

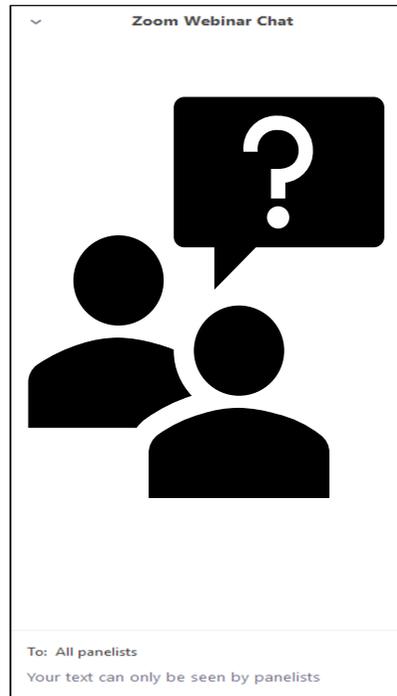
AEP Ohio Competitive Bidding Process March 2026 Auction

**Bidder Webcast
Tuesday, January 6, 2026**

**Katie Orlandi, NERA
Rachel Northcutt, NERA
Abigail Sinotte, NERA**

Submitting Text Questions during the Webcast

- To submit text questions to the presenters, **please click on the “Chat” icon on the bottom of your screen.** The chat panel will appear on the right. Type in your question and click “Enter”.



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

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

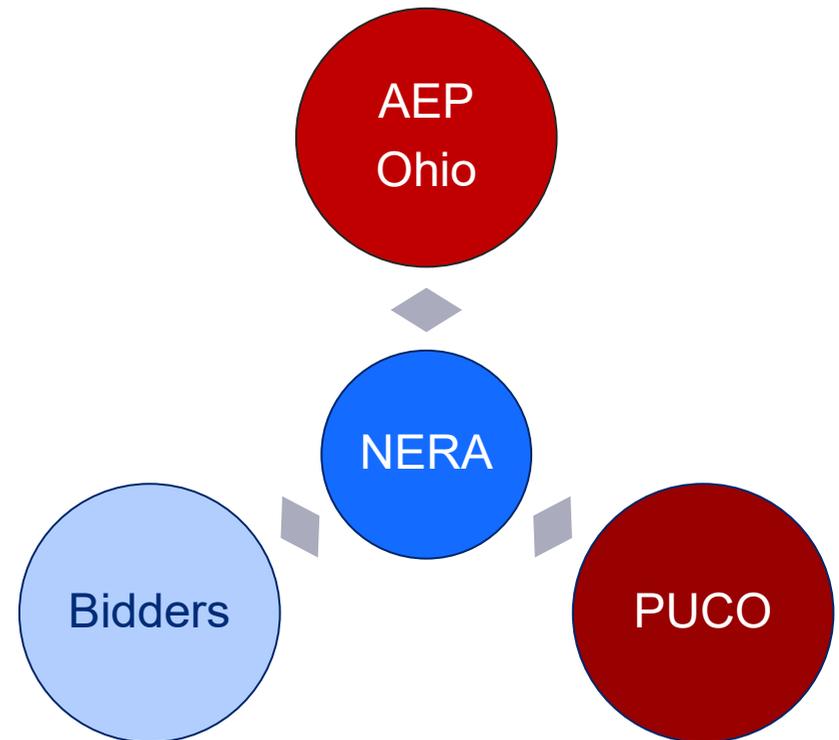
— These governing documents include:

- Public Utilities Commission of Ohio (“PUCO” or “Commission”) Orders under Case No. 23-0023-EL-SSO (April 3, 2024, and September 19, 2024)
- 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
<https://www.aepohiocbp.com/>**

NERA's Role as Auction Manager

Role	Description
Communication	To be the single point of contact with bidders All questions must be referred to the Auction Manager
CBP Rules	To ensure the CBP Rules, as approved by the PUCO, are followed
Qualifications	To ensure bidder qualifications are evaluated equitably and fairly
Auction	To administer the Auction
Results	To present results to PUCO



