Understanding Global PV Module Supply to the U.S.

Understanding the Tariff Landscape

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Today's

AGENDA

1	SO MANY Tariffs: Some New, Some Old
2	- International Emergency Economic Powers Act (IEEPA) Refunds
3	- Section 122, Section 232, Section 301
4	Forced Labor & Uyghur Forced Labor Prevention Act (UFLPA)
5	Recent EO: Importers and Increased Compliance Enforcement
6	Takeaways & Questions

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Tariff Regimes
SO MANY Tariffs: Some New, Some Old

IEEPA Refunds: DID YOU SUBMIT?

- Supreme Court invalidated IEEPA tariffs; CBP launched CAPE refund platform on April 20

Anticipated CAPE Phases	Category	Projected Timing
Phase I	Unliquidated entries, liquidation +90 days Ineligible: Protests, Reconciliation, Drawback, Certain AD/CVD with liquidation instructions pending liquidation, entries not filed in ACE	April 20- File Now!
Phase II	Reconciliation-flagged entries (where no Type 09 reconciliation entry has been filed)	June 29, 2026
Phase III	Finally liquidated entries — plaintiffs	Approximately four weeks after successful deployment of reconciliation functionality (approx. July 27 at the earliest)
TBD	Finally liquidated entries — non-plaintiffs- under appeal	No current timeline
Phase IV +	Drawback entries, entries under administrative protest, entries not filed in ACE, and reconciliation entries with a Type 09 entry on file	TBD – CBP has not provided a specific timeline for these categories.

- Submit eligible Phase 1 and prepare for Phase 2
  - Preserve refund eligibility: confirm IOR, check liquidation status, set up ACE/ACH- need US address/bank

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Special Tariff Regimes

Tariff	Countries Impacted	Rates	Applicability
Section 122	All	10%	Applies Broadly, but expires July 24 Aluminum frames exempt
Section 232	All, some with lower rates	10-50%	Cells, modules, and their parts are excluded Aluminum frames exempt
Section 301	Considerable expansion	Varies widely	Applies broadly across many categories. Few exceptions

KNOW WHAT STACKS and What is Exempted!

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Section 122

- Address Balance of Payment Issues
- 10% ad valorem temporary surcharge, effective February 24, 2026
- Up to 150 days unless extended by Congress, due to expire July 24
- Generally additive to other duties
- No exclusion for solar modules (assembled or unassembled) but aluminum module frames in 8541.90 are excluded
- If Section 232 applies, exempt from Section 122
- Subject of litigation but is still collected. Under appeal

Section 232: Steel, Aluminum, Copper

- **Intent:** Imports threaten to impair national security
- **Effective Date:** April 6, 2026, major rule change from prior system, minor changes effective June 8
- **Scope:** Applies to most raw steel, aluminum, and copper and designated (not all) derivative/manufactured steel, aluminum, and copper products imported into the U.S. from all countries.
  - Uses a tiered system for primary and derivative articles
  - US steel and aluminum can significantly reduce duty rate
  - Some aluminum frame components could fall within scope, classification analysis will be important!
- **Value:** Now applies to full value of imported goods. No more value breakout
- **Exclusions:** Limited scope of goods completely excluded, including 8541.90 (aluminum frames).
- **Country Exception**: Limited scope of goods from a small list of countries are capped at 15%.

Expect Enforcement!

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Section 232: Polysilicon

- The Department of Commerce initiated an investigation into the national security effects of imports of polysilicon and its derivatives on July 1, 2025
- Public comment period closed
- Report expected July 2026
- No public information on what implementation might look like

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Section 301: Old

- The Section 301 duties on Chinese goods are still in place
  - Chinese solar cells, whether or not assembled in modules, are subject to a 50% Section 301 rate
  - Polysilicon and wafers subject to 50%; Inverters subject to 25%
  - Exclusions for cell and wafer (but not module) manufacturing equipment in 8486 extended until November 2026
- **178 active exclusions** are currently in effect through November 2026, including:
  - 14 solar manufacturing equipment exclusions, covering cell and wafer manufacturing equipment classified under certain HTS
  - These are narrow exclusions with specific descriptions, should be examined carefully
- No new exclusion request process is currently open
- Importers should monitor the **second four-year review** of the China Section 301 tariffs List 1 and 2 (initiated May 2026) and the November 10, 2026 exclusion expiration date for further developments

