

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Strategic PPAV III, LLC	)	Docket No. EC25-152-000
	)	
JERA Americas, Inc.	)	
	)	
San Jacinto Carroll Holdings LLC	)	

COMMENTS OF THE INDEPENDENT MARKET MONITOR FOR PJM

Pursuant to Rule 211 of the Commission’s Rules and Regulations,¹ Monitoring Analytics, LLC, acting in its capacity as the Independent Market Monitor (“Market Monitor”) for PJM Interconnection, L.L.C. (“PJM”),² submits these comments responding to the filing submitted by Strategic PPAV III, LLC (“Strategic PPAV”),³ JERA Americas Inc. (“JERA Americas”) and San Jacinto Carroll Holdings LLC (“San Jacinto”) on September 30, 2025 (“September 30th Filing”), requesting approval of a proposed transaction under Section 203 of the Federal Power Act. The September 30th Filing requests approval of the transaction (“Transaction”) in which Strategic PPAV, a subsidiary of Strategic Value Partners (“SVP”), would purchase 31.64 percent ownership of Carroll County Energy Holdings LLC (“CCE Holding”), which owns Carroll County Energy LLC (“Carroll County”) from JERA Americas and San Jacinto.

¹ 18 CFR § 385.211 (2025).

² Capitalized terms used herein and not otherwise defined have the meaning used in the PJM Open Access Transmission Tariff (“OATT”), the PJM Operating Agreement (“OA”) or the PJM Reliability Assurance Agreement (“RAA”).

³ Strategic PPAV is a wholly owned subsidiary of Strategic Value Partners (“SVP”).

If the transaction is approved, SVP's ownership share would exceed that of any other owner of CCE Holdings. The September 30th Filing does not clarify the role of SVP in relationship to the other owners, in particular ArcLight, whose acquisition of shares in CCE Holdings is under consideration in Dockets EC25-123 and EC25-151. The Organization Charts included as Exhibit C to the application do not show the ultimate owners of the post transaction direct owners of CCE Holdings.⁴ The Transaction should not be approved without assurance that market power would not be exercised as a result of the Transaction. Clarification of the relationship among the owners of CCE Holdings is required to determine whether market power could be exercised. The Transaction raises questions that have not been answered in the application, and it should not be approved as consistent with the public interest without addressing the market power issue.⁵ Specifically, the Market Monitor seeks clarification of SVP's role in the management and market participation decisions of the combined cycle plant owned by Carroll County, the "Carroll County CC." The Transaction should not be approved unless it includes conditions limiting the potential for the coordination of market participation decisions among joint owners.

I. COMMENTS

The Carroll County CC is a 700 MW combined cycle natural gas generator in Carroll County, Ohio, in the AEP Zone of PJM. On August 4, 2025, ArcLight requested approval for the acquisition of Advanced Power US Holdings Inc., the controlling upstream parent of AP-BCPG CCE Partners LLC, which owns 17.76 percent of CCE Holdings, from Advanced Power

⁴ See 18 CFR § 33.2(c)(3) ("Each applicant must include in its application, ... Organizational charts depicting the applicant's current and proposed post-transaction corporate structures (including any pending authorized but not implemented changes) indicating *all parent companies*, energy subsidiaries and energy affiliates unless the applicant demonstrates that the proposed transaction does not affect the corporate structure of any party to the transaction (to be identified as Exhibit C to the application)") [emphasis added].

⁵ See 16 U.S.C. § 824b.

AG.⁶ In the comments on ArcLight's application, the Market Monitor stated that ArcLight's control of Carroll County CC would increase structural market power and proposed behavioral recommendations.⁷ The ArcLight application remains pending before the Commission. On September 30, 2025, ArcLight requested approval for the acquisition of additional ownership of 10.60 percent in CCE Holdings from Ullico.⁸ On the same day, in this Transaction, SVP, through its subsidiary Strategic PPAV, requested approval for acquisition of 20.00 percent ownership of CCE Holdings from JERA Americas and 11.64 percent ownership of CCE Holdings from San Jacinto.⁹ If all the proposed transactions are approved and consummated, ArcLight would have 28.36 percent and SVP would have 31.64 percent ownership in CCE Holdings.

The largest ownership share that would result from the pending transactions would belong to SVP, although SVP would not necessarily be the controlling owner. ArcLight's proposal to acquire shares in CCE Holdings by purchasing Advanced Power, the current asset manager of Carroll County CC, would make ArcLight the asset manager of Carroll County CC.¹⁰ The 11.64 percent ownership that SVP proposes to acquire from San Jacinto has previously been defined as passive.¹¹ The 20.00 percent ownership in Carroll County CC that

⁶ Joint Application for Authorization Under Section 203 of the Federal Power Act of Carroll County Energy LLC, et al., Docket No. EC25-123 (August 4, 2025).

