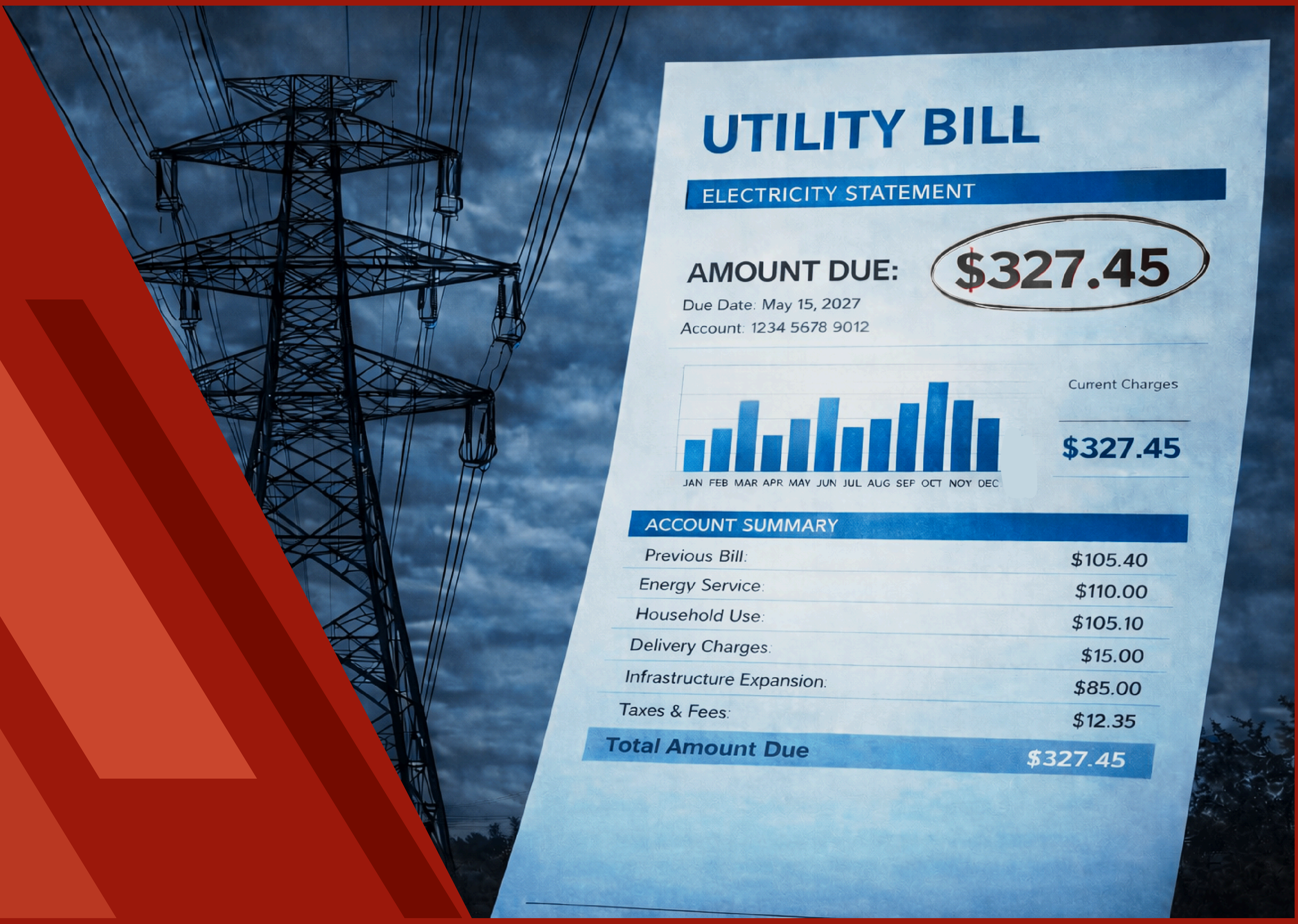
New Mexico Foundation for
civic
excellence

BLACKSTONE'S PNM POWER GRAB

RATE INCREASES, MARKET MONOPOLY THREAT, AND WHY THE PRC MUST REJECT THE ACQUISTION



UTILITY BILL

ELECTRICITY STATEMENT

AMOUNT DUE: $327.45

Due Date: May 15, 2027

Account: 1234 5678 9012

Current Charges

$327.45

ACCOUNT SUMMARY

Previous Bill:	$105.40
Energy Service:	$110.00
Household Use:	$105.10
Delivery Charges:	$15.00
Infrastructure Expansion:	$85.00
Taxes & Fees:	$12.35
Total Amount Due	**$327.45**

FEBRUARY 2026

NEW MEXICO FOUNDATION FOR CIVIC EXCELLENCE

New Mexico Foundation for Civic excellence is a 501(c)(3) not for profit corporation in New Mexico, The Foundation is community based and focused on ensuring the New Mexico government is focused on the health, welfare and benefits for the people of New Mexico.

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Executive Summary

At a time of rising electricity costs and mounting environmental crises, Blackstone's proposed acquisition of TXNM Energy and its electric utility, PNM, represents a serious threat to New Mexico's future. This takeover is not about "service," "reliability" or "customer benefits." Nor is it about PNM's lack of access to capital. It is about turning a regulated monopoly into a profit engine for Blackstone's investors — no matter the cost to New Mexico families, small businesses, workers, our dwindling water supply or the climate.

Accelerating electrification and a rapid expansion of data center construction to power AI and cryptocurrencies is creating a surge in projected demand for electricity. Private equity firms like Blackstone are looking to utilities with the aim of capitalizing on this demand. Blackstone sees opportunity in PNM's lower-than-average rates, as well as in the potential for consolidation and cross-subsidization among Blackstone's entire energy and infrastructure portfolios. Blackstone's acquisition of PNM will lead to extreme rate increases, vertical integration across the energy sector, a vast potential for self-dealing by Blackstone and a severely weakened regulatory environment in New Mexico.

A gas processing facility owned by Kinetik, a Blackstone subsidiary. Source: *Midland Reporter Telegram*.

KEY FINDINGS

The Blackstone buyout will result in extreme rate increases for New Mexico families and small businesses. In acquiring PNM now, when the utility's electricity rates are significantly lower than the national average,[1] Blackstone stands to profit enormously by raising rates closer to this average just as demand for electricity skyrockets. It will do so by pouring capital into infrastructure development, with costs allocated to ratepayers. Without a meaningful rate freeze or enforceable protections, short-term rate credits offered to customers will amount to little. The impacts of a rate increase at this scale would be devastating in New Mexico, where the median income is much lower than the national average and the poverty rate much higher.[2] Blackstone has a history of raising rates for customers across its varied portfolio and doesn't hesitate to go after those who cannot pay.

The deal will encourage self-dealing and anticompetitive behavior. Blackstone is investing heavily across the energy supply chain, from energy generation companies; to transmission, distribution and infrastructure companies; to data center developers. As a utility owner, Blackstone will have a strong incentive to give preferential rates to these companies. Residential ratepayers, who lack the power and leverage to negotiate at that level, will effectively subsidize these deals. More broadly, the consolidation of monopoly power weakens regulatory oversight, undermines small business, depresses wages, quashes competition and innovation, blocks climate progress and corrupts democracy.

Policing Blackstone effectively is impossible. A state's utility regulator — in this case, the New Mexico Public Regulation Commission (PRC) — is the only protection customers have against unscrupulous behavior on the part of their utilities. If Blackstone acquires PNM, however, the PRC will be significantly outmatched. Blackstone is a global financial powerhouse with tremendous resources, extraordinary political influence and an army of lawyers. Blackstone's scale, myriad business interests and intrinsic lack of transparency will all inhibit the PRC's capacity to do its job, presenting serious obstacles to effective regulation.

Blackstone brings significant risk of increased exposure to fossil fuels and adverse environmental impacts. Blackstone's portfolio and strategy are deeply tied to fossil fuel infrastructure and the data center power race, a combination that is bound to drive new gas generation, pipeline buildouts, and stranded asset risk. Fossil fuel companies account for a majority of Blackstone's energy portfolio, and those investments have only been accelerating.[3] In PNM, Blackstone will gain a powerful monopoly lever to steer grid planning toward investments that align with its broader energy holdings, even if that locks New Mexico into more fossil fuel dependence and more cost.

PNM doesn't need Blackstone to raise capital. PNM claims that it needs Blackstone to gain access to capital for renewable energy buildouts. PNM could just as well fund these developments through traditional debt and equity markets, however, without incurring the risk that comes with private equity. Utilities are among the most attractive and lowest-risk investments in the capital markets — that is precisely why private equity firms like Blackstone are eager to acquire them. There is no public evidence that PNM has been shut out of capital markets, been forced to delay prudent investments, or been unable to finance needed infrastructure under its existing ownership structure.

Blackstone's track record in other industries should give the PRC and other stakeholders pause. In its relentless pursuit of "value," Blackstone creates conditions, such as profit pressure and cost reductions, that have repeatedly led to lawsuits, investigations, regulatory penalties and general public condemnation. Blackstone-owned companies have been found to commit labor violations, engage in price fixing, pursue exploitative and fraudulent billing practices and even undercut Blackstone's own investors. Taken together, these examples reveal a pattern of exploitation in the name of profit and consistent disregard for regulatory authority.

The PRC is New Mexico's gatekeeper where PNM is concerned, and the current juncture is critical. Once approved, this acquisition becomes effectively irreversible. The PRC's public interest standard exists for exactly this moment. Blackstone's proposed acquisition of PNM is likely to bring higher rates, anticompetitive self-dealing, the undermining of meaningful regulation and deeper fossil fuel entrenchment. With this will come the quashing of one of the most productive economic sectors in New Mexico: renewable energy, with its rapidly growing number of family-supporting jobs.[4] The PRC should reject Blackstone's application.

Introduction

At a time of rising electricity costs and mounting environmental crises, Blackstone's proposed acquisition of TXNM Energy and its electric utility, PNM, represents a serious threat to New Mexico's future.[5] This takeover is not about "service," "reliability" or "customer benefits." Nor is it about PNM's lack of access to capital. It is about turning a regulated monopoly into a profit engine for Blackstone's investors — no matter the cost to New Mexico families, small businesses, workers, our dwindling water supply or the climate.

As a private equity investment firm, Blackstone's top priority is maximizing profit for its investors.[6] This is not a speculative statement but one repeated again and again by Blackstone itself, beginning with the tagline at the top of its website: "At Blackstone, we deliver for investors." It does so by buying companies and reengineering them to maximize profit. Nowhere in this equation — and nowhere on Blackstone's website, for that matter — is there any mention of the public good, public service, or even customer satisfaction. In the case of PNM, this process will amount to nothing short of a transfer of wealth from New Mexico households and small businesses, who supply the revenue stream, to Blackstone's distant investors, including billionaires, major financial institutions and large capital pools like the sovereign wealth fund of Saudi Arabia.

Blackstone is the world's largest alternative asset manager with a whopping $1.3 trillion in assets under management.[7] For context, this total is larger than the gross domestic product not only of New Mexico but also most countries.[8] Blackstone's CEO is the 31st richest person in the world, with an estimated net worth of $44 billion.[9] He made $84 million in compensation from Blackstone in 2024 alone.[10] By contrast, the median household income in New Mexico, where PNM provides electricity to 65% of households, was $66,140 the same year. Put another way, Blackstone's CEO makes 1,270 times more than the average New Mexico household. This is not a company that understands New Mexico or that has New Mexico's best interests at heart.[11]

Blackstone's founder and CEO, Stephen Schwarzman, has said of his firm, "What we do is we buy assets, say we buy a company, and we make them better."[12] Given the long history of fraud allegations, regulatory violations, labor conflicts and financial mismanagement associated with Blackstone's asset companies, one might question his definition of "better." What he means is that Blackstone increases these companies' financial value. With a typical business, that involves cutting costs (often by slashing jobs), increasing revenue (often by exploiting or defrauding customers) and raising dividends (often by loading the company with debt). In the utility business, it means gold plating the grid to raise rates and draw more money from captive ratepayers. Blackstone makes these companies "better," in other words, for investors — not for employees, customers or communities.

In one industry after another — including essential industries like health care and housing — private equity presence has led to higher rates, inferior service and financial instability. In several cases, such as in housing, Blackstone has been at the forefront, pioneering practices that have been shown to degrade standards and affordability across the entire industry. Now Blackstone, like several other private equity firms, has turned to utilities.

