

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE PROCUREMENT
OF STANDARD SERVICE OFFER
GENERATION AS PART OF THE FIFTH
ELECTRIC SECURITY PLAN FOR
CUSTOMERS OF OHIO EDISON
COMPANY, THE CLEVELAND ELECTRIC
ILLUMINATING COMPANY, AND THE
TOLEDO EDISON COMPANY.

CASE NO. 24-133-EL-UNC

FINDING AND ORDER

Entered in the Journal on March 20, 2024

I. SUMMARY

{¶ 1} The Commission approves the results of the auction conducted on March 19, 2024, for the procurement of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company's standard service offer generation as part of its fifth electric security plan.

II. DISCUSSION

{¶ 2} Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company (collectively, FirstEnergy) are electric distribution utilities as defined by R.C. 4928.01.

{¶ 3} R.C. 4928.141 provides that electric distribution utilities shall provide consumers a standard service offer (SSO) of all competitive retail electric services in accordance with R.C. 4928.142 or 4928.143.

{¶ 4} On March 31, 2016, the Commission issued its Opinion and Order in FirstEnergy's fourth electric security plan (ESP) in *In re Ohio Edison Co., The Cleveland Elec. Illum. Co., and The Toledo Edison Co.*, Case No. 14-1297-EL-SSO (ESP IV), approving the stipulations filed by various parties. *ESP IV* provides that, for the period between June 1,

2016, and May 31, 2024, retail generation rates will be determined by a descending-clock format competitive bid process (CBP).

{¶ 5} In the CBP, FirstEnergy agreed to procure, on a slice of system basis, 100 percent of its aggregate, wholesale full requirements SSO supply. Further, the stipulations provided that the CBP would be conducted by an independent bid manager, CRA International (CRA). Although the stipulations provided that CRA was to select the winning bidder(s), the stipulations also provided that the Commission may reject the results within 48 hours of the auction conclusion.

{¶ 6} On April 5, 2023, FirstEnergy filed an application for its fifth ESP to commence on June 1, 2024 in *In re Application of Ohio Edison Company, The Cleveland Electric Company and The Toledo Edison Company (ESP V)*, Case No. 23-301-EL-SSO. That application is currently pending before the Commission. On December 13, 2023, FirstEnergy filed a motion for interim relief in *ESP V* to conduct two SSO auctions so that FirstEnergy can ensure that its SSO obligation is met on and after June 1, 2024. Specifically, the Companies sought to conduct the auctions consistent with the CBP process approved in *ESP IV*. The Commission granted FirstEnergy's motion on January 10, 2024.

{¶ 7} Pursuant to the Commission's January 10, 2024 Entry in *ESP V*, a CBP auction was held on March 19, 2024. On March 20, 2024, CRA and Bates White Economic Consulting (Bates White), a consultant retained by the Commission to monitor the CBP auction, filed reports regarding the conduct of the auction. These reports consisted of confidential versions, filed under seal, and a redacted version of the report filed by CRA, which is publicly available in this docket.

{¶ 8} According to the reports filed by CRA and Bates White, the auction procured 50 tranches of a 24-month product with a tranche-weighted average price of \$78.51 per MWh for the June 1, 2024, to May 31, 2026 delivery period. CRA and Bates White each recommend that the Commission find that the CBP auction, within the limits of its structures, had sufficient competitive attributes and resulted in winning prices that are reasonable.

Additionally, the consultant does not believe the use of a proxy rate for capacity negatively affected the auction results in any appreciable way.

{¶ 9} The Commission finds that the reports filed by CRA and Bates White do not contain any recommendation or evidence that the auction violated the CBP rules in such a manner as to invalidate the auction. Accordingly, the Commission will not reject the results of the CBP auction.

{¶ 10} In addition, the Commission notes that the reports filed by CRA and Bates White also contain sensitive information which should be deemed confidential and remain under seal. Therefore, the Commission finds that the following information will be protected from public release indefinitely: the names of unsuccessful bidders; price information, including starting price methodologies and round prices/quantities for individual bidders; all information contained in Part I and Part II bidder applications; and indicative pre-auction offers.

{¶ 11} However, the Commission finds that certain information regarding the CBP auction contained in the reports submitted by CRA should be released to the public after a brief period of time to allow the winning bidders to procure any additional necessary capacity to serve the SSO load. Therefore, unless otherwise ordered by the Commission, the following information will be subject to public release 21 days after the issuance of this Finding and Order: the names of bidders who won tranches in the CBP auction; the number of tranches won by each bidder; the first round ratio of tranches supplied compared to tranches needed; and, the redacted report filed by CRA detailing the CBP auction proceedings, subject only to redaction of any confidential information enumerated in Paragraph 10.

III. ORDER

{¶ 12} It is, therefore,

{¶ 13} ORDERED, That the information set forth in Paragraph 10 be deemed confidential and remain under seal indefinitely. It is, further,

{¶ 14} ORDERED, That, unless otherwise ordered by the Commission, the information set forth in Paragraph 11 be subject to public release 21 days after the issuance of this Finding and Order. It is, further,

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

COMMISSIONERS:

Approving:

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

JWS/dmh

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Case No(s). 24-0133-EL-UNC

Summary: Finding & Order that the Commission approves the results of the auction conducted on March 19, 2024, for the procurement of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company's standard service offer generation as part of its fifth electric security plan electronically filed by Ms. Donielle M. Hunter on behalf of Public Utilities Commission of Ohio.