

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

)	
Grays Harbor Energy LLC)	
Hardee Power Partners Limited)	
Invenergy Cannon Falls LLC)	Docket No. EC26-76-000
Invenergy Nelson LLC)	
Invenergy Nelson Expansion LLC)	
Lackawanna Energy Center LLC)	
Spindle Hill Energy LLC)	
)	
Gray Wolf Power, LLC)	
)	

**ANSWER AND MOTION FOR LEAVE TO ANSWER
OF THE INDEPENDENT MARKET MONITOR FOR PJM**

Pursuant to Rules 212 and 213 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 this answer to the answer of Applicants filed on June 10, 2026 (“ArcLight Answer”) responding to comments filed by the Market Monitor on May 26, 2026 (“IMM Comments”).³ The IMM Comments were

¹ 18 CFR §§ 385.212 & 385.213 (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 Applicants are: Grays Harbor Energy LLC; Hardee Power Partners Limited; Invenergy Cannon Falls LLC; Invenergy Nelson LLC; Invenergy Nelson Expansion LLC; Lackawanna Energy Center LLC; Spindle Hill Energy LLC; and Gray Wolf Power, LLC. The Market Monitor describes the intersecting ownership in IMM Comments.

filed in response to the application (“ArcLight Application”) filed on March 24, 2026, requesting approval of a proposed transaction under Section 203 of the Federal Power Act in which ArcLight Capital Partners, LLC (“ArcLight Capital”) will purchase 50 percent of Invenergy’s Lackawanna, Nelson, and Nelson Expansion plants from DigitalBridge Group, Inc. (“DigitalBridge”).⁴

The short summary is that SoftBank is purchasing the assets of DigitalBridge, ArcLight is then buying those assets from SoftBank, and then SoftBank is purchasing ArcLight.⁵

This transaction is inextricably intertwined with related transactions and the failure to make that clear misrepresents the complete nature and significance of the transactions. Applicants are involved in two different docketed transactions for the purchase of the same assets in Docket No. EC26-67, and in this Docket No. EC26-76. By not addressing the connections between the two transactions, the ArcLight Application withholds material information about the Transaction. As explained in the IMM Comments, the ArcLight Application also fails to address increases in market power created by the Transaction. The ArcLight Application should be rejected, along with the related application in Docket No. EC26-67, and the Applicants required to refile a single application that explains all of the ownership changes and addresses the increase in market power created by the entire set of transactions that result in combining assets owned by ArcLight and Invenergy.

⁴ Applicants state that the remaining 50 percent of the ownership interest in IA Thermal Power is owned by Invenergy Clean Power LLC (“ICP”) and will not be affected by both transactions. ArcLight Answer (at 11) clarifies that ICP serves as the asset manager and energy manager of IA Thermal Power utilities.

⁵ SoftBank’s purchase of ArcLight has been announced but not yet filed with the Commission. See DigitalBridge Group, Inc. Form 8-K. U.S. Securities and Exchange Commission (May 27, 2026). <https://www.sec.gov/Archives/edgar/data/1679688/000110465926066617/tm2615653d1_8k.htm>

I. ANSWER

A. Applicants Withheld Material Information about Related Transactions.

DigitalBridge currently controls InfraBridge North America Thermal Power Acquisition, LLC (“InfraBridge”), which owns 50 percent of IA Thermal Power. DigitalBridge also owns a majority of Switched On, LLC (“Switched On”), a power marketer with market based rate authority in all U.S. regions. DigitalBridge recently filed an application (“SoftBank Application”) on February 27, 2026 (“February 27th Filing”) relating to SoftBank Group Corp.’s (“SoftBank”) acquisition (“SoftBank Acquisition”) of DigitalBridge Group, Inc. (“DigitalBridge”).⁶

