

[166 FERC to 182 FERC, BlackRock, Inc., Docket No. EC16-77-002, 179 FERC ¶61,049, FERC \(Federal Energy Regulatory Commission\), \(Apr. 19, 2022\)](#)

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BlackRock, Inc.,

Docket No. EC16-77-002

Order Extending Blanket Authorization to Acquire Securities

April 19, 2022

Before Commissioners: Richard Glick, Chairman; Allison Clements, Mark C. Christie, and Willie L. Phillips.

1. On February 18, 2022, pursuant to [section 203\(a\)\(2\) of the Federal Power Act \(FPA\)](#) ^[1] and part 33 of the Commission's Regulations, ^[2] BlackRock, Inc. (BlackRock), BlackRock Institutional Trust Company, N.A. (Blackrock Trust), the other investment management subsidiaries of BlackRock (Blackrock Trust and other subsidiaries collectively, the Investment Management Subsidiaries), and certain of BlackRock's managed investment funds (Applicant Funds) (BlackRock, Investment Management Subsidiaries, and Applicant Funds collectively, Applicants), filed an application ^[3] for a three-year reauthorization (Reauthorization) of the blanket authorizations to acquire voting securities of any "public utility," "electric utility company," "transmitting utility," or "holding company in a holding company system that includes an electric utility company or transmitting utility" as those terms are used in [section 203 of the FPA](#) (Blanket Authorizations). Applicants were originally granted the Blanket Authorizations in 2010; the Blanket Authorizations were subsequently extended. ^[4] Applicants request the Reauthorization on the same terms and conditions as approved in the Second Extension Order.
2. We have reviewed the Application under the Commission's Merger Policy Statement. ^[5] As discussed below, we find the request consistent with the public interest and therefore grant the Reauthorization of the Blanket Authorizations originally granted to Applicants and extend it for an additional three years.

I. Background

A. Description of Applicants

3. Applicants state that BlackRock is a publicly traded investment management firm that provides investment management-related services to mutual funds and other investment funds and to investment accounts (Investment Accounts). Applicants state that these services include the purchase, sale, and voting of voting securities on behalf of such investment funds and Investment Accounts, including the voting securities of public utilities and utility holding companies. Applicants state that they engage only in investment management and related services and that none of them directly owns any physical utility assets in the United States, is in an energy-related business, or is a public utility or an electric utility company under the FPA. ^[6]
4. Applicants explain that BlackRock Trust is an indirect subsidiary of BlackRock and a national banking association organized as a limited purpose trust company. Applicants state that although BlackRock Trust falls under the provisions of [18 C.F.R. §33.1\(c\)\(9\)](#) (2021) and, subject to certain conditions, may acquire holding company and public utility voting securities in unlimited quantities, Applicants commit for purposes of the

Reauthorization that Blackrock Trust, together with Applicant Funds, and Investment Accounts it manages, will be subject to the same limits on the amount of utility voting securities acquired as other Investment Management Subsidiaries, Applicant Funds, and Investment Accounts. [\[7\]](#)

5. Applicants represent that the other Investment Management Subsidiaries are indirect subsidiaries of BlackRock domiciled either in the United States or foreign countries, that act to acquire and vote the voting securities of utilities and other publicly traded companies on behalf of their managed Applicant Funds and Investment Accounts. [\[8\]](#)

6. Applicants state Applicant Funds are investment funds that have delegated to the Investment

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Management Subsidiaries the right to buy, sell and, as applicable, exercise voting rights with respect to the voting securities of "U.S. Traded Utilities" on behalf of Applicant Funds. Applicant Funds include existing investment funds originally listed in the application for the Original Authorization Order as well as those managed investment funds that have acquired U.S. Traded Utility voting securities in the interim period. [\[9\]](#)

B. Description of the Request for Reauthorization

7. Applicants request that the Commission reauthorize and extend for an additional three years the effectiveness of the Blanket Authorizations granted in the Second Extension Order. Applicants commit to continue to meet the terms and conditions of the Second Extension Order. The Second Extension Order authorized Blackrock and its Investment Management Subsidiaries to purchase securities on behalf of Applicant Funds and Investment Accounts subject to the following conditions:

