



Navigating FEOC Requirements with SolarEdge:

Compliant Products, Safe Harbor Tables & FAQs

Under the One Big Beautiful Bill Act (H.R. 1 119th Congress) ("OBBBA") As of July 4, 2025, solar and battery energy storage facilities that begin construction after December 31, 2025 must comply with new foreign entity of concern ("FEOC") requirements to qualify for U.S. federal income tax credits under Section 48E or Section 45Y of the Internal Revenue Code.

SolarEdge and its third-party manufacturers have done the necessary due diligence and can confirm we are not prohibited foreign entities ("PFEs" as defined in the "OBBBA").

SolarEdge has thoroughly reviewed and evaluated its products considering the new requirements and have concluded that the following part numbers are eligible for "FEOC Compliant" percentages¹.

The Products:

Products intended for Residential use

Battery Energy Storage Systems:

UNX-BLCK-5K-A-01; UNX-BLCK-5K-A-02; UBAT-10K1PS0B-03; UBAT-10K1PS0B-04;

DC Optimized Inverter Systems:

consisting of inverter SKU USE11400H-USSKBZ8; USE11400H-USSKBLZ8; SE3800H-USMNUBL75; SE5700H-USMNUBL75; SE7600H-USMNUBL75; SE10000H-USMNUBL75; SE11400H-USMNUBL75; SE3800H-USMNUBL15; SE5700H-USMNUBL15; SE7600H-USMNUBL15; SE10000H-USMNUBL15; SE11400H-USMNUBL15; SE3800H-USMNBBL15; SE5700H-USMNBBL15; SE7600H-USMNBBL15; SE10000H-USMNBBL15; SE11400H-USMNBBL15; USE3800H-USMNBEB78; USE5700H-USMNBEB78; USE7600H-USMNBEB78; USE10000H-USMNBEB78; USE11400H-USMNBEB78; USE3800H-USMNBEB78; USE5700H-USMNBEB78; USE7600H-USMNBEB78; USE10000H-USMNBEB78; USE11400H-USMNBEB78; UNX13000T-00UCY-xx; and optimizers SKU U650; U650B; S440 and S500B (Identified by serial #s beginning with: SBxxxx, STxxxx, SVxxxx, SMxxxx, SZxxxx); S440 (Identified by serial #s beginning with S4).

Products intended for Commercial and Industrial (C&I) use

DC Optimized Inverter Systems:

consisting of inverter SKU USE-SIN-USR0IBNS8; USESUK-USR0INNN8; USE-SIN-USR0IBNS6; USESUK-USR0INNN6; and optimizer SKU C651U.

** The list of "FEOC compliant" products may not include all currently eligible products. To verify whether a specific SKU/serial number is "FEOC Compliant" please contact SolarEdge sales representative.*



Safe Harbor Tables

IRS Notice 2025-08 — Rooftop (MLPE) Inverter Products

Inverter (includes DC Optimized Inverter System)	Rooftop MLPE
Printed Circuit Board Assemblies (DC-DC)	7.8%
Printed Circuit Board Assemblies (DC-AC)	11.8%
Enclosure	4.3%
Production	0.9%
Total	24.8%

IRS Notice 2025-08 — Distributed BESS

APC	MPC	Distributed BESS
Battery Pack	Packaging	13.4%
Inverter/Converter	Printed Circuit Board Assemblies	5.4%
	Enclosure & Skids	1.0%
	Production	4.3%
Battery Container/Housing	Enclosure	22.8%
	Battery Management System	10.1%
	Thermal Management System for Battery Container Housing	10.1%
	Production	3.1%
Total		70.2%

IRS Notice 2025-08 — Ground Mount

(USE-SIN-USR0IBNS8 and USESUK-USR0INNN8, when paired with C651U)

Inverter	Ground Mount (Tracking)	Ground Mount (Fixed)
Printed Circuit Board Assemblies	2.4%	3.1%
Electrical Parts	0%	0%
Thermal Management System	0.5%	0.7%
Enclosure & Skids	0.6%	0.9%

Production	0%	0%
Total	3.5%	4.7%

(USE-SIN-USR0IBNS6 and USESUK-USR0INNN6, when paired with C651U)

Inverter	Ground Mount (Tracking)	Ground Mount (Fixed)
Printed Circuit Board Assemblies	2.4%	3.1%
Electrical Parts	0.8%	1.1%
Thermal Management System	0.5%	0.7%
Enclosure & Skids	0.6%	0.9%
Production	1.2%	1.7%
Total	5.5%	7.5%

The statements contained within reflect SolarEdge's views as of the date hereof and are subject to change based on future guidance from the U.S. Department of the Treasury/IRS. No opinion has been obtained from the IRS, and the IRS or a court may take a different position. The application of the relevant rules is highly fact-specific, including based on equipment use. This information is general in nature, based on the definition of "FEOC Compliant" set forth above, and does not constitute legal or tax advice. You should consult your own legal and/or tax advisors regarding FEOC compliance and application to your specific project.

