

# UTILITY-SCALE SOLAR COALITION

November 14, 2018

**The Honorable Thom Tillis**  
**185 Dirksen Senate Office Building**  
**United States Senate**  
**Washington, DC 20510**

Senator Tillis –

In May 2017, the Trump Administration was petitioned to initiate a Section 201 investigation of potential harm from increased imports of low-voltage, residential-scale solar modules. In January 2018, following that investigation, the Administration imposed a 30% tariff on module imports and a tariff rate quota on cell imports.

In the months leading up to this action, we did all that we could to explain the differences between the utility-scale modules that our projects use and the residential-scale modules that the petitioners produce. Unfortunately, the remedy that was ultimately announced applies broadly to all modules and cells, not just the low-voltage residential-scale modules that make up nearly all the petitioners' manufacturing capacity.

High-voltage modules, which are used in the projects we build and are not manufactured in the U.S., were also hit with tariffs. Subsequently, we were told by Administration officials that we should submit an exclusion request and so we submitted one for high-voltage modules in March 2018. We have enclosed that filing (USTR-2018-0001-0007).

We hoped that our exclusion request would be granted because we feared the harm it would cause our employees, our ability to invest and our contributions to domestic energy production. We shared those concerns with you and, in May 2018, you joined seven of your colleagues to send a letter to Ambassador Lighthizer supporting our exclusion request.

We cannot thank you enough for your strong support on this important matter.

We write today because the consequences that we all feared have now become real. Because we cannot source the high-voltage modules from within the U.S., and because many of our projects are in price-sensitive markets, the 30% tariff has resulted in the cancellation or delay of many projects that are no longer economically viable.

The Solar Energy Industries Association estimates that the tariffs have resulted in the loss of at least 9,000 jobs and \$2.5 billion in investment. Nationally, utility-scale installations declined 12% between the second quarter of last year and the second quarter of this year. Third quarter data won't be officially published