

Congress of the United States

Washington, DC 20515

September 29, 2026

Chairman Laura Swett
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Chairman Swett:

We write regarding our concerns about the proposed merger between NextEra Energy, Inc. (“NextEra”) and Dominion Energy (“Dominion”) and the extent to which this merger will reduce competition and increase consumers’ energy costs.¹ Residential electricity prices have risen 15 percent since January 2025,² and families are projected to spend an average of \$110 more on electricity bills in 2026 than they did last year.³ This megamerger may consolidate competitive power markets and raise electricity rates even more for American families.

Our fundamental concern is that this new entity will be both a gigantic power generator and a gigantic power-providing utility. This expanded vertical integration will allow the new company to unfairly favor its affiliates in some markets while passing the costs onto captive ratepayers in others. And it would mean that the new entity’s influence in energy generation markets could disincentivize it from building much-needed large transmission lines and making other investments to bring new, cheaper sources of energy online. We are further concerned that the new entity’s size and vertically integrated structure could allow it to evade scrutiny by federal and state regulators tasked with ensuring utility companies act in the public interest. We urge you to closely scrutinize this merger and block it if the Commission determines it would increase market concentration or have an adverse effect on costs for consumers—or if the acquisition is otherwise not in the public interest.

¹ Federal Energy Regulatory Commission, “Joint Application for Authorization Under Section 203 of the Federal Power Act of NextEra Energy, Inc., et al. under EC26-131.”, July 15, 2026, https://elibrary.ferc.gov/eLibrary/filelist?accession_number=20260715-5205&optimized=false&sid=0b03bc54-7d47-4799-b0c1-0ff26a7cc815.

² Climate Power, “August Energy Snapshot,” August 2026, p. 1, <https://climatepower.us/wp-content/uploads/2026/08/August-2026-Energy-Crisis-Snapshot-.pdf>.

³ Center for American Progress, “A Plan for American Electricity Affordability,” Trevor Higgins, Shannon Baker-Branstetter, Michael Negron, et al., May 18, 2026, <https://www.americanprogress.org/article/a-plan-for-american-electricity-affordability/>.

The NextEra-Dominion Merger Would Create a Giant Vertically Integrated Electricity Utility and Electricity Generator

On May 18, 2026, NextEra announced a \$66.8 billion deal to merge with Dominion.⁴ The proposed deal would create the largest regulated electric utility in the world.⁵ A NextEra-Dominion entity would serve about 10 million homes and businesses across Florida, Virginia, North Carolina, and South Carolina,⁶ but the effects of the merger could extend even further. It would be the fourth largest merger of all time and would create a company worth \$420 billion.⁷

NextEra and Dominion both operate publicly regulated utility businesses, while also owning generating components that own power plants across the country that sell energy in competitive power markets in the mid-Atlantic and New England.⁸ NextEra owns the utility Florida Power & Light, which serves around 6 million customers.⁹ Dominion primarily operates in the Carolinas and Virginia, serving about 3.6 million customers.¹⁰ The joint generating entity would own all operating nuclear power plants in New England, approximately 12% of the region's installed generating capacity.¹¹

⁴ NextEra Energy, "NextEra Energy and Dominion Energy to Combine, Creating the World's Largest Regulated Electric Utility Business and North America's Premier Energy Infrastructure Platform Benefiting Customers," press release, May 18, 2025, <https://newsroom.nexteraenergy.com/2026-05-18-NextEra-Energy-and-Dominion-Energy-to-Combine,-Creating-the-Worlds-Largest-Regulated-Electric-Utility-Business-and-North-Americas-Premier-Energy-Infrastructure-Platform-Benefiting-Customers?l=12>; Reuters, "NextEra plans to buy Dominion Energy for \$66.8 billion, form biggest US power company as AI demand booms," Vallari Srivastava and Laila Kearney, May 18, 2026, <https://www.reuters.com/legal/litigation/nextera-energy-buy-dominion-668-billion-us-power-deal-2026-05-18/>.