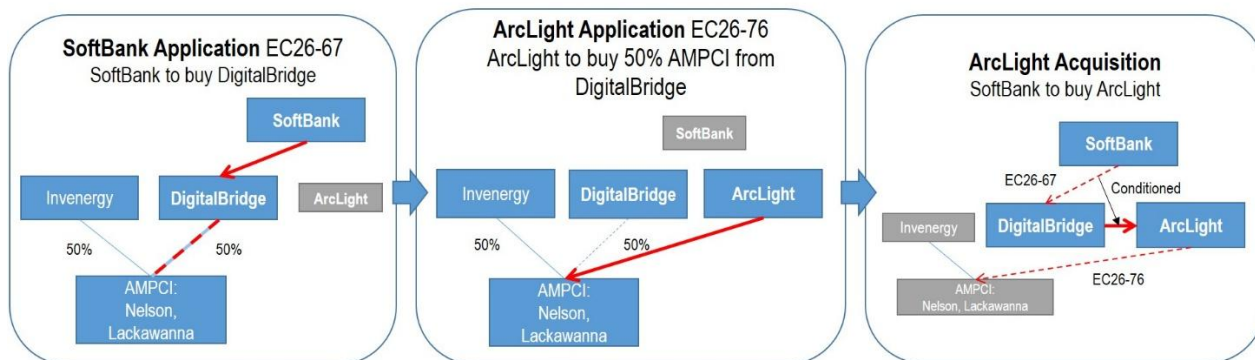
Subsequently, DigitalBridge announced on May 23, 2026, that it had entered into an agreement to acquire ArcLight Capital (“ArcLight Acquisition”).⁷ DigitalBridge states that the consummation of the ArcLight Acquisition is subject to the prior completion of the SoftBank Acquisition.⁸ In other words, DigitalBridge’s acquisition of ArcLight Capital is conditioned upon whether SoftBank becomes the ultimate owner of DigitalBridge. Figure 1 includes organization charts for the SoftBank and ArcLight Applications as well as the announced ArcLight Acquisition in chronological order of the announcement of the transactions. If all three transactions are approved and completed, SoftBank will be the ultimate owner of ArcLight Capital and DigitalBridge and will control 50 percent of IA Thermal Power utilities.

⁶ Joint Application for Authorization Under Section 203 of the Federal Power Act of Grays Harbor Energy LLC, et al. under EC26-67 (February 27, 2026).

⁷ See DigitalBridge Group, Inc. Form 8-K. U.S. Securities and Exchange Commission (May 27, 2026). <https://www.sec.gov/Archives/edgar/data/1679688/000110465926066617/tm2615653d1_8k.htm>

⁸ *Id.*

Figure 1 Organization charts for the three transactions involving DigitalBridge and ArcLight Capital



The Commission’s Rules require inclusion of “all contracts related to the proposed transaction” in applications under Section 203 of the FPA.⁹ The ArcLight Acquisition involves the seller in this ArcLight Application, DigitalBridge, acquiring the buyer, ArcLight Capital. It is clearly relevant that, in requesting approval for ArcLight to purchase an asset from DigitalBridge, DigitalBridge plans to purchase ArcLight. The ArcLight Acquisition involves the same applicants and the same ownership transfer as the ArcLight Application combined with the SoftBank Application. The Applicants and all related parties, including ArcLight and SoftBank and DigitalBridge should be required to refile together and include details about all the transactions including the ArcLight Acquisition. The Section 203 process is intended to ensure transparency and allow the public to comment on transactions involving energy utilities. Material omissions and incomplete details regarding transactions in applications should not be accepted.

B. Resources Should Not be Permitted to Remove Capacity from the PJM Markets to Serve Data Center Load.

Applicants misunderstand the Market Monitor’s concern about removing existing capacity resources from the PJM market to serve data center load.¹⁰ The Market Monitor

⁹ See 18 CFR § 33.2(f).

¹⁰ See ArcLight Answer at 13.

opposes any transaction or contractual agreement that would remove an existing capacity generation resource from the PJM market to serve new data center load. The Market Monitor's position, and the position of the White House Office of Energy Dominance and every governor of every PJM state, is that new data center loads should bring their own new generation and not impose data center costs on other customers. Removing existing capacity from the PJM market where it currently serves existing customers in order to serve new data center load and leave the PJM market short of its reliability goals is the very definition of imposing costs on other customers and failing to bring their own new generation. Unless the Applicants intend to violate the policy directive to bring your own new generation, making a clear commitment to not violate the policy directive is a positive for Applicants and for the PJM markets.

C. The Market Monitor's Market Power Analysis Reveals An Increase in Structural Market Power Not Addressed by the Applicants' Analysis.

