197 FERC ¶ 61,111
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Laura V. Swett, Chairman;
David Rosner, Lindsay S. See,
Judy W. Chang, and David LaCerte.

ArcLight Capital Partners, LLC
DigitalBridge Group, Inc.

Docket No. EC26-115-000

ORDER AUTHORIZING DISPOSITION OF JURISDICTIONAL FACILITIES AND ACQUISITION OF SECURITIES

(Issued November 19, 2026)

1. On June 22, 2026, pursuant to sections 203(a)(1) and 203(a)(2) of the Federal Power Act (FPA)[1] and Part 33 of the Commission's regulations,[2] ArcLight Capital Partners, LLC (ArcLight Capital), on behalf of its affiliates that are public utilities[3] under the FPA and that are not exempt from the requirements of section 203 of the FPA (the ArcLight Public Utilities), and DigitalBridge Group, Inc. (DigitalBridge), on behalf of its

[1] 16 U.S.C. §§ 824b(a)(1), (a)(2).

[2] 18 C.F.R. pt. 33 (2025).

[3] Applicants state that the following entities comprise the ArcLight Public Utilities: 2018 ESA Project Company, LLC; Alpha Generation, LLC; Alpha Generation Brandywine, LLC; Arthur Kill Power LLC; Astoria Generating Company, L.P.; Backbone Mountain Windpower LLC; Carolina Power Partners, LLC; Carroll County Energy LLC; Clean Energy Future - Lordstown, LLC; Colorado Highlands Wind, LLC; Connecticut Jet Power LLC; Devon Power LLC; Diablo Winds, LLC; Elevate Renewables F7, LLC; GB II Connecticut LLC; GB II New Haven LLC; GB II New York LLC; Generation Bridge Connecticut Holdings, LLC; Generation Bridge M&M Holdings, LLC; Kleen Energy Systems, LLC; Lighthouse Arthur Kill, LLC; Long Beach Generation LLC; LWP Lessee, LLC; Meyersdale Windpower, LLC; Middletown Power LLC; Mill Run Windpower LLC; Montville Power LLC; Northwest Ohio Wind, LLC; Northwest Ohio IA, LLC; Ohio Power Partners, LLC; Oswego Harbor Power LLC; Parkway Generation Keys Energy Center LLC; Parkway Generation Operating LLC; Parkway Generation Sewaren Urban Renewal Entity LLC; Prospect Power, LLC; Santa Rosa Energy Center, LLC; Shiloh IV Lessee, LLC; Somerset Windpower LLC; South Field Energy LLC; Walleye Power, LLC; and Waymart Wind Farm LLC.

affiliated public utilities under the FPA that are indirect subsidiaries of Invenergy AMPCI Thermal Power LLC (IA Thermal Power) (the IA Thermal Power Public Utilities, and, together with the ArcLight Public Utilities, Applicants),[4] filed an application (Application) requesting authorization for a change in control over Applicants' jurisdictional facilities that will result from the acquisition of ArcLight Capital's immediate parent, ArcLight Capital Holdings, LLC (ArcLight Holdings), by indirect subsidiaries of DigitalBridge (Proposed Transaction).

2. We have reviewed the Proposed Transaction under the Commission's Merger Policy Statement.[5] As discussed below, we authorize the Proposed Transaction as consistent with the public interest.

I. Background

A. Description of Applicants

1. ArcLight Capital and Affiliates

3. Applicants state that ArcLight Capital acts as investment adviser to various funds (the ArcLight Funds) which wholly or partially own, through subsidiaries, the ArcLight Public Utilities. Applicants represent that the ArcLight Public Utilities have market-based rate authority and own generation facilities or operate as power marketers in the following markets and balancing authority areas, in the following amounts:

[4] Application at 1-2, Ex. B at 23-28. Applicants state that the following entities comprise the IA Thermal Power Public Utilities: Switched On, LLC; Grays Harbor Energy LLC; Hardee Power Partners Limited; Invenergy Cannon Falls LLC; Invenergy Nelson LLC; Invenergy Nelson Expansion LLC; Lackawanna Energy Center LLC (Lackawanna); and Spindle Hill Energy LLC.

[5] *Inquiry Concerning the Comm'n's Merger Pol'y Under the Fed. Power Act: Pol'y Statement*, Order No. 592, FERC Stats. & Regs. ¶ 31,044 (1996) (cross-referenced at 77 FERC ¶ 61,263) (Merger Policy Statement), *reconsideration denied*, Order No. 592-A, 79 FERC ¶ 61,321 (1997); *see also FPA Section 203 Supplemental Pol'y Statement*, 120 FERC ¶ 61,060 (2007) (Supplemental Policy Statement), *order on clarification and reconsideration*, 122 FERC ¶ 61,157 (2008); *Transactions Subject to FPA Section 203*, Order No. 669, 113 FERC ¶ 61,315 (2005), *order on reh'g*, Order No. 669-A, 115 FERC ¶ 61,097, *order on reh'g*, Order No. 669-B, 116 FERC ¶ 61,076 (2006); *Revised Filing Requirements Under Part 33 of the Comm'n's Reguls.*, Order No. 642, FERC Stats. & Regs. ¶ 31,111 (2000) (cross-referenced at 93 FERC ¶ 61,164), *order on reh'g*, Order No. 642-A, 94 FERC ¶ 61,289 (2001).

- California Independent System Operator Corporation (CAISO) market, approximately 404 megawatts (MW) of generation capacity
- ISO New England Inc. (ISO-NE) market, approximately 3,237 MW
- Midcontinent Independent System Operator, Inc. (MISO) market, approximately 206 MW
- New York Independent System Operator, Inc. (NYISO) market, approximately 4,770 MW
- PJM Interconnection, L.L.C. (PJM) market, approximately 8,856 MW, of which approximately 4,747 MW is within the PJM West submarket, approximately 1,141 MW is within the AP South submarket, and approximately 4,044 MW is within the PJM East submarket
- Southwest Power Pool, Inc. West (SPP West) market, approximately 91 MW
- Duke Energy Carolinas, LLC (Duke) balancing authority area, approximately 475 MW
- Florida Power & Light Company (FPL) balancing authority area, approximately 236 MW
- Los Angeles Department of Water and Power (LADWP) balancing authority area, approximately 8 MW.[6]

4. According to Applicants, the ArcLight Funds are affiliated with Natural Gas Pipeline Company of America LLC, Horizon Pipeline Company, L.L.C., and Kinder Morgan Illinois Pipeline LLC (collectively, the NGPL Companies). Applicants state that the NGPL Companies own and operate interstate natural gas pipelines, field system lines, storage fields, and related facilities in the central part of the United States. Applicants represent that neither the ArcLight Funds nor any of their affiliates control the day-to-day operations of the NGPL Companies, which are controlled by Kinder Morgan, Inc., an unaffiliated third party. Furthermore, Applicants note that an affiliate of the ArcLight Funds, Greylock Energy LLC (Greylock), owns certain intrastate natural gas transportation facilities in the PJM and MISO markets.[7]

5. Applicants represent that ArcLight Capital is a wholly owned direct subsidiary of ArcLight Holdings, which is, in turn, governed by its managing member, ACHP II, L.P.,

[6] Application at 12-13; n.3; Ex. B at 1-22.

