

# President Biden Invokes Defense Production Act to Solar Industry

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On April 1, 2022, the Commerce Department began an investigation into solar panel makers in four southeast Asian countries. Auxin Solar, a California based solar panel maker, asked the Department to investigate if these Chinese companies were avoiding tariffs by shipping from Cambodia, Malaysia, Thailand, and Vietnam to avoid tariffs for goods made in China. The probe halted panel imports and has had negative impacts throughout the industry, including delays in construction and production timelines for solar energy developers. As a result, the Biden Administration introduced a proposal on June 5, 2022 to initiate a two-year suspension on tariffs applicable to the four countries named in the investigation. While tariffs could be applied to panels imported after the suspension, retroactive payments would no longer be applicable. Additionally, the Biden Administration's proposal invokes the Defense Production Act, which will use federal procurements and make loans and grants available to solar developers to accelerate United States market growth. Details of the proposal are still being released, but the action has the potential to provide much needed relief to developers stalled by the investigation.

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