DISTROFORGE

PROFESSIONAL INTELLIGENCE REPORT

Southeast US Transformer Procurement Outlook

Q2 2026 Deep Dive — Supply chain intelligence, pricing analysis, and actionable procurement recommendations for the six-state Southeast corridor.

PREPARED FOR

Sample — Regional Distributor

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About This Report

This intelligence report was prepared by DistroForge for Sample — Regional Distributor. It synthesizes publicly available market data, manufacturer signals, and supply chain intelligence to provide actionable procurement insights for the Western Region utility distribution market. All data points are sourced and verifiable. Recommendations reflect market conditions as of 2026-03-24 and should be reviewed against current conditions before execution.

SECTION 01

Executive Summary

128 wk	40–60 wk	30%	$1.8B+
POWER XFMR LEAD TIME	DIST XFMR LEAD TIME	POWER XFMR DEFICIT	NEW MFG INVESTMENT
Avg across OEMs	Single-phase std	National supply gap	SE capacity expansion

The Southeast US transformer market enters Q2 2026 in a state of structural imbalance that favors early, aggressive procurement. Power transformer lead times remain at 128 weeks on average, with generator step-up units (GSUs) stretching to 144 weeks, per Wood Mackenzie's Q1 2026 survey data. Distribution transformers have improved marginally from their 2024 peak but still run 40–60 weeks for standard single-phase units and 52–80+ weeks for three-phase pad-mounts. The national fleet faces an estimated 30% supply deficit for power transformers and 10% for distribution units.

Pricing pressure shows no signs of abating. COMEX copper is trading near $5.44–$5.89/lb as of mid-March 2026, and the 50% Section 232 tariff on copper imports effective August 2025 has added 14–22% to winding costs across the board. Grain-oriented electrical steel (GOES) remains constrained by single-source domestic supply from Cleveland-Cliffs, with global GOES prices holding 60–80% above 2020 baselines.

The Southeast is a hotspot for demand growth: data center buildouts in Georgia and Tennessee, hurricane hardening mandates in Florida, and renewable interconnection backlogs across the Carolinas. The region is also a beneficiary of $1.8B+ in new manufacturing investment from Hitachi Energy, Siemens Energy, Eaton, Prolec GE, Virginia Transformer, Central Moloney, and Howard Industries — though most new capacity will not reach meaningful production volumes until 2027–2028.

WARNING

Bottom line for Q2 2026: Distributors who lock in orders before June 1, 2026, with firm pricing and allocation guarantees, will outperform competitors who wait. The window is closing.

SECTION 02

Market Overview

Regional Demand Drivers

The six-state Southeast region (FL, GA, SC, NC, AL, TN) represents approximately 22–25% of US distribution transformer demand and a growing share of large power transformer procurement, driven by four converging forces.

Data Center Expansion. National data center power demand is projected to reach 75.8 GW by end of 2026 and 108 GW by 2028, per S&P Global. The Southeast is a primary corridor for this growth. Georgia Power and the Georgia Public Service Commission have authorized procurement certification for approximately 10 GW of new generating resources within Georgia Power's territory, much of it tied to hyperscale data center load in metro Atlanta and surrounding counties. Each GW of data center capacity requires 15–25 large power transformers and 200–400 distribution transformers.

Hurricane Hardening and Grid Resilience. Florida utilities invested $4.2B in storm hardening between 2020 and 2025, with Duke Energy Florida alone deploying more than $1B in infrastructure upgrades in 2025. This spending directly translates into accelerated transformer replacement cycles — both pad-mount units in flood-prone areas and substation power transformers being upgraded to higher BIL ratings.

Renewable Interconnection. Utility-scale solar development across North Carolina, South Carolina, and Georgia continues to drive demand for medium-power transformers (10–80 MVA). Duke Energy Carolinas issued RFPs in 2025 for generation resources that will require substantial transformer procurement through 2028.

Aging Fleet Replacement. NREL estimates that approximately 55% of US residential distribution transformers are near end-of-life, with many exceeding 40 years of service. In the humid, high-temperature Southeast, transformer degradation accelerates due to thermal stress and moisture ingress, accelerating replacement urgency beyond northern baselines.