[7] *Id*. at 14-15.

which is in turn governed and controlled by its general partner, ACH GP, LLC (ArcLight Holdings GP). According to Applicants, Mr. Daniel R. Revers, an individual, is the Manager of ArcLight Holdings GP with day-to-day control of ArcLight Holdings GP and, through ArcLight Holdings GP, ACHP II, ArcLight Holdings, ArcLight Capital, and the general partner of each of the ArcLight Funds. Applicants explain that the ownership interests in ArcLight Holdings GP consist of voting interests currently held by Mr. Revers, Mr. John F. Erhard, Mr. Mark Tarini, and Mr. Angelo Acconcia, who are the Class B Members under the ArcLight Holdings GP Limited Liability Company Agreement (ArcLight LLC Agreement),[8] and certain non-voting interests owned by passive investors, who are the Class A Members under the ArcLight Agreement. Applicants note that neither ArcLight Capital nor ArcLight Holdings owns equity interests in the ArcLight Funds or the ArcLight Public Utilities; rather, ArcLight Holdings is the managing member of the general partners of each of the ArcLight Funds.[9]

2. DigitalBridge and Affiliates

6. Applicants state that DigitalBridge is a publicly traded[10] digital infrastructure firm that conducts substantially all of its activities and holds substantially all of its assets and liabilities through DigitalBridge Operating Company, LLC (DigitalBridge Operating).[11]

7. According to Applicants, DigitalBridge indirectly owns 97% of DB Puma GIF II GP Holdco, LLC,[12] which in turn holds a 100% interest in InfraBridge Investors

[8] Applicants represent that the Commission "reviewed and accepted evidence" that the voting rights of the Class B are limited consent rights that should be treated as passive rights under Commission precedent. *Id.* n.36 (citing *Generation Bridge Conn. Holdings, LLC*, Response to Deficiency Letter, Docket No. ER21-2423-003 (filed Jan. 12, 2022); *Generation Bridge Conn. Holdings, LLC*, Docket No. ER21-2423-003 (Mar. 2, 2022) (delegated order) (accepting for filing market-based tariffs)). Similarly, Applicants represent that the interests in ArcLight Holdings GP owned or controlled by each of the Class A Members consist solely of passive rights. *Id.* (citing 18 C.F.R. § 35.37(a)(2) (2025)).

[9] Application at 16, nn.35, 36.

[10] While DigitalBridge was publicly traded at the time the Application was filed, subsequent to the submission of the Application, the Commission authorized a transaction whereby SoftBank Group Corp. (SoftBank) will indirectly acquire DigitalBridge. *Grays Harbor Energy LLC*, 196 FERC ¶ 61,155 (2026) *(SoftBank)*. SoftBank's upstream ownership is described herein. *See infra* P 9.

[11] Application at 17.

[12] Applicants state that the remaining three percent ownership interest is indirect,

(GIF II GP) S.à.r.l. (InfraBridge Investors). Applicants state that InfraBridge Investors indirectly controls an 81.65% ownership interest in InfraBridge North America Thermal Power Holdings, LP, which in turn owns InfraBridge North America Thermal Power Acquisition, LLC (InfraBridge). Applicants represent that InfraBridge directly owns 50% of the ownership interest in IA Thermal Power.[13]

8. According to Applicants, IA Thermal Power owns the IA Thermal Power Public Utilities. Applicants state that the IA Thermal Power Public Utilities are exempt wholesale generators (EWGs) under the Public Utility Holding Company Act of 2005 (PUHCA 2005)[14] with market-based rate authority that operate generation in the following balancing authority areas in the following amounts: Bonneville Power Administration (approximately 669 MW winter rating), Seminole Electric Cooperative, Inc. (Seminole Electric) (approximately 373 MW summer rating), and Public Service Company of Colorado (PSCo) (approximately 270 MW summer rating). Applicants state that the IA Thermal Power Public Utilities also operate generation in the MISO market (approximately 316 MW summer rating), and the PJM market (approximately 2,262 MW summer rating, approximately 900 MW of which is within the PJM West submarket and approximately 1,362 MW within the AP South submarket[15]).[16]

3. SoftBank and Affiliates

9. Applicants represent that SoftBank is an investment company and that its shares are publicly traded on the Tokyo Stock Exchange. Applicants state that Masayoshi Son, SoftBank's founder, CEO and Chairman, holds 10% or more of SoftBank's outstanding voting securities, but that no other investor or investor group owns, controls, or holds

---

passive, and noncontrolling, and is held by current and former DigitalBridge executives, none of whom individually holds a five percent or greater ownership interest. *Id.* at 18.

[13] *Id*.

[14] 42 U.S.C. §§ 16451-63.

[15] The Application states that Lackawanna "is located within the PJM BAA and the 5004/5005 submarket." Application, Ex. B. at 27. However, at the time the Application was filed, the Commission had determined that the 5004/5005 submarket was no longer a relevant default submarket for purposes of evaluating a proposed transaction's effect on competition. *See KMC Thermo, LLC*, 195 FERC ¶ 61,082, at PP 2, 39 (2026). As such, we do not address the 5004/5005 submarket in this order.

[16] Application at 18; Ex. B at 23-28.

with power to vote, 10% or more of SoftBank's outstanding voting securities.[17] SoftBank's affiliates (the SoftBank Public Utilities) own or control generation facilities totaling approximately 1,188.5 MW, all of which are located within the CAISO market.[18]

B. Description of the Proposed Transaction

10. Applicants state that, pursuant to the Proposed Transaction, Merger Sub, a subsidiary of Digital Bridge Operating, and, indirectly, DigitalBridge, will merge with and into ArcLight Holdings. Applicants represent that ArcLight Holdings will be the surviving entity and ArcLight Holdings and ArcLight Capital will become subsidiaries of DigitalBridge Operating and, indirectly, DigitalBridge.[19]

11. According to Applicants, following consummation of the Proposed Transaction, the day-to-day operations of ArcLight Holdings and ArcLight Capital will be managed by an executive committee (ArcLight Executive Committee) consisting of Messrs. Revers, Acconcia, and Erhard, and a representative of DigitalBridge who has not yet been designated.[20]

12. Applicants state that Chief Conemaugh Power II, LLC and Chief Keystone Power II, LLC (together, the Chief Power II Sellers) are affiliates of ArcLight Capital that are public utilities under the FPA but are not within the scope of the Proposed Transaction. Applicants note that, as a result of another transaction, the Chief Power II Transaction, which is expected to occur on or immediately before the Proposed Transaction, the Chief Power II Sellers will become advised and managed by a new investment adviser that will be wholly owned and controlled by Mr. Revers. Because Mr. Revers could be deemed to be accountable to this investment adviser while serving on the ArcLight Executive Committee, Applicants commit that, following the consummation of the Chief Power II Transaction and the Proposed Transaction: (i) Mr. Revers will continue to be an ultimate upstream affiliate for the ArcLight Public Utilities; (ii) the ArcLight Funds will continue to treat AL Chief Power, LLC, the indirect owner of the Chief Power II Sellers, as an affiliate; and (iii) the ArcLight Public Utilities will continue to treat the Chief Power II Sellers as affiliates.[21]

---

[17] *Id*. at 20, n.48.

[18] *Id*. at 20; Ex. B. at 29-30.

[19] *Id*. at 21.

[20] *Id*. at n.6; 21-22.

[21] *Id*. at 2, n.6; 22-23.

II. Notice of Filing and Responsive Pleadings

13. Notice of the Application was published in the *Federal Register*, 91 Fed. Reg. 40528 (July 2, 2026), with interventions and protests due on or before August 21, 2026.

14. On June 25, 2026, Applicants filed an errata to the Application to note that the filed Merger Agreement should not be considered confidential. Notice of the errata filing was published in the *Federal Register*, 91 Fed. Reg. 40528 (July 2, 2026), with interventions and protests due on or before August 24, 2026.

15. Public Citizen, Inc., American Electric Power Service Corporation, and No Coal No Gas filed timely motions to intervene. Monitoring Analytics, LLC, acting in its capacity as the Independent Market Monitor for PJM (PJM IMM), filed a timely motion to intervene and comments (PJM IMM Comments).

