

September 28, 2026

Chair Laura V. Swett
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C, 20426

Dear Chair Swett:

We write regarding BlackRock's subsidiary Global Infrastructure Partners' (GIP) application before the Federal Energy Regulatory Commission (FERC) to acquire AES Corporation (AES), a publicly traded energy company that owns two regulated utility companies in Ohio and Indiana (AES Ohio and AES Indiana).¹ This application, submitted by GIP alongside a consortium of co-investors,² comes as private funds and private equity firms increasingly buy up public utility companies. The private equity industry's involvement in the public utility market has significant implications for consumers' energy costs at a time when Americans are facing record high utility bills.³

Federal law generally authorizes FERC to approve mergers, acquisitions, and sales of public utilities only if FERC finds that the proposed transaction is "consistent with the public interest" and will not result in the "cross-subsidization" of an associated non-utility company.⁴ GIP's application fails to establish how this merger is consistent with the public interest and leaves open the possibility that the merger could be used to cross-subsidize other non-utility lines of BlackRock's businesses, all while unfairly passing on transaction costs to their consumers. Based on our review of the application filed by BlackRock's GIP and its co-applicants, we urge FERC to deny the merger.

I. A FERC-approved transaction must be "consistent with the public interest."

Under the *Federal Power Act*, FERC is responsible for approving sales, leases, dispositions, mergers, consolidations, purchases, and acquisitions of public utilities. The statute makes clear that FERC, after receiving an application for a proposed transaction, "shall approve [a] proposed disposition, consolidation, acquisition or change in control" of a public utility "if it finds that the proposed transaction will be consistent with the public interest."⁵ To assess if a merger is consistent with the public interest, the Commission requires applicants to "...include a general

¹ U.S. Securities and Exchange Commission, "Form 10-Q, for the Quarterly Period Ended March 31, 2026, the AES Corporation," p. 1, https://s202.q4cdn.com/986265382/files/doc_financials/2026/q1/Q1-2026-Form-10-Q-Q1-2026-10-Q-Filed-Milestone-May-5-0407-pm.pdf.

² Global Infrastructure Partners, "Consortium Led by Global Infrastructure Partners and EQT Agrees to Acquire AES," March 2, 2026, <https://www.global-infra.com/news/consortium-led-by-global-infrastructure-partners-and-eqt-agrees-to-acquire-aes/>.

³ PitchBook, "PE buys up utilities to power AI boom," Jessica Hamlin, March 9, 2026, <https://pitchbook.com/news/articles/pe-buys-up-utilities-to-power-ai-boom>.

⁴ 16 USC 824b.

⁵ *Id.*

explanation of the effect of the transaction on competition, rates and regulation of the applicant by the Commission and state commissions with jurisdiction over any party to the transaction.”⁶

- a. GIP’s acquisition of AES may increase rates for consumers, contrary to the public interest.

We are concerned that GIP’s acquisition of AES will increase rates for consumers. GIP is a private equity firm owned by BlackRock, a global asset manager. Private equity’s business model is well-documented: firms purchase a company or companies, often through leveraged buy outs, and take steps to cut costs while boosting value to shareholders – the consequences of which consistently fall on consumers.⁷ GIP’s application to purchase AES claims this merger “will have no adverse effect on rates” and “the transaction will substitute a group of shareholders with alternative investors but will have no effect on the utility operations of the AES Utilities.”⁸ This declaration fails to consider how the new ownership structure would likely affect AES’s incentives. In reality, however, GIP could increase rates to meet its standard rate of return for shareholders.

GIP’s private equity funds typically target an internal rate of return (IRR) of 15-20 percent across a five year period, and at times have achieved an IRR upwards of 20 percent.⁹ However, a study of U.S. publicly traded utilities showed that over the last century, utility companies have delivered an average and median return of 10.4 percent.¹⁰ In other words, the evidence already suggests a potential mismatch between the rate of return traditionally expected by GIP and the returns generated by AES Corp – raising concerns over whether GIP will resort to private equity’s tried and true tactics, such as rate hikes, in order to bridge the shortfall.

A potential spike in rate hikes is particularly concerning in this case because AES Ohio and AES Indiana have repeatedly asked for rate hikes in recent years. In June, the Indiana Utility Regulatory Commission (IURC) “approved a \$71 million electricity rate increase for AES Indiana customers.”¹¹ This came after an approved rate hike in 2024.¹² Notably, as of September 2026, the Indiana Utility Regulatory Commission voted to reconsider the rate increase previously

6 CFR 33.2(g)

7 University of Chicago, “The Dark Side of Private Equity,” <https://businesslawreview.uchicago.edu/online-archive/dark-side-private-equity>.

