power

**NERA**  
ECONOMIC CONSULTING

# List of Inserts and to whom they apply

#	Insert	Applies to
<b>P1 - A</b>	<b>Designation of the Applicant's Representative Insert</b>	<b>REQUIRED of all Bidders</b>
<b>P1 - B</b>	<b>Acknowledgment of Representative Responsibilities Insert</b>	<b>REQUIRED of all Bidders</b>
<b>P1 - C</b>	<b>Designation of Nominees Insert</b>	<b>OPTIONAL</b>
<b>P1 - D</b>	<b>Applicant's Legal Representative in Ohio Insert</b>	<b>REQUIRED of all Bidders</b>
<b>P1 - E</b>	<b>PJM Requirements Insert</b>	<b>Special Circumstances: Bidders that are not PJM LSEs</b>
<b>P1 - F</b>	<b>Foreign Applicant Certification Insert</b>	<b>Special Circumstances: Bidders that are Foreign Applicants</b>
<b>P1 - G</b>	<b>Foreign Guarantor Certification Insert</b>	<b>Special Circumstances: Bidders with Foreign Guarantors</b>
<b>P1 - H</b>	<b>Certifications Insert</b>	<b>REQUIRED of all Bidders</b>
<b>P1 - i</b>	<b>Bidding Agreements Insert</b>	<b>Special Circumstances: Bidders in Bidding Agreements</b>

# Which Inserts are retained for returning bidders?

#	Insert	Retained?
P1 - A	Designation of the Applicant's Representative Insert	YES
P1 - B	Acknowledgment of Representative Responsibilities Insert	YES
P1 - C	Designation of Nominees Insert	NO
P1 - D	Applicant's Legal Representative in Ohio Insert	YES
P1 - E	PJM Requirements Insert	NO
P1 - F	Foreign Applicant Certification Insert	NO
P1 - G	Foreign Guarantor Certification Insert	NO
P1 - H	Certifications Insert	NO
P1 - i	Bidding Agreements Insert	NO

# Up-Front Requirements for Part 1 Are Simple

## Largely RETAINED for Returning Bidders

### 1. Applicant's Contact Information

- Representative: Represents the Applicant in the auction
- Legal Representative in Ohio: Agrees to accept service of process
- Nominees (optional): to be included in electronic communications from the Auction Manager to the bidder along with Representative

### 2. PJM requirements

- Qualified as a "Market Buyer" and "Market Seller"
- Qualified as a "Load Serving Entity"

**Notifications sent to Representative  
and Nominees by email**

# Certifications, Financial Information, and Documents

## NOT RETAINED for Returning Bidders

### 3. Certifications

- Agree to terms of Master SSO Supply Agreement
- Agree to CBP Rules
- Keep information related to the auction confidential

### 4. Financial Information

- Annual and quarterly financial statements
- Credit ratings
- Additional information for foreign applicants or guarantor
- Submit via upload to application website

### 5. Request for modifications to pre-bid credit instruments (optional)

- Submit redline via upload to application website
- Any modification accepted for one bidder will be made available to all bidders on an optional basis



# Upload Required Documents to Part 1 Form

#	Steps
1	Click “choose file”
2	Find file, click “open”
3	Click “upload”

John

NERA

Title  
Senior VP

Street Address 1  
1166 Avenue of the Americas

Street Address 2  
Suite 5555

City  
New York

Phone No. \*  
555-555-5555

Email Address \*  
nera@nera.com

Please complete and upload the #P1-A Designation of the Applicant's Representative Insert.