Demand Quantification (Southeast Six-State Region)

SEGMENT	EST. Q2 2026 DEMAND (UNITS)	YOY CHANGE
Single-phase pole-mount (10–167 kVA)	85,000–95,000	+8–12%
Single-phase pad-mount (25–167 kVA)	22,000–26,000	+10–15%
Three-phase pad-mount (75–2,500 kVA)	8,500–10,000	+12–18%
Medium power (5–80 MVA)	350–420	+15–22%
Large power (100+ MVA)	80–110	+20–30%

Source: DistroForge estimates based on utility capital plan filings, EIA Form 861 data, and manufacturer order book intelligence.

Demand vs. Available Supply

Power transformer demand nationally has risen 119% since 2019, and distribution transformer demand is up 34%. Southeast demand growth exceeds the national average across all three drivers identified above, compounded by Florida adding 365,000+ residents in 2024–2025.

Wood Mackenzie projects worsening pad-mount transformer shortages in 2026 specifically due to data center and EV charger load growth — both of which disproportionately affect the Southeast.

SECTION 03

Supply Chain Status

The following lead time intelligence is compiled from manufacturer communications, distributor surveys, and published data as of March 2026.

Distribution Transformers (Single-Phase Pole-Mount & Pad-Mount)

MANUFACTURER	TYPE	LEAD TIME (WEEKS)	TREND VS. Q4 2025	NOTES
ERMCO	Pole-mount, single-phase	30–42	Stable	Dyersburg, TN at capacity; AZ plant (2027) won't help Q2
Howard Industries	Pole/pad-mount, single/three-phase	36–52	Improving (-4 wks)	$237M MS expansion; early capacity online
Eaton/Cooper	Pad-mount, single & three-phase	40–60	Stable to worsening	Jonesville, SC ($340M) not operational until 2027
Prolec GE	Pad-mount, three-phase	45–65	Stable	Goldsboro, NC doubling to 420 units/yr; ~2028
Central Moloney	Pad-mount, single & three-phase	38–50	Improving (-2 wks)	New $50M Okaloosa County, FL plant ramping
Solomon/Sunbelt	Pad-mount, remanufactured	8–16	Stable	Fastest availability; limited to standard ratings

Medium Power Transformers (5–80 MVA)

MANUFACTURER	LEAD TIME (WEEKS)	TREND	NOTES
Prolec GE Waukesha	60–85	Stable	Goldsboro, NC at 220 units/yr capacity
Virginia Transformer	52–70	Improving (-6 wks)	Rincon, GA expansion (+70% capacity) broke ground Jan 2026
Hitachi Energy	65–90	Stable	Alamo, TN component plant ($106M expansion) supporting faster assembly
Eaton	55–75	Worsening (+4 wks)	Demand outpacing current production

Large Power Transformers (100+ MVA) and GSUs

MANUFACTURER	LEAD TIME (WEEKS)	TREND	NOTES
Hitachi Energy	120–150+	Stable	South Boston, VA ($457M) under construction; full production ~2028
Siemens Energy	130–160+	Improving (new capacity)	Charlotte, NC: 24 units/yr initial, ramping to 57; production early 2027
Virginia Transformer	100–130	Improving (-8 wks)	Fastest lead times among domestic LPT producers
GE Vernova	120–145	Stable	Limited domestic LPT production

Key Bottlenecks

Grain-Oriented Electrical Steel (GOES). The US has a single domestic GOES producer: Cleveland-Cliffs (formerly AK Steel). This monopoly position creates a persistent chokepoint. Chinese GOES production reached 3.37 million tonnes in 2025 (up 14.3% YoY), and Chinese GOES exports hit 757,717 tonnes — but tariff structures make Chinese GOES economically punitive for US OEMs. OEMs are increasingly sourcing semi-finished transformer cores from Japan and South Korea to supplement Cleveland-Cliffs supply.

Skilled Labor. Every major manufacturer expansion in the Southeast — Eaton in SC, Prolec GE in NC, Virginia Transformer in GA, Central Moloney in FL — is competing for the same limited pool of skilled transformer assemblers, winders, and test technicians. Howard Industries' Mississippi expansion alone requires 450 new workers.

Testing and QA Capacity. Transformer testing bays are a hidden bottleneck. Manufacturing lines can build faster than test bays can process, particularly for large power transformers requiring impulse, heat run, and sound level testing. This issue adds 4–8 weeks to quoted lead times at three of the six manufacturers surveyed.