Frequently Asked Questions

General FEOC Compliance Questions

▶ Are all SolarEdge inverter models FEOC compliant?

Please refer to the chart to understand if the inverter products and BESS are FEOC compliant.

▶ Can I mix FEOC and non-FEOC components?

Yes, you can mix FEOC and non-FEOC components in your project as long as you reach the minimum 40% threshold required in 2026 (rising to 45% in 2027). For example, if you have a SolarEdge FEOC compliant DC Optimized Inverter System (24.8%) + FEOC compliant racking (19.6%) = 44.4%, you can include FEOC modules.

▶ Can a product be manufactured in the US but not be FEOC compliant?

Yes, if the manufacturer is a Prohibited Foreign Entity — the product is *not* FEOC compliant.

▶ If a product is FEOC compliant, does that mean it is also gets domestic content %?



No, domestic content is based on US manufactured products. FEOC determination is based on a non-PFE manufacturer and manufactured location outside of FEOC countries. A product can be FEOC compliant but not have domestic content.

SolarEdge has both non-FEOC (FEOC compliant) and domestic content products. Ask your sales representative!

Safe Harbor & Timing

▶ If I safe harbored before December 31, 2025, do I have to meet the FEOC requirements?

Only projects that commenced construction (BOC) after December 31, 2025, have FEOC material assistance restrictions.

▶ What's the physical construction requirement vs. just purchasing equipment?

There are two methods to Safe Harbor and begin construction — the 5% method and the Physical Work Test. If you reach out to your sales team, they can walk you through the two options.

▶ We are expecting Treasury/IRS to release new FEOC guidance in 2026. What happens if a project is started and compliant, and then the rules change?

OBBA included language regarding 48E and 45Y that said taxpayers can use the IRS Notice 2025-08 safe harbor table until 60 days after new Treasury/IRS guidance is issued. If you safe harbor prior to that date (before 60 days past new guidance) you have locked in the ability to use the table.

▶ What does safe harbor mean in 2026? Do we need to start construction before July 4th?

Eligible facilities that **begin construction on or before July 4, 2026, are eligible under existing "commence construction" guidance that allows 4 years to complete the project.**

Facilities that **begin construction after July 4, 2026, are subject to a placed in-service deadline of December 31, 2027.**

▶ If we start construction in 2026, but don't get placed in service until 2027, then what non-FEOC % is required for solar projects? 40%, or 45%?

The FEOC material assistance cost ratio requirement would be set in the year the taxpayer began construction. If you begin construction in 2026, it would be 40% for solar and 55% for storage. If you begin construction in 2027, you must meet 45% for solar and 60% for storage.

FEOC Calculation & Thresholds

▶ For solar projects with BOC in 2026, 40% must be sourced from non-FEOC suppliers. Using the IRS Notice 2025-08 safe harbor table for rooftop MLPE projects, SolarEdge DC Optimized Inverter Systems plus non-FEOC racking can clear the 40% threshold — so no module contribution is required for overall project to be FEOC compliant, correct?

Yes, with DC Optimized Inverter Systems and non-FEOC racking = 44.4%.



▣ For storage projects with BOC in 2026, 50% must be sourced from non-FEOC suppliers. Using the IRS Notice 2025-08 safe harbor table for rooftop MLPE projects, do SolarEdge batteries meet the 50% threshold?

Yes, our BESS systems included in the table above and listed below meet 70.2% non-FEOC.

UNX-BLCK-5K-A-01; UNX-BLCK-5K-A-02; UBAT-10K1PS0B-03; UBAT-10K1PS0B-04

▣ For FEOC Compliance, can non-FEOC Racking be included in the MACR calculation?

Yes, with DC Optimized Inverter Systems and non-FEOC racking = 44.4%.

Documentation & Verification

▣ What documentation do I need to prove FEOC compliance?

The taxpayer needs to have FEOC compliance certifications from the manufacturers in order to claim their tax credits.

Customers can reach out to their SolarEdge representative to receive such certifications.

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¹ Section 7701(a)(52) of the Internal Revenue Code prohibits taxpayers from claiming a tax credit under Sections 48E and 45Y if they received Material Assistance from a Prohibited Foreign Entity as it relates to their qualified facility. To determine whether material assistance was received, taxpayers must calculate the MACR with respect to a qualified facility or battery energy storage or technology. Until 60 days after the publication of new U.S. Department of Treasury/IRS guidance, under Section 7701(a)(52)(D)(iii)(II) taxpayers may utilize IRS Notice 2025-08 to calculate the MACR. The tables listed represent SolarEdge's expectation of the amount that a taxpayer will likely be able to include when calculating the non-Material Assistance from Prohibited Foreign Entity for purposes of the MACR in connection with the Products.