

# United States Senate

WASHINGTON, DC 20510

December 4, 2025

Larry Fink  
Chairman and Chief Executive Officer  
BlackRock  
50 Hudson Yards  
New York, NY 10001

Dear Mr. Fink:

We are writing regarding our concerns about your firm's acquisitions of publicly traded utility companies, and the extent to which these acquisitions allow you to profit from rising energy demands at the expense of consumers, utility workers, and everyday Americans trying to make their ends meet.

Investors have typically viewed utility companies as reliable investments with a guaranteed rate of return. But now, amidst rapidly rising energy use from AI data centers and other strains on the grid, Wall Street investors and private equity firms appear to be taking advantage of utilities' regulated-monopoly status to rake in excess profits.

You have said that infrastructure is "at the beginning of a golden age" and that there is "a need for trillions of dollars investing in infrastructure related to our power grids, AI, [and] the whole digitization of the economy."<sup>1</sup> BlackRock's recent acquisitions seem to position the firm to capitalize on this burgeoning "golden age" despite the significant risks to middle-class families and other ratepayers.

Early last month, Blackrock's subsidiary, the private equity firm Global Infrastructure Partners (GIP) received the final approval to complete its acquisition of Allete—a publicly-traded energy company that provides electricity and other basic utilities in the Midwest.<sup>2</sup> Through this acquisition, BlackRock will now privately control Minnesota Power and Wisconsin's Superior Water, Light & Power.

While evaluating the acquisition, Minnesota's Administrative Law Judge Megan J. McKenzie cited concerns with private equity's business model.<sup>3</sup> Judge McKenzie warned that GIP's "disavowal of 'stereotypical' private equity tactics such as 'debt leveraging, cost-cutting

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<sup>1</sup> The Associated Press, "Private equity sees profits in power utilities as electric bills rise and Big Tech seeks more energy," Marc Levy, September 27, 2025, <https://apnews.com/article/big-tech-private-equity-electricity-utilities-power-energy-7e5d119142380bb7a83bbe722f69f2a5>.

<sup>2</sup> Utility Dive, "Minnesota PUC approves \$6.2B Allete sale to private equity," Ethan Howland, October 6, 2025, <https://www.utilitydive.com/news/minnesota-puc-allete-private-equity-blackrock-gip/802006/>.

<sup>3</sup> Private Equity Stakeholder Project, "Minnesota Judge recommends denying BlackRock's acquisition of ALLETE," Nichole Heil, August 20, 2025, <https://pestakeholder.org/news/minnesota-judge-recommends-denying-blackrocks-acquisition-of-allete/>; State of Minnesota Office of Administrative Hearings, "In the Matter of the Petition of Minnesota Power for Acquisition of ALLETE by Canada Pension Plan Investment Board and Global Infrastructure Partners," Administrative Law Judge Megan McKenzie, July 15, 2025, <https://efiling.web.commerce.state.mn.us/documents/%7B70F30F98-0000-CF5C-BB62-491162C889B0%7D/download?contentSequence=0&rowIndex=18>, pgs 44-45.

operational changes, and asset sales’ to achieve their desired returns lacks credibility,” given that it is highly unlikely GIP can achieve their target rate of return without rate hikes.<sup>4</sup>

These concerns are not theoretical. Private equity’s money-extracting playbook isn’t anything new, and the consequences that usually follow aren’t either. For example, in 2014, Upper Peninsula Power Co. (UPPCO)—an electrical utility company that serves over 52,000 customers in Michigan—was acquired by the then Balfour Beatty Infrastructure Partners (BBIP), a British investment fund that’s now Basalt Infrastructure Partners.<sup>5</sup> After a series of rate hikes, UPPCO’s customers were stuck paying nine cents more per kilowatt/hour for their electricity than the average rate of other investor-owned utilities in Michigan.<sup>6</sup> Texas’s TXU/Energy Future Holdings also serves as a cautionary tale. TXU, a company that provided electricity to 1.7 million customers, filed for bankruptcy only seven years after being sold to private equity firms.<sup>7</sup> At the time TXU filed for bankruptcy, they were saddled with over \$40 billion in debt.<sup>8</sup> Thus, BlackRock’s spate of recent acquisitions in the energy sector raises serious concerns. BlackRock’s purchase of GIP—a firm that specializes in investing and operating energy and other infrastructure companies—in 2024 seemed to indicate a shift in your company’s strategy in the energy sector.<sup>9</sup> As Public Citizen has noted, “BlackRock’s acquisition of GIP, and, in turn, GIP’s purchase of Allele, fundamentally transforms BlackRock from the world’s largest passive investor into an entity with active control over significant fossil fuel and utility assets, threatening competition, rates and regulation.”<sup>10</sup> GIP’s CEO Adebayo Ogunlesi was also appointed to BlackRock’s Board of Directors as a non-independent director as part of this acquisition, highlighting BlackRock’s renewed focus on the energy sector.<sup>11</sup>

