

Grid Lockout: FCC Bars Foreign-Produced Power Inverters From the US Market

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KEY POINTS

- On July 28, 2026, the FCC added foreign-produced connected power inverters to its Covered List, prohibiting new models from receiving the equipment authorization required to import, market, or sell them in the United States.
- The restriction applies only prospectively to new equipment authorizations; previously authorized inverter models may continue to be imported and sold without restriction.
- Covered inverters must satisfy two prongs: conversion of DC to AC electricity and presence of remote communication or control capability (Wi-Fi, cellular, Bluetooth, or similar).
- Foreign manufacturers may seek Conditional Approval from the Department of Defense/War (DoD/W) or Department of Homeland Security (DHS) to exempt specific devices from the Covered List prohibition, but approval requires extensive supply chain and firmware disclosures and a U.S. manufacturing transition commitment.
- The FCC action — grounded in the Secure and Trusted Communications Networks Act of 2019 — creates coordinated pressure alongside Section 232 polysilicon tariffs across the solar, storage, wind, EV charging, and microgrid supply chains.

On July 28, the Federal Communications Commission (FCC) [added](#) “foreign-produced power inverters” to its [Covered List](#), a registry of entities, equipment, and services deemed to pose unacceptable national security risks, barring new models of foreign-produced networked inverters from receiving FCC equipment authorization unless granted a “Conditional Approval” — a risk clearance issued by the U.S. Department of Defense/War (DoD/W) or U.S. Department of Homeland Security (DHS) exempting a specific device or device class from the Covered List prohibition — or otherwise falling within an express categorical exemption. Without such authorization, devices cannot be legally imported, marketed, or sold in the U.S. The current action applies prospectively to new equipment authorizations only and does not affect previously authorized models — though companies should monitor whether the FCC takes further action to restrict or revisit existing authorizations, as it has done with other Covered List entries in different contexts.

The action follows a July 27, 2026, National Security Determination by a White House-convened interagency body under the [Secure and Trusted Communications Networks Act of 2019](#) (the Secure Networks Act), which identified two unacceptable risks: (1) supply chain vulnerability from U.S. dependence on foreign inverter production; and (2) cybersecurity risk from remote-enabled inverters that could be exploited by foreign actors to disable grid equipment, exfiltrate data, or conduct surveillance.

The FCC’s action aligns with the polysilicon [tariffs](#) imposed pursuant to Section 232 of the Trade Expansion Act of

1962, discussed in our [companion publication](#), creating coordinated upstream and downstream pressure across the broader power infrastructure supply chain — not only solar, but also energy storage, wind, electric vehicle (EV) charging, microgrids, and other inverter-dependent grid resources.

SCOPE

WHAT IS COVERED

A power inverter is covered if it meets two criteria:

- **Function:** It converts direct current (DC) to alternating current (AC) or vice versa — including microinverters, string inverters, central inverters, and hybrid/battery-based inverters; and
- **Connectivity:** It contains components for remote communication, control, sensing, or monitoring via Wi-Fi, cellular, Bluetooth, Zigbee, or similar.

A device is “foreign-produced” if it does not qualify as a “domestic end product” under the Buy American Act standard at [48 C.F.R. § 25.101\(a\)](#): currently 65% domestic content by cost, rising to 75% in 2029. This threshold is country-neutral — any manufacturer producing below it is equally affected, regardless of nationality or headquarters location.

WHAT IS NOT COVERED

- Previously authorized models (existing authorizations remain valid — at least for now).
- Devices already purchased or installed.
- Devices designed and marketed solely for federal government procurement.
- Inverters that lack remote communication capability (Wi-Fi, cellular, Bluetooth, or similar wireless connections).
- Small test/development batches ([47 C.F.R. § 2.1204\(a\)\(3\)](#)).
- Devices granted Conditional Approval by the DoD/W or DHS the process outlined by the FCC.

CONDITIONAL APPROVAL

Manufacturers may seek Conditional Approval through DoD/W and/or DHS:

- Apply to conditional-approvals@fcc.gov per FCC guidance.
- Submit full supply chain and firmware architecture disclosures.
- Foreign manufacturers will likely need a binding, time-bound U.S. assembly transition commitment.

If approved, the model will be exempted from the Covered List and may then be eligible to receive FCC equipment authorization, which in turn will allow for the importation, marketing, and selling of the approved device(s). Approval is case-by-case and not guaranteed. Companies should be aware that the required government reviews may require disclosure of proprietary products and network information.

WHAT COMPANIES CAN DO NOW

SOLAR DEVELOPERS/INDEPENDENT POWER PRODUCERS

- Confirm all planned inverters hold existing FCC authorization or meet domestic content thresholds.

- Revise project financial models (pro formas) to reflect increased module costs under the minimum import price (MIP) price floors and potential inverter supply constraints under the FCC ban; reassess project economics, financing assumptions, and commercial operation date schedules accordingly; review engineering, procurement, and construction agreements and power purchase agreements for force majeure and material adverse change clauses that may be triggered by tariff increases or equipment availability disruptions.

INVERTER MANUFACTURERS

- Assess domestic content against the 65% threshold (75% in 2029).
- Pursue Conditional Approval early — application volume will likely be high.
- Evaluate whether products can be redesigned to use external control architecture without built-in wireless communication capability (Wi-Fi, cellular, Bluetooth, or similar) — devices lacking such connectivity fall outside the covered equipment definition by its own terms.
- Develop U.S. assembly transition roadmaps for Conditional Approval submissions.

UTILITIES, LENDERS, AND INVESTORS

- Inventory existing foreign-produced inverter deployments; assess cybersecurity controls.
- Lenders should evaluate collateral value and replacement cost assumptions for project equipment.
- Update due diligence frameworks for solar/storage project risk.

For questions about how the FCC's Covered List action may affect your projects, supply chain, or financing arrangements, contact a member of Troutman Pepper Locke's [Energy + Infrastructure](#) team or [Tariff + Trade Task Force](#).

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