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Holdings, Inc. (“GenOn”).³ Three investors in GenOn hold ten percent or more of GenOn’s voting securities. Those investors are Strategic Value Partners, LLC (“SVP”) holding approximately 58.2 percent of GenOn’s voting securities, funds managed by MacKay Shields holding approximately 13.6 percent of GenOn’s voting securities, and BofA Securities, Inc. holding approximately 16.0 percent of GenOn’s voting securities.⁴

The Morgantown site originally included coal units Morgantown 1 and Morgantown 2, which retired on October 1, 2022, and oil fired units Morgantown CT1 and Morgantown CT2, which retired on May 31, 2022. The units with current CIRs are Morgantown CT3, Morgantown CT4, Morgantown CT5, and Morgantown CT6. Morgantown requested and received waivers that allowed Morgantown to retain the CIRs for Morgantown CT5 and Morgantown CT6 based on the asserted benefits of that capacity to PJM.⁵

Morgantown stated in its request for extension of CIRs:

To the contrary, the waiver would benefit consumers by ensuring that Morgantown 5’s capacity can be used to meet the needs of the PJM region, and by avoiding a waste of resources given that Morgantown has already invested in ordering replacement parts to allow Morgantown 5 to return to service.⁶

TeraWulf’s announced plans for the Morgantown site include adding data center load and potentially generation and storage. The Market Monitor Comments assert that adequate review of the February 2nd Filing requires review of the plans for generation and load at the Morgantown site. There are no rules in the PJM tariff that adequately address the market power implications of this transaction given TeraWulf’s plans to add data center load at the

³ 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.” [emphasis added]).

⁴ February 2nd Filing at 6.

⁵ Morgantown Waiver Filing I, Docket No. ER25-2190-000 (May 27, 2025); Morgantown Waiver Filing II, Docket No. ER25-ER25-3339 (August 28, 2025) (“Morgan Waiver Filing II”).

⁶ Morgantown Waiver Filing II at 7.

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Morgantown site with no assurances about the treatment of existing capacity. This proceeding is the proper venue for review of the market power effects of the Transaction including the future of the existing capacity resources, which TeraWulf did not include in the February 2nd Filing or the March 20th Answer.

I. ANSWER

The Morgantown Answer (at 1) asserts that TeraWulf's announced plans to build a data center on the Morgantown site are out of scope of this proceeding because the proposed Transaction "pertains *solely* to the change in ownership" of the existing Morgantown Units and "does *not* involve the development of a data center facility, does not encompass any repowering of coal generation units at the Morgantown Station site, and does not extend to any other activity beyond the upstream change of ownership of Morgantown Power" [emphasis in original]. The assertions are not correct. Plans, or the potential, to withhold capacity from the PJM market are relevant to a review of the market power implications of the Transaction.

The Morgantown Answer and the February 2nd Filing include evidence that TeraWulf has plans for major changes at the Morgantown site that have not been clearly disclosed in any substantive way to the Commission and which TeraWulf asserts are irrelevant.⁷ TeraWulf has announced a plan to develop both onsite load and generation while remaining a "net-positive" energy supplier, although that vague term does not define a MW level, the timing of the supply, the duration of the supply, or the asserted cost of the supply. TeraWulf emphasizes that "Morgantown's proximity to the Washington, D.C. metropolitan area and

⁷ The Maryland Department of Environment (MDE) Letter in Exhibit A of the Morgantown Answer states that "MDE will also offer our best efforts to expedite any other necessary permits and advance other relevant environmental actions, such as obtaining natural gas right-of-ways or achieving environmental compliance."

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other Mid-Atlantic markets enhances its attractiveness for compute-intensive uses that value scale, reliability, and access to major population and enterprise centers.”⁸

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If TeraWulf plans a reduction in the availability of the Morgantown Units’ capacity to the PJM markets through the addition of data center load, it should disclose the plan to the Commission in this proceeding. Regardless, the Commission should condition any acceptance of the Transaction on TeraWulf not removing existing capacity resources from the PJM Capacity Market in order to serve data center load. Morgantown retained the CIRs for Morgantown CT5 and Morgantown CT6 through a waiver of the CIR rules based on the assertion that the capacity is needed for the PJM market.

