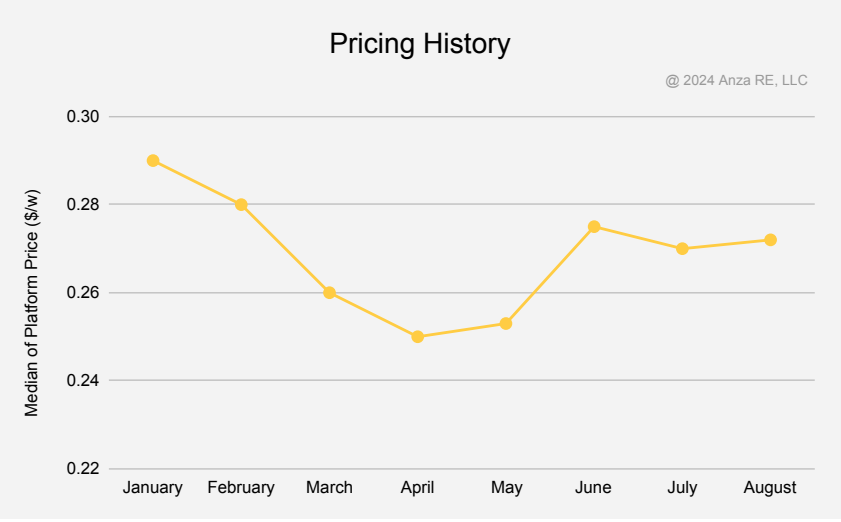
# U.S. Distributed Generation Q3 Solar Module Pricing Insights Report

**In our last report, which covered February to May 2024, we showed a clear price floor for the first time in the last two years and the early signs of a bounce in pricing observed on a weekly level. We attributed this price increase to the AD/CVD petition on Southeast Asian (SEA) module imports. This Q3 report, which covers additional data through the end of August, confirms that trend, showing a notable rise in solar module prices from the lows in April 2024 as the effects of the AD/CVD petition began to take hold. Additionally, removing Section 201 tariff exclusions for bifacial solar modules in May 2024 intensified upward pressure on prices. These tariffs, alongside the accelerated ramp-up of U.S. manufacturing—fueled by the new domestic content bonus tax credit available under the Inflation Reduction Act (IRA)—are reshaping solar supply chain dynamics.**

*Note: The numbers in this report specifically focus on the median Anza platform price of solar modules for large DG projects. Additional data and analytics, including for utility-scale projects, are available through Anza's Essentials, Pro, and Pro Procure products.*

## Increase in Module Pricing due to SEA AD/CVD




From April to August, the median price of solar modules has experienced a notable increase. From April's low to the Q2 high in June 2024, the median U.S. module price rose from 25 cents per watt to 27.5 cents per watt, marking a 10% increase. The market has seen a slight decrease since June, resulting in an 8.8% increase from April through August.

Several factors contribute to the ongoing market shifts, each playing a significant role in the landscape. While the ramp-up in U.S. manufacturing and the new AD/CVD petition's impact on Southeast Asia module imports are clear influences, a range of interconnected dynamics are also at play. Rather than pinpointing a single factor, these insights should be seen as part of a broader, evolving market landscape that we continue to monitor closely.

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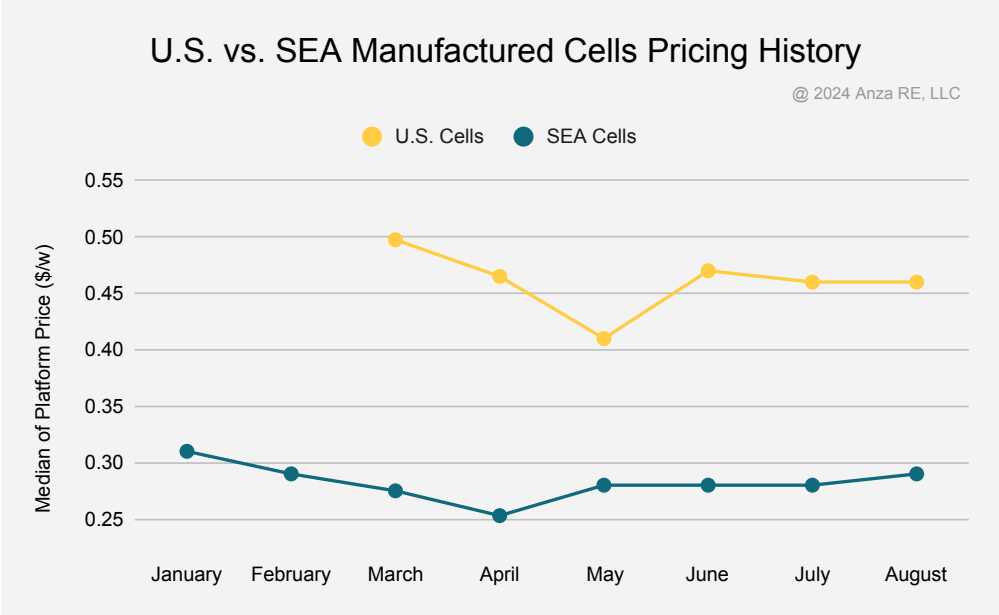
## U.S. Manufacturing Ramp-Up

