THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF OHIO POWER COMPANY FOR NEW TARIFFS RELATED TO THE STANDARD SERVICE OFFER FOR DATA CENTER LOAD.	**CASE NO. 26-113-EL-ATA**

FINDING AND ORDER

Entered in the Journal on August 5, 2026

I. SUMMARY

{¶ 1} The Commission grants Ohio Power Company's request for interim relief regarding the standard service offer process for data center customers, as discussed in this Finding and Order.

II. PROCEDURAL HISTORY

{¶ 2} Ohio Power Company (AEP Ohio or the Company) is a "public utility," as that term is defined in R.C. 4905.02, and, as such, is subject to the jurisdiction of this Commission.

{¶ 3} On February 6, 2026, AEP Ohio filed an application to formulate a tariff solution for Standard Service Offer (SSO) customers through an enhanced competitive bidding process to limit the costs associated with procuring more capacity to data centers customers (Application). Specifically, the Company explains that the White House, alongside the Department of Energy and the Department of the Interior, and all 13 governors in the PJM Interconnection LLC (PJM) territory, issued a Statement of Principles, which urged PJM to procure more capacity and to pass such costs to data centers. In response, PJM released a decisional letter directing its personnel to develop specific reforms to procure more capacity, accelerate the interconnection of new large loads, and assign the costs of the new capacity to the load serving entities hosting the new large loads. The Statement of Principles and PJM's letter propose a Reliability Backstop Auction (RBA) to procure the additional capacity resources needed to serve the large load growth in PJM. In conjunction with these developments, the Company indicates that it is now appropriate to address generation costs and renews its proposal to adopt specific data center SSO provisions, which were withdrawn from its Data Center Tariff case (Case No. 24-508-EL-ATA).

{¶ 4} The Company requested to convene a technical conference and provided seven principles to guide a cooperative process in finalizing a proposed tariff. Moreover, AEP Ohio requested that provision five through seven be implemented on an interim basis (Interim Principles)[emphasis added].

1. Data center customers should pay for the generation costs they are causing during any period they rely on the SSO.

2. Non-data center SSO customers should not pay for the generation costs driven by data center customers.

3. Competitive retail energy supply (CRES) providers should be the load serving entity (LSE) that is assigned RBA costs for any period of time they are supplying competitive generation service to the underlying data center load. To the extent AEP Ohio is required to provide SSO generation supply to data centers and is considered the LSE during that period, the steps below are to be followed.

4. The multi-year RBA price would follow the data center megawatts (MWs) being served – from CRES provider to CRES provider or to the SSO (i.e., data centers that do not provide their own generation and, instead, elect to rely on RBA generation resources should pay the resulting RBA price assigned to the LSE for the full term of the generation commitment, regardless of whether they shop and with whom they shop, including any period of relying on the SSO).

5. *If the RBA price does not follow the data center customer MWs when they return to the SSO, a separate procurement or auction product should be procured for data center load being served by the SSO (i.e., so that the data centers can pay the full price of their procurement without impacting the regular SSO price).*

6. *Data center customers should provide 180 days advance notice to AEP Ohio prior to returning to the SSO, in order to implement solutions being provided in a timely manner.*

7. *If the data center does not provide sufficient advance notice before returning to the SSO, spot market purchases will be made during any period that a separate SSO auction/product can be conducted to serve data center load.*

{¶ 5} On February 20, 2026, the administrative law judge (ALJ) initially scheduled this matter for technical conference, which was rescheduled to occur on March 25, 2026 due to scheduling conflicts.

{¶ 6} A technical conference was held at the Commission's offices on March 25, 2026. Subsequently, the ALJ issued an Entry directing parties to file comments and reply comments by April 21, 2026 and April 28, 2026, respectively.

{¶ 7} On April 21, 2026, Staff, Constellation New Energy Generation, LLC and Constellation NewEnergy, Inc. (collectively, Constellation), jointly, the Ohio Environmental Council (OEC) and Environmental Law & Policy Center (ELPC), the Ohio Consumers' Counsel (OCC), The Dayton Power and Light Company d/b/a AES Ohio (AES Ohio), Ohio Energy Group (OEG), Google LLC (Google), the Ohio Manufacturers' Association Energy Group (OMAEG), Amazon Data Services, Inc. (ADS), The Retail Energy Supply Association (RESA), and Interstate Gas Supply, LLC (IGS) filed initial comments.