Agenda

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

Part 1 | Overview

Results of Previous Auction

Registered Bidders	11
Rounds in the Auction	12
Range of Starting Price	\$140/MWh - \$190/MWh
Delivery Period Start	June 1, 2026

Product	Tranche Target	Tranches Procured	Clearing Price (\$/MWh)
12-month	17	17	97.00

PUCO accepted the results on November 5, 2025

Product Description

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

Load Will Be Divided into Tranches

Auction Date
Tuesday, March 3

Product	Delivery Period	Tranche Target	Load Cap	Tranche Size
24-Month	June 2026 - May 2028	17	13	1%

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, the auction continues and the 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**

Announcement: MW-Measure

- **The PLC (MW)** is based on the five highest coincident peaks experienced by PJM in prior year for SSO customers (i.e., non-shopping only)
- The MW-measure is provided for reference and information purposes only

PLC (MW)	1,454
MW-measure*	14.54

*The amount of actual quantity to be delivered depends on many factors (e.g., migration of SSO customers).

- Suppliers are paid the auction clearing price for each MWh of supply during the delivery term times a seasonal factor (Seasonal Factors = 1.00)

Key Events

M	T	W	Th	F
Jan. 5	6	7	8 P1 Window Opens	9
12	13	14	15	16
Martin Luther King, Jr. Day 19	20	21	22	23 P1 Due
26	27	28	29 P1 Notification	30 P2 Window Opens
Feb. 2	3	4	5	6
9	10	11	12	13
Presidents' Day 16	17 P2 Due	18	19	20
23	24 P2 Notification	25 Trial Auction	26 Round 1 Price	27
Mar. 2	3 Auction Starts	4	5	6

By Jan. 08: Bidders can access online form

Announcements:

Jan. 06: Tranche target, tranche size, MW-measure, seasonal factors

By Jan. 12: Minimum and maximum starting price

Jan 30: Update to seasonal factors and MW-measure as necessary

Feb 26: Round 1 price for Registered Bidders

Application Process is Online

Part 1 Application (Jan. 08 – Jan. 23)

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

Part 2 Application (Jan. 30 – Feb. 17)

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

No hardcopies 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

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
- Amount a bidder can bid and win **in a given auction** could be further reduced to the credit-based tranche cap depending on credit ratings of Bidder or Guarantor
- The credit-based tranche caps for this March 2026 Auction are provided in the table below

*The load cap for this March 2026 Auction is **13 tranches**; as such, the maximum number of tranches a bidder can bid or win in this upcoming Auction is 13 tranches

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-	*15
Below BB-	Below Ba3	Below BB-	8
Not rated			8

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, excluding PIPP customers, 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**

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 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

