

United States Senate

WASHINGTON, DC 20510

July 28, 2023

The Honorable Jennifer Granholm
Secretary of Energy
U.S. Department of Energy
1000 Independence Ave, SW
Washington, D.C 20010

Dear Secretary Granholm,

We write to ask that you finalize the proposed distribution transformer efficiency standard and extend the compliance deadline to allow Congress and the U.S. e-steel (electrical steel) market time to address the current shortage, increase domestic e-steel production, and facilitate compliance with the proposed standard. A strong transformer efficiency standard will lower distribution system energy losses, lower energy bills for consumers, and reduce greenhouse gas emissions.

According to the Department of Energy's analysis, the proposed standard would save Americans \$15 billion on their energy bills over the next 30 years¹ by reducing energy losses on average by 36% and 47% for liquid-immersed and low-voltage dry-type transformers, respectively, compared to current transformer models.²

While we urge you to finalize a standard that will achieve meaningful cost savings for working families, we also need to give U.S. manufacturers the time to address current shortages and strengthen domestic supply chains. In November 2022, organizations representing American electric utilities warned that a shortage of distribution transformers threatened to derail electrification projects, drastically increase the cost of equipment, and render utilities unable to replace critical equipment in the wake of a blackout.³ Moreover, there is currently only one domestic manufacturer of grain oriented electrical steel (GOES) and only one domestic manufacturer of amorphous steel cores.⁴

We can all agree that the transformer shortage is happening now and requires timely solutions. We are working with our colleagues in Congress to find ways to increase the availability of transformers in the United States. However, the status quo leaves America heavily reliant on

¹ Department Energy, Energy Conservation Program: Energy Conservation Standards for Distribution Transformers, 88 Fed. Reg. 1722 (Jan. 11, 2023) (proposed rule). (online at <https://www.federalregister.gov/documents/2023/01/11/2022-28590/energy-conservation-program-energyconservation-standards-for-distribution-transformers>).

² Department of Energy, Press Release: DOE Proposes New Efficiency Standards For Distribution Transformers (Dec. 28, 2023) (online at <https://www.energy.gov/sites/default/files/2022-12/dt-ecs-nopr.pdf>).

³ Letter from National Rural Electric Cooperative Association (NRECA) et al to Senators Leahy and Shelby, Senate Appropriations Committee, and Representatives DeLauro and Granger, House Appropriations Committee (Nov. 18, 2022). (online at <https://s3.documentcloud.org/documents/23466298/transformershortage.pdf>).

⁴ *Transformer shortage hits utilities in storm season*, E&E News (Aug. 22 2022) (online at <https://www.eenews.net/articles/transformer-shortage-hits-utilities-in-storm-season/>).

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imports. The proposed energy efficiency standard, complemented by additional congressional investments would ensure there is a robust market for a mix of both conventional e-steel and amorphous metal.

We appreciate the work you have already done to modernize America's electric grid. As you finalize this efficiency standard, we again urge you to prioritize emissions reductions, energy savings, U.S. jobs, and the resilience of the American electric grid. We believe that the failure to do so will mean higher energy bills, increased emissions, and future jobs lost for American workers as the U.S. becomes more reliant on imported e-steel.

Thank you for your consideration.

Sincerely,



Peter Welch
United States Senator



Martin Heinrich
United States Senator



Sheldon Whitehouse
United States Senator



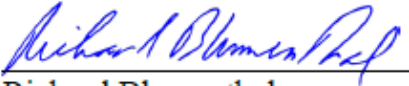
Jeanne Shaheen
United States Senator



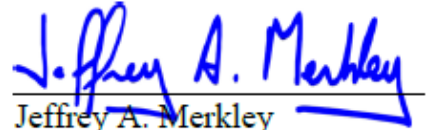
Chris Van Hollen
United States Senator



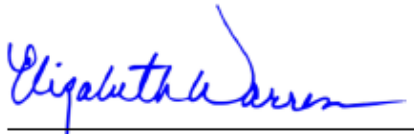
Bernard Sanders
United States Senator



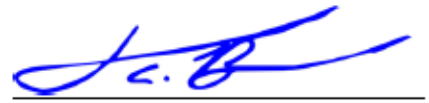
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United States Senator



Jeffrey A. Merkley
United States Senator



Elizabeth Warren
United States Senator



Cory A. Booker
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