{¶ 8} On April 28, 2026, Google, RESA, OMAEG, OCC, OEG, Constellation, IGS, OEC and ELPC (jointly), AEP Ohio, and ADS filed reply comments.

III. Discussion

{¶ 9} As part of its request to implement principles five through seven (Interim Request), AEP Ohio explains that data center customers would be required to provide at least 180 days' advance notice prior to returning to the SSO. The Company believes this would provide a sufficient time to discern the appropriate and durable methodology to serve the data center's load on a forward-looking basis (whether that be via a dedicated SSO auction or another Commission-approved means). As the second part of its proposal, AEP Ohio submits that if a data center must be served under the SSO and fails to provide the required notice—for any other reason—and AEP Ohio is compelled to serve the data center in its role as supplier of last resort, the Company will procure the necessary energy through PJM spot market purchases. AEP Ohio explains that the full cost of those market purchases would be assigned solely to the data center at issue and not socialized across other SSO customers. The Company insists that this measure is essential in ensuring that future SSO auction prices are not artificially inflated for residential and nonresidential SSO customers by the risk associated with very large data center loads unexpectedly returning to the SSO. (AEP Reply Comm. at 1-2.)

{¶ 10} AEP Ohio emphasizes that any issues beyond the narrow request for Interim Relief are still developing and should be addressed in a later phase of this proceeding. Accordingly, the Company states that the Federal Energy Regulatory Commission (FERC) RBA process is rapidly evolving and many proposals remain under consideration, as it is not clear which proposal shall be adopted or how it will be implemented on a federal level. AEP Ohio asks the Commission to limit its present action to granting the Interim Request, which addresses an immediate and concrete risk to SSO customers. Moreover, the questions regarding RBA capacity cost allocation and long-term implementation should be deferred to a subsequent phase, once there is sufficient regulatory clarity to allow for informed and durable Commission action. (AEP Reply Comm. at 10-11)

A. Party Comments

1. Supporting Parties

{¶ 11} Generally, Staff, OCC, ELPC and OEC (jointly), and OEG are favorable to AEP Ohio's Interim Request on a temporary basis. Staff endorses AEP Ohio's request but clarifies that it would only support a separate procurement for a data center customer with sufficient assurance that it would take service under AEP Ohio's existing Data Center Tariff (DCT). In support, Staff explains that conducting a separate procurement for a data center would require the Company to engage with an independent auction administrator and the Commission would also retain a consultant to evaluate the results of such an auction, similar to the existing SSO auction procurement process. Accordingly, Staff asserts that the costs to facilitate this separate process should only be incurred if it is already established that the customer or set of customers shall be entirely borne by them. Further, Staff emphasizes its support for using the spot market purchases should the customer not give sufficient notice. Relatedly, Staff, OCC, OEC, and ELPC all agree that the proposed 180-day notice requirement is reasonable and consistent with competitive procurement timelines in Ohio. However, Staff opposes AEP Ohio from engaging in any hedging or other risk management styles on behalf of the returning load. OCC also supports the Company's Interim Relief request but emphasizes that the Commission must make it clear that residential consumers would not pay for the costs associated with the Interim Principles meant for data center customers. Relatedly, OEC and ELPC support the Interim Principles and highlight that this relief would fill the gap of uncertainty as a result of the RBA. Furthermore, OEC and ELPC note that during the technical conference, parties raised concerns that a default to spot price could expose data centers in CRES transition or insolvency scenarios due to undue risk. While OEC and ELPC do not dispute the existence of such concerns, the parties believe that this issue should not delay the adoption of the Interim Principles and can be addressed during Phase 2 or a permanent tariff process. (Staff Initial Comm. at 4-5; OCC Initial Comm. at 6; OCC Reply Comm. at 3; Joint Initial Comm. at 2-4.)