⁵ NextEra Energy, "NextEra Energy and Dominion Energy to Combine, Creating the World's Largest Regulated Electric Utility Business and North America's Premier Energy Infrastructure Platform Benefiting Customers," press release, May 18, 2025, <https://newsroom.nexteraenergy.com/2026-05-18-NextEra-Energy-and-Dominion-Energy-to-Combine,-Creating-the-Worlds-Largest-Regulated-Electric-Utility-Business-and-North-Americas-Premier-Energy-Infrastructure-Platform-Benefiting-Customers?l=12>.

⁶ Wall Street Journal, "NextEra to Buy Dominion Energy in \$67 Billion Deal," Jennifer Hiller and Ben Dummett, May 18, 2026, <https://www.wsj.com/business/energy-oil/nextera-to-buy-dominion-energy-in-67-billion-deal-cc3c94b0>; The New York Times, "Rising Energy Prices and Data Centers Are at Center of a Utility Deal," Ivan Penn, May 19, 2026, <https://www.nytimes.com/2026/05/19/business/energy-environment/nextera-dominion-electricity-rates-data-centers.html>.

⁷ Financial Times, "NextEra strikes mega deal with Dominion to create \$420bn US utility," Oliver Barnes and James Fontanella-Khan, May 18, 2026, <https://www.ft.com/content/a17f615a-cf05-4079-92a8-a8ab6370ae98?syn-25a6b1a6=1>.

⁸ NextEra Energy, "NextEra Energy and Dominion Energy to Combine, Creating the World's Largest Regulated Electric Utility Business and North America's Premier Energy Infrastructure Platform Benefiting Customers," press release, May 18, 2025, <https://newsroom.nexteraenergy.com/2026-05-18-NextEra-Energy-and-Dominion-Energy-to-Combine,-Creating-the-Worlds-Largest-Regulated-Electric-Utility-Business-and-North-Americas-Premier-Energy-Infrastructure-Platform-Benefiting-Customers?l=12>; Reuters, "NextEra plans to buy Dominion Energy for \$66.8 billion, form biggest US power company as AI demand booms," Vallari Srivastava and Laila Kearney, May 18, 2026, <https://www.reuters.com/legal/litigation/nextera-energy-buy-dominion-668-billion-us-power-deal-2026-05-18/>.

⁹ *Id.*

¹⁰ *Id.*

¹¹ American Economic Liberties Project, "The Proposed NextEra–Dominion Merger Would Create Dangerous Utility Market Concentration at the Worst Possible Time," June 23, 2026, p. 3, <https://www.economicliberties.us/wp-content/uploads/2026/06/NextEra-Dominion-Merger-Designed-V3.pdf>.

FERC Should Carefully Scrutinize the Merger

According to Section 203 of the Federal Power Act, the Federal Energy Regulatory Commission (FERC) shall approve a merger of public utilities only if the applicants demonstrate that the merger is in the public interest and does not pose a risk of harmful cross-subsidization.¹² FERC may block utility mergers that it deems to be not “consistent with the public interest,” which includes an assessment of the merger’s effects on horizontal and vertical competition, costs and rates, federal and state regulation, inappropriate cross-subsidization, and protection of regulated utility assets.¹³

There is precedent for FERC blocking acquisitions that fail to meet these standards. For example, in 2019, FERC blocked GridLiance’s purchase of transmission lines and related facilities from People’s Electric Cooperative based on concerns that the transaction would raise energy prices on households.¹⁴ And in 2013, FERC blocked Saddle Mountain Power’s purchase of a power plant from MACH Gen because the transaction would significantly increase market concentration.¹⁵ Given the substantial competition and cost concerns the NextEra-Dominion merger poses, FERC should closely scrutinize this deal and block it if it is not in the public interest.