16. On September 8, 2026, Applicants filed an answer (Answer) to the PJM IMM Comments.

17. On November 12, 2026, Applicants made an informational filing (Informational Filing) to notify the Commission of regulatory approvals by the New York Public Service Commission and the Connecticut Public Utilities Regulatory Authority, as required by Commission regulations.[22] The Informational Filing also noted additional affiliates of Applicants that may become public utilities prior to the consummation of the Proposed Transaction.[23]

III. Discussion

A. Procedural Matters

18. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2025), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

---

[22] 18 C.F.R. § 33.2(i) (2025).

[23] Applicants state that two of these affiliates have filed transmission owner tariffs and transmission formula templates that are currently pending with the Commission. Applicants state that the remaining affiliate has been granted market-based rate authority and is developing and will own and operate a battery storage facility, the output of which has already been accounted for in Applicants' competitive analysis submitted with the Application. Informational Filing at 3.

19. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2025), prohibits an answer to a protest unless otherwise ordered by the decisional authority. We accept Applicants' Answer because it has provided information that assisted us in our decision-making process.

B. Substantive Matters

1. FPA Section 203 Standard of Review

20. FPA section 203(a)(4) requires the Commission to approve proposed dispositions, consolidations, acquisitions, or changes in control if the Commission determines that the proposed transaction will be consistent with the public interest.[24] The Commission's analysis of whether a proposed transaction is consistent with the public interest generally involves consideration of three factors: (1) the effect on competition; (2) the effect on rates; and (3) the effect on regulation.[25] FPA section 203(a)(4) also requires the Commission to find that the proposed transaction "will not result in cross-subsidization of a non-utility associate company or the pledge or encumbrance of utility assets for the benefit of an associate company, unless the Commission determines that the cross-subsidization, pledge, or encumbrance will be consistent with the public interest."[26] The Commission's regulations establish verification and informational requirements for entities that seek a determination that a proposed transaction will not result in inappropriate cross-subsidization or pledge or encumbrance of utility assets.[27]

2. Analysis of the Proposed Transaction

a. Effect on Horizontal Competition

i. Applicants' Analysis

21. Applicants assert that the Proposed Transaction presents no horizontal market power concerns. Applicants state that their analysis assumes that the transactions

[24] 16 U.S.C. § 824b(a)(4). Approval of the Proposed Transaction is also required by other regulatory agencies pursuant to their respective statutory authorities before the Proposed Transaction may be consummated. *See* Application, Ex. L. Our findings under FPA section 203 do not affect those agencies' evaluation of the Proposed Transaction pursuant to their respective statutory authorities.

[25] Merger Policy Statement, FERC Stats. & Regs. ¶ 31,044 at 30,111.

[26] 16 U.S.C. § 824b(a)(4).

[27] 18 C.F.R. § 33.2(j) (2025).

contemplated in Docket Nos. EC26-67-000[28] (the SoftBank/DigitalBridge Transaction) and EC26-76-000[29] (the ArcLight/InfraBridge Transaction) will close simultaneously with the Proposed Transaction, and as such, Applicants analyze the cumulative effect on market concentration of the three separate transactions, considered together.[30] Applicants state that there is no overlap of generation created by the Proposed Transaction in the Duke, FPL, LADWP, Bonneville, or Seminole Electric balancing authority areas, nor in the ISO-NE, NYISO, or SPP West markets. Accordingly, Applicants state that none of those balancing authority areas or markets is a relevant market for the Proposed Transaction.[31] In contrast, Applicants state that they own overlapping generation in the CAISO market, the MISO market, the PSCo balancing authority area, and the PJM market.

22. With respect to the CAISO market, Applicants represent that the combination of the generation facilities affiliated with ArcLight Capital or the ArcLight Funds, on the one hand, and with the SoftBank Public Utilities, on the other, will total 1,672 MW of capacity. According to Applicants, this amounts to approximately 2.1% of the capacity in CAISO. Applicants assert that this amount is *de minimis*, and that, therefore, no competitive analysis screen is required.[32]

23. Regarding the MISO market, Applicants state that both the ArcLight Public Utilities and the DigitalBridge Public Utilities own generation facilities in this market. Applicants claim that, assuming the generation capacity owned by the ArcLight Public Utilities and the DigitalBridge Public Utilities in MISO is uncommitted, this combination represents less than 0.3% of the installed capacity in the MISO market. Applicants assert

[28] The SoftBank/DigitalBridge Transaction involved a transaction in which a SoftBank Group Corp. subsidiary indirectly acquired DigitalBridge Group, Inc., an indirect owner of interests in the IA Thermal Power Public Utilities.

[29] The ArcLight/InfraBridge Transaction involved the acquisition by Gray Wolf Power LLC., a subsidiary of an ArcLight Fund, of 50% of the interests in Invenergy AMPCI Thermal Power, which indirectly owned each of the IA Thermal Power Public Utilities, from InfraBridge North America Thermal Power Acquisition.

[30] Application at 5, n.10; Secretariat Aff. at 2.

[31] Application at 25.

[32] *Id*. at 25-26; Secretariat Aff. at 6, n.17.

that this amount is also *de minimis*, and that, therefore, no competitive analysis screen is required.[33]

24. With respect to the PSCo balancing authority area, Applicants note that the combination of installed capacity in the PSCo balancing authority area owned by the DigitalBridge Public Utilities and by affiliates of ArcLight Capital is approximately 276 MW. Applicants state that all of this installed capacity, except for 7 MW, is fully committed under long-term firm agreements with non-affiliated third parties. Applicants claim that, even assuming the generation capacity owned by the DigitalBridge Public Utilities and by affiliates of ArcLight Capital in the PSCo balancing authority area is uncommitted, this combination represents approximately 3.3% of the installed capacity in the PSCo balancing authority area. Applicants assert that this amount is *de minimis*, and that, therefore, no competitive analysis screen is required.[34]

25. Applicants conclude that, except for the PJM market, there is either no overlap or *de minimis* overlap between the generation facilities owned or controlled by ArcLight Capital, DigitalBridge, and SoftBank.

26. Applicants assert that the overlap in the PJM market does not raise any competitive concerns. Applicants performed a Delivered Price Test, also referred to as an Appendix A analysis or Competitive Analysis Screen,[35] to analyze the impacts of the

[33] Application at 26, n.66.

[34] *Id*.

[35] The Delivered Price Test determines the pre- and post-transaction market shares from which the change in market concentration, or the change in the Herfindahl-Hirschman Index (HHI), due to a proposed transaction can be derived. The HHI is a widely accepted measure of market concentration, calculated by squaring the market share of each firm competing in the market and summing the results. The HHI increases both as the number of firms in the market decreases and as the disparity in size between those firms increases. Markets in which the HHI is less than 1,000 points are considered to be unconcentrated; markets in which the HHI is greater than or equal to 1,000, but less than 1,800 points, are considered to be moderately concentrated; markets in which the HHI is greater than or equal to 1,800 points are considered to be highly concentrated. In the Merger Policy Statement, the Commission adopted the 1992 Federal Trade Commission/Department of Justice Horizontal Merger Guidelines, which state that in a horizontal merger, an increase of more than 50 HHI points in a highly concentrated market or an increase of 100 HHI points in a moderately concentrated market fails its screen and warrants further review. Merger Policy Statement, FERC Stats. & Regs. ¶ 31,044 at 30,129; s*ee also Analysis of Horizontal Mkt. Power under the Federal Power Act*, 138 FERC ¶ 61,109 (2012) (affirming the Commission's use of the thresholds adopted in the Merger Policy Statement).