> "Total alignment with our clients' [i.e., our investors'] interests is at the core of our asset management philosophy." Blackstone

WHY BLACKSTONE WANTS TO BUY PNM

Accelerating electrification and a rapid expansion of data center construction to power AI and cryptocurrencies are creating a surge in projected demand for electricity. Private equity firms like Blackstone are looking to utilities with the aim of capitalizing on this demand.[13] Because utilities make money by building infrastructure, with a guaranteed rate of return on everything they build, the incentive is to build as much as possible, whatever the actual need or likely commercial outcome.[14]

Blackstone sees a business opportunity, furthermore, in PNM's lower-than-average rates. In acquiring PNM now, when the utility's electricity rates are roughly two-thirds of the national average, Blackstone stands to profit enormously by bringing these rates closer to that average just as the demand for electricity skyrockets.[15] The impact of a rate hike at this scale would be devastating to families and small businesses in New Mexico, where the median income is much lower than the national average and the poverty rate much higher.[16]

Utilities also offer private equity firms like Blackstone access to existing energy infrastructure. Blackstone has been investing heavily in recent years all across the energy supply chain. Blackstone's president, Jon Gray, has referred to data centers and energy generation in particular as "two of our highest conviction themes."[17] To date, Blackstone has "sunk more money into data centers and related infrastructure than into almost any other sector in the firm's 40-year history," according to the *New York Times*.[18] On the energy side, Blackstone has made at least half a dozen investments in gas-fired power plants and natural gas midstream assets in the last two years alone.[19]

The success of investments in data centers and energy generation depends on removing constraints on the flow of energy between the two, constraints largely controlled by utilities and regulators. As Blackstone Real Estate's head of digital infrastructure put it in May 2024, "Power is a major bottleneck to delivering new capacity."[20] The PNM acquisition presents an opportunity for Blackstone to ensure its control over the flow of energy while vertically integrating these holdings into one long cross-subsidizing chain, exponentially increasing the power and influence already wielded by PNM.

Greg Blank, CEO of Blackstone Infrastructure Strategies, has stated, "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 U.S. and $1 trillion outside the U.S. This is the megatrend of all megatrends, and we're investing in it globally."[21] This admission makes clear that Blackstone's utility acquisitions are not neutral, long-term stewardship plays. They are strategic infrastructure moves designed to unlock massive new energy demand from AI and data centers — raising serious questions about whose interests are being served when a regulated monopoly utility is placed inside a private equity data center growth machine.

HOW WILL THE ACQUISITION AFFECT PNM CUSTOMERS?

Blackstone's acquisition of PNM will lead to extreme rate increases, vertical integration across the energy sector, a vast potential for self-dealing by Blackstone and a severely weakened regulatory environment in New Mexico. Rising electricity demand, driven largely by tech giants — some of the largest and wealthiest corporations in the world — will be met by Blackstone's virtually limitless resources and its strong motivation to enrich itself and its companies up and down the supply chain. While private equity is generally known for pulling capital out of its assets, financially destabilizing companies often to the point of bankruptcy,[22] the incentive here is to pump capital in to obtain that guaranteed rate of return.

The logical result will be a continual upward pressure on rates to pay for infrastructure New Mexicans may not need or benefit from. There is no disincentive for Blackstone to overbuild because the ratepayer will foot the bill for this infrastructure, whatever the commercial outcome. Should the bubble burst, as many predict it will,[23] and these new gas plants and transmission lines become stranded assets, Blackstone will have already made its money and moved on.[24] Rate allocation structures in New Mexico have not been updated to reflect the new reality of data center demand, leaving residential and small business customers at risk.

In New Mexico, the PRC is our only protection against irresponsible behavior on the part of our utilities. If Blackstone owns PNM, the PRC will be significantly outmatched. Blackstone is a global behemoth with tremendous resources and extraordinary political influence. The firm's annual revenue was 683 times bigger than the PRC's annual budget in 2025.[25] Its total assets under management amount to nearly nine times the gross domestic product of the entire state.[26] Blackstone regularly spends millions on political activities to defeat ballot measures it doesn't like.[27]

Blackstone's portfolio, furthermore, includes hundreds of companies across all kinds of industries, creating enormous potential for conflicts of interest. Though Blackstone itself is a publicly owned company, its dealings at the asset level are opaque, such that even a determined regulator or advocate would find it difficult to assemble a clear picture of the firm's ownership, control or influence. Making PNM private will only reduce transparency further. All these factors combine to make effective regulation of Blackstone essentially impossible.

Blackstone's track record in other industries should give the PRC and other stakeholders pause. In its relentless pursuit of "value," Blackstone creates conditions, such as profit pressure and cost reductions, that have repeatedly led to lawsuits, investigations, regulatory penalties and general public condemnation. Blackstone-owned companies have been found to commit labor violations, engage in price fixing, pursue exploitative and fraudulent billing practices and even undercut Blackstone's own investors. Often, the cost of a settlement or penalty imposed by authorities is dwarfed by the profit made while incurring the violation, so the "punishment" is just part of the cost of doing business. Taken together, these examples reveal a pattern of exploitation in the name of profit and consistent disregard for regulatory authority.

Schwarzman, Trump and Saudi Arabia

Blackstone CEO Stephen Schwarzman, a prominent supporter of Donald Trump,[35] has been a key bridge between the Trump administration and Saudi Arabia, particularly regarding massive investment initiatives. In 2017, around the time of Trump's first presidential visit to the kingdom, Schwarzman helped secure a $20 billion Saudi commitment to a Blackstone-managed investment fund aimed primary at U.S. infrastructure projects.[36]

Schwarzman joined Trump in Saudi Arabia again in May 2025 for a high-profile lunch with U.S. business leaders and Saudi officials and investors.[37] (Google president and Blackstone board member Ruth Porat was also present.) A few months later, Blackstone announced a $3 billion partnership with Humain, a new Saudi Arabian artificial intelligence company, to build data centers and AI infrastructure in the kingdom.[38]

BLACKSTONE FAILS THE PRC'S PUBLIC INTEREST TEST

The legal standard for acquisition approval in New Mexico under NMSA 1978, §62-6-12 and §62-6-13 is whether the transaction serves the public interest. In any proposed merger or acquisition of a utility, the PRC must consider six factors:[28]

1. Whether the deal provides benefits to customers (such as lower rates, improved service or increased access to clean energy)
2. Whether the deal will diminish or improve the utility's quality of service
3. Whether the PRC's regulatory authority remains intact post-transaction, ensuring continued oversight and accountability
4. Whether the transaction diminishes, maintains or enhances the utility's quality of service
5. Whether the transaction will lead to the improper subsidization of non-utility affiliates — that is, anticompetitive behavior that will enrich the utility at the expense of ratepayers
6. Whether there are adequate safeguards in place to protect customers from potential harms arising from the transaction (e.g., rate hikes, service degradation or stranded costs)

> "This is the megatrend of all megatrends, and we're investing in it globally." Blackstone

As this report seeks to prove, Blackstone's proposed acquisition of PNM falls short on most of these points.

In the first section of the report, we show why Blackstone's acquisition of PNM is not in the public interest. In particular, we argue that the acquisition will lead to extreme rate increases for New Mexican families and businesses, encourage self-dealing and contribute to an anticompetitive environment across the state's energy sector, undermine the PRC's regulatory authority by presenting serious obstacles to effective regulation, and significantly increase the state's exposure to fossil fuels and adverse environmental impacts. We also refute PNM's argument that it needs the capital Blackstone will bring to fund the energy transition. In the second section, we explore Blackstone's dismal track record in other industries, including child labor violations at a Blackstone-owned sanitation company, Blackstone's role in perpetuating the nationwide affordable housing crisis, and fraudulent medical billing practices among the firm's health care companies. In the appendix, we provide a partial list of Blackstone affiliates in the energy sector.

Blackstone claims to have "deep experience in utility investing,"[29] but in fact its entry into the utility space is relatively new. The firm acquired a 5% stake in Ohio-based electric utility FirstEnergy in 2021[30] and a 20% stake in the Northern Indiana Public Service Company (NIPSCO) in late 2023,[31] but it has never owned a regulated utility outright. What has transpired at those two utilities since Blackstone's investment is notable, however. FirstEnergy installed a Blackstone executive, Brian X. Tierney, as CEO[32] and promptly announced that the company would abandon its climate goals.[33] At NIPSCO, customers have seen their bills double or even triple since Blackstone signed on.[34] Neither example bodes well for the future of PNM.

The PRC is New Mexico's gatekeeper where PNM is concerned, and the current juncture is critical. Once approved, this acquisition becomes effectively irreversible; enforcement will be reactive and resource-intensive, likely occurring only after harm is done. The PRC's public interest standard exists for exactly this moment. Blackstone's proposed acquisition of PNM will likely lead to higher rates, anticompetitive self-dealing, the undermining of meaningful regulation and deeper fossil fuel entrenchment. With this will come the quashing of one of the most productive economic sectors in New Mexico: the renewable energy sector, with its rapidly growing number of family-supporting jobs. The PRC should reject Blackstone's application.

Data Centers' Exponential Energy and Water Demands

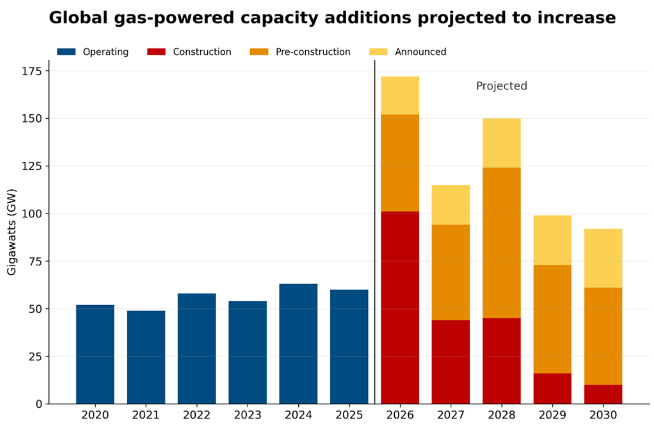
AI-focused data centers, which consume roughly 10 to 20 times more power per server than traditional data centers, are emerging as the dominant source of new electric load growth in the U.S.[39] To give just one example of the scale of these projects, Blackstone's Tallgrass Energy recently announced a joint venture to build a hyperscale data center in Wyoming. Called Prometheus, it will use up to 10 gigawatts annually — more than is currently used by all the state's homes, businesses, and manufacturers combined.[40]

Analysts predict that 60% of new electricity demand from data centers will be produced by gas-fired power plants.[41] These plants are a major source of U.S. greenhouse gas emissions, second only to coal-fired plants in the electric power sector.[42] With the amount of energy needed to power data centers expected to triple by 2030, hyperscalers looking to power their data centers are increasingly bypassing regulations to make deals directly with power companies[43] and constructing on-site energy production to rapidly increase power supply.[44] These practices risk locking in polluting infrastructure, undermining climate laws, and exacerbating water scarcity.

High energy use also translates into high water use.[45] AI data centers — warehouses filled with powerful computers that operate 24 hours a day — generate enormous heat and require intensive cooling systems that consume vast quantities of water, often drawn from drinking water supplies.[46] This creates calamitous risks in already water-stressed regions, where data centers compete with agriculture for local water supplies as temperatures rise and droughts worsen.[47] Since 2022, roughly two-thirds of the 160 new data centers built in the U.S. have been located in areas experiencing significant water stress.[48] Five states alone, including Arizona and Texas, account for 72% of new facilities located in such areas. QTS, Blackstone's flagship data center development company, was recently found to have drilled 40 illegal wells on a data center site in Cedar Rapids, Iowa — a sign of how competition for water supplies near data centers is poised to become a problem for regulators and a potential disaster for local residents.[49]

To produce the energy needed for Project Jupiter, a massive AI data center underway in southern New Mexico, developers are planning to build gas-fired power generation "microgrids" that will produce 700 to 900 megawatts of electricity — as much electricity as PNM manages annually.[50] Project Jupiter's projected water use is also astronomical. A company called Santa Teresa Capital LLC applied for and received emergency permission to drill a new well to access 2,400 acre-feet of water annually for the purpose of constructing Project Jupiter. That is equivalent to 780 million gallons per year. That permission is being protested by water advocates and landowners.[51]

In 2025, when New Mexico legislators gave developers permission to build their own power sources, they exempted microgrids from compliance with New Mexico's landmark Energy Transition Act (ETA), which requires the state's electricity grid to shift to zero-carbon resources by 2045.[52] According to Stephen Fischmann, a former chair of the New Mexico PRC, granting microgrids an ETA exemption was intentionally deceptive.[53] The microgrids being planned for data centers in the state are large enough to generate more power than is currently being used in New Mexico. "Once a little more than half of the electricity generated here is exempt from the ETA," Fischmann said, "the ETA is meaningless."