- i. The Blanket Authorizations only apply with respect to voting securities (including American Depository Receipts) of Utilities traded on U.S. public exchanges (U.S. Traded Utilities).
- ii. Applicants may not exercise control over the day-to-day management or operations of any U.S. Traded Utility whose voting securities are acquired pursuant to the Blanket Authorizations, except pursuant to separate authorizations under [section 203 of the FPA](#).
- iii. Each Investment Management Subsidiary (other than Blackrock Trust) must maintain its status as a registered investment adviser under the Investment Advisers Act of 1940 (Advisors Act) or similar status under the laws of a foreign country.
- iv. Applicants must retain the records of all transactions concerning voting securities of U.S. Traded Utilities as required under the Advisors Act or the Investment Company Act of 1940.
- v. All acquisitions of voting securities of U.S. Traded Utilities made pursuant to the Blanket Authorizations must be made in a fiduciary capacity on behalf of one or more Applicant Funds or Investment Accounts.
- vi. Applicants may not collectively own or control more than 20% of the voting securities of any one U.S. Traded Utility. No Applicant Fund or Investment Account may individually own 10% or more of the voting securities of any one U.S. Traded Utility.
- vii. BlackRock and the Investment Management Subsidiaries (with respect to Investment Accounts and Applicant Funds) will maintain the status of beneficial owners eligible to file Schedules 13D and 13G with the Securities Exchange Commission (SEC) pursuant to the 1934 Act with respect to the acquisition, holding, and voting of more than five percent of any class of voting securities of any U.S. Traded Utility.
- viii. BlackRock, on behalf of Applicants, must file with the Commission all Schedule 13D and 13G filings with respect to U.S. Traded Utilities, or amendments thereto, at the same time such filings are made with the SEC. BlackRock must also file any comment or deficiency letters received from the SEC that concern Schedule 13D or 13G- related compliance audits conducted by the SEC related to investments in U.S. Traded Utilities.

- ix. BlackRock, on behalf of Applicants, must file quarterly reports within 45 days of the end of each calendar quarter disclosing holdings of voting securities of U.S. Traded Utilities as of the end of such quarter stated in terms of the number of shares held and as a percentage of outstanding shares. Collective holdings of less than one percent of a U.S. Traded Utility's outstanding shares do not need to be reported.
- x. BlackRock may designate new investment management subsidiaries to be covered by the Blanket Authorizations; provided that such investment management subsidiaries meet all of the conditions applicable to the Investment Management Subsidiaries. BlackRock must file within 45 days of the end of each calendar quarter a notice of any new Investment Management Subsidiaries intended to be covered by the Blanket Authorizations beginning in that quarter, including: (i) the name, functions and regulatory safeguards applicable to such entity; and (ii) a reiteration of Applicants' commitment (including the commitment of such new entity) not to make any acquisitions of securities that will result in the transfer of control over a U.S. Traded Utility.
- xi. New investment funds managed by the Investment Management Subsidiaries may receive the benefit of the Blanket Authorizations; provided that such investment funds meet all of the conditions set forth in the Blanket Authorization Orders.

8. Applicants are seeking to extend, for a three-year period, the same Blanket Authorizations granted by the Commission that were previously extended for a three-year period pursuant to the Second Extension Order. Applicants are requesting a three-year extension, consistent with the Commission's Prior Orders granting the Blanket Authorizations for a three-year period. Appli

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cants state that they will remain subject to the same reporting obligations set forth in the Second Extension Order, including quarterly reporting of holdings of U.S. Traded Utilities, submission of Schedules 13D or 13G filings at the same time and on the same basis as filed with the SEC, and the identification of any new Investment Management Company covered under the Blanket Authorizations.

II. Notice of Filing and Responsive Pleadings

9. Notice of the Application was published in the *Federal Register*, ^[10] with interventions and protests due on or before March 11, 2022. On February 28, 2022, Public Citizen, Inc. (Public Citizen) filed a motion to intervene. On March 11, 2022, Public Citizen filed a protest. On March 18, 2022, Applicants filed an answer to Public Citizen's comments.

