

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE PROCUREMENT
OF STANDARD SERVICE OFFER
GENERATION FOR CUSTOMERS OF THE
DAYTON POWER AND LIGHT COMPANY
D/B/A AES OHIO.

CASE NO. 23-923-EL-UNC

ENTRY

Entered in the Journal on September 30, 2026

I. SUMMARY

{¶ 1} The Commission approves the application of The Dayton Power and Light Company d/b/a AES Ohio to continue its competitive bid process to procure standard service offer supply, as set forth in this Entry.

II. DISCUSSION

{¶ 2} The Dayton Power and Light Company d/b/a AES Ohio (AES Ohio or the Company) qualifies as an electric utility as defined by R.C. 4928.01(A)(11) and an electric distribution utility (EDU) as defined by R.C. 4928.01(A)(6).

{¶ 3} R.C. 4928.141 provides that an EDU shall provide 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 services. The SSO functions to make generation supply available to customers that are not receiving this supply from a competitive retail electric services provider. The SSO is sometimes referred to as default supply. Until its amendment, R.C.

4928.141 permitted the SSO to be either a market rate offer (MRO) in accordance with R.C. 4928.142 or an electric security plan (ESP) pursuant to R.C. 4928.143.¹

{¶ 4} On August 9, 2023, the Commission approved a stipulation establishing AES Ohio’s fourth ESP (ESP IV) for the period September 1, 2023, through August 31, 2026. *In re The Dayton Power and Light Co. d/b/a AES Ohio for Approval of Its Electric Security Plan*, Case Nos. 22-900-EL-SSO, et al. (*ESP IV Case*), Opinion and Order (Aug. 9, 2023). As part of the approved ESP IV, AES Ohio sought to continue the use of a competitive bidding process (CBP) to supply the SSO load throughout the three-year term. The Company would conduct two auctions annually, consistent with the process approved by a September 21, 2022 Finding and Order issued in Case No. 17-957-EL-UNC. *ESP IV Case*, Opinion and Order (Aug. 9, 2023); Stipulation (Apr. 10, 2023); Testimony of Robert J. Lee (Sept. 27, 2022); *In re the Procurement of Std. Service Offer Generation for Customers of The Dayton Power and Light Co.*, Case No. 17-957-EL-UNC, Finding and Order (Sept. 21, 2022). Furthermore, the Company would reintroduce contract laddering, or using “a schedule of 1, 2 and 3-year term contracts with two auctions a year and a 3-year ESP” to mitigate price volatility.” *ESP IV Case*, Stipulation (Apr. 10, 2023) at 4, Testimony of Robert J. Lee (Sept. 27, 2022) at 6-7.

{¶ 5} On February 6, 2025, AES Ohio filed an application seeking to clarify the CBP, as authorized in the *ESP IV Case*, to procure SSO supply. Specifically, AES Ohio sought confirmation that the Company could maintain the benefits of staggered and laddered auction products throughout the term of ESP IV by procuring supply contracts that extended beyond the three-year ESP term. No memoranda contra or other responsive documents were filed and, under our continuing jurisdiction, the Commission approved the application. In so doing, the Commission authorized AES Ohio to conduct auctions in the spring and fall of 2025 and spring of 2026, which auctions would procure 100 percent of the

¹ On May 15, 2025, Governor DeWine signed Substitute House Bill Number 15 (HB 15) , which substantially amended R.C. 4928.141 and repealed R.C. 4928.143. Those changes were effective on August 14, 2025.

Company's SSO supply through the 2026/2027 delivery year, ending May 31, 2027.² Entry (Mar. 19, 2025).

{¶ 6} AES Ohio subsequently conducted SSO auctions using the CBP approved under ESP IV on April 29, 2025, September 30, 2025, and March 31, 2026. The Commission accepted the results of all three auctions Entry (Apr. 30, 2025), Entry (Oct. 1, 2025), and Entry (Apr. 1, 2026).

{¶ 7} On August 11, 2026, AES Ohio filed an application for authority to continue its CPB to procure SSO supply until it transitions to an MRO under R.C. 4928.141. The Company explains that, when approved, ESP IV was intended to end in August 2026. *ESP IV Case*, Opinion and Order (Aug. 9, 2023). However, the HB 15 amendments to R.C. 4928.141 also included a provision extending approved ESPs through the final SSO auction delivery period approved by the Commission under the plan as of August 14, 2025. R.C. 4928.141(A)(2). Therefore, under the Commission's March 19, 2025 Entry and R.C. 4928.141, ESP IV was extended up to May 31, 2027, when 100 percent of the Company's SSO supply would be procured.

{¶ 8} Through the application, AES Ohio seeks to maintain the benefits of laddered and staggered auction products throughout ESP IV and moving forward. Thus, the Company requests authority to hold an auction in October, at which time AES Ohio would procure 15 tranches of a 12-month product and 16 tranches of a 24-month product with power flow commencing on June 1, 2027. AES Ohio explains that the Company files a Standard Offer Rate, through which revenue is collected from customers to pay the suppliers who win the SSO auctions by agreeing to provide generation service to AES Ohio's SSO customers at the lowest, competitively bid price. The Company submits that, by holding multiple auctions per year and offering varied-length products, as proposed in the

² These auctions also procured 37 percent of the SSO supply through the 2027/2028 delivery year, ending May 31, 2028.

application, AES Ohio's customers will continue to benefit from a blended Standard Offer Rate. The Company states that, if the application is not granted, AES Ohio will need to procure 63 percent of its SSO supply for the 2027/2028 delivery year next spring under its anticipated MRO; AES Ohio requests that the Commission act to mitigate the related risk to customers by granting the application and authorizing the Company to hold an auction this fall to procure SSO supply for the 2027/2028 delivery year.

{¶ 9} Under our continuing jurisdiction, the Commission may review and modify any feature of the SSO auction process in order to reduce price volatility and ensure consistency. *ESP IV Case*, Opinion and Order (Aug. 9, 2023) at ¶ 248. *See also In re the Proposed Modifications to the Electric Distribution Utilities' Standard Service Offer Procurement Auctions*, Case No. 23-781-EL-UNC, Finding and Order (Dec. 13, 2023) at ¶ 35. At this time, the Commission finds that AES Ohio's application is made in the interest of the Company's customers and proposes the continuing use of laddering to reduce the price effects of a single auction to procure an outsized percentage of SSO supply for a single delivery year. Further, the proposed schedule does not contravene any term or condition of ESP IV or of the General Assembly's intent in enacting changes to R.C. Chapter 4928 through the passage of HB 15. As such, the Commission approves the application and authorizes the Company to hold an auction this fall to procure 15 tranches of a 12-month product and 16 tranches of a 24-month product with power flow commencing on June 1, 2027.

III. ORDER

{¶ 10} It is, therefore,

{¶ 11} ORDERED, That the Commission approves AES Ohio's application to continue its CBP, as stated in this Entry. It is, further,

{¶ 12} ORDERED, That nothing in this Entry should be construed to extend the term of ESP IV beyond May 31, 2027. It is, further,

{¶ 13} ORDERED, That a copy of this Entry be served upon all parties of record.

COMMISSIONERS:

Approving:

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

PAS/mef

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Case No(s). 23-0923-EL-UNC

Summary: Entry in which The Commission approves the application of The Dayton Power and Light Company d/b/a AES Ohio to continue its competitive bid process to procure standard service offer supply, as set forth in this Entry. electronically filed by Jessica Grant on behalf of Public Utilities Commission of Ohio.