{¶ 12} While supportive of the Interim Request, OEG adds that the proposed spot market alternative mechanism is preferred compared to conducting a separate SSO auction for data centers, which would be costly and would introduce unnecessary risks and complications (i.e. suppliers would not bid on the data center SSO load or data centers entering the SSO would then exit it quickly). OEG thus asserts that paired with the proposed notice requirement, AEP Ohio's spot market mechanism for data center customers is a reasonable separate default service procurement process and that it should be considered as a permanent solution. Relatedly, AEP Ohio acknowledges that OEG's proposal to adopt spot market pricing as a permanent fixture to address the issues should be considered as part of the later phase in this proceeding. (OEG Initial Comm. at 2,4; AEP Ohio Reply at 2-3).

{¶ 13} As a peer utility, AES Ohio concurs with AEP Ohio's position that the Commission should protect customers from the impact of data center load on default generation service within the state's regulatory framework while market reform debates are occurring on the PJM and federal level. Moreover, the utility encourages the Commission to not adopt a one-size-fits all approach to address the issues raised in this proceeding. Relatedly, OEC and ELPC highlight that there is an agreement, among commenting parties with otherwise divergent interests, that data center load management is a statewide issue, and not an AEP Ohio-specific concern. (AES Ohio Initial Comm. at 2; Joint Reply Comm. at 2-3.)

{¶ 14} Furthermore, while Google and ADS do not sweepingly endorse AEP Ohio's Interim Request, these parties generally support an interim solution until the RBA is finalized. Google states that the implementation of an interim solution must be flexible to accommodate forthcoming PJM and federal decisions, be structured to facilitate a consistent statewide approach, and be temporary in nature. ADS explains that it seeks clarification on a few aspects of AEP Ohio's Interim Request. Next, ADS requests that the 180-day notice period would not preclude data center clients from returning or obtaining SSO with a monthly billing cycle. ADS also agrees that a spot market pricing for large load customers would be the ideal mechanism for the issue at hand compared to a separate SSO auction. ADS submits that pricing any interim SSO service at the Locational Marginal Principle in the Day-Ahead Market in PJM is the appropriate market-based mechanism during any period during which a large load customer receives SSO service through spot market procurement. (Google Initial Comm. at 4; ADS Initial Comm. at 3-5; ADS Reply Comm. at 1-2.)

{¶ 15} In response, AEP Ohio argues that ADS' proposal to use day-ahead market pricing is unworkable within the current proposal. The Company explains that in order to procure day-ahead energy for a data center load, it would need to predict how much energy the data center is expected to consume on a daily basis. Under the circumstances contemplated for the Interim Request, AEP Ohio insists that it would not have the information necessary to make the forecasts necessary for ADS' proposal. Moreover, AEP Ohio states that ADS' proposal fails to address how the difference between day-ahead quantities and the actual real-time energy consumed by the data center customers would be priced and allocated. The Company states that it cannot absorb such differences and nor can they be socialized to other SSO customers. In contrast, AEP Ohio highlights that reliance on the PJM real-time energy market is straightforward, transparent, and administratively workable as it reflects the actual spot price of energy and aligns costs with actual consumption. The extent ADS has concerns with real-time pricing being too volatile or resulting in higher prices, AEP Ohio explains that this would be inherent to the Interim Relief. AEP Ohio states that exposure to real-time market prices reflects the consequences of returning to the SSO without notice and discourages data centers from 'gaming the system' by relying on the SSO backstop. (AEP Reply Comm. at 6-7.)

{¶ 16} Additionally, unlike the other supportive parties, ADS requests that AEP Ohio's Interim Relief should not be limited to data center customers but to all AEP Ohio customers that take SSO service with a monthly maximum demand of greater than 25,000 kW. Similarly, Google states that the Interim Request's application only to "large load data centers" is inconsistent with the definition of "large load additions" used in the January 2026

PJM Board letter. Google thus requests that the Commission adopt the PJM Board's proposed threshold of "individual additions of load at or above 50 MW at a single Point of Interconnection," for the Interim Request, with loads below that threshold considered on a case-by-case basis. (ADS Initial Comm. at 4-6; Google Initial Comm. at 4).

