

Supply Chain Challenges Impacting Electric Cooperatives

Key Findings

- Electric cooperatives are facing significant challenges and delays in their supply chains – inhibiting their ability to provide reliable electric service, restore service in a timely way following storms and natural disasters, and extend new service as infrastructure is built out.
- NRECA’s advocacy has raised the profile of these issues among federal policymakers, and we are urging the government to pursue policies that will support sustainable supply chains for the electric sector.

Electric Sector Experiencing Unprecedented Supply Chain Challenges

Supply chain delays are contributing to an unprecedented shortage of the most basic machinery and components essential to ensuring continued reliability of the electric system. The typical lead time for three-phase transformers of 10-12 weeks has ballooned to eight months. Some manufacturers of pole mounted transformers are declining to accept new orders all together due to historic backlogs. Additionally, the lead time for substation transformers has been extended by a full year. Orders for electrical conduit have been delayed five-fold to 20 weeks and costs are up 200 percent year over year.

NRECA Raising Attention Among Federal Policymakers to Drive Solutions

NRECA has actively raised attention among federal policymakers throughout the executive and legislative branches to ensure policymakers fully grasp the scope of how these supply chain challenges are impacting the electric sector. We’ve brought compelling examples of how equipment shortages and extended lead times can impact new economic development, storm recovery, implementation of projects funded through the 2021 infrastructure law, and the Biden administration’s policy agenda.

As highlighted at NRECA’s May, 2022 Legislative Conference, the Department of Energy has made addressing supply chain constraints a top focus as a result of our outreach and dialogue with agency officials. In June, the Biden Administration granted DOE authority to invoke the Defense Production Act to address energy supply chain shortages. We are working closely with DOE and the Administration to help ensure that all possible legal and regulatory tools are used appropriately to address the issue.

The Electricity Subsector Coordinating Council, of which NRECA is a member, has created a “Tiger Team” to develop and recommend short term and long term strategies to address electric supply chain issues. The Tiger Team is chaired by Arkansas Electric Cooperatives’ CEO Buddy Hasten. We continue to explore options that will provide meaningful results for electric cooperatives and ensure policymakers understand the needs of our members. NRECA will advocate for long term policies that will help avoid today’s challenges and delays in the future.

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