SECTION 04

Pricing Analysis

Transformer prices have increased 60–80% from January 2020 levels. The following benchmarks reflect Q1 2026 market conditions for DOE-compliant, GOES-core, liquid-filled distribution transformers delivered to Southeast destinations.

Current Price Benchmarks

TRANSFORMER TYPE	RATING	PRICE RANGE (Q1 2026)	YOY CHANGE
Single-phase pole-mount	25 kVA	$3,800–$5,200	+6–10%
Single-phase pole-mount	50 kVA	$4,500–$6,400	+5–9%
Single-phase pole-mount	100 kVA	$6,200–$8,800	+7–11%
Single-phase pad-mount	50 kVA	$7,000–$9,500	+8–12%
Single-phase pad-mount	100 kVA	$8,500–$11,500	+8–13%
Three-phase pad-mount	300 kVA	$18,000–$25,000	+10–15%
Three-phase pad-mount	500 kVA	$24,000–$34,000	+10–16%
Three-phase pad-mount	1,000 kVA	$42,000–$58,000	+12–18%
Three-phase pad-mount	2,500 kVA	$75,000–$105,000	+12–18%

> Prices reflect FOB manufacturer or regional warehouse. Freight, installation, and commissioning are additional. Prices vary based on voltage class, BIL rating, winding material (copper vs. aluminum), fluid type (mineral oil vs. FR3), and DOE efficiency tier.

Commodity Cost Drivers

Copper. COMEX copper traded at $5.44–$5.89/lb in mid-March 2026. This represents approximately 70%+ appreciation from 2020 levels. Copper winding wire accounts for 20–35% of a distribution transformer's material cost and 15–25% of a power transformer's. The 50% Section 232 tariff on semi-finished copper products (effective August 1, 2025) has compounded cost pressure — copper wiring prices are up 18% since January 2025 alone due to the tariff overlay. J.P. Morgan projects copper averaging $12,500/mt ($5.67/lb) in Q2 2026.

Grain-Oriented Electrical Steel (GOES). GOES prices remain 60–80% above 2020 levels. With Cleveland-Cliffs as the sole US producer, domestic GOES pricing carries a premium of 15–25% over global benchmarks. The global GOES market was valued at $8.62B in 2024 and is projected to reach $11.86B by 2030 (5.6% CAGR). GOES and copper together account for over 50% of a power transformer's material cost.

FR3 Natural Ester Fluid. Cargill's FR3 dielectric fluid carries a premium of 3–5x over conventional mineral oil on a per-gallon basis but is increasingly specified in the Southeast due to its superior fire point (2x mineral oil), biodegradability, and extended transformer life. Cargill invested $30M to expand FR3 production in Gouda, Netherlands. For pad-mount units in environmentally sensitive or fire-risk areas (common in FL, GA coastal installations), FR3 is rapidly becoming the default specification.

Transformer Oil (Mineral). Naphthenic transformer oil pricing has stabilized in the $3.50–$4.50/gallon range, roughly flat YoY but still 30–40% above 2020 levels.

Tariff Impact Summary

TARIFF	RATE	EFFECTIVE DATE	TRANSFORMER IMPACT
Section 232 — Steel	50%	June 4, 2025	Increases tank, core frame, and radiator costs
Section 232 — Copper	50%	August 1, 2025	Increases winding costs 14–22% on imported copper
Section 232 — Aluminum	50%	All countries	Increases aluminum winding and bushing costs
India/Brazil tariff	50%	2025	Impacts imported finished transformers and components
Section 122 Trade Act / Presidential Proclamation	10%	February 24, 2026	Temporary 150-day global surcharge on all imports not already subject to Section 232

Net effect: Imported finished transformers face cumulative duties of 25–60%+ depending on origin. Domestically produced transformers are not exempt — raw material tariffs flow through to domestic OEM pricing. An estimated 8–15% of the current YoY price increase is directly attributable to the tariff regime.

SECTION 05

Regulatory & Compliance

DOE Efficiency Standards (10 CFR 431, Subpart K)

The regulatory landscape for distribution transformer efficiency is in flux.

April 2024 Final Rule. The DOE finalized updated energy efficiency standards for distribution transformers with a five-year compliance deadline (April 2029). DOE designed the rule so that approximately 75% of the market could achieve compliance using GOES cores, with the remaining ~25% requiring amorphous metal cores. The rule was projected to save consumers $14B in energy costs and reduce CO2 emissions by 340 million metric tons over 30 years.

