

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF
OHIO POWER COMPANY FOR AUTHORITY
TO ESTABLISH A STANDARD SERVICE
OFFER PURSUANT TO R.C. 4928.143, IN
THE FORM OF AN ELECTRIC SECURITY
PLAN.

CASE NO. 23-23-EL-SSO

IN THE MATTER OF THE APPLICATION OF
OHIO POWER COMPANY FOR APPROVAL
OF CERTAIN ACCOUNTING AUTHORITY.

CASE NO. 23-24-EL-AAM

FINDING AND ORDER

Entered in the Journal on September 19, 2024

I. SUMMARY

{¶ 1} In this Finding and Order, the Commission directs Ohio Power Company d/b/a AEP Ohio to modify its standard service offer procurement auction schedules in the manner set forth in their applicable filings and approves the proposed modification to its auction schedule.

II. PROCEDURAL BACKGROUND

{¶ 2} Ohio Power Company d/b/a AEP Ohio (AEP Ohio or the 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. 4928.141 mandates that an electric distribution utility shall provide to all consumers within its certified territory, a standard service offer (SSO) of all competitive retail electric services necessary to maintain essential electric services to customers, including a firm supply of electric generation service. The SSO may be either a market rate offer, in accordance with R.C. 4928.142, or an electric security plan (ESP), in accordance with R.C. 4928.143. The Commission has approved AEP Ohio's electric security plan (ESP),

which implemented a competitive auction-based SSO format, as well as a competitive bid procurement process (CBP) for the Company's auctions, to procure generation supply for customers of AEP Ohio for a certain period of time. *In re Ohio Power Co.*, Case No. 23-23-EL-SSO, et al. (*ESP 5*), Opinion and Order (Apr. 3, 2024) (*ESP 5 Order*). The use of this competitive bidding process is conducive to Ohio's legal framework that is designed to ensure that all retail electric customers served by electric distribution utilities have reliable access to electric generation supply at market-based prices.

{¶ 4} On May 3, 2024, both the Office of the Ohio Consumers' Counsel and One Energy Enterprises, Inc. each filed applications for rehearing of the *ESP 5 Order*. By Entry issued June 12, 2024, the Commission denied both applications for rehearing.

{¶ 5} On August 27, 2024, AEP Ohio filed correspondence in the case docket providing compliance updates to reflect the capacity proxy approach as well adjusting the schedule for the four-year *ESP 5* term adopted in the *ESP 5 Order*.

{¶ 6} On August 30, 2024, AEP Ohio filed additional correspondence to correct an error in the redline versions of the exhibits attached to the August 27, 2024 filing. The redline Exhibits B and C attached to this updated filing are intended to entirely supersede the corresponding pages within Exhibits B and C originally filed.

{¶ 7} On September 9, 2024, AEP Ohio again filed correspondence to submit updated supplier documents for its CBP. This filing explains that an error was discovered with the auction schedule dates included in the Exhibits, listing an extraneous additional auction date. This filing is intended to correct that error.

{¶ 8} No party filed responsive correspondence to AEP Ohio's compliance update filings.

III. DISCUSSION

{¶ 9} In its August 27, 2024 correspondence and subsequent supplemental filings, AEP Ohio explains that in order to implement the *ESP 5 Order* and the Finding and Order issued in Case No. 23-781-EL-UNC,¹ the Company has worked with NERA Economic Consulting (NEC), its auction manager, to revise the necessary supplier documents to implement a capacity pass-through mechanism. The capacity pass-through mechanism is described in the Master SSO Supply Agreement, which is attached to AEP Ohio's correspondence. Further, the Company explains that the attached Auction Bidding Rules describe the process for the NEC to inform bidders of the capacity proxy price prior to the SSO auction, if possible. AEP Ohio states that the attached Auction Schedule and Products to be Procured were modified to comply with the instructions in the Finding and Order in Case No. 23-781-EL-UNC and in the *ESP 5 Order*. Based on the proposed schedule of auction dates, as revised in the Company's September 9, 2024 filing, products with supply terms of 12-months, 24-months, and 36-months beginning on June 1, 2025, will be available for bid. The Company submits that procuring products with laddered supply terms is intended to reduce price volatility for its SSO customers. AEP Ohio states that the revised Auction Schedule and Products to be Procured is consistent with the product schedules filed in its *ESP 5* application and those approved under prior ESPs.

{¶ 10} Upon review, we find that the correspondence filed by AEP Ohio in the case docket, outlining its proposed capacity proxy approach and planned auction dates for the *ESP 5* term, is reasonable and in compliance with the terms of the *ESP 5 Order* and the Finding and Order issued in Case No. 23-781-EL-UNC. AEP Ohio should utilize the applicable proposed product schedule attached to its filing made on September 9, 2024, and

¹ *In re the Proposed Modifications to Electric Distribution Utilities' Standard Service Offer Procurement Auctions*, Case No. 23-781-EL-UNC, Finding and Order, (Dec. 13, 2023).

carry out its CBP upon the terms outlined in its correspondence and supplement filings on this issue.

IV. ORDER

{¶ 11} It is, therefore,

{¶ 12} ORDERED, That AEP Ohio's filings concerning its CBP and proposed auction schedule, filed on August 27, 2024, August 30, 2024, and September 9, 2024, be approved. It is, further,

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

COMMISSIONERS:

Approving:

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

DMH/js

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in

Case No(s). 23-0023-EL-SSO, 23-0024-EL-AAM

Summary: Finding & Order that the Commission directs Ohio Power Company d/b/a AEP Ohio to modify its standard service offer procurement auction schedules in the manner set forth in their applicable filings and approves the proposed modification to its auction schedule electronically filed by Ms. Donielle M. Hunter on behalf of Public Utilities Commission of Ohio.