Insert **UPLOAD**

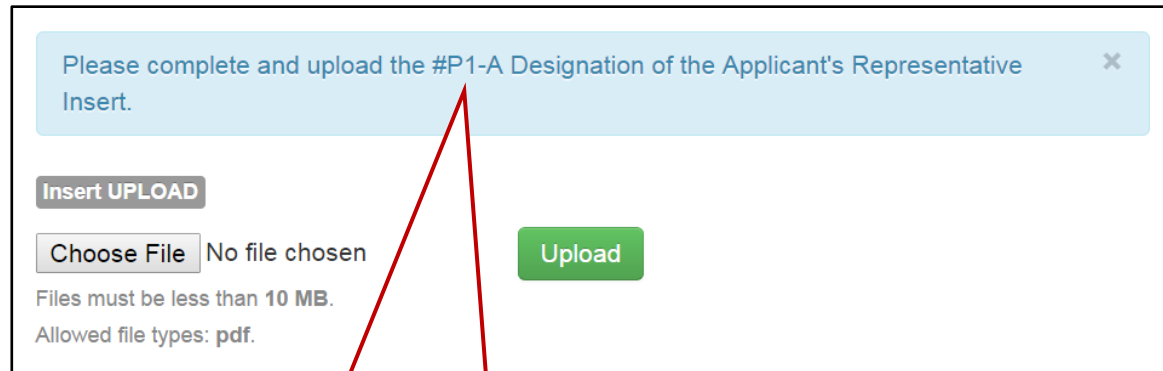
Choose File No file chosen

File size: less than 10 MB.  
Allowed file types: pdf.

Upload

Save Draft < Previous Page Next Page >

# Insert File Name to Upload is Indicated




Please complete and upload the #P1-A Designation of the Applicant's Representative Insert. ×

**Insert UPLOAD**

**Choose File** No file chosen **Upload**

Files must be less than 10 MB.  
Allowed file types: pdf.

This number corresponds to the number in the Insert file name



#P1-A Designation of the Applicant's Representative Insert SIGNED.pdf

## Part 2 Application: To Be Registered as a Bidder

1. Submit an indicative offer
2. Submit pre-bid security
3. Make certifications including compliance with Rules related to Association and Handling of Confidential Information
4. Provide additional certifications

**Requirements for new and returning bidders are the same**

# Indicative Offer

1. **Submit an indicative offer** - the maximum number of tranches that the bidder is willing to bid
  - At the minimum starting price and at the maximum starting price

**Indicative Offer and Minimum Pre-Bid Security Calculations**

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Credit-Based Tranche Cap

Minimum Starting Price      Indicative Offer

\$ TBA /MWh       Tranches

Maximum Starting Price      Indicative Offer      Minimum Pre-Bid Security

\$ TBA /MWh       Tranches      x \$500,000 = \$

- The indicative offer at the maximum starting price **determines**:
  - The maximum number of tranches that the bidder can bid in the auction (the initial eligibility)
  - The amount of pre-bid security required with the Part 2 Application

# Bidders are Subject to Load Caps

- A bidder cannot bid or win more than **80% of the tranches available** at the start of the auction
- Credit-based tranche caps are determined by credit ratings and is an overall cap in effect **across all auctions under the CBP**

Credit Rating for Bidder or Guarantor			
S&P	Moody's	Fitch	Credit Based Tranche Cap
BB and above	Ba2 and above	BB and above	No cap
BB-	Ba3	BB-	10
Below BB-	Below Ba3	Below BB-	5
Not rated			5

# Additional Part 2 Requirements

## 2. Submit pre-bid security

- Each Qualified Bidder must submit a letter of credit or cash in an amount of **\$500,000** per tranche of its indicative offer at the maximum starting price
- **Additional pre-bid security** may be required

## 3. Certify compliance with Association and Confidential Information Rules (see Article X of CBP Rules)

- Certify that applicant is not “associated with” another Qualified Bidder to promote competitiveness of the auction
- Keep information related to the auction confidential

## 4. Provide Additional Certifications

- Agree that bids in auction will be a binding obligation
- Agree not to assign rights as Registered Bidder

# Part 2 Form Available Online

AEP OHIO CBP AUCTION
My account   Log out

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APPLY

Application Process

Part 1 Inserts

Part 1 Form

Part 2 Inserts

Part 2 Form

Cash Return Instructions

## Part 2 Form

Due Date

March 15, 2016 @ 12PM (noon)

Info

In the Part 2 Application, Qualified Bidders respond to the requirements by completing the online Part 2 Form and separately providing a pre-bid letter of credit or cash.