The PJM Capacity Market is short as a result of data center load growth. The Transaction is a data center developer acquiring existing PJM capacity.⁹ In the 2026/2027 and the 2027/2028 Base Residual Auctions (“BRA”), the capacity market was short of PJM’s target reserve margin.¹⁰ Even prior to the current short conditions, all capacity resources in PJM were pivotal. Growing data center load further has resulted in shortage conditions, with the

⁸ See TeraWulf Inc. Q4 & Full Year 2025 Update (February 26, 2026) at 9. <<https://www.sec.gov/Archives/edgar/data/1083301/000108330126000026/terawulfq42025investorpr.htm>>; See TeraWulf Expands Digital and Power Infrastructure Portfolio with Strategic Acquisitions in Kentucky and Maryland (February 2, 2026) at <<https://investors.terawulf.com/news-events/press-releases/detail/129/terawulf-expands-digital-and-power-infrastructure-portfolio>>.

⁹ See the “Analysis of the 2026/2027 RPM Base Residual Auction—Part A (October 1, 2026); <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>.

¹⁰ See “Analysis of the 2027/2028 RPM Base Residual Auction—Part A” (January 5, 2026) (“2027/2028 BRA Report—Part A”) <https://www.monitoringanalytics.com/reports/Reports/2026/IMM_Analysis_of_the_20272028_RPM_Base_Residual_Auction_Part_A_20260105.pdf>.

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result that every individual capacity resource is pivotal.¹¹ The Market Monitor has documented and quantified the impact of existing and forecast data center loads on the competitiveness of the capacity market and on the prices in the capacity market for PJM customers in reports on the last three BRAs.¹² The Market Monitor has calculated the cost impact on customers of removing capacity to serve data center loads.¹³ The possibility that TeraWulf could remove some or all of the Morgantown capacity from the capacity and energy markets to serve co-located load in a constrained area would be an exercise of market power and a threat to the reliability of the PJM system and the competitiveness of the market.

¹¹ See Market Monitor Comments in Docket Nos. EC25-148, EC25-151, EC26-13, EC26-31, EC26-39, EC26-58, EC26-67.

¹² 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>; 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>; “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>; “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>; “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>; “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>; “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>; “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>; “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>; “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>.

¹³ *id.*

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The Commission's co-location order creates new transmission options, but these new rules do not address the generation reliability issues including the potential removal of existing resources from the market to serve data center load and the associated adverse reliability and affordability impacts on existing customers.¹⁴ OATT Attachment DD, Section 6.6A requires generation capacity resources to offer in the capacity market, but it does not require resources to remain generation capacity resources. Although the Market Monitor does not agree, 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.¹⁵ The current market power mitigation rules in the PJM tariff do not explicitly address the removal of capacity resources from the capacity market to serve data center load. Unless and until the market rules change, market power issues must be addressed case by case. The Market Monitor recognizes that Section 203 matters do not present an opportunity to correct flaws with the existing market rules. Any market power issues resulting from the Transaction that are not addressed by the existing market rules can only be resolved in Section 203 proceedings.

The Market Monitor requests that the Commission require as a condition of the Transaction that the Morgantown Units not be removed from the capacity market in order to serve data center load and, as a result, be withheld from the PJM markets.

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

¹⁴ See *PJM Interconnection, L.L.C.*, 193 FERC ¶ 61,217 (2025).

¹⁵ See PJM, Co-Located Load Order Workshop (March 18, 2026) <<https://www.pjm.com/committees-and-groups/workshops/clsco>>.

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clarifies the issues or assists in creating a complete record.¹⁶ 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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¹⁶ 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 6th day of April, 2026.



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