Source: Global Energy Monitor

Blackstone's Acquisition of PNM is not in the Public Interest

The private equity business model is fundamentally antithetical to the PRC's public interest standard. A utility exists to provide a public service and operates within a regulatory structure intended to support that purpose. Blackstone has no such public mandate and, judging from its track record in other industries, no interest in adopting one. This inherent misalignment is exacerbated by the fact that Blackstone has little experience running a regulated public utility.[54]

An electric utility is a unique type of business in several ways. It provides an essential service that all rely on for the basic necessities of life. Most utilities, including PNM, enjoy monopoly status in their particular service area, meaning their customers don't have the option of choosing a different utility provider. Utilities evolved this way due to the high cost of building electrical infrastructure, as it makes no economic sense for multiple companies to build overlapping infrastructure. In exchange for this monopoly status, utilities in the U.S. — most of which, like PNM, are for-profit, investor-owned corporations — are subject to regulations intended to keep anticompetitive behavior in check. This arrangement is known as the regulatory compact.

To encourage capital investment within this system, privately owned utilities are granted a guaranteed rate of return — for PNM it is currently 9.45%[55] — on all capital expenditures, which has made the utility sector an appealing investment option for those seeking consistent returns. The cost of new transmission and generation infrastructure is allocated among ratepayers by way of rate increases, which must be approved by regulators. The guaranteed rate of return means that the more utilities spend on building and maintaining infrastructure, the more profit they can collect from customers.

This structural incentive might be defensible so long as utilities are owned by entities whose sole mission is long-term, regulated service to the public. It becomes quite dangerous, however, in the hands of a private equity firm whose business model is not stewardship but financial extraction. Private equity is designed to augment short-term returns, recycle capital quickly, and monetize regulated revenue streams — often through aggressive capital spending, complex affiliate transactions, and financial engineering that regulators cannot see or control. When this model is grafted onto a monopoly utility, the guaranteed rate of return ceases to function as a public safeguard and becomes instead a lever for profit maximization at the public's expense.

Far from prioritizing the public interest, Blackstone aims to leverage the advantages of the utility model for its own benefit. The result will be much higher rates for New Mexico families and small businesses, self-dealing and conflicts of interest on the part of Blackstone, serious obstacles to effective regulation and adverse environmental impacts.

THE BLACKSTONE BUYOUT WILL RESULT IN EXTREME RATE INCREASES FOR NEW MEXICO FAMILIES AND SMALL BUSINESSES

PNM customers currently pay less for their electricity than utility customers in the rest of the country.[56] Blackstone knows this and clearly views it as a business opportunity — a chance to "generate value" for Blackstone investors.

In its own reporting, in May 2025 Blackstone noted that the average monthly electric bill for a PNM customer over the last 10 years was around 33% lower than the national average over the same period ($79.21 compared to $119.61).[57] PNM customers also pay less as a percentage of state median income than electricity customers nationwide (1.73% compared to 2.04% in 2023).[58] In the same document, Blackstone also noted that electricity demand is expected to rise by 40% nationwide over the next decade. The implicit conclusion: Blackstone aims to exploit this market discrepancy by raising rates for PNM customers to profit from skyrocketing demand.

Prime Example: Blackstone has exploited similar market discrepancies in its housing investments. In 2021, for example, the firm purchased 5,800 affordable housing units in San Diego and then hiked rents for some by as much as 64% — six times the rent hike limit under California state law.[59] Through the late 2010s, Blackstone was raising rents in Oakland by up to 10% per year on average, nearly double the market average.[60] One renter in Los Angeles saw her rent increase by 50% over three years, even while work orders for repairs to a bathtub, faucets, a bathroom door, cabinet doors, a fence, hot water equipment, and a garbage disposal — plus an order for an exterminator — went unaddressed.[61]

The real impact of such a rate hike would be even greater than these numbers suggest. New Mexico's average electricity rates might be lower than those of the country as a whole, but so is its median household income, by 24%, meaning that any rate hike would cut much more deeply in proportion to income.[62] For example, raising PNM's electricity rates to the level of the national average in 2023 ($136.84) would have increased the percentage of state median income spent on electricity by a full percentage point, from 1.73 to 2.69 — notably higher than the U.S. average of 2.04. For low-income families, who fall below the median income, the ratio is even more extreme. A household at 75% of state median income would have paid 3.59% of their income on electricity at that rate in 2023.

Blackstone's acquisition proposal for PNM includes a rate credit for customers but no rate freeze, a standard benefit in an acquisition of this magnitude.[63] The credit itself is modest: $105 million distributed over a four-year period, or around $3.51 a month for the average residential ratepayer.[64] PNM has tried to play up this offering, calling it "unprecedented" and "the largest acquisition rate credit in state history."[65] In reality, it represents less than 5% of the $2.2 billion boon that its shareholders will receive from the deal thanks to the premium Blackstone is offering over book value.[66]

And with no freeze, even this meager offering amounts to little, as it is likely to be negated by a rate hike very soon. Indeed, in a presumably inadvertent stroke of symmetry, $105 million is precisely the total that PNM is expected to take in from a single rate increase passed in the very same month the proposed acquisition was announced, May 2025.[67]

The 550,000 households PNM serves span a state with one of the lowest median household income levels in the nation[68] and one of the highest poverty rates.[69] Thirteen percent of New Mexico families are food insecure, and one in five children in New Mexico lives below the poverty threshold.[70] Electricity bills are not discretionary expenses that these families can simply choose to forgo. When electricity bills jump by 30%, many families will be forced to miss rent, skip medicine or cut back on food in order to keep the lights on. Small businesses, which employ more than half of the state's workforce,[71] will be forced to cut costs, curtail investment and even lay off employees. These are not choices any New Mexican should have to make.

There is no question that Blackstone will recoup its investment at an enormous profit — that is its target. The financial investment Blackstone proposes for PNM's parent company, TXNM Energy, is massive: $11.5 billion, or $61.25 per share.[72] This price reflects a 23% premium over the share price on the day prior to the announcement of the deal, amounting to a bonus of around $2.2 billion to TXNM's current shareholders.[73] (The biggest beneficiary of this deal, incidentally, is another private equity firm, BlackRock, which owns around 11% of TXNM's shares and stands to make $775.7 million from the sale.[74])

This $2.2 billion is the total Blackstone will need to recover before it even begins to profit. As the Center for Biological Diversity put it in a recent filing with the Federal Energy Regulatory Commission (FERC) in opposition to the deal, "It would be turning a blind eye to economic reality for this Acquisition to be approved based on the assumption that the $2 billion dollar windfall to TXNM's shareholders will not eventually be recovered."[75]

Blackstone could recover this investment in a variety of ways, some easier to anticipate than others.[76] A procedural order the PRC issued in January 2025 requested information from Blackstone concerning "the relationship between the purchase price paid for PNM and expectations for revenue, recovery, and return" and "how any difference between purchase price and utility value could affect customers."[77] The firm has not disclosed its intentions, but given that PNM derives most of its revenue from retail electrical rates, it would be almost impossible to recoup this money without raising rates for residential customers, who account for nearly half of retail revenue.[78]

Rates double and triple under Blackstone ownership; this is its modus operandi. As we explain further below, Blackstone has a history of raising rates for customers across its varied portfolio. At NIPSCO, a natural gas and electric utility, customers have seen their bills double or even triple since Blackstone acquired a 20% stake in 2023, according to a local television news investigation.[79] NIPSCO already charges more for electricity than any other utility company in the state of Indiana, the station notes, and customers report struggling to manage the costs. "I'm falling on a thin line of being able to pay my bills and live a life, as I once was able to," one customer said.

Blackstone does not hesitate to go after those who cannot pay, increasing the devastating consequences of rising rates. Blackstone's Invitation Homes has been known to evict tenants after they miss only a single month's rent, for example,[80] and its health care company TeamHealth has aggressively pursued some of its most vulnerable patients for medical debt.

Prime Example: A November 2019 ProPublica investigation found that a subsidiary of TeamHealth had sued thousands of patients over a two-year period for being unable to pay their surprise medical bills.[81] In the first six months of 2019, the company filed more lawsuits against patients than four local hospitals combined. Company policies also made it difficult for patients to access charity care, even when they asked for it. One former call center employee quit the job because she could not stomach the restrictions that stopped her from helping people. "I was miserable working there," she said.[82]

At a time when utility costs are already skyrocketing due to the data center boom and other factors — residential electricity rates in New Mexico rose by 18.5% in the first eight months of 2025 alone83 — New Mexicans simply cannot afford a repeat of the pattern unfolding in Indiana.

Outdated rate allocation structures and regulatory capture leave New Mexicans vulnerable to corporate exploitation. Historically, the socialization of utility capital costs has incentivized the expansion of distribution areas and improved service. This arrangement has come under increasing scrutiny in recent years, however, as private, investor-owned utilities (IOUs) like PNM have taken advantage of the outdated regulatory environment and the captive status of their customer bases to increase profits by means of questionable infrastructure planning and influence on policy in their own favor.[84] The rates paid by customers of IOUs are already 13% higher than those at public utilities[85] and are rising much faster.[86]

With the proliferation of large-load customers like data centers, the regulatory compact will compel residential customers to subsidize costs for some of the largest and wealthiest corporations in the world, including Amazon, Meta, Open AI and Microsoft — not to mention Blackstone, currently the world's largest owner of data centers.[87] The socialized nature of infrastructure investment means the cost of grid buildout for these massive projects will be allocated among ratepayers, minimizing costs for the hyperscalers. Furthermore, hyperscalers have the leverage to negotiate special rates on the energy their operations consume, often in secret under nondisclosure agreements.[88] When these rates are lower than a utility's costs, captive ratepayers are forced to cover the shortfall.

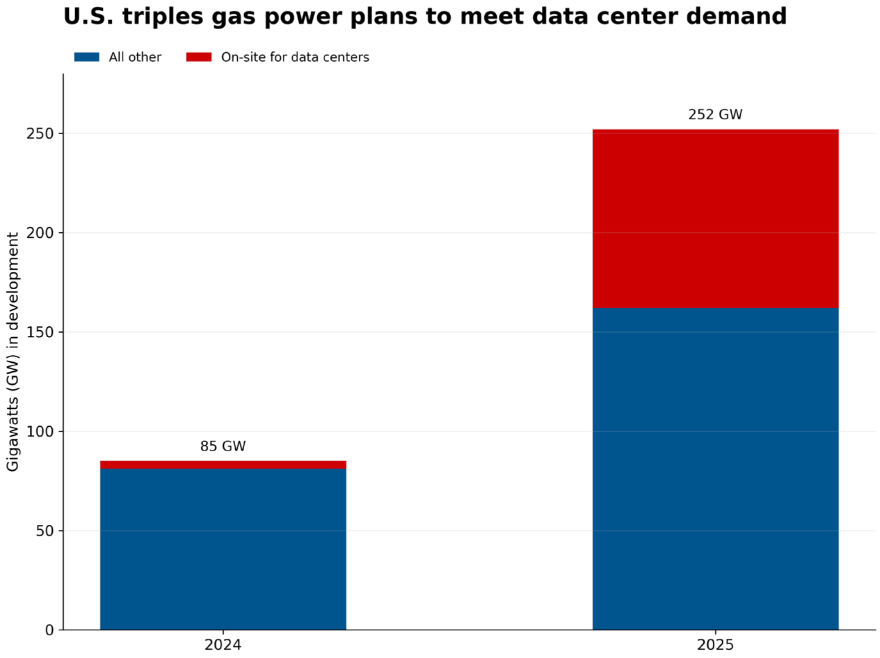
The scale of these projects is important to emphasize. The Project Jupiter campus now being developed in southern New Mexico, expected to house one gigawatt of capacity,[89] will consume as much electricity as 700,000 households or a city of 1.8 million people,[90] with commensurate generation and transmission infrastructure costs. Though Blackstone does not appear to be involved in Project Jupiter, it has declared that its data center company QTS "is interested in developing data centers in the NM market."[91] A single QTS data center in Atlanta needs as much power as the peak energy need for all of Santa Fe.[92]

Utilities often claim, as Blackstone does in its announcement of the TXNM acquisition agreement,[93] that residential customers will be protected because rates are set by regulators, but this is only nominally true. In actuality, utilities propose their desired rates and exert considerable influence on regulatory bodies throughout the process of obtaining approval, in part by pouring huge amounts of money into political activities to ensure favorable treatment. In 2025, for instance, TXNM Energy made nearly $300,000 in lobbying expenditures.[94] The prior year, it made more than $400,000. PNM has regularly poured hundreds of thousands of dollars into local elections in New Mexico, including $440,000 in 2018 to influence the outcome of two PRC races.[95] One nationwide study recently found that in nine of the 10 states that elect their commissioners, more than one-third of the large contributions (more than $250) to those commissioners came from electric utilities and fossil fuel interests.[96]

The PRC transitioned from an elected body to an appointed one in 2023, but the process remains the same; the contributions just shift from commissioner races to the elected officials who appoint the commissioners and influence policy.[97] Since the appointed commissioners took office, PNM and its affiliates have pumped nearly $318,000 into state-level races.[98] The appointment process is also more opaque than the election process, making the path of influence more difficult to trace.[99] Given all these factors, it is rare for a utility to face outright rejection when applying for a rate increase.[100]

Rate structures in New Mexico have not been updated to reflect the new reality of large load demand, leaving residential and small business customers on the hook to pay for corporate influence and infrastructure.