III. Discussion

A. Procedural Matters

10. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, [18 C.F.R. §385.214](#) (2021), the timely, unopposed motion to intervene filed by Public Citizen serves to make it a party to this proceeding.

11. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, [18 C.F.R. §385.213\(a\)\(2\)](#) (2021), prohibits an answer to protest unless otherwise ordered by the decisional authority. We accept the answer filed by Applicants as it has provided information that assisted us in our decision-making process.

B. Substantive Matters

1. [FPA Section 203](#) Standard of Review

12. [FPA section 203\(a\)\(4\)](#) requires the Commission to approve proposed dispositions, consolidations, acquisitions, or changes in control if the Commission determines that the proposed transaction will be consistent with the public interest. ^[11] The Commission's analysis of whether a proposed transaction is consistent with the public interest generally involves consideration of three factors: (1) the effect on competition; (2) the effect

on rates; and (3) the effect on regulation. ^[12] [FPA section 203\(a\)\(4\)](#) also requires the Commission to find that the proposed transaction “will not result in cross-subsidization of a non-utility associate company or the pledge or encumbrance of utility assets for the benefit of an associate company, unless the Commission determines that the cross- subsidization, pledge, or encumbrance will be consistent with the public interest.”

^[13] The Commission's regulations establish verification and informational requirements for entities that seek a determination that a proposed transaction will not result in inappropriate cross-subsidization or pledge or encumbrance of utility assets. ^[14]

2. Blanket Authorization Under Section 203(a)(2)

a. Effect on Competition, Rates, and Regulation and Cross-Subsidization

i. Applicants' Analysis

13. Applicants assert that the Reauthorization is consistent with the public interest with respect to its effect on competition, rates, and regulation. Applicants argue that there have been no changes in material facts and circumstances that would alter or affect the Commission's analysis since the Blanket Authorization Order. Applicants thus contend that “the Commission's previous findings regarding each of the four public interest factors should apply equally to this Application.” ^[15] Applicants maintain that, in particular, the Commission accepted Applicants' representations that the interests acquired by Applicants would be passive and that Applicants would not be able to exercise control over any U.S. Traded Utilities under the conditions set forth in the Prior Orders and listed above. ^[16] Applicants argue that, because they have been unable to exercise control over any U.S. Traded Utilities whose shares they have acquired pursuant to the Prior Orders and have complied fully with the terms and conditions of those orders, it follows that the Reauthorization would not have an adverse effect with respect to competition, rates, or regulation.

14. With respect to cross-subsidization, Applicants submit an Exhibit M affirming that the Reauthorization will not result in any proscribed cross-subsidization. Applicants reaffirm that the Reauthorization will not result in cross-subsidization of a non-utility associate company or the pledge or encumbrance of utility assets for the benefit of an associate company. Applicants also state that they will be non-controlling investors whose ownership of voting securities of the U.S. Traded Utilities will be subject to the conditions described in the Application. ^[17]

ii. Commission Determination

15. Based on Applicants' representations, we find that the Reauthorization will not have an adverse effect on competition, rates, or regulation. As Applicants explain there have been no changes in material facts and circumstances since issuance of the Blanket Authorization Order that would alter or affect the Commission's prior analysis.

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With the enumerated limitations listed above, Applicants will only hold minority interests in the U.S. Traded Utilities and not have the ability to influence control over them. ^[18] The Commission has found that when a purchaser of a minority interest in a public utility lacks the ability to influence control over that acquired public utility, the Commission will not consider the purchase a consolidation of utility assets and therefore the acquisition will not adversely impact competition in any market. ^[19] Additionally, the Commission has determined that a purchase of securities in a public utility that does not convey the ability to control that public utility will not impact existing rates or regulation. ^[20] Therefore, based on Applicants' commitments, the Reauthorization will not have an adverse effect on competition, rates, or regulation.

16. Based on Applicants' representations, we also find that the Reauthorization will not result in the cross-subsidization of a non-utility associate company by a utility company, or in a pledge or encumbrance of utility assets for the benefit of an associate company. We note that no party has argued otherwise.