Part 3 | CBP Website

Navigation



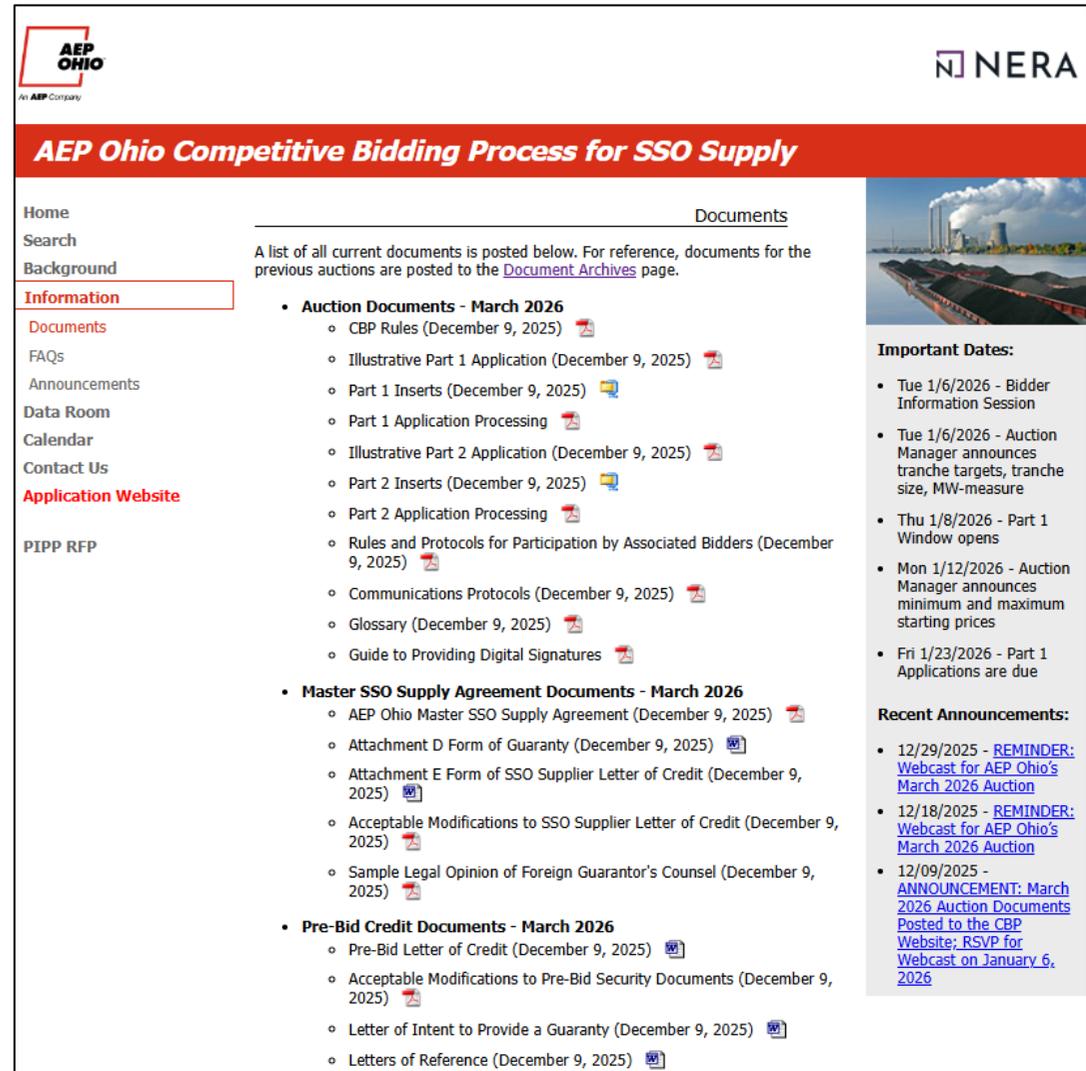
The screenshot shows the website interface for the AEP Ohio Competitive Bidding Process for SSO Supply. At the top left is the AEP OHIO logo with the tagline "An AEP Company". At the top right is the NERA logo. A prominent red banner across the top contains the title "AEP Ohio Competitive Bidding Process for SSO Supply" in white text. Below the banner is a navigation menu on the left side with the following items: Home (highlighted with a red border), Search, Background Information, Data Room, Calendar, Contact Us, Application Website (in red text), and PIPP RFP. The main content area features a "Home" link and a paragraph of introductory text: "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 documents and announcements related to the CBP. NERA Economic Consulting ("NERA") serves as AEP Ohio's Auction Manager." To the right of the text is a photograph of a modern building. Below the photo is a section titled "Important Dates:" which lists five key dates and events: Tue 1/6/2026 - Bidder Information Session; Tue 1/6/2026 - Auction Manager announces tranche targets, tranche size, MW-measure; Thu 1/8/2026 - Part 1 Window opens; Mon 1/12/2026 - Auction Manager announces minimum and maximum starting prices; and Fri 1/23/2026 - Part 1 Applications are due.