{¶ 17} In reply, AEP Ohio insists that its proposed Interim Request be applied to any customer subject to AEP Ohio's Schedule DCT. In support, the Company notes that in both Case Nos. 24-508-EL-ATA and 25-392-EL-AIR, the Commission defined which customers present the unique characteristics and system impacts that warrant special treatment. AEP Ohio thus believes there is no reason to relitigate threshold applicability in this proceeding, and that applying the Interim Relief to the customers subject to the DCT would be administratively simple and consistent with Commission precedent. (AEP Reply Comm. at 5-6.)

2. Opposing Parties

{¶ 18} Some opposing parties express concerns that the Commission lacks the information to make a determination regarding AEP Ohio's Interim Request. Constellation asserts that the Interim Principles are too abstract without further information (such as information on the costs associated with the Interim Request and allowance for party discovery) and cautions the Commission to not rush its consideration of the issues. RESA requests that the Commission clarify whether it intends to consider interim changes to the SSO procurement process or will it defer changes until the conclusion of the PJM/federal review process. As such, both RESA and IGS insist that, if the Commission seeks to make changes to the SSO competitive bid process, there ought to be a full evidentiary record for the Commission's consideration. (Constellation Initial Comm. at 12-13; Constellation Reply Br. at 4; RESA Initial Comm. at 7; IGS Initial Comm. at 3).

{¶ 19} Regarding the substance of AEP Ohio's request, OMAEG and Constellation assert that the proposal would be in violation of Ohio law and inconsistent with the principle on competitive retail electric service. OMAEG asserts that pursuant to the Interim Principles, AEP Ohio would be impermissibly providing generation services in violation of R.C. 4928.03 and 2928.17. Constellation submits that the Commission can avoid this issue by implementing separate auctions held simultaneously with the standard SSO auctions to allow suppliers to procure their supply in the form of a pass-through product with an additional fee for data center customers. RESA also raised a concern that the SSO supply is under Master Supply agreements for years to come and that any interim changes to the SSO supply must be undertaken in a manner consistent with the already executed agreements. (OMAEG Initial Comm. at 9-10; OMAEG Reply Comm. at 2-3; Constellation Initial Comm. at 5-7; Constellation Reply Comm. at 6; RESA Initial Comm. at 13-16).

{¶ 20} OMAEG, RESA, IGS and Constellation are also uncomfortable with the prospect of a minimum stay prior to data centers returning to competitive service. These parties opine that the stay associated with the notice requirement would be anti-competitive, and that mercantile customers have the right to return to the SSO default option. RESA explains that rejecting a minimum stay would ensure that customers can respond to changing market conditions and continue to benefit from a diverse supplier community. Additionally, OMAEG and IGS disagree with the proposed 180-day notice period and argue that it is excessive and would hinder the market's competitiveness. OMAEG notes that it is not opposed to requiring notice, but 180 days is an excessive proposal. IGS asserts that this provision would impede customers' ability to see competitive rates by shopping for competitive retail electric service through a CRES provider. (IGS Reply Comm. at 6; OMAEG Initial Comm. at 10-11; RESA Reply Comm. at 8-9; Constellation Initial Comm. at 8.)

{¶ 21} Furthermore, IGS notes that while there are other previous justifications for allowing minimum stay provisions, this is a case in which the competitive market should provide a solution to the risk of data center migration to the SSO without a minimum stay. Accordingly, IGS proposes using a Supplier of Last Resort program (SOLR), under which customers could shop amongst the participating CRES providers and if none are selected, a round robin process would be used to assign a SOLR's standard monthly rate product to that customer. IGS indicates that this would eliminate the need for any proposed separate auction to choose suppliers, 180-day notice, and a minimum stay on shopping. (IGS Initial Comm. at 5-6; IGS Reply Comm. at 2.)

