

PRIVATE EQUITY  
STAKEHOLDER  
PROJECT

Friday, June 14, 2024

The Honorable Merrick Garland  
Attorney General  
United States Department of Justice  
950 Pennsylvania Avenue, NW  
Washington, D.C. 20530

The Honorable Lina Khan  
Chair Federal Trade Commission  
600 Pennsylvania Avenue, NW  
Washington, DC 20580

The Honorable Jonathan S. Kanter  
Assistant Attorney General Antitrust Division  
U.S. Department of Justice,  
950 Pennsylvania Avenue, NW  
Washington, D.C. 20530

Dear Attorney General Garland, Chair Khan, and Assistant Attorney General Kanter,

We are writing to share our concerns about BlackRock's acquisition of Global Infrastructure Partners (GIP.) The merger appears to be in violation of the Clayton Antitrust Act, creates several conflicts of interest, and threatens to raise costs for countless Americans. Given the nature of these concerns and your joint antitrust authority, we are requesting the attention and assistance of your offices in the matter, [echoing Senator Sanders' request to block this merger](#).

BlackRock's proposed \$12.5 billion acquisition of GIP would be BlackRock's largest acquisition in 15 years and would significantly expand BlackRock's direct control over energy infrastructure assets, materially shifting BlackRock's management orientation from a passive investment manager to an active owner of energy infrastructure.<sup>1</sup>

BlackRock's CEO made clear that the GIP acquisition is designed to grow his company's private infrastructure business substantially: "We are in the early part of this infrastructure revolution. We wanted to have the scale, we wanted to have the operational expertise of GIP marrying that expertise with BlackRock's global relationships with companies and governments . . . This will be one of the fastest-growing areas of our industry over the next 10 years."<sup>2</sup> BlackRock is

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<sup>1</sup> Pitcher, Jack, *BlackRock to Buy Global Infrastructure Partners for \$12.5 Billion*, January 12, 2024, <https://www.wsj.com/business/deals/blackrock-to-buy-global-infrastructure-partners-for-12-5-billion-2f8e3d9>

<sup>2</sup> Silla Brush, *BlackRock Buys Infrastructure Firm GIP for \$12.5 Billion in Major Alternatives Push*, January 12, 2024,

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therefore explicit that its “relationships with companies” through its role as an investment manager is directly valued to its GIP acquisition, thereby threatening competition.

It is unclear how BlackRock can simultaneously manage its passive ownership of voting shares of companies that compete with its active, direct holdings.

For example, on May 6 GIP announced it is acquiring Allete, the holding company that controls Minnesota Power and Superior Water, Light and Power Company—two public utilities with more than 165,000 captive customers.<sup>3</sup> BlackRock controls 13.1% of Allete’s voting shares and also controls 9.9% and 9.1%, respectively, of Cleveland Cliffs and US Steel<sup>4</sup>—two taconite facility customers of Allete representing 70% of Minnesota Power’s entire industrial demand<sup>5</sup>, raising competition and conflict of interest concerns.

BlackRock’s acquisition of GIP, and, in turn GIP’s and BlackRock’s purchase of companies like Allete, fundamentally transforms BlackRock from the world’s largest passive investor into an entity with active control over significant power market assets, threatening competition, rates and regulation.

In another example, GIP “has indirect controlling interests in Clearway Energy Group,” according to Blackrock and GIP’s joint application to the Federal Energy Regulatory Commission (FERC). BlackRock currently controls 17.97% of Clearway’s Class A and 17.82% of Clearway’s Class C voting shares, for a combined voting power of 8.1%.<sup>6</sup> BlackRock’s control of significant Clearway Energy’s voting shares creates a conflict of interest.

In addition, BlackRock’s public utility holdings include:

- 16.4% of MGE Energy, Inc.<sup>7</sup> MGE Energy is a utility holding company, parent of Madison Gas and Electric Co.

