

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

Morgantown Power, LLC)	
)	Docket No. EC26-58-000
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)	
)	

COMMENTS OF THE INDEPENDENT MARKET MONITOR FOR PJM

Pursuant to Rule 211 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 these comments responding to the filing submitted by Morgantown Power, LLC (“Morgantown Power”) on February 2, 2026 (“February 2nd Filing”), requesting approval of a proposed transaction under Section 203 of the Federal Power Act. The February 2nd Filing requests authorization for the proposed disposition of jurisdictional facilities whereby Chesapeake Data LLC (“Chesapeake Data”) will acquire 100 percent of the interests in Morgantown Power from Lanyard Power Holdings, LLC (“Lanyard”) (“Transaction”). Morgantown Power owns and operates four oil-fired generating units with a combined generating capacity of approximately 216 MW at the Morgantown Station in Newburg, Maryland (“Morgantown Units”). Lanyard is owned by GenOn Holdings, LLC which is an indirect, wholly controlled subsidiary of GenOn Holdings,

¹ 18 CFR § 385.211 (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”).

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. Chesapeake Data is a direct, wholly owned subsidiary of TeraWulf, Inc. (“TeraWulf”).

The Maryland location (PEPCO Zone) of the Morgantown Units is a constrained area of PJM where the market needs existing generation to be retained and new generation to be built. All capacity in PJM, and especially in the PEPCO Zone, is pivotal and has market power under current market conditions. TeraWulf’s plans for new data center load at Morgantown fail to address whether the Morgantown Units will be removed from the PJM Capacity Market to serve data center load. The Principles issued by the National Energy Dominance Council and the PJM Governors make explicit that new data center load should be met by new generation.⁴ Removing the Morgantown Units from the market would be directly counter to the Principles, would shift risks and costs to PJM customers, and would not be consistent with the public interest.⁵

The Market Monitor recommends that the Transaction be rejected and that Morgantown Power be required to resubmit its 203 application clarifying that its plan for the Morgantown Units does not include removal of the Morgantown Units to serve data center

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.”

⁴ See U.S. Department of Energy, “Building A More Reliable And Affordable Electricity Supply For Americans In The Mid-Atlantic,” (January 16, 2026), <<https://www.energy.gov/articles/fact-sheet-trump-administration-outlines-plan-build-big-power-plants-again>>, accessed March 2, 2026.

⁵ See National Energy Dominance Council, Statement of Principles Regarding PJM (January 16, 2026), <<https://www.energy.gov/documents/statement-principles-regarding-pjm>> (“Principles”).

load. TeraWulf should be required to commit to not removing the Morgantown Units from the PJM market to serve data center load.

I. COMMENTS

A. Status of Morgantown Units

The Morgantown Units 3, 4, 5, and 6 are the capacity resources at Morgantown. Table 1 lists the Morgantown Units and retired units at the site.

Table 1 Morgantown Units and Retired Units

Unit Name	ICAP MW	Online Date	Retirement	Unit Type	Fuel
PEP MORGANTOWN 1 F	610	1970	2022	Steam	Coal
PEP MORGANTOWN 2 F	619	1971	2022	Steam	Coal
PEP MORGANTOWN 1 CT	16	1970	2022	CT	Oil
PEP MORGANTOWN 2 CT	16	1971	2022	CT	Oil
PEP MORGANTOWN 3 CT	54	1973		CT	Oil
PEP MORGANTOWN 4 CT	54	1973		CT	Oil
PEP MORGANTOWN 5 CT	54	1973		CT	Oil
PEP MORGANTOWN 6 CT	54	1973		CT	Oil

B. TeraWulf

TeraWulf is a publicly traded developer and operator of large scale data centers optimized for bitcoin mining and high-performance computing.⁶ The February 2nd Filing states (at 9-10) that affiliates of TeraWulf do not own or control any interests in any jurisdictional electric generation or transmission facilities that are used to deliver power across U.S. state lines or internationally to access U.S. markets, nor any essential inputs to electricity products or power production in the U.S. TeraWulf plans to build a data center at Morgantown, but has not provided detailed plans in the February 2nd Filing.⁷

⁶ See TeraWulf, Inc. Form 10-K. U.S. Securities and Exchange Commission (February 27, 2026). <<https://www.sec.gov/Archives/edgar/data/1083301/000108330126000031/wulf-20251231.htm>>.

⁷ 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>>.

