

117TH CONGRESS  
2D SESSION

# H. R. 6779

To direct the Secretary of Energy to establish a program to reduce the vulnerability of the electric grid to physical attack, cyber attack, and other events, including by ensuring that large power transformers and other critical electric grid equipment are strategically located to ensure timely replacement of such equipment as may be necessary, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 18, 2022

Mr. LAMB (for himself and Mr. GONZALEZ of Ohio) introduced the following bill; which was referred to the Committee on Energy and Commerce

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## A BILL

To direct the Secretary of Energy to establish a program to reduce the vulnerability of the electric grid to physical attack, cyber attack, and other events, including by ensuring that large power transformers and other critical electric grid equipment are strategically located to ensure timely replacement of such equipment as may be necessary, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “Grid Resilience and  
3 Infrastructure Depot Act of 2022” or the “GRID Act of  
4 2022”.

5 **SEC. 2. STRATEGIC TRANSFORMER RESERVE AND RESIL-**  
6 **IENCE PROGRAM.**

7       (a) ESTABLISHMENT.—The Secretary shall establish  
8 a program to reduce the vulnerability of the electric grid  
9 to physical attack, cyber attack, electromagnetic pulse,  
10 geomagnetic disturbances, severe weather, climate change,  
11 and seismic events, including by—

12           (1) ensuring that large power transformers,  
13 generator step-up transformers, power conversion  
14 equipment, and other critical electric grid equipment  
15 are strategically located to ensure timely replace-  
16 ment of such equipment as may be necessary to re-  
17 store electric grid function rapidly in the event of se-  
18 vere damage to the electric grid due to physical at-  
19 tack, cyber attack, electromagnetic pulse, geo-  
20 magnetic disturbances, severe weather, climate  
21 change, or seismic events; and

22           (2) establishing a coordinated plan to facilitate  
23 transportation of large power transformers, gener-  
24 ator step-up transformers, power conversion equip-  
25 ment, and other critical electric grid equipment.

1       (b) TRANSFORMER RESILIENCE.—In carrying out  
2 the program established under subsection (a), the Sec-  
3 retary shall—

4           (1) improve large power transformers, gener-  
5 ator step-up transformers, power conversion equip-  
6 ment, and other critical electric grid equipment by  
7 reducing their vulnerabilities;

8           (2) develop, test, and deploy innovative equip-  
9 ment designs that are more flexible and offer greater  
10 resiliency of electric grid functions;

11          (3) coordinate with industry and manufacturers  
12 to standardize large power transformers, generator  
13 step-up transformers, power conversion equipment,  
14 and other critical electric grid equipment;

15          (4) monitor and test large power transformers,  
16 generator step-up transformers, power conversion  
17 equipment, and other critical electric grid equipment  
18 that the Secretary determines may pose a risk to the  
19 bulk-power system or national security; and

20          (5) facilitate the domestic manufacturing of  
21 large power transformers, generator step-up trans-  
22 formers, power conversion equipment, and other crit-  
23 ical electric grid equipment through the issuance of  
24 grants and loans, and through the provision of tech-  
25 nical support.

1 (c) STRATEGIC EQUIPMENT RESERVES.—

2 (1) AUTHORIZATION.—In carrying out the pro-  
3 gram established under subsection (a), the Secretary  
4 may establish one or more federally owned strategic  
5 equipment reserves, as appropriate, to ensure na-  
6 tionwide access to large power transformers, gener-  
7 ator step-up transformers, power conversion equip-  
8 ment, and other critical electric grid equipment.

9 (2) CONSIDERATION.—In establishing any fed-  
10 erally owned strategic equipment reserve, the Sec-  
11 retary may consider existing spare transformer and  
12 equipment programs and requirements established  
13 by the private sector, Regional Transmission Organi-  
14 zations, Independent System Operators, and State  
15 regulatory authorities.

16 (3) IRON AND STEEL.—

17 (A) IN GENERAL.—In establishing any fed-  
18 erally owned strategic equipment reserve, no  
19 Federal funds shall be used for the purchase of  
20 large power transformers, generator step-up  
21 transformers, power conversion equipment, or  
22 other critical electric grid equipment unless all  
23 of the iron and steel products used in such  
24 equipment are produced in the United States.