Contact

aep-cbp@nera.com or (215) 568-0200

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### Ongoing Obligations

Please note that all obligations, terms and conditions set forth in the Bidding Rules and Master SSO Supply Agreement remain in effect and apply to the certifications made herein, including but not limited to the following:

- Sanctions can be imposed on a bidder for failing to disclose information relevant to determining associations, for coordinating with another bidder, or for failing to abide by any of the certifications that it will have made in its Part 1 and Part 2 Applications.
- Such sanctions can include, but are not limited to, termination of the Master SSO Supply Agreement, loss of all rights to provide SSO supply for AEP Ohio to serve any load won by such bidder, forfeiture of financial guarantees and other fees posted or paid, prosecution under applicable state and federal laws, debarment from participation in future competitive bidding process, and other sanctions that may be appropriate.
- The Auction Manager, in its report submitted to the Commission at the conclusion of the auction, will make a recommendation on a possible sanction for any bidder that violates any of its undertakings under the Part 1 or the Part 2 Application process or that fails to disclose information required by the Part 1 or the Part 2 Application process.

**Certification**

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As a bidder in the CBP, I submit to the above certifications.

Save Draft
Next Page >

# Download “Inserts”

## AEP OHIO CBP AUCTION

My account    Log out

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APPLY

### Part 2 Inserts

**Due Date**    March 15, 2016 @ 12PM (noon)

**Info**    “Inserts” are separate forms in Microsoft Word format posted to the Application website. Applicants fill in each applicable Insert, sign the Insert (and have the signature notarized when instructed), scan the signed and completed Insert, and upload the scanned Insert to the [Part 2 Form](#).

**Contact**    [aep-cbp@nera.com](mailto:aep-cbp@nera.com) or (215) 568-0200

#### Part 1 Inserts

Insert Package **DOWNLOAD** ↓

[AEP Ohio CBP - Part 2 Inserts \(#P2-A to #P2-B\).zip](#)

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A unit of American Electric Power

**NERA**  
ECONOMIC CONSULTING



# List of Inserts and to whom they apply

#	Insert	Applies to
<b>P2-A</b>	Cash Certification Insert	<b>Special Circumstances: Bidders that submit cash as pre-bid security</b>
<b>P2-B</b>	Certifications Insert	<b>REQUIRED of all Bidders</b>

# Part 4 | Bidding in the Auction

# Rounds Have Three Phases

## Bidding Phase

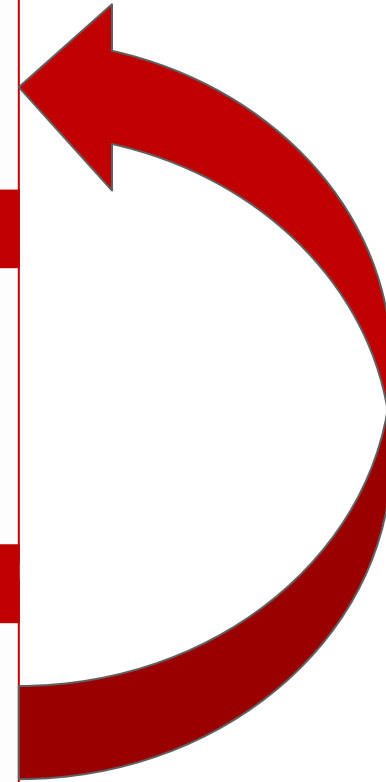
- Suppliers state how many tranches they want to supply at going price in round
- Auction Manager informs Registered Bidders of Round 1 price three days before auction

