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Foreign Equipment Restrictions on Inverters and Battery Storage (United States)

Regulatory Signals · October 2026

A Regulatory watch on US federal limits on foreign-made inverters and grid equipment used in battery storage systems: the FCC Covered List and equipment authorization rules, Executive Order 14421 and the Department of Energy rules that will carry it out, and federal bans on buying batteries from foreign entities of concern. Read for a North American maker of modules, packs and containerized storage systems that buys LFP cells. Three signals from one cycle.

#	SIGNAL	CONFIDENCE	HORIZON	STATUS
1	The FCC put foreign-produced power inverters on its Covered List on July 28 and widened the entry on August 20, so new foreign models cannot get authorized	High	Immediate (0–3 months)	Verified
2	Executive Order 14421 lets the Department of Energy block or condition foreign-linked grid inverters and battery storage, with implementing rules due December 24, 2026	High	Short-term (3–12 months)	Verified
3	Congress enacted a Defense Department ban on batteries from foreign entities of concern from 2028, and the House passed a named-supplier DHS ban that has stalled in the Senate	Medium	Long-term (1–3 years)	Verified

Every signal rests on two or more dated events. Confidence is published as a band. Where a signal sits below High, the reasoning names the evidence that is missing. Status says where the evidence stands: Verified, Review, or Inconclusive — we looked, and the evidence does not yet support a firmer call.

SIGNAL 1 OF 3

The FCC put foreign-produced power inverters on its Covered List on July 28 and widened the entry on August 20, so new foreign models cannot get authorized

HIGH Immediate (0–3 months) · Regulatory Agency Actions · Verified

On July 28, 2026, the FCC's Public Safety and Homeland Security Bureau added foreign-produced power inverters to the Covered List (DA 26-786). Equipment on the list cannot receive a new FCC equipment authorization. On August 20, 2026, the Bureau revised the entry (DA 26-870) to reach utility-interactive inverters that contain, or are designed to accept, a remote-communication component. Inverters granted a Conditional Approval by the Department of War or the Department of Homeland Security are excepted.

REASONING

Three dated FCC documents point the same way. The July 28 notice sets the ban by place of production, not by company. The August 20 notice closes the gap for units shipped without a communications module but built to take one. A same-day waiver lets models authorized before July 28 keep receiving security and firmware updates at least until January 1, 2029. The band is High because the restriction is in force and sits on a core part of every grid-tied system.

PATTERN

July 22, 2026: the FCC adopted FCC 26-50 in ET Docket No. 21-232 (released July 23). July 28, 2026: the Bureau added foreign-produced power inverters to the Covered List (DA 26-786), and the Office of Engineering and Technology waived permissive-change limits for updates to inverters already authorized (DA 26-789). August 20, 2026: the Bureau revised the inverter definition to cover inverters designed, equipped or configured to accept a remote-communication component (DA 26-870). October 13, 2026: FCC 26-50 took effect, barring authorization of new devices that contain a logic-bearing component made by a company on the Covered List.

IMPLICATION

A storage system built around a new foreign-produced inverter model cannot count on authorization unless the supplier holds a Conditional Approval. An empty communications slot does not take a unit out of scope. The August notice treats inverters eligible for the 45X credit for US production, or US-made with more than 65% domestic component cost (75% from 2029), as not foreign-produced. Separately, FCC 26-50 applies only to new applications, but it blocks a new device that carries a logic-bearing part from a listed company.

RECOMMENDED ACTION

Within 30 days, list every inverter in current and planned US configurations with its FCC ID, authorization date, country of production and communications interfaces, installed or available. For any new foreign-produced model, ask the supplier in writing whether it holds or has applied for a Conditional Approval, and qualify a US-produced alternative.

SOURCES & WHAT THEY SIGNAL

- FCC — Public Notice DA 26-786, power inverters added to the Covered List — July 28, 2026; the Covered List entry and the Conditional Approval exception.

- **FCC — Public Notice DA 26-870, modification of the power inverters entry** — August 20, 2026; utility-interactive scope, components the inverter is built to accept, and the 45X and domestic-content exclusions.
- **FCC — DA 26-789, waiver for updates to previously authorized inverters** — July 28, 2026; software and firmware updates allowed at least until January 1, 2029.
- **Federal Register — FCC 26-50, equipment authorization program final rule** — Published September 11, 2026; effective October 13, 2026; applies to new applications only.
- **Orrick — US FCC bans import of foreign-made power inverters** — August 3, 2026; reads the ban as leaving FCC-authorized inverters marketable.

SIGNAL 2 OF 3

Executive Order 14421 lets the Department of Energy block or condition foreign-linked grid inverters and battery storage, with implementing rules due December 24, 2026

HIGH Short-term (3–12 months) · Political & Administration Signals · Verified

Executive Order 14421, signed August 26, 2026, lets the Secretary of Energy prohibit, condition or license transactions in bulk-power system equipment linked to a Covered Foreign Entity. Its equipment list names grid-connected inverters and battery energy storage systems. The Department of Energy closed its request for information on October 9, 2026. No implementing rule, licensing process or pre-qualified list has been published.

