THE CORE COALITION
SUPPORTING COMPETITIVE AMERICAN MANUFACTURING

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New Efficiency Rules For Distribution Transformers Proposed By The DOE Will NOT Save Customers Money As Postulated. Furthermore, They Put The Finger On The Scale In Favor Of One Supply Company (Which Is Not An Appropriate Role Of Government), Will Further Choke The US Transformer Manufacturers Raw Material Supply Chain (The Complete Opposite Of The Claim Of Easing The Current Backlogs) And Will Likely REDUCE Transformer Production In The USA (As Their Actions Have In The Past).

It's An Ill-Conceived Plan Without Proper Consideration Of The Consequences Contemplated On A MUCH Too Short Implementation Time Table (Quite Impossible In Reality)

BUDA, TX---Marketplace reports from U.S. companies that produce electrical transformers and their components indicate that production back-logs have risen in some instances to 12-18 months in part due to raw material supply challenges but also due to reduced labor supply post-COVID that has limited production expansions. The DOE proposal to shift the requirement for the highest performing transformers to a material that isn't "sold out" but is only produced in limited quantity, and by a Japanese-based company (where did the "Made In The USA" initiative go?!?) is an ill-conceived solution that will fail to deliver the desired outcome for multiple reasons.

First, one must question why, in a shortage environment, isn't this material in higher demand? The answers are that transformer designs that are unique to this material have other higher cost downsides that discourage the transition to this raw material supply.

Second, why hasn't the DOE allowed for adequate research and testing time to actually identify the impact and required timing to make this shift?

Third, this change will further stress the transformer supply chain for the electrical grid, which is already in distress, as the supply chain expands to include the newly configured transformers. The new transformers require additional space due to the increased size and will require that facility footprints be adjusted to accommodate the additional girth.

Fourth, if the entirety of the higher-grade transformers are required to shift to amorphous material, the supply shortage created will be greater than the current supply shortage of the traditional GOES material.

We strongly suggest that the DOE considering following the European Union lead by introducing standards similar to ECO-2 for 3-phase transformers and plan to submit comments for their consideration to that effect.

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