## Calculating Phase

- Auction Manager tabulates the results of that round's bidding phase and calculates the price for the next round

## Reporting Phase

- Information provided to bidders:
  - Excess supply range; and
  - Going price for next round



## Bid in Round 1

- A bid in round 1 is a number of tranches that the bidder is willing to supply at the round 1 price
- **Bidder cannot bid more than its initial eligibility** determined by the indicative offer at the maximum starting price
- Bidder will not be able to increase the number of tranches bid throughout the auction

## Possible Reduction of Tranche Target

- If there is insufficient supply to ensure competitive bidding, **the Auction Manager has the discretion to reduce the tranche target**
- The criteria that could lead to such a reduction will be determined prior to the auction, but will not be announced to bidders
- Once certain pre-specified criteria have been met, the discretion to reduce the tranche target will be eliminated

# Sample Reports

## Bidder sees:

- Range of excess supply
  - Range provided includes actual excess supply
- The next round price
- The result of the bidder's own bid

Report: Round 1	
Excess Supply	51-55
Round 2 price (\$/MWh)	67.75

Bidder has no information about others' bids, identities or eligibilities

## Information in Bidder User Manual

- **Decrement is related to amount of excess supply left in the auction**
  - Formula or table for determination of decrement provided to bidders
  - Auction Manager has discretion to override decrement
- Possible ranges of excess supply provided in Bidder User Manual
- Bidder User Manual provided to Registered Bidders

## Bidding in Round 2 and Subsequent Rounds

- In response to reduced prices, a bidder may:
  - Leave bid unchanged
  - Reduce the number of tranches the bidder is willing to supply by withdrawing tranches from the auction
- Bidder cannot bid more than its eligibility
  - In round 2, eligibility is the number of tranches bid in round 1
  - In round 3 and all subsequent rounds, eligibility in a round is the eligibility in the prior round less any tranches that were withdrawn from the auction



## Withdrawing Tranches

- When reducing the number of tranches bid, a bidder must provide an **exit price**

Price Round 1 (\$/MWh)	70.00
Bid Round 1 (tranches)	3
Price Round 2 (\$/MWh)	65.75
Bid Round 2 (tranches)	2
Exit Price	67.37

- Exit price is a **last and best offer**
  - Above current going price
  - Below or equal to previous going price

## How Does the Auction Continue and Close?

- Auction continues as long as there is excess supply:
  - when tranches bid are more than tranches available
- When the auction closes, a uniform price is determined that is the auction clearing price
- **Two cases** on how the auction clearing price is determined:
  - when tranches bid are equal to tranches available, the auction clearing price is the price of the final round
  - when there are fewer tranches bid than tranches available, the auction clearing price is lowest exit price at which all tranches available are filled

# Auction Clearing Price Example

Round	Price \$/MWh	Bidder A	Bidder B	Bidder C	#Bid	Target	#Bid – Target
R11	39.42	7	8	4	19	17	2
R12	38.68	5	7	2	14	17	-3

<b>Tranches withdrawn</b>	2	1	2
<b>Exit Prices</b>	38.69	38.99	39.42

To fill the tranche target of 17 tranches:

1. take 14 tranches bid at going price
2. take 2 tranches at \$38.69
3. take 1 tranche at \$38.99

<b>Retained Tranches</b>	2	1	0
<b>Auction Clearing Price</b>		<b>\$38.99</b>	

Auction clearing price is \$38.99/MWh, the lowest price at which all tranches available are filled