3. Protest and Answer

a. Public Citizen Protest

17. In its protest, Public Citizen argues that it is impossible for a fund manager of BlackRock's size and scope to remain a passive investor, and that research demonstrates that BlackRock's accumulation of voting securities constitutes control over utilities, and its horizontal power over competing utilities harms competition. Public Citizen asserts that by granting blanket authorizations to BlackRock to acquire up to 20% of a utility's voting securities without any analysis of the impact this blanket authorization has on competition, just and reasonable rates, and regulation violates the public interest. Public Citizen requests that the Commission set for hearing whether granting BlackRock blanket authorization to control up to 20% of a utility's voting securities violates the public interest and threatens competition and just and reasonable rates. [\[21\]](#)

b. Applicants Answer

18. In their Answer, Applicants argue that Public Citizen's protest should be denied because it raises matters not related to this proceeding and because it provides no basis for denying the Reauthorization. Applicants state that they are seeking an extension without any modification of the Blanket Authorizations that the Commission has granted multiple times to Applicants and several other entities since 2010. Applicants reiterate that there have been no changes in material facts and circumstances that would alter the Commission's analysis since the Prior Orders. Applicants represent that they have complied with the terms and conditions of the Prior Orders and will continue to do so going forward. [\[22\]](#)

c. Commission Determination

19. We reject the arguments raised by Public Citizen because we find that Applicants have provided assurances sufficient to demonstrate that they will not be able to influence control over U.S. Traded Utilities. We note that a section 203 blanket authorization is an ex ante determination as to the appropriateness of a category of transactions under section 203 where a counterparty is not yet identified; therefore, a blanket authorization can only be granted when the Commission can be assured that the statutory standards will be met. [\[23\]](#) The conditions that Applicants provide here are the same as those provided by Applicants to support reauthorization and accepted in the Second Extension Order, [\[24\]](#) and we continue to find those conditions appropriate to warrant reauthorization. Further, as discussed above, with the commitments herein, we find that the securities acquisitions subject to the Reauthorization will be consistent with the public interest and Public Citizen's arguments do not show otherwise. As such, we deny Public Citizen's request that we set for hearing whether granting BlackRock blanket authorization to control up to 20% of a utility's voting securities violates the public interest.

4. Other Considerations

20. Information and/or systems connected to the Bulk Power System involved in this transaction may be subject to reliability and cybersecurity standards approved by the Commission pursuant to [FPA section 215](#). [\[25\]](#) Compliance with these standards is mandatory and enforceable regardless of the physical location of the affiliates or investors, information database, and operating systems. If affiliates, personnel or investors are not author

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ized for access to such information and/or systems connected to the Bulk Power System, a public utility is obligated to take the appropriate measures to deny access to this information and/or the equipment/software

connected to the Bulk Power System. The mechanisms that deny access to information, procedures, software, equipment, *etc.*, must comply with all applicable reliability and cybersecurity standards. The Commission, the North American Electric Reliability Corporation, or the relevant regional entity may audit compliance with reliability and cybersecurity standards.

21. [FPA section 301\(c\)](#) gives the Commission authority to examine the books and records of any person who controls, directly or indirectly, a jurisdictional public utility insofar as the books and records relate to transactions with or the business of such public utility. ^[26] The approval of the Proposed Transaction is based on such examination ability. In addition, applicants subject to Public Utility Holding Company Act of 2005 ^[27] (PUHCA 2005) are subject to the record-keeping and books and records requirements of PUHCA 2005.

22. Section 35.42 of the Commission's regulations requires that sellers with market-based rate authority timely report to the Commission any change in status that would reflect a departure from the characteristics the Commission relied upon in granting market-based rate authority. ^[28] To the extent that a transaction authorized under [FPA section 203](#) results in a change in status, sellers that have market-based rates are advised that they must comply with the requirements of section 35.42.

The Commission orders:

(A) The Reauthorization is granted, for a period of three years, upon the terms and conditions and for the purposes set forth in the Application.

(B) No Applicant, individually, will own, control or hold 10% or more of the voting securities of any U.S. Traded Utility, as defined in this order. Collectively, Applicants will not own, control or hold more than 20% of the voting securities of any one U.S. Traded Utility.

(C) Applicants will only acquire the securities of U.S. Traded Utilities, as set forth in the Second Extension Order, and each Applicant will maintain governing policies as set forth in the Second Extension Order.

