

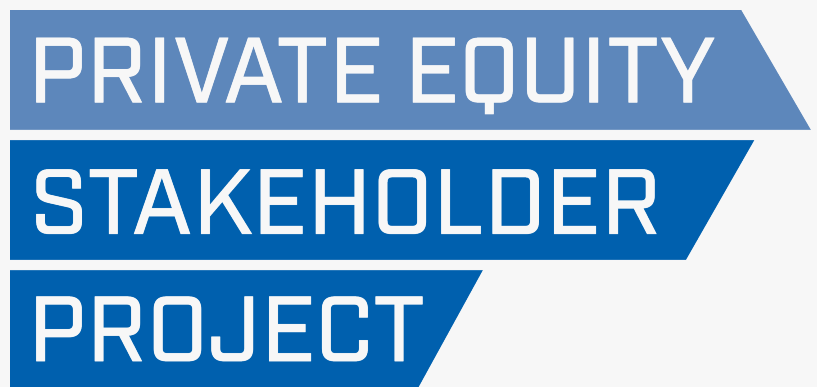
Private equity firms power the AI boom at public expense, new research warns

New research shows firms like BlackRock and Blackstone are driving fossil fuel buildouts and utility takeovers to feed speculative data center demand.

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-- A new research brief from the Private Equity Stakeholder Project (PESP), *From Power Plants to Processors: Private Equity's Big Bet on the Data Center Pipeline*, warns that private equity

firms are taking control of energy utilities and critical infrastructure to fuel the digital sector boom—artificial intelligence (AI) and data centers—despite uncertain demand forecasts and mounting community opposition.



Logo of the Private Equity Stakeholder Project

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Private equity's deepening control over the energy grid reveals how Wall Street is positioning itself to profit from the AI boom.”

*Amanda Mendoza, PESP
Researcher*

Firms like BlackRock and Blackstone have invested nearly [\\$200 billion in data center-related deals since 2022](#), driving a wave of acquisitions across gas-fired power plants, fossil fuel assets, and even retail energy utilities that millions of customers depend on.

“Private equity's deepening control over the energy grid reveals how Wall Street is positioning itself to profit from the AI boom, no matter the public cost,” said Amanda Mendoza, Senior Research & Campaign Coordinator at

PESP and author of the report. “These firms are building new fossil fuel plants, keeping old ones online, and buying up energy utilities to power a speculative digital future. Communities and ratepayers are being asked to foot the bill.”

The report details how BlackRock's \$12.5 billion acquisition of Global Infrastructure Partners (GIP) positioned the firm as one of the largest private equity owners of fossil fuel power plants worldwide. BlackRock is now seeking to acquire U.S. utility giant AES Corp in a \$38 billion deal. Meanwhile, Blackstone is expanding its “AI infrastructure” footprint, acquiring data centers and

power plants from Virginia to Pennsylvania and pursuing major utility deals in Indiana, Texas, and New Mexico.

These takeovers could place nearly 11 million energy customers across the U.S., U.K., and El Salvador under private equity control—consolidating essential energy access in the hands of firms whose primary obligation is to investors, not the public.

In Minnesota, [regulators recently approved BlackRock's controversial \\$6.2 billion](#) takeover of ALLETE Inc., parent company of Minnesota Power, despite warnings from the state's Administrative Law Judge that the deal posed "an unacceptable risk of rate increase and rate shock in a critical and economically vulnerable area." The case underscores how Wall Street's growing control over the energy grid is already colliding with public accountability and affordability concerns.

A recent analysis cited in the report found that electricity costs in data center-dense regions have risen 267% in just five years. As firms like BlackRock and Blackstone double down on fossil fuel-powered infrastructure to meet AI's projected demand, ratepayers and public pension funds could be left shouldering the financial and environmental fallout.

"The AI gold rush is propped up by fossil fuels, financed with public pensions, and paid for by working people," Mendoza added. "Across the country, many communities are already bearing the financial brunt of this speculative buildout; how many more will face financial burden and negative environmental impact driven by private equity's greed?"

The report also documents a wave of organized resistance, with 142 activist groups across 24 states working to block or delay \$64 billion in data center projects due to environmental, cost, and land-use concerns.

Find the research brief here: pestakeholder.org/reports/from-power-plants-to-processors

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