## Basics of the Bidding Methods

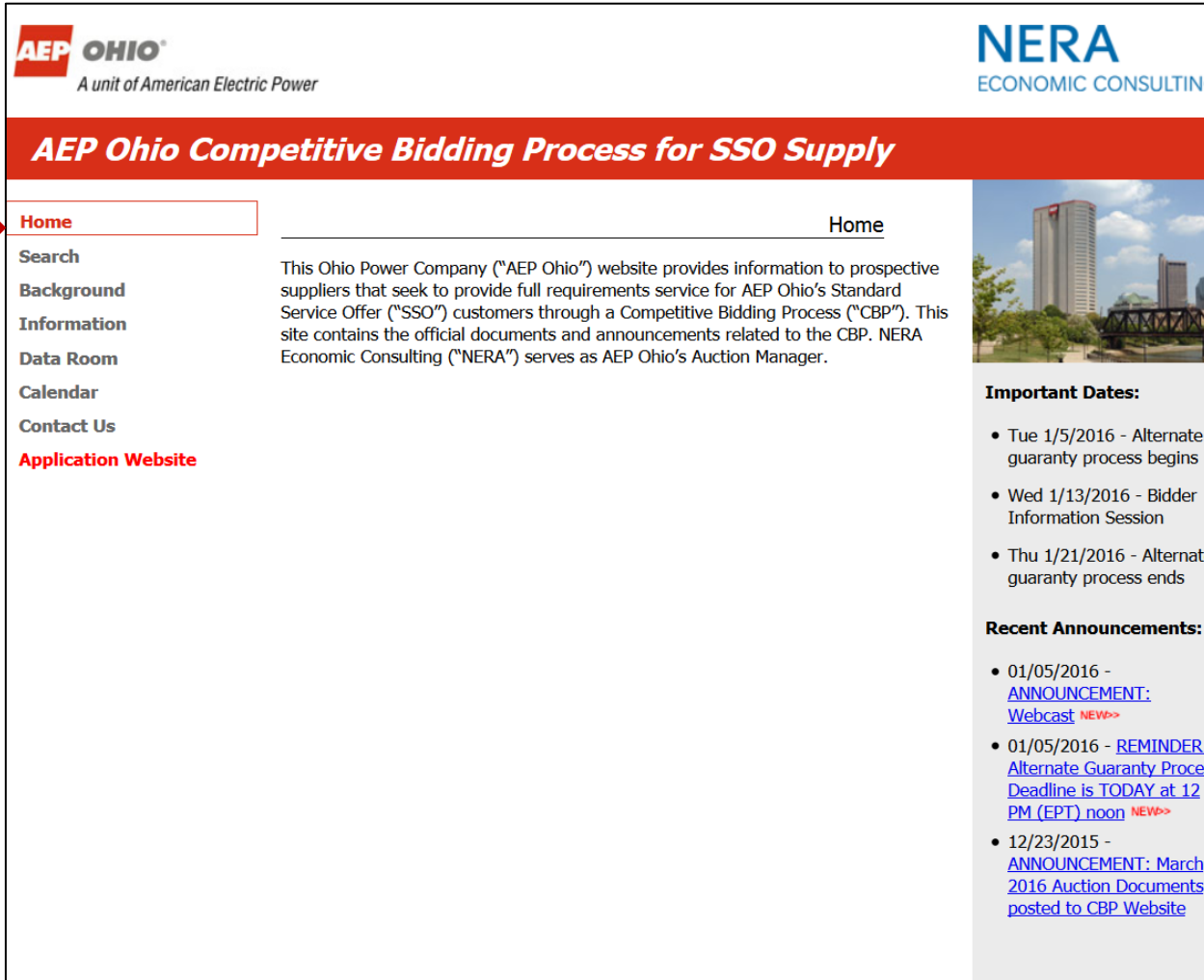
1. **Bidders submit bids online using the Auction Software.** The Trial Auction (Wednesday, March 23, 2016) is the bidders' opportunity to practice
2. The backup bid procedure is by phone
3. The last bid submitted and verified by the bidder in the bidding phase, and processed by the Auction Software is the bid that counts. A backup bid counts when entered and verified by the Technical Assistant in the bidding phase and processed by the Auction Software, not when it is called in
4. **It is the bidder's responsibility to get a bid in on time.** It is the bidder's responsibility to ascertain the system needed to minimize the chance that technical difficulties will impair its ability to bid in the auction
5. If providing a backup bid, it is the bidder's responsibility to provide a complete bid consistent with the CBP Rules