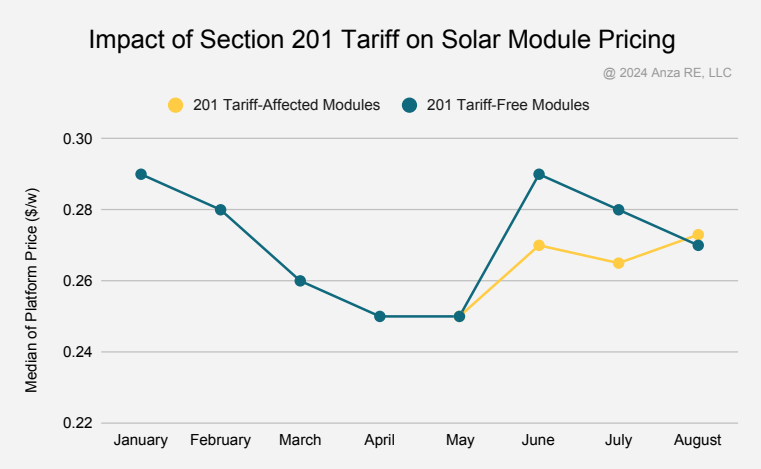



The acceleration of U.S. manufacturing, primarily driven by federal incentives tied to domestic content incentives under the IRA, is reshaping the market. The updated domestic content calculation method, effective in May 2024, has simplified qualifying for a 10% bonus on the Production Tax Credit (PTC) or Investment Tax Credit (ITC) when using U.S.-manufactured components, especially solar cells. This shift has increased U.S.-based production capacity as manufacturers rush to meet rising demand for domestically produced solar components. Highlighting that change, we saw a reduction of 4 cents from March to August 2024 or a 7.5% decrease caused by the added competition among U.S. manufacturers.

## Southeast Asia AD/CVD Implications

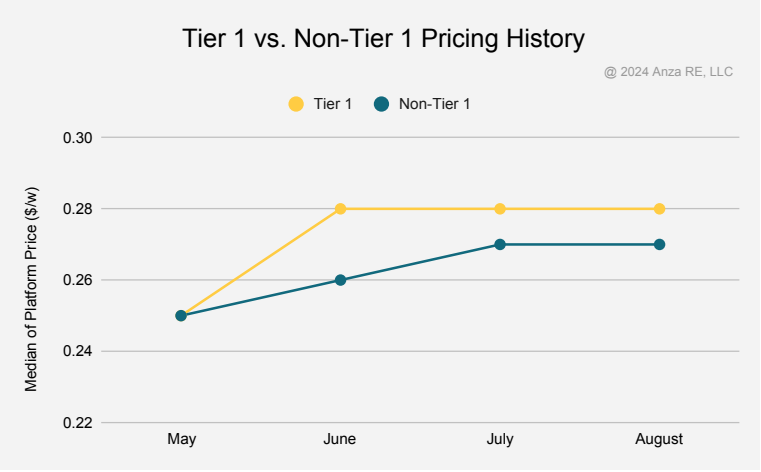
The AD/CVD petition has driven up module prices for Southeast Asian manufacturers due to increased capital expenditures and supply chain adjustments, but not all suppliers have been equally impacted. Some manufacturers, outside the scope of the current investigation, have quickly adapted their supply chains and maintained competitive, fixed pricing, even compared to pre-AD/CVD levels. These differences in pricing dynamics, coupled with the removal of the Section 201 exemption, have created a more complex market landscape where rising costs are more pronounced for specific suppliers. In contrast, others continue to offer stable pricing options. Overall, we saw an increase in pricing by about 15% for Southeast Asian module supply from its lows in April to August 2024.

### Section 201 Tariff Impact




Removing the bifacial panel exemption under Section 201 in May 2024 led to a notable price increase across the module market, as products now face a 14% tariff. However, it's important to note that tariff-free modules, which were exempt before the bifacial exemption was removed and remain exempt, have also experienced price increases. This is likely because their competition—almost all other modules—has been hit with a 14% cost increase due to Section 201 and additional price pressures from the AD/CVD investigation. As a result, these tariff-free players, who do not face exposure to these tariffs or investigations, have been able to increase their prices while still remaining competitive. This dynamic has contributed to a more complex pricing environment, where even "safer" modules without tariff exposure are seeing upward price trends.

## Tier 1 vs. Non-Tier 1 Modules




Tier 1 module manufacturers have experienced a price increase since May, when they were 25 cents per watt. By August, prices had risen to 28 cents per watt. In contrast, non-Tier 1 module prices increased more gradually, moving from 25 cents to 27 cents per watt.

The data here represents median DG list prices from the more than 35 module vendors participating in the Anza platform. This is just a small fraction of the data we collect and maintain. Our customers receive access to negotiated and transaction pricing, including for utility-scale projects. In addition, we maintain the industry's largest database of product and counterparty data, including technical specifications, tariff risk, domestic content, and contract terms.

**Talk with the Anza team today** about the pricing insights our clients have access to and the industry-leading risk, technical, and commercial data and analytics they have at their fingertips to know they are making optimal procurement and development decisions.