1. The Chesapeake Submarket Is Necessary for an Accurate Analysis.

Based on the actual facts of the PJM markets, the Market Monitor proposed a new submarket definition for analysis of the Transaction, the Chesapeake submarket, which overlaps with the PJM West submarket. There are two key differences between the Chesapeake submarket and the PJM West submarket. The first is the defining constraints. The second is the shift factor ("distribution factor" or "dfax") cutoff. The Chesapeake submarket is only defined by constraints that limit flows of energy to the south from the shale gas production region. This is the same pattern of economic energy flows that the Market Monitor previously termed the Conastone area constraints.¹¹ For the Chesapeake submarket, the Market Monitor uses only constraints that meet the Commission's thresholds for frequently binding. The exact constraints that meet these criteria may change over time. Some constraints included in the definition of the PJM West submarket are not relevant to the

¹¹ See Comments of the Independent Market Monitor for PJM, Docket No. EC25-43 (March 25, 2025).

geographic area defining the North/South congestion pattern creating price separation in the PJM market. For this reason, the Lennox–North Meshoppen and Fremont constraints are excluded from the definition of the Chesapeake submarket, though they are included in the PJM West definition.

Because the constraints defining the Chesapeake submarket include high voltage transmission lines, almost every electrical bus in the PJM market has a nonzero $dfax$ with respect to the constraints that define the Chesapeake submarket. As a result, use of every negative $dfax$, regardless of how small, does not define an economically meaningful market. Applicants analyze the PJM West submarket, which is defined by negative $dfaxes$ of even the tiniest magnitude. Using the market definition analyzed by Applicants would mean that the submarket would be defined well beyond the relevant economic submarket where notable price separation occurs. This is exactly the result for the PJM West submarket.

As noted by Applicants (at 8), the Market Monitor did not include the list of pricing nodes and generators with a $dfax$ that would define inclusion in the Chesapeake submarket. While the Market Monitor does not provide this data directly to the Commission, the Commission does have this data, as provided by PJM under Order No. 760. As a result, the Commission Staff has the ability to define and verify the locations included in the Chesapeake submarket.¹² The Market Monitor would be happy to work with Commission Staff on accessing and using this data.

2. Exercising Market Power from the Low Price Side of the Constraint.

The Market Monitor describes the potential exercise of market power by a resource on the low priced side of a constraint. Inclusion of the MW on the low priced side of the constraint is standard in PJM's actual market power mitigation process embedded in the market clearing software, because resources on both sides of the constraint can provide

¹² See *Enhancement of Electricity Market Surveillance and Analysis through Ongoing Electronic Delivery of Data from Regional Transmission Organizations and Independent System Operators*, 139 FERC ¶ 61,053 at P 49 (2012).

constraint relief, and therefore contribute to structural market power. Like a resource on the high priced side of a constraint, there are a variety of physical and economic offer changes that can be used to exercise market power. The only difference is that from the low priced side of the constraint, a resource would over produce relative to the competitive market offer, rather than withhold.

Applicants assert that exercising market power using resources on the low priced side of the constraint is not profitable and too risky.¹³ The same self serving arguments could be made for exercising market power on the high side of a constraint. These arguments contradict the Commission's process for review of changes in structural market power. The Commission requires no test of profitability or risk to determine whether a transaction increases structural market power and if that increase in structural market power is in the public interest. The Commission does not require a determination that the exercise of market power by withholding on the high priced side of the constraint is profitable or without risk. If the increase in structural market power fails the Commission's test, it is a concern, regardless of asserted the risk or profitability associated with exercising that market power. The same applies to the low priced side of the constraint. An increase in structural market power occurs when a company acquires greater market share of supply that when combined can have a larger impact on price. There is no difference that would require an additional behavioral analysis. There is no evidence, nor can there be, that Applicants will not find it profitable to exercise their newly acquired structural market power to profit and thereby undercut competitive markets. Applicants' arguments that increased market power based on increased concentration for constraint relief from both sides of a constraint should be dismissed.

¹³ June 10th Filing, Supplemental Affidavit of Julie R. Solomon and Jeffrey J. Opgrand at 7.

3. The differences between Table 7 and Table 9 are not discrepancies.

Applicants note a difference, in the Market Monitor's market power report, in the number of hours when a constraint binds between Table 7, Constraints where ArcLight had market power as determined by the real-time energy market TPS test: April 2024 through March 2026, and Table 9, Preacquisition and Postacquisition HHI for constraints where ArcLight had market power as determined by the real-time energy market TPS test: April 2024 through March 2026.¹⁴ The difference is created by a difference between hours when any company failed the TPS test (Table 7) and hours when Applicants have effective supply to relieve the constraint (Table 9). This is a difference in how the hours are included, not a calculation error in the results.

The All Companies column in Table 7 reports the number of hours in which market power was recognized for the given constraints, as determined by a failed TPS test for one or more suppliers, not only the Applicants. The TPS test is done by PJM's IT SCED real-time commitment tool. If a constraint is binding in IT SCED, and the resulting TPS test includes one or more failures by any company, for any IT SCED solution, then the hour of that solution's target time is counted in Table 7.