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[www.bloomberg.com/news/articles/2024-01-12/blackrock-buys-infrastructure-firm-gip-for-12-5-billion-in-alternatives-push](https://www.bloomberg.com/news/articles/2024-01-12/blackrock-buys-infrastructure-firm-gip-for-12-5-billion-in-alternatives-push)

<sup>3</sup> Walker Orenstein and Jana Hollingsworth, *Duluth electric utility owner Allete to go private after \$6.2 billion sale*, May 6, 2024,

[www.startribune.com/allete-electric-utility-minnesota-power-candian-pension-plan-sale-global-infrastructure/600363985/](https://www.startribune.com/allete-electric-utility-minnesota-power-candian-pension-plan-sale-global-infrastructure/600363985/)

<sup>4</sup> Appendix A of BlackRock’s Quarterly Report, Docket No. EC16-77, filed May 14, 2024, <https://elibrary.ferc.gov/eLibrary/filedownload?fileid=C0B1BFE3-F9CD-C0B7-A7F2-8F777E800000>

<sup>5</sup> At page 10, [www.sec.gov/ix?doc=/Archives/edgar/data/66756/000006675624000007/ale20231231.htm](https://www.sec.gov/ix?doc=/Archives/edgar/data/66756/000006675624000007/ale20231231.htm)

<sup>6</sup> Appendix A of BlackRock’s *Quarterly Report*, Docket No. EC16-77, filed February 14, 2024, <https://elibrary.ferc.gov/eLibrary/filedownload?fileid=C1A9A22B-096B-C11E-A6A3-8DAD98B00000>

<sup>7</sup> April 5, 2024 *Notification of 13G Filings*, Docket No. EC16-77-002, <https://elibrary.ferc.gov/eLibrary/filedownload?fileid=EDAB1C4E-AF0A-C108-B4A9-8EAF98B00000>

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- 10.1% of Edison International; 10.5% NRG Energy, Inc. and 14.7% of Ormat Technologies, Inc.<sup>8</sup>
- 19.44% of Avista Corp.; 18.22% of Unifil Corp.; 16.12% of Chesapeake Utilities Corp.; 15.76% of Otter Tail Corp.; 15.04% of Northwestern Corp.; 14.06% of Portland General Electric; 13.12% of PNM Resources; 11.8% of IdaCorp; and 10.57% of Bloom Energy's Class A voting shares.<sup>9</sup> New Jersey Resources Corporation- 17.6%<sup>10</sup>
- Black Hills Corporation - 14.9%<sup>11</sup>
- ONE Gas, Inc. - 14.5%<sup>12</sup>
- UGI Corp - 14.2%<sup>13</sup>
- Southwest Gas Holdings Inc. - 13.0%<sup>14</sup>
- OGE Energy Corp. - 12.4%<sup>15</sup>
- Essential Utilities, Inc. - 11.4%<sup>16</sup>
- Public Service Enterprise Group Inc. - 11.0%<sup>17</sup>
- Eversource Energy - 10.6%<sup>18</sup>
- Consolidated Edison Inc. - 10.3%<sup>19</sup>
- Sempra - 10.0%<sup>20</sup>
- CMS Energy Corp - 10.0%<sup>21</sup>

Therefore, we ask that your offices scrutinize this matter in the context of antitrust law and utilize your authority to block the merger.

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<sup>8</sup> March 8, 2024 *Notification of 13G Filings*, Docket No. EC16-77-002

<https://elibrary.ferc.gov/eLibrary/filedownload?fileid=CBDB404E-909F-C5AD-9EFD-8E1E60A00000>

<sup>9</sup> Appendix A of BlackRock's Quarterly Report, Docket No. EC16-77, filed February 14, 2024,

<https://elibrary.ferc.gov/eLibrary/filedownload?fileid=C1A9A22B-096B-C11E-A6A3-8DAD98B00000>

