



new energy economy

Addressing the Climate Challenge
With Bold Solutions

Headquartered in New York, Blackstone was founded by Peter Peterson and CEO Stephen Schwarzman, an ally and lifelong friend of Trump who served as chairman of Trump's Strategic and Policy Forum. Mr. Schwarzman is worth more than \$44 billion, ranking No. 31 on Forbes list of the world's wealthiest people.

Blackstone has applied to buy PNM - the electricity provider for more than 65% of New Mexican families and small businesses. To sweeten the deal, Blackstone has offered PNM's captive customers a rate credit of \$105 million distributed over a 4-year period, which sounds like a lot but comes out to approximately \$3.51 a month for the average residential ratepayer. This includes NO rate freeze, a standard benefit in an acquisition of this size. Without a freeze Blackstone can simply apply for a rate increase ASAP, wiping out any rate credit benefits.

WHAT DO WE KNOW ABOUT BLACKSTONE?

Blackstone is one of the largest private equity firms in the world, investing \$1.1 trillion for its wealthy investors. It exemplifies the private equity ethos - cornering the market on basic necessities and then driving up costs to squeeze the maximum possible out of the poor and middle class. Blackstone has a sprawling portfolio comprising over 250 companies in a wide array of sectors including private equity, real estate, credit, energy infrastructure, data centers and hedge funds.

- **Blackstone is the [largest corporate landlord in the world](#), with over 300,000 residential units across the United States.** These include multi-family apartment units, single-family homes, mobile home parks, student housing and subsidized housing. Blackstone has been found responsible for [tenant mistreatment](#), [eviction filings](#), and [rent increases](#), especially [at mobile home parks](#) where they can jack up rents because captive tenants, some of the poorest people in the country, cannot afford the expense of moving their "mobile" homes.
- **Like other private equity firms, Blackstone is heavily invested in the US for-profit healthcare model.** Under Blackstone leadership Apria was [found guilty](#) of Medicare and Medicaid fraud, and HealthEdge pioneered [AI based insurance claims processing](#) software. Blackstone also owns TeamHealth, a company that controls staffing and billing at 9.7% of all US emergency departments, and [has come under fire for surprise billing and running up patient costs with medically unnecessary tests](#), as well as submitting claims for more costly services than provided.
- **Blackstone has a sordid history of labor and civil rights violations.** Blackstone owned companies have been found liable and paid penalties for [more than 100 legal and regulatory violations](#), including anti-competitive practices, investor protection violations, false claims, wage and hour violations and privacy violations. For example, in

2023 Blackstone-owned Packers Sanitation Services was fined \$1.5 million by for using child labor in meat processing plants. Packers employed 102 children, aged 13 to 17, that worked in overnight shifts, used hazardous chemicals, and cleaned dangerous equipment in the facility. Most were undocumented. In 2018 and 2019, Blackstone-owned Motel 6 paid settlements of \$7.6M and \$12M after voluntarily providing its guests list to Immigration and Customs Enforcement (ICE) without warrants.

- **Blackstone is all in on AI and is expanding fossil fuel and water use at utilities and companies around the world to power new hyperscale data centers, all subsidized by utility ratepayers.** As of June 2024 Blackstone was [responsible for over 34M metric tons of CO2 emissions annually](#). That number is growing. Blackstone's QTS, Digital Realty and Tallgrass are building new data centers for AI giants like Google, Amazon, and Meta by running roughshod over environmental standards. This includes the "Prometheus" hyperscale data center in Wyoming, which will use [more power than the rest of the state's energy users combined](#), and an [announced \\$25 billion investment](#) to build gas-fired power plants for data centers in Pennsylvania.

Blackstone is planning to buy PNM because it can profit off New Mexico electricity customers who will be forced to fund the grid expansion necessary to power its data center empire.

Data centers mean upgrading the grid for the profit of giant AI tech companies like Google, Amazon and Meta at the expense of residential and small business customers. Data centers already consume over 10% of the electricity in at least five states. An [analysis by Bloomberg News](#) found that **wholesale electricity prices have risen as much as 267% in areas near significant data center activity**. This happens because:

- The conventional approach to utility ratemaking socializes the costs of grid upgrades and expansion to all classes of ratepayers, **shifting data center energy costs to the public**.
- Utilities and data centers often negotiate special rates outside of a rate case, and when these special contracted rates are lower than a utility's costs, **captive ratepayers are forced to cover the shortfall**.
- **Residential ratepayers also end up paying a significant amount of interstate transmission costs** that are tied to data centers.

AI Data Centers Are Sending Power Bills Soaring

Wholesale electricity costs as much as 267% more
than it did five years ago in areas near data centers.
That's being passed on to customers.

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WHAT DOES ALL THIS MEAN FOR NM FAMILIES AND BUSINESSES?

- **Blackstone ownership will result in crushing rate increases for New Mexico families and small businesses already suffering under federal cutbacks, tariffs and inflation.** The willingness of Blackstone to pay a 23% acquisition premium over PNM's actual value means they expect to get that extra money back from customers, plus a 9.45% guaranteed return.
- **Blackstone's complex web of companies means a lack of transparency and higher rates because it will reduce the PRC's capacity to properly protect ratepayers.** Blackstone already owns Tallgrass and Invenergy, both of which already do business in New Mexico. Blackstone's billionaire CEO Schwarzman can engage in self-dealing contracts with his own companies, ultimately leading to higher rates for ratepayers. The PRC does not have the capacity to police these smaller "procurement" contracts.
- **Irreversible collateral damage to our aquifers and our communities.** Data centers result in dried up wells and long term damage to aquifers. Large data centers [can consume up to 5 million gallons per day](#), equivalent to the water use of a town populated by 50,000 people. So called "closed loop" systems often use gas power to cool the water - but gas drilling also requires water. In August a subcontractor for Blackstone's QTS was [fined for illegally drilling 40 wells at a data center](#) site! Developers promise economic development and jobs, but those are greatly exaggerated. Tax breaks offered to entice these developers [rarely end up benefiting communities](#).
- **Catastrophic climate impacts.** Morningstar analysts expect [data center load will roughly triple](#) to about 80 GW by 2030, and 60% of that new demand will be met by gas-fired generation. That's 50 GW of gas power emitting more than 70 million metric tons of CO2 per year. For comparison, PNM currently has just a 2.7GW capacity.
- **Deteriorating service to residential and small business customers.** Giant tech users will take precedence, while we pay the price. And what happens [when the data center bubble pops](#)?? A breakthrough in decentralized AI, quantum computing, or energy efficiency could fundamentally alter the economics of these hyperscale data centers. When that happens private equity owners will cut and run - [just like they did at Toys R Us, Kmart, Sears, Party City and JOANN](#) - all companies that were bankrupted by private investors, leaving local branch owners and employees high and dry. **PNM is not a retail store. We cannot let the same thing happen to our essential energy infrastructure.**