(D) The Reauthorization expires three years from the date of this order, without prejudice to requests to extend the authorization.

(E) Applicants are subject to audit to determine whether they are in compliance with the representations, conditions, and requirements that the authorizations granted in this order are based on and whether they are in compliance with the Commission rules, regulations and policies. In the event of a violation, the Commission may take action within the scope of its oversight and enforcement authority.

(F) Applicants shall file with the Commission, contemporaneous with filing at the SEC, the Schedule 13D and 13G filings made with the SEC that are relevant to the authorizations granted in this order. Any changes in the information provided on the initial Schedule 13G must be reflected in an annual amended filing due within 45 days of the end of each calendar year. Applicants shall file with the Commission any comment or deficiency letters received from the SEC that concern Schedule 13D or 13G-related compliance audits conducted by the SEC. Such filings shall be made in this docket or in appropriate sub-dockets of this docket.

(G) Applicants shall file with the Commission, for informational purposes, within 45 days of the end of each calendar quarter, a quarterly report of Applicants' holdings of U.S. Traded Utilities stated in terms of the number of shares held as of the end of the quarter and as a percentage of the outstanding shares.

(H) Applicants shall file a notice of any new company that is to receive the benefit of the blanket authorizations within 45 days of the end of the calendar quarter during which it is intended that such authorizations apply to it, including: (i) the name, functions and regulatory safeguards applicable to the entity; and (ii) a reiteration of Applicants commitment not to acquire securities that will result in the transfer of control over a public utility.

(I) Applicants shall retain the records of their transactions concerning securities of U.S. Traded Utilities as required under the Investment Company Act of 1940 and the Advisers Act.

(J) The foregoing Reauthorization is without prejudice to the authority of the Commission or any other regulatory body with respect to rates, service, accounts, valuation, estimates or determinations of costs, or any other matter whatsoever not pending or may come before the Commission.

(K) Nothing in this order shall be construed to imply acquiescence in any estimate or determination of cost or any valuation of property claimed or asserted.

(L) The Commission retains authority under [sections 203\(b\)](#) and [309 of the FPA](#) to issue supplemental orders as appropriate.

(M) Applicants must inform the Commission within 30 days of any material change in circumstances that would reflect a departure from the facts, policies, and procedures the Commission

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relied upon in granting the requests and specifying the terms and conditions under which the blanket authorization is set forth.

Commissioner Danly is not participating.

Commissioner Clements is concurring with a separate statement attached.

Commissioner Christie is concurring with a separate statement attached.

Allison CLEMENTS, Commissioner, *concurring*:

1. I vote to support this extension of BlackRock's blanket authorization because the request is consistent with BlackRock's previous authorization and extensions, existing Commission rules and recent precedent. I write separately, however, to express my growing concern that the Commission's tools to evaluate the effects of such authorizations may be insufficient.
2. I acknowledge Public Citizen's concerns about the lack of analysis on the effects on competition, just and reasonable rates, and regulation related to the accumulation of acquired interests in public utilities. In line with these concerns, I encourage further generic consideration of the analysis required by the Commission when evaluating blanket authorizations under [FPA section 203\(a\)\(2\)](#) to ensure that transactions entered thereunder do not have an adverse effect on competition and that entities granted such blanket authorizations lack control over the utilities whose interest they acquire.
3. As these types of entities increasingly emerge as material investors across public utilities, it is important for the Commission to consider whether its analysis in considering these blanket authorizations remains sufficient to ensure that transactions made under the blanket authorizations are within the public interest, including that they do not have an adverse effect on wholesale rates.

For these reasons, I respectfully concur.

