



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

The April 1<sup>st</sup> Protest alleges (at 1) that Applicants failure to disclose Google LLC’s (“Google”) 14 percent equity stake in TeraWulf, constituted a material omission “necessitating that the Commission reject the Application.” The TeraWulf Answer (at 2–3) claims that the Applicants were not required to disclose the Google ownership because Google has not yet exercised its agreed upon right to purchase TeraWulf shares.

While the Market Monitor supports the assertion that TeraWulf should have included more relevant information in the filing, that is not the central issue raised by the Transaction. The information that should have been disclosed all serves to support the Market Monitor’s position that this Transaction is likely to lead to the removal of existing capacity from the PJM market to serve data center load. The Market Monitor’s recommendation is quite modest. The Monitor recommends only that the Applicants agree that they will not remove existing capacity from the PJM market in order to serve data center load, or in the alternative that the Commission impose that requirement.

The April 1<sup>st</sup> Protest served to highlight detailed information that further revealed the likely actual plans of the Applicants to remove this capacity from the PJM Capacity Market to serve data center load. The fact of the potential Google equity position is consistent with the Market Monitor’s position. More importantly and more specifically, the TeraWulf business model is clear from related TeraWulf filings. For example, the Warrant Agreement between TeraWulf and Google defines a Guaranty Agreement under which Google will guarantee certain of the obligations of Fluidstack under a defined Datacenter Lease

Agreement between a subsidiary of TeraWulf and Fluidstack.<sup>3</sup> In return for the Guaranty Agreement, TeraWulf agreed to issue warrants to Google to purchase shares for \$.01 per share. In addition Google pledged the Warrant for the benefit of lenders to TeraWulf prior to the effective date of the Google Guaranty.

The Market Monitor's recommendation addresses the central issue in this Transaction. The Market Monitor recommends that the Application include a condition that the Applicants be required to commit to not remove the capacity owned by Morgantown from the PJM Capacity Market to serve data center load. The Morgantown Answer argues (at 2–4) that the Market Monitor's requested condition is out of scope. Terawulf does not agree to commit to not remove resources acquired through the Transaction from the capacity market in order to serve data center load, and thereby avoid adverse impacts to competition, rates, affordability and reliability in the PJM Region. The Morgantown Answer appears to assert that the concerns are not within the Commission's proper consideration of whether the Transaction is consistent with the public interest. The issues of concern to the Market Monitor implicate current regulatory and policy priorities confronting the United States.<sup>4</sup> The issues of concern to the Market Monitor and other interveners are plainly relevant to whether the Transaction should be approved as consistent with the public interest.<sup>5</sup> The condition requested by the Market Monitor should be included in any order approving the Transaction.

Removing capacity from the market is a potential exercise of market power in the form of physical withholding. The fact that data center load did not exist when the Commission

---

<sup>3</sup> See TeraWulf, Form of Warrant, SEC 8-K, Exhibit 4.1 (August 14, 2025) ("Exhibit 4.1") <[https://www.sec.gov/Archives/edgar/data/1083301/000110465925078084/tm2523008d2\\_ex4-1.htm](https://www.sec.gov/Archives/edgar/data/1083301/000110465925078084/tm2523008d2_ex4-1.htm)>.

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

<sup>5</sup> See Protest of the Maryland Office of People's Counsel (March 16, 2026), Docket No. EC26-58 and Protest of Sierra Club and Sierra Club of Maryland (March 16, 2026), Docket No. EC26-58.

developed its market power review process under Section 203 does not mean that removing capacity from the market to serve a data center is not a form of market power. The fact that data center load and its role in PJM markets is a new phenomenon does not make it irrelevant to the market power implications of this Transaction or to the public interest. Physical withholding through uneconomic retirement or to serve data center load are among possible mechanisms to exercise market power. The Commission's market power rules are not about the specific mechanism but about the market impacts, whatever the mechanism of choice. The acquisition of generation assets by TeraWulf in the Transaction creates a clear potential for this form of withholding and therefore affects competition and rates in PJM. The Transaction, without the condition, is inconsistent with the growing consensus that data center load should be served by new generation and not by existing generation. If Applicants do not intend to remove the capacity from the PJM market to serve data center load, it is not clear why the Applicants so strongly object to consideration of this issue and to agreeing to the defined condition. The Transaction has not been shown to be consistent with the public interest without the reasonable condition to protect the public interest proposed by the Market Monitor.

