

Auction Compliance Disclosures

The following information is being posted voluntarily by Southern Companies in conjunction with the Energy Auction and in an effort to keep participants informed about the implementation and operation of the Energy Auction. Participants should continue to direct requests for more information, as well as questions, comments or complaints, to the Auction Administrator or the Independent Auction Monitor utilizing the links provided on the previous page.

- On February 27, 2023, Southern was notified by the Independent Auction Monitor of three potential failed Hour-Ahead Auction offer submissions for 2/24/2023 HE5, 2/25/2023 HE9, and 2/26/2023 HE12. Upon investigation, it was determined that the failed offers were the result of a software solution that was put in place to remediate the zero MW offer curve problem discussed in the corresponding disclosure provided on 4/14/2023. The root cause of the issue has been identified, and a solution has been put in place. This issue did not affect the outcome of any of the auctions. 4/19/2023
- On December 29, 2022, the Independent Auction Monitor notified Southern of several days of Hour-Ahead Auctions with no offers. The hours with no offers were 12/23/2022 HE23 – 12/26/2022 HE21. In reviewing matters with the monitor, Southern explained how the auctions occurred during Winter Storm Elliott, which put significant strain on electric systems throughout the Southeast. Prior to the first auction without offers, Southern encountered software issues that would not allow a zero MW offer curve to be published, which in Southern's judgment reflected the proper amount of capacity available for the auctions (i.e., zero). To prevent subsequent erroneous offer curves from being developed, Southern elected to not make submissions pursuant to Section 6.0 of the Rules on Southern Companies' Energy Auction Participation ("Participation Rules"). Once system conditions stabilized, Southern resumed the submission of hourly offers. In the judgment of the monitor, Southern should have had systems in place so that the cessation of submissions had not been deemed warranted. It has been determined that five auctions were affected, and that a total of 1,150 MWh would have cleared had Southern submitted offers. Whether those clearances would have then been curtailed in accordance with Section 5.2 of the Participation Rules is indeterminable. 4/19/2023
- On March 14, 2023, Southern was notified by the Independent Auction Monitor that for the Day-Ahead Auctions for 9/23/2022 – 9/28/2022, the capacity of an 80 MW unit was excluded from the auctions. Southern has researched the issue and has determined that the calculation of available capacity for those auctions inadvertently reflected a scheduled outage for the unit that had been canceled. This issue did not affect the outcome of any of the auctions. 4/12/2023
- On February 20, 2023, the Independent Auction Monitor notified Southern of a potential discrepancy in the calculation of Load Forecast Uncertainty for the Day-Ahead Auction for February 16, 2023. Southern has confirmed the issue, and while it caused offers to exceed the cost cap, the issue did not affect the outcome of the Day-Ahead Auction. The root cause has been identified and addressed. 3/24/2023

- On February 23, 2023, Southern was notified by the Independent Auction Monitor an hourly trader entered into a one-hour energy sale outside the Hourly Energy Auction within the Southern Balancing Area during a January 22, 2023 bid period. The sale was for HE 11. The Available Capacity offered in the corresponding Hour Ahead Energy Auction was not reduced for this transaction and the outcome of the auction was not affected. 3/20/2023
- On January 31, 2023, Southern was notified by the Independent Auction Monitor of a potential discrepancy in the computation of available capacity in the Day-Ahead Auction for 12/29/2022. Upon investigation, it was determined that 290 MW of available capacity were inadvertently excluded from Southern's offers. This issue resulted in the offers exceeding the cost cap; however, this issue did not affect the outcome of the auction. The root cause has been identified and addressed. 2/23/23