Section 301: New

- **Forced Labor:** On June 2, the USTR determined 60 countries not enforcing existing laws or have no laws prohibiting import of goods made with forced labor
  - Six countries with under-enforced laws will be subject to 10% duties: Canada; Ecuador, the European Union; Indonesia; Mexico; and Pakistan
  - 54 countries with no forced labor laws will face a 12.5% duty rate, including: China, India, Malaysia, South Korea, Taiwan, Thailand, and Vietnam
- **Excess Capacity/Over Production:** USTR initiated investigations on March 11, 2026, targeting 16 economies whose manufacturing sectors exhibit "structural excess capacity and production"
  - The notice singled out the Indian and Chinese solar industries, and mentioned the Vietnamese, Malaysia, Cambodian, and Thai industries
  - Public hearings have already occurred, expect a final determination this summer
- **Vietnam Intellectual Property**: focused on online piracy, counterfeits; comments due July 2
- **Brazil:** proposed 25% on all goods; comments and hearing in early July

LIKELY ONLY OPPORTUNITY TO REQUEST EXCLUSIONS!!!

Additional Challenges

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Forced Labor & UFLPA

- Solar remains the most heavily enforced UFLPA sector. CBP has denied entry to ~2,000 solar shipments totaling $3.26 billion, a third of all UFLPA inspections.
- Significant number originate from Vietnam, Thailand, and Malaysia, reflecting focus on transshipment of Chinese polysilicon.
- The Entity List expanded in January 2025 to add several solar-specific manufacturers (ingot/wafer producers and module makers).
- FLETF priority sectors now include aluminum (July 2024) and copper and steel (August 2025).

Forced Labor & UFLPA

- Forced labor enforcement is moving beyond UFLPA actions into tariff policy with USTR initiating Section 301 investigations into 60 economies for failing to enforce forced labor import bans
- The Nicaragua Section 301 action (December 2025) was the first-ever use of Section 301 tariffs for a labor rights investigation. The 60-economy investigation dramatically scales this approach.
- Trade deals negotiated in 2025–2026 push enforcement burden onto partners, requiring them to adopt their own forced-labor import bans
- Net effect for PV manufacturers: tariff exposure now correlates directly with forced labor supply chain risk. Due diligence programs will increasingly need to satisfy multiple jurisdictions, not just U.S. CBP requirements.

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Customs Enforcement Executive Order

- Increased emphasis on enforcement, especially for foreign importers
  - Emphasis on forced labor, misclassification, undervaluation, and transshipment
  - New bond requirements; Increased importer data requirements; Good standing requirement
  - Less penalty mitigation, with a floor of 50% of penalty assessed
  - Minor changes done within 90 days, the rest within 180 days
- Foreign Importers
  - Must meet minimum requirements to be considered a US importer, or face stricter rules
  - No informal entry, no continuous bonds unless meet CTPAT requirements
  - Providing export documents to CBP

PREPARE FOR INCREASED ENFORCEMENT AND BUILD COMPLIANCE PLANS

Tariff Strategies and Prepare for Enforcement

Tariff Strategies:

- Legally Decrease Value:
  - First Sale
  - Buying Agency
  - Review Transfer Price
- Reduce Duties:
  - Free Trade Agreements - USMCA
  - Tariff Engineering to change HTS
- Country of Origin Shifts
- Confirm HTS is correct- do tariffs apply?
- Diversify supply chains
- Contract for duty liability
- Cost sharing with clients and suppliers

Prepare for Enforcement:

- Advocate for your interests
- Forced labor traceability
- Review bond levels and broker relationship
- Have a compliance program in place
- Internal compliance audit
- Evaluate whether you could be considered a foreign importer

Questions?

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