

## BRIEFING ROOM

# Declaration of Emergency and Authorization for Temporary Extensions of Time and Duty-Free Importation of Solar Cells and Modules from Southeast Asia

JUNE 06, 2022 • STATEMENTS AND RELEASES

Electricity is an essential part of modern life that powers homes, business, and industry. It is critical to the function of major sectors of the economy, including hospitals, schools, public transportation systems, and the defense industrial base. Even isolated interruptions in electric service can have catastrophic health and economic consequences. A robust and reliable electric power system is therefore not only a basic human necessity, but is also critical to national security and national defense.

Multiple factors are threatening the ability of the United States to provide sufficient electricity generation to serve expected customer demand. These factors include disruptions to energy markets caused by Russia's invasion of Ukraine and extreme weather events exacerbated by climate change. For example, in parts of the country, drought conditions coupled with heatwaves are simultaneously causing projected electricity supply shortfalls and record electricity demand. As a result, the Federal Energy Regulatory Commission and the North American Electric Reliability Corporation have both warned of near-term electricity reliability concerns in their recent summer reliability assessments.

In order to ensure electric resource adequacy, utilities and grid operators must engage in advance planning to build new capacity now to serve expected customer demand. Solar energy is among the fastest growing sources of new electric generation in the United States. Utilities and grid operators are increasingly relying on new solar installations to ensure that there are sufficient resources on the grid to maintain reliable service. Additions of solar capacity and batteries were expected to account for over half of new electric sector capacity in 2022 and 2023. The unavailability of solar cells and modules jeopardizes those planned additions, which in turn threatens the availability of sufficient electricity generation capacity to serve expected customer demand. Electricity produced through solar energy is also critical to reducing our dependence on electricity produced by the burning of fossil fuels, which drives climate change. The Department of Defense has recognized climate change as a threat to our national security.

In recent years, the vast majority of solar modules installed in the United States were imported, with those from Southeast Asia making up approximately three-quarters of imported modules in 2020. Recently, however, the United States has been unable to import solar modules in sufficient quantities to ensure solar capacity additions necessary to achieve our climate and clean energy goals, ensure electricity grid resource adequacy, and help combat rising energy prices. This acute shortage of solar modules and module components has abruptly put at risk near-term solar capacity additions that could otherwise have the potential to help ensure the sufficiency of electricity generation to meet customer demand. Roughly half of the domestic deployment of solar modules that had been anticipated over the next year is currently in jeopardy as a result of insufficient supply. Across the country, solar projects are being postponed or canceled.

The Federal Government is working with the private sector to promote the expansion of domestic solar manufacturing capacity, including our capacity to manufacture modules and other inputs in the solar supply chain, but building that capacity will take time. Immediate action is needed to ensure in the interim that the United States has access to a sufficient supply of solar modules to assist in meeting our electricity generation needs.

NOW, THEREFORE, I, JOSEPH R. BIDEN JR., President of the United States, by the authority vested in me by the Constitution and the laws of the United States of America, including by section 318(a) of the Tariff Act of 1930, as amended, 19 U.S.C. 1318(a), do hereby declare an emergency to exist with respect to the threats to the availability of sufficient electricity generation capacity to meet expected customer demand. Pursuant to this declaration, I hereby direct as follows:

Section 1. Emergency Authority. (a) To provide additional authority to the Secretary of Commerce (Secretary) to respond to the emergency herein declared, the authority under section 1318(a) of title 19, United States Code, is invoked and made available, according to its terms, to the Secretary.

(b) To provide relief from the emergency, the Secretary shall consider taking appropriate action under section 1318(a) of title 19, United States Code, to permit, until 24 months after the date of this proclamation or until the emergency declared herein has terminated, whichever occurs first, under such regulations and under such conditions as the Secretary may prescribe, the importation, free of the collection of duties and estimated duties, if applicable, under sections 1671, 1673, 1675, and 1677j of title 19, United States Code, of certain solar cells and modules, exported from the Kingdom of Cambodia, Malaysia, the Kingdom of Thailand, and the Socialist Republic of Vietnam, and that are not already subject to an antidumping or countervailing duty order as of the date of this proclamation, and to temporarily extend during the course of the emergency the time therein prescribed for the performance of any act related to such imports.

(c) The Secretary shall consult with the Secretary of the Treasury and the Secretary of Homeland Security, or their designees, before exercising, as invoked and made available under this proclamation, any of the authorities set forth in section 1318(a) of title 19, United States Code.

Sec. 2. General Provisions. (a) Nothing in this proclamation shall be construed to impair or otherwise affect:

(i) the authority granted by law to an executive department or agency, or the head thereof; or

(ii) the functions of the Director of the Office of Management and Budget relating to budgetary, administrative, or legislative proposals.

(b) This proclamation shall be implemented consistent with applicable law and subject to the availability of appropriations.

(c) This proclamation is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

IN WITNESS WHEREOF, I have hereunto set my hand this sixth day of June, in the year of our Lord two thousand twenty-two, and of the Independence of the United States of America the two hundred and forty-sixth.

JOSEPH R. BIDEN JR.