FERC Should Be Skeptical of Utility Companies’ Promises to Lower Costs for Households

Previous utility mergers have coincided with increases in household electricity costs.¹⁶ Independent utility monitors have noted utilities companies have touted rate reductions to gain regulatory approval from regulatory bodies—similar to NextEra’s promises of bill credits for

¹² 16 U.S. Code § 824b; The Department of Justice and Federal Trade Commission similarly can block a merger, including one involving utility companies, if the agencies deem it is likely to “substantially... lessen competition” or “tend to create a monopoly” in violation of antitrust laws. *See* Clayton Antitrust Act, Public Law 63-212, Section 7; The Hart-Scott-Rodino Antitrust Improvements Act, Public Law 94-435; Congressional Research Service, “Federal Merger Review Authorities and Electric Utility Restructuring,” Aaron M. Flynn, Janice E. Rubin, and Michael V. Seitzinger, January 23, 2004,

https://www.everysreport.com/files/20040123_RL32133_6390fb325cdc8b81d91d699a75773e60fda9b413.pdf; Federal Register, “FPA Section 203 Supplemental Policy Statement,” August 2, 2007, <https://www.federalregister.gov/documents/2007/08/02/E7-14956/fpa-section-203-supplemental-policy-statement>.

¹³ *Id.*; U.S. Federal Energy Regulatory Commission, “Inquiry Concerning the Commission’s Merger Policy Under the Federal Power Act: Policy Statement,” December 18, 1996, pp. 1-6, 10-11, https://www.ferc.gov/sites/default/files/2020-04/rm96-6_0.pdf. U.S. Federal Energy Regulatory Commission, “FPA Section 203 Supplemental Policy Statement,” July 20, 2007, pp. 4-5, https://www.ferc.gov/sites/default/files/2020-04/E-1_53.pdf.

¹⁴ Troutman Pepper Locke LLP, “FERC Issues Rare Denial of Proposed Transmission Line Acquisition,” Miriam Archibong and Elizabeth McCormick, March 13, 2019, <https://www.troutmanenergyreport.com/2019/03/ferc-issues-rare-denial-of-proposed-transmission-line-acquisition/>.

¹⁵ Latham & Watkins LLP, “In its denial of a power plant Sale, FERC sheds light on the meaning of control and the importance of mitigation,” David L. Schwartz, Natasha Gianvecchio, and David E. Pettit, March 26, 2013, <https://www.lexology.com/library/detail.aspx?g=c04fb143-41b5-4e93-903c-43576095f214>.

¹⁶ Institute for Local Self-Reliance, “Mergers and Monopoly: How Concentration Changes the Electricity Business,” John Farrell, October 31, 2017, <https://ilsr.org/article/energy-democracy/electricity-mergers-and-monopoly/>.

households in its proposed merger with Dominion¹⁷—but then fail to deliver on savings to ratepayers.¹⁸ This is a playbook NextEra has used before. During the company’s 2014 merger attempt with Hawaii’s utilities, the company promised the state’s utility commissioners that it would offer residential customers credits to offset increased electricity costs.¹⁹ Yet Hawaii’s regulators rejected the merger after it determined that NextEra’s rate credit assurances were “inadequate” and that the merger would prevent robust competition in Hawaii’s energy markets.²⁰ FERC should similarly be skeptical of promises for rate credits in this case.

The Proposed NextEra-Dominion Merger Would Eliminate an Electricity Generation Competitor and Could Increase Prices for Households

In its review, FERC should analyze the parties’ market power and consider how a NextEra-Dominion merger could reduce competition and lead to higher rates. Much of the core business of a utility company is regulated and rates are controlled by government entities rather than a competitive market.²¹ However, both NextEra and Dominion are also large players in the energy generation market and currently compete with each other to sell the power they produce to other utilities and energy customers in deregulated markets.²² The NextEra-Dominion merger would expand not just NextEra’s regulated utility business but also its assets for power generation, further accelerating significant consolidation in power generation markets and utility businesses across the nation. These competition constraints could manifest in a variety of market harms. A combined NextEra-Dominion entity could steer an affiliated utility’s bilateral procurement toward an affiliated generator on non-arm’s-length terms.²³ It could withhold or strategically

¹⁷ NextEra Energy, “NextEra Energy and Dominion Energy to Combine, Creating the World’s Largest Regulated Electric Utility Business and North America’s Premier Energy Infrastructure Platform Benefiting Customers,” press release, May 18, 2025, <https://newsroom.nexteraenergy.com/2026-05-18-NextEra-Energy-and-Dominion-Energy-to-Combine,-Creating-the-Worlds-Largest-Regulated-Electric-Utility-Business-and-North-Americas-Premier-Energy-Infrastructure-Platform-Benefiting-Customers?l=12>; Reuters, “NextEra plans to buy Dominion Energy for \$66.8 billion, form biggest US power company as AI demand booms”, Vallari Srivastava and Laila Kearney, May 18, 2026, <https://www.reuters.com/legal/litigation/nextera-energy-buy-dominion-668-billion-us-power-deal-2026-05-18/>.

