

United States Senate

March 27, 2023

The Honorable Jennifer Granholm
Secretary
U.S. Department of Energy
1000 Independence Ave SW
Washington, DC 20585

Dear Secretary Granholm:

I write in strong opposition to the Proposed Rulemaking: “Energy Conservation Program: Energy Conservation Standards for Distribution Transformers.”¹ If finalized, the rule would further disrupt production of critical distribution transformers, inhibiting electric utilities’ ability to meet their customers’ needs.

Distribution transformers are essential for electric utilities to expand capacity, provide electricity to new communities, and restore service when existing infrastructure is damaged during a natural disaster. For several years, electric utilities have struggled to procure and stockpile distribution transformers, detrimentally impacting their ability to connect homes and restore power following severe weather. Supply chain disruptions for distribution transformers have severely increased the lead time for procurement, which was approximately three months in 2018, but is currently close to sixteen months.² The lack of critical energy infrastructure is concerning for U.S. energy reliability and resilience.

In February and March 2022, the American Public Power Association (APPA) conducted a survey in response to significant challenges facing the utility supply chain. Of the 121 respondents, 103 indicated obtaining transformers as their leading concern, and 13 ranked the issue as their second-highest concern.³ Shortages of transformers have caused public power utilities to cancel infrastructure projects and delay development. The proposed rulemaking will exacerbate these shortages and put the safety of electric customers at risk due to the Biden administration’s “clean energy” goals.

Over the past two years, electric cooperatives and APPA have repeatedly asked the Department of Energy (DOE) to temporarily waive the energy conservation standard for distribution

¹ Energy Conservation Program: Energy Conservation Standards for Distribution Transformers, 88 Fed. Reg. 1722 (proposed January 11, 2023) (to be codified at 10 CFR 431). <https://www.federalregister.gov/documents/2023/01/11/2022-28590/energy-conservation-program-energy-conservation-standards-for-distribution-transformers>

² Critical Electric Infrastructure and Supply Chain Constraints (January 2023). American Public Power Association. <https://www.publicpower.org/system/files/documents/23%202023%20Issue%20Briefs%20Supply%20Chain%20FINAL.pdf>

³ Public Power Distribution Transformer Demand Survey Summary (October 2022). American Public Power Association. <https://www.publicpower.org/system/files/documents/2022%20Public%20Power%20Distribution%20Transformer%20Demand%20Survey%20Summary%20rev3%2010-6-22.pdf>

transformers, but DOE has denied all requests.⁴ In June 2022, the Biden administration recognized the dire backlog in distribution transformers and issued a Presidential Determination through the Defense Production Act (DPA) to prioritize their production. However, rather than implementing effective solutions to address the crisis, DOE proceeded to issue burdensome conservation efficiency standards that will only prolong and intensify supply chain disruptions.

The proposed rule would only improve distribution transformer efficiency by a fraction of a percent and provide negligible improvements in energy efficiency, as DOE already mandates high efficiency standards for distribution transformers. The new standards convey minimal efficiency benefits, compared to the added months and further backlog in the infrastructure supply chain. Recent disasters highlight the immediate need for swift energy restoration and capacity expansion. Instead of prioritizing energy efficiency standards, the Department of Energy should focus on aiding supply chain recovery to ensure energy reliability and grid security.

I request that you immediately withdraw the proposed rule. Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink that reads "Tommy Tuberville". The signature is written in a cursive, flowing style.

Tommy Tuberville
U.S. Senator

⁴ Energy Trade Association Letter to Secretary Granholm (February 15, 2023). <https://www.nahb.org/-/media/NAHB/advocacy/docs/industry-issues/doe-transformer-letter-021523.pdf>