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AES Takeover would Require BlackRock to be Broken Apart, According to FERC Filing

Public Citizen, Private Equity Stakeholder Project, and Citizens Action Coalition of Indiana argue that financial behemoth's attempt to acquire effort to buy utility AES violates Federal Power Act

WASHINGTON — BlackRock's attempt to acquire Indiana-based utility AES would require the financial giant to be broken up into smaller entities, according to a complaint filed today at the Federal Energy Regulatory Commission by Public Citizen, Private Equity Stakeholder Project, and Citizens Action Coalition of Indiana.

In their complaint, the groups argue that if BlackRock's takeover of AES moved forward, BlackRock affiliates would control 56.625% of AES; affiliates of Swedish private equity firm EQT would control 33.375%; and 10% would be controlled by the sovereign wealth fund of Qatar. BlackRock's percentage of control would include the company's management of CalPERS' stake in AES.

"Allowing a financial giant like BlackRock to take control of a utility like AES simply isn't in the public interest and would leave captive consumers vulnerable," **said Tyson Slocum, director of Public Citizen's Energy Program.** "Yet again, BlackRock is taking steps to control a utility holding company with over a million franchised utility customers, putting those customers at significant risk. The only way this is consistent with the law, would be if Blackrock were broken up into smaller companies."

The transaction's involvement of BlackRock violates BlackRock's blanket authorization (see below) and the public interest, according to the complaint. In order to move forward, the groups argue that the Commission must set the matter for evidentiary hearing to determine the required mitigation and the Commission must compel BlackRock to legally and fully separate its non-controlling asset management business from its active management of utilities.

BlackRock's acquisition of AES marks a new chapter in the financial giant's traditional role as the world's largest passive asset manager and the company's expanding portfolio of controlling interests in utilities and other infrastructure.

The Federal Energy Regulatory Commission has navigated this conflict by awarding BlackRock blanket authorization to acquire up to 20% of a utility's voting securities with little regulatory involvement. Public Citizen challenged BlackRock's 2024 acquisition of Minnesota Power last year (Allete), but, despite FERC's reservations about the acquisition, it allowed the acquisition to move forward.

But, with BlackRock's second acquisition of a utility, Public Citizen is asking FERC to address BlackRock's ability to manipulate energy markets, potentially requiring BlackRock to forcibly separate its passive asset management business from its private equity arm.

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“"FERC should heavily scrutinize this proposed transaction to ensure that consumers are adequately protected from the whims and wishes of private equity investors. Hoosier ratepayers deserve nothing less than fairness, transparency and affordable monthly bills, not higher costs driven by profit,” **stated Kerwin Olson, Executive Director of Citizens Action Coalition of IN**.

“Utilities require significant investment, but the source of that investment matters,” **said Nichole Heil, senior climate and energy researcher at the Private Equity Stakeholder Project**. “Private equity firms are increasingly targeting regulated public utilities as investment opportunities. It is more important than ever for regulators to carefully examine whether the financial incentives driving Wall Street investments are compatible with the long-term public interest of utilities that power Americans' homes and businesses. FERC should give this BlackRock transaction that level of scrutiny.”

Note: (1) The Federal Energy Regulatory Commission has rules requiring the commission’s approval if any investor seeks to control 10% or more of a utility's voting shares, which would label it as a legal affiliate. Over a decade ago, asset managers appealed to FERC so they could control utility shares on behalf of investors. The managers were seen as passive and FERC developed a blanket authorization process by which passive asset managers could control up to 20% of a utility's voting shares and they don't need to get advance FERC approval and they won't be deemed to be affiliates.

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Read the full filing here: PESP PC CAC FERC BlackRock EQT AES protest 072026