<sup>10</sup>

[https://www.sec.gov/Archives/edgar/data/1364742/000108636424000395/us6460251068\\_011924.txt](https://www.sec.gov/Archives/edgar/data/1364742/000108636424000395/us6460251068_011924.txt)

<sup>11</sup> [https://www.sec.gov/Archives/edgar/data/1364742/000108636424001073/us0921131092\\_012224.txt](https://www.sec.gov/Archives/edgar/data/1364742/000108636424001073/us0921131092_012224.txt)

<sup>12</sup> [https://www.sec.gov/Archives/edgar/data/1364742/000108636424001475/us68235p1084\\_012324.txt](https://www.sec.gov/Archives/edgar/data/1364742/000108636424001475/us68235p1084_012324.txt)

<sup>13</sup> [https://www.sec.gov/Archives/edgar/data/1364742/000108636424001374/us9026811052\\_012324.txt](https://www.sec.gov/Archives/edgar/data/1364742/000108636424001374/us9026811052_012324.txt)

<sup>14</sup> [https://www.sec.gov/Archives/edgar/data/1364742/000108636424001749/us8448951025\\_012324.txt](https://www.sec.gov/Archives/edgar/data/1364742/000108636424001749/us8448951025_012324.txt)

<sup>15</sup> [https://www.sec.gov/Archives/edgar/data/1364742/000108636424001777/us6708371033\\_012324.txt](https://www.sec.gov/Archives/edgar/data/1364742/000108636424001777/us6708371033_012324.txt)

<sup>16</sup> [https://www.sec.gov/Archives/edgar/data/1364742/000108636424002012/us29670g1022\\_012324.txt](https://www.sec.gov/Archives/edgar/data/1364742/000108636424002012/us29670g1022_012324.txt)

<sup>17</sup> [https://www.sec.gov/Archives/edgar/data/1364742/000108636424002051/us7445731067\\_012324.txt](https://www.sec.gov/Archives/edgar/data/1364742/000108636424002051/us7445731067_012324.txt)

<sup>18</sup> [https://www.sec.gov/Archives/edgar/data/1364742/000108636424002075/us30040w1080\\_012324.txt](https://www.sec.gov/Archives/edgar/data/1364742/000108636424002075/us30040w1080_012324.txt)

<sup>19</sup> [https://www.sec.gov/Archives/edgar/data/1364742/000108636424002075/us30040w1080\\_012324.txt](https://www.sec.gov/Archives/edgar/data/1364742/000108636424002075/us30040w1080_012324.txt)

<sup>20</sup> [https://www.sec.gov/Archives/edgar/data/1364742/000130655023010439/us8168511090\\_120623.txt](https://www.sec.gov/Archives/edgar/data/1364742/000130655023010439/us8168511090_120623.txt)

<sup>21</sup> [https://www.sec.gov/Archives/edgar/data/1364742/000108636424000161/us1258961002\\_010824.txt](https://www.sec.gov/Archives/edgar/data/1364742/000108636424000161/us1258961002_010824.txt)

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As Senator Sanders pointed out, “Beyond its move to dominate infrastructure investment specifically, this acquisition would allow BlackRock to extend its dominant position as an asset management company more broadly, which is a major concern under Guideline 6 of the FTC and DOJ merger guidelines which states that “mergers can violate the law when they entrench or extend a dominant position.””<sup>22</sup>

This proposed acquisition is a clear threat to competition and consumers. We respectfully urge your swift attention and intervention in the matter.

Sincerely,

Alissa Jean Schafer

Climate Director, Private Equity Stakeholder Project

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<sup>22</sup> *NEWS: Sanders Sends Letter to Attorney General as BlackRock Appears to Violate Federal Law*, February 20, 2024, <https://www.sanders.senate.gov/press-releases/news-sanders-sends-letter-to-attorney-general-as-blackrock-appears-to-violate-federal-law/#:~:text=WASHINGTON%2C%20Feb.,infrastructure%20assets%20around%20the%20world.>