

United States Senate

WASHINGTON, DC 20510

December 4, 2025

Stephen Schwarzman
Chief Executive Officer
Blackstone
345 Park Ave
New York, NY 10154

Mr. Schwarzman:

We are writing regarding our concerns about your firm's recent 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.

Your firm has publicly acknowledged this approach. Blackstone, through its subsidiary Blackstone Infrastructure Management, recently bought QTS Realty Trust.¹ The CEO of Blackstone Infrastructure Strategies, Greg Blank, said "the largest technology companies are projected to spend over \$2 trillion on data centers over the next five-to-seven years, \$1 trillion inside the US and \$1 trillion outside the US. This is the megatrend of all megatrends, and we're investing in it globally."² In a public presentation, Blackstone noted how power is a key component in the rise of AI—what the company calls one of the "'picks and shovels' of the AI revolution"—and how it is investing at scale to position itself as "the world's largest provider of data centers."³

As it pushes to purchase data centers, Blackstone is seeking to buy the utility companies that power them—raising additional affordability concerns for consumers. In May, for example, Blackstone announced it was acquiring TXNM Energy, a publicly-traded company that wholly owns two regulated utility companies, PNM and TNMP.⁴ Together they provide electricity to about 800,000 households and businesses in New Mexico and Texas.⁵ This deal is subject to approval by the New Mexico and Texas state utility regulators, the Federal Energy Regulatory

¹ QTS Realty Trusts, "QTS Realty Trust Stockholders Approve Acquisition by Blackstone Funds," Press Release, August 21, 2021, <https://qtsdatacenters.com/news/qts-realty-trust-stockholders-approve-acquisition-by-blackstone-funds/>.

² Blackstone, "Q&A: Greg Blank on Infrastructure Investing's Trillion Dollar Opportunities," June 16, 2025, <https://www.blackstone.com/insights/article/greg-blank-on-infrastructure-investings-trillion-dollar-opportunities/>.

³ Blackstone "Investing in the Picks and Shovels of AI," Fall 2025, <https://www.blackstone.com/wp-content/uploads/sites/2/2023/11/Investing-in-the-Picks-and-Shovels-of-AI.pdf?v=1758561007>.

⁴ Blackstone, "TXNM Energy Enters Agreement to be Acquired by Blackstone Infrastructure," May 19, 2025, <https://www.blackstone.com/news/press/txnm-energy-enters-agreement-to-be-acquired-by-blackstone-infrastructure/>.

⁵ TXNM Energy, "TXNM Energy 2024 Annual Report," pg. A-1, <https://www.txnmenergy.com/~media/Files/P/PNM-Resources/annual-reports/2024%20Annual%20Report.pdf>.

Commission (FERC), the Department of Justice, the Nuclear Regulatory Commission, and the Federal Communications Commission.⁶ Many of these approvals are contingent on Blackstone showing this acquisition is in the public interest—and so far, consumers and families have seen little evidence to support this claim. As community organizers have already noted, “private equity’s control of the state’s power grid threatens affordability, accountability, and the state’s transition to a clean energy future.”⁷ Additionally, the Center for Biological Diversity, a national conservation organization, noted in their opposition to the acquisition that Blackstone’s FERC application fails to discuss the anti-competitive effects on customers as a result of the company owning both data centers and electric utility companies.⁸

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.⁹ 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.¹⁰ 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.¹¹ At the time TXU filed for bankruptcy, they were saddled with over \$40 billion in debt.¹² Even the former Chairman of the FERC, Mark Christie, stated “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... will use their ownership of competing assets to exert market power in wholesale energy, capacity, and ancillary services markets.”¹³

Notably, energy bills are already increasing—in part because of the proliferation of data centers to power artificial intelligence.¹⁴ According to the International Energy Agency, data center

⁶ *Supra* note 4

⁷ The Candle, “New Mexico Communities Sound Alarm on Blackstone-PNM Deal: ‘Wall Street Shouldn’t Control Our Power,’” August 30, 2025, <https://thecandlepublishing.com/new-mexico-communities-sound-alarm-on-blackstone-pnm-deal-wall-street-shouldnt-control-our-power/>.

⁸ The Center for Biological Diversity, “Protest by the Center for Biological Diversity Docket NO. EC25-140-000,” October 24, 2025, <https://biologicaldiversity.org/programs/energy-justice/pdfs/25-10-24-FERC-Protest-of-PNM-Merger.pdf>.

⁹ UtilityDive, “Integryst to sell Michigan utility for \$299M,” Ethan Howland, January 21, 2014, <https://www.utilitydive.com/news/integryst-to-sell-michigan-utility-for-299m/217430/>.

¹⁰ 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.

¹¹ *Id.* ALM Judge McKenzie, page 49 and 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>.

¹² *Id.* Spector, Glazer, Smith.

¹³ 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>.

electricity demand worldwide will increase by 130% by 2030.¹⁵ 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.¹⁶ Since President Trump took office ten months ago, household electricity costs are already up 11%.¹⁷

And while customers and communities pay rising costs for electricity and other utilities, Blackstone appears to be continuing their streak of utility acquisitions. Blackstone's purchase of TXNM follows Blackstone acquiring a 19.9% stake in Northern Indiana Public Service Company (NIPSCO) for \$2.16 billion in January of 2024.¹⁸ NIPSCO serves approximately 1.3 million electric and gas customers across Indiana.¹⁹

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, I ask that you provide answers to the following questions no later than December 18th, 2025.

1. If Blackstone's acquisition of PNM and TNMP is successful, does Blackstone plan to hike electricity prices for customers of PNM and TNMP following the acquisition?
2. If not, how does Blackstone intend to ensure that costs don't increase as a result of the acquisition?
3. Does Blackstone plan to reduce the workforce at PNM and TNMP in order to meet investor targets?
4. Has Blackstone conducted any analyses to determine its anticipated rate of return at PNM and TNMP?
5. Does Blackstone plan on becoming an active investor and exerting significant control in the day-to-day operations of the utility and energy companies it acquires? If not, what corporate governance structure will Blackstone employ to ensure that utilities companies it currently owns and any future acquired utility companies maintain operational independence?

¹⁴ 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>.

¹⁵ Forbes, "Who Powers The AI Revolution—Tech Giants, Utilities Or Both?," Ken Silverstein, September 2, 2025, <https://www.forbes.com/sites/kensilverstein/2025/09/02/who-powers-the-ai-revolution---tech-giants-utilities-or-both/>.

¹⁶ 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/>.

¹⁷ 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

¹⁸ Private Equity Wire, "Blackstone completes \$2.16bn NIPSCO investment," January 4th, 2024, <https://www.privateequitywire.co.uk/blackstone-completes-2-16bn-nipSCO-investment/>.

¹⁹ PR Newswire, "NiSource announces agreement to sell minority equity interest in NIPSCO to strengthen financial foundation and support sustainable, long-term growth," NiSource, January 20, 2023, <https://www.prnewswire.com/news-releases/nisource-announces-agreement-to-sell-minority-equity-interest-in-nipSCO-to-strengthen-financial-foundation-and-support-sustainable-long-term-growth-301855173.html>.

6. To what extent will Blackstone 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.?
7. With Blackstone's recent spate of acquisitions in the utility sector, how does BlackRock intend on ensuring that these mergers will not result in a cross-subsidy that benefits the non-utility companies in its portfolio?

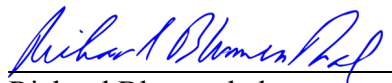
Sincerely,



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



Bernard Sanders
United States Senator



Richard Blumenthal
United States Senator