8 Federal Energy Regulatory Commission, “Joint Application for Authorization Under Section 203 of the Federal Power Act of Horizon Merger Sub, Inc., et al. under EC26-99,” May 26, 2026, p. 38, https://elibrary.ferc.gov/eLibrary/docinfo?accession_number=20260521-5196&sid=fb335125-ade0-4035-9a0c-e0b2b0f0c479.

9 ION Analytics, “GIP planning sixth flagship global infra fund,” Christina Pantelly, Brendan Malkin, Tanu Pandey and Jessica Wong, May 22, 2026, <https://ionanalytics.com/insights/infra-logic/gip-planning-sixth-flagship-global-infra-fund/>; Infrastructure Investor, “GIP amasses up to \$15bn for Fund V as it eyes year-end close - exclusive,” Zak Bentley, May 26, 2023, <https://www.infrastructureinvestor.com/gip-amasses-up-to-15bn-for-fund-v-as-it-eyes-year-end-close-exclusive/>.

10 Resolution Capital, “One Hundred Years of U.S. Utilities Returns,” <https://rescap.com/one-hundred-years-of-us-utilities-returns/>.

11 Indiana Capital Chronicle, “State regulators approve \$71M increase for AES, less than utility originally sought,” Niki Kelly and Leslie Bonilla Muñiz, June 17, 2026, <https://indianacapitalchronicle.com/2026/06/17/state-regulators-approve-70m-increase-for-aes-less-than-utility-originally-sought/>.

approved in June,¹³ and by the IURC's own estimate, in the last ten years AES Indiana's residential customers have seen approximately a 47 percent increase in their utility bills.¹⁴ AES Ohio similarly was approved to increase rates in 2020 and 2024, and is now pursuing a multi-year rate plan that, if approved, would increase utility bills for customers by over \$6 a month in 2027.¹⁵ Ohioans are already paying 50 percent more for electricity than they were five years ago.¹⁶ This trend seems likely to be exacerbated if these firms were under the control of private equity firms designed to maximize profits.

This concern is particularly significant in Indiana, where unprecedented proposed data-center loads are already requiring substantial new generation and transition infrastructure.¹⁷ The Midcontinent Independent System Operator (MISO) itself has described the surge in large-load requests, driven in significant part by data centers, as "unprecedented."¹⁸ FERC should specifically determine whether any AES Indiana infrastructure investments associated with affiliated or commonly owned data-center interest could shift costs or risks to existing Indiana ratepayers.

Furthermore, government officials have raised concerns in the past about BlackRock's and its affiliates' business model, and its impact on utility customers' rates. In 2025, for example, an administrative judge in Minnesota issued findings relating to BlackRock's application to acquire energy and utility company ALLETE that underscored the dangers within private equity's business model. The judge warned that GIP's purported "disavowal of 'stereotypical' private equity tactics such as 'debt leveraging, cost-cutting operational changes, and asset sales' to achieve their desired returns lacks credibility," given that it was highly unlikely GIP could achieve their target rate of return without rate hikes.¹⁹

12 Indiana Office of Utility Consumer Counselor, "AES Indiana Rate Agreement Approved," April 17, 2024, https://www.in.gov/oucc/files/NR_45911_SettlementApproved_4.17.24.pdf.

13 Indiana Capital Chronicle, "Utility panel greenlights reconsideration of AES Indiana hike," Niki Kelly, September 2, 2026, <https://indianacapitalchronicle.com/2026/09/02/utility-panel-greenlights-reconsideration-of-aes-indiana-hike/>.

14 Indiana Utility Regulatory Commission, "2025 Residential Bill Survey: Jurisdictional Electric Utility Residential customer Bills," p. 8, <https://secure.in.gov/iurc/files/2025-Electric-Residential-Bill-Survey-UPDATED.pdf>.

15 Office of the Ohio Consumers' Counsel, "AES Ohio Wants to Raise Electric Bills Again!," <https://www.occ.ohio.gov/factsheet/aes-ohio-rate-increase-25-0958-el-air>.

16 Third Way, "Electric is Out of Control": Rising Energy Costs in Central Ohio," Francesca Hsie, Maya Gibbs, Dr. Florian A. Schneider, & Carson Ohlen, May 11, 2026, <https://www.thirdway.org/blog/electric-is-out-of-control-rising-energy-costs-in-central-ohio>.

