

Department of Energy
Build America, Buy America Act
Project-Specific Non-availability Waiver
for Transformer Components

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 requirement 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 Fort Pierce Utilities Authority (FPUA). This limited project-specific waiver allows FPUA to purchase the non-compliant products, which include Transformer oil, Radiators, Nameplates, Control Cabinet - MCB, Magnet, and Wiring.

Duration of the waiver: The effective date of this waiver is from date of issue through the project performance period (estimated September 2027).

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 of the project performance.

Recipient: Fort Pierce Utilities Authority (DCAYPEMKJJQ1)

Total estimated project cost related to infrastructure: \$6,913,580.00

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

Waiver Level: Project-specific waiver for one award.

Funding Mechanics: Funding for the infrastructure project is made available through the 2023 Funding Opportunity Announcement for Grid Resilience and Innovation Partnerships (GRIP) – Bipartisan Infrastructure Law (BIL) – Smart Grid (DE-FOA-0002740). **Description of Covered Items:** This waiver covers Transformer oil, Radiators, Nameplates, Control Cabinet - MCB, Magnet, and Wiring. FPUA will provide upgrades to two substation transformers to increase capacity from 100 mVa to 120 mVa. This technology falls under NAICS: 335311 and PSC: 5950.

Market Research and Justification: The recipient completed exhaustive due diligence activities in February 2024 and June 2024 to support this project, including contacting the specific vendor currently in place to confirm that it is the only company that can upgrade its product as well as having the products certified. This waiver regards components to be installed on two proprietary transformers being upgraded. The materials for this upgrade are sourced directly from South Korea, where the radiators are specifically customized for the vendor's transformers. This customization is vital for maintaining the integrity and efficiency of the system. Utilizing these non-domestic items guarantees adherence to the high-quality standards set by the vendor, minimizing the risk of malfunctions or project delays. Additionally, sourcing these components from the original supplier ensures timely delivery and access to technical support, which are critical for meeting project milestones. The inclusion of these non-domestic items is not only justified but essential for the successful execution and timely completion of the project.

National Energy Technology Laboratory (NETL) performed due diligence activities on behalf of DOE between March and April 2026 to confirm and augment the market research performed by FPUA. This included contacting multiple US based manufacturers, where the companies stated that they do not upgrade units made by OEMs. These companies have limited engineering data, concerns over warranties and the risk deviating from the original design. While staff notes that the U.S. International Trade Commission instigated a five-year review of large power transformers from South Korea reflecting a concern about the injury to the US market from the influx on South Korean transformers, there are other factors that may suggest disinclination for US transformer companies to upgrade a competitor's product. Based on conversations with sales representatives, this disinclination includes lack of access to original manufacturer drawings, low visibility to manufacturing deviations, maintenance history, OEM expertise, and warranty concerns. In addition, large power transformers (LPTs) are significantly large and heavy, and there may be shipping costs/concerns if the transformer is to be shipped to their respective facility.

It is reasonable that the original transformer manufacturer is better suited to perform transformer upgrades due to the factors cited above subsequently minimizing down-time, quality risks, and increasing alignment with the transformer's design intent.

Impact Absent the waiver: This waiver regards components to be installed on two proprietary transformers being upgraded. The materials for this upgrade are sourced directly from South Korea, where the radiators are specifically customized for the transformers in place. This customization is vital for maintaining the integrity and efficiency of the system. Utilizing these non-domestic items guarantees adherence to the high-quality standards set by the vendor, minimizing the risk of malfunctions or project delays. Additionally, sourcing these components from the original supplier ensures timely delivery and access to technical support, which are critical for meeting project milestones. The inclusion of these non-domestic items is not only justified but essential for the successful execution and timely completion of the project.

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.

Summary of Public Comments: The proposed waiver request was publicly posted by the Department of Energy for comments during the period of August 13, 2026, through August 28, 2026. No comments were received from the public, and therefore no substantive changes were made in response.