¹⁸ Office of People’s Counsel, State of Maryland, “OPC asks Maryland regulators to enforce Washington Gas’s promise of lower rates due to its merger with AltaGas,” press release, October 16, 2025, <https://content.govdelivery.com/accounts/MDOPC/bulletins/3f7629d>.

¹⁹ Public Utilities Commission of the State of Hawaii, “Dismissing Application without Prejudice and Closing Docket,” pp. 7-8, https://puc.hawaii.gov/wp-content/uploads/2016/07/FINAL_ORDER_33795.Docket2015-0022.pdf?_sp=5eaf878c-6930-42c9-a503-ca6edda7642a.1784299628577.

²⁰ *Id.*, pp. 7-8 and 13.

²¹ Canary Media, “Electric utilities 101: A breakdown of the basics on US power providers,” Alison F. Takemura, October 12, 2022, <https://www.canarymedia.com/articles/guides-and-how-tos/power-by-people-glossary-bundle>.

²² Dominion Energy, “Operating Segments,” <https://www.dominionenergy.com/about/our-company/operating-segments>; NextEra Energy, “Company Overview,” <https://www.investor.nexteraenergy.com/company-overview>; NextEra Energy, “Seabrook Station,” <https://www.nexteraenergyresources.com/what-we-do/nuclear/seabrook.html>; U.S. Environmental Protection Agency, “Understanding Electricity Market Frameworks & Policies,” May 20, 2026, <https://www.epa.gov/greenpower/understanding-electricity-market-frameworks-policies>.

²³ Grid Strategies LLC, “Who’s the Buyer? Retail Electric Market Structure Reforms In Support Of Resource Adequacy and Clean Energy Deployment,” Rob Gramlich and Frank Lacey, March 2020, <https://gridstrategiesllc.com/wp-content/uploads/2024/05/whos-the-buyer.pdf>; University of Chicago Law Review, “Outsourcing Electricity Market Design,” Joshua Macey, 2024, p. 1274, https://lawreview.uchicago.edu/sites/default/files/2024-08/01_Macey_ART_Final.pdf.

offer generation where the combined firm is pivotal.²⁴ And it could use its control over transmission, interconnection, planning, or commercially sensitive information to disadvantage rival generators.²⁵

The consequences of failing to address utility merger harms, including by imposing insufficient mitigation measures, are not theoretical: when FERC allows utility companies to gain enough power to stamp out competition in an entire region, higher prices have followed. In 2012, FERC approved Carolinas-based Duke Energy's (Duke) merger with Progress Energy, creating the largest utility in the country at the time.²⁶ In its review, FERC determined that the Duke-Progress merger would have "an adverse effect on competition" and recommended mitigation measures that were supposed to prevent Duke from engaging in monopolistic behavior in power markets.²⁷ Yet only a few years later, the Fourth Circuit Court of Appeals vacated a district court's decision in favor of Duke Energy, finding that there could be enough evidence to conclude Duke locked a competitor offering cheaper rates out of the market in violation of antitrust law.²⁸ The Department of Justice agreed and noted that "an entrenched monopolist can prevent new entrants from gaining a foothold in the region—without creating a better product, producing a better service, or implementing a general price cut."²⁹ FERC's mitigation remedies failed, following a broader pattern of merger remedies proving difficult to enforce and insufficient to guard against the anti-competitive behavior they are designed to address.³⁰

The proposed merger between NextEra and Dominion is even larger than the Duke-Progress merger and threatens to raise rates beyond NextEra and Dominion's service areas. A NextEra-

²⁴ University of Chicago Law Review, "Hidden Value Transfers in Public Utilities," Aneil Kovvali and Joshua Macey, 2023, p. 2129, https://chicagounbound.uchicago.edu/cgi/viewcontent.cgi?article=14374&context=journal_articles.