17 CAC Campaigns, "AI Data Center Build-Out Creates Unprecedented Risk to Hoosiers," August 2026, <https://www.citact.org/ai-data-centers>

18 Midcontinent Independent System Operator, "Large Load Additions Workshop," January 30, 2026, p. 3, <https://cdn.misoenergy.org/20260130%20Large%20Load%20Workshop%20Presentation738349.pdf>.

19 Private Equity Stakeholder Project, "Minnesota Judge recommends denying BlackRock's acquisition of ALLETE," Nichole Heil, August 20, 2025, <https://pestakeholder.org/news/minnesota-judge-recommends-denying-blackrocks-acquisition-of-allete/>; State of Minnesota, Office of Administrative Hearings, "In the Matter of the Petition of Minnesota Power for Acquisition of ALLETE by Canada Pension Plan Investment Board and Global Infrastructure Partners," Administrative Law Judge Megan McKenzie, July 15, 2025, p. 45, <https://mn.gov/cah/assets/25-2500-40339-itm-petition-of-minnesota-power-acquisition-of-allete-by-canada-pension>.

- b. GIP's proposed acquisition of AES comes as BlackRock expands its ownership of energy and utility companies and could reduce competition.

When evaluating this merger's effect on competition, FERC must examine the transaction within the broader context of BlackRock's expanding ownership of the country's energy and utility infrastructure. In 2025, FERC voted to renew BlackRock's Blanket Authorization for an additional three years, which allows the company to own up to 20 percent of voting securities in public utilities.²⁰ The Commission did so even as former Republican chairman of FERC, Mark Christie, noted that "one threat is that asset managers, like BlackRock, will use their ownership of competing assets to exert market power in wholesale energy, capacity, and ancillary services markets."²¹

BlackRock's renewed Blanket Authorization may change the competitive landscape of the utility company marketplace in a way that the traditional market power analysis does not fully capture. The Commission itself noted when approving BlackRock's Blanket Authorization: "...we have some concern that the breadth of Applicants' holdings under their Blanket Authorizations, along with their growing controlling holdings in GIM {Global Infrastructure Management LLC, owner of GIP}, ALLETE and other public utility assets, may allow for a novel degree of influence over both their non-controlling and controlling holdings."²² As consumer advocates noted in their letter scrutinizing this merger, "with BlackRock's effort to control yet another utility holding company with over a million franchised utility customers, the Commission can no longer explain away its 'concern' about BlackRock's holdings under Blanket Authorizations conflicting with its 'growing controlling holdings' in public utilities."²³

GIP and its co-applicants are completely silent on the issue when discussing the merger's effect on competition, despite BlackRock's Blanket Authorization and mounting acquisitions of utility companies, such as the purchase of utility companies in Wisconsin and Indiana and GIP in 2024.²⁴ FERC must examine GIP's application and effects on competition within this broader context.

[plan-investment-board-and-global-infrastructure-partners_tcm19-697310.pdf](#)

20 ESGDive, "Energy regulator grants BlackRock renewed authorization for large utility investments," Lamar Johnson, April 18, 2025, <https://www.esgdive.com/news/FERC-grants-blackrock-renewed-authorization-for-large-utility-i/745790/>; 18 CFR § 46.2

21 Federal Energy Regulatory Commission, "Order Extending Blanket Authorization to Acquire Securities re BlackRock, Inc. under EC25-12 et al. Chairman Christie is concurring with a separate statement attached. Commissioner See is not participating," April 17, 2025, Christie Concurrence, https://elibrary.ferc.gov/eLibrary/filelist?accession_number=20250417-3032.

22 Federal Energy Regulatory Commission, "E-8 | EC25-12-000," April 17, 2025, https://www.ferc.gov/media/e-8-ec25-12-000?_sp=1af09997-48b6-4190-9dcd-6730c6be7f12.1786042158192, pg. 17.

23 Federal Energy Regulatory Commission, "Joint Protest of Public Citizen, Private Equity Stakeholder Project, and Citizens Action Coalition of Indiana re the Joint Application for Authorization Under Section 203 of the Federal Power Act of Horizon Merger Sub, Inc., et al. under EC26-99 et al.," July 20, 2026, https://elibrary.ferc.gov/eLibrary/filelist?accession_number=20260720-5078.

24 Federal Energy Regulatory Commission, "Joint Application for Authorization Under Section 203 of the Federal Power Act of Horizon Merger Sub, Inc., et al. under EC26-99," May 26, 2026 pp. 26-38 and Exhibit J. https://elibrary.ferc.gov/eLibrary/docinfo?accession_number=20260521-5196&sid=fb335125-ade0-4035-9a0c-e0b2b0f0c479.