## System Requirements are Minimal

Standard PC	Windows 7, Windows 8, Windows 10, Windows Vista or MacOS 10.7
Internet Connection	Primary access through a company network Secondary Access through an alternative ISP
Supported Web Browser	Internet Explorer 9 or later, as well as the most recent versions of Mozilla Firefox or Apple Safari
Backup Systems	Consider having backup laptop and backup connection, Bidding teams in two geographical locations

## Part 5 | CBP Website

Navigation



**AEP OHIO**  
A unit of American Electric Power

**NERA**  
ECONOMIC CONSULTING

## AEP Ohio Competitive Bidding Process for SSO Supply

[Home](#) Home

**Search**

**Background**

**Information**

**Data Room**

**Calendar**

**Contact Us**

**Application Website**

This Ohio Power Company ("AEP Ohio") website provides information to prospective suppliers that seek to provide full requirements service for AEP Ohio's Standard Service Offer ("SSO") customers through a Competitive Bidding Process ("CBP"). This site contains the official documents and announcements related to the CBP. NERA Economic Consulting ("NERA") serves as AEP Ohio's Auction Manager.

**Important Dates:**

- Tue 1/5/2016 - Alternate guaranty process begins
- Wed 1/13/2016 - Bidder Information Session
- Thu 1/21/2016 - Alternate guaranty process ends

**Recent Announcements:**

- 01/05/2016 - [ANNOUNCEMENT: Webcast](#) NEW>>
- 01/05/2016 - [REMINDER: Alternate Guaranty Process Deadline is TODAY at 12 PM \(EPT\) noon](#) NEW>>
- 12/23/2015 - [ANNOUNCEMENT: March 2016 Auction Documents posted to CBP Website](#)

Key Dates and Announcements

# Information Tab

## Document page includes:

- CBP Rules
- Master SSO Supply Agreement
- Qualification Information
- Credit Instruments
- Communications Protocols
- Associated Bidder Rules
- Glossary of key terms

The screenshot shows the AEP Ohio website interface. At the top left is the AEP OHIO logo with the tagline 'A unit of American Electric Power'. At the top right is the NERA ECONOMIC CONSULTING logo. Below the logo is a red banner with the text 'AEP Ohio Competitive Bidding Process for SSO Supply'. On the left side, there is a navigation menu with the following items: Home, Search, Background, Information (highlighted with a red border), Documents, FAQs, Announcements, Data Room, Calendar, Contact Us, and Application Website. The main content area is titled 'Documents' and contains three sections of links:

- **Auction Documents - March 2016**
  - CBP Rules (December 23, 2015)
  - Part 1 Application (December 23, 2015)
  - Rules and Protocols for Participation by Associated Bidders (December 23, 2015)
  - Communications Protocols (December 23, 2015)
  - Glossary (December 23, 2015)
- **Master SSO Supply Agreement Documents - March 2016**
  - AEP Ohio Master SSO Supply Agreement (December 23, 2015)
  - Attachment D Form of Guaranty (December 23, 2015)
  - Attachment E Form of SSO Supplier Letter of Credit (December 23, 2015)
  - Sample Legal Opinion of Foreign Guarantor's Counsel (December 23, 2015)
- **Guaranty Process - March 2016**
  - Alternate Guaranty Process (December 23, 2015)
- **Pre-Bid Credit Documents - March 2016**
  - Pre-Bid Letter of Credit (December 23, 2015)
  - Letter of Intent to Provide a Guaranty (December 23, 2015)
  - Letters of Reference (December 23, 2015)

On the right side of the page, there is a photograph of a coal train and a section titled 'Important Dates:' with the following items:

- Tue 1/5/2016 - Alternate guaranty process begins
- Wed 1/13/2016 - Bidder Information Session
- Thu 1/21/2016 - Alternate guaranty process ends

Below the dates is a section titled 'Recent Announcements:' with the following items:

- 01/05/2016 - [ANNOUNCEMENT: Webcast](#)
- 01/05/2016 - [REMINDER: Alternate Guaranty Process Deadline is TODAY at 12 PM \(EPT\) noon](#)
- 12/23/2015 - [ANNOUNCEMENT: March 2016 Auction Documents posted to CBP Website](#)



# Data Room

AEP Ohio provides:

- Hourly energy
  - CSP Rate Zone and OPCo Rate Zone
  - SSO and CRES
  - Customer groups & aggregate
- Customer counts
  - CSP Rate Zone and OPCo Rate Zone
  - SSO and CRES
  - Customer groups & aggregate
- PLC and NSPL Data
- Monthly Switching Statistics
- Historical Unaccounted for Energy
- Updated on the 20<sup>th</sup> of each month

The screenshot displays the AEP Ohio Data Room interface, which includes a navigation menu on the left and several data sections on the right. The main header reads "AEP Ohio Competitive Bidding Process for SSO Supply".

**Data Room**  
Welcome to the AEP Ohio CBP Monthly Data Room.

**Data Description** 03/20/2015

**PLC - NSPL Data**  
This data is typically updated monthly on the 20th of each month.

Description	File
HPL	[Download Icon]
PLC	[Download Icon]

**Hourly Energy**  
This data is typically updated monthly on the 20th of each month.

Zone	Group	SSO	CRES	Data Range
CSP	Aggregate	[Download Icon]	[Download Icon]	6/1/2010 - 9/30/2015
	Residential	[Download Icon]	[Download Icon]	6/1/2010 - 9/30/2015
	SC&I	[Download Icon]	[Download Icon]	6/1/2010 - 9/30/2015
OPCo	Aggregate	[Download Icon]	[Download Icon]	6/1/2010 - 9/30/2015
	Residential	[Download Icon]	[Download Icon]	6/1/2010 - 9/30/2015
	SC&I	[Download Icon]	[Download Icon]	6/1/2010 - 9/30/2015

**Customer Counts**  
This data is typically updated monthly on or before the 20th of each month.

Zone	Group	SSO	CRES	Data Range
CSP	Aggregate	[Download Icon]	[Download Icon]	6/1/2010 - 9/30/2015
	Residential	[Download Icon]	[Download Icon]	6/1/2010 - 9/30/2015
	SC&I	[Download Icon]	[Download Icon]	6/1/2010 - 9/30/2015
OPCo	Aggregate	[Download Icon]	[Download Icon]	6/1/2010 - 9/30/2015
	Residential	[Download Icon]	[Download Icon]	6/1/2010 - 9/30/2015
	SC&I	[Download Icon]	[Download Icon]	6/1/2010 - 9/30/2015

**Monthly Switching Statistics**  
This data is typically updated monthly on or before the 20th of each month.

File	Data Range
[Download Icon]	1/1/2013 - 9/30/2015

**Additional Data**  
This data is updated occasionally.

Description	File	Data Range
Unaccounted for Energy	[Download Icon]	1/1/2013 - 9/30/2015
AEP-Ohio Government Aggregation	[Download Icon]	4/1/2014 - 9/30/2015
AEP Ohio PIPP Data (October 22, 2015)	[Download Icon]	1/1/2014 - 9/30/2015

**Mark to Market Calculation**  
This data is updated occasionally. These documents provide the Price Adjustment Factors and estimated Initial Tranche Volumes required to perform the mark-to-market ("MtM") calculation in support of the credit requirements for the Master Standard Service Offer ("SSO") Supply Agreement for AEP Ohio's CBP auctions. The calculations are described in Attachment C-2 to the Master SSO Supply Agreement.