²⁵ Harvard Environmental Law Review, "Towards A National Transmission Planning Authority," Joshua Macey and Elias van Emmerick, April 1, 2025, pp. 88-89, 99-102, and 109-111, https://journals.law.harvard.edu/elr/wp-content/uploads/sites/79/2025/03/02_HLE_49_1_Macey.pdf.

²⁶ POWER, "FERC Gives Conditional Approval to Duke-Progress Merger," Dr. Gail Reitenbach, June 13, 2012, <https://www.powermag.com/ferc-gives-conditional-approval-to-duke-progress-merger/>.

²⁷ U.S. Federal Energy Regulatory Commission, "Order on Disposition of Jurisdictional Facilities and Merger," September 30, 2011, p. 2, <https://www.ferc.gov/sites/default/files/2020-05/EC11-60.pdf>.

²⁸ Bloomberg Law, "Utilities Are America's Real Monopoly Problem and Need Scrutiny," Kent Chandler and Joshua Macey, September 30, 2024, <https://news.bloomberglaw.com/us-law-week/utilities-are-americas-real-monopoly-problem-and-need-scrutiny>; *Duke Energy Carolinas, LLC v. NTE Carolinas II, LLC*, 111 F.4th 337 (4th Cir. 2024), Court Opinion, August 5, 2024, https://www.bloomberglaw.com/public/desktop/document/DukeEnergyCarolinasLLCvNTECarolinasIILLC111F4th3374thCir2024Court?doc_id=X1T34MTPG000N.

²⁹ Brief for the United States as Amicus Curiae, *Duke Energy Carolinas, LLC, et al. v. NTE Carolinas II, LLC, et al.*, No. 24-917, Supreme Court of the United States, December 1, 2025, p. 2, <https://www.justice.gov/atr/case/duke-energy-carolinas-llc-et-al-v-nte-carolinas-ii-llc-et-al>.

³⁰ American Antitrust Institute, "Comments of the American Antitrust Institute re: Analysis of Horizontal Market Power Under the Federal Power Act (Docket No. RM11-14-000)" Diana Moss, May 23, 2011, pp. 21-24, https://elibrary.ferc.gov/eLibrary/filelist?accession_number=20110523-5140&optimized=false&sid=42a568d4-5695-4d4d-af05-dd12fc888c39; Antitrust Law Journal, "Confronting Consummated Mergers: An Inquiry into Policy and Practice," John Kwoka and Tommaso Valletti, July 1, 2025, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=5331487; Energy Bar Association, "Inconsistent With The Public Interest: FERC's Three Decades of Deference to Electricity Consolidation," Scott Hempling, pp. 237-238, 241-242, 251, 281-282, https://www.eba-net.org/wp-content/uploads/2023/02/15-233-312-Hempling_FINAL1.pdf.

Dominion entity would control all nuclear power in New England, while expanding its relative share in the PJM market across the Mid-Atlantic and Southeast.³¹

FERC should therefore evaluate this merger's potential effects on vertical and horizontal competition across all implicated transmission regions — including PJM and the New England ISO (ISO-NE). For example, NextEra-owned Seabrook Nuclear Power Station and Dominion-owned Millstone Nuclear Power Station currently provide a significant amount of essential energy to the New England region.³² Five New England states—including Massachusetts, Connecticut, Maine, Vermont, and Rhode Island—all raised “significant concerns” with the NextEra-Dominion deal and called for “the highest level of scrutiny” by FERC and the Department of Justice because “the proposed acquisition would concentrate an unprecedented amount of leverage in NextEra.”³³ The statement cited the fact that the merger would combine both of New England's nuclear power plants under common ownership, and pointed to NextEra's past “disregard for consumers and affordability.”³⁴ The merger would give the combined company control over approximately a quarter of the electricity in the New England region,³⁵ leading to considerable negotiating leverage over states and the ability to demand abusive terms at the expense of households. This concrete horizontal overlap in a definable market merits a stressed-condition delivered price test analysis rather than relying on the applicants' base case, and should include independent assessments from ISO-NE, PJM, and their market monitors. If FERC determines that the merger will have an adverse effect on competition in this or other markets inconsistent with the public interest, we urge FERC to block the merger.

