

SUPPLY CHAIN CONSTRAINTS


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Informational Update

A decorative graphic in the bottom right corner consisting of a blue wave shape with an orange border.

SUPPLY CHAIN CONSTRAINTS

DISTRIBUTION TRANSFORMERS



- Primary drivers: raw material and labor shortages, compounded by our booming growth (50% higher materials use compared to pre-pandemic levels)
- Competing against: system hardening; 5G projects; growth in other systems; EV demand for raw materials and manufacturing time
- DOE engaged and considered use of Defense Production Act to address supply chain issues for distribution transformers



Supply of critical equipment and materials is decreasing while demand continues to grow, widening the gap between what is available and what is needed.

UTILITY BUSINESS

Utility Supply Chain Chaos

July 19, 2022

Short supply of large transformers is concerning, but it's not the only challenge electric utilities face when it comes to supply chain.

Teresa Hansen



Home builders advised of transformer supply shortages

Texas Public Radio | By Brian Kirkpatrick
Published August 3, 2022 at 11:33 AM CDT



SUPPLY CHAIN CONSTRAINTS

CPS ENERGY IMPACTS AND ACTIONS



Current Material Impact

Subdivision construction impacted due to volume of required materials

- Distribution transformers
- Large insulated cable
- Wooden poles
- Steel poles
- Gas risers & regulators
- Commercial/Industrial meter cans

Mitigation Actions

- Increased diversity of material sourcing (second and third contracts for items)
- Continuous review of alternate materials and/or vendors
- Procurement of components and assembling final product in-house
- Increased engagement with expanded list of vendors & manufacturers
- Review of customer-referred material for potential use
- Recertification / Reuse of equipment

We have remained engaged with our developer customers to ensure two-way communication and updates.

Thank You