



May 26, 2022

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

Dear Secretary Granholm:

On behalf of the American Public Power Association (APPA) and National Rural Electric Cooperative Association (NRECA), we are urging you to exercise your authority to immediately address a serious supply chain issue facing our members which could result in electric reliability impacts for Americans as we head into the volatile summer weather months and storm season.

Our associations represent the nation's not-for-profit, community-owned and rural electric utilities, and millions of Americans rely on our members to deliver reliable electric service every day of the year, a commitment we take very seriously. For months, we have been calling attention to the unprecedented challenges our members are facing in procuring basic equipment needed to restore service following storms and natural disasters. Transformers pose a particularly acute problem as our members are now facing lead times of more than a year for delivery and in many cases, are being limited in the number they are allowed to purchase. In addition, transformers are critical not only to restoring service but also to extending new service to support economic growth in American communities.

Therefore, we urge you to temporarily waive the energy conservation standard for distribution transformers to make it possible for manufacturers to increase output as much as possible until this immediate crisis has abated. By relieving manufacturers of the current requirement, raw steel materials used to make distribution transformers can be spread further and result in higher production that our members need. This is a concrete step you can take today to increase transformer availability and address a potential electric reliability issue.

We are concerned that if this issue is not addressed quickly, we could face instances during this upcoming storm season when timely restoration of electric service for some customers simply won't be possible because of a lack of transformers. As such, we urge you to act without undue delay to increase output for transformers by waiving the energy conservation standard for distribution transformers.

Thank you for your time and consideration of this critical issue. We welcome the opportunity to discuss further with you and your team.

Sincerely,

A handwritten signature in black ink, appearing to read "Joy Ditto".

Joy Ditto
CEO
American Public Power Association

A handwritten signature in black ink, appearing to read "Jim Matheson".

Jim Matheson
CEO
National Rural Electric Cooperative Association