Private equity utility ownership will result not in a depleted utility but in a depleted community. Typically, private equity firms pursue their high rates of return by doing everything they can to wring value out of their portfolio companies, often debilitating



Source: Global Energy Monitor

those companies to the point of bankruptcy[101] while the firms themselves emerge financially unscathed, profiting from management fees and dividends.

In the case of a regulated utility, however, the value extraction will likely take a different form, thanks to the guaranteed rate of return on equity. Rather than pulling capital out of PNM by gutting services or stripping assets, Blackstone will pump capital in — that is, overinvest, such as by gold plating transmission upgrades, expanding infrastructure for hyperscalers, and building excess generation capacity. When $100 in investment is guaranteed to produce $110 in returns, the most profitable option will be to invest as much as possible.

As James Baratta put it recently in the *American Prospect*, "The core incentive of the IOU financial model ties profit to capital spending. Private equity ownership turbocharges this incentive. In theory, a private equity owner could generate multiplicative returns by piling on debt and accelerating a utility's capital deployment. Utilities also enjoy predictable cash flows and guaranteed cost recovery."[102] All of this, he adds, "bodes well for . . . Blackstone." Other private equity firms have also pursued these methods. Senators Elizabeth Warren and Bernie Sanders noted in a public letter sent to Blackstone CEO Stephen Schwarzman in December 2025 that the customers of Upper Peninsula Power Co. in Michigan, owned by the private equity firm Basalt Infrastructure Partners since 2014, pay nine cents more per kilowatt than the average investor-owned utility in the state.[103]

The basic strategy remains extraction — in this case extraction directly from the bank accounts of New Mexico families and small businesses. The result is not a bankrupt company but a depleted customer base: families and small businesses deprived of economic resources by a crushing energy burden.

THE DEAL WILL ENCOURAGE SELF-DEALING AND ANTI-COMPETITIVE BEHAVIOR

Blackstone is investing heavily in both data centers and energy producers — the industry that is driving utility electricity load demand and the industry that provides utility energy supply, respectively. Blackstone's president, Jon Gray, has referred to these sectors as "two of our highest conviction themes."[104] Contrary to the PRC's prohibition of cross-subsidization with non-utility affiliates, Blackstone's acquisition of PNM will significantly increase the potential for self-dealing transactions between Blackstone affiliates and subsidiaries. (See the appendix for a list of nearly 60 Blackstone affiliates that could pose problems in this way.)

Blackstone executives have boasted publicly of the advantages Blackstone enjoys as a result of its capacity to monopolize and vertically integrate its assets, and they have been explicit about exploiting these advantages with data centers in particular. "We have been able to procure power [for our data centers] at scale," wrote Mike Forman, Blackstone Real Estate's head of digital infrastructure, in May 2025, "by leveraging our 20+ years of experience investing in energy markets and the highly capable teams at our portfolio companies, [while] most new entrants to the space lack this expertise."[105] In other words, Blackstone has an advantage over other data center developers because it can utilize its energy holdings to secure cheap power.

The following month, the *New York Times* wrote, "Even with the onslaught of new entrants into the data-center market, Blackstone believes it has unique advantages, including more money to invest and ownership stakes in construction and equipment companies that can help get the projects done."[106] The article quoted Nadeem Meghji, Forman's boss and the head of Blackstone's real estate business: "When you start getting to these very large-scale projects, there are very few who can put all these pieces together." Blackstone banks on these advantages to accelerate its plans for next-level profitability at PNM.

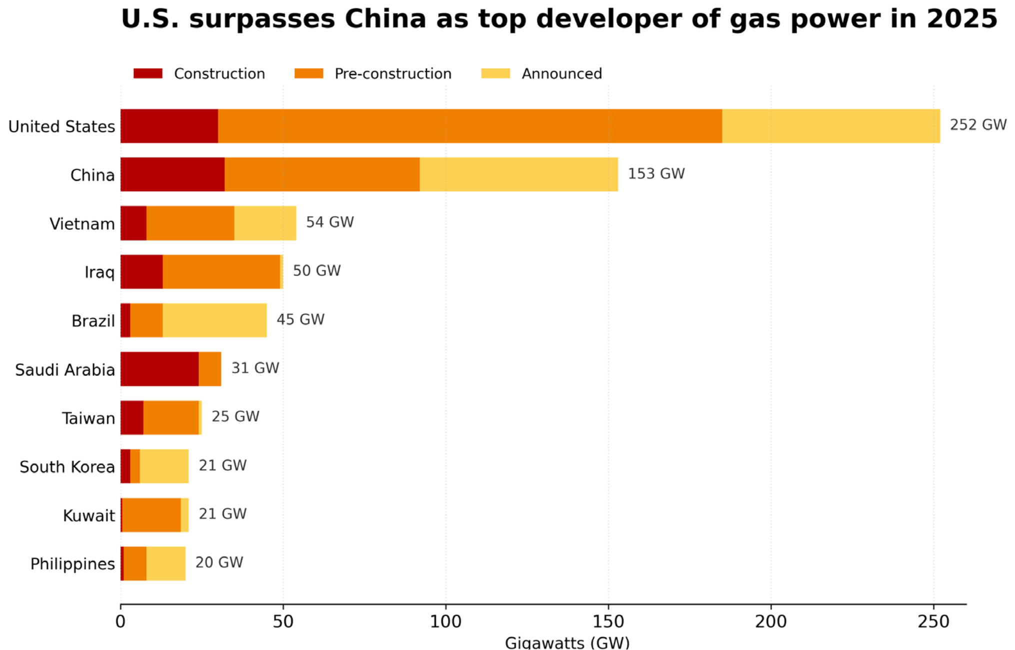
Blackstone is all in on data centers. Cross-subsidization risks exist both downstream and upstream of PNM. On the downstream side, Blackstone is strongly committed to data center investment. The firm claims to be the largest data center provider in the world[107] and has to date "sunk more money into data centers and related infrastructure than into almost any other sector in the firm's 40-year history," according to the *New York Times*.[108] After ChatGPT was released in 2022, Blackstone expanded its portfolio of leased data centers by a factor of nine in less than four years.[109]

As of May 2025, the month it announced its intention to acquire PNM, Blackstone claimed to manage "an $85 billion global data center platform with a powered land bank that can support over $125 billion of future growth."[110] Blackstone points to low vacancy rates and high barriers to entry given the capital intensity of development as factors contributing to its strong positioning in the market.[111] When questioned about the prospect of a data center bubble, Blackstone executives double down. "It's not like building condos in Miami," one executive said.[112] Blackstone does not own any data centers in New Mexico currently but appears to be moving in that direction. Blackstone has declared that QTS, the data center developer it acquired for $10 billion in 2021,[113] "is interested in developing data centers in the NM market."[114] In the same document it states, "Historically QTS has developed a land bank in the service territories of BIP's [Blackstone Infrastructure Partners'] portfolio companies post-investment," implying that we should expect the same in New Mexico.[115] QTS already has data center operations in Arizona, Colorado and Texas.[116]

Blackstone aims to fuel its data centers with natural gas, increasing the state's reliance on fossil fuels. On the upstream side, Blackstone has major interests in oil and gas operations, including in New Mexico. It is the largest shareholder of Kinetik, for example, the largest publicly traded midstream company operating in the Permian's Delaware Basin of Southeast New Mexico and West Texas.[117] It has significant midstream operations — including natural gas gathering, processing and transport — in multiple counties in New Mexico, such as Eddy, Chavez and Lea, where its expanding network of gas pipelines links New Mexico's producers to the Gulf Coast.[118]

Blackstone also owns Tallgrass Energy, which operates a natural gas pipeline and is also involved in data center development.[119] This company's recent ventures include a controversial coal-to-hydrogen plant conversion project in the Four Corners region, which fell apart due to lack of funding, and plans for a pipeline — proposed for hydrogen; now natural gas — across the Navajo Nation, which nine of the 13 chapters of the Navajo Nation have opposed.[120]

As of mid-2024, according to an analysis by Private Equity Climate Risks, Blackstone owned 14 fossil fuel companies, representing 70% of its energy portfolio.[121] Since then, the firm has made substantial investments in at least four additional gas-fired power plants and at least one natural gas midstream operation.[122] Through its affiliate Blackstone Credit & Insurance, it also provided debt financing for Delta Utilities, a natural gas utility in Louisiana owned by Bernhard Capital Partners, to acquire CenterPoint Energy's natural gas distribution operations in Louisiana and Mississippi.[123] (Bernhard Capital Partners is also currently trying to acquire New Mexico Gas Company.)[124] Blackstone may not be ruling out renewables altogether — its portfolio does include renewable power assets[125] — but it is not prioritizing them.[126]



U.S. surpasses China as top developer of gas power in 2025

Source: Global Energy Monitor

It is clear that Blackstone sees data center development and natural gas development as intertwined. NIPSCO, the Indiana utility in which Blackstone has a 20% interest, recently launched a spinoff company called GenCo that will provide the utility with power to meet the growing demand while remaining exempt from many of the typical regulatory proceedings required in the building of power plants.[127] NIPSCO has declared that it intends to significantly increase its natural gas–fired generation to power its data centers, and GenCo will allow it to do so without intervention from advocates and other stakeholders.

> State regulators "simply do not have the legal and economic assessment or forensic accounting skills needed to chase down what is going to become a very complex web of shenanigans." Tyson Slocum, Public Citizen

In Pennsylvania, Blackstone entered into a joint venture with PPL Electric, a local utility, to invest in natural gas power generation facilities alongside the state's existing natural gas fracking operations and in close proximity to "multiple land sites" that Blackstone-owned QTS has secured for data centers.[128] It announced both investments — natural gas generation and data center sites — in the same press release. It is reasonable to believe that Blackstone has similar intentions for New Mexico, a state that also produces large quantities of natural gas.[129]

Blackstone stands to benefit from PNM's transmission and distribution buildouts. PNM's capital plan for the next five years includes a significant increase in spending on transmission and distribution infrastructure. According to data provided by PNM president and CEO Don Tarry in testimony filed with the PRC in August 2025, PNM aims to boost its capital spending in these two areas by $500 million over the next five years, an increase of 23% over the last five years.[130] Tarry said of this plan:

> » As we add new resources [to meet the goals of the Energy Transition Act], this also requires increasing investment in our transmission system to deliver electricity from these new sources to customers. Capital will also be required to harden PNM's infrastructure against increasing exposure to natural disasters, and to complete grid modernization initiatives already underway, including advanced metering infrastructure and distribution-related technological advancements. Finally, additional capital will be needed to respond to projected economic development and load growth that is being driven by overall increased demand and beneficial electrification of homes and businesses.

Tarry makes clear that PNM is looking to Blackstone in large part because it has the money to support these developments, since "the future capital funding required by PNM is at levels that might prove difficult to obtain in the public markets."[131]

Blackstone's ownership web creates structural conflicts in the area of transmission and distribution that no set of conditions can realistically police. Its portfolio company Invenergy, for example, has plans to build a 400-mile, high-power electric transmission line across northern New Mexico — squarely through PNM's service territory.[132] Blackstone poured roughly $1 billion into Invenergy in 2023 alone, following approximately $3 billion in investments over the prior two years. Invenergy has been active in New Mexico for nearly a decade, positioning Blackstone to profit simultaneously on both sides of future transmission, interconnection and grid expansion decisions.

Layer onto this Blackstone's ownership of electrical equipment manufacturers, grid services providers, engineering and environmental firms and even energy market simulation software, and the risk becomes inescapable: Capital spending decisions at PNM would create repeated opportunities for affiliate transactions, preferential contracting and self-dealing. This vertically integrated monopoly structure would overwhelm the PRC's ability to detect, unwind or meaningfully regulate conflicts in real time, effectively rendering Blackstone's utility empire too complex to govern and too conflicted to serve the public interest.

Why self-dealing will cost ratepayers and make New Mexico's economy less competitive. The risk of self-dealing and affiliate transactions is a problem for residential ratepayers because they will carry the cost of these deals. As a utility owner, Blackstone will have a strong incentive to give preferential rates to its own companies. Any back door deal that a data center or any other large commercial or industrial customer owned by Blackstone strikes with PNM will be effectively subsidized by residential ratepayers, who lack the power and leverage to negotiate at that level. When a data center requires an extensive buildout of energy generation or transmission infrastructure, the burden of paying for that infrastructure will fall to ratepayers through rate increases approved by the PRC, while the profit, guaranteed by a 9.45% rate of return on investment, will go to Blackstone.[133]

The consolidation of monopoly power is destructive in other ways as well, as advocacy groups like the Institute for Local Self Reliance have shown.[134] It undermines small business, depresses wages, quashes competition and innovation, blocks climate progress and corrupts democracy. If Blackstone buys up the entire electricity supply chain, positioning itself essentially as the Amazon of energy supply, the result will echo Amazon's devastating impact on the retail sector. Blackstone will have the power to drive out competitors, crush small businesses, curtail job growth, manipulate prices, financially influence state legislators and dictate the terms of New Mexico's clean energy transition.