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
- Guide to Providing Digital Signatures



AEP Ohio
An AEP Company

NERA

AEP Ohio Competitive Bidding Process for SSO Supply

Home | Search | Background | **Information** | Documents | FAQs | Announcements | Data Room | Calendar | Contact Us | **Application Website**

PIPP RFP

Documents

A list of all current documents is posted below. For reference, documents for the previous auctions are posted to the [Document Archives](#) page.

- **Auction Documents - March 2026**
 - CBP Rules (December 9, 2025)
 - Illustrative Part 1 Application (December 9, 2025)
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 - Glossary (December 9, 2025)
 - Guide to Providing Digital Signatures
- **Master SSO Supply Agreement Documents - March 2026**
 - AEP Ohio Master SSO Supply Agreement (December 9, 2025)
 - Attachment D Form of Guaranty (December 9, 2025)
 - Attachment E Form of SSO Supplier Letter of Credit (December 9, 2025)
 - Acceptable Modifications to SSO Supplier Letter of Credit (December 9, 2025)
 - Sample Legal Opinion of Foreign Guarantor's Counsel (December 9, 2025)
- **Pre-Bid Credit Documents - March 2026**
 - Pre-Bid Letter of Credit (December 9, 2025)
 - Acceptable Modifications to Pre-Bid Security Documents (December 9, 2025)
 - Letter of Intent to Provide a Guaranty (December 9, 2025)
 - Letters of Reference (December 9, 2025)

Important Dates:

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Recent Announcements:

- 12/29/2025 - [REMINDER: Webcast for AEP Ohio's March 2026 Auction](#)
- 12/18/2025 - [REMINDER: Webcast for AEP Ohio's March 2026 Auction](#)
- 12/09/2025 - [ANNOUNCEMENT: March 2026 Auction Documents Posted to the CBP Website; RSVP for Webcast on January 6, 2026](#)

Data Room and Data Categories



Data Room includes:

Files updated on or before the 20th of each month:

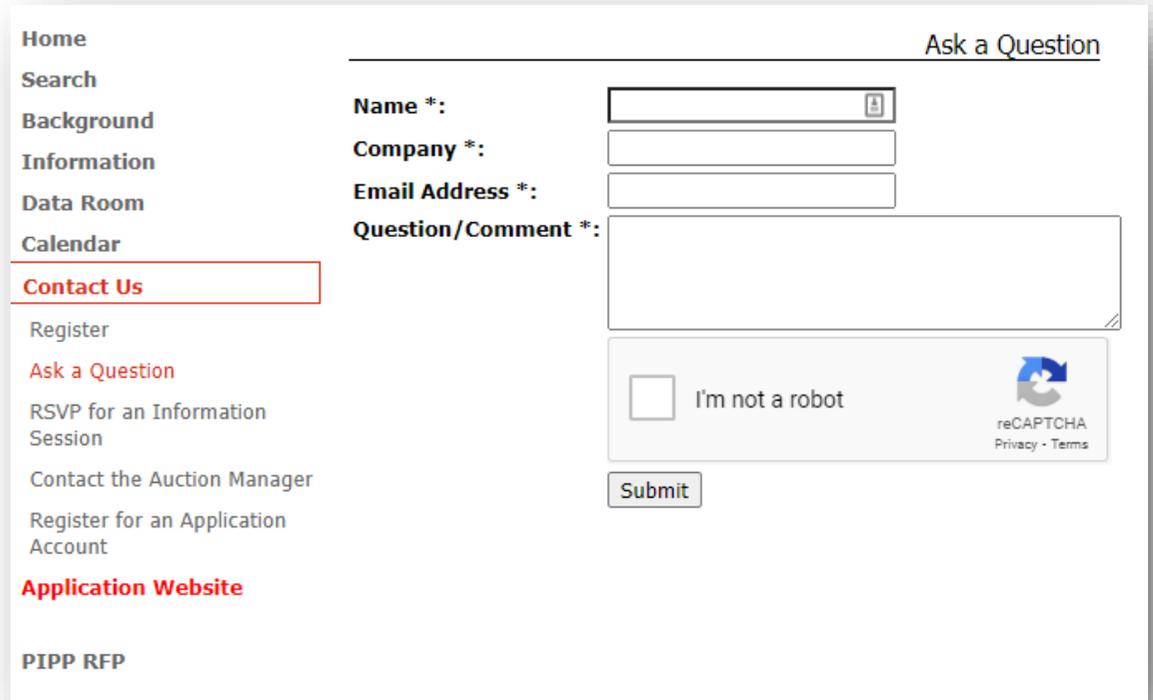
- Hourly energy
- Customer counts
- PLC and NSPL Data
- Monthly Switching Statistics
- Historical Unaccounted for Energy