REASONING

The order, the request for information and the department's FAQ form a dated sequence toward rules. The order has two parts. Transactions initiated after August 26, 2026 can be prohibited. Equipment acquired or installed before that date can be made subject to conditions, up to isolation, replacement or removal, after the department weighs reliability and safety. The band is High because battery storage is named, the deadlines are set in the order, and the rules will decide which suppliers are usable.

PATTERN

August 26, 2026: the President signed the order; it was published on August 31. September 9, 2026: the Department of Energy published its request for information (docket DOE-HQ-2026-1123), signed September 4, and held a webinar on September 16. October 6, 2026: the department updated its FAQ, stating no pre-qualified list exists yet. October 9, 2026: responses closed. The order sets 120 days for rules, December 24, 2026, and 180 days for recommended Federal Acquisition Regulation changes, February 22, 2027.

IMPLICATION

Every project now being quoted carries supplier risk until the department defines Covered Foreign Entities and the transactions in scope. The bulk-power system includes transmission at 69 kV and above and excludes local distribution, but the department says equipment is not in or out just because it sits behind the meter. Systems already installed are not automatically prohibited or subject to removal. They can face conditions once the department makes its determinations.

RECOMMENDED ACTION

By the end of November 2026, build a project-level record for the pipeline: interconnection voltage, inverter maker and country of production, battery-management and controls vendor, remote-access path and cell supplier. Use it to run a supplier check the week the department publishes its rules.

SOURCES & WHAT THEY SIGNAL

- **Federal Register — Executive Order 14421, securing the bulk-power system** — Signed August 26, 2026; published August 31; covered equipment, installed-equipment conditions, 120-day and 180-day deadlines.
- **Federal Register — Department of Energy request for information** — September 9, 2026; docket DOE-HQ-2026-1123; responses due October 9, 2026.
- **Department of Energy — Executive Order 14421 page** — Summary of the order, the request for information and the webinar.

- **Department of Energy — Bulk-power system order and request for information FAQs** — Updated October 6, 2026; installed equipment, behind-the-meter treatment, no pre-qualified list yet.

SIGNAL 3 OF 3

Congress enacted a Defense Department ban on batteries from foreign entities of concern from 2028, and the House passed a named-supplier DHS ban that has stalled in the Senate

MEDIUM Long-term (1–3 years) · Legislative & Statutory Activity · Verified

Section 842 of the defense act for fiscal 2026, signed December 18, 2025, bars the Defense Department from buying advanced batteries whose cell components come from a foreign entity of concern. It applies to new acquisition programs from January 1, 2028. The House passed H.R. 1166 on March 10, 2025. It would bar the Department of Homeland Security from buying batteries from six named Chinese makers from October 1, 2027, but it has not moved since Senate referral.

REASONING

Two federal buyers and two vehicles point one way: battery purchases screened by who makes the cell components. Only the Defense Department ban is law. The band is held at Medium because federal buyers are not among this reader's main customers and H.R. 1166 has not moved in the Senate for 19 months.

PATTERN

March 10, 2025: the House passed H.R. 1166 by voice vote. March 11, 2025: it was referred to the Senate Homeland Security and Governmental Affairs Committee, its latest action. December 18, 2025: Public Law 119-60 was signed; Section 842 is codified at 10 U.S.C. 4865. The Defense ban starts January 1, 2028 for new acquisition programs, January 1, 2029 for standard batteries and January 30, 2031 for existing programs.

IMPLICATION

A storage system sold into a new defense program from 2028 will need cells whose functional components trace away from foreign entities of concern. The law excepts batteries when a non-covered entity does final assembly, more than 95% of functional cell component cost comes from non-covered sources, and no technology is licensed from a covered entity. If H.R. 1166 passes as written, a battery also counts as made by a named company when that company provides a majority of its components.

RECOMMENDED ACTION

This quarter, map each cell supplier against the foreign entity of concern definition the law uses, and record functional cell component sourcing for any product offered to federal buyers. Update the map if H.R. 1166 moves in the Senate.

SOURCES & WHAT THEY SIGNAL

- **Legal Information Institute — 10 U.S.C. 4865, advanced batteries from certain foreign sources** — Text added by Public Law 119-60, Section 842; effective dates, 95% exception and waiver.
- **GovInfo — Public Law 119-60, defense act for fiscal 2026** — Signed December 18, 2025; Section 842 on advanced batteries.
- **Congress.gov — H.R. 1166 as passed by the House** — Passed March 10, 2025; six named companies, October 1, 2027 start and majority-of-components test.
- **GovInfo — H.R. 1166 bill status** — Latest action March 11, 2025: referred to the Senate Homeland Security and Governmental Affairs Committee.

SET UP A SIGNAL ON YOUR QUESTION

A watch on your question runs every cycle.

These signals came from one cycle of a standing watch. Name a company, a market or a regulation, and the watch keeps running whether or not anyone opens the platform. Every signal arrives rated for confidence and horizon, with the dated events behind it and the sources that carry the weight.

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