II. A FERC-approved transaction cannot result in “cross-subsidization” that is inconsistent with the public interest.

The *Federal Power Act* also makes clear that FERC must only approve transactions that “will not result in cross-subsidization of a non-utility associate company or the pledge or encumbrance of utility assets for the benefit of an associate company, unless the Commission determines that the cross-subsidization, pledge, or encumbrance will be consistent with the public interest.”²⁵ According to the Commission’s requirements, a merger application must provide “an explanation, with appropriate evidentiary support for such explanation...: (1) Of how applicants are providing assurance, based on facts and circumstances known to them or that are reasonably foreseeable, that the proposed transaction will not result in, at the time of the transaction or in the future, cross-subsidization of a non-utility associate company or pledge or encumbrance of utility assets for the benefit of an associate company, including: (i) Disclosure of existing pledges and/or encumbrances of utility assets...”²⁶

However, GIP’s application mostly restates FERC’s requirements and provides no evidentiary explanation on how they arrive at the conclusion that the merger would not result in cross-subsidization. The application fails to discuss facts that are “reasonably foreseeable” for private equity ownership, such as refinancing, recapitalizations, changes in dividend policy, changes in servicing arrangements between utility and non-utility affiliates.²⁷ The application fails to even explicitly affirm there are no existing pledges of utility assets already within the BlackRock enterprise.²⁸

In reality, there are many ways in which the merger could result in cross-subsidization. One glaring example is BlackRock’s extensive ownership of data centers across the U.S.²⁹ GIP owned 40 data centers when they filed the AES merger application in May 2026.³⁰ Then, in late July, GIP, the Artificial Intelligence Infrastructure Partnership (another BlackRock affiliate), and investment firm MGX collectively acquired 100 percent of Aligned Data Centers, which owns at least 20 data centers across the United States, including two in Ohio.³¹

25 16 USC 824b.

26 CFR 33.2(j)

27 *Id.*

28 Federal Energy Regulatory Commission, “Joint Application for Authorization Under Section 203 of the Federal Power Act of Horizon Merger Sub, Inc., et al. under EC26-99,” May 26, 2026, pp. 42-45 and Exhibit M. https://elibrary.ferc.gov/eLibrary/docinfo?accession_number=20260521-5196&sid=fb335125-ade0-4035-9a0c-e0b2b0f0c479.

29 BlackRock, “BlackRock, Global Infrastructure Partners, Microsoft, and MGX launch new AI partnership” press release, September 18, 2024, <https://www.blackrock.com/corporate/newsroom/media/press-releases/blackrock-global-infrastructure-partners-microsoft-and-mgx-launch-new-ai>; BlackRock, “BlackRock Agrees to Acquire Global Infrastructure Partners (“GIP”), Creating a World Leading Infrastructure Private Markets Investment Platform,” press release, January 12, 2024, <https://www.blackrock.com/corporate/newsroom/media/press-releases/blackrock-agrees-to-acquire-global-infrastructure-partners>.

30 BlackRock, “Larry Fink’s 2025 Annual Chairman’s Letter to Investors,” <https://www.blackrock.com/corporate/investor-relations/2025-larry-fink-annual-chairmans-letter>.

31 Aligned, “AIP, MGX and BlackRock’s GIP Close Acquisition of Aligned Data Centers,” July 21, 2026, <https://aligneddc.com/press-release/aip-mgx-and-blackrocks-gip-close-acquisition-of-aligned-data-centers/>; BlackRock, “MGX, BlackRock, Global Infrastructure Partners, and Microsoft Welcome Kuwait Investment

Data centers require enormous amounts of electricity and can require utility companies to spend hundreds of millions of dollars on upgrades to the grid's infrastructure to adequately serve them. If this merger is approved, BlackRock and GIP would have financial interests on both sides of the equation: GIP would control AES Ohio and AES Indiana, while also having significant control over data centers in the area. This creates the incentive for AES Ohio or AES Indiana to construct or accelerate infrastructure investments that mainly benefit an affiliated data center, while potentially placing the costs of the upgrades on their customers. Even worse, if a data center fails, customers may continue paying for the unnecessary upgrades via increased utility bills. In effect, this ownership structure risks privatizing the financial benefit of upgrading AES's utility infrastructure among BlackRock and its affiliates, while potentially socializing the costs to AES's utility customers.