Proposed Transaction on horizontal competition in the PJM market and the relevant submarkets, AP South and PJM West.[36] Applicants' Delivered Price Test indicates that the PJM energy market is unconcentrated both before and after the Proposed Transaction, under the Economic Capacity[37] or Available Economic Capacity[38] measures, and when using base case prices, +10% prices, or -10% prices, across all season/load periods. Applicants' Delivered Price Test analysis shows that HHI changes are no more than 28 points under the base case and price sensitivities, and across all season/load periods.[39]

27. Applicants' Delivered Price Test for the AP South submarket shows that the market is unconcentrated both before and after the Proposed Transaction, whether measuring economic capacity or available economic capacity, and when using base case prices, +10% prices, or -10% prices, across all season/load periods, except for one. The analysis indicates that HHI changes by no more than 56 points under the base case and price sensitivities across the season/load periods when this market is unconcentrated, and by 14 points in the season/load period when the AP South submarket is moderately concentrated.[40]

28. With respect to the PJM West submarket, Applicants' Delivered Price Test analysis indicates that the market is unconcentrated both before and after the Proposed Transaction, whether measuring economic capacity or available economic capacity, and when using base case prices, +10% prices, or -10% prices, across all season/load periods. The analysis demonstrates that HHI changes are no more than 17 points under the base case and price sensitivities, and across all season/load periods.[41]

---

[36] Application at 25-26; Secretariat Aff. at 18-22.

[37] Economic Capacity is the amount of generating capacity owned or controlled by a potential supplier with variable costs low enough that energy from such capacity could be economically delivered to the destination market. 18 C.F.R. § 33.3(c)(4)(i)(A) (2025).

[38] Available Economic Capacity is the amount of generating capacity meeting the definition of economic capacity less the amount of generating capacity needed to serve the potential supplier's native load commitments. *Id.* § 33.3(c)(4)(i)(B).

[39] Application at 28, Secretariat Aff., Ex. SEC-6, SEC-7.

[40] *Id*., Secretariat Aff., Ex. SEC-10, SEC-11. Applicants' analysis shows that, during the winter off-peak season/load period at base case prices when measuring economic capacity, the AP South submarket is moderately concentrated.

[41] *Id*., Secretariat Aff., Ex. SEC-8, SEC-9.

29. Regarding the PJM-wide capacity market, Applicants state that, after the Proposed Transaction, affiliates of ArcLight Capital and DigitalBridge will have a market share of 6.2%, and that the HHI for this market will increase by 13 points as a result of the Proposed Transaction.[42]

30. Applicants also examine the Mid-Atlantic Area Council (MAAC) Local Deliverability Area (LDA) because affiliates of ArcLight Capital own generation in the MAAC LDA, and the MAAC LDA has cleared separately from the PJM-wide capacity market in certain prior auctions.[43] With respect to MAAC LDA, Applicants represent that it is unconcentrated and that, after consummation of the Proposed Transaction, affiliates of ArcLight Capital and InfraBridge will have a market share of 10.2% and the HHI for this market will increase by 32 points due to the Proposed Transaction.[44]

31. Regarding the PJM ancillary services markets, Applicants contend that the Proposed Transaction raises no competitive concerns in these markets because the post-Proposed Transaction share of generation affiliated with ArcLight Capital or DigitalBridge will account for a modest share of generation in PJM and such generation provides no unique services.[45]

ii. Comments

32. PJM IMM argues that Applicants have not identified any offsetting public interest benefits from the Proposed Transaction, such as increased competition or market efficiencies. PJM IMM acknowledges that, although section 203 has been interpreted not to require Applicants to show benefits to the public interest, the Proposed Transaction cannot be approved if concerns about harm to competition are supported with evidence in the record and those concerns are not mitigated. According to PJM IMM, the Proposed Transaction cannot be approved "on balance," where the transaction is harmful because Applicants do not show that benefits offset unmitigated harms.[46]

33. PJM IMM further argues that the Proposed Transaction should be evaluated in the broader context of increasing consolidation of generation ownership within PJM and

---

[42] *Id*., Secretariat Aff. at 23 (tbl. 13).

[43] *Id*., Secretariat Aff. at 22-23.

[44] *Id*., Secretariat Aff. at 24 (tbl. 14).

[45] *Id*., Secretariat Aff. at 24.

[46] PJM IMM Comments at 5 (citing Merger Policy Statement, FERC Stats. & Regs. ¶ 31,044 at 30,122).

tightening supply conditions in the PJM capacity market. According to PJM IMM, a series of recent acquisitions has concentrated ownership among a relatively small number of generation owners, increasing the potential for the exercise of market power.[47] PJM IMM states that these concerns are amplified by the current capacity shortages and increasing electricity demand associated with data center development.

34. PJM IMM identifies a transmission constrained "Chesapeake submarket" that it contends satisfies the Commission's criteria for a relevant geographic submarket.[48] According to PJM IMM, although the acquired generation is located outside that submarket, ArcLight Capital's ownership of generation both inside and outside the constrained area could create the incentive and ability to increase congestion and raise prices within the submarket, thereby increasing its ability to exercise market power.[49] PJM IMM argues that the Commission does not require a determination that the exercise of market power by withholding on the high priced side of the constraint is profitable or without risk. PJM IMM argues that if the increase in structural market power fails the Commission's test, it is a concern, regardless of the risk or profitability associated with exercising that market power.[50]

35. PJM IMM asserts that Applicants' Delivered Price Test analysis does not adequately evaluate the competitive effects of the Proposed Transaction because the Delivered Price Test does not fully account for the operations of PJM's locational marginal pricing market or transmission constraints that can create localized market power. PJM IMM relies on its own pivotal supplier analysis, which it states identifies increased market concentration, increased pivotal supplier status, and competitive concerns that are not reflected in the Applicants' Delivered Price Test analysis.[51] In addition, for the Proposed Transaction, PJM IMM explains that it limits its analysis of constraints to those that "meet the Commission's threshold for frequently binding constraints, so that the Commission can make a better comparison" of the results of its

[47] *Id*. at 11-12.

[48] PJM IMM states that "[the Chesapeake submarket] includes the DOM, BGE, and PEPCO transmission zones, but also extends into transmission zones in Pennsylvania and Delaware." PJM IMM Comments, attach. A-1 at 21. PJM IMM represents that its analysis of the Proposed Transaction is the same analysis provided for the ArcLight/InfraBridge Transaction. PJM IMM Comments at 12-13.

[49] *Id*. at 14-16.

[50] *Id.* at 16.

[51] *Id.* at 17-19.

analysis and Applicants' Delivered Price Test.[52] PJM IMM notes that the PJM's Capacity Market is extremely tight and will be for the foreseeable future, which increases the potential impact of market power.[53]

36. PJM IMM states that Applicants withheld material information about related transactions in other dockets, and should be required to refile and include information on these transactions.[54] PJM IMM also expresses concern that, following consummation of the Proposed Transaction, ArcLight Capital and SoftBank could remove existing generating resources from the PJM capacity market to serve co-located data center load, which PJM IMM argues could reduce available capacity, increase prices in the energy and capacity markets, adversely affect reliability, and shift costs to other PJM customers.[55] According to PJM IMM, the Commission's new co-location rules create a "special framework" for transmission service for a range of load configurations, but do not approve or address the removal of existing resources from the market to serve data center load and the associated adverse reliability and affordability impacts on existing customers.[56] PJM IMM argues that SoftBank should be required to state that it will not remove the Project Companies' assets from the PJM capacity market to serve data center load.

37. PJM IMM states that market power mitigation rules in PJM are not sufficient to address the identified increases in structural market power and the resultant potential exercises of market power. PJM IMM requests that the Commission either deny the application or condition any approval on a series of behavioral commitments designed to limit the exercise of market power. PJM IMM lists proposed commitments including restrictions on energy and capacity market offers, operating parameters, retirement decisions, capacity market participation, and a commitment not to remove the acquired generating resources from the PJM capacity market to serve data center load.[57]

---

[52] *Id.* at 7.

