

Congress of the United States
Washington, D.C. 20510

February 26, 2024

The Honorable Janet Yellen
Secretary of the Treasury
U.S. Department of the Treasury
1500 Pennsylvania Ave NW
Washington, DC 20220

Secretary Yellen:

We urge the U.S. Treasury Department (Treasury) to issue revised guidance and promulgate a rulemaking on the Domestic Content Bonus for solar facilities under the Inflation Reduction Act (IRA) to better support U.S. solar manufacturing.

Thanks to the IRA, there have been announcements of significant domestic solar panel manufacturing investments, but those new investments are not meaningfully onshoring the solar supply chain. Since Treasury released the Domestic Content Bonus guidance, the U.S. imported a record number of foreign-made solar panels in of the third quarter of 2023, according to S&P Global Market Intelligence. As such, we believe the May 12, 2023, guidance falls short of congressional intent and ask for revisions.

We request updating the guidance to allow American-made solar-grade polysilicon and wafer production to count toward the Domestic Content Bonus to bring meaningful investment to the U.S. from overseas. This is critical because China currently controls nearly 100 percent of global solar wafer production and almost 80 percent of solar-grade polysilicon production. However, current guidance allows solar-grade polysilicon and wafers from China or Chinese-controlled supply chains to count toward the Domestic Content Bonus as parts of components higher up the production chain. As a result, it fails to meaningfully address China's chokehold on the solar value chain and will cause the U.S. to remain dependent on China for essential solar components.

Congress intended for the Domestic Content Bonus to provide additional support for American made solar production and reduce our dependence on China. Treasury's current guidance is the equivalent of claiming an apple pie is American if the pie is baked in the U.S., but the apples and all other ingredients are from China. Concerns with being over reliant on China are not hyperbole. In recent months, China has placed export controls on critical minerals and graphite, emphasizing the need to diversify our supply chains, from beginning to end.

Treasury must expeditiously move forward on this guidance to support American manufacturing. Further, taxpayers and solar developers, especially for residential solar projects, must have the necessary information to choose components eligible for the Domestic Content Bonus at the time of purchase. This includes requiring that domestic content be calculated by technology in a project. This will provide needed clarity to reduce uncertainty, prevent fraud, inform purchasing, and better support American solar manufacturing.

In conclusion, future Domestic Content Bonus updates must incentivize U.S. solar manufacturing across the supply chain by improving these “Buy America” gaps. This will provide a much-needed signal to domestic solar manufacturers that they can rely on a robust marketplace for their products. Thank you for your leadership and consideration.

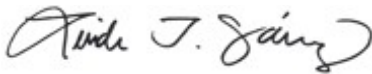
Sincerely,



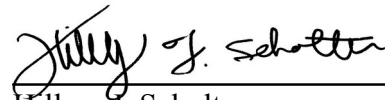
Daniel T. Kildee
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John Garamendi
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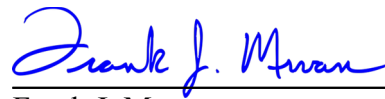
Linda T. Sánchez
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Hillary J. Scholten
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Marcy Kaptur
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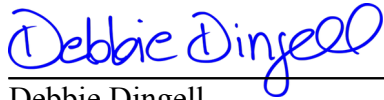
Frank J. Mrvan
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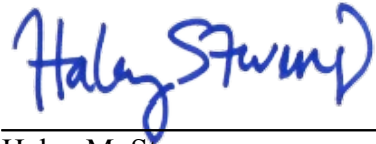
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CC:

John Podesta, Senior Advisor to the President for Clean Energy Innovation and Implementation
The Honorable Jennifer Granholm, U.S. Secretary of Energy
The Honorable Gina Raimondo, U.S. Secretary of Commerce
Livia Shmavonian, White House Made in America Director