

Department of Energy
Build America, Buy America Act
Proposed Project-Specific Non-availability Waiver
For Sparkless Fuses, Arrestors and Cutouts

Proposed Waiver Summary: The United States Department of Energy (DOE) – Office of Electricity (OE) is issuing a project specific 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 to the Hawaii Department of Business Economic Development and Tourism. This proposed limited nonavailability waiver allows the recipient/sub-recipient to purchase non-compliant sparkless fuses, arrestors and cutouts.

Duration of the Waiver: The effective date of this waiver is from date of issue through the project performance period (estimated December 2030).

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: Hawaii Department of Business Economic Development and Tourism (FXW3PQB45AU7)

Sub-Recipient: Kauai Island Utility Cooperative (EB2QWMSXV4K5)

Total estimated project cost related to infrastructure: \$4,287,000

Waiver Type: Non-availability waiver of the BABA manufactured products requirement for the products listed below.

Waiver Level: Project-specific waiver for one sub-award.

Funding Mechanics: Funding for the infrastructure project is made available through the Funding Opportunity Announcement Infrastructure Investment and Jobs Act (IIJA) - Preventing Outages and Enhancing the Resilience of the Electric Grid Formula Grants to States and Indian Tribes (DE-FOA-0002736). The location of the project is Koloa, Waimea, Kekaha, Kaumakani, Kalaheo, and Hanapepe, Kauai, Hawaii.

Description of Covered Items:

- SMU-20 Sparkless Fuses and Cutouts (PSC: 5920, NAICS: 335313)
- CSM27-100A-150-CXM-8KA Sparkless Arrestors and Cutouts (PSC: 5920, NAICS: 335313)

Description of Market Research and Justification: According to the recipient, the chosen electric SMU-20 Sparkless Fuses and Cutouts are specialized supplies necessary to complete the work on Kauai. These supplies are compliant with Kauai Island Utility Cooperative's current electrical infrastructure and only manufactured by a single manufacturer. Given that these

specific sparkless fuses and cutouts are proprietary, KIUC reached out to its supplier in March 2026, who provided direct contact at the manufacturer to inquire about BABA compliance. No additional quotes could be obtained as the product is not available from any other vendor.

DOE completed market research from May 2026 – June 2026. The SMU-20 medium-voltage power fuse unit is a full-range, expulsion-type protective device used in the 15 kV to 35 kV voltage class. According to the waiver request, these are made in Mexico, thus not BABA-compliant. The CMU-20 is the closest comparable product, and although interchangeability must be verified for each application, the two families are treated as functionally equivalent in many utility contexts. By contrast, other manufacturers offer utility cutout families that are not identical to the SMU-20 platform, as some use conventional cutout/fuse-link architectures and mounting arrangements, and others use HMD/HMU family, which is a separate platform.

Accordingly, while alternatives such as the CMU-20 exist and provide similar functional performance, KIUC's existing standardization on SMU-20-based systems — including coordination, mounting, and operating practices — could make substitution impractical without significant engineering effort, added cost, and potential operational risk. Staff did confirm with the manufacturer of the CMU-20s that they are also not BABA compliant.

The CSM27-100A-150CXM-8 kA sparkless arrester-cutout integrates two protective functions into a single pole-mounted assembly - a fuse cutout for overcurrent protection and a metal-oxide surge arrester for overvoltage protection. According to the waiver request, these are sourced from India, China, and Thailand, thus not BABA-compliant. By combining both series (fuse) and shunt (arrester) protection, the unit simplifies installation, reduces hardware, and improves coordination between surge and fault protection elements.

The CXM series is a fused cutout/arrester combination designed for 15 kV and 27 kV distribution-class service. Its spark-reduced behavior is achieved through a moisture-resistant fiberglass-reinforced fuse tube with an arc-quenching inner liner, low-resistance all-copper current path, silver-plated moving contacts, and a mechanically controlled fuse-link engagement system that improves interruption consistency and limits external arcing and exhaust.

Other manufacturers offer functionally similar cutout-based platforms; however, their designs differ in detail such as fuse-link architecture, mounting hardware, materials, and accessory configurations.

Similar to KIUC's standardization on SMU-20-based systems, substitution of competing cutout-arrester devices may be impractical. Standardization is efficient because shipping delays, field access, corrosion exposure, and limited maintenance windows make it valuable to stay with equipment that is already approved and stocked.

KIUC needs specialized equipment that fits its existing standardized infrastructure; substituting another product would likely create significant engineering, procurement, and implementation costs.

Impact Absent the waiver: If no waiver is issued for either component, KIUC would not be able to proceed with the work specified in this proposal for the Kauai Wildfire Mitigation Project. A BABA waiver is needed for the following reasons:

1. Lack of domestic manufacturing availability. Currently, there is no other sparkless fuse technology suitable for utility-scale wildfire mitigation compliant with KIUC's electrical grid system.
2. Technical and safety requirements. Wildfire mitigation requires proven, field-tested equipment.
3. Urgency of wildfire risk reduction as mandated by the Hawaii Public Utilities Commission and State of Hawaii.

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: DOE is seeking public comments for all interested parties, including industry members and current manufacturers of the covered product items listed above, regarding the potential availability of project-compliant products from domestic manufacturers. The proposed waiver is available for public comment for fifteen (15) calendar days. **Comments are due no later than Month Day, Year**, and must be submitted by email to the DOE Contracting Officer at **BABAWaiverComment@netl.doe.gov**. Please write “BABA WAV 2026-## - Hawaii – Kauai Island Utility Cooperative” in the subject line of the email.