[53] *Id.* at 21.

[54] *Id.* at 22.

[55] *Id.* at 22-28.

[56] *Id.* at 27 (citing *PJM Interconnection, L.L.C.*, 193 FERC ¶ 61,217 (2025)).

[57] *Id*. at 28-29.

iii. Answer

38. Applicants assert that PJM IMM does not dispute that the Proposed Transaction passes the thresholds defined for the Commission's initial screen for market power. Applicants also explain that PJM IMM's argument that section 203 applicants must identify offsetting public benefits is incorrect as applicants are not required to show a positive benefit from a proposed transaction, merely that the transaction is consistent with the public interest.[58] Applicants also claim that a pivotal supplier test is not required when a proposed transaction passes the Commission's competitive screen.[59] Applicants note that the Commission's screens are intended to be conservative, and argue that the Commission should not consider alternative methodologies, such as PJM IMM's pivotal supplier test, or re-evaluate such methodologies when they were previously rejected by the Commission.[60]

39. Applicants argue further that the Chesapeake submarket is not relevant to the Proposed Transaction because there is no overlap of generation in the region.[61] Applicants note that the Commission recently declined to determine whether the ATSI transmission zone should be considered a submarket because the merging entities no longer had overlapping generation in ATSI.[62] In addition, Applicants state that PJM

[58] Answer at 5-6 (citing *Ne. Utils. Serv. Co. v. FERC*, 993 F.2d 937, 945 (1st Cir. 1993)).

[59] *Id.* at 7 (citing PJM IMM Comments at 7).

[60] *Id.* at 9-10 (citing *KMC Thermo*, 195 FERC ¶ 61,082 (2026)).

[61] Applicants indicate that ArcLight Capital expects to indirectly acquire an additional public utility and create an additional public utility prior to the closing of the Proposed Transaction. Applicants state that they are supplementing the Application to request that the Commission authorize, under FPA section 203, a change in control over these entities. Applicants state that the entities are: Northwest Ohio Solar, LLC, a 3.2 MW solar generation facility that will become an affiliate of ArcLight Capital upon completion of the transaction for which authorization is sought in Docket No. EC26-130-000; and Anchor Point Plains, LLC, an indirect wholly owned subsidiary of Anchor Point Transmission, LLC, and an affiliate of ArcLight Capital, that filed with the Commission in Docket No. ER26-3696-000 a transmission formula rate template and implementation protocols to calculate its annual transmission revenue requirement for future transmission investment in the SPP market. Applicants state that Anchor Point Plains, LLC does not own any generation or transmission assets or have any customers, but will become a public utility upon acceptance of the formula rate filing. *Id.* at 30-31.

[62] *Id.* at 11 (citing *Energy Harbor Corp.*, 186 FERC ¶ 61,129, at P 122 (2024)).

IMM's argument on potential market manipulation on the low side of the constraint in the proposed Chesapeake submarket is unsupported and speculative for multiple reasons, including: that the conduct described by PJM IMM is illegal and prohibited by the Commission's rules; that the strategy can only be executed by controlling day-to-day operations of the generation facilities, but ArcLight Capital, DigitalBridge, and SoftBank do not have such control; and that such a strategy would be uneconomic for ArcLight Capital. Finally, Applicants note that because the strategy PJM IMM posits is unrelated to, and independent of, market concentration, market shares or any reasonable threshold, PJM IMM's argument has no metric or threshold by which the Commission could evaluate it, suggesting that PJM IMM's concern would exist any time an applicant owned generation on any side of a constraint and sought to acquire generation on the other side of the constraint.[63]

40. Applicants further assert that PJM IMM's arguments about data centers are outside the scope of this proceeding. Applicants state that, to the extent PJM IMM wishes to raise broad policy concerns about the industry-wide issues presented by data center load growth, this proceeding is not the place to do so. Applicants argue that the Commission should not place any conditions on the Proposed Transaction related to data centers and notes that the Commission has rejected similar requests in other proceedings.[64] Applicants also argue that the Commission should evaluate the Proposed Transaction on its own, rather than together with the applications in the SoftBank/DigitalBridge Transaction and the ArcLight/InfraBridge Transaction, as the three transactions were separately negotiated and commercially distinct.[65] Applicants argue that the three transactions are also legally distinct, but note that the Commission could evaluate all three together as Applicants conservatively examine the simultaneous closing of all three transactions to provide the most significant market power impact. Applicants note that full information about all three transactions has been provided to the Commission in each relevant docket.[66]

41. Applicants assert that the conditions PJM IMM requests are unrelated to the facts and circumstances of the Proposed Transaction and have been repeatedly rejected by the

---

[63] *Id.* at 12-15.

[64] *Id.* at 19-21 (citing *SoftBank*, 196 FERC ¶ 61,155, at P 55; *Darby Power, LLC*, 195 FERC ¶ 61,168, at P 43 (2026); *Morgantown Power, LLC*, 196 FERC ¶ 61,075, at P 58 (2026); *Tait Elec. Generating Station, LLC*, 196 FERC ¶ 61,126, at P 37 (2026); *Bridgeport Energy LLC*, 196 FERC ¶ 61,107, at P 65 (2026); *AEP Generation Res. Inc*., 196 FERC ¶ 61,081, at P 54 (2026)).

[65] *Id.* at 22-24.

[66] *Id.* at 26-27.

Commission in other proceedings.[67] Applicants argue that imposing these conditions here would also constitute undue discrimination, which is prohibited under sections 205[68] and 206[69] of the FPA.

iv. Commission Determination

42. In analyzing whether a proposed transaction will adversely affect horizontal competition, the Commission examines the effects on concentration in the generation markets and whether the proposed transaction otherwise creates the incentive and ability to engage in behavior harmful to competition, such as withholding of generation.[70] Based on Applicants' representations, we find that the Proposed Transaction will not have an adverse effect on horizontal competition.

43. As Applicants note, the Proposed Transaction is related to other recently authorized transactions: the SoftBank/DigitalBridge Transaction[71] and the ArcLight/InfraBridge Transaction.[72] Although PJM IMM argues that Applicants fail to provide sufficient information about these other transactions, we disagree and find that Applicants have provided sufficient information for the Commission to make a determination here. Applicants have included a competitive analysis that conservatively assumes that all three transactions will close simultaneously.[73] While we are granting authorization only for the

[67] *Id.* at 27-28 (citing *Darby Power, LLC*, 192 FERC ¶ 61,073 at PP 71, 76; *Algonquin Power Co.*, 189 FERC ¶ 61,214, at P 71 (2024); *Hunterstown Gen Holdings*, 188 FERC ¶ 61,003, at P 42 (2024); *Energy Harbor*, 186 FERC ¶ 61,129, at P 127 (2024)).

[68] 16 U.S.C. § 824d.

[69] 16 U.S.C. § 824e.

[70] *Nev. Power Co*., 149 FERC ¶ 61,079, at P 28 (2014).

[71] *SoftBank*, 196 FERC ¶ 61,155.

[72] *Grays Harbor Energy LLC*, 196 FERC ¶ 61,186 (2026) (*ArcLight*).

[73] Application at 5 n.10. *See AEP Generation Res., Inc.*, 196 FERC ¶ 61,081 at P 42; *Guernsey Power Station LLC*, 193 FERC ¶ 61,115, at P 38 (2025); *PSEG New Haven, LLC*, 178 FERC ¶ 61,091, at P 42 (2022); *Jersey Cent. Power & Light Co.*, 173 FERC ¶ 61,025, at P 49 (2020); *Hummel Generation, LLC*, 173 FERC ¶ 61,024, at P 47 (2020); *Atlas Power Fin., LLC*, 157 FERC ¶ 61,237, at P 21 (2016).