A NextEra-Dominion Merger Could Slow the Buildout of Needed Interregional Transmission, Resulting in Higher Costs for Families

In addition to reviewing the merger's potential harms in the competitive energy generation market, FERC should closely evaluate the deal's potential impact on delays in transmission buildouts and the extent to which it would result in cost increases for households.

Large utility companies that are intertwined with generating entities have strong incentives to oppose building transmission connections to bring in cheaper power from other regions,³⁶ a problem that could get worse with the creation of a giant like NextEra-Dominion.

³¹ CT Mirror, “What the NextEra-Dominion merger means for nuclear power in New England,” John Moritz, June 5, 2026, <https://ctmirror.org/2026/06/05/nuclear-merger-nextera-dominion-new-england-power/>.

³² WMTV, “How a proposed merger between energy giants could impact Maine electricity bills,” Norah Hogan, August 19, 2026, <https://www.wmtv.com/article/how-a-proposed-merger-between-energy-giants-could-impact-maine-electricity-bills/73477958>.

³³ New England States Committee on Electricity, “The New England States, Through NESCOE, Joint Statement Expressing Deep Concern With NextEra Energy's Proposed Acquisition of Dominion Energy,” August 18, 2026, pp. 1-2, <https://nescoe.com/wp-content/uploads/2026/08/NESCOE-Joint-Statement-on-Proposed-NextEra-Dominion-Acquisition.pdf>.

³⁴ *Id.*, pp. 1, 3.

³⁵ *Id.*; ISO New England, “Resource Mix,” <https://www.iso-ne.com/about/key-stats/resource-mix>.

³⁶ Resources for the Future, “Power Flows, Part 2: Transmission lowers US generation costs, but generator incentives are not aligned,” Dasom Ham, Owen Kay, and Catherine Hausman, April 2025, pp. 20-22, https://media.rff.org/documents/WP_25-10_kFRJaAE.pdf.

The new entity could be disincentivized from building interregional transmission because it would force the entity to compete with efficient, low-cost energy generators in other states and could result in lower profits.³⁷ Instead of building interregional transmission lines that could bring in this cheaper power, giant utilities often prioritize local transmission projects (sometimes referred to as M-3 projects”, “supplemental projects”, or “asset conditioning”,) which are subject to lower regulatory scrutiny.³⁸ A recent analysis by the Congressional Budget Office has highlighted evidence of this troubling dynamic, reporting that over the last decade the share of investment in lower-scrutiny local projects rather than regional transmission projects has increased from 30 to 80 percent in some regions.³⁹ Prioritizing lower-scrutiny projects instead of regional projects allows utility companies to self-select in bidding, “protect their generators’ market power,” and raise rates.⁴⁰

Researchers estimate that interregional transmission congestion led to excess generation costs of between \$3.4-5 billion in 2023⁴¹ and the NextEra-Dominion merger could make this dynamic worse, including by allowing the combined company to leverage its bigger footprint to exploit local exceptions to regional planning requirements. The statement by five New England states cited above details NextEra’s “history of using its already considerable resources to obstruct new transmission infrastructure projects that New England needs,”⁴² raising serious concerns that FERC should heed in its analysis.

Review of the NextEra-Dominion Merger Must Consider Cross-Subsidization Risks

Federal law requires FERC to determine whether a proposed deal will result in inappropriate cross-subsidization of the non-utility associate company.⁴³ Cross-subsidization occurs when corporations “unfairly [pass] on to consumers the cost of transactions between utility companies and their affiliates.”⁴⁴ These include “shared services” costs like HR, ICT, finance, and

³⁷ *Id.*

³⁸ The University of Chicago Law Review, “Outsourcing Electricity Market Design,” Joshua Macey, September 12, 2024, p. 1294, https://lawreview.uchicago.edu/sites/default/files/2024-08/01_Macey_ART_Final.pdf.

³⁹ Congressional Budget Office, “Overview of Electric Transmission,” August 2026, pp. 25-26, <https://www.cbo.gov/system/files/2026-08/62705-ElectricTransmission.pdf>.