Additional files updated less frequently:

- Government Aggregation

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



The screenshot shows the 'Ask a Question' form on the CBP website. The form is located on the right side of the page, with a navigation menu on the left. The navigation menu includes links for Home, Search, Background Information, Data Room, Calendar, Contact Us (highlighted), Register, Ask a Question, RSVP for an Information Session, Contact the Auction Manager, Register for an Application Account, Application Website, and PIPP RFP. The 'Ask a Question' form has the following fields: Name *, Company *, Email Address *, and Question/Comment *. There is a 'Submit' button at the bottom of the form. A reCAPTCHA widget is also present, with the text 'I'm not a robot' and a 'Submit' button.

Part 4 | Application Process

Accessing the Application Website

- The URL to access the online forms is: <https://aepohiocbp-application.com>
- The application website is also accessible via a link on the CBP website



AEP Ohio Competitive Bidding Process for SSO Supply

[Home](#) Home

[Search](#)

[Background](#)

[Information](#)

[Data Room](#)

[Calendar](#)

[Contact Us](#)

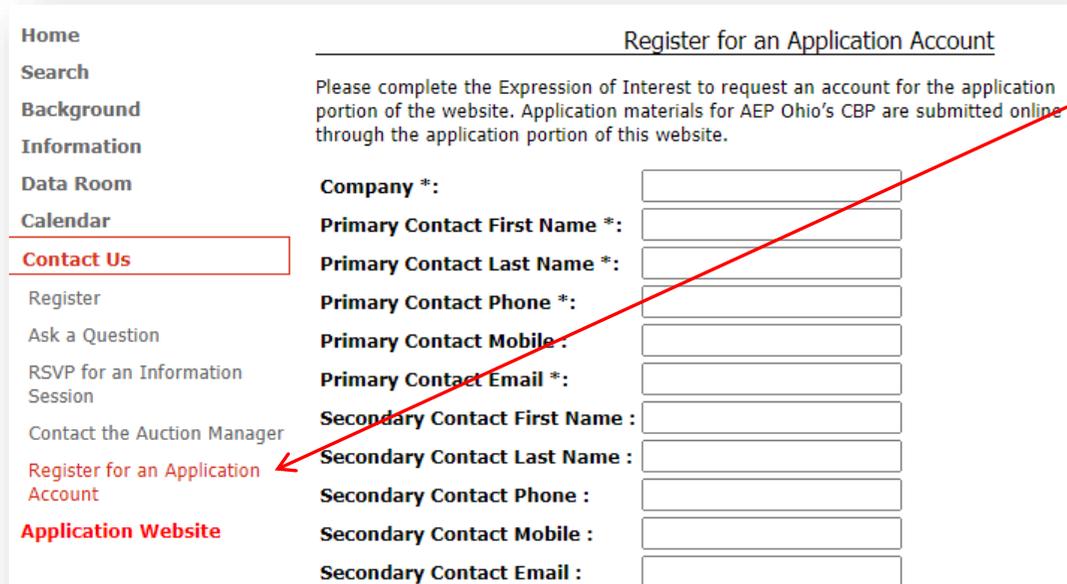
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[PIPP RFP](#)

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New Bidders Must Register for your Online Application Account

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

Application Website

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 :

Secondary Contact Phone :

Secondary Contact Mobile :

Secondary Contact Email :

Contact Us / Register for an Application Account

Alternatively, email AEP-CBP@nera.com with:

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

The individual that registers for the account will receive an email with account activation instructions.

