

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE PROCUREMENT OF
PERCENTAGE OF INCOME PAYMENT PLAN
PROGRAM GENERATION FOR
CUSTOMERS OF DUKE ENERGY OHIO,
INC.

CASE NO. 25-498-EL-UNC

FINDING AND ORDER

Entered in the Journal on April 30, 2025

I. SUMMARY

{¶ 1} The Commission accepts the results of Duke Energy Ohio, Inc.'s competitive auction to procure generation supply for percentage of income payment plan program customers.

II. DISCUSSION

{¶ 2} Duke Energy Ohio, Inc. (Duke or 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. 4928.54 and 4928.544 require the director of development services to aggregate percentage of income payment plan (PIPP) program customers for the purpose of establishing a competitive procurement process for the supply of competitive retail electric service (CRES) for those customers, which shall be an auction. Additionally, pursuant to the written request by the director of development services, the Commission shall design, manage, and supervise the competitive procurement process.

{¶ 4} By Order issued on March 2, 2016, in Case No. 16-247-EL-UNC, the Commission adopted a competitive request for proposal (RFP) auction process to procure generation supply to serve the PIPP load. The first phase of the competitive RFP auction process consists of an initial RFP auction during which CRES providers submit bids to serve

the PIPP load for less than the standard service offer (SSO). If no CRES provider submits a bid to serve the PIPP load for less than the SSO, then a supplemental RFP auction is conducted where CRES providers may submit bids to serve the PIPP load at any price. Finally, if no CRES provider participates in either RFP auction, the electric utility may implement contingency measures to procure supply for the PIPP load. The Commission found that this process satisfies the requirements in R.C. 4928.542 to ensure reliable electric service to PIPP customers, reduce the cost of the PIPP program relative to the otherwise applicable SSO, and results in the best value for persons paying the universal service rider. *In re the Implementation of Sections 4928.54 and 4928.544 of the Revised Code*, Case No. 16-247-EL-UNC, Finding and Order (Mar. 2, 2016) (RFP Auction Order).

{¶ 5} On April 1, 2024, in Case No. 24-278-EL-SSO, et al. (ESP V Case), Duke filed an application that, if approved, would establish its fifth ESP for a period to commence on June 1, 2025, and continue through May 31, 2028. On November 27, 2024, Duke filed a stipulation and recommendation (Stipulation) purporting to resolve all issues in the proceedings. An evidentiary hearing in this proceeding commenced on January 22, 2025, and concluded on January 23, 2025, and a decision from the Commission is forthcoming.

{¶ 6} On January 31, 2025, in the ESP V Case, Duke filed a motion for interim relief to conduct SSO auctions. In its motion, Duke requested that the Commission authorize the Company to conduct two full requirements SSO auctions consistent with the CBP approved in Duke's current ESP IV and as modified by the stipulating parties in the pending Stipulation. Duke sought to procure supply for the 12-month period commencing June 1, 2025, through May 31, 2026, as the PJM Interconnection LLC (PJM) base residual auction (BRA) has occurred for the 2025/2026 delivery year. Duke proposed the following auction/procurement schedule to meet its commitments: SSO Auction 1 – March 18, 2025; SSO Auction 2 – April 15, 2025; PIPP Auction – April 28, 2025; PIPP Supplemental Auction (if necessary) – May 12, 2025. Duke asserted that each SSO auction would procure 50 percent (or 50 tranches) of SSO load through a 12-month product for the period June 1, 2025, through May 31, 2026. Duke explained that an auction is necessary prior to June 1, 2025, since that

is the beginning of the first delivery period under Duke's proposed fifth ESP, and the relief would provide certainty to suppliers participating in Duke's SSO auctions, as well as capture favorable market conditions potentially present this year. Further, according to Duke, the above auction timeline affords sufficient time to subsequently conduct the PIPP supply requests prior to the end of April 2025. No one contested Duke's request.

{¶ 7} On February 19, 2025, the Commission granted Duke's motion to conduct the auctions. The Commission noted, however, that its approval of Duke's request to conduct SSO auctions should not be construed as pre-approval of the Stipulation.

{¶ 8} Accordingly, Duke, in consultation with Staff and CRA International Inc. d/b/a Charles River Associates, Inc. (CRA), an independent auction manager retained by Duke, accepted bids for its competitive RFP auction on April 28, 2025. At that time, Duke, in consultation with Staff and CRA, accepted bids for its competitive RFP auction. The competitive RFP auction procured supply for 100 percent of the PIPP load for the June 1, 2025, to May 31, 2026 delivery period. On April 30, 2025, CRA and Bates White, LLC (Bates White), a consultant retained by the Commission to monitor the RFP auction, submitted a report regarding the conduct of the auction. This report consisted of confidential versions, filed under seal, and redacted versions of the reports filed by CRA, which are publicly available in this docket. CRA and Bates White each recommend that the Commission find that the competitive RFP auction, within the limits of its structures, had sufficient competitive attributes and resulted in a winning price that is reasonable.

{¶ 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 RFP auction bidding rules in such a manner as to invalidate the auction. Further, the Commission finds that the competitive RFP auction process followed the process adopted by the Commission in the RFP Auction Order and met the requirements of R.C. 4928.542. Accordingly, the Commission will not reject the results of the competitive RFP auction.

{¶ 10} In addition, the Commission notes that the reports filed by CRA and Bates White contain sensitive information which should be deemed confidential and remain under seal. Therefore, the Commission finds that the names of unsuccessful bidders and the price of unsuccessful bids be protected from public release indefinitely. Further, the Commission finds that certain information regarding the competitive RFP auction contained in the report submitted by CRA should be released to the public after a brief period of time to allow the winning bidder to procure any additional necessary capacity to serve the PIPP load. Accordingly, unless otherwise ordered by the Commission, the Commission finds that the redacted report filed by CRA detailing the competitive RFP auction proceeding shall be subject to public release 21 days after the issuance of this Finding and Order.

{¶ 11} Finally, the Commission finds that the winning bidder and winning bid price shall remain confidential until all of the scheduled RFP auctions for the delivery year have been completed. Accordingly, the winning bidder and winning bid price shall be subject to public release after all of the competitive RFP auctions have been conducted for the delivery year beginning on June 1, 2025.

III. ORDER

{¶ 12} It is, therefore,

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

{¶ 14} ORDERED, That, unless otherwise ordered by the Commission, the information set forth in Paragraph 10 be subject to public release after all of the competitive RFP auctions have been conducted for the delivery year beginning on June 1, 2025. It is, further,

{¶ 15} ORDERED, That Duke is authorized to file tariffs, in final form, consistent with this Finding and Order. Duke shall file one copy in this case docket and one copy in its TRF docket. It is, further,

{¶ 16} ORDERED, That the effective date of the new tariffs shall be June 1, 2025, contingent upon final review by the Commission. It is, further,

{¶ 17} ORDERED, That a copy of this Finding and Order be served upon each party of record.

COMMISSIONERS:

Approving:

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

MJS/dr

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Case No(s). 25-0498-EL-UNC

Summary: Finding & Order ordering that the Commission accepts the results of Duke Energy Ohio, Inc.'s competitive auction to procure generation supply for percentage of income payment plan program customers electronically filed by Ms. Donielle M. Hunter on behalf of Public Utilities Commission of Ohio.