Table 9 reports the hours in which the identified constraints were binding, and is limited to hours in which the Applicants, Arclight, Invenergy, or both Arclight and Invenergy, could provide relief supply to the constraint. The Market Monitor analyzes these hours to show the impact to hours relevant to this Transaction. Hours where neither supplier is included in effective supply are not affected by the Transaction. The HHIs in Table 9 include any hours where the Applicants had available supply for the local market created by the constraint. The HHIs in Table 9 include market intervals when Applicants failed the TPS test as well as market intervals when Applicants did not fail the TPS test.

¹⁴ See Comments of the Independent Market Monitor for PJM, Docket No. EC26-76 (May 26, 2026) at Attachment A-2, 29-32.

When calculating the HHI metrics in Table 9, the Market Monitor only considers hours when the constraint is binding. If the constraint is not binding, there is no local market, and the PJM market clearing engine does not calculate constraint relief MW for that constraint. The local market is defined by the relief demand for the given constraint and the available relief supply. When a constraint is not binding, there is no relief demand and therefore no local market.

II. MOTION FOR LEAVE TO ANSWER

The Commission's Rules of Practice and Procedure, 18 CFR § 385.213(a)(2), do not permit answers to protests, answers, or requests for rehearing unless otherwise ordered by the decisional authority. The Commission has made exceptions, however, where an answer clarifies the issues or assists in creating a complete record.¹⁵ In this answer, the Market Monitor provides the Commission with information useful to the Commission's decision making process and which provides a more complete record. Accordingly, the Market Monitor respectfully requests that this answer be permitted.

III. 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.

¹⁵ See, e.g., *PJM Interconnection, L.L.C.*, 119 FERC ¶61,318 at P 36 (2007) (accepted answer to answer that "provided information that assisted ... decision-making process"); *California Independent System Operator Corporation*, 110 FERC ¶ 61,007 (2005) (answer to answer permitted to assist Commission in decision-making process); *New Power Company v. PJM Interconnection, L.L.C.*, 98 FERC ¶ 61,208 (2002) (answer accepted to provide new factual and legal material to assist the Commission in decision-making process); *N.Y. Independent System Operator, Inc.*, 121 FERC ¶61,112 at P 4 (2007) (answer to protest accepted because it provided information that assisted the Commission in its decision-making process).

Respectfully submitted,



Jeffrey W. Mayes

General Counsel
Monitoring Analytics, LLC
2621 Van Buren Avenue, Suite 160
Eagleville, Pennsylvania 19403
(610) 271-8053
jeffrey.mayes@monitoringanalytics.com

Joseph E. Bowring
Independent Market Monitor for PJM
President
Monitoring Analytics, LLC
2621 Van Buren Avenue, Suite 160
Eagleville, Pennsylvania 19403
(610) 271-8051
joseph.bowring@monitoringanalytics.com

Catherine A. Tyler
Deputy Market Monitor
Monitoring Analytics, LLC
2621 Van Buren Avenue, Suite 160
Eagleville, Pennsylvania 19403
(610) 271-8050
catherine.tyler@monitoringanalytics.com

Nicholas O'Brien
Analyst
Monitoring Analytics, LLC
2621 Van Buren Avenue, Suite 160
Eagleville, Pennsylvania 19403
(610) 271-8050
Nicholas.O'Brien@monitoringanalytics.com

Alexandra Salaneck
Senior Analyst
Monitoring Analytics, LLC
2621 Van Buren Avenue, Suite 160
Eagleville, Pennsylvania 19403
(610) 271-8050
alexandra.salaneck@monitoringanalytics.com

Philip Barnet
Analyst
Monitoring Analytics, LLC
2621 Van Buren Avenue, Suite 160
Eagleville, Pennsylvania 19403
(610) 271-8050
Philip.Barnet@monitoringanalytics.com

Kyungjin Yoo
Analyst
Monitoring Analytics, LLC
2621 Van Buren Avenue, Suite 160
Eagleville, Pennsylvania 19403

June 19, 2026

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 19th day of June, 2026.



Jeffrey W. Mayes

General Counsel

Monitoring Analytics, LLC

2621 Van Buren Avenue, Suite 160

Eagleville, Pennsylvania 19403

(610)271-8053

jeffrey.mayes@monitoringanalytics.com