

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

Tait Electric Generating Station, LLC	)	Docket No. EC26-83-000
Lee County Generating Station, LLC	)	
Hull Street Energy, LLC	)	
	)	

**COMMENTS OF THE INDEPENDENT MARKET MONITOR FOR PJM**

Pursuant to Rules 212 and 213 of the Commission’s Rules and Regulations,<sup>1</sup> Monitoring Analytics, LLC, acting in its capacity as the Independent Market Monitor (“Market Monitor”) for PJM Interconnection, L.L.C. (“PJM”),<sup>2</sup> submits these comments responding to the filing submitted by Tait Electric Generating Station, LLC (“Tait”), Lee County Generating Station, LLC (“Lee County”), and Hull Street Energy, LLC (“HSE”), (collectively “Applicants”) on April 3, 2026 (“April 3<sup>rd</sup> Filing”). The April 3<sup>rd</sup> Filing requests approval of a proposed transaction under Section 203 of the Federal Power Act (“Transaction”). The Transaction is the sale of Tait and Lee County by Rockland to HSE. Under the structure of the Transaction, an affiliate of HSE, MPH GridFlex, LLC (“HSE GridFlex”), would acquire 100 percent of the ownership interests in GridFlex Generation, LLC (“Rockland GridFlex”), which currently owns Tait and Lee County (“Transaction”).

HSE GridFlex is owned by funds controlled by HSE. Those funds are Hull Street Energy Partners III, L.P. (“HSEP III”) and Hull Street Energy Partners III (Parallel), L.P.

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<sup>1</sup> 18 CFR §§ 385.212 & 385.213 (2025).

<sup>2</sup> 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”).

("HSEP III Parallel").<sup>3</sup> All of the general partner interests in HSEP III and HSEP III Parallel are owned by HSE Partners III GP, LP ("HSE Partners III GP"). HSE manages and controls HSE Partners III GP as its general partner. Rockland GridFlex is a subsidiary of Bruce Power, LLC and Rockland GridFlex Holdings, LLC, which are, in turn, indirectly owned by funds that are controlled by Rockland Capital, LP ("Rockland").

Tait is a natural gas fired combustion turbine and diesel generation facility with a capacity of approximately 590.3 MW located near Dayton, Ohio, in the DAY Zone of PJM. Lee County is a simple-cycle, natural gas fired power generating facility with a capacity of 676.8 MW located in Dixon, Illinois, in the ComEd Zone of PJM.

HSE currently controls two generation facilities in PJM: Forked River, a 65 MW gas-fired combustion turbine power plant located in Ocean County, New Jersey, and units 1–4 of Elwood, a natural gas fired facility located near Joliet, Illinois, with total capacity of approximately 600 MW. The Forked River and Elwood generation units received approvals from PJM to deactivate before June 1, 2026.<sup>4</sup> HSE also owns a retired unit in PJM, the W.H. Sammis Plant, where HSE "has remediated the site and is developing an energy and data center campus."<sup>5</sup>

HSE's development of an energy and data center campus at the retired W.H. Sammis Plant that is located within PJM demonstrates that HSE already has the infrastructure and commercial incentive to redirect generation capacity to serve data center load. The April 3<sup>rd</sup> Filing is silent on whether HSE plans to dedicate Tait, Lee County, or both to data center load. Removing the capacity from the market would be a form of withholding. Physical withholding through uneconomic retirement or to serve data center load are among possible

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<sup>3</sup> See 17 CFR § 230.405 (2026). "An affiliate of, or person affiliated with, a specified person, is a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified."

<sup>4</sup> See PJM–Generator Deactivation Notices <<https://www.pjm.com/planning/service-requests/gen-deactivations/generator-deactivation-notices>>.

<sup>5</sup> See W.H. Sammis Plant | ETEM <<https://www.etem.eco/w-h-sammis-plant>> . (accessed on April 21, 2026).

mechanisms to exercise market power. The acquisition of generation assets by HSE in the Transaction creates a clear potential for this form of withholding and therefore affects competition and rates in PJM.

The Market Monitor recommends that the Transaction be rejected and that HSE be required to resubmit its 203 application including a commitment to not removing the Tait and Lee County units from the PJM market to serve data center load. The Transaction as filed does not provide assurance that market power will not be exercised. The Transaction raises questions about HSE's role as both an owner of generation and developer of data centers in the PJM market that have not been answered in the application and, as filed, it is not consistent with the public interest. The Transaction, without the commitment, would result in the Applicants having an increased incentive and ability to exercise market power.

