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New FCC Restrictions on Foreign Power Inverters

Insight — July 31, 2026

On July 28, 2026, the Federal Communications Commission (FCC) updated its Covered List under the Secure and Trusted Communications Networks Act to include foreign-produced power inverters. This action, which followed a National Security Determination by an Executive Branch interagency body, carries significant supply chain implications for the U.S. solar, wind, and battery storage sectors. Importantly, the restriction is ***prospective*** only and does not affect inverters already imported, approved, installed, or in use. Below, we summarize the key aspects of this development and what it may mean for your projects.

Background

The FCC's Public Safety and Homeland Security Bureau issued Public Notice DA 26-786, adding “foreign-produced power inverters” to the Covered List, effective immediately for new equipment authorization applications. The interagency determination cited supply chain vulnerabilities and the risk that inverters' remote connectivity features could be exploited by foreign actors to disrupt grid operations, exfiltrate data, or conduct surveillance.

Notably, the restriction applies broadly to inverters produced in any foreign country, meaning it is not limited to Chinese-manufactured products. A senior FCC official characterized the rule as “politically neutral,” applying to any inverter with 35% or more of its components by value produced abroad. The rule could affect non-Chinese manufacturers such as Germany's SMA Solar Technology and Austria's Fronius International.

What This Means for Projects

The most critical point for existing projects and procurement arrangements is that this action is entirely prospective. The FCC has expressly stated that the rule:

- Does not affect continued use of inverters already acquired or installed;
- Does not prevent continued sale, import, or marketing of inverter models that previously received FCC equipment authorization; and
- Does not apply to federal government purchases or use.

For projects currently in development or procurement, the immediate impact should be limited if your contracted inverters have already received FCC authorization. However, the rule will affect future authorization of new inverter models produced abroad, which may over time require supply chain adjustments as currently approved models are updated or replaced.

Manufacturers may seek a “Conditional Approval” exemption from the Department of Homeland Security to restore eligibility for specific devices.

This rule is new and its implementation details, (including the precise scope of “foreign-produced,” the Conditional Approval process, and potential impacts on specific product lines), remain to be fully clarified. Like other recent Covered List expansions (including those addressing drones and routers), this action could face legal or administrative challenge, and industry participants are closely monitoring the situation. Investment analysts noted that the rule could drive a gradual shift in inverter supply chains over the medium term as currently authorized models become obsolete and manufacturers must seek new FCC approval under these restrictions. We encourage clients to treat this as an evolving situation and one that warrants attention and informed engagement, but not overreaction.

How We Can Help

Holland & Hart's Renewable Energy team is actively monitoring the impacts and potential implications for renewable energy project development, procurement, and supply chain management and will continue to report on updates.