This situation also undermines transparency and regulatory oversight. The sheer quantity and range of potential affiliate transactions is likely to overwhelm the PRC, limiting its capacity to manage even problems that visibly arise, much less to uncover hidden ones or anticipate future conflicts. Addressing the issue on a case-by-case basis will be insufficient. Blackstone has insisted that "any interactions between affiliates are subject to adherence to local and federal regulations that focus specifically on avoiding unfair advantages or disadvantages."[135] Even when these interactions come to the attention of regulators, however, it is safe to say that the firm will put its considerable financial and political weight into influencing those regulatory outcomes.

Former FERC chairman Mark Christie put it this way: "You do not need a Ph.D. in economics to see the potential for anticompetitive conduct and outcomes when an investment entity like a huge asset manager seeks to own generation assets that will be — or should be — competitors. Market power is an ever-present concern, and one rule I taught my law students is that any seller with market power will use it. That's not a moral judgment, just economic reality."[136] In this case, Blackstone's extraordinary financial scale, combined with vertical integration across the utility supply chain, would magnify those risks and entrench excessive concentration of ownership and control.

POLICING BLACKSTONE EFFECTIVELY IS IMPOSSIBLE

A state's utility regulator — in the case of PNM, the PRC — is the only protection customers have against unscrupulous behavior on the part of their utilities. If Blackstone acquires PNM, however, the PRC will be badly outmatched. Blackstone is an extremely powerful global corporation, with enormous resources, influence at all levels of government and an army of lawyers. Blackstone's scale, myriad business interests and intrinsic lack of transparency will all inhibit the PRC's capacity to do its job, presenting serious obstacles to effective regulation.

As Public Citizen's Tyson Slocum, an intervener in the PNM acquisition proceedings,[137] has put it, the scale, complexity and opacity of a private equity firm like Blackstone will shift the burden of responsibility onto state regulators, who "simply do not have the legal and economic assessment or forensic accounting skills needed to chase down what is going to become a very complex web of shenanigans."[138]

Prime Example: Since securing a 20% stake in the Indiana utility NIPSCO in 2024, Blackstone has contributed an additional $1.5 billion to create a spinoff entity called GenCo.[139] While NIPSCO claims the spinoff is needed to meet surging power demand, advocates say it will accelerate fossil fuel generation, create an anticompetitive business environment in the state and undermine the regulatory process.[140] GenCo received permission from regulators in September 2025 to operate as a generation-only utility, contracting with NIPSCO to procure power for new large-load customers such as data centers and to sell excess on the wholesale power market. In addition to being anticompetitive — because GenCo enjoys guaranteed demand and a guaranteed buyer for its services, unlike other local power generators — this arrangement grants GenCo an expedited approval process for any generating projects and allows the utility to bypass regulatory commission oversight, as it is not rate-regulated.

The scale disparity is profound. The PRC's total annual operating budget for the 2026 fiscal year is $19.3 million.[141] This total needs to cover not only the PRC's oversight of PNM but regulation of the state's two other electric monopolies (El Paso Electric, owned by JP Morgan, and Southwestern Public Service, a utility subsidiary of Xcel Energy), 21 rural electric coops, 24 water companies, three gas companies, eight sewer companies and five telecommunication companies, not to mention the agency's consumer relations, legal and administration departments and its pipeline safety program.[142]

By comparison, Blackstone's revenue for the last four reported quarters was $13.2 *billion* — 683 times more than the PRC's annual budget.[143] Its infrastructure division, Blackstone Infrastructure Partners (BIP), where PNM would land, had $69 billion in assets under management as of the third quarter of 2025[144] and generated $1.2 billion in fee revenue alone in 2024.[145]

This balance sheet gives Blackstone tremendous leverage. It is what has permitted the firm to propose an $11.5 billion deal without resorting to incremental debt.[146] It allows Blackstone to promise "greater financing flexibility and improved access to capital" for PNM[147] and to dangle the promise of near-endless investment in PNM's "continued buildout."[148] It buys influence within the business community and at all levels of government. And it buys person-power: attorneys, analysts, communications specialists and lobbyists.

Blackstone's complex corporate structure will vastly increase both the necessity for and the complexity of basic regulatory oversight. Opacity is not a hypothetical concern — it strikes at the heart of the PRC's ability to protect the public interest.[149] When ownership is layered through private equity funds, holding companies, affiliates and co-investments, even basic questions about conflicts of interest, cross-subsidization and self-dealing become extraordinarily difficult to answer. If Blackstone or its affiliates finance, own, lease to, or otherwise benefit from energy-intensive customers such as data centers that depend on PNM's grid, regulators may never see the full economic picture. Without transparency, the PRC cannot reliably determine whether PNM ratepayers are indirectly subsidizing Blackstone's other investments, whether affiliate transactions are occurring at arm's length, or whether utility decisions are being shaped to serve Wall Street portfolios rather than New Mexico customers. In this environment, meaningful oversight is not

just burdened — it is effectively undermined.
Our own analysis, which is not comprehensive, uncovered nearly 40 affiliates in the energy sector alone, in addition to more than a dozen data center companies (see appendix). Each of these affiliations involves its own unique web of conflicts, with particular funding arrangements, power dynamics and key players. The PRC will have difficulty navigating this complex and opaque terrain, and no hope of anticipating problems before they arise.

> “We seek to utilize our global expertise and presence to generate attractive returns for our investors in any environment.” Blackstone

The conflicts will not be limited to companies Blackstone actually owns. Blackstone’s affiliations with hyperscalers are myriad and varied. For instance, Ruth Porat, president and chief investment officer at Alphabet and Google, sits on Blackstone’s board.[150] Both Blackstone and Google are investing tens of billions of dollars in AI infrastructure in Pennsylvania.[151] Microsoft is one of the largest tenants of Blackstone-owned QTS[152] and has partnered with QTS to build several data centers in Dallas.[153] Blackstone itself refers to Microsoft as a “preferred technology partner” for its asset companies.[154] And Blackstone, as a major owner of logistics warehouses, is Amazon’s landlord.[155]

In the AI investment race, securing long-term contracts with hyperscalers is critical for both data center developers and utility electricity providers to ensure they see a return on their investments. It would be ludicrous to think that Blackstone would not make economic use of its existing relationships with hyperscalers to secure such deals in New Mexico. Given the complex and wide-ranging nature of these relationships, however, they won’t be easy for regulators to spot or evaluate.

Blackstone’s intention to take PNM’s parent company, TXNM Energy, private will further weaken transparency. As a publicly traded company on Wall Street, TXNM files regular SEC reports that ensure some level of public access to important information about its finances and management. The absence of these reports will leave the PRC to depend on voluntary disclosures from Blackstone, which will distort the balance of information. It will also put the public and local advocates at a disadvantage, limiting their ability to provide well-informed input. Blackstone has already demonstrated its indifference to transparency standards through the omission of critical information from its applications for regulatory approval, such as disclosure of its existing data center and energy generation holdings.[156]

Blackstone has made clear that it views the transition to private ownership as a selling point. In an April 2025 joint presentation to rating agency S&P, filed as evidence in the current acquisition proceeding, Blackstone and TXNM list privatization as a “strategic rationale for this acquisition.”[157] “Challenges associated with public ownership and raising capital in the public markets is [*sic*] mitigated by private infrastructure ownership,” they write.

Nowhere is the challenge of effective oversight more apparent than in the acquisition proceeding itself. Judging from recent case filings, the PRC’s ability to obtain the information necessary to evaluate the deal in accordance with its own public interest standard has already been compromised, before the acquisition has even been made. In a January 2026 procedural order requesting information from Blackstone concerning “issues the commission seeks to understand,” the PRC provides three full pages of questions evidently unanswered in the application itself.

Judging from the nature of these requests, it is clear that Blackstone has provided no affiliate information to date. Among the omitted items:[158]

- Existing and potential affiliate transactions, including transactions with Blackstone-affiliated entities
- How affiliate transactions may affect service quality, operational efficiency or costs borne by customers
- Policies, controls and reporting requirements governing affiliate transactions
- Protections designed to prevent improper subsidization or commingling of resources.

Blackstone's response to these requests remains to be seen.

BLACKSTONE BRINGS SIGNIFICANT RISK OF INCREASED EXPOSURE TO FOSSIL FUELS AND ADVERSE ENVIRONMENTAL IMPACTS

Blackstone's portfolio and strategy are deeply tied to fossil fuel infrastructure and the data center power race — precisely the mix that drives new gas generation, pipeline buildouts, and stranded asset risk. When a private equity firm like Blackstone owns a utility, it gains a powerful monopoly lever, with the power to steer grid planning toward investments that align with its broader energy holdings, even if that locks New Mexico into more fossil fuel dependence and more cost.

Blackstone has not demonstrated any real commitment to advancing a clean energy future for New Mexico, or any other place. Like many corporate giants, the firm has touted its clean energy and sustainability commitments when it suits, only to walk them back when the political tide turns.[159] In reality, Blackstone's fossil fuel holdings far outweigh its clean energy holdings, and the balance has shifted even more toward fossil fuels over the last few years.

As recently as 2022, Blackstone announced to investors that its private equity and credit divisions would no longer invest in the exploration and production of oil and gas and that its upcoming energy fund would, for the first time, not back upstream investments, focusing instead on the energy transition.[160] "Over the last several years, we have found that the risk and return characteristics on our energy transition investments are more attractive than in the upstream sector," David Foley, the head of Blackstone's energy business, told *Bloomberg* at the time.

Just four years later, Blackstone has adopted a very different tone. As of mid-2024, according to an analysis by Private Equity Climate Risks, Blackstone owned 14 fossil fuel companies, representing 70% of its energy portfolio.[161] Since then, the firm has made substantial investments in at least four additional gas-fired power plants and at least one natural gas midstream operation.[162] Blackstone may not be ruling out renewables altogether — its portfolio does include renewable power assets[163] — but it is not prioritizing them.[164]

In anticipating Blackstone's plans for PNM, we might look also to the example of Blackstone-backed FirstEnergy, a publicly traded electric utility based in Ohio and one of America's largest utilities. In February 2024, FirstEnergy notified shareholders that it had abandoned its climate goal of cutting its greenhouse gas emissions by 2030.[165] The utility made this announcement just one year after the appointment of CEO Brian X. Tierney, who had migrated to FirstEnergy from Blackstone in March of the previous year.[166] Tierney stated that the company was walking back the commitment because it was unable to meet the goal without closing two West Virginia coal plants. The coal plants have become crucial to ensuring electricity supplies in the data center–heavy PJM power market region.

PNM DOESN'T NEED BLACKSTONE TO RAISE CAPITAL

One of PNM's principal justifications for the proposed Blackstone acquisition, as noted above, rests on PNM CEO Don Tarry's assertion that although PNM currently maintains an investment-grade credit rating and can access financing at reasonable prices, "there is more and more competition for the billions of dollars necessary for the predicted utility growth across the western region and the country as a whole."[167] That claim does not withstand scrutiny when measured against PNM's own recent history and the realities of U.S. utility finance.

PNM has repeatedly and successfully accessed capital from the largest and deepest asset market in the world: Wall Street. Investor-owned electric utilities do not face structural barriers to capital formation — quite the opposite. As regulated monopolies with guaranteed rates of return approved by state commissions, utilities are among the most attractive and lowest-risk investments in the capital markets. That is precisely why private equity firms such as Blackstone are eager to acquire them. As one Blackstone executive put it in his testimony before the PRC, "Utility investments are attractive for Blackstone Infrastructure and our investors because they typically provide for steady, lower-risk returns over the long term compared to other higher growth and higher risk industries."[168]

Industry data further undermine the claim that PNM faces a unique or growing capital constraint. U.S. investor-owned electric utilities are projected to invest more than $1.1 trillion between 2025 and 2029 in grid modernization, generation and transmission, and they are successfully raising that capital through traditional debt and equity markets.[169] These investments are being financed without the need for private equity control, demonstrating that access to capital is not a limiting factor for utilities operating under the regulated monopoly model.

PNM's own credit profile confirms this point. In May 2025, S&P Global Ratings affirmed a BBB issuer credit rating with a stable outlook for PNM's parent company, TXNM Energy.[170] An investment-grade rating with a stable outlook signals to lenders and investors that the company is financially sound and capable of accessing capital on reasonable terms. There is no public evidence that PNM has been shut out of capital markets, forced to delay prudent investments, or unable to finance needed infrastructure under its existing ownership structure.

Because PNM can and does access capital markets today, the purported financing rationale for the Blackstone acquisition falls short. Access to capital is not a public interest benefit of this transaction. This access already exists and is available to PNM without exposing New Mexico ratepayers to the well-documented risks of private equity ownership.