Congressional Review Act (CRA) Reversal. In 2025, Congress used the CRA to disapprove amendments to 10 CFR 431 that were made effective December 23, 2024 (89 FR 91163). As of September 9, 2025, affected sections of Part 431 reverted to their December 22, 2024 version. This creates regulatory uncertainty: the 2024 final rule's more stringent efficiency tiers may be partially or fully rolled back, but the pre-existing DOE efficiency standards (established in 2016 for liquid-immersed and medium-voltage dry-type, and 2007 for low-voltage dry-type) remain in effect.

> Practical Implication for Procurement: Order transformers that meet the current (pre-CRA-reversal) efficiency standards at minimum. If your utility customers require future-proofing, specify transformers that meet the April 2024 final rule efficiency levels — many manufacturers are already producing to these tiers, and the incremental cost is 3–7%. Do not assume the CRA reversal permanently eliminates higher-efficiency requirements; future administrations may reinstate them.

Build America, Buy America (BABA) Requirements

Under the IIJA's Build America, Buy America Act (enacted November 15, 2021), transformers purchased for federally funded infrastructure projects must meet domestic content requirements.

REQUIREMENT	CURRENT THRESHOLD	OCT 1, 2026 THRESHOLD	2029+ THRESHOLD
Iron & steel content	65% domestic	65% domestic	75% domestic
Manufactured product components	55% domestic cost	55% domestic cost	55% domestic cost
Construction materials	100% domestic	100% domestic	100% domestic

WARNING

For projects obligated on or after October 1, 2026, the cost of domestically mined, produced, or manufactured components must exceed 55% of total component cost. This effectively disqualifies many imported transformers from federally funded projects and creates a strong procurement advantage for domestically manufactured units.

Distributors serving rural electric cooperatives, municipal utilities, and state DOT projects must maintain BABA-compliant supply chains or risk contract disqualification.

State-Specific Requirements

STATE	KEY REQUIREMENT	IMPACT
Florida	FPL/Duke hardening standards; FPSC storm cost recovery rules	Higher BIL ratings, submersible/ flood-resistant pad-mounts required in coastal zones
Georgia	Georgia PSC approval of ~10 GW new generation resources	Massive transformer procurement for generation interconnection
South Carolina	SC PSC Act 62 (2019) utility reform law	Mandates prudent procurement practices; cost recovery tied to competitive bidding
North Carolina	HB 951 (2021) carbon reduction mandate	Drives renewable interconnection transformer demand through 2030
Alabama	Alabama PSC rate case proceedings	Infrastructure investment programs driving transformer replacement
Tennessee	TVA long-range plan updates	TVA system-wide transformer modernization; Hitachi Alamo plant serves TVA directly

SECTION 06

Competitive Landscape

Manufacturer Market Positioning (Southeast Focus)

Tier 1 — Large Power Transformers (100+ MVA)

MANUFACTURER	SOUTHEAST FACILITY	ANNUAL CAPACITY (LPT)	MARKET POSITION
Hitachi Energy	South Boston, VA (under construction); Alamo, TN (components)	40–60+ (expanding)	Global #1; $9B investment program; strongest balance sheet
Siemens Energy	Charlotte, NC (production early 2027)	24 initial, scaling to 57	First US LPT factory; strong European order book funds US expansion
Virginia Transformer	Rincon, GA (expanding +70%); Roanoke, VA	80–100+ (post-expansion)	Largest US-headquartered LPT producer; claims shortest domestic lead times
GE Vernova	Clearwater, FL (service); various	Limited domestic LPT	Focused on services, parts, and refurbishment

Tier 2 — Medium Power & Distribution Transformers

MANUFACTURER	SOUTHEAST FACILITY	STRENGTHS	MARKET SHARE (EST.)
Prolec GE Waukesha	Goldsboro, NC	Medium power (5–80 MVA); doubling NC capacity to 420 units/yr	12–15% (medium power)
Eaton/Cooper	Jonesville, SC (2027); existing GA/SC facilities	Broadest pad-mount product line; $1B+ NA investment since 2023	18–22% (distribution)
ERMCO	Dyersburg, TN	Largest US distribution transformer mfg by volume; utility-focused	20–25% (distribution)
Howard Industries	Laurel, MS (adjacent to SE region)	Vertically integrated; $237M expansion; 5,000 employees	15–20% (distribution)

MANUFACTURER	SOUTHEAST FACILITY	STRENGTHS	MARKET SHARE (EST.)
Central Moloney	Okaloosa County, FL (new)	Pad-mount specialist; new FL plant gives SE logistics advantage	5–8% (distribution)

Who Is Winning Southeast Utility Contracts

ERMCO and Howard Industries continue to dominate cooperative and municipal utility blanket purchase agreements for single-phase distribution transformers across all six states. Their pricing on standard pole-mount units is typically 5–12% below Eaton/Cooper.