Proposed Transaction in this order, we evaluated the competitive effects of all three transactions together to ensure that the competitive effect, when combined, is not adverse.

44. The Commission has explained that, "when the combined generation assets in a proposed transaction are located in the same [regional transmission organization (RTO)] market, the Commission will typically consider the RTO as the default relevant geographic market."[74] In addition, "where the Commission makes a specific finding that there is a submarket within [the RTO market], that submarket becomes the default relevant geographic market for sellers located within the submarket for purposes of the market power analysis (both indicative screens and [Delivered Price Test])."[75] Accordingly, we find that the CAISO, MISO, and PJM markets, including the AP South and PJM West submarkets, and the PSCo balancing authority area are the relevant geographic markets for the Proposed Transaction. With respect to the Duke, FPL, LADWP, ISO-NE, NYISO, Bonneville, Seminole Electric, and SPP West balancing authority areas where ArcLight Capital, DigitalBridge, and SoftBank also own generation, we note that the Proposed Transaction creates no overlap of previously unaffiliated generation in these markets and as such, the Proposed Transaction will have no adverse effect on horizontal competition in these geographic markets.[76] While there is overlap in generation in the CAISO and MISO markets, and the PSCo balancing authority area, we find that that overlap of uncommitted capacity is *de minimis* and thus does not create horizontal competition concerns.[77]

45. As in the proceeding on the ArcLight/InfraBridge Transaction, PJM IMM presents evidence that it claims supports the existence of another submarket, the Chesapeake submarket, in PJM, based on transmission constraints.[78] However, as PJM IMM itself notes, there is no overlap of generation within the proposed Chesapeake submarket in the Proposed Transaction, nor for any of the three transactions when considered together, so we find that the proposed Chesapeake submarket is not relevant for purposes of the Proposed Transaction.[79] Further, we find that PJM IMM's theory that the Proposed

[74] *Energy Harbor*, 186 FERC ¶ 61,129 at P 121; *Bayou Cove Peaking Power, LLC*, 168 FERC ¶ 61,167, at P 8 (2019); *Wisc. Energy Corp.*, 151 FERC ¶ 61,015, at P 35 (2015).

[75] *Bayou Cove Peaking Power, LLC*, 168 FERC ¶ 61,167 at P 8.

[76] 18 C.F.R. § 33.3(a)(2)(i).

[77] *Id.*; *Panda Stonewall LLC*, 177 FERC ¶ 61,048, at P 23 (2021).

[78] *See ArcLight*, 196 FERC ¶ 61,186 at P 53.

[79] This finding is without prejudice to the Commission's consideration of whether to recognize this submarket in the context of other transactions.

Transaction will create the ability and incentive to ignore economic signals in order to drive congestion while simultaneously benefitting from generating in the submarket lacks support.[80] Specifically, PJM IMM has not provided historical examples or data specific to the Proposed Transaction demonstrating how Applicants can benefit economically through exercising market power.[81]

46. Based on Applicants' analysis of the PJM, AP South, and PJM West energy markets, we find that the Proposed Transaction will have no adverse effect on horizontal competition in the relevant markets. The Delivered Price Test demonstrates that PJM and PJM West are unconcentrated, both before and after the Proposed Transaction, during all 10 season/load periods, under both the Economic Capacity and Available Economic Capacity metrics, including under the price sensitivity scenarios. In addition, we note that, across the conditions analyzed, the HHI for PJM increases by no more than 28 points and the HHI for AP South and PJM West increases by no more than 56 and 17 points, respectively.[82] As the Commission has explained, a market that remains unconcentrated following a proposed transaction indicates that the proposed transaction is unlikely to have adverse competitive effects.[83] Regarding the HHI change in the AP South submarket during the winter off-peak season/load period in the base case under the Economic Capacity measure, we note that while the market is moderately concentrated, the HHI change attributed to the Proposed Transaction is only 14 points, which is below the established threshold of 100 points that triggers horizontal market power concerns in a moderately concentrated market.[84] As such, we find that the Proposed Transaction will have no adverse effect on horizontal competition in the relevant geographic markets.

47. With respect to the PJM capacity markets, Applicants' analysis demonstrates that the HHI change for the PJM-wide capacity market and the MAAC LDA are within the Commission's metrics for passing the competitive screens, indicating that the Proposed

[80] *See ArcLight*, 196 FERC ¶ 61,186 at P 53.

[81] Answer at 12-15.

[82] Application at 28; Secretariat Aff., Ex. SEC-6, SEC-7, SEC-8, SEC-9, SEC-10, SEC-11.

[83] *See* Merger Policy Statement, FERC Stats. & Regs. ¶ 31,044 at 30,129, 30,133; *see also NRG Wholesale Generation*, 168 FERC ¶ 61,166, at P 37 (2019).

[84] Application at 28.

Transaction will have no adverse effect on horizontal competition in the PJM-wide capacity market or the MAAC LDA.[85]

48. With respect to the PJM ancillary services markets, Applicants represent that the Proposed Transaction presents no concerns in the ancillary services markets,[86] and no evidence has been provided to suggest that the Proposed Transaction will present competitive concerns there.

49. With respect to PJM IMM's alternative analyses for the aggregate PJM energy market, proposed local energy markets, and the PJM capacity market, including its reliance on the three pivotal supplier test,[87] the Commission has previously explained that it historically has not relied on three pivotal supplier test results for analysis of FPA section 203 transactions and that three pivotal supplier analyses are not required from applicants seeking authorization for a proposed transaction under FPA section 203.[88] Consistent with this precedent, we will not rely on PJM IMM's three pivotal supplier test results or analysis in this proceeding. Accordingly, we reject PJM IMM's comments regarding the three pivotal supplier test.

50. Because we have not found an adverse effect on competition as a result of the Proposed Transaction, we also reject PJM IMM's argument that the Proposed Transaction cannot be approved "on balance" because Applicants have not shown benefits that offset harms. With respect to PJM IMM's request that the Commission impose behavioral commitments on Applicants, we decline to require the requested commitments or to otherwise address general issues concerning the PJM markets in this proceeding. We find that PJM IMM has not sufficiently demonstrated any adverse effect on competition due to the Proposed Transaction to support the need to impose the requested behavioral conditions.[89] As the Commission has previously found, arguments based on general concerns about certain elements of PJM's market design that are not specific to a proposed transaction under review are beyond the scope of the

[85] *See id.* at 28-29.

[86] *Id.*, Secretariat Aff. at 24.

[87] *See* PJM IMM Comments, Attach. A-1.

[88] *See Hunterstown Gen Holdings*, 188 FERC ¶ 61,003 at P 33; *Darby Power*, 192 FERC ¶ 61,073, at P 68 (2025); *Constellation Energy*, 192 FERC ¶ 61,074, at P 131 (2025); *Guernsey Power Station LLC*, 193 FERC ¶ 61,115 at P 48.

[89] *See Guernsey Power Station LLC*, 193 FERC ¶ 61,115 at P 49.

