

Advocacy Comments on DOE's Proposed Energy Efficiency Standards for Distribution Transformers

On January 11, 2023, the U.S. Department of Energy (DOE) published a proposed rule titled "Energy Conservation Program: Energy Conservation Standards for Distribution Transformers." The Office of Advocacy (Advocacy) submitted the following comments on the proposed rule.

- The proposal creates burdensome market competition issues that are not properly considered and justified by DOE. In order to achieve the level of energy efficiency required by the rule, distribution transformers would need to be built with amorphous steel cores. There is currently only one domestic manufacturer of distribution transformers and suppliers that import transformers are facing significant demand, causing supply chain issues.
- Small entities described several significant costs they would be required to incur because of the proposed rule, including new equipment, labor costs and more. Small entities also described significant supply shortages that have resulted in increased costs for products.
- The proposed rule fails to consider all the direct economic impacts to small utilities who are required to purchase and use distribution transformers.
- DOE's rule is statutorily deficient under the Energy Policy Conservation Act (EPCA). EPCA requires that any new or updated standard that DOE implements be designed to achieve maximum improvement in energy efficiency that is technologically feasible and economically justified. DOE fails to adequately discuss how the proposed rule is economically justified.
- Advocacy urges DOE to consider all the impacts the rule will have on small entities, to consider the comments received from small entities on the proposed rule, and to reconsider whether the rule meets the stated objectives of EPCA.

A complete copy of [Advocacy's letter to DOE](#) is available. For more information, please contact Prianka Sharma at (202) 205- 6938 or by email at prianka.sharma@sba.gov.

