

# 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

## ENTRY

Entered in the Journal on September 20, 2023

### I. SUMMARY

{¶ 1} The Commission grants the motion for interim relief, consistent with this Entry, and authorizes Ohio Power Company to conduct a competitive auction in November 2023, to procure generation supply for standard service offer customers.

### II. DISCUSSION

{¶ 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.

{¶ 4} By Opinion and Order dated April 25, 2018, the Commission modified and approved, pursuant to a stipulation and recommendation filed by AEP Ohio and numerous other parties, an ESP for the period of June 1, 2018, through May 31, 2024 (ESP IV) including provisions related to competitive bidding and auction requirements. *In re Ohio Power Company*, Case No. 16-1852-EL-SSO et al., Opinion and Order (Apr. 25, 2018).

{¶ 5} On January 6, 2023, in the above-captioned case, AEP Ohio filed an application that, if approved, would establish the Company's fifth ESP (ESP V) for a period to commence on June 1, 2024, and continue through May 31, 2030, and include approval of certain accounting authority to implement aspects of the proposed ESP V. In its application, AEP Ohio proposed a procedural schedule including that the hearing commence on July 10, 2023.

{¶ 6} In addition, as part of the ESP V application, AEP Ohio proposed certain amendments to the process and auction schedule consistent with timelines established by PJM Interconnection LLC for future base residual auctions so that the capacity price applicable to the products available would be known at the time of the auction and, according to AEP Ohio, reflect measures taken in response to COVID-19. AEP Ohio declares that the proposed changes do not constitute revisions to the auction process or qualification requirements of potential bidders. (Direct Testimony of Michael W. McCulty (Jan. 6, 2023) at 6-16).

{¶ 7} A technical conference on AEP Ohio's ESP V application was held on February 7, 2023.

{¶ 8} By Entries issued April 17, 2023, and May 30, 2023, the following parties were granted intervention in these cases: Ohio Energy Group (OEG), Armada Power, LLC (Armada), The Ohio Manufacturers' Association Energy Group (OMAEG), Citizens' Utility Board of Ohio (CUB), Ohio Partners for Affordable Energy (OPAE), Calpine Retail Holdings, LLC, Nationwide Energy Partners, Ohio Hospital Association (OHA), ChargePoint, Inc., Walmart Inc. (Walmart), Interstate Gas Supply, LLC (IGS),

Environmental Law & Policy Center (ELPC), The Kroger Company (Kroger), One Energy Enterprises Inc. (One Energy), Ohio Environmental Council (OEC), Ohio Consumers' Counsel (OCC), Retail Energy Supply Association (RESA), Ohio Energy Leadership Council f.k.a. Industrial Energy Users-Ohio (OELC), Constellation Energy Generation, LLC and Constellation NewEnergy, Inc., Ohio Telecom Association (OhioTel), Ohio Cable Telecommunications Association, Northeast Ohio Public Energy Council, and Enel North America, Inc. (Enel), and Direct Energy Business Services LLC and Direct Energy Services LLC (jointly Direct Energy).

{¶ 9} By Entry issued March 2, 2023, the attorney examiner set the initial procedural schedule for the Commission's consideration of AEP Ohio's ESP V application and related matters such that, among other things, a prehearing conference on June 22, 2023, Staff testimony to be filed by June 30, 2023, and the evidentiary hearing to commence on July 10, 2023.

{¶ 10} In consideration of continuing settlement negotiations, pursuant to Entries issued on June 27, 2023, July 18, 2023, and August 16, 2023, the attorney examiner granted motions for the extension of certain deadlines and rescheduled the evidentiary hearing.

{¶ 11} The August 16, 2023 Entry directed, in part, that in the event that a stipulation has not been filed, Staff's testimony is due by September 8, 2023; scheduled a prehearing conference for September 11, 2023; directed that upon execution of a stipulation, the parties should file the stipulation on the docket, and testimony in support of the stipulation, by any party, should be filed within three business days and testimony in opposition of the stipulation be filed within 10 business days of the filing of the stipulation; and scheduled the hearing to commence on October 10, 2023. In addition, the Entry issued August 16, 2023, also denied One Energy's motion to establish a reasonable protective agreement and denied OCC's motion to revise the procedural schedule.

