

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

Potomac Energy Center LLC	)	
Potomac Energy LLC	)	Docket No. EC25-46-000
	)	
	)	

**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,<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 this answer and motion for leave to answer the answer submitted by Potomac Energy Center LLC, et al. (“Applicants”) on March 6, 2025, the protest submitted by Public Citizen, Inc. (“Public Citizen”) on February 24, 2025, and the answer submitted by Public Citizen on March 7, 2025. In its protest, Public Citizen argues (at 1): “The application is deficient because it omits Blackstone’s role as the largest data center provider in the world, controlling a \$70 billion portfolio, with as much as 1000 MW of data center load in Virginia.” In their answer to Public Citizen, Applicants argue: “The Protest raises unsupported and hypothetical concerns that are irrelevant to the Commission’s consideration of the Application.” The information that Public Citizen argues should be provided is important to the evaluation of whether the proposed transaction is in the public interest under Section 203 of the Federal Power Act. The Applicants should be directed to provide the information and similar information about

---

<sup>1</sup> 18 CFR §§ 385.212 & 385.213 (2024).

<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”).

affiliated large loads, and participation in the markets as demand response should be required in future Section 203 proceedings.

## I. ANSWER

Public Citizen argues that the application is deficient “because it omits Blackstone’s role as the largest data center provider in the world, controlling a \$70 billion portfolio, with as much as 1000 MW of data center load in Virginia,” and omits Blackstone’s control of QTS Realty Trust, “which operates data centers in Virginia and throughout PJM. Public Citizen also notes that Blackstone “has a joint venture with a separate data center company, Digital Reality, [footnote omitted] which operates an additional 15 data centers in Virginia and is building so-called hyperscale data centers there.” Public Citizen suggests review (*id.*) of “whether Blackstone’s planned acquisition of Potomac Energy Center is directly or indirectly connected to its control of data centers.”

The transaction plainly has implications for issues related to the co-location of loads that are currently receiving significant attention from the Commission. There are open questions on policy regarding co-located loads with implications for rates and regulation, which are areas of inquiry in Section 203 proceedings. The co-location of a data center at the site of an existing generator equates to a removal of that capacity from the market, which has implications for market power and, therefore, is relevant to the Section 203 proceeding.

Large loads like those contemplated here have the ability to participate in the PJM market as demand response resources on the supply side of the capacity market. Weak rules concerning review of offers, requirements to offer, the complete lack of any market power mitigation rules, and other aspects of participation in markets by demand resources aggravate those concerns. Information on large loads such as those described by Public Citizen should be included in applications for approval of transactions under Section 203 and should be part of the Commission’s review. Information on applicants’ participation in the market as demand response and distributed energy should also be included in applications

for approval of transactions under Section 203 and should be part of the Commission's review.

There is also a potential effect on regulation. The impacts on federal and state jurisdiction are among the issues that the Commission is considering as it examines its policies on co-location. The Commission recently stated:

In short, under the FPA, the Commission and states each regulate within separate zones of exclusive jurisdiction, with the states retaining authority over those matters not expressly conveyed to the Commission under the FPA... [T]he boundaries between federal and state jurisdiction are not hermetically sealed.[footnote omitted] The application of these principles to the issue of co-location will often depend heavily on the specific facts and circumstances presented in particular situations.<sup>3</sup>

Because there are open questions about the impact that ownership and/or control of large loads, including co-located loads, have on the applicability of federal and state jurisdiction, information on large co-located loads should be provided so that the Commission can determine whether the proposed transaction is in the public interest.

## 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 answers or protests 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>4</sup> In this answer, the Market Monitor provides the

---

<sup>3</sup> *PJM Interconnection, L.L.C.*, 190 FERC ¶ 61,115 at 67–68 (2025).

<sup>4</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).

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,



---

Jeffrey W. Mayes

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*

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

Dated: March 21, 2025

## 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 21<sup>st</sup> day of March, 2025.



---

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