## I. COMMENTS

PJM's Capacity Market is extremely tight and was actually short in the 2026/2027 and 2027/2028 auctions. The capacity market is 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.<sup>6</sup> When there is endemic market power, effective market power mitigation is essential to ensure competitive pricing. It is consistent with the public interest to condition the approval of transactions that increase market power on behavioral commitments that address market power.

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<sup>6</sup> See Monitoring Analytics, L.L.C., *Analysis of the 2025/2026 Base Residual Auction*, Parts A through H, <<https://www.monitoringanalytics.com/reports/Reports/2024.shtml>>, the *Analysis of the 2026/2027 RPM Base Residual Auction - Part A* (October 1, 2025). <[https://www.monitoringanalytics.com/reports/Reports/2025/IMM\\_Analysis\\_of\\_the\\_20262027\\_RPM\\_Base\\_Residual\\_Auction\\_Part\\_A\\_20251001.pdf](https://www.monitoringanalytics.com/reports/Reports/2025/IMM_Analysis_of_the_20262027_RPM_Base_Residual_Auction_Part_A_20251001.pdf)> and the *Analysis of the 2027/2028 RPM Base Residual Auction - Part A* (January 5, 2026). <[https://www.monitoringanalytics.com/reports/Reports/2026/IMM\\_Analysis\\_of\\_the\\_20272028\\_RPM\\_Base\\_Residual\\_Auction\\_Part\\_A\\_20260105.pdf](https://www.monitoringanalytics.com/reports/Reports/2026/IMM_Analysis_of_the_20272028_RPM_Base_Residual_Auction_Part_A_20260105.pdf)>, <<https://www.monitoringanalytics.com/reports/Reports/2025.shtml>> and <<https://www.monitoringanalytics.com/reports/Reports/2026.shtml>> .

Removing existing capacity from the capacity market by HSE is a potential exercise of market power in the form of physical withholding, which would have a negative impact on the competitiveness of PJM markets and on the rates paid by the customers in PJM markets. Tait and Lee County together represent approximately 1,267 MW of capacity, which is a material quantity in an already deficient market. Withdrawal of this capacity would worsen the supply shortfall that caused PJM to clear short in the 2026/2027 and 2027/2028 BRAs, driving capacity prices higher for all PJM customers.

The Market Monitor has documented and quantified the negative impact of data center loads on the competitiveness of the capacity market and on the prices in the capacity market for PJM customers in the last three BRAs.<sup>7</sup> The Market Monitor has also documented and quantified the negative impact of data center loads removing capacity from the capacity

