Press release

Berlin, February 14, 2024

Siemens Energy addresses the shortage of US power transformers and invests in new factory

Siemens Energy is addressing the national shortage of power transformers across the U.S. by investing $150 million to expand operations in Charlotte, North Carolina, creating almost 600 local jobs.

Today, only 20% of U.S. large power transformer demand is met by domestic supply with lead times of up to five years. Power transformers provide the link between generation and distribution and are a crucial part of any electricity distribution network where they convert high-voltage electricity into lower voltages. Custom built and around the size of a standard school bus, power transformers are essential components in any grid expansion. They enable the reliable transmission of electricity over long distances and help stabilize electrical transmission across regions.

Tim Holt, Member of the Executive Board for Siemens Energy, said, “The U.S. energy transition is in full swing, with $3.9 billion pledged to expand and update the U.S. grid within the next two years. However renewable projects and grid expansion can only happen with the availability of transformers. The U.S. market today is mostly served by the Americas and Europe, but as global demand for this critical technology increases, we see the long-term potential to increase our U.S. footprint, building on our long-standing presence in North Carolina where we’ve had operations since 1969.”

In Charlotte, North Carolina, Siemens Energy will add to existing operations by building the first Siemens Energy Transformer production facility in the U.S., delivering vital infrastructure to enable the country’s energy transition. With the U.S. aiming to reduce emissions by 50-52% from 2005 levels by 2030, the race is on to decarbonize the U.S. grid, however that can only realistically be achieved through the availability of transformers. Studies predict that 25% of global renewable projects are in jeopardy due to long transformer lead times, supply chain bottlenecks and lack of

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global transformer production. Siemens Energy's investment will address these challenges and increase domestic U.S. transformer production.

In addition to company investment, the project will also be supported by a Job Development Investment Grant (JDIG) from the state of North Carolina. Governor Roy Cooper announced the grant following its approval by the state's Economic Investment Committee.

The energy challenges of today demand flexible grid solutions and transformers that can cope with increased demand and fluctuations that impact grid stability. Siemens Energy has been manufacturing power transformers for more than a century with today's range delivering well above 1,000 MVA and 1,100 kV. Construction of the factory will begin in this year with the first transformers set to be manufactured in early 2026.

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Siemens Energy is one of the world's leading energy technology companies. The company works with its customers and partners on energy systems for the future, thus supporting the transition to a more sustainable world. With its portfolio of products, solutions and services, Siemens Energy covers almost the entire energy value chain – from power and heat generation and transmission to storage. The portfolio includes conventional and renewable energy technology, such as gas and steam turbines, hybrid power plants operated with hydrogen, and power generators and transformers.
Its wind power subsidiary Siemens Gamesa makes Siemens Energy a global market leader for renewable energies. An estimated one-sixth of the electricity generated worldwide is based on technologies from Siemens Energy. Siemens Energy employs around 97,000 people worldwide in more than 90 countries and generated revenue of €31 billion in fiscal year 2023. www.siemens-energy.com

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