TeraWulf is not new to the PJM market. In May 2021, TeraWulf partnered with Talen Energy Corporation (“Talen”) and formed a joint venture to develop and operate a bitcoin mining facility, the Nautilus Cryptomine (“Nautilus”), located adjacent to Talen’s Susquehanna nuclear power generation station (“Susquehanna”).⁸ TeraWulf sold its share in Nautilus to Talen in October 2024.⁹

In its press release about the Transaction, TeraWulf states that the Morgantown Units are going to support co-located load while remaining as a “net-positive energy supplier for the State of Maryland.”¹⁰ In the 2025 earnings call presentation, TeraWulf presented a plan to develop 1 GW of data center load and 1 GW of on-site generation, supported by an additional 500 MW of battery storage capacity.¹¹ These details of TeraWulf’s plans are relevant to and missing from the 203 application. The effect of the Transaction on the market cannot be determined without them.

C. Morgantown Acquisition

The rules governing data centers and their participation in PJM markets are currently in flux. The current rules are inadequate to protect the reliability of the PJM system and have

⁸ See TeraWulf Inc. Form 10-K. U.S. Securities and Exchange Commission (March 31, 2022). <<https://www.sec.gov/Archives/edgar/data/1083301/000110465922041168/wulf-20211231x10k.htm>>.

⁹ See TeraWulf Inc. Form 8-K. U.S. Securities and Exchange Commission. (October 3, 2024). <https://www.sec.gov/Archives/edgar/data/1083301/000095014224002511/eh240539927_8k.htm>.

¹⁰ 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>>.

¹¹ See TeraWulf Inc. Q4 & Full Year 2025 Update (February 26, 2026) at 9. <<https://www.sec.gov/Archives/edgar/data/1083301/000108330126000026/terawulfq42025investorpr.htm>>.

added \$23 billion to the costs of capacity over the past three Base Residual Auctions.¹² As a result, all details about the plans for the existing generation are required in order to evaluate the Transaction.

TeraWulf should be required to disclose any plans for the Morgantown Units and commit to provide notice of material changes if the Transaction is consummated. A central issue now being debated within the PJM stakeholder process is the rapid expansion of data center demand without corresponding additions of new generation capacity. In the 2027/2028 Base Residual Auction (“BRA”), PJM’s Capacity Market cleared below the installed reserve margin, the second time for a BRA to clear less capacity than the target reliability requirement after the 2026/2027 BRA, indicating that the system failed to procure the desired level of capacity.¹³ All existing capacity suppliers have market power, and every qualified resource is cleared at the maximum price on the VRR curve. There has been significant interest from owners of existing capacity and from data center operators in acquiring existing PJM capacity resources and diverting them from wholesale market participation to instead serve onsite load under co-location or power purchase agreement structures, rather than offering that capacity into the PJM market. This strategy shifts the reliability risk from data centers to all other PJM customers.

If TeraWulf intends to remove the Morgantown Units from the PJM Capacity Market to serve data center load, it would constitute physical withholding of supply, exacerbate capacity shortfalls, diminish system reliability, elevate both capacity and energy market prices, and undermine the public interest. Based on TeraWulf’s plan to operate the Morgantown Units as net positive energy suppliers, its ability to allocate output between the

¹² See the *Analysis of the 2027/2028 RPM Base Residual Auction – Part A* (“2027/2028 BRA Report – 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>.

¹³ See 2027/2028 BRA Report – Part A

data center load and wholesale sales could materially affect market prices, particularly given that the resource is located in a constrained zone.

Although TeraWulf states in its press release that it plans to construct approximately 500 MW in an initial phase and intends to maintain the site as a “net-positive” energy supplier to Maryland by pairing future on-site load with additional generation and battery storage, the February 2nd Filing itself does not describe this plan.¹⁴ The February 2nd Filing does not explain whether the intent is that the Morgantown Units will remain as capacity resources. It remains unclear whether the proposed expansion relies on reactivating retired units, constructing entirely new generation, or modifying existing interconnection rights. Without this information, it is impossible to evaluate whether the project will in fact contribute incremental supply to the grid or instead repurpose existing CIRs to serve data center load.

Given these potential impacts, the Applicants’ clarification about operational intent, interconnection status, and market participation is necessary to ensure that the Transaction is consistent with the public interest and does not harm competition, affordability or reliability. As submitted, the Transaction does not demonstrate that market power concerns have been adequately mitigated. The application does not specify TeraWulf’s plans for the continued participation of the Morgantown Units in the capacity market. Without addressing these issues, the Transaction, in its current form, should be rejected because it cannot be found consistent with the public interest. TeraWulf should be required to commit to not removing the Morgantown Units from the PJM market to serve data center load.

¹⁴ *Id* at n.10.

II. 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.

Respectfully submitted,



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March 4, 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 4th day of March, 2026.



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