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<sup>7</sup> See Monitoring Analytics, LLC, “Analysis of the 2025/2026 RPM Base Residual Auction—Part A,” (September 20, 2024) <[https://www.monitoringanalytics.com/reports/Reports/2024/IMM\\_Analysis\\_of\\_the\\_20252026\\_RPM\\_Base\\_Residual\\_Auction\\_Part\\_A\\_20240920.pdf](https://www.monitoringanalytics.com/reports/Reports/2024/IMM_Analysis_of_the_20252026_RPM_Base_Residual_Auction_Part_A_20240920.pdf)>, See “Analysis of the 2025/2026 RPM Base Residual Auction—Part B,” (October 15, 2024) <[https://www.monitoringanalytics.com/reports/Reports/2024/IMM\\_Analysis\\_of\\_the\\_20252026\\_RPM\\_Base\\_Residual\\_Auction\\_Part\\_B\\_20241015.pdf](https://www.monitoringanalytics.com/reports/Reports/2024/IMM_Analysis_of_the_20252026_RPM_Base_Residual_Auction_Part_B_20241015.pdf)>; “Analysis of the 2025/2026 RPM Base Residual Auction—Part C,” (October 15, 2024) <[https://www.monitoringanalytics.com/reports/Reports/2024/IMM\\_Analysis\\_of\\_the\\_20252026\\_RPM\\_Base\\_Residual\\_Auction\\_Part\\_C\\_20241106.pdf](https://www.monitoringanalytics.com/reports/Reports/2024/IMM_Analysis_of_the_20252026_RPM_Base_Residual_Auction_Part_C_20241106.pdf)>; “Analysis of the 2025/2026 RPM Base Residual Auction—Part D,” (December 6, 2024) <[https://www.monitoringanalytics.com/reports/Reports/2024/IMM\\_Analysis\\_of\\_the\\_20252026\\_RPM\\_Base\\_Residual\\_Auction\\_Part\\_D\\_20241206.pdf](https://www.monitoringanalytics.com/reports/Reports/2024/IMM_Analysis_of_the_20252026_RPM_Base_Residual_Auction_Part_D_20241206.pdf)>; “Analysis of the 2025/2026 RPM Base Residual Auction—Part E,” (January 31, 2025). <[https://www.monitoringanalytics.com/reports/Reports/2025/IMM\\_Analysis\\_of\\_the\\_20252026\\_RPM\\_Base\\_Residual\\_Auction\\_Part\\_E\\_20250131.pdf](https://www.monitoringanalytics.com/reports/Reports/2025/IMM_Analysis_of_the_20252026_RPM_Base_Residual_Auction_Part_E_20250131.pdf)>; “Analysis of the 2025/2026 RPM Base Residual Auction—Part F,” (February 4, 2025) <[https://www.monitoringanalytics.com/reports/Reports/2025/IMM\\_Analysis\\_of\\_the\\_20252026\\_RPM\\_Base\\_Residual\\_Auction\\_Part\\_F\\_20250204.pdf](https://www.monitoringanalytics.com/reports/Reports/2025/IMM_Analysis_of_the_20252026_RPM_Base_Residual_Auction_Part_F_20250204.pdf)>; “Analysis of the 2025/2026 RPM Base Residual Auction—Part G Revised,” (June 3, 2025); <[https://www.monitoringanalytics.com/reports/Reports/2025/IMM\\_Analysis\\_of\\_the\\_20252026\\_RPM\\_Base\\_Residual\\_Auction\\_Part\\_G\\_20250603\\_Revised.pdf](https://www.monitoringanalytics.com/reports/Reports/2025/IMM_Analysis_of_the_20252026_RPM_Base_Residual_Auction_Part_G_20250603_Revised.pdf)>; “Analysis of the 2025/2026 RPM Base Residual Auction—Part H,” (July 31, 2025) <[https://www.monitoringanalytics.com/reports/Reports/2025/IMM\\_Analysis\\_of\\_the\\_20252026\\_RPM\\_Base\\_Residual\\_Auction\\_Part\\_H\\_20250731.pdf](https://www.monitoringanalytics.com/reports/Reports/2025/IMM_Analysis_of_the_20252026_RPM_Base_Residual_Auction_Part_H_20250731.pdf)>; “Analysis of the 2026/2027 RPM Base Residual Auction—Part A,” (October 1, 2025) <[https://www.monitoringanalytics.com/reports/Reports/2025/IMM\\_Analysis\\_of\\_the\\_20262027\\_RPM\\_Base\\_Residual\\_Auction\\_Part\\_A\\_20251001.pdf](https://www.monitoringanalytics.com/reports/Reports/2025/IMM_Analysis_of_the_20262027_RPM_Base_Residual_Auction_Part_A_20251001.pdf)>; “Analysis of the 2026/2027 RPM Base Residual Auction—Part B,” (March 3, 2026) <[https://www.monitoringanalytics.com/reports/Reports/2026/IMM\\_Analysis\\_of\\_the\\_20262027\\_RPM\\_Base\\_Residual\\_Auction\\_Part\\_B\\_20260303.pdf](https://www.monitoringanalytics.com/reports/Reports/2026/IMM_Analysis_of_the_20262027_RPM_Base_Residual_Auction_Part_B_20260303.pdf)>.

market on the competitiveness of the energy market and prices in the energy market.<sup>8</sup> Removal of capacity from the capacity market would also make PJM less reliable. The fact that PJM is already short of its reliability target and that PJM faces very significant levels of forecast data center load makes this reliability impact an even greater risk.

Allowing the removal of capacity to serve data center load shifts the costs and risks of data centers from data centers to all other PJM customers. This is inconsistent with the public interest standard under section 203, the White House Ratepayer Protection Pledge (“Pledge”), and the Principles issued by the National Energy Dominance Council and the PJM Governors (“Principles”).<sup>9</sup> The definition of the public interest with specific respect to serving data center load with existing capacity has recently been clarified by the Pledge and the Principles. The Pledge directs the Commission to protect ratepayers from bearing the costs caused by new or expanded data center load.<sup>10</sup> The Principles state the fundamental principle that data centers should be served by new capacity, not existing capacity, and that the associated costs should be borne by the data centers.<sup>11</sup>

The Transaction, without the condition, would result in the Applicants having an increased incentive and ability to exercise market power. The removal of an economic

