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United States Senate
WASHINGTON, DC 20510-3104

COMMITTEES:
APPROPRIATIONS
ENERGY AND NATURAL RESOURCES
INTELLIGENCE
JOINT ECONOMIC

December 2, 2022

The Honorable Patrick Leahy
Chair, Senate Committee on Appropriations
Room S-128, The Capitol
Washington, DC 20510

The Honorable Richard Shelby
Vice Chair, Senate Committee on
Appropriations
Room S-128, The Capitol
Washington, DC 20510

The Honorable Rosa DeLauro
Chair, House Committee on Appropriations
H-307, The Capitol
Washington, DC 20515

The Honorable Kay Granger
Ranking Member, House Committee on
Appropriations
1036 Longworth HOB
Washington, DC 20515

Dear Chairman Leahy, Vice Chair Shelby, Chairwoman DeLauro, and Ranking Member Granger:

We write to respectfully request that you include \$2.1 billion in Disaster Supplemental Funding to address the severe and ongoing supply shortage of electrical transformers and complementary grid security technologies through the Defense Production Act (DPA). The transformer shortage is the result of a number of overlapping dynamics, from the recent COVID-19 supply shocks to the decades-long trend of outsourcing manufacturing abroad. A Department of Energy (DOE) report published in February 2022, found that only eight U.S. companies produce transformers, supplying just one-fifth of domestic inventories.¹ The combination of increased demand and extreme weather events have added pressure to the already-struggling supply chain for both Large Power and distribution transformers. In recent months, major storms along the Gulf Coast have further depleted transformer inventories, which puts grid reliability at risk from future extreme weather events.

From our ability to protect against cyber-attacks, intentional electromagnetic pulse (EMP) attacks or a naturally occurring geomagnetic disturbance, to our capacity to respond to foreign supply-chain disruptions, the current shortage puts America's national security at risk, weakens the resilience of our electrical grid, and jeopardizes our decarbonization goals.

We therefore strongly urge the Committee to include \$2.1 billion in the Disaster Supplemental Funding to expand domestic manufacturing of transformers and grid components,

¹ Nguyen, Ruby, Severson, Mike, Zhang, Bo, Vaagensmith, Bjorn, Rahman, Md Manunur, Toba, Ange-Lionel, Price, Paige, Davis, Ryan, and Williams, Sophie. Electric Grid Supply Chain Review: Large Power Transformers and High Voltage Direct Current Systems. United States: N. p., 2022. Retrieved from: doi:10.2172/1871501.

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including electrical steels, flexible transformers, circuit breakers, switchgear or substation to serve load and interconnect generation, and inverters and optimizers to integrate the influx of distributed generators. We appreciate your attention to this urgent matter.

Sincerely,



MARTIN HEINRICH
United States Senator



JOHN HICKENLOOPER
United States Senator



BRIAN SCHATZ
United States Senator



SHELDON WHITEHOUSE
United States Senator

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