Current Account Holders and Account Activation

- **Current account holders** do not need to re-register for an account to access the online forms
 - For Returning Bidders that qualified to participate in an auction in 2024 or later, an email with instructions on how to activate their account will be sent to the Representative
 - For entities that registered for an account in 2024 or later, the email with instructions to activate the account will be sent to the person that registered for the account
- **All account holders (including Returning Bidders) will need to activate their account** by following the instructions provided in the account activation email

The Auction Manager will send instructions for accessing and completing the online forms to all account holders prior to the opening of the Part 1 Window

Up-Front Requirements for Part 1 Are Simple

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

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 applicants relying on foreign guarantor
- Submit via upload to application website

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

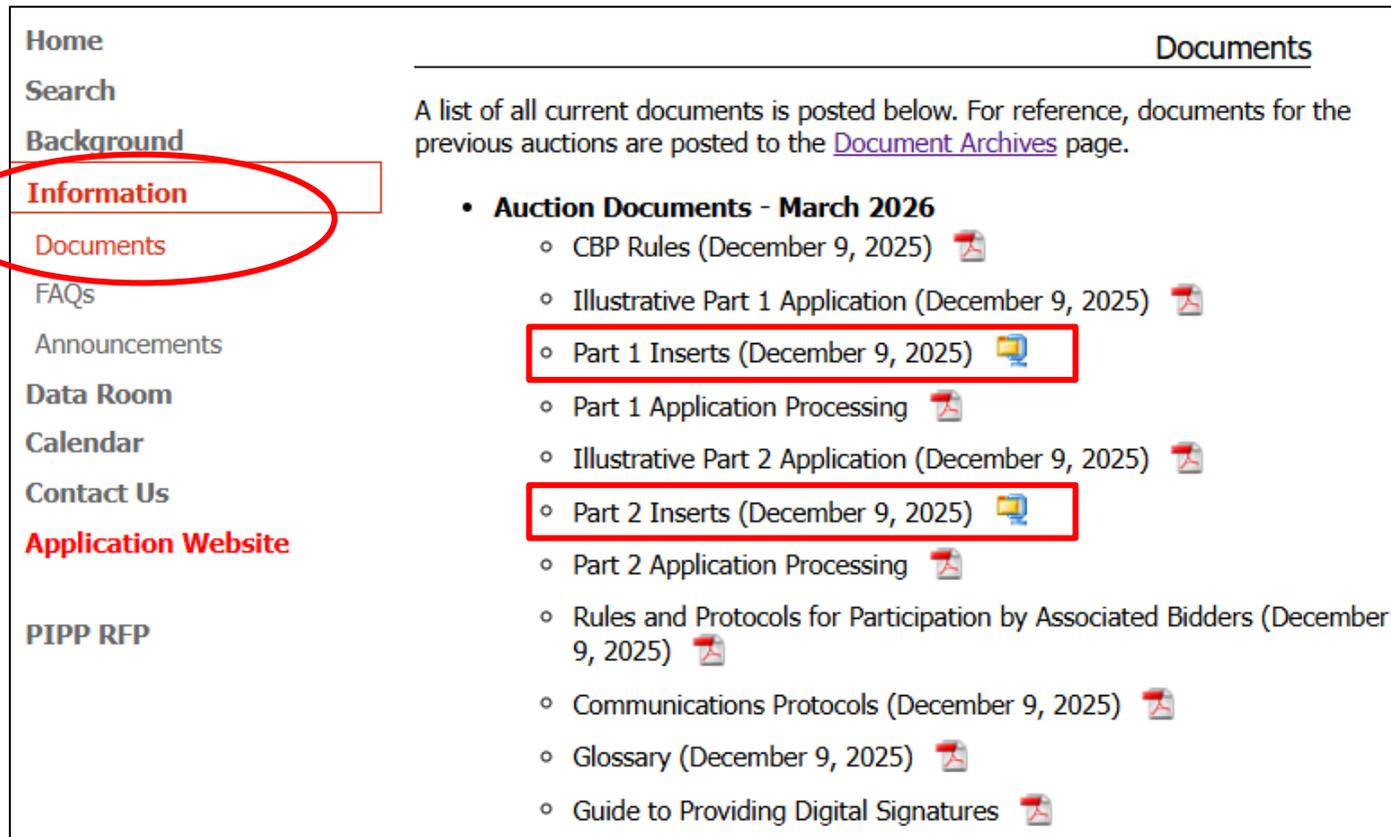
- Submit redline via upload to application website
- Any modification accepted for one bidder will be made available to all bidders on an optional basis