In addition to providing no meaningful evidence, the applicants even requested a partial waiver from the requirement to submit "organizational charts depicting the applicant's current and proposed post-transaction corporate structures."³² The applicants stated that they only provided the organizational charts "to the extent necessary...to include only those parent companies, energy subsidiaries, and energy affiliates that are relevant to the Transaction."³³ The organizational charts provided only offer a visual representation of AES Corp owning AES Ohio and AES Indiana with and without the new consortium of investors led by BlackRock's GIP.³⁴ They fail to list any other affiliate within the corporate structure of BlackRock or its co-applicants that may stand to benefit from this merger, including the data centers discussed above.

The failure to adequately demonstrate this merger would not result in cross-subsidization is a fundamental flaw in the application. In Order No. 669-A, which further details an applicant's requirements to demonstrate there would be no cross-subsidization, the Commission noted that "the applicant bears the burden of proof to demonstrate that customers will be protected."³⁵

III. Conclusion

FERC has a critical role to play as a backstop to BlackRock's attempt to enmesh itself in the utility industry as electricity rates are increasing for American households. Last year alone,

Authority (KIA) to the AI Infrastructure Partnership," press release, June 3, 2025, <https://ir.blackrock.com/news-and-events/press-releases/press-releases-details/2025/MGX-BlackRock-Global-Infrastructure-Partners-and-Microsoft-Welcome-Kuwait-Investment-Authority-KIA-to-the-AI-Infrastructure-Partnership/default.aspx>; Aligned, "Data Centers Across the Americas & Beyond," <https://aligneddc.com/locations/>.

³² Federal Energy Regulatory Commission, "Joint Application for Authorization Under Section 203 of the Federal Power Act of Horizon Merger Sub, Inc., et al. under EC26-99," May 26, 2026, p. 46, https://elibrary.ferc.gov/eLibrary/docinfo?accession_number=20260521-5196&sid=fb335125-ade0-4035-9a0c-e0b2b0f0c479.

³³ CFR 33.2(C)(3); Federal Energy Regulatory Commission, "Joint Application for Authorization Under Section 203 of the Federal Power Act of Horizon Merger Sub, Inc., et al. under EC26-99," May 26, 2026, p. 46, https://elibrary.ferc.gov/eLibrary/docinfo?accession_number=20260521-5196&sid=fb335125-ade0-4035-9a0c-e0b2b0f0c479.

³⁴ Federal Energy Regulatory Commission, "Joint Application for Authorization Under Section 203 of the Federal Power Act of Horizon Merger Sub, Inc., et al. under EC26-99," May 26, 2026, p. 167, https://elibrary.ferc.gov/eLibrary/docinfo?accession_number=20260521-5196&sid=fb335125-ade0-4035-9a0c-e0b2b0f0c479.

³⁵ Order 669-A, footnote 112 https://www.ferc.gov/sites/default/files/2020-04/E-2_39.pdf.

electric rates went up 7.1 percent and are expected to continue rising in 2026, according to the U.S. Energy Information Administration.³⁶ This came as electric utilities across the nation have requested rate increases totaling \$71.2 billion through 2028.³⁷

BlackRock/GIP has not fully disclosed its energy and data-center affiliates or provided enforceable assurances that existing utility customers will be protected from the costs and risks of infrastructure constructed to serve affiliated large-load customers. The absence of this transparency and these protections leaves fundamental public-interest and cross-subsidization concerns unresolved.

BlackRock's GIP and its consortium of investors failed to demonstrate how the proposed merger is consistent with the public interest or prohibits cross-subsidization. We therefore urge FERC to reject this application.

Sincerely,



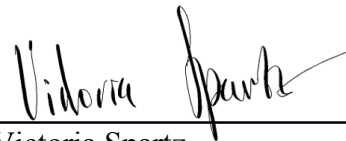
André Carson
Member of Congress



Elizabeth Warren
Ranking Member
Committee on Banking,
Housing, and Urban Affairs



Rashida Tlaib
Member of Congress



Victoria Spartz
Member of Congress

³⁶ The Brookings Institute, "How rising electric rates could affect the 2026 midterms," Darrell M. West, March 20, 2026, <https://www.brookings.edu/articles/how-rising-electric-rates-could-affect-the-2026-midterms/>.

³⁷ Center for American Progress, "Residents of 49 States and Washington, D.C., Face Increasing Electric and Natural Gas Bills," Lucero Marquez et al., October 27, 2025, <https://www.americanprogress.org/article/residents-of-49-states-and-washington-d-c-face-increasing-electric-and-natural-gas-bills/>.



Ayanna Pressley

Member of Congress