⁴⁰ University of Chicago Law Review, “Outsourcing Electricity Market Design,” Joshua Macey, September 12, 2024, p. 1295, https://lawreview.uchicago.edu/sites/default/files/2024-08/01_Macey_ART_Final.pdf; Synapse Energy Economics, Inc., “Understanding Rising Transmission Costs in the District of Columbia,” Sarah Shenstone-Harris et. al., January 13, 2026, pp.1, 25, https://doee.dc.gov/sites/default/files/dc/sites/doee/publication/attachments/Understanding%20Rising%20Transmission%20Costs%20in%20DC_final.pdf.

⁴¹ Resources for the Future, “Power Flows, Part 2: Transmission lowers US generation costs, but generator incentives are not aligned,” Dasom Ham, Owen Kay, and Catherine Hausman, April 2025, p. 2 https://media.rff.org/documents/WP_25-10_kFRJaAE.pdf.

⁴² New England States Committee on Electricity, “The New England States, Through NESCOE, Joint Statement Expressing Deep Concern With NextEra Energy’s Proposed Acquisition of Dominion Energy,” August 18, 2026, p. 1 <https://nescoe.com/wp-content/uploads/2026/08/NESCOE-Joint-Statement-on-Proposed-NextEra-Dominion-Acquisition.pdf>.

⁴³ 16 USC 824b(a)(4).

⁴⁴ U.S. Government Accountability Office, “UTILITY OVERSIGHT Recent Changes in Law Call for Improved Vigilance by FERC,” Mark Gaffigan, February, 2008, <https://www.gao.gov/assets/gao-08-289.pdf>.

procurement costs.⁴⁵ Cross-subsidization is improper when customers of the regulated entity end up paying “a percentage of the costs greater than the percentage of the services [they] received,” which means the regulated utility could end up “subsidizing” the parent company, all the while households foot the bill.⁴⁶ Energy law experts have noted that cross-subsidies harm energy markets because they “impede innovation” and “thwart efforts aimed at opening electricity markets up to competition.”⁴⁷

Researchers have found that when utilities engage in cross-subsidization, residential households are forced to pay higher electricity rates.⁴⁸ In addition to cost increases for regulated consumers, the Federal Trade Commission has noted that utility cross-subsidization “may increase costs in unregulated markets by displacing innovative, lower-cost suppliers and entrants with a higher-cost affiliate of the local regulated distribution utility.”⁴⁹ FERC itself has warned that if cross-subsidization occurs, “costs might be passed on to captive customers through the rates of the regulated affiliate.”⁵⁰

The proposed NextEra-Dominion merger could make it easier for the combined entity to engage in improper cross-subsidization at ratepayers’ expense. NextEra and its regulated utility subsidiary Florida Power & Light are already vertically integrated, but the larger scale and market power of the new entity could lead to even greater incentives to improperly shift affiliate transaction costs to ratepayers.

State utility commissions have previously blocked NextEra’s expansion efforts including because of cross-subsidization concerns. For example, Texas regulators blocked NextEra’s attempts to purchase utility Oncor in 2017 specifically based on concerns that the utility would not adopt ring-fencing measures to guard against cross-subsidization and be financially independent from its parent company.⁵¹ Hawaii’s public utility commission rejected NextEra’s attempts to take over the state’s utilities for similar reasons, ultimately determining that the merger was “not reasonable and in the public interest” and posed “substantial risks to ratepayers” because it failed to adequately insulate the state’s local power companies from the parent

⁴⁵ Queens University Belfast, “Sharing services, saving money? Five risks to cost saving when organizations share administrative services. Elston, T., & MacCarthaigh, 2016, *Public Money and Management*, 36(5), 1-3. <https://doi.org/10.1080/09540962.2016.1194081>.

⁴⁶ Missouri Office of the Public Counsel, “Basics of Missouri Public Service Commission Affiliate Transaction Rules: A Whitepaper,” Lena M. Mantle, November 2022, pp. 7-8, <https://efis.psc.mo.gov/Document/Display/85437>.