## **I. ANSWER**

### **A. The Information Identified in the April 1<sup>st</sup> Protest Should Have Been Disclosed.**

The TeraWulf Answer focuses narrowly on whether Google qualifies as an affiliate under the Commission Rules, citing 18 CFR § 35.36.<sup>6</sup> The TeraWulf Answer states (at 2) that

---

<sup>6</sup> 18 CFR 35.36(a)(9) ("Affiliate of a specified company means: (i) Any person that directly or indirectly owns, controls, or holds with power to vote, 10 percent or more of the outstanding voting securities of the specified company; (ii) Any company 10 percent or more of whose outstanding voting securities are owned, controlled, or held with power to vote, directly or indirectly, by the specified company; (iii) Any person or class of persons that the Commission determines, after appropriate notice and opportunity for hearing, to stand in such relation to the specified company that there is liable to be an absence of arm's-length bargaining in transactions between them as to make it necessary or appropriate in the public interest or for the protection of investors or consumers that the person be treated as an affiliate; and (iv) Any person that is under common control with the

Google is neither an upstream owner nor an affiliate of Chesapeake or TeraWulf, and therefore, it does not have voting rights and cannot appoint directors. The TeraWulf Answer states (at 2–3) that its relationship with Google arises from two unexercised warrant agreements granting Google the right to purchase shares of TeraWulf common stock in the future (“Google Warrants”).<sup>7</sup> Regardless of the exercise of the Warrant to purchase shares, the TeraWulf Answer omits the more significant discussion of the Google Guaranty and TeraWulf’s reliance on Google financial support for elements of the Transaction as defined in detail in the referenced Warrant. This transaction is unlikely to have been possible without the Google Guaranty and it is therefore relevant.

Under Section 203 of the Federal Power Act, the Transaction should not be approved if it is not shown to be consistent with the public interest. The April 1<sup>st</sup> Protest identifies a significant issue affecting whether the Transaction is consistent with the public interest. In addition to the question of ownership, there are other more important issues related to Google’s support for the Transaction, including the Guaranty and the reliance on that Guaranty to support TeraWulf’s financing of the Transaction. More importantly, TeraWulf does not address concerns that approval of the Transaction could result in the removal of existing generation capacity from the PJM Capacity Market to serve a data center load, adversely affecting competition and rates, and harming the public interest in affordability and reliability in the PJM Region.<sup>8</sup>

The actual details of Google’s position further support the Market Monitor’s position that a condition preventing the removal of existing capacity resources to serve data center

---

specified company. (v) For purposes of paragraph (a)(9), owning, controlling or holding with power to vote, less than 10 percent of the outstanding voting securities of a specified company creates a rebuttable presumption of lack of control.”)

<sup>7</sup> See Exhibit 4.1.

<sup>8</sup> See Comments of the Independent Market Monitor for PJM Interconnection, L.L.C, Docket No. EC26-58 (March 4, 2026) and Answer and Motion for Leave to Answer of the Independent Market Monitor for PJM, Docket No. EC26-58 (April 6, 2026).

load is required. The Google Warrants are part of the TeraWulf business model in which a large data center tenant, Fluidstack, provides cloud computing capacity, Google provides guarantees of Fluidstack obligations and provides credit support for TeraWulf, and TeraWulf develops infrastructure to serve that load. Based on the Warrant and the press releases and TeraWulf's filing, the direct and extensive interactions among Google, Fluidstack and TeraWulf are clear.<sup>9</sup> It is clear that the intent of this Transaction is to develop a data center and to use the existing capacity to serve it. The general business model increases the likelihood that generation capacity serving existing customers will be withdrawn from the PJM Capacity Market to serve data center load. The Commission's concern in this proceeding is not limited to whether Google can vote or appoint directors. There is no question about the goals of the Transaction. The Market Monitor requests that the Commission not allow this end run on PJM rules and the ongoing process to define the obligations of data center loads and existing capacity resources.

In addition to the direct impact on the capacity market, the Market Monitor has documented and quantified the negative impact of data center loads removing capacity from the capacity market on the competitiveness of the energy market and prices in the energy market, which directly demonstrates its effect on rates.<sup>10</sup> It is clear that the proposed

---

<sup>9</sup> This business model is already in use for data centers in New York and Texas. *See* TeraWulf, "TeraWulf Expands Strategic Partnership with Fluidstack Through New 168 MW AI Compute Joint Venture," (October 28, 2025), Press Release, <https://investors.terawulf.com/news-events/press-releases/detail/121/terawulf-expands-strategic-partnership-with-fluidstack>, accessed April 29, 2026. *See* TeraWulf, "TeraWulf Signs 200+ MW, 10-Year AI Hosting Agreements with Fluidstack," (August 14, 2025), Press Release, <https://investors.terawulf.com/news-events/press-releases/detail/112/terawulf-signs-200-mw-10-year-ai-hosting-agreements-with>, accessed April 29, 2026.

<sup>10</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

Transaction will result in the removal of capacity from the market, thereby affecting competition, rates, resource adequacy, and system reliability. TeraWulf did not provide the Google Warrant or discuss the tight connections among Google, Fluidstack and TeraWulf in its initial application.<sup>11</sup> The Transaction should not be approved except on condition that the Applicants commit to not remove generation capacity from the PJM Capacity Market in order to serve data centers.