Even the former Chairman of FERC, Mark Christie, warned that “a public utility has public service obligations; it is not just another company seeking to maximize returns to its shareholders. Many have been granted monopoly franchises by state governments in return for serving the public within their territories. One threat is that asset managers, like BlackRock, will use their ownership of competing assets to exert market power in wholesale energy, capacity, and ancillary services markets.”<sup>12</sup>

<sup>4</sup> *Id.* ALM Judge McKenzie, pg. 45.

<sup>5</sup> UtilityDive, “Integrus to sell Michigan utility for \$299M,” Ethan Howland, January 21, 2014, <https://www.utilitydive.com/news/integrus-to-sell-michigan-utility-for-299m/217430/>.

<sup>6</sup> *Supra* note 7, ALM Judge McKenzie, page 49 and footnote 438.

<sup>7</sup> *Supra* note 7, ALM Judge McKenzie, footnote 438; The Wall Street Journal, “Energy Future Holdings Files for Bankruptcy,” Mike Spector, Emily Glazer, Rebecca Smith, April 29, 2014, [https://www.wsj.com/articles/SB10001424052702304163604579531283352498074?gaa\\_at=eafs&gaa\\_n=AWETSqdaCgUe\\_r8EMo9ehfpRBsJC2684c\\_zWrNo5uWWz4G4TTEEnZK4n1M2r28\\_tggYY%3D&gaa\\_ts=69166d33&gaa\\_sig=ncSDcGW7MAp5uPK9zwE79YmNul-G4b87jqmj1lv-Kdh1LnczbZ\\_9kmfRTEZh-ArNMCE\\_wtmEHqM1QEQt1b1FBw%3D%3D](https://www.wsj.com/articles/SB10001424052702304163604579531283352498074?gaa_at=eafs&gaa_n=AWETSqdaCgUe_r8EMo9ehfpRBsJC2684c_zWrNo5uWWz4G4TTEEnZK4n1M2r28_tggYY%3D&gaa_ts=69166d33&gaa_sig=ncSDcGW7MAp5uPK9zwE79YmNul-G4b87jqmj1lv-Kdh1LnczbZ_9kmfRTEZh-ArNMCE_wtmEHqM1QEQt1b1FBw%3D%3D).

<sup>8</sup> *Id.* Spector, Glazer, Smith.

<sup>9</sup> BlackRock, “BlackRock Completes Acquisition of Global Infrastructure Partners,” Press Release, October 1, 2024, <https://www.blackrock.com/corporate/newsroom/press-releases/article/corporate-one/press-releases/blackrock-completes-acquisition-of-global-infrastructure-partners>; Global Infrastructure Partners, <https://www.global-infra.com/>.

<sup>10</sup> Public Citizen, “Public Citizen Protests Blackrock Takeover of Minnesota Power,” Patrick Davis, October 2024, <https://www.citizen.org/news/public-citizen-protests-blackrock-takeover-of-minnesota-power/>.

<sup>11</sup> BlackRock, “BlackRock Elects Bayo Ogunlesi to Board of Directors” Press Release, November 19, 2024, <https://ir.blackrock.com/news-and-events/press-releases/details/2024/BlackRock-Elects-Bayo-Ogunlesi-to-Board-of-Directors/default.aspx>.

Notably, energy bills are already increasing—in part because of the proliferation of data centers to power artificial intelligence.<sup>13</sup> According to the International Energy Agency, data center electricity demand worldwide will increase by 130% by 2030.<sup>14</sup> Bloomberg recently found that electricity now costs up to 267% more each month than it did in 2020 in areas located near large data centers.<sup>15</sup> Since President Trump took office ten months ago, household electricity costs are already up 11%.<sup>16</sup>

Yet despite the increased cost burden being placed on customers and communities, BlackRock appears to be rapidly moving forward. Earlier this month, reports indicated that GIP is in advanced talks to buy another publicly-traded energy company, AES, which provides electricity to over one million customers in Indiana and Ohio.<sup>17</sup> This deal will likely require federal approval by FERC and we expect the agency to complete a thorough analysis of how this acquisition serves the public interest.

