Cornerstone Research worked for the U.S. Department of Justice (DOJ) to evaluate a merger in the electric power industry. Under the guidance of two academic experts retained by the DOJ, Cornerstone Research processed and analyzed a large number of data and documents on the merging companies and the relevant electricity market. Using information gathered from these data and documents, we helped develop and implement a detailed simulation model to estimate the competitive impact of the merger under different divestiture, load, and transmission scenarios. The high flexibility and computational efficiency of the model enabled us to estimate the merger’s impact under a large number of market scenarios in a timely manner.

The DOJ reached a settlement agreement with the merging companies.

Based in part on the analysis conducted by the academic experts and Cornerstone Research, the DOJ reached a settlement agreement with the merging companies in which the companies agreed to divest certain assets to mitigate the competitive impact of the merger.