25 (B) WAIVER.—

1 (i) IN GENERAL.—The Secretary shall  
2 waive application of subparagraph (A) in  
3 any case or category of cases in which the  
4 Secretary finds that—

5 (I) applying subparagraph (A)  
6 would be inconsistent with the public  
7 interest;

8 (II) iron and steel products are  
9 not produced in the United States in  
10 sufficient and reasonably available  
11 quantities or of a satisfactory quality;  
12 or

13 (III) inclusion of iron and steel  
14 products produced in the United  
15 States will increase the cost of the ap-  
16 plicable large power transformers,  
17 generator step-up transformers, power  
18 conversion equipment, or other critical  
19 electric grid equipment by more than  
20 25 percent.

21 (ii) PROCESS.—Before issuing a waiv-  
22 er under this subparagraph, the Secretary  
23 shall—

24 (I) make publicly available in an  
25 easily accessible location on a website

1 designated by the Office of Manage-  
2 ment and Budget and on the website  
3 of the Department of Energy a de-  
4 tailed written explanation for the pro-  
5 posed determination to issue the waiv-  
6 er; and

7 (II) provide a period of not less  
8 than 15 days for public comment on  
9 the proposed waiver.

10 (C) INTERNATIONAL AGREEMENTS.—This  
11 paragraph shall be applied in a manner con-  
12 sistent with United States obligations under  
13 international agreements.

14 (D) DEFINITIONS.—In this paragraph—

15 (i) the term “iron and steel products”  
16 includes electrical steel used in the manu-  
17 facture of—

18 (I) transformers; and

19 (II) laminations, cores, and other  
20 transformer components; and

21 (ii) in the case of iron and steel prod-  
22 ucts, the term “produced in the United  
23 States” means that all manufacturing  
24 processes, from the initial melting stage

1 through the application of coatings, oc-  
2 curred in the United States.

3 (d) CONSULTATION.—The program established under  
4 subsection (a) shall be carried out in consultation with the  
5 Federal Energy Regulatory Commission, the Electricity  
6 Subsector Coordinating Council, the Electric Reliability  
7 Organization, manufacturers, and owners and operators of  
8 critical electric infrastructure and defense and military in-  
9 stallations.

10 (e) PREVAILING WAGES.—Any laborer or mechanic  
11 employed by any contractor or subcontractor in the per-  
12 formance of work funded directly, or assisted in whole or  
13 in part, by the Federal Government pursuant to this sec-  
14 tion shall be paid wages at rates not less than those pre-  
15 vailing on work of a similar character in the locality, as  
16 determined by the Secretary of Labor under subchapter  
17 IV of chapter 31 of title 40, United States Code (com-  
18 monly referred to as the Davis-Bacon Act). With respect  
19 to the labor standards in this subsection, the Secretary  
20 of Labor shall have the authority and functions set forth  
21 in Reorganization Plan Numbered 14 of 1950 (64 Stat.  
22 1267; 5 U.S.C. App.) and section 3145 of title 40, United  
23 States Code.

24 (f) AUTHORIZATION OF APPROPRIATIONS.—There is  
25 authorized to be appropriated to carry out this section

1 \$75,000,000 for each of fiscal years 2022 through 2026,  
2 and such amounts shall remain available until expended.

3 (g) DEFINITIONS.—In this section:

4 (1) BULK-POWER SYSTEM; ELECTRIC RELI-  
5 ABILITY ORGANIZATION.—The terms “bulk-power  
6 system” and “Electric Reliability Organization”  
7 have the meaning given such terms in section 215  
8 of the Federal Power Act (16 U.S.C. 824o).

9 (2) CRITICAL ELECTRIC INFRASTRUCTURE.—  
10 The term “critical electric infrastructure” has the  
11 meaning given such term in section 215A of the  
12 Federal Power Act (16 U.S.C. 824o–1).

13 (3) INDEPENDENT SYSTEM OPERATOR; RE-  
14 GIONAL TRANSMISSION ORGANIZATION STATE REGU-  
15 LATORY AUTHORITY.—The terms “Regional Trans-  
16 mission Organization”, “Independent System Oper-  
17 ator”, and “State regulatory authority” have the  
18 meaning given such terms in section 3 of the Fed-  
19 eral Power Act (16 U.S.C. 796).

20 (4) SECRETARY.—The term “Secretary” means  
21 the Secretary of Energy.

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