**B. The Requested Condition Addresses a Consequence of the Transaction Adverse to the Public Interest.**

The Morgantown Answer alleges (at 2) that the Market Monitor misrepresents the scope of the proceeding by raising concerns about removing capacity resources from the market to serve data centers. The Morgantown Answer states (at 2–3) that the Market Monitor is attempting to change the PJM market rules and to conduct system planning through 203 proceedings. Applicants’ arguments are misplaced. The Market Monitor is not trying to change PJM market rules. However, the Market Monitor recognizes that the Transaction raises market power issues that result directly from the TeraWulf business model as defined in the Warrant and TeraWulf’s press releases. The Market Monitor’s proposed condition would apply only to this Transaction. The Transaction is simply not consistent with the public interest for all these reasons. The Market Monitor’s recommendation recognizes the fact that the Transaction exists in a regulatory context where the public interest in matters exactly like this Transaction has been explicitly defined. TeraWulf would have the Commission ignore this fact.

The adverse impacts can be addressed by the Commission including a condition on the Transaction that the applicants commit to not remove their capacity resources from the market in order to serve data centers.

---

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>11</sup> 18 CFR § 33.2(f) requires Section 203 applicants to provide all contracts related to the proposed transaction.

The proposed condition is about impacts on competition and rates and potential cross subsidization. The removal of an economic resource from the market constitutes physical withholding and is a possible mechanism to exercise market power. Absent an agreement by Applicants to the condition, the Market Monitor requests that the Commission include a condition in any Commission order approving the Transaction because the Transaction will result in the Applicants' incentive and ability to remove capacity from the market that was built to serve existing customers, which is detrimental to the public interest in affordable electric power and regulation through competition. The determination of the public interest with specific respect to serving data center load with existing capacity should be guided by public statements from the White House and every PJM governor and the largest hyperscalers, the Pledge and the Principles. The Pledge is a commitment to protect ratepayers from bearing the costs caused by new or expanded data center load.<sup>12</sup> The Principles state the fundamental principles that data centers should be served by new capacity and that the associated costs should be borne by data centers.<sup>13</sup> The Market Monitor's condition is clearly consistent with the public interest and with the Principles and with the Pledge. Applicants cannot and do not make any contrary showing.

The Morgantown Answer suggests that the removal of the capacity from the PJM market could be addressed in other proceedings. However, none of the suggested proceedings would timely address the issue raised by this Transaction. The review of this Transaction is the logical venue for review of all market power implications of the Transaction. The Morgantown Answer claims (at 3) that removing capacity from the PJM market "will be the subject of other proceedings in which the IMM can intervene" such as a

---

<sup>12</sup> See Pledge ("[T]hese companies will build, bring, or buy the new generation resources and electricity needed to satisfy their energy demands, and pay for all new power delivery infrastructure upgrades to service their data centers").

<sup>13</sup> See Principles ("Allocate Cost to Data Centers: Their size and the risks they pose to resources adequacy make today's data centers unique. For this reason, PJM should allocate the cost of any *new* capacity procured through the aforementioned Reliability Backstop Action to load serving entities (LSEs) with new data centers that have not self-procured new capacity or agreed to be curtailable.").

proceeding for changes in the interconnection service agreement. The Morgantown Answer recognizes that the removal of the capacity is at issue. The Morgantown Answer proposes to ignore the issue here where it is central. Nothing prevents Applicants from making the same arguments in other proceedings. The Morgantown Answer assumes that an interconnection service agreement modification proceeding would provide an adequate forum for the Market Monitor to raise the market power concerns at issue here. It is not hard to imagine the Applicants arguing that the market power and competition elements of the Transaction are outside the scope of the ISA Review. Applicants want to proceed without any limits on the removal of capacity in the apparent hope that inertia will prevent the Transaction from being reviewed for market power and competition issues. Ultimately, Applicants do not deny the assertions of the Market Monitor but simply prefer that the Commission not address those concerns.

Neither the Commission's merger policy orders nor the PJM tariff explicitly address 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 they 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 Applicants have not stated that the Market Monitor's concerns are not correct. The Applicants have made clear that the new ownership would, in fact, have the ability and incentive to exercise market power as a result of the Transaction.

Applicants offer no substantive reason why the "consistent with the public interest" standard in the Federal Power Act and the Commission's conditioning authority should not be applied in order to address the most pressing issue currently facing PJM markets, a

---

<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).

shortage of capacity that is a direct result of forecast data center load. Removing capacity from the market will only exacerbate the issue. Harm to the public interest should not be ignored based on vague and speculative arguments that the problem may somehow be addressed in another proceeding. The issue should be addressed in this proceeding in order to provide clarity to all.

## 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>15</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,



---

Jeffrey W. Mayes

Joseph E. Bowring  
Independent Market Monitor for PJM  
President

---

<sup>15</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).

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*

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

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

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

Kyungjin Yoo  
Analyst  
Monitoring Analytics, LLC  
2621 Van Buren Avenue, Suite 160  
Eagleville, Pennsylvania 19403  
(610) 271-8050

Dated: April 29, 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 29<sup>th</sup> day of April, 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*