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Welcome to the Ecofin podcast. Thank you for joining us. I'm Jerry Polacek, Managing Director and Group Lead for Private Renewable Energy and today I will cover President Biden's recent executive action to renew growth in the U.S. solar industry by waiving tariffs on imported solar products from four Southeast Asian countries. Additionally, President Biden has invoked the Defense Production act by citing an emergency in electricity supply to serve as a catalyst for expanding domestic manufacturing of clean energy products such as solar modules in the coming years.

These actions come as a response to the U.S. Department of Commerce's initiation in late March of an antidumping and countervailing duty investigation relating to imported solar cells and modules from Vietnam, Cambodia, Thailand and Malaysia. Combined, these four countries account for approximately 80% of U.S. imported solar modules. The Commerce Department investigation was initiated in response to a complaint from a small U.S. solar panel provider, Auxin Solar. Auxin has asserted that Chinese controlled companies are bypassing tariffs through manufacturing solar products in these four countries.

Presently, the majority of U.S. solar jobs reside in development, construction, operation and maintenance of solar projects. The investigation and its prospect of having 50% to 250% tariffs imposed retroactively on solar products imported beginning April 1st had a chilling impact on project installations. For reference, the U.S. solar industry trade group, SEIA, reduced its solar installation forecast for 2022 and 2023 by approximately 46%. The slowdown in solar installations resulting from this investigation aligned the US solar industry, environmental groups, 19 governors and 22 senators to lobby the Biden Administration for relief.

This impacts of this investigation over the last two months also put at risk President Biden's ambitious climate agenda including a goal to decarbonize the U.S. power grid by 2035. On June 6th, the Biden administration responded by issuing an executive action that directs the Commerce Secretary to not impose any new tariffs on imported solar cells and modules from those four countries for 24 months. The action does not impact any existing tariffs on Chinese imported solar modules which the U.S. solar industry has adapted to during its sustained growth over the last several years. The action also does not interfere with the ongoing Commerce Department investigation in which a preliminary determination of finding is expected to be rendered by August 29 as to whether tariff avoidance has occurred. However, if the Commerce Department determines that tariffs on imported solar products from those four countries are warranted, no duties shall be due over the 24 month period covered in the executive action. The Biden administration's pause on solar tariffs has been applauded by US solar installers but opponents representing U.S. solar manufacturers have called it a gift to Chinese controlled manufacturers and are evaluating their options to change this policy.

While a legal challenge cannot be ruled out, Biden's executive action is widely being viewed as providing a safe harbor to U.S. solar installers and developers to procure modules from a reliable source and resume their rapid growth in the coming months.

Thank you for listening and have a great day.

Thank you for joining us. And stay tuned for our next episode. Have topics you want covered or other feedback to share? Write us at info@ecofininvest.com.

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