

# H.R. 3638 THE ELECTRIC SUPPLY CHAIN ACT

## *SECURING SUPPLY CHAINS FOR THE U.S. ELECTRIC GRID*

**Topline:** By establishing periodic assessments of the supply chain for grid components and infrastructure, House Republicans are ensuring the Department of Energy maintains a proactive posture to assess, identify, and secure supply chain disruptions that could undermine reliability and affordability of the grid.

### Supply Chain Constraints Facing the Grid

- Our nation's electric grid, commonly referred to as the largest machine ever built, is a complex system of infrastructure built with myriad components and layers of technology needed to ensure the lights are on when we need it most. Maintaining global leadership in next generation technology and continuing to onshore investment will require the Department of Energy to remain on the front lines of potential supply chain disruptions.
- The North American Electric Reliability Corporation (NERC), which is charged with protecting the reliability of the bulk power system, estimates that electricity demand will grow by 151 GW by 2034. During the same time period, NERC reports that as much as 115 GW of thermal generation has been announced to retire. Any disruptions to supply chains for grid components needed to meet demand will undermine our technology race with China and increase costs for American households.
- Unfortunately, the Biden-Harris Administration's misguided energy agenda furthered our reliance on adversarial nations like China for critical materials and manufacturing for wind turbines, solar panels, and grid components that are needed for intermittent generation resources.
  - Earlier this year, Reuters found that Chinese manufactured inverters contained undisclosed communication devices that could potentially threaten large portions of our bulk power system.
- As our nation's electric system is under strain from premature retirements of baseload power and historic demand increases from manufacturing and technology, we must ensure our federal government and policy makers are equipped with the necessary tools to protect affordability and reliability of the bulk power system.

### Electric Supply Chain Act

- The Electric Supply Chain Act directs the Department of Energy to conduct periodic assessments of supply chain constraints or vulnerabilities that could impact the bulk power system.
- The legislation requires the Department of Energy to consult with industry experts and report to Congress on the most up to date information related to the supply chain for our nation's electric grid.