**New and Returning Bidders
Provide This Information and Documents**

Download the Inserts from the CBP Website

- The Inserts are available on <https://aepohiocbp.com/>

Information / Documents



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 - Glossary (December 9, 2025) 
 - Guide to Providing Digital Signatures 

List of Inserts and to Whom They Apply

#	Insert	When Applicable	Notary Line
P1-1	Representative Designation	REQUIRED OF ALL BIDDERS	YES
P1-2	Representative Responsibilities	REQUIRED OF ALL BIDDERS	YES
P1-3	Designation of Nominees Insert	OPTIONAL	NO
P1-4	Legal Representative	REQUIRED OF ALL BIDDERS; retained for returning bidders	YES
P1-5	PJM Requirements	Only Applicable in Limited Circumstances; retained for returning bidders	NO
P1-6	Certifications	REQUIRED OF ALL BIDDERS	NO
P1-7	Bidding Agreement	Only Applicable in Limited Circumstances	NO

Part 2 Application: To Be Registered as a Bidder

1. Submit an indicative offer
2. Submit pre-bid security (provided via electronic means only to AEP-CBP@nera.com)
3. Make certifications including compliance with Rules related to Associations and Handling of Confidential Information
4. Provide additional certifications
5. Foreign entities: Provide executed additional documents required under the Master SSO Supply Agreement

**Requirements for new and returning bidders are the same
in the Part 2 Application**

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 (to be announced by January 12, 2026)

Credit-Based Tranche Cap

<p>Minimum Starting Price</p> <p>\$ <input type="text" value="[XXX]"/> /MWh</p>	<p>Indicative Offer</p> <p><input type="text"/> Tranches</p>
<p>Maximum Starting Price</p> <p>\$ <input type="text" value="[XXX]"/> /MWh</p>	<p>Indicative Offer</p> <p><input type="text"/> Tranches</p>

- 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

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 (**\$300,000** per tranche)

3. Certify compliance with Associations and Confidential Information Rules

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

Pre-Bid Credit Instruments – Electronic ONLY

- The standard form of the Pre-Bid Letter of Credit to be submitted as **electronic PDF file only**
- If providing a pre-bid letter of credit, it must be provided ONLY to the Auction Manager at **AEP-CBP@nera.com**
- Electronic PDF version of the Pre-Bid Letter of Credit is to be the operative instrument and **hardcopies of the Pre-Bid Letter of Credit will NOT be accepted**
- Any required additional pre-bid security must be uploaded to the online form or provided by email to the Auction Manager at **AEP-CBP@nera.com**. **Hardcopies of any required additional pre-bid security will NOT be accepted**

Opportunity to propose modifications to the pre-bid credit instruments with the Part 1 Application

Additional Part 2 Requirements

4. Provide Additional Certifications

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

5. Requirements for foreign entities

- A foreign bidder or a bidder desiring to rely on the creditworthiness of a foreign entity must provide the **executed additional documents** required under the Master SSO Supply Agreement
- Additional documents should incorporate all changes required by AEP Ohio upon review of the draft documents submitted with the Part 1 Application

