

Department of Energy

Build America, Buy America Act

Proposed Project-Specific Non-availability Waiver For One Megawatt Direct Drive Wind Turbine

BABA WAV 2025-14

Proposed Waiver Summary: The United States Department of Energy (DOE) Office of Clean Energy Demonstrations (OCED) is proposing a project nonavailability waiver of the manufactured products domestic preference requirements of section 70914 of the Build America, Buy America Act (BABA) included in the Infrastructure Investment and Jobs Act (Pub. L. No. 117-58) as applied to one federal financial assistance award for Adams Electric Cooperative Inc. (AEC). This proposed limited nonavailability waiver would allow AEC to purchase one non-compliant one megawatt (MW) direct drive wind turbine.

Duration of the waiver: The effective date of this waiver is from date of issue to December 31, 2026.

Applicability: The waiver will apply to eligible expenditures incurred by the recipient on or after the effective date of the final waiver for the period that the waiver is active.

Recipient: Adams Electric Cooperative Inc. (R715N6S5HXS7)

Total estimated project cost related to infrastructure: \$3,200,000

Estimated total cost of products being waived: \$801,963

Waiver Type: Nonavailability waiver of the BABA manufactured product requirements for the product listed below.

Waiver Level: Project-specific waiver for one award.

Funding Mechanics: Funding for the infrastructure project is made available through the Bipartisan Infrastructure Law Improvements in Rural or Remote Areas Fixed Amount Award Grant Program, Funding Opportunity Announcement DE-FOA-0002867. The location of the project is Schuyler County, Illinois. The period of performance of this award (DE-CD-0000131) is 10/01/2024 through 12/31/2026.

Description of Covered Items: This waiver proposes to waive one EWT manufactured DIRECTWIND61*1000 MW direct drive wind turbine (NAICS 333611).

1. Country of Origin/Manufactured (if known): Netherlands (Manufacturing company: EWT)
2. NAICS: 333611 - Turbine and Turbine Generator Set Units Manufacturing; 333613 - Mechanical Power Transmission Equipment Manufacturing; 335999 - All Other Miscellaneous Electrical Equipment and Component Manufacturing
3. PSC: Product Service Codes (PSC): 2835, 6115, 3120, and 6125

Justification: After a thorough assessment, AEC determined that no viable United States-made alternatives exist to fulfill the specific needs of the project while adhering to BABA requirements. AEC conducted market research from April 2023 through October 2024 through email correspondence, phone calls, and online research of direct drive wind turbine manufacturers. This effort focused on

identifying BABA-compliant manufacturer's that could supply a 1 MW direct drive turbine. Through its research, AEC identified more than twenty wind turbine manufacturers in the United States and abroad, but only one manufacturer – Netherlands-based company EWT – sells a 1 MW turbine in the United States. Additional research confirmed that while EWT, the only viable option to manufacture the wind turbine for this project, is not based in the United States, they have integrated United States-made components into their turbines, including a wind turbine tower, which they intend to utilize for the Green Energy Project. Despite these efforts, primary components such as the nacelle and blades are not available from domestic suppliers due to manufacturing limitations.

DOE OCED reviewed and considered AEC's market research and conducted its own due diligence and research by consulting Department of Energy colleagues in the Office of Energy Efficiency and Renewable Energy, Wind Energy Technologies Office (WETO). A program manager in WETO confirmed his understanding that there is a market void for the 1 MW turbine size in general, with very few manufacturers internationally and none in the United States. The WETO program manager also researched the U.S. Wind Turbine Database to report that there has not been a 1 MW turbine installed in the United States since 2012.

Impact Absent the waiver: If no waiver is issued for the 1 MW direct drive wind turbine, AEC anticipates that the project would no longer include a wind energy aspect and the project would move forward, if possible, with only the solar array. This would compromise the project's overall effectiveness and goal of ensuring a balanced and reliable renewable energy supply for AEC's members. The project was designed to enable the wind technology, which is most effective in the fall and winter, to complement the solar technology, which is most effective in the spring and summer to create a more resilient grid year-round. An all-solar approach would thus fail to provide the same consistency and diversity in the energy generation profile that a combined wind and solar solution offer.

Assessment of Cost Advantage of a Foreign-Sourced Product: Under OMB M-24-02, agencies are expected to assess "whether a significant portion of any cost advantage of a foreign-sourced product is the result of the use of dumped steel, iron, or manufactured products or the use of injuriously subsidized steel, iron, or manufactured products" as appropriate before granting a nonavailability waiver. DOE's analysis has concluded that this assessment is not applicable to this waiver as this waiver is not based on the cost of foreign-sourced products.

Solicitation for Comments: The proposed waiver will be posted on DOE's public facing webpage on January 17, 2025 and a notice of the proposed waiver was also posted to the Made in America website on January 17, 2025, to satisfy the requirement to publish any Build America, Buy America Act Project Waiver and provide the public with fifteen (15) days to submit comments. DOE is seeking public and industry comments from all interested parties and encouraging current manufacturers of the subject products to submit comments regarding potential availability. Comments should be submitted to the Grants Officer, Matthew Villaruel, at matthew.villaruel@hq.doe.gov.