⁷ Comments of the Independent Market Monitor for PJM in response to ArcLight Capital Partners, LLC's et al., Docket No. EC25-123 (September 18, 2025).

⁸ Joint Application for Authorization Under Section 203 of the Federal Power Act of Carroll County Energy LLC, et al., Docket No. EC25-151 (September 30, 2025).

⁹ Joint Application for Authorization Under Section 203 of the Federal Power Act of Strategic PPAV III, LLC, et al., Docket No. EC25-152 (September 30, 2025).

¹⁰ Carroll County Energy website, About Us, <<https://www.carrollcountyenergy.com/about-us>> accessed October 21, 2025.

¹¹ See Carroll County Energy LLC submits tariff filing per 35.12: MBR Application to be effective 7/15/2017., Docket No. ER17-1609 (May 15, 2017).

SVP proposes to acquire from JERA has not been asserted to be passive. This would leave SVP with a smaller controlling share (41.4 percent) in CCE Holdings than ArcLight (58.6 percent), but a larger total ownership (34.64 percent for SVP and 28.36 percent for ArcLight). Table 1 shows the parent companies, ownership shares, and controlling shares of ArcLight, SVP, and BCPG Public Company Limited (BCPG). BCPG is a publicly traded company in Thailand and subsidiary of Bangchak Corporation.

Table 1 CCE Holdings ownership shares resulting from the transactions

Parent Company	Ownership Share	Controlling Share
ArcLight	28.4%	58.6%
SVP	31.6%	41.4%
BCPG	40.0%	0.0%
Total	100.0%	100.0%

SVP is currently the owner of 1,411.1 MW of generation in PJM, including the Morgantown CTs, Birdsboro CC, and Red Oak CC. Given this position in the PJM market, SVP is large enough to have market power in the PJM energy market during constrained market conditions and to have market power in the capacity market. Whether SVP's role in the management of Carroll County CC is passive or controlling is relevant to determining the extent of SVP's market power in the PJM market. The role of SVP as an owner of Carroll County CC and the details of any agreements among the owners about the management and market participation decisions of Carroll County CC require further clarification.

ArcLight is one of the largest owners of capacity in PJM. ArcLight would own 7,499 MW of generation in PJM with the proposed Advanced Power acquisition.¹² This SVP Transaction would make ArcLight and SVP joint owners in Carroll County. SVP would benefit from ArcLight's market power in PJM. The market power benefits of the affiliation between ArcLight and SVP through the Transaction would be enhanced if the companies

¹² Comments of the Independent Market Monitor for PJM in response to ArcLight Capital Partners, LLC's et al., Docket No. EC25-123 (September 18, 2025).

were able to communicate about market strategy for Carroll County CC as a result of the Transaction. Applicants should clarify what if any information about the day to day or long term strategies of Carroll County CC would be available to SVP. The concern is that SVP and ArcLight could explicitly or tacitly coordinate their participation in the PJM markets. This would be a concern for any comparable arrangement and is not intended to assert anything specific about the actual intent of these participants. No transaction involving joint ownership of an asset among competitors should be permitted without conditions preventing market coordination.

The overall context of this proposed transaction is also important. PJM's Capacity Market is extremely tight and likely to remain extremely tight for the foreseeable future, resulting in prices that are extremely high by PJM capacity market historical standards, which increases the potential impact of market power.¹³ If, as proposed by PJM, large new data center loads are allowed to interconnect without the entry of matching capacity, the energy market will also be even tighter and energy market prices will be higher, which also increases the potential impact of market power. It is important that the PJM markets be protected from the creation of structural market power and the exercise of market power at this critical time.

II. CONCLUSION

The Market Monitor respectfully requests that the Commission afford due consideration to this pleading as the Commission resolves the issues raised in this proceeding.

¹³ See Monitoring Analytics, L.L.C., *Analysis of the 2025/2026 Base Residual Auction*, Parts A through G, <<https://www.monitoringanalytics.com/reports/Reports/2024.shtml>> and <<https://www.monitoringanalytics.com/reports/Reports/2025.shtml>>.

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Dated: October 21, 2025

Respectfully submitted,



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CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Eagleville, Pennsylvania,
this 21st day of October, 2025.



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