{¶ 22} In response to opposing parties, AEP Ohio first asserts that OMAEG (or any other party) did not offer a substantive explanation as to why the proposal to use interim spot market procurement would be unlawful. The Company states that under its proposed Interim Relief, it would not own or operate generation, nor would it involve AEP Ohio supplying generation from its own resources. Rather, AEP Ohio states that it would procure energy from the same competitive wholesale markets that are used throughout PJM and are routinely relied upon for short-term and balancing needs. As such, the Company points out that it already makes spot market purchases when CRES providers default and customers are involuntarily returned to the SSO. AEP Ohio insists that this practice is a well-accepted part of its role as a SOLR and does not violate Ohio law or Commission policy. Further, the Company emphasizes that it is not attempting to circumvent the SSO auction framework or normalize spot market service for data center customers. Additionally, AEP Ohio asserts that its position has been consistent such that it does not want data center load to return to the SSO, especially without the proposed 180-day notice. AEP Ohio thus insists that its Interim Relief is a prudent and narrowly tailored response to unique market risk. (AEP Reply Comm. at 8-9.)

B. Conclusion

{¶ 23} Upon review of AEP Ohio's Interim Principles and submitted comments, the Commission finds the Company's request on a temporary basis to be reasonable. At the outset of this proceeding, parties raised concerns over FERC's RBA process and federal actions. As of July 14, 2026, PJM announced its results of its 2028/2029 Base Residual Auction. However, PJM is still faced with an underlying supply-demand imbalance, and it plans to submit filings with FERC on its "Reliability Backstop and Connect and Manage proposals" ("PJM Capacity Auction Procures 138,318 MW of Generation Resources as Work Continues To Address Growing Electricity Demand" PJM Inside Lines (July 14, 2026) https://insidelines.pjm.com/pjm-capacity-auction-procures-138318-mw-of-generation-resources-as-work-continues-to-address-growing-electricity-demand). To be included in its FERC filing, PJM disclosed on July 27, 2026 that it will 1) develop and maintain a registry of large loads to improve the accuracy and transparency of load forecasts and to administer the Reliability Backstop Procurement and "Interim Resource Adequacy Service"; 2) conduct a Reliability Backstop procurement beginning in September 2026 with an initial goal equal to the shortfall identified in the 2028/2029 Base Residual Auction; 3) require electric distributors to implement an Interim Resource Adequacy Service for new large loads that, as of June 2027, do not bring sufficient capacity to serve their resource adequacy needs and cannot be served at the 1-in-10 reliability standard[1]; and 4) require electric distributors to implement a FERC-approved compensation rate for large load customers that are directed to reduce their consumption from the transmission system (PJM Board Decision Letter on Critical Issue Fast Path – Reliability Backstop Procurement and Connect and Manage (issued on July 27, 2026)). Thus, while there has been progression on some of the issues the Company discussed in its Application, we recognize that the issues raised in the governors' Statement of Principles, are still being considered by FERC and applicable stakeholders. Moreover, we find the need for a temporary solution critical to address the possibility of data center customers disrupting the default SSO and determine that AEP Ohio's temporary proposal is reasonable.

{¶ 24} The Commission disagrees with opposing parties that AEP Ohio's Interim Request is not fully articulated such that a fuller record or proposed tariff language is

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[1] We interpret this standard as maintaining sufficient generation and demand response resources such that system peak load is likely to exceed available supply only once in any given ten-year period.

required for the Commission to make an informed decision.[2] We find that the Company clearly proposes to hold a separate procurement process for data center customers that return to the SSO. Furthermore, these customers will be subject to a 180-day advance notice requirement prior to their return to the SSO, which will give AEP Ohio time to implement the procurement process on the customer's behalf. Additionally, the data center customers seeking to return to the SSO would pay the full cost of the procurement conducted by AEP Ohio on their behalf. Moreover, AEP Ohio would conduct the spot market purchases as a temporary measure to serve the data center customer until an auction/procurement could be conducted. The Commission determines that this framework is sufficiently narrow to address parties' concerns about data center customers returning to the SSO and disrupting other customers on the default SSO. Furthermore, consistent with our determinations in both Case Nos. 24-508-EL-ATA and 25-392-EL-AIR, et al., we reject ADS and Google's request to expand the applicability of the Interim Principles to customers that are not subject to AEP Ohio's DCT. Limiting the Interim Relief to customers subject to the DCT is consistent with the existing regulatory framework in the state of Ohio and continues to be narrowly tailored for customers that present unique load characteristics and system impacts that distinguish them from other large load customers.

