

# United States Senate

WASHINGTON, DC 20510

February 28, 2024

The Honorable Janet Yellen  
Secretary of the Treasury  
U.S. Department of the Treasury  
1500 Pennsylvania Ave, NW  
Washington, DC 20220

The Honorable Danny Werfel  
Commissioner  
Internal Revenue Service  
1111 Constitution Ave, NW  
Washington, DC 20224

Dear Secretary Yellen and Commissioner Werfel:

As your agencies continue their work to implement the Inflation Reduction Act, we ask that you ensure that domestic production of wafers and polysilicon is properly incentivized in regulations or guidance implementing the domestic content bonus tax credit for clean energy, in line with Congressional intent. The goal of the domestic content bonus was to onshore various energy supply chains in their entirety. In order to cultivate a strong domestic manufacturing industry, disrupt China's dominance of the solar supply chain, and bolster U.S. energy and national security, it is essential that these critical solar energy components be manufactured in the United States. Your current guidance, which draws the line at the cell level, falls short of that important goal.

The domestic content bonus credit provides an additional bonus credit to clean energy installers and developers who use American-made goods. Congress intended this credit to serve as a direct complement to the manufacturing incentives provided in Section 45X, create a clear demand signal in the market for U.S.-made products, and spur new capital investments in clean energy manufacturing. However, the initial guidance that Treasury and the IRS released last May undermines building out a comprehensive American solar supply chain.

China currently controls nearly 100 percent of global wafer production and almost 80 percent of global polysilicon production, two of the most labor- and capital-intensive parts of the solar supply chain. To encourage new investments in these industries in the United States, regulations for the domestic content bonus must properly account for the value that domestic wafers and polysilicon contribute to a finished solar product. Regulations must also evaluate solar products separately from other technologies used in a project, such as storage.

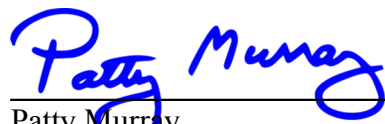
It is imperative that any regulations or guidance be consistent with the legislative intent of Congress and send a strong signal that the United States prioritizes the development of a robust, lasting marketplace for American-made wafers and polysilicon. We stand committed to working with you to support U.S. workers, end China's control of the solar market, and develop a strong domestic solar manufacturing industry to ensure U.S. energy security, economic development, and national security.

Sincerely,



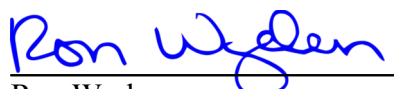
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Jon Ossoff  
United States Senator




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Patty Murray  
United States Senator




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Ron Wyden  
United States Senator




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Joe Manchin III  
United States Senator



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Debbie Stabenow  
United States Senator



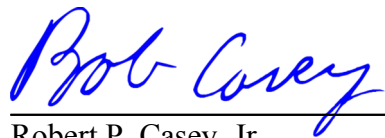
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Maria Cantwell  
United States Senator




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Sherrod Brown  
United States Senator




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Robert P. Casey, Jr.  
United States Senator



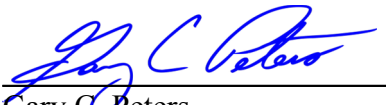
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Jeffrey A. Merkley  
United States Senator



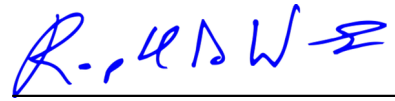
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Tammy Baldwin  
United States Senator



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Gary C. Peters  
United States Senator



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Raphael Warnock  
United States Senator

CC:

Jennifer Granholm, U.S. Secretary of Energy

Steve Ricchetti, Counselor to the President

John Podesta, Senior Advisor to the President for Clean Energy Innovation and Implementation