

Steptoe

FCC Adds Foreign-Produced Power Inverters to the Covered List

On July 28, 2026, the FCC's Public Safety and Homeland Security Bureau added connected power inverters produced in foreign countries to the Covered List ([Public Notice, DA 26-786](#)). Power inverters provide interconnection between otherwise incompatible forms of electricity (for example between DC and AC current).

This action followed a [National Security Determination](#) by the Executive Branch that foreign-made power inverters pose unacceptable national security risks. Among other reasons, the Determination cited supply chain risks, cyberattacks, and the potential for disruption of critical infrastructure.

The FCC's [Covered List](#) identifies communications equipment and services deemed to pose an unacceptable risk to U.S. national security. *See* 47 U.S.C. 1601(a). Equipment included on the list cannot receive a new FCC equipment authorization, which can prevent new models from being imported, marketed, or sold in the United States. *See* 47 C.F.R. § 2.903(a). Applicants must certify that a device is not on the Covered List. 47 C.F.R. § 2.911(d)(5)(i).

What is a covered power inverter?

The National Security Determination required the FCC to place “power inverters produced in a foreign country, regardless of the nationality of the producer” on the Covered List “unless the Department of War or Department of Homeland Security makes a specific determination to the FCC that a given power inverter or class of power inverters” does not pose a national security risk.

A power inverter for this purpose is defined as:

(a) A bi-directional power device or system that converts direct current electricity to alternating current electricity, or converts alternating current electricity to direct current electricity, to include microinverters, string inverters, central inverters, and hybrid (battery-based) inverters; **and**

(b) Contains components that enable remote communication, control, sensing, data-collection, or monitoring through Wi-Fi, cellular, Bluetooth, or other similar connections.

“Foreign-produced” is defined as “any article that does not qualify as a ‘domestic end product,’ as that term is defined in 48 CFR § 25.101(a).” Under that section, (buy America regulations), “domestic end product” status requires both (a) manufacture in the United States and (b) that domestic components must exceed 65 percent of the total component cost (increasing to 75 percent in 2029).

Effect on existing equipment

As discussed above, new foreign-produced connected power inverters will be prohibited from receiving FCC authorization to be imported, marketed, or sold in the United States,

Steptoe

unless a conditional authorization is obtained. However, existing models of power inverters that the FCC previously authorized can continue to be imported and sold. Devices that consumers previously purchased are likewise unaffected.

The FCC's Office of Engineering and Technology (OET) [issued a waiver](#) for existing authorized inverters to be able to receive software and firmware updates through at least January 1, 2029. These include software and firmware updates to ensure the continued functionality of the devices, such as those that patch vulnerabilities and facilitate compatibility with different operating systems.

Obtaining a Conditional Approval for Covered Power Inverters

Entities producing power inverters [can request an exemption from the Covered List](#) by receiving a "conditional approval." The Department of War (DoW) or the Department of Homeland Security (DHS) will make a specific determination to the FCC that a given power inverter device or class of power inverters (e.g., inverter produced by a specified entity) do not pose unacceptable risks to national security. Entities seeking a conditional approval need to notify the FCC which will then forward the request to either DoW or DHS. Among other things, DoW/DHS will "assess national security risks, supply chain resilience, and the applicant's commitment to establishing trusted manufacturing capacity in the United States." The FCC itself has no discretion in this process, as the determination on whether to grant the conditional approval is made solely by either DoW or DHS.

Conditional approval applications must be received by January 1, 2028. The application must include the following categories of information:

Corporate Structure:

- legal name, jurisdiction of incorporation, and principal place of business;
- ownership structure, including parents, subsidiaries, affiliates, and joint ventures;
- beneficial owners holding at least five percent equity;
- board members and executive leadership, including nationality and country of residence; and
- foreign government ownership, control, influence, financing, or material support (including any arrangements that allow foreign persons or governments to influence operations, decision-making, or access to technology.)

Manufacturing and Supply Chain:

- a detailed bill of materials for the power inverter;
- country of origin for all components in the inverter, design of the inverter, and software and firmware
- entities responsible for IP ownership and software updates;
- justification for why the device is not currently manufactured in the United States, including why the foreign country was selected and whether alternatives exist;
- manufacturing, final assembly, and testing locations;

Step toe

- quantitative assessment of supply chain concentration by country, as both a percentage of total value and production volume; and
- identification of any single points of failure in the supply chain including sole source suppliers, the country of those sole-source suppliers, and a description of contingency plans if those suppliers become unavailable.

U.S. Manufacturing and Onshoring Plan

- a detailed, time-bound plan to establish or expand manufacturing in the United States;
- a point of contact responsible for implementing and overseeing the U.S. manufacturing and onshoring plan;
- a description of existing U.S.-based manufacturing and assembly for the inverter including: percentage of components assembled in the United States and current U.S. headcount and facilities;
- a description of committed and planned capital expenditures, financing, or other investments dedicated to U.S.-based manufacturing and assembly over the next 1-5 years, including expected timelines and milestones (including additional number of employees expected to be hired and expected expansion of domestic manufacturing facilities); and
- an inventory of the progress made on the U.S. manufacturing and onshoring plans submitted for all prior covered list approvals.

Next Steps

Step toe's Telecom and International Trade attorneys can help steer companies that have a covered power inverter through the conditional approval process. For more information, please contact one of the authors.