{¶ 25} Also, the Commission is not persuaded by arguments that AEP Ohio's proposal is unlawful, as it does not involve the Company owning or operating generation and does not involve the procurement for customers from its own resources. Rather, we understand and approve AEP Ohio's request to procure the required energy from the PJM wholesale market for a customer subject to the DCT pursuant to the rare circumstances that a data center customer would return to the SSO. We also emphasize that this same process occurs for short-term and balancing situations, albeit rare events. Furthermore, we recognize parties' concerns that the Interim Request could hinder the competitive market

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2 The Commission also recognizes that OMAEG raised concerns over AEP Ohio's forecasting methodologies. However, these concerns are unrelated to the narrow focus of the Company's request to implement its Interim Principles.

with its 180-day notice period and the inherent implementation of a minimum stay involved with that timeframe. However, at this time, we find that the Interim Principles, as outlined by AEP Ohio, are sufficiently tailored for the unique circumstances occurring on the federal and state level regarding data center customers' load. Thus, the Interim Principles provide an administratively efficient, albeit temporary, solution until a federal solution is reached. In fact, we do not refute parties' observations that data center customers' service may be temporarily "stayed" due to the 180-day notice but, the alternative of data center customers entering and exiting the default SSO and unfairly shifting costs to other SSO customers is a far less desirable outcome. Additionally, we highlight that Staff endorses AEP Ohio's proposal and affirms the need for a notice period to ensure that the separate procurement process shall only be conducted if it is established that the customer or set of customers will need it and solely bear the associated costs. As such, the Commission agrees with AEP Ohio that the implementation of the Interim Relief is not meant to encourage data center customers to return to the SSO, especially without the proposed 180-day notice. Moreover, the Commission notes that the adoption of this Interim Request should not be interpreted as an indicator of the Commission's long-term position on fair cost allocation for DCT customers. However, given the extraordinary circumstances contemplated in this Finding and Order, AEP Ohio's Interim Principles offer a reasonable, temporary solution to the issues raised. Lastly, regarding the request for a statewide proceeding to address data center customers' default service, we find that this is not the proper time in this proceeding to contemplate such efforts.

{¶ 26} The Commission thus grants AEP Ohio's request to implement its Interim Request consistent with our discussion herein. AEP Ohio is directed to modify its DCT tariff pages to reflect the Interim Request's process as contemplated in this Finding and Order. The Company shall serve notice on all DCT customers of the temporary modification to the tariff. As such, these provisions shall apply until otherwise ordered by the Commission. Furthermore, a procedural Entry shall be issued regarding the next phase in this proceeding.

IV. ORDER

{¶ 27} It is, therefore,

{¶ 28} ORDERED, That AEP Ohio's request to implement its Interim Request be granted consistent with this Finding and Order. It is, further,

{¶ 29} ORDERED, That AEP Ohio is authorized to file in final form two complete copies of tariffs consistent with this Finding and Order. One copy shall be filed with this case docket, and one copy shall be filed in the Company's TRF docket. The Company shall also update its tariffs previously filed with the Commission's Docketing Division. It is, further,

{¶ 30} ORDERED, That AEP Ohio shall notify all affected customers of the tariffs via bill message or bill insert within 30 days of the effective date of the modified tariffs. A copy of this customer notice shall be submitted to the Commission's Service Monitoring and Enforcement Department, Reliability and Service Analysis Division, at least ten days prior to its distribution to customers. It is, further,

{¶ 31} ORDERED, That the effective date of the revised tariffs shall be a date not earlier than the date of this Finding and Order and the date upon which two complete copies of the final tariffs are filed with the Commission. It is, further,

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

COMMISSIONERS:
Approving:
Jenifer French, Chair
Lawrence K. Friedeman
Dennis P. Deters

IMM/dr