⁴⁷ The University of Chicago Law School Chicago Unbound, “Utility Mergers and the Modern (and Future) Power Grid,” Joshua Macey, 2021, p. 240, https://chicagounbound.uchicago.edu/cgi/viewcontent.cgi?article=1018&context=law_and_economics_wp.

⁴⁸ The Energy Journal, “Who Pays for Retail Electric Deregulation?: Evidence of Cross-Subsidization from Complete Bill Data,” Noah Dormady, Matthew Hoyt, Alfredo Roa-Henriquez, et. al., 2019, pp. 32-36-194, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3174939.

⁴⁹ Federal Trade Commission, Comment of the Staff of the Bureau of Economics of the Federal Trade Commission on Affiliate Relationships, No. U-21453, October 30, 1998, p. 2, https://www.ftc.gov/sites/default/files/documents/advocacy_documents/ftc-staff-comment-louisiana-public-service-commission-concerning-regulated-electric-utilities-and/v980028.pdf

⁵⁰ U.S. Federal Energy Regulatory Commission, No. PL07-1-000 “FPA Section 203 Supplemental Policy Statement”, July 20, 2007, p. 8, https://www.ferc.gov/sites/default/files/2020-04/E-1_53.pdf.

⁵¹ Utility Dive, “Texas regulators finalize rejection of NextEra bid to purchase Oncor,” Robert Walton, June 8, 2017, <https://www.utilitydive.com/news/texas-regulators-finalize-rejection-of-nextera-bid-to-purchase-oncor/444585/>.

company.⁵² FERC's analysis should assess how the deal will be financed, whether debt will be pushed down to the regulated affiliate, whether the acquisition premium and transaction costs will be passed onto households, and whether the merger will violate federal laws and regulations related to harmful cross-subsidization.

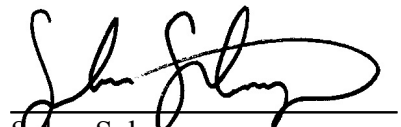
Conclusion

The proposed merger between NextEra and Dominion will create a gigantic, vertically integrated utility and electricity generating company. We therefore urge FERC to closely examine whether this deal may decrease competition or cause electricity rates for households to climb even higher; to remain skeptical of mitigation conditions that have historically failed to blunt the negative impacts of large utility merges; and to deny the application unless the applicants demonstrate that the transaction will have no adverse effect, now or in the future, on competition, rates, or regulation and will not result in impermissible cross-subsidization or the pledge or encumbrance of utility assets. If the present record is insufficient to make those findings, the Commission should deny the application.

Sincerely,



Elizabeth Warren
United States Senator



Suhas Subramanyam
Member of Congress



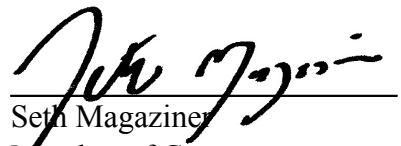
Chris Deluzio
Member of Congress



Richard Blumenthal
United States Senator



Christopher S. Murphy
United States Senator



Seth Magaziner
Member of Congress

⁵² Public Utility Commission of Hawaii, Order No. 33795, July 15, 2016, pp. 8, 212, https://puc.hawaii.gov/wp-content/uploads/2016/07/FINAL.ORDER_33795.Docket2015-0022.pdf?_sp=5eaf878c-6930-42c9-a503-ca6edda7642a.1784299628577.



Jack Reed
United States Senator



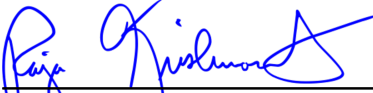
Eugene Simon Vindman
Member of Congress



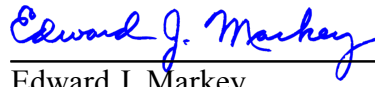
Maggie Goodlander
Member of Congress



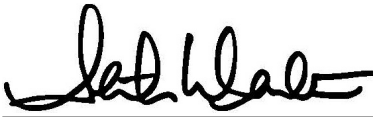
Sheldon Whitehouse
United States Senator



Raja Krishnamoorthi
Member of Congress



Edward J. Markey
United States Senator



Seth Moulton
Member of Congress



Bernard Sanders
United States Senator