List of Inserts and to Whom They Apply

#	Insert	When Applicable
P2-1	Cash Certification	Applicable in Specific Circumstances
P2-2	Certifications	REQUIRED OF ALL BIDDERS

No Notary Public line on Part 2 Inserts

Part 5 | Bidding in the Auction

Rounds Have Three Phases

Bidding Phase

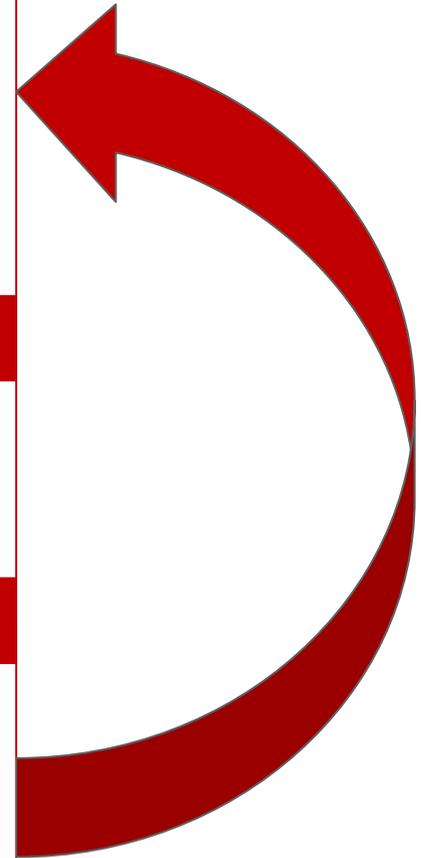
- Suppliers state how many tranches they want to supply at going price for the round
- Auction Manager informs Registered Bidders of Round 1 price no later than 3 days before auction

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:
 - Total Excess Supply range; and
 - Going price for next round



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

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

Sample Reports

Bidder sees:

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

Report: Round 1	
Total Excess Supply	106 – 110
Round 2 Price (\$/MWh)	118.75

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

Bidding in Round 2 and Subsequent Rounds

- **In response to a reduction in price, a bidder may:**
 - **Leave bid unchanged**
 - **Withdraw 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)	125.00
Bid Round 1 (tranches)	10
Price Round 2 (\$/MWh)	118.75
Bid Round 2 (tranches)	9
Exit Price	119.25

- 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 positive total excess supply**
 - When there are more tranches bid than there are 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 the number of tranches bid is equal to the number of 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 the tranche target is filled

Auction Clearing Price Illustrative Example

Round	Price \$/MWh	Bidder A	Bidder B	Bidder C	#Bid	Target	#Bid – Target
R11	95.99	7	8	4	19	17	2
R12	95.46	5	7	2	14	17	-3

Tranches withdrawn	2	1	2
Exit Prices	95.47	95.85	95.90

To fill the tranche target of 17 tranches:

1. take 14 tranches bid at going price
2. take 2 tranches at \$95.47
3. take 1 tranche at \$95.85

Retained Tranches	2	1	0
Auction Clearing Price		\$95.85	

Auction clearing price is \$95.85/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, February 25, 2026) is the bidders' opportunity to practice
2. The backup bid procedure is by phone
3. The last bid submitted and verified 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
- 4. It is the bidder's responsibility to get a bid in on time.** It is the bidder's responsibility to ascertain the systems 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 10 or later, or MacOS 10.7 or later
Internet Connection	Primary access through a company network
Supported Web Browser	The most recent versions of Mozilla Firefox, Microsoft Edge, Apple Safari, or Google Chrome

Contact the Auction Manager Team

**NERA
Auction Manager
For AEP's Ohio CBP
Contact us by email at AEP-CBP@nera.com**

**If providing a Pre-Bid Letter of Credit,
it must be sent electronically
to the Auction Manager by email at
AEP-CBP@nera.com**

Questions?

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