Mark C. CHRISTIE, Commissioner, *concurring*:

1. I concur with the order because it is consistent with the past practices and precedents of this Commission dating back for many years, including BlackRock's original authorization in 2010. [\[1\]](#)
2. While I concur in this order, I emphasize that the protestor, Public Citizen, has raised broad and compelling issues of supreme importance that deserve further scrutiny and review at this Commission. For example, Public Citizen notes:

In less than a generation, investment managers like BlackRock have come to dominate the financing [of] the architecture of the U.S. economy, as management funds control over \$11 trillion in the U.S., exceeding the value of so-called active funds for the first time in history. *Just three companies—BlackRock, Vanguard and State Street—together control 82% of all assets flowing into all investment funds* (both active and passive) over the last decade, and command as much as 80% of

the global ETF market. *While often erroneously described as “passive,” in actuality they influence and control corporate governance and decision-making.* ^[2]

3. The claim that huge asset managers such as BlackRock, State Street and Vanguard are merely passive investors in publicly held corporations, investing purely for the benefit of their beneficiaries – many of whom are retirees receiving pensions – is no longer credible. BlackRock, in particular, has been openly aggressive in using its massive financial power to influence corporate policy in areas far attenuated from the legitimate money-management goals of protecting the incomes and investment interests of its beneficiaries. ^[3]

4. The point is not whether one agrees with BlackRock’s public policy positions, or those of Vanguard, State Street or others. You can even agree with their policy positions and still be deeply concerned about the use of their unprecedented financial power in this way. The central issue is whether these asset managers use their huge financial power to promote the interests of their beneficiaries or the political and ideological beliefs of their owners and top managers. You can also be legitimately concerned whether any small group of asset managers should wield this degree of financial power for these ends.

5. At its broadest, economy-wide level, this is an issue that merits the attention of Congress itself. With regard to this Commission’s regulation of electric utilities, the important question is whether huge asset managers like BlackRock are able to exert undue pressure on regulated public utilities or their holding companies to engage in practices that may undermine their primary re

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sponsibilities of delivering reliable power to consumers at just and reasonable rates.

6. To reiterate, the protestor, Public Citizen, has raised legitimate questions about the influence of these huge financial asset managers, specifically with regard to their investment positions and resulting influence in public utilities and their holding companies. While I concur for the reasons noted above, I believe this important issue should be the subject of future scrutiny.

For these reasons, I respectfully concur.

Footnotes

1 16 U.S.C. §824b(a)(2).

2 18 C.F.R. pt. 33 (2021).

3 Request for Reauthorization, Extension and Modification of Blanket Authorizations Under [Section 203 of the Federal Power Act](#) and Request for Expedited Consideration of BlackRock, Inc. (Application).

4 *BlackRock, Inc.*, [131 FERC ¶61,063](#) (2010) (Blanket Authorization Order), *extended*, [155 FERC ¶62,051](#) (2016) (First Extension Order), *extended*, [167 FERC ¶62,049](#) (2019) (Second Extension Order) (collectively, Prior Orders).

5 *Inquiry Concerning the Commission’s Merger Pol’y Under the Fed. Power Act: Pol’y Statement*, [Order No. 592](#), *FERC Statutes and Regulations, Regulations Preambles July 1996-December 2000* [¶31,044](#) (1996) (cross-referenced at [77 FERC ¶61,263](#)) (Merger Policy Statement), reconsideration denied, Order No. 592-A, [79 FERC ¶61,321](#) (1997); see also *FPA Section 203 Supplemental Pol’y Statement*, [120 FERC ¶61,060](#) (2007) (Supplemental Policy Statement), *order on clarification and reconsideration*, [122 FERC ¶61,157](#) (2008); *Transactions Subject to FPA Section 203*, [Order No. 669](#), [113 FERC ¶61,315](#) (2005), *order on reh’g*, [Order No. 669-A](#), [115 FERC ¶61,097](#), *order on reh’g*, [Order No. 669-B](#), [116 FERC ¶61,076](#) (2006); *Revised Filing Requirements Under Part 33 of the Commission’s Regulations*, [Order No. 642](#), *FERC Statutes and Regulations, Regulations Preambles July 1996-December 2000* [¶31,111](#) (2000) (cross-referenced at [93 FERC ¶61,164](#)), *order on reh’g*, Order No. 642-A, [94 FERC ¶61,289](#) (2001).