* * *

In sum, a Blackstone-owned PNM will be harmful to New Mexico families and businesses on multiple fronts. It will raise rates, subsidize corporate power at the expense of ratepayers and entrench PNM's already problematic monopoly status. It will help consolidate Blackstone's hold on market power across the energy supply chain, from natural gas and renewable energy generation to transmission and distribution to data centers, contributing to an anticompetitive environment that will threaten small businesses and squeeze New Mexico workers.

Policing Blackstone will be all but impossible. The disparity in scale between the private equity firm and its regulator, the PRC, is profound, and Blackstone's complex corporate structure and vast array of holdings and affiliations will overwhelm the PRC's capacity to monitor its activities effectively. Taking the company private, furthermore, will draw a curtain over PNM's activities, denying the public access to critical company information.

Blackstone will also increase New Mexico's reliance on fossil fuels and threaten the integrity of the ETA. Despite some ongoing investment in renewable energy, Blackstone has responded to the data center boom by abandoning its climate commitments and doubling down on natural gas. While PNM claims that it needs Blackstone, and needs to go private, to access the capital it needs to navigate the energy transition, in fact the utility maintains an investment-grade credit rating and is able to access financing at reasonable prices currently.

Natural Gas Pipeline on the Navajo Nation. Source: Jerry Redfern, Capital & Main, "Industry Wants New Pipeline on Navajo Land Scarred by Decades of Fossil Fuel Extraction," *Inside Climate News*, July 14, 2023.

Blackstone Has a Long History of Exploitative Corporate Practices That Illustrate the Unacceptable Risks This Deal Poses to New Mexico

Under the private equity business model, it doesn't matter whether a company succeeds long-term or even whether the company survives, so long as investors get more out of the company than they put in. This approach to business has a well-documented tendency to lead to higher costs and degraded services for consumers and to financial instability, even bankruptcy, for the companies in question. Increasingly, private equity ownership has been found to alter the course of entire industries, invariably for the worse. All private equity firms employ this strategy, but Blackstone has pursued it on a massive scale, with hundreds of companies across scores of industries, all over the world.

The following section details Blackstone's disturbing track record in other industries. Blackstone-owned companies have faced lawsuits, investigations, regulatory penalties and general public condemnation involving labor violations, price fixing, exploitative and fraudulent billing and lack of transparency even with its own investors. Taken together, these examples reveal a consistent pattern of exploitation in the name of profit and disregard for regulatory authority.

ABUSIVE LABOR PRACTICES, INCLUDING CHILD LABOR EMPLOYED IN EIGHT STATES

In December 2024, New Mexico state treasurer Laura Montoya penned a letter to Blackstone CEO Stephen Schwarzman expressing concern over child labor violations at Blackstone-owned companies.[171] Earlier that year, a U.S. Department of Labor (DOL) investigation that found more than 100 children aged 13 to 17 were working in hazardous jobs at Packers Sanitation Services, a Blackstone-owned food sanitation company, across eight states.[172]

According to the Department of Labor, the children were working with hazardous chemicals to clean meat processing equipment, including razor-sharp back saws, brisket saws and head splitters. At least three children had suffered injuries.[173] The DOL characterized these appalling practices as "systemic" and as a "corporate wide failure by Packers Sanitation Services at all levels."[174] One DOL official said, "Packers' systems flagged some young workers as minors, but the company ignored the flags. When the Wage and Hour Division arrived with warrants, the adults — who had recruited, hired and supervised these children — tried to derail our efforts to investigate their employment practices."

The $1.5 million that Packers Sanitation paid in fines for these violations pales in comparison to the $297 million it paid to its investors in dividends just a few years earlier.[175] Many point to this type of disparity as one reason child labor violations have been rising nationwide: When companies stand to make so much more money than they will ever pay in fines, they become essentially impervious to regulation.[176] As Cornell labor scholar Kate Bronfenbrenner put it, "As companies consolidate and grow, they are worth so much money that some find it easier to violate laws and pay minimal fines than to comply with laws. They just figure it's the cost of doing business."[177]

Blackstone was not named in the investigation, but major Blackstone state and institutional investors across the country — including New York and California's public workers' funds as well as the state of New Mexico — took note of the violations and issued stern warnings to Schwarzman.[178]

Treasurer Montoya's letter expresses alarm over these practices as well as concern for the risks such behavior poses to New Mexicans by way of the state's investments with Blackstone:[179]

> » As the New Mexico State Treasurer, I have a fiduciary duty to the people of my state and our collective public funds. . . . To that end, I have become increasingly concerned about the labor practices of a number of the businesses owned by your firm, particularly because some of New Mexico's public funds have been invested with your firm. As such, I have determined that I will no longer support the future investment of New Mexico's state funds with your firm, at least until your firm can demonstrate that its businesses have significantly improved their labor practices.
>
> As a prudent investor and fiduciary, I must consider the financial risks associated with any investment. This necessitates avoiding investments in businesses that present unnecessary or excessive risks to the safety of state funds.

The following year, in October 2024, Blackstone sent one of its top executives, then global co-head of real estate Kathleen McCarthy, to respond to similar concerns raised by New Mexico's State Investment Council (SIC), in what one private equity trade publication reported as "an exercise in headline-risk mitigation for Blackstone."[180] In keeping with Montoya's earlier letter, the SIC had seen fit to "hold off" on investments with Blackstone over concerns regarding its labor practices, including its conflict with labor unions, as well as its role in the housing affordability crisis as a major buyer of single family homes.

State land commissioner Stephanie Garcia Richard, vice chair of the SIC, told Blackstone at that meeting, "I don't have a lot of financial experience, but reputational risk is a real thing. . . . If there is something that makes me uncomfortable about this investment, I'm going to continue to try and draw attention to it."[181]

EXACERBATING THE HOUSING CRISIS AND INCREASING RENTS INTERNATIONALLY

Blackstone is known for betting big on the housing market in the wake of the 2008 financial crisis, capitalizing on the distress of families who lost their homes in the crash. Blackstone essentially pioneered the corporate ownership of single family residential homes when it founded Invitation Homes in 2012 to buy and renovate foreclosed houses and rent them back to families who could no longer afford a mortgage.[182] This "wager," as it was characterized in the press,[183] received a sizable boost from the U.S. government, which organized auctions for corporate investors and even provided Blackstone with a $1 billion loan guarantee in 2017, lowering its borrowing costs on the foreclosed homes it was already getting at rock bottom prices.[184]

The very same year it received this loan guarantee, Invitation Homes went public with the second-largest real estate investment trust (REIT) IPO of its time, raising $1.8 billion.[185] The company owned around 82,000 residential units in the U.S. by the time Blackstone sold it in 2019, reaping a profit of some $7 billion, according to the *Wall Street Journal*.[186] Speaking at a financial conference in 2020, Schwarzman boasted of this feat, saying, "You always have winners and losers — Blackstone was a huge winner coming out of the global financial crisis."[187] The losers, apparently, were American homeowners.

Blackstone has since gone on to buy several more housing companies[188] and today is the largest residential landlord in the country, with an ownership interest in an estimated 350,000 residential units,[189] including a full 10% of all U.S.

apartment units.[190] Blackstone is the largest owner of student housing in the country[191] and the ninth-largest owner of mobile home sites.[192] It also maintains large residential portfolios in Europe, Asia and Latin America.[193]

The entry of Blackstone and other corporate investors into the U.S. housing sector has fundamentally altered the sector itself and is widely believed to be exacerbating the nationwide and even the global housing crisis.[194] In 2019, the United Nations housing adviser accused Blackstone of "wreaking havoc" in the housing market with its aggressive pursuit of evictions and higher rents.[195] Even the National Association of Realtors (NAR), not an organization known for its progressive positions, has condemned Blackstone's activities. "These investors do not expand the affordable housing stock," the NAR president wrote after learning of the Blackstone loan guarantee. "Rather, in this limited market they drive up the price of rents and remove affordable inventory from the hands of American homeowners."[196]

> "I have become increasingly concerned about the labor practices of a number of the businesses owned by your firm. . . . I have determined that I will no longer support the future investment of New Mexico's state funds with your firm, at least until your firm can demonstrate that its businesses have significantly improved their labor practices." New Mexico treasurer Laura Montoya to Blackstone CEO Stephen Schwarzman

As a landlord, Blackstone has a well-documented record of increasing rents, pursuing evictions, stacking fees, failing to maintain its properties and tightening the market for homebuyers, especially first-time or lower-income homebuyers. A few examples:

- **Rent increases.** Blackstone has settled or lost multiple lawsuits alleging violations of rent stabilization rules[197] and has spent millions of dollars opposing rent control measures.[198] In 2021, for example, the firm purchased 5,800 units in San Diego, many of which were considered "naturally occurring affordable housing." Within three years, it had raised the rent on these units by an average of 38%, almost double the average for the market. For several hundred of these units, it raised the it raised the rent by more than 60% — six times the maximum rent hike cap under California state law.[199] Around the same time, Blackstone spent more than $7 million to defeat rent control ballot initiatives in the state.[200]
- **Evictions.** Following a voluntary two-year moratorium through the pandemic, in 2022 Blackstone launched a wave of evictions that amounted to more than 100 evictions a month in some states.[201] Blackstone's real estate chief, Nadeem Meghji, assured his own staff at the time, in leaked remarks, that the resumption of evictions was a reason to have "confidence in [the] cash flow growth" of the firm's portfolio. In some cases, Blackstone filed eviction proceedings against tenants who'd missed only a single month of rent.[202] Blackstone has a strong financial incentive to evict because by law it can generally raise the rent much higher for a new tenant than for a continuous tenant, and it has done so.
- **Shoddy conditions.** Blackstone has come under fire repeatedly for the poor condition of its properties. In a lengthy investigation published in July 2018, *Reuters* documented "leaky pipes, vermin, toxic mold, nonfunctioning appliances and months-long waits for repairs" across the portfolio of Blackstone's Invitation Homes nationwide.[203] It quoted tenants who described water leaking through ceilings, raw sewage running in crawl spaces and infestations of termites, roaches and black widow spiders. One tenant in Atlanta said she went more than a year without heat and

> without a functioning refrigerator, stove, microwave oven and garage door. *Reuters'* analysis found that the company spent an average of $1,142 a year on repairs, maintenance and turnover costs — less than half of the $3,100 a year Americans spend on average for houses of the same age as those in the Invitation Homes portfolio.

The blowback from Blackstone's real estate activities has been so strong in recent years as to compel the firm to mount a public defense. Blackstone has published numerous statements, fact sheets and videos aiming to "correct the record"[204] and prove to the public that the "prevailing narrative is activist fiction."[205] Blackstone denies it has contributed to the affordability crisis in America, instead blaming the shortage of housing stock. "Affordability is a function of supply and demand, not who owns the property," Kathleen McCarthy[206] declares with assurance in one video.[207] Blackstone, she claims, is actually "part of the solution" by helping to increase supply.

There is no question that the shortage of housing is a problem. Blackstone, however, is not the solution. It is closer to the truth to say that Blackstone has exploited the dwindling housing supply to profit off those who have nowhere else to go. The firm says as much when it speaks to its own investors, such as when it reported to investors in 2023 that the "structural shortage of housing has resulted in pricing power for rental housing assets" or when it cited "declining new supply" as a "Reason for Optimism in 2024."[208]

Blackstone was named in a Department of Justice (DOJ) case for price collusion based on its real estate antitrust complicity. Beginning in 2022, RealPage, a private equity–owned property management firm with which Blackstone has been affiliated, came under scrutiny for allegedly facilitating price fixing between competing landlords through its rent price suggestion algorithms.[209]

In 2024, the DOJ, along with eight states, filed a lawsuit alleging that RealPage and six of the property management companies it contracted with, including Blackstone, engaged in unlawful information sharing that allowed property managers to increase apartment rental prices unfairly. This type of price collusion is prohibited by the Sherman Act. Unlike several of the property management companies named in the case, Blackstone has neither reached a settlement in the case nor released a public statement about whether it will continue to use RealPage and other third-party price-setting algorithms for rentals.[210]

This rental price fixing is said to have harmed millions of renters. In response to these practices, several major cities banned the use of RealPage and similar software, and at least 22 states introduced legislation in 2025 related to software using this kind of pricing algorithm.[211]

Blackstone uses its significant resources and political leverage to undermine tenant protection laws. In 2018, private equity and large, publicly traded real estate investment trusts were the biggest funders of a $65 million lobbying campaign against Prop 10, a ballot measure that would have allowed rent control on a greater number and kind of residential properties in California.[212] Blackstone led that list of donors, contributing $5.6 million to defeat the measure.