The recent acquisitions by GIP indicate private equity companies are cashing in on the growth of AI by purchasing utility companies. But these transactions mean that everyday Americans could see their electricity bills further rise so private equity companies and their shareholders can continue raking in profits. Given these concerns, we ask that you provide answers to the following questions no later than December 18th, 2025.

1. How does BlackRock, through its subsidiary, GIP, plan on retaining its role as solely an investor in the utility companies it purchases and refrain from exerting operational or managerial control of their day-to-day operations?
  - a. What corporate governance structure and controls will BlackRock employ to ensure that the utility companies it currently owns and any future utility acquisitions maintain operational independence?
  - b. To what extent will Blackrock influence the financial decisions of the utility companies in its portfolio, including, but not limited to, influencing the companies' debt ratios, rate increases, target rate of returns, etc.?
  - c. As part of the settlement that allowed for BlackRock's acquisition of Allete, Minnesota Power and Blackrock agreed to safeguard the independence of Allete's board, freeze rates for one year, and lower their projected rate of return to further

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<sup>12</sup> Federal Energy Regulatory Commission, "Chairman Christie's Concurrence in BlackRock Section 203 Blanket Authorization Extension, EC25-12 & EC16-77," Chairman Mark Christie, April 17, 2025, <https://www.ferc.gov/news-events/news/e-8-chairman-christies-concurrence-blackrock-section-203-blanket-authorization>.

<sup>13</sup> The New York Times, "Wall St. Firms Are Buying Utilities to Tap Into the A.I. Boom," Ivan Penn, July 15, 2025, <https://www.nytimes.com/2025/07/17/business/energy-environment/blackrock-minnesota-power.html>.

<sup>14</sup> Forbes, "Who Powers The AI Revolution—Tech Giants, Utilities Or Both?," Ken Silverstein, September 2, 2025, <https://www.forbes.com/sites/kenilverstein/2025/09/02/who-powers-the-ai-revolution---tech-giants-utilities-or-both/>.

<sup>15</sup> Bloomberg, "AI Data Centers Are Sending Power Bills Soaring," Josh Saul, Leonardo Nicoletti, Demetrios Pogkas, Dina Bass, Naureen Malik, September 29, 2025, <https://www.bloomberg.com/graphics/2025-ai-data-centers-electricity-prices/>.

<sup>16</sup> Climate Power, "Snapshot: Trump's Unfolding Energy Crisis," October 2025, [https://climatepower.us/wp-content/uploads/2025/10/PUBLIC-October-Energy-Crisis-Snapshot-RES-2025\\_10\\_31.pdf](https://climatepower.us/wp-content/uploads/2025/10/PUBLIC-October-Energy-Crisis-Snapshot-RES-2025_10_31.pdf)

<sup>17</sup> AES Ohio, "Fast Facts," Accessed November 13, 2025, <https://www.reuters.com/markets/deals/blackrocks-gip-nears-38-billion-takeover-utility-group-aes-ft-reports-2025-10-01/>; AES Indiana, "AES Indiana's rich heritage of powering Indianapolis," Accessed November 13, 2025, <https://www.aes-ohio.com/fast-facts>; <https://www.aesindiana.com/aes-indiana-history>.

suppress rates through 2030, among other provisions.<sup>18</sup> How does BlackRock intend to ensure that electricity costs remain affordable after the rate freeze expires and beyond 2030?

- d. Does BlackRock plan to reduce the workforce of the utility companies it has acquired and plan to acquire in the future?
2. With BlackRock's recent spate of acquisitions in the utility sector, how will BlackRock ensure that these mergers will not result in a cross-subsidy that benefits the non-utility companies in its portfolio?

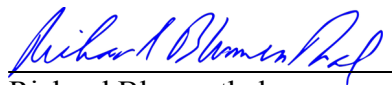
Sincerely,



Elizabeth Warren  
Ranking Member  
Committee on Banking,  
Housing, and Urban Affairs



Bernard Sanders  
United States Senator



Richard Blumenthal  
United States Senator

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<sup>18</sup> Allete, "ALLETE Obtains Regulatory Approval from Minnesota Public Utilities Commission for Partnership with CPP Investments and Global Infrastructure Partners," Press Release, October 3, 2025. <https://investor.allete.com/news-releases/news-release-details/allete-obtains-regulatory-approval-minnesota-public-utilities>