6 Application at 3.

- 7 Application at 3-4.
- 8 *Id.* at 4.
- 9 *Id.* at 5.
- 10 87 *Fed. Reg.* 10,779 (Feb. 25, 2022).
- 11 16 U.S.C. §824b(a)(4).
- 12 Merger Policy Statement, *FERC Statutes and Regulations, Regulations Preambles July 1996-December 2000* ¶¶31,044 at 30,111.
- 13 16 U.S.C. §824b(a)(4).
- 14 [18 C.F.R. §33.2\(j\)](#) (2021).
- 15 Application at 11 (citing Blanket Authorization Order, [131 FERC ¶61,063 at PP 31, 37, 39, 42](#)).
- 16 *Id.* (citing Blanket Authorization Order, [131 FERC ¶61,063 at P 33](#)).
- 17 *Id.* at 12 & Ex. M.
- 18 However, the Commission has found that "[t]he conditions imposed in a section 203(a)(2) blanket authorization order do not convert any acquired voting securities from voting to 'passive' securities" and as such any "institutional investors that that own 10% or more of the outstanding voting securities of the utility pursuant to a section 203(a)(2) blanket authorization order are affiliates [for purposes of [FPA section 205](#)] of those utilities through ownership of voting securities." *NextEra Energy, Inc.*, [174 FERC ¶61,213 at PP 42- 43](#), *order on reh'g and granting clarification*, [175 FERC ¶61,214 at P 10](#) (2021).
- 19 *Morgan Stanley*, [134 FERC ¶61,234 at P 16](#) (2011) (citing *Entegra Power Grp. LLC*, [125 FERC ¶61,143 at P 43](#) (2008) (*Entegra Power*)).
- 20 See *Franklin Res., Inc.*, [126 FERC ¶61,250 at PP 46, 48](#) (2009); *Horizon Asset Mgmt., Inc.*, [125 FERC ¶61,209 at PP 52, 54](#) (2008); *Entegra Power*, [125 FERC ¶61,143 at P 48](#); *Legg Mason, Inc.*, [121 FERC ¶61,061 at PP 34, 36](#) (2007).
- 21 Public Citizen Protest at 1-3.
- 22 Applicants Answer at 2-4.
- 23 Supplemental Policy Statement, 120 FERC ¶61,060 at P 33.
- 24 Second Extension Order, [167 FERC ¶62,049](#).
- 25 16 U.S.C. §824o.
- 26 *Id.* §825(c).
- 27 42 U.S.C. §§16451-63.
- 28 [18 C.F.R. §35.42](#) (2021); see also *Reporting Requirement for Changes in Status for Pub. Utilities with Mkt.-Based Rate Auth.*, [Order No. 652, 110 FERC ¶61,097](#), *order on reh'g*, [111 FERC ¶61,413](#) (2005).
- 1 *BlackRock, Inc.*, [131 FERC ¶61,063](#) (2010); see also *Mario J. Gabelli*, [175 FERC ¶61,004 at PP 31- 32](#) (2021); *NextEra Energy, Inc.*, [174 FERC ¶61,213 at PP 42- 43](#), *order on reh'g and granting clarification*, [175 FERC ¶61,214](#) (2021).
- 2 Public Citizen Protest at 1-2 (emphases added).
- 3 See, e.g., Dawn Lim, *Larry Fink Wants to Save the World (and Make Money Doing It)*, *The Wall Street Journal* (Jan. 6, 2022), <https://www.wsj.com/articles/larry-fink-wants-to-save-the-world-and-make-money-doing-it-11641484864> ("Few private citizens wield more power in America today than Larry Fink, the chief executive of BlackRock, Inc.... As steward for millions of investors, *BlackRock wields vast shareholder voting power, which it uses either to back managements or to prod them in new directions*.... Today, Mr. Fink is telling CEOs that companies must prepare for a scaleback of fossil fuels, and that the private sector should work with governments to do so.") (emphasis added). See also Karin Rives, *West Virginia fires BlackRock over asset manager's climate and China stance*, S&P Capital IQ (Jan. 18, 2022), <https://www.spglobal.com/>

marketintelligence/en/news-insights/latest-news-headlines/west-virginia-fires-blackrock-over-asset-manager-s-climate-and-china-stance-68468375 ("West Virginia decided to cut ties with BlackRock[,] Inc. over the asset manager's 2021 decision to push clients toward net-zero emission goals and its recently obtained license to operate in China.").