

Congress of the United States
Washington, DC 20515

December 6, 2023

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

Dear Secretary Granholm:

We write in strong opposition to the Proposed Rulemaking: “Energy Conservation Program: Energy Conservation Standards for Distribution Transformers.”¹ The proposal would mandate the use of amorphous metal (AM) cores instead of Grain-Oriented Electrical Steel (GOES) cores. Finalizing this rule would significantly impact the production of distribution transformers, which are already difficult to obtain.

There is serious concern about the potential negative impact this proposal would have on the stability of our electrical grid. AM cores rely on imports of raw materials; a dependency that could leave us susceptible to a variety of disruptions, from production to shipping. The Department of Commerce has identified this as a threat to national security.²

Currently, there is only one facility in the United States producing GOES, located in Butler, Pennsylvania, which is represented by over 1,300 United Auto Workers (UAW) employees. Implementation of this proposed rule would jeopardize the Butler, Pennsylvania facility and leave the US grid reliant on imports, and potentially cost over 1,500 American jobs.

Over the past few years, the supply chain constraint for distribution transformers has grown significantly, with demand exceeding current rates of production. The current lead time for procuring a distribution transformer is more than 16 months. This lead time is a significant problem for electric utilities seeking to enhance the reliability and resilience of the grid and other critical infrastructure.

This rule would severely limit the ability of our utility providers to ensure grid reliability and security while making us dependent on foreign imports of amorphous metal. The Proposed Rule increases efficiency standards on distribution transformers, which are already no less than 97.7% energy efficient.³

Grid security and reliability are vital to our economic and national security. We respectfully urge you to make serious modifications that preserve utilization of GOES for transformer cores to the proposed rule and thank you for your consideration.

¹ Energy Conservation Program: Energy Conservation Standards for Distribution Transformers, 88 Fed. Reg. 1722 (Jan. 11, 2023)

² https://www.commerce.gov/sites/default/files/the_effect_of_imports_of_steel_on_the_national_security_-_with_redactions_-_20180111.pdf

³ https://www.nema.org/docs/default-source/nema-documents-libraries/doe-transformer-efficiency-regs.pdf?sfvrsn=8253222a_0

Sincerely,

Handwritten signature of Mike Kelly in blue ink, written in a cursive style.

Mike Kelly
Member of Congress

Handwritten signature of Christopher R. Deluzio in blue ink, written in a cursive style.

Chris Deluzio
Member of Congress