Description	File	Data Updated
Attachment C-2 Data Inputs (October 14, 2015)	[Download Icon]	10/14/2015

# Ask a Question through the CBP Website

- Contact Us / Ask a Question
  - Bidder questions answered via email typically within 2 business days
  - Responses and questions are posted as FAQs on CBP website
- You may also contact us via email at [AEP-CBP@nera.com](mailto:AEP-CBP@nera.com)

The screenshot shows the 'Ask a Question' form on the CBP website. On the left is a navigation menu with the following items: Home, Search, Background Information, Data Room, Calendar, **Contact Us** (highlighted), Register, Ask a Question, RSVP for an Information Session, Contact the Auction Manager, and Register for an Application Account. The main form area has the title 'Ask a Question' and contains the following fields: 'Name \*:' with a text input box, 'Company \*:' with a text input box, 'Email Address \*:' with a text input box, and 'Question/Comment \*:' with a large text area. Below these fields is a CAPTCHA image showing the text 'MIGUEL LEON'. Under the CAPTCHA is a yellow box with the text 'Type the text' and a 'Privacy & Terms' link. To the right of the CAPTCHA are icons for refresh, volume, and help. At the bottom of the form is a 'Submit' button.

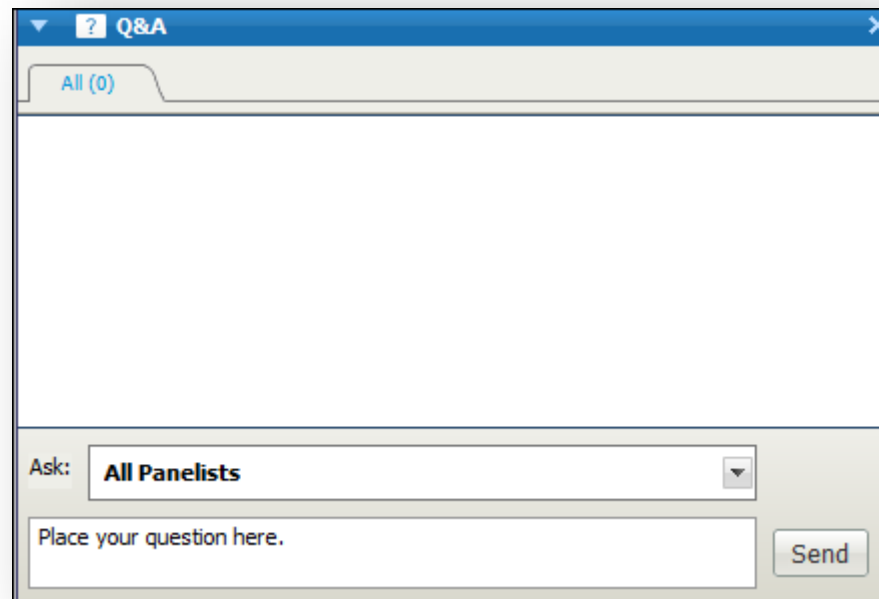
# Contact the Auction Manager Team

**NERA Economic Consulting  
Auction Manager  
For AEP's Ohio CBP  
Contact us by email at [AEP-CBP@nera.com](mailto:AEP-CBP@nera.com)**

**Address for delivery of pre-bid letter of credit  
NERA – Auction Manager  
AEP Ohio CBP  
1835 Market Street, Suite 1205  
Philadelphia, PA 19103**

## Questions?

- To submit questions to the presenters, please locate the “Q&A” on the right hand side of your screen, and select “All Panelists” in the “Send to” box; type in your question and click “Send” to submit your question



The image shows a screenshot of a web-based Q&A submission interface. The window title is "Q&A". At the top, there is a tab labeled "All (0)". Below this is a large empty text area for questions. At the bottom, there is a section labeled "Ask:" with a dropdown menu currently set to "All Panelists". Below the dropdown is a text input field with the placeholder text "Place your question here." and a "Send" button to its right.