Commission's review of the proposed transaction.[90] This proceeding is not the appropriate venue for raising or addressing general concerns regarding market design.[91]

51. We reject PJM IMM's request that Applicants be required to commit to keep existing capacity in the PJM capacity market. PJM IMM does not provide any evidence for how the Proposed Transaction would affect the ability or incentive for any party to remove capacity from the PJM capacity market. Regarding PJM IMM's generalized concerns about bilateral sales to data centers, those concerns are not particular to the Proposed Transaction. We note that the removal of any of Applicants' generation facilities from the PJM market is governed by the PJM tariff, including any revisions and changes to the PJM tariff directed by the Commission in Docket No. EL25-49-000, where, among other things, the Commission addressed the rates, terms, and conditions of service that apply to Interconnection Customers serving Co-Located Load, or in response to the Commission's order in Docket No. EL26-67.[92] For these reasons, we conclude that any additional specific commitment requirements are not necessary here.[93]

b. Effect on Vertical Competition

i. Applicants' Analysis

52. Applicants claim that the Proposed Transaction does not raise any vertical market power concerns. Applicants represent that the Proposed Transaction does not involve any electric transmission facilities, other than the limited and discrete interconnection equipment necessary to connect the ArcLight Public Utilities' generation facilities to the transmission grid. According to Applicants, the Proposed Transaction will not result in a change in the ownership or control of any inputs to electricity products or inputs to electric power production.[94]

53. Applicants note that the Proposed Transaction will create new affiliations between the DigitalBridge Public Utilities that operate in the PJM and MISO markets and the

---

[90] *Hunterstown Gen Holdings*, 188 FERC ¶ 61,003 at P 42.

[91] *See Ohio Power Partners, LLC*, 193 FERC ¶ 61,007, at P 37 (2025).

[92] *PJM Interconnection, L.L.C.*, 193 FERC ¶ 61,217 at P 175, *order on reh'g, clarification, compliance and paper hearing*, 195 FERC ¶ 61,209 (2026); *see also PJM Interconnection, L.L.C.*, 195 FERC ¶ 61,211 (2026).

[93] *Darby Power, LLC*, 195 FERC ¶ 61,168 at P 43. *See also ArcLight*, 196 FERC ¶ 61,186 at P 59.

[94] Application at 29.

interstate natural gas transportation facilities owned and operated by the NGPL Companies and the intrastate natural gas transportation facilities owned and operated by Greylock. Applicants claim that these new affiliations do not raise competitive concerns. According to Applicants, the upstream natural gas transportation market in PJM is unconcentrated and well below the 1,800 HHI threshold for highly concentrated upstream and downstream markets. Applicants also observe that, while the NGPL Companies deliver to certain power plants in the PJM West submarket, these plants produced only 1.9% of electricity produced in PJM West in 2024. Applicants characterize this amount as *de minimis*, and as such, contend that the Proposed Transaction raises no vertical market power concerns in PJM or PJM West.[95]

54. In addition, Applicants assert that no vertical competitive analysis is required in MISO because, while the Proposed Transaction will result in the affiliation of Cannon Falls with the NGPL Companies and Greylock, Cannon Falls' output is fully committed under long-term contracts, eliminating any incentive to withhold upstream inputs from competitors.[96]

55. Applicants also state that although the ArcLight Funds are already affiliated with the NGPL Companies through upstream ownership, neither the ArcLight Funds nor their affiliates control the day-to-day operations of the NGPL Companies, which are controlled by Kinder Morgan, Inc., an unaffiliated third party. Because of this lack of operational control, Applicants assert that they cannot use upstream natural gas assets to disadvantage competitors by denying access or raising input costs. Applicants further note that the NGPL Companies provide interstate natural gas transportation under open access tariffs with nondiscrimination requirements. Applicants state that affiliation with Greylock's intrastate facilities likewise raises no concerns, as Greylock's natural gas systems do not serve electric generation facilities and therefore cannot be used to raise rivals' costs.[97]

ii. Commission Determination

56. In analyzing whether a proposed transaction presents vertical market power concerns, the Commission considers the vertical combination of upstream inputs, such as natural gas transmission or natural gas supply or fuel, with downstream generating capacity and transmission. As the Commission has previously found, transactions that combine electric generation assets with inputs to generating power can harm competition if the transaction increases an entity's ability or incentive to exercise vertical market

[95] *Id*., Secretariat Aff. at 27 (tbl. 15).

[96] *Id*. at 30-31.

[97] *Id*. at 31-33.

power in wholesale electricity markets. For example, by denying rival entities access to inputs or by raising their input costs, an entity created by a transaction could impede entry of new competitors or inhibit existing competitors' ability to undercut an attempted price increase in the downstream wholesale electricity market.[98]

57. Based on Applicants' representations, we find that the Proposed Transaction will not have an adverse effect on vertical competition. First, we note that the Proposed Transaction does not create a vertical power issue related to electric transmission, as the Proposed Transaction creates no combination of generation and transmission.[99]

58. Second, Applicants note that the ArcLight Funds are affiliated with intrastate natural gas transportation facilities in PJM and MISO, which overlaps with the combination of generation assets subject to the Proposed Transaction. However, we find that the Proposed Transaction raises no vertical market power issues in MISO because the generation facility at issue in MISO, Cannon Falls, is fully committed under long-term contracts. The Commission has held that where the output of a generating facility is committed under a long-term contract, "a proposed transaction will not create incentives to withhold inputs to generation from competitors" and does not raise any vertical market power concerns.[100]

59. With respect to PJM, we find that Applicants have shown that the market for natural gas in PJM is unconcentrated and presents no other barriers to entry that raise concerns.[101] We also note that Applicants represent that neither the ArcLight Funds nor any of their affiliates control the day-to-day operations of the NGPL Companies, and that the NGPL Companies operate interstate natural gas facilities that are subject to the Commission's jurisdiction under section 7 of the Natural Gas Act[102] and provide service

[98] *Upstate N.Y. Power Producers*, 154 FERC ¶ 61,015, at P 15 (2016); *Exelon Corp.*, 138 FERC ¶ 61,167, at P 112 (2012).

[99] Application at 29.

[100] *AZ Solar 1, LLC*, 181 FERC ¶ 61,265, at P 50 (2022) (finding that a proposed transaction does not raise any vertical market power concerns because the generator's output is already fully committed under long term contracts); *see also Oleander Power Project, Ltd. P'ship*, 176 FERC ¶ 61,040, at PP 25, 27 (2021) (same); *J. Makowski Co., Inc.*, 83 FERC ¶ 61,161, at 61,686 (1998) (same).

[101] Application, Secretariat Aff. at 26-27 (Table 15).

[102] 15 U.S.C. § 717f.

pursuant to Commission-approved tariffs.[103] In the context of authorizing proposed transactions under FPA section 203, the Commission found that when service over applicants' pipeline facilities is provided under open access tariffs, the ability to exercise market power is reduced.[104] As such, we find that the Proposed Transaction does not create new opportunities for Applicants or their affiliates to withhold inputs to generation to rivals or to erect barriers to entry in the markets.

c. Effect on Rates

i. Applicants' Analysis

60. Applicants argue that the Proposed Transaction will have no adverse effect on rates. Applicants state that the ArcLight Public Utilities, the DigitalBridge Public Utilities, and the SoftBank Public Utilities do not make sales at cost-based rates or provide third-party transmission service. Applicants note that although certain ArcLight Public Utilities or DigitalBridge Public Utilities have tariffs for reactive power on file with the Commission, they no longer receive any compensation pursuant to those tariffs.[105]

61. Applicants state that the ArcLight Public Utilities, the DigitalBridge Public Utilities, and the SoftBank Public Utilities make sales of energy, capacity, and certain ancillary services at market-based rates pursuant to their market-based rate tariff, and that will continue to be the case following the consummation of the Proposed Transaction. Applicants state that the Commission has found that the need to provide rate protection does not extend to market-based rate customers, who freely engage in power sales at rates set in competitive generation markets.[106]

ii. Commission Determination

62. Based on Applicants' representations, we find that the Proposed Transaction will not have an adverse effect on rates. With respect to wholesale power rates, the Commission has stated that, when there are market-based rates, the effect on rates is not of concern "because market-based rates will not be affected by the seller's cost of service

[103] Application at 32.

