Scenarios for U.S. Solar Manufacturing Under the OBBB

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- Policy reversal – less for solar and more for natural gas
- OBBB and America's dangerous reliance on China-linked supply chains
- The IRA has already provided a bridge to the future
- Market protection from China Inc.

Policy reversal – less for solar and more for natural gas

Image: Nevados Engineering

- Lobbying 101 – solar energy's hot streak comes to an end, natural gas won this round
- The next few years
  - U.S. solar manufacturing stabilizes in the short-term given IRA policy support from domestic content and 45X
  - Increased competition from natural gas – accelerating production timelines for turbine capacity (from 5-7 to 2-3 years)
  - Increased scrutiny on China-linked entities

OBBB and America's dangerous reliance on China-linked supply chains

- Continued decoupling from China and China-linked entities
- The IRA provided no guardrails for Chinese investments in U.S. manufacturing
- Foreign Entities of Concern (FEOC)
  - Indicators of foreign influence and control
  - Anti-circumvention risks

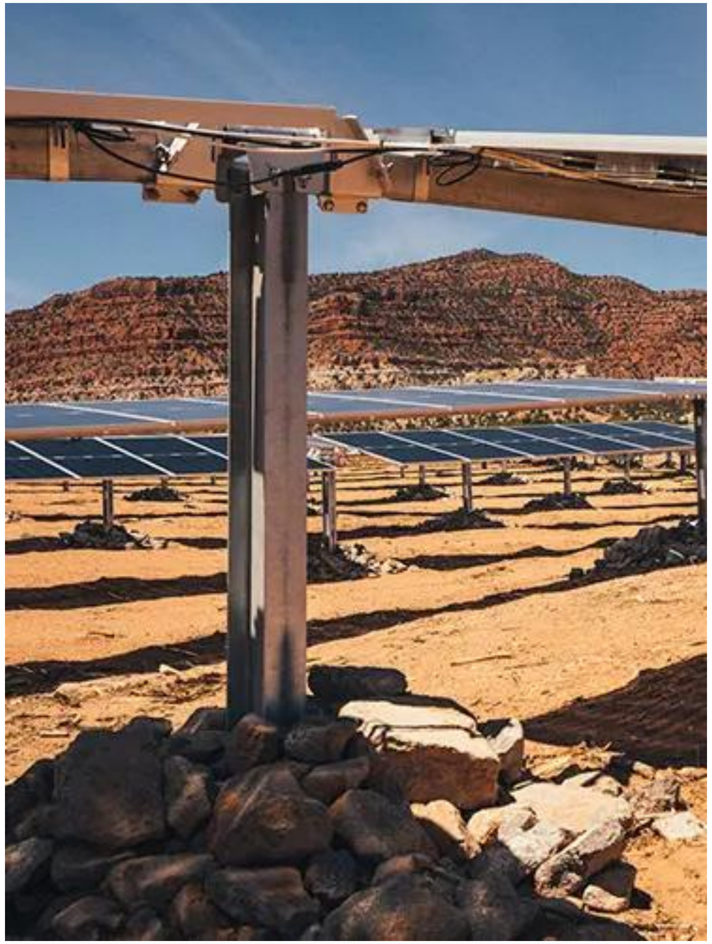

Image: Nevados Engineering

The IRA has already provided a bridge to the future

Image: Priefert Steel

- Domestic content
  - De facto requirement for most projects
- 45X
  - Directly linked to solar project costs
- The IRA's hidden risks
  - Minor assembly v. substantial transformation

Market protection from China Inc.

- Insulating U.S. producers from the adverse impact of massive overcapacity, e.g., polysilicon Section 232
- Increased scrutiny on China-linked entities, e.g., United Solar Polysilicon
- Uyghur Forced Labor Protection Act (UFLPA)
- Market protection increasingly important as the IRA phases out – China polysilicon example

Image: Wikipedia

Ensuring the success of U.S. solar manufacturing beyond the IRA and OBBB

Image: Wacker Chemie

- We have a four-year bridge
- Solar deployment should no longer be the primary objective
- Need to convince America that U.S. solar manufacturing is a national security imperative, including both economic and energy security
- All segments of the solar supply chain need to be healthy
- Market protection will become increasingly necessary as IRA incentives phase down