{¶ 12} On September 6, 2023, AEP Ohio filed a Joint Stipulation and Recommendation (Stipulation) for the Commission's consideration, which, if approved,

would resolve all of the issues raised in these proceedings. The Stipulation was executed by AEP Ohio, Staff, OEG, Enel, Walmart, IGS, RESA, OEC, OPAA, ELPC, OELC, OMAEG, CUB, Direct Energy, OHA, Armada and Kroger (Signatory Parties). OhioTel also signed the Stipulation as a non-opposing party. The Stipulation adopts AEP Ohio's SSO auction-related proposals and makes two modifications: (a) the inclusion of an option for full-requirements auction products with a true-up to account for a proxy capacity price, if necessary; and (b) withdrawal of the Company's proposed Governmental Aggregation Standby Rider with prejudice for the ESP V term. (Stipulation at § III.B.)

{¶ 13} On September 15, 2023, pursuant to Ohio Adm.Code 4901-1-12, AEP Ohio filed a motion for interim relief to conduct a SSO auction in November 2023 and a request for expedited ruling. In its motion, AEP Ohio explains that during the term of ESP IV, the Company has procured generation for its SSO customers through competitive descending clock auctions in which potential suppliers bid to supply tranches of the SSO load. AEP Ohio states that all current Master Standard Service Offer Supply Agreements that have been or will be executed during the ESP IV term are scheduled to expire on May 31, 2024. To ensure that its SSO obligation is met on and after June 1, 2024, AEP Ohio proposes to conduct two auctions prior to June 1, 2024, in November 2023 and March 2024. In each of the auctions, AEP Ohio proposes to procure 50 percent (50 tranches) of its SSO load with the November auction to include two separate products, 33 tranches of a 24-month product and 17 tranches of a 12-month product while the March 2024 auction would include three separate products, 16 tranches of a 36-month product, 17 tranches of a 24-month product and 17 tranches of a 12-month product.

{¶ 14} The Company requests that the Commission issue an order authorizing AEP Ohio to conduct a November 2023 auction to maintain the Company's auction schedule. AEP Ohio asserts that permitting the Company to maintain its auction schedule, as previously approved in the current ESP and the prior ESP, aims to minimize uncertainty and rate volatility for SSO customers, provide certainty to suppliers interested in participating in the Company's SSO auctions and capture any favorable market conditions

that may presently exist. AEP Ohio proposes to conduct the November 2023 auction consistent with the Commission-approved competitive bid process in ESP IV based on the revised provisional schedule attached to the motion as Appendix A. AEP Ohio declares that the modifications to the competitive bidding and auction process described in its ESP V application and the Stipulation will not be incorporated into the requested November 2023 SSO auction. Finally, AEP Ohio states that counsel for the Company contacted counsel for all parties on September 14, 2023, and requested that any party that opposes the motion or the request for expedited ruling inform counsel for AEP Ohio. AEP Ohio states that while some parties have confirmed that they do not oppose the motion or the request, other parties have not responded; however, no party has indicated that it opposes AEP Ohio's request for expedited ruling.

{¶ 15} Upon review of AEP Ohio's motion for interim relief, the Commission finds the motion to be reasonable under the circumstances and the motion should be granted in order to ensure that the Company has sufficient time to conduct multiple auctions to procure generation supply and meet its SSO obligation on and after June 1, 2024, as well as to maintain consistency in the Company's SSO auction schedule for the benefit of all potential auction participants. Accordingly, AEP Ohio is authorized to conduct an SSO auction in November 2023, consistent with the provisions of its current ESP. We note, however, that our approval of AEP Ohio's request to conduct an SSO auction in November 2023 should not be construed as pre-approval of the Company's application or the Stipulation filed by the Signatory Parties. Further, nothing in this Entry should be construed as limiting or restricting the right of any party to these proceedings to oppose the Stipulation.

{¶ 16} As a final matter, the Commission notes that we reserve the right to review and modify any feature of the SSO auction process, as the Commission deems necessary based upon our continuing oversight of the process, including any reports on the auctions provided to the Commission by the independent auction manager, AEP Ohio, Staff, or any consultant retained by the Commission.

**III. ORDER**

{¶ 17} It is, therefore,

{¶ 18} ORDERED, That AEP Ohio's motion for interim relief be granted, consistent with this Entry. It is, further,

{¶ 19} ORDERED, That a copy of this Entry be served upon all interested persons of record.

**COMMISSIONERS:**

*Approving:*

Jenifer French, Chair

Daniel R. Conway

Dennis P. Deters

John D. Williams

GNS/mef

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

Summary: Entry granting the motion for interim relief, consistent with this Entry, and authorizing Ohio Power Company to conduct a competitive auction in November 2023, to procure generation supply for standard service offer customers.  
electronically filed by Ms. Mary E. Fischer on behalf of Public Utilities Commission of Ohio.