[104] *ArcLight*, 196 FERC ¶ 61,186 at P 65; *NextEra Energy, Inc*., 165 FERC ¶ 61,263, at P 32 (2018).

[105] Application at 33 n.94.

[106] *Id*. at 34 (citing *NorAm Energy Servs., Inc*., 80 FERC ¶ 61,120, at 61,382-83 (1997)).

and, thus, will not be adversely affected by the [proposed transaction]."[107] Here, Applicants represent that the ArcLight Public Utilities, the DigitalBridge Public Utilities, and the SoftBank Public Utilities make wholesale sales of electric energy, capacity, and certain ancillary services pursuant to their market-based rate tariffs on file with the Commission, have no cost-based captive wholesale power sales customers, and do not provide third-party transmission service, which they state will continue to be the case following the Proposed Transaction. While certain of the ArcLight Public Utilities and DigitalBridge Public Utilities previously received compensation for reactive power service, those payments ended on June 1, 2026, and are thus not relevant to the Proposed Transaction.[108] Accordingly, we find that the Proposed Transaction will not have an adverse effect on rates.

d. Effect on Regulation

i. Applicants' Analysis

63. Applicants assert that the Proposed Transaction will not impair the effectiveness of state or federal regulation. According to Applicants, the manner and extent to which Applicants, DigitalBridge, SoftBank or their respective affiliates are subject to the jurisdiction of the Commission (and any other federal or state regulatory commission, agency, or office) will not change because of the Proposed Transaction. Therefore, Applicants conclude that the Proposed Transaction will not impair the effectiveness of federal or state regulations.[109]

---

[107] *Cinergy Corp.*, 140 FERC ¶ 61,180, at P 41 (2012) (citing *Duquesne Light Holdings, Inc.*, 117 FERC ¶ 61,326, at P 25 (2006)); *accord The Dayton Power & Light Co.*, 160 FERC ¶ 61,034, at P 31 (2017).

[108] Application at 33 n.94. We note that, pursuant to the directives in Order No. 904, PJM submitted a compliance filing to eliminate reactive power compensation within the standard power factor range with a June 1, 2026 effective date, which the Commission accepted. *See Comp. for Reactive Power Within the Standard Power Factor Range*, Order No. 904, 189 FERC ¶ 61,034 (2024), *order on reh'g*, 191 FERC ¶ 61,188 (2025), *appeal docketed, Vistra Corp. v. FERC*, No. 25-60055 (5th Cir. Feb. 10, 2025); *PJM Interconnection, L.L.C.*, 192 FERC ¶ 61,113, at P 44 (2025); *PJM Interconnection, L.L.C.*, Docket No. ER25-1073-001 (Nov. 13, 2025) (delegated order). As a result, effective June 1, 2026, no facility is entitled to receive compensation for reactive power within the standard power factor range pursuant to Schedule 2 of the PJM tariff.

[109] *Id*. at 34.

ii. Commission Determination

64. The Commission's review of a transaction's effect on regulation focuses on ensuring that it does not result in a regulatory gap.[110] As to whether a proposed transaction will have an effect on state regulation, the Commission explained in the Merger Policy Statement that it ordinarily will not set the issue of the effect of a proposed transaction on state regulatory authority for a trial-type hearing where a state has authority to act on the proposed transaction. However, if the state lacks this authority and raises concerns about the effect on regulation, the Commission may set the issue for hearing and it will address such circumstances on a case-by-case basis.[111]

65. Based on Applicants' representations, we find no evidence that either state or federal regulation will be impaired by the Proposed Transaction. There is no evidence that the Proposed Transaction will create a regulatory gap. The Commission will continue to have jurisdiction over Applicants after the Proposed Transaction, and approval of the Proposed Transaction will not alter that. Finally, we note that no party alleges that regulation, state or federal, would be impaired by the Proposed Transaction, and no state commission has requested that the Commission address the issue of the effect on state regulation.

e. Cross-Subsidization

i. Applicants' Analysis

66. Applicants claim that the Proposed Transaction will not create any potential for cross-subsidization. Applicants represent that the Proposed Transaction falls within two of the Commission's established "safe harbor" categories for cross-subsidization. First, they state that the Proposed Transaction does not involve any franchised public utility with captive customers in the United States and therefore qualifies for the safe harbor applicable to transactions where no such utility is involved. Second, Applicants state that the Proposed Transaction also qualifies for the safe harbor for transactions involving only non-affiliated parties.[112] Applicants also include verifications in Exhibit M verifying that the Proposed Transaction does not present cross-subsidization concerns.[113]

---

[110] Merger Policy Statement, FERC Stats. & Regs. ¶ 31,044 at 30,124.

[111] *Id.*

[112] Application at 34-35.

[113] *Id.*, Ex. M.

ii. Commission Determination

67. Based on Applicants' representations, we find that the Proposed Transaction will not result in the cross-subsidization of a non-utility associate company by a utility company, or in a pledge or encumbrance of utility assets for the benefit of an associate company. We note that no party has argued otherwise.

3. Other Considerations

68. Information and/or systems connected to the Bulk Power System involved in this transaction may be subject to reliability and cybersecurity standards approved by the Commission pursuant to FPA section 215.[114] Compliance with these standards is mandatory and enforceable regardless of the physical location of the affiliates or investors, information database, and operating systems. If affiliates, personnel or investors are not authorized for access to such information and/or systems connected to the Bulk Power System, a public utility is obligated to take the appropriate measures to deny access to this information and/or the equipment/software connected to the Bulk Power System. The mechanisms that deny access to information, procedures, software, equipment, etc., must comply with all applicable reliability and cybersecurity standards. The Commission, the North American Electric Reliability Corporation, or the relevant regional entity may audit compliance with reliability and cybersecurity standards.

69. FPA section 301(c) gives the Commission authority to examine the books and records of any person who controls, directly or indirectly, a jurisdictional public utility insofar as the books and records relate to transactions with or the business of such public utility.[115] The approval of the Proposed Transaction is based on such examination ability. In addition, applicants subject to PUHCA 2005 are subject to the record-keeping and books and records requirements of PUHCA 2005.

70. Section 35.42 of the Commission's regulations requires that sellers with market-based rate authority timely report to the Commission any change in status that would reflect a departure from the characteristics the Commission relied upon in granting market-based rate authority.[116] To the extent that a transaction authorized under FPA section 203 results in a change in status, sellers that have market-based rates are advised that they must comply with the requirements of section 35.42.

---

[114] 16 U.S.C. § 824o.

[115] *Id.* § 825(c).

[116] 18 C.F.R. § 35.42 (2025).

The Commission orders:

(A) The Proposed Transaction is hereby authorized, as discussed in the body of this order.

(B) Applicants must inform the Commission of any material change in circumstances that departs from the facts or representations that the Commission relied upon in authorizing the Proposed Transaction within 30 days from the date of the material change in circumstances.

(C) The foregoing authorization is without prejudice to the authority of the Commission or any other regulatory body with respect to rates, service, accounts, valuation, estimates or determinations of costs, or any other matter whatsoever now pending or which may come before the Commission.

(D) Nothing in this order shall be construed to imply acquiescence in any estimate or determination of cost or any valuation of property claimed or asserted.

(E) The Commission retains authority under sections 203(b) and 309 of the FPA to issue supplemental orders as appropriate.

(F) Applicants shall make any appropriate filings under section 205 of the FPA, as necessary, to implement the Proposed Transaction.

(G) Applicants shall notify the Commission within 10 days of the date on which the Proposed Transaction is consummated.

By the Commission.

(S E A L)

Debbie-Anne A. Reese,
Secretary.