In 2023, it was reported that Blackstone had spent at least $14 million in California from 2018 to 2023, lobbying against ballot measures that would have limited rent increases across the state."[213]

In a letter to Stephen Schwarzman regarding the negative effects of Blackstone's investments in residential real estate on worldwide housing availability, UN human rights experts referred to Blackstone's lobbying efforts, saying, "Blackstone uses its significant resources and political leverage to undermine domestic laws and policies that would in fact improve access to adequate housing consistent with international human rights law."[214]

LEGAL SETTLEMENTS OVER SURPRISE BILLING AND VIOLATIONS OF THE FALSE CLAIMS ACT BY HEALTH CARE SUBSIDIARIES

The challenge Blackstone poses to regulators has been vividly demonstrated in health care, where Blackstone-owned companies have been investigated and sued on numerous occasions over allegations of fraud. In one case, it literally required an act of Congress — a new federal law — to rein in Blackstone's profit seeking. Even then, Blackstone appears to have simply ignored legislators' requests for critical information on the company's operations.[215]

The U.S. congress had to pass a national law to rein in Blackstone's billing practices. In September 2019, Blackstone was one of three private equity firms to come under investigation by the U.S. House Energy and Commerce Committee over surprise billing from third-party medical providers backed by the firms.[216] Surprise billing occurs when a patient receives a bill from an out-of-network health care provider the patient would reasonably believe to be in-network, such as the emergency department of a hospital. TeamHealth, a hospital staffing company owned by Blackstone, pursued out-of-network billing aggressively to secure higher payments from patients and payers. One study found that when TeamHealth entered a hospital, out-of-network rates increased by 33% and physician payment rates increased by 68%.[217]

The congressional investigation was announced after it came to light that TeamHealth and KKR's Envision were the top financial backers of a dark money lobbying group that poured upward of $28 million into a massive ad blitz opposing bipartisan legislation to end the practice of surprise billing.[218]

In a six-page letter to the private equity giants, federal legislators wrote of the "financial and emotional devastation" that surprise billing can inflict on American families as well as "the potential impact [private equity] firms are having on our rising health care costs."[219] The legislators demanded that the firms disclose financial information about their investments in the sector, including the number of businesses they own, the terms of their investments and the annualized returns and revenue on those investments. Blackstone reportedly responded with a letter defending its practices but did not provide the information. "It's not an actual response, it's a PR document," one committee official said of Blackstone's letter.[220]

The ad blitz backfired rather spectacularly — one Republican legislator called it "a dumb strategy"[221] — and Congress passed the No Surprises Act in 2021, banning out-of-network patient billing.[222] When firms could no longer rely on surprise billing, they lost a lot of money. KKR's Envision went bankrupt.[223] In 2023, TeamHealth's credit rating was downgraded due to deteriorating performance. Fitch called the company a "substantial credit risk" with a "very low margin for safety," noting that "default is a real possibility."[224] TeamHealth's financial instability in the wake of the passage of the law demonstrates how heavily the company relied on exploitative tactics like surprise billing to operate.

Even after a congressional investigation, patients paid more. Neither the public chastening by Congress nor defeat in the surprise billing fight was enough to deter Blackstone's TeamHealth from allegedly defrauding the federal government through illegal billing practices over the following two years. In targeting Medicare and Medicaid billing, these companies sought to profit by draining tax dollars from programs intended to help the most vulnerable Americans. Blackstone-owned companies have paid tens of millions of dollars over the last decade to settle such claims.

In November 2023, TeamHealth and related subsidiaries in Michigan agreed to pay $4.4 million to settle federal allegations of billing fraud.[225] TeamHealth was charged with violating the False Claims Act (FCA) by upcoding inpatient hospital services (submitting claims for services that were more expensive than the services actually performed), by allowing its doctors to bill for more services than they could possibly provide in one day and by billing for services not actually rendered.

This was not the first time a Blackstone-owned company paid to settle an FCA suit. In 2015, Blackstone's Vanguard Health Systems paid $2.9 million to settle FCA claims with the DOJ, which charged the company with inflating patient bills, billing for services not provided, performing unnecessary tests to fraudulently increase billing and fraudulently altering billing data.[226]

In December 2020, Blackstone's Apria Healthcare, a respiratory equipment supplier, agreed to pay $40.5 million to settle similar allegations.[227] In its complaint, the DOJ alleged that Apria executives tried to aggressively boost profits by taking advantage of increased reimbursement rates for a certain type of ventilator, including billing for ventilator rentals by patients who were no longer using them or didn't actually need them.

This settlement, while sizable, was dwarfed by the $460 million the company had been siphoning off to investors in the form of dividends over the previous six months by loading Apria with $410 million in new debt.[228] This practice, known as dividend recapitalization, is legal but controversial, as it can threaten a company's long-term financial health for the sole purpose of enriching investors.[229] Just two months after the settlement, in February 2021, Blackstone took Apria public, netting more than $170 million.[230] It sold the company the following year.[231]

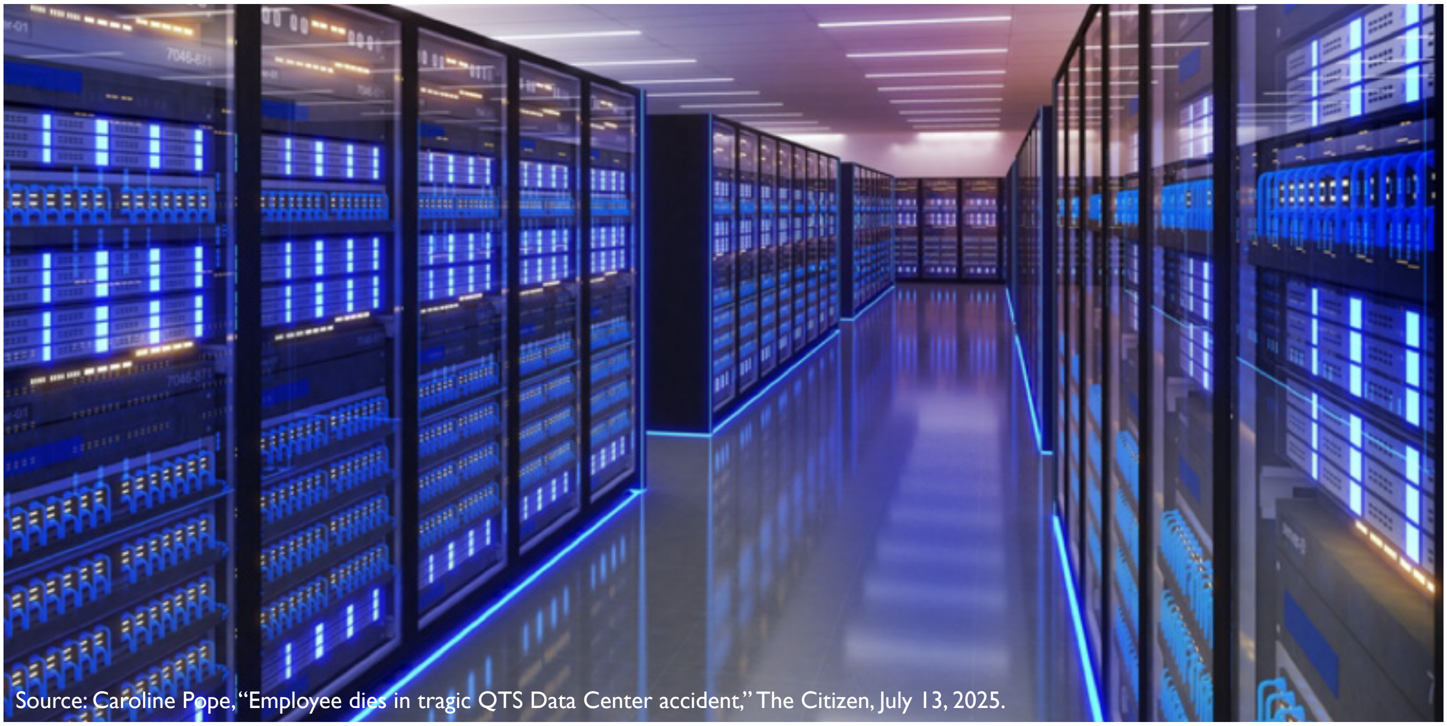
BLACKSTONE'S CULTURE OF SECRECY VIOLATES SEC RULES

Blackstone has faced allegations of noncompliance and nontransparency even in its dealings with the Securities and Exchange Commission (SEC). In January 2025, the SEC charged Blackstone with violations of recordkeeping provisions in federal securities law.[232] Three of Blackstone's investment groups — Blackstone Alternative Credit Advisors, Blackstone Management Partners and Blackstone Real Estate Advisors — admitted to the SEC's accusations and agreed to pay a combined settlement totaling $12 million. Blackstone personnel, including supervisors and managers, had used unapproved, "off-channel" communications for records that were legally required to be maintained for the SEC. Of 12 firms the SEC investigated, Blackstone paid the steepest penalty.

Cheating its own investors. In 2015, Blackstone agreed to pay $39 million to settle SEC charges that it failed to adequately inform investors about accelerated monitoring fees and discounts on legal services.[233] Blackstone's omissions benefited the firm's advisers to the detriment of its own investors.

"Full transparency of fees and conflicts of interest is critical in the private equity industry," Andrew J. Ceresney, director of the SEC's enforcement division, said of the case, "and we will continue taking action against advisers that do not adequately disclose their fees and expenses, as Blackstone did here."

The SEC found that Blackstone Group private equity fund advisers hadn't adequately informed investors that it had accelerated the monitoring fees it was charging fund-owned portfolio companies prior to the companies' sale or initial public offering.[234] The accelerated payments Blackstone's portfolio companies made to Blackstone advisers reduced the companies' values prior to sale, to the detriment of the firm's own investors. The SEC also found that Blackstone had failed to inform investors about a separate fee arrangement made with an outside law firm, which gave Blackstone a much larger discount on legal services than it provided to investors. Blackstone agreed to distribute almost $29 million of the settlement to the investors it had deceived.



Source: Caroline Pope, "Employee dies in tragic QTS Data Center accident," The Citizen, July 13, 2025.

Conclusion

As a relatively small state with one of the highest poverty rates in the country, New Mexico is particularly vulnerable to private equity incursion. New Mexico is the top-ranking state on the Private Equity Stakeholder Project's (PESP) Private Equity State Risk Index and the only state in the country with a total score of 100 (the highest possible).[235]

The impacts of private equity are already visible in the state. Between 2018 and 2022, PESP found, the share of New Mexico's workforce controlled by private equity rose by 49%.[236] Over roughly the same period, nearly 1,900 New Mexicans were laid off at private equity–controlled companies. As of 2025, New Mexico had the highest proportion of private equity–owned hospitals of any state in the country —36%, as compared to just over 8% for the country as a whole.[237] Fifteen percent of all New Mexico apartment units are owned by private equity.[238]

We should not add utilities to this list.[239] Just as Treasurer Laura Montoya and the SIC recognized the risk that Blackstone's bad corporate behavior poses to the investment of the state's public funds, the PRC must approach the Blackstone deal with caution. Specifically, it must demand clarity on the firm's intentions in New Mexico, including potential rate increases and affiliate transactions, and confront the firm on its problematic record in other industries. The stakes are, if anything, even higher insofar as they will directly impact the homes, bank accounts and livelihoods of the 550,000 New Mexico households PNM currently serves.

As Blackstone sets its sights on PNM, the New Mexico Public Regulation Commission stands as the last and only gatekeeper. This moment is decisive. Once this transaction is approved, the commission lacks the authority to unwind it, no matter how serious the consequences become. At best, it can refer violations to the attorney general and seek penalties after the fact. It cannot compel retained employment levels, enforce community investment promises, prevent dividend extraction, adequately oversee affiliate transactions or prevent recapitalization. Nor will the commission have the vast resources required to continuously monitor compliance with every commitment. Any failure to comply is likely to be discovered only after real harm to New Mexicans has been done. The deal is effectively irreversible.

This reality makes the present review especially critical. The PRC should therefore adhere to the core tenets of its public interest standard and reject Blackstone's application outright. Blackstone is a predatory actor, and the risk its ownership of PNM will bring is plainly not in the public interest.

Appendix: Affiliates and Holdings

The New Mexico Public Regulation Commission prohibits the owner of a regulated utility in the state from engaging in activities, via the utility, that would improperly subsidize any non-utility affiliates. It is clear that Blackstone views its capacity for vertical integration as an advantage, however. As the firm put it in an April 2025 presentation to S&P, "Blackstone Infrastructure sees overlap in supplier base between TXNM and its portfolio companies, such as QTS, and expects to support TXNM in driving procurement efficiencies."[240]

Blackstone's non-utility affiliations are vast, which will make evaluating affiliate transactions difficult. Given the complexity of Blackstone's ownership structures and the opacity of its financial interest in many of the companies it owns and helps finance, it would be all but impossible to compile a comprehensive list of the affiliations that present a risk for improper subsidization. The following are just a few of Blackstone's holdings related to fossil fuels, energy, digital infrastructure and transportation; all present risks of self-dealing. Each entry includes the name and headquarters location of the asset, the stake if known and the date of acquisition.

