November 27, 2024

The Honorable Tom Cole, Chair
Committee on Appropriations
United States House of Representatives

The Honorable Rosa DeLauro, Ranking
Committee on Appropriations
United States House of Representatives

The Honorable Patty Murray, Chair
Committee on Appropriations
United States Senate

The Honorable Susan Collins, Vice Chair
Committee on Appropriations
United States Senate

The Honorable Charles Fleischmann
Committee on Appropriations
United States House of Representatives

The Honorable Marcy Kaptur
Committee on Appropriations
United States House of Representatives

The Honorable John Kennedy
Committee on Appropriations
United States Senate

Dear Senators Murray, Collins, Kennedy and Representatives Cole, DeLauro, Fleischmann, and Kaptur:

The ongoing, long term forecast for challenges to the supply chain for electric grid components has been exacerbated by the unprecedented damage from Hurricanes Helene and Milton. As you work to finalize legislative business for the 118th Congress, we write to re-affirm our support for funding for critical domestic grid component manufacturing.

According to the Department of Energy, despite some recent progress, the current lead time average to produce certain classes of distribution transformers is more than 30 months.[1] Compounding this problem are significant rises in energy demand—driven by data centers, AI and quantum computing, electric vehicles, and the increasing electrification

[1] https://www.energy.gov/oe/articles/doe-and-industry-team-keep-lights-america

of our economy. America quickly needs greater domestic output of critical grid components to both fix the grid and prepare it for the future.

The National Renewable Energy Laboratory estimates distribution transformer demand will grow as much as 260 percent in the next few decades. Preparing for that growth and restoring transformer lead times of all sizes and phases to historic averages is why our coalition has supported the Fiscal Year 2025 Senate Energy and Water Appropriations bill. That legislation included $600 million to promote domestic transformer manufacturing.

Unfortunately, these high demand and lengthy lead time trends are being worsened by recent disasters; the full grid supply chain impacts caused by Hurricanes Helene and Milton are still being quantified. The President's disaster supplemental request recognizes these challenges by providing additional funding to support grid rebuilding, modernization, future hardening efforts. We firmly believe it should also include support for supply chain expansion efforts.

Simply put, without increased domestic production of critical distribution grid components, the real-world recovery efforts in communities ranging from Alabama, Florida, Georgia, Kentucky, North Carolina, Ohio, South Carolina, Tennessee, Virginia, and West Virginia run the risk of being long delayed, perhaps by years.

Only a handful of legislative days remain; therefore, we strongly urge Congress to utilize all avenues available as spending negotiations continue. We stand ready to engage with you to help fellow Americans quickly recover and build back stronger than before.

Sincerely,

American Public Power Association
The GridWise Alliance
Leading Builders of America
National Electrical Manufacturers Association
National Rural Electric Cooperative Association
Transformer Manufacturing Association of America