

U.S. International Trade Commission

500 E Street, SW

Washington, D.C. 20436

October 10, 2017

To the U.S. International Trade Commission:

The Advanced Energy Buyers Group, on behalf of large energy users, urges the U.S. International Trade Commission (“I.T.C.” or “Commission”) to avoid recommending undue import relief in the Section 201 Trade Case brought by Suniva and Solar World.¹ As we stated in a letter submitted as a pre-hearing brief in this case, undue tariffs would increase our operating costs and directly harm our businesses. Given our current renewable energy consumption and our significant forward-looking renewable energy commitments, and in light of the I.T.C.’s finding of injury, we urge a balanced approach that avoids recommending excessive remedies that could adversely impact many downstream consumers of solar energy, including our businesses, as well as the U.S. solar industry and the U.S. economy. The revised remedies sought by the petitioners in this case fail to strike such a balance.

¹ This letter represents the consensus view of the Advanced Energy Buyers Group (<https://info.aee.net/ae-buyers-group>). However, it does not necessarily reflect the position of any individual member of the Advanced Energy Buyers Group. This letter and the recommendations it contains should not be attributed to any individual company or companies participating in the Advanced Energy Buyers Group.

The Advanced Energy Buyers Group is a business-led coalition of large energy users engaging on policies to expand opportunities to procure energy that is secure, clean, and affordable.² We share a common interest in expanding our use of advanced energy, including renewable energy such as wind, solar, geothermal, and hydropower; demand-side resources like energy efficiency, demand response, and energy storage; and onsite generation from solar photovoltaics, advanced natural gas turbines, and fuel cells.

As we stated in our earlier letter, our companies are among the 71% of Fortune 100 companies and 43% of Fortune 500 companies that have established renewable and/or climate targets as part of our corporate sustainability commitments, and we view these targets as a promise to our customers, employees, shareholders, boards, and the public at large.³ Our renewable energy targets are also important to our business strategy—reaching them will reduce our energy costs, and failure to do so would hurt our competitive advantage in the global marketplace. Already, we have made good progress on these targets, and members of the Advanced Energy Buyers Group expect to consume over 10.5 TWh of renewable energy in 2017, approximately equivalent to the electricity sales for the state of New Hampshire.⁴

It is in the context of our continued commitment to source renewable energy that we submitted our pre-hearing brief, and it is our perspective as major consumers of solar energy that compels us to reiterate our concerns. Specifically, we disagree with claims made in the hearing that

² The Advanced Energy Buyers Group is convened by Advanced Energy Economy (AEE), a national business association of leading advanced energy companies. Membership in the Advanced Energy Buyers Group is open only to end users of energy, and AEE's general membership does not have any input in the positions taken by the Advanced Energy Buyers Group.

³ <https://info.aee.net/growth-in-corporate-advanced-energy-demand-market-benefits-report>.

⁴ <https://www.eia.gov/electricity/state/index.php>.

demand for solar energy is inelastic, and that it will not be materially impacted by the requested \$0.25 per watt tariff on solar cells, \$0.32 per watt tariff on solar modules, and \$0.74 per watt floor price on modules.⁵ We are concerned that such claims ignore demand from large voluntary purchasers, and want to make clear to the I.T.C. that voluntary solar customers such as our companies are sensitive to price increases. Cost is one of the major factors when deciding between different renewable energy options to meet our needs. We acknowledge that there are conflicting estimates regarding the impact of the revised remedy requests; however, we can confirm that demand from downstream solar customers will be dampened by price increases resulting from the tariffs and floor prices proposed by petitioners in this case.

We also note that voluntary purchases by corporate customers such as our companies account for an increasing share of the solar market. According to a recent report from the National Renewable Energy Laboratory, voluntary corporate procurement of utility-scale solar power accounted for 17% of total utility-scale procurement in early 2017, up from 9% in 2016 and less than 1% in 2014.⁶ This increased demand has been driven, in large part, by decreases in the cost of solar energy, which have been driven, in turn, by increased deployment that has led to improvements in cost and performance. Increased deployment of solar energy also supports a U.S. solar industry that was valued at \$23 billion last year and employs over 260,000 Americans, with the bulk of these jobs in installation, construction, and manufacturing.⁷

⁵ See Direct Testimony of Dr. Seth Kaplan, Capital Trade Inc., p.36.

⁶ Jenny Heeter, Jeffrey J. Cook, and Lori Bird, *Charting the Emergence of Corporate Procurement of Utility-Scale PV*, National Renewable Energy Laboratory (September 2017), available at https://www.nrel.gov/docs/fy17osti/69080.pdf?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axisgenerate&stream=politics.

⁷ <https://www.thesolarfoundation.org/national/>.

While the revised remedies requested by petitioners in this case are slightly reduced from those sought previously, such remedies still risk disrupting the consistent trajectory of rising deployment and falling costs that has made solar a growing sector of the U.S. economy and such an attractive option for us to meet our energy needs. With solar energy at or near grid parity in many regions, even small deviations in price can make the difference between a project that is economically feasible and one that is not. We remain open to reasonable and balanced approaches to address the concerns raised by petitioners in this case, including non-tariff remedies. However, we urge the Commission to carefully weigh the potential adverse impacts on downstream solar customers when issuing a final recommendation.

We appreciate your consideration of our perspective in this case.

Respectfully,

The Advanced Energy Buyers Group⁸

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Signed: 

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⁸ <https://info.aee.net/ae-buyers-group>.