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<sup>8</sup> See Monitoring Analytics, LLC “Potential Impacts of the Creation of Maryland FRRs,” <[http://www.monitoringanalytics.com/reports/Reports/2020/IMM\\_Potential\\_Impacts\\_of\\_the\\_Creation\\_of\\_Maryland\\_FRRs\\_20200416.pdf](http://www.monitoringanalytics.com/reports/Reports/2020/IMM_Potential_Impacts_of_the_Creation_of_Maryland_FRRs_20200416.pdf)> (April 16, 2020); Comments to the Maryland PSC Senate Bill 1 Co-location Study Administrative Docket PC 61 (September 24, 2024); <[https://www.monitoringanalytics.com/filings/2024/IMM\\_Comments\\_MDPSC\\_PC61\\_20240924.pdf](https://www.monitoringanalytics.com/filings/2024/IMM_Comments_MDPSC_PC61_20240924.pdf)>; Supplemental Comments to the Maryland PSC Senate Bill 1 Co-location Study Administrative Docket PC 61 (December 13, 2024) <[https://www.monitoringanalytics.com/filings/2024/IMM\\_Supplemental\\_Comments\\_re\\_MDPSC\\_PC61\\_Co\\_Located\\_Load\\_20241213.pdf](https://www.monitoringanalytics.com/filings/2024/IMM_Supplemental_Comments_re_MDPSC_PC61_Co_Located_Load_20241213.pdf)>.

<sup>9</sup> See White House, “Ratepayer Protection Pledge Proclamation,” (March 4, 2026), <<https://www.whitehouse.gov/presidential-actions/2026/03/ratepayer-protection-pledge-proclamation/>> accessed March 20, 2026 (“Pledge”); National Energy Dominance Council, Statement of Principles Regarding PJM (January 16, 2026), <<https://www.energy.gov/documents/statement-principles-regarding-pjm>> (“Principles”)

<sup>10</sup> See Pledge.

<sup>11</sup> See Principles.

resource from the market constitutes physical withholding and is a possible mechanism to exercise market power. The PJM tariff includes a market power review of generator retirements and removing generators from capacity resource status for this reason.<sup>12</sup> PJM staff have publicly stated that, in their opinion, the deactivation rules do not apply to the removal of capacity resources from the capacity market to serve data center load rather than just retiring.<sup>13</sup> Neither the Commission’s merger policy orders nor the PJM tariff explicitly addresses the removal of capacity resources to serve data centers because large data centers did not exist at scale and were not an issue in power markets at the time the rules were written.<sup>14</sup> The Commission’s review under Section 203 is the proper venue to evaluate whether the new ownership would result in the ability and incentive to exercise market power, and whether the proposed transaction would be consistent with the public interest.

The Commission has not addressed the removal of PJM capacity resources from the market to serve data center load. Such removal is clearly not consistent with the Principles or the Pledge. The Commission’s new co-location rules create a special framework for transmission service for a range of load configurations, but these new rules do not approve or address the removal of existing capacity resources from the market to serve data center load and the associated adverse reliability and affordability impacts on existing customers.<sup>15</sup> The Transaction enhances HSE’s ability to exercise market power adverse to competition and adverse to rates, and those adverse impacts on competition and rates are inconsistent with the public interest, which cannot be ignored in this proceeding.

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<sup>12</sup> See OATT § 113.1; OATT Attachment DD § 6.6(g); OATT Attachment M–Appendix §§ IV.1 & II.C.2.

<sup>13</sup> See PJM, Co-Located Load Order Workshop (March 18, 2026), <<https://www.pjm.com/committees-and-groups/workshops/cllsco>>.

<sup>14</sup> See *Inquiry Concerning the Commission’s Merger Policy Under the Federal Power Act: Policy Statement*, Order No. 592, 61 Fed. Reg. 68,595, 77 FERC ¶ 61,263 (*mimeo*), FERC Stats. & Regs. ¶ 31,044 (1996), *reconsideration denied*, Order No. 592-A, 79 FERC ¶ 61,321 (1997) (“Merger Policy Statement”); see also *FPA Section 203 Supplemental Policy Statement*, FERC Stats. & Regs. ¶ 31,253 (2007).

<sup>15</sup> See PJM Interconnection, L.L.C., 193 FERC ¶ 61,217 (2025).

The Market Monitor recommends that the Transaction be rejected and that HSE be required to resubmit its 203 application including a commitment to not removing the Tait and Lee County units from the PJM Capacity Market to serve data center load. The Transaction as filed does not provide assurance that market power will not be exercised.

## 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.<sup>16</sup> 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 answer as the Commission resolves the issues raised in this proceeding.

Respectfully submitted,



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<sup>16</sup> 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).

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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 24<sup>th</sup> day of April, 2026.



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