Fossil Fuel and Energy

- **MacLean Power Systems & Power Grid Components** merger (South Carolina), December 2025.[241] Manufacturers of engineered components for electrical transmission, distribution, substation and communication infrastructure. Blackstone is the majority owner of the merged company.
- **Wolf Summit Energy Project** (West Virginia), November 2025.[242] A 600 MW gas-fired power plant; $1.2 billion investment.
- **Hill Top Energy Center** (western Pennsylvania), September 2025.[243] A 620 MW gas-fired power plant; $1 billion investment.
- **PPL Electric Utilities** (Pennsylvania), July 2025.[244] Joint venture for new natural gas power generation to supply Blackstone's QTS data centers; $25 billion.
- **Potomac Energy Center** (Virginia), January 2025.[245] An 800 MW gas-fired power plant; acquired for $1 billion.
- **Western LNG** (Texas), 2025. Midstream gas; Blackstone invested $150 million in 2024–2025.
- **EQT** (Pennsylvania), 2024.[246] Joint venture for midstream (pipeline) assets, FERC-regulated transmission and storage; $3.5 billion.
- **NextEra Energy** (Florida, with operations in New Mexico), 2024.[247] Electric utility holding company; Blackstone contributed $900 million to a joint venture to co-own and develop a portfolio of hybrid renewable energy projects.
- **Pine Gate Renewables** (North Carolina), 2024.[248] Utility-scale solar and storage; $288 million investment.
- **Delta Utilities/CenterPoint Energy** (Louisiana), 2024.[249] Regulated natural gas distribution; Blackstone Credit & Insurance provided debt financing for Delta Utilities, a Bernhard Capital Partners portfolio company, to acquire CenterPoint Energy's regulated natural gas distribution operations in Louisiana and Mississippi.
- **Northern Indiana Public Service Company** (Indiana), 2024.[250] Natural gas distribution and electric utility; $2.16 billion for a 19.9% stake.
- **Altus Power** (Connecticut), 2024.[251] Commercial-scale solar; $1.5 billion investment.
- **Condor Energy Storage Project** (California),

2024.[252] Renewable battery storage; $350 million preferred equity financing investment.

- **Invenergy** (Chicago, with operations in New Mexico), 2021–2023.[253] Electric transmission and renewable energy; $4 billion in investments.
- **Elba Island LNG** (Georgia), 2022.[254] Liquid natural gas liquefaction facility; 49% ownership.
- **Momentum Midstream, aka M6 Midstream** (Texas), 2022.[255] Midstream oil and gas.
- **FirstEnergy** (Ohio), 2021.[256] Electric utility; $1 billion equity investment for a 5% stake.[257]
- **Strata Solar** (North Carolina), 2021.[258] Utility-scale solar and battery storage; $150 million investment.
- **Cheniere Energy Partners** (Texas), 2020.[259] Natural gas liquefaction; Blackstone Energy Partners sold a 42% stake in Cheniere to Blackstone Infrastructure Partners and Brookfield for $7 billion.
- **Aypa Power** (Texas), 2020.[260] Battery storage.
- **Tallgrass Energy Partners** (Colorado, with operations in New Mexico), 2019.[261] Natural gas pipeline and gas storage facilities; acquired for $2.3 billion.
- **Gulf LNG Liquefaction Project** (Texas), 2019.[262] Midstream gas; Blackstone owns 30%.
- **Kinetik** (Permian and Delaware Basins, Texas and New Mexico).[263] Natural gas and crude oil midstream operations; formed through a 2022 merger between Blackstone-backed Altus Midstream and EagleClaw, which Blackstone acquired for $2 billion in 2017.
- **Energy Transfer Partners/BCP Renaissance** (Texas), 2017.[264] Midstream natural gas; developed Rover Pipeline, also owns the Dakota Access Pipeline; Blackstone has historically had major investments, including $1.57 billion in 2017.[265]
- **Genesis Energy** (Texas), 2017.[266] Oil and gas midstream; Blackstone acquired in 2017 along with KKR for $750 million in stock.
- **Heorot Power** (Maryland), 2016.[267] Power generation assets including several gas-fired plants; affiliate of Beowulf Energy and Blackstone.
- **Beacon Offshore Energy** (Texas), 2016.[268] Oil and gas upstream assets; potential IPO or sale of the company for more than $5 billion in talks as of January 2026.
- **Kindle Energy** (New Jersey), 2015.[269] Downstream gas.
- **Fisterra Energy** (Spain), 2013.[270] Wind, solar and geothermal; a Blackstone portfolio company formed with a former management team from Iberdrola, the company behind the Avangrid merger attempted in New Mexico in 2020.

Other Energy Market Investments

- **Arlington Industries** (Pennsylvania), 2026.[271] Electric components designer and manufacturer; Blackstone to acquire for an undisclosed amount.
- **Enverus** (Texas), August 2025.[272] Energy data platform; acquired for $6 billion.
- **Shermco** (Texas), August 2025.[273] Electrical equipment services; acquired for $1.6 billion.
- **Westwood Professional Services** (Texas), 2024.[274] Engineering and design firm for renewables, power, grid, real estate and public infrastructure end markets; majority investment (financial terms not disclosed).
- **Trystar** (Minnesota), 2024.[275] Electrical equipment and backup power.
- **Sediver Group** (France), 2024.[276] Provider of specialized electrical insulators for the high-voltage transmission grid.
- **Energy Exemplar** (Utah), 2023.[277] Energy market simulation software.
- **Power Grid Components Inc.** (Alabama), 2023.[278] Critical grid components.
- **Geosyntec** (Florida), 2021.[279] Environmental engineering and design consulting, infrastructure and energy transition; majority investment.
- **Legence** (California), 2020.[280] Mechanical, electrical and energy efficiency services for commercial buildings.

Data Center and Digital Infrastructure Holdings

- **Air Control Concepts** (Virginia), January 2026.[281] Commercial HVAC, electrical, and controls platform; sole institutional investment.
- **Park Place Technologies** (Ohio), September 2025.[282] Data center servers, network equipment and services; Blackstone and Ares provided $3.6 billion of private debt to help finance Warburg Pincus acquisition.
- **Aligned Data Centers** (Texas), August 2025.[283] Data center builder; financing partnership with $1 billion in commitments.
- **DDN** (California), January 2025.[284] AI and data intelligence solutions and storage; $300 million investment.
- **Lancium** (Texas), 2024.[285] Data center firm; $500

million investment.

- **AirTrunk** (Australia), 2024.[286] Data center builder; acquired for $16.1 billion.[287]
- **CoreWeave** (New Jersey), 2024.[288] AI hyperscaling and network equipment; received $7.5 billion debt financing led by Blackstone.
- **Winthrop Technologies** (Ireland), 2024.[289] Data center services; strategic partnership with a majority stake.
- **Skyy Development** (Japan), date unknown.[290] Data center platform.
- **Digital Realty** (Texas), 2023.[291] Data center provider; hyperscale data center development joint venture worth $7 billion.
- **Lumina CloudInfra** (India), 2022–2025.[292] Data center platform; launched in 2022 with seeded assets potentially worth $6 billion.[293]
- **Phoenix Tower** (Florida, Central America), 2022.[294] Private cell tower platform; Blackstone acquired a 35% stake.
- **QTS Realty Trust** (Virginia), 2021.[295] Data center builder; acquired for $10 billion.

Transportation

In its justification for the TXNM acquisition, Blackstone depicts its transportation portfolio — which includes marine terminals, motorway services, tollways and airport operations — as a leg up on procurement for its infrastructure operations, including its adjacent QTS data center development and the proposed electric transmission line infrastructure development planned with TXNM. For that reason we include the following:

- **AGS Airports** (United Kingdom), 2025.[296] Airports with access to UK markets; Blackstone acquired a minority stake of 22%.
- **Safe Harbor Marinas** (Texas), 2025.[297] Marina and superyacht servicing; Blackstone acquired for $5.65 billion.
- **Carrix** (Washington), 2021.[298] Largest marine terminal operator with hundreds of port and rail locations in North America; Blackstone invested a controlling stake in 2021.
- **Signature Aviation** (Florida), 2021.[299] Largest North American airport network; Blackstone and Cascade Investments purchased the company for $4.7 billion.
- **AppleGreen** (Ireland), 2020.[300] Largest U.S. and Irish motorway service operator; Blackstone purchased and took private for $877 million.
- **Autostrade** (Italy), 2022.[301] Largest European toll road; Blackstone purchased a 24.5% stake.
- **Mundys** (Italy), 2023.[302] Largest toll road network and large airport operator; Blackstone and Benetton family bought and took Atlantia (now Mundys) private for $20.7 billion.power AI and cryptocurrencies is creating a surge in projected demand for electricity. Private equity firms like Blackstone are looking to utilities with the aim of capitalizing on this demand. Blackstone sees opportunity in PNM's lower-than-average rates, as well as in the potential for consolidation and cross-subsidization among Blackstone's entire energy and infrastructure portfolios. Blackstone's acquisition of PNM will lead to extreme rate increases, vertical integration across the energy sector, a vast potential for self-dealing by Blackstone and a severely weakened regulatory environment in New Mexico.

Notes

1 NM PRC Case No. 25-00060-UT, Project Troy Responses, May 2025, p. 4.

2 World Population Review, "Median Household Income by State 2026," https://worldpopulationreview.com/state-rankings/median-household-income-by-state. Center for American Progress, "Poverty in the United States: Explore the Map," https://www.americanprogress.org/data-view/poverty-data/poverty-data-map-tool/.

3 Private Equity Climate Risks is a project of the Private Equity Stakeholder Project, Global Energy Monitor and Americans for Financial Reform Education Fund. Private Equity Climate Risks, "2024 Private Equity Climate Risks Scorecard & Report," https://www.peclimaterisks.org/2024scorecard/.

4 New Mexico's renewable energy sector has seen 27% growth since 2020— the second highest growth rate in the nation." September 19, 2025
E2, "REPORT: Clean energy jobs grew 3X faster than rest of U.S. workforce in 2024, but future growth now at risk," https://e2.org/releases/report-clean-energy-jobs-grew-3x-faster-than-rest-of-u-s-workforce-in-2024-but-future-growth-now-at-risk/.

5 Blackstone announced its intention to acquire TXNM Energy, a publicly traded company that owns two regulated utility companies, PNM and TNMP, in May 2025. Together, the two utilities serve around 800,000 households in New Mexico and Texas. The deal is subject to approval by the New Mexico Public Regulation Commission (PRC), the Public Utility Commission of Texas (PUCT), the Federal Energy Regulatory Commission (FERC), the U.S. Department of Justice (DOJ), the Nuclear Regulatory Commission (NRC) and the Federal Communications Commission (FCC). This report focuses primarily on PNM and the New Mexico PRC, though its arguments pertain to the entire acquisition. "TXNM Energy Enters Agreement to be Acquired by Blackstone Infrastructure" (press release), Blackstone, May 19, 2025.

6 "At Blackstone, we deliver for investors by building businesses that power tomorrow's economy." Blackstone, "Build with Blackstone," https://www.blackstone.com/.

7 Blackstone, "Build with Blackstone," https://www.blackstone.com/. Isla Binnie, "Blackstone's Gray says data centers still an attractive investment," *Reuters*, December 10, 2025.

8 Only 18 countries have a GDP higher than $1.3 trillion. New Mexico's GDP is only $147 billion (as of 2024). International Monetary Fund, "Global Economy in Flux, Prospects Remain Dim," October 2025, https://www.imf.org/en/publications/weo/issues/2025/10/14/world-economic-outlook-october-2025. Cited in: Worldometer, "GDP by Country (2025)— IMF," https://www.worldometers.info/gdp/gdp-by-country/. Federal Reserve Bank of St. Louis, "Gross Domestic Product: All Industry Total in New Mexico (NMNGSP)," https://fred.stlouisfed.org/series/NMNGSP.

9 *Forbes*, "World's Billionaires List: The Richest In 2025," https://www.forbes.com/billionaires/.

10 AFL-CIO, "Highest-Paid CEOs," https://aflcio.org/paywatch/highest-paid-ceos, accessed January 16, 2026.

11 Federal Reserve Bank of St. Louis, "Table Data - Real Median Household Income in New Mexico," https://fred.stlouisfed.org/data/MEHOINUSNMA672N#:~:text=Table_title:%20Table%20Data%20%2D%20Real%20Median%20Household,%7C%20DATE:%202024%2D01%2D01%20%7C%20VALUE:%2064140%20%7C.

12 Carlos Waters et al., "Why Blackstone is buying homes again," *CNBC*, July 16, 2025.

13 Derek Seidman, "Data Centers Devour Electricity. Private Equity Is Buying Utilities to Cash In.," *Truthout*, November 11, 2025.

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