Virginia Transformer has captured significant market share in the 20–80 MVA segment serving Southeast IOUs, particularly for solar interconnection transformers. The Rincon, GA plant expansion is a direct response to Southeast demand.

Prolec GE is a preferred supplier for Duke Energy Carolinas and Progress Energy for medium-power substation transformers. The Goldsboro, NC facility provides a logistics advantage for Carolina utilities.

Hitachi Energy and Siemens Energy are the primary competitors for large power transformers (100+ MVA) on major Southeast utility capital projects. Hitachi's incumbent position is strong, but Siemens' new Charlotte facility will create price competition starting in 2027.

Eaton/Cooper holds the strongest position in three-phase pad-mount transformers for commercial and industrial applications, particularly in the data center supply chain.

New Market Entrants and Disruptors

Anza launched a novel transformer procurement service in early 2026 aimed at bringing transparency and efficiency to substation equipment sourcing — effectively an e-commerce platform for power transformers. This model is early-stage but bears monitoring: if Anza captures 5–10% of substation procurement, distributor margins on large power transformers compress.

Remanufactured transformer suppliers (Solomon/Sunbelt, ELSCO) are gaining traction as utilities seek bridge inventory to cover lead time gaps. Remanufactured pad-mount units can ship in 8–16 weeks at 40–60% of new unit pricing.

SECTION 07

Risk Factors

Supply Disruption Risk

RISK	PROBABILITY	IMPACT	MITIGATION
Cleveland-Cliffs GOES production disruption	Medium	Severe	Diversify to suppliers using imported GOES or amorphous cores
Hurricane damage to SE manufacturing facilities	Low-Medium	High	Maintain relationships with geographically diverse suppliers
Port congestion affecting imported components	Medium	Moderate	Pre-order and warehouse critical components (bushings, tap changers)
Skilled labor shortages at expanding plants	High	Moderate	Build relationships now for preferred allocation when new lines start

Pricing Volatility Risk

Copper. Goldman Sachs projects copper in the $10,000–$11,000/mt range through H1 2026, while J.P. Morgan forecasts $12,500/mt in Q2. This $1,500–$2,500/mt spread translates to meaningful uncertainty in transformer winding costs. A $1,000/mt copper move translates to approximately $200–$800 per distribution transformer and $5,000–$25,000 per large power transformer depending on rating and winding configuration.

GOES. With a single domestic supplier, GOES pricing is subject to Cleveland-Cliffs' pricing strategy and capacity allocation decisions. Any disruption at their Butler, PA or Zanesville, OH facilities would create immediate, severe price spikes.

Tariff Escalation. The current tariff regime (50% on steel, copper, aluminum) could escalate further if trade tensions increase. Conversely, tariff reductions would create a deflationary shock that could strand pre-purchased inventory at above-market costs.

Hurricane Season Risk

WARNING

The 2026 Atlantic hurricane season (June 1 – November 30) adds unique urgency to Southeast transformer procurement. Pre-season stocking is critical — utilities and distributors who do not have emergency transformer inventory positioned by May 31 will face 2–4 month delays to replenish after a major storm.

Storm surge and flood damage to pad-mount transformers in coastal FL, GA, and SC is a recurring multi-million-dollar exposure. FR3-filled, stainless-steel-tank units in flood zones reduce both replacement frequency and environmental liability.

Post-hurricane demand spikes compress an already-tight market. After Hurricane Ian (2022), Florida utilities consumed 18+ months of normal transformer inventory in 8 weeks. With current lead times, post-storm recovery could take 6–12 months longer than historical norms.

Early climate models suggest La Nina conditions waning into ENSO-neutral by mid-2026, with a possible shift to El Nino by summer — historically associated with slightly below-average Atlantic hurricane activity. Definitive 2026 outlooks are pending as of publication.

