

## **Initial Comments of Constellation – Document 2**

### **Duke MSA**

Constellation applauds AEP-OH's use of the MSA most recently adopted by Duke Energy Ohio in its recent CBP as the basis for the AEP-OH MSA. We look forward to seeing the draft MSA and reserve the right to respond through general comments and through red lines of the draft. In advance of the draft, Constellation would like to request that AEP-OH include the definition of "Settlement Amount" used in the Duke MSA. The red line attachment includes the Duke definition of "Settlement Amount."

### **Credit Provisions**

Constellation generally supports the credit provisions as outlined in the Proposal for Key Elements document. Constellation hopes that these provisions are preserved through the CBP process and reserves the right to provide additional comments on the credit provisions throughout the process.

### **Settlement Load**

As reflected in our comments at the 10/25 stakeholder meeting, Constellation believes the CBP process is best served if the winning CBP bids are settled against actual load. Constellation believes that settling the winning bids against next day profile load or load that is otherwise subject to company calculations and/or formulas adds complexity and does not dovetail well with the eventual transition to auctions for energy and capacity. Based on discussion held at the end of the stakeholder meeting on 10/25, it is possible that this is AEP-OH's intent. If so, please make explicit and specific statements that indicate such. If not, then Constellation suggests that AEP-OH consider adopting a settlement process that uses actual load.

Constellation understands that AEP-OH would like to leverage the eSchedule process to simplify the CBP, settlement, and interaction with winning bidders. To the extent that the eSchedule process can be used with settlement against actual load, Constellation supports AEP-OH's preference. However to the extent that the eSchedule process cannot be used with settlement against actual load, Constellation suggests that AEP-OH investigate the structure used in the MD standard offer service auction that preserves the utility as the LSE, transfers responsibility for the products to be procured through auction through a Long Form Declaration of Authority with PJM, and allows winning bids to be settled against actual load.

Constellation appreciates the opportunity to submit these comments and looks forward to participation in the stakeholder process and discussions in support of AEP-OH's transition to a CBP.