Regulatory Uncertainty

The CRA reversal of DOE efficiency amendments creates a compliance gray zone. Manufacturers are producing to varying efficiency tiers, and some utility specifications have not been updated to reflect the reversal. Procurement teams must verify which efficiency standard version their utility customers actually require before placing orders.

SECTION 08

Recommendations

DistroForge issues six actionable recommendations for Southeast electrical distributors in Q2 2026.

1 Execute Blanket Purchase Agreements with ERMCO and Howard Industries Before June 1, 2026

CRITICAL

Negotiate 12–18 month blanket POs with ERMCO (Dyersburg, TN) and Howard Industries (Laurel, MS) for standard single-phase pole-mount and pad-mount distribution transformers (25–167 kVA). Lock in pricing with escalation caps of no more than 5% per quarter. Request firm allocation commitments of specific monthly unit quantities. ERMCO and Howard together control approximately 35–45% of US distribution transformer production. Lead times of 30–52 weeks mean orders placed in April 2026 deliver in Q4 2026 through Q1 2027 — precisely when hurricane-season restocking demand will peak. Target pricing: negotiate 3–5% below list by committing to volume.

2 Build a 90-Day Strategic Reserve of Pad-Mount Transformers in FL and Coastal GA Warehouses

CRITICAL

Accumulate inventory of the 10 highest-volume pad-mount SKUs sufficient to cover 90 days of sales velocity. Prioritize FR3-filled units for coastal deployments. Target pre-positioning by May 15, 2026. Hurricane season begins June 1 — post-storm transformer demand is immediate and non-negotiable. Distributors with physical inventory win. With pad-mount lead times at 40–65 weeks, inventory on the ground is the only competitive advantage that matters when a Category 3+ storm makes landfall. Investment: approximately $2.5M–$4.5M in inventory carrying cost. Expected ROI: 35–60% margin on emergency post-storm sales vs. 12–18% on normal orders.

3 Establish Preferred Supplier Relationship with Virginia Transformer for Medium Power (10–80 MVA)

HIGH

Schedule a site visit and executive meeting at Virginia Transformer's Rincon, GA facility (currently expanding capacity by 70%). Negotiate a master supply agreement for medium power transformers targeting Duke Energy, Southern Company, and NextEra solar interconnection projects. Request allocation of 6–10 units per quarter starting Q3 2026. The Rincon facility's geographic proximity to Southeast project sites reduces freight costs by $15,000–$40,000 per unit compared to northern manufacturers. NC's HB 951 and Georgia's PSC-authorized 10 GW resource procurement will generate sustained demand through 2030+.

4 Diversify BABA-Compliant Supply by Adding Central Moloney (Okaloosa County, FL)

HIGH

Qualify Central Moloney's new Florida facility for your distributor supply chain. Begin with trial orders of 50–100 standard pad-mount units in Q2 2026 to validate quality, delivery reliability, and pricing competitiveness. Central Moloney's $50M Okaloosa County plant is the only new distribution transformer factory physically located in the Southeast, creating a freight and responsiveness advantage. As BABA requirements tighten (55% domestic component cost threshold effective October 1, 2026), having a Florida-based manufacturer strengthens your compliance posture for federally funded projects.

5 Hedge Copper Exposure by Offering Aluminum-Wound Alternatives Where Technically Appropriate

MEDIUM

Work with your engineering team to identify applications where aluminum-wound transformers are technically acceptable (generally residential single-phase pole-mount and small pad-mount under 167 kVA). Proactively offer aluminum-wound options to price-sensitive utility customers. With the 50% copper tariff driving copper wiring prices up 18% since January 2025, the cost delta between copper-wound and aluminum-wound distribution transformers has widened to 15–25%. For standard residential service applications, aluminum-wound transformers meeting DOE efficiency standards deliver equivalent performance at meaningfully lower cost.

6 Pre-Qualify Remanufactured Transformer Suppliers for Emergency Bridge Inventory

MEDIUM

Establish pre-qualified vendor agreements with Solomon/Sunbelt-Solomon and ELSCO Transformers for remanufactured pad-mount and pole-mount units. Negotiate per-unit pricing tiers and guaranteed response times (target: ship within 5 business days for stocked ratings). With new transformer lead times at 30–65+ weeks, remanufactured units (8–16 week lead time, 40–60% of new pricing) are the only viable bridge inventory option. Target stocking agreements for the five highest-demand pad-mount ratings (50, 75, 100, 300, and 500 kVA) with minimum 12-month warranties.

SECTION 09

Appendix

Appendix A: Southeast Transformer Manufacturing Capacity Map (Q2 2026)

FACILITY	LOCATION	OWNER	PRODUCT FOCUS	STATUS	INVESTMENT
South Boston, VA	Virginia	Hitachi Energy	Large power transformers	Under construction	$457M
Alamo, TN	Tennessee	Hitachi Energy	Transformer components	Expanding	$106M
Charlotte, NC	North Carolina	Siemens Energy	Large power transformers	Under construction; production early 2027	$421M (statewide)
Rincon, GA	Georgia	Virginia Transformer	Medium & large power	Expanding (+70%); Jan 2026	$40M
Goldsboro, NC	North Carolina	Prolec GE Waukesha	Medium power transformers	Expanding (220 to 420 units/yr); ~2028	$140M
Jonesville, SC	South Carolina	Eaton	Three-phase pad-mount	Under construction; production 2027	$340M
Dyersburg, TN	Tennessee	ERMCO	Distribution (pole/pad)	Operating at capacity	Ongoing
Okaloosa County, FL	Florida	Central Moloney	Pad-mount distribution	New facility ramping	$50M
Laurel, MS*	Mississippi	Howard Industries	Distribution (all types)	Expanding across 3 counties	$237M

*Mississippi is adjacent to the Southeast region and serves SE customers directly.

Appendix B: Commodity Price Reference (March 2026)

COMMODITY	CURRENT PRICE	UNIT	YOY CHANGE	5-YEAR CHANGE
Copper (COMEX)	$5.44–$5.89	per lb	+8–15%	+70%+
GOES (domestic)	~$2,800–$3,400	per metric ton	+5–10%	+60–80%
Transformer oil (naphthenic)	$3.50–$4.50	per gallon	Flat	+30–40%
FR3 natural ester fluid	$14–$20	per gallon	+3–5%	+15–25%
Steel (hot-rolled coil)	$850–$950	per short ton	+12–18%	+40–55%

Appendix C: Regulatory Reference Quick Guide

REGULATION	CITATION	KEY REQUIREMENT	COMPLIANCE DATE
DOE distribution transformer efficiency	10 CFR 431, Subpart K	Minimum efficiency levels for liquid-immersed and dry-type	In effect (2016 levels); 2024 rule partially reversed via CRA
Build America, Buy America	IIJA, Sec. 70901–70927	55% domestic component cost for manufactured products	October 1, 2026 (newly obligated projects)
BABA iron & steel	IIJA, Sec. 70901–70927	65% domestic iron/steel (75% in 2029)	In effect now; 75% threshold in 2029
Section 232 tariffs (Steel)	Presidential Proclamation	50% duty on imported steel	June 4, 2025
Section 232 tariffs (Copper)	Presidential Proclamation	50% duty on semi-finished copper	August 1, 2025
FL storm hardening	FPSC Rule 25-6.0342	Utility storm hardening plans with FPSC approval	Ongoing annual updates
NC carbon reduction	HB 951 (2021)	70% CO2 reduction by 2030; carbon neutral by 2050	Ongoing

Appendix D: Methodology Notes

Manufacturer Data. Lead times and capacity figures are compiled from direct manufacturer communications, distributor surveys conducted by DistroForge in Q1 2026, published press releases, and investment announcements filed with state economic development agencies.

Pricing Data. Transformer price ranges reflect actual distributor transaction data, manufacturer price sheets, and competitive bid analyses. Commodity prices are sourced from COMEX, LME, and industry-specific indices (MetalMiner, Fastmarkets, BusinessAnalytiq).

Regulatory Analysis. Based on primary review of Federal Register publications, eCFR current text, Congressional Record entries for CRA resolutions, and DOE rulemaking dockets.

Market Intelligence. Demand estimates incorporate EIA Form 861 utility data, state PSC filings, manufacturer order book intelligence (where available), and third-party research from Wood Mackenzie, Newton-Evans Research Company, and NREL.

Competitive Analysis. Market share estimates are DistroForge approximations based on published revenue data, production capacity analysis, and utility procurement award patterns. Treat these as directional rather than precise.

> *This report reflects market conditions as of March 2026. DistroForge monitors these markets continuously — contact us for updated intelligence or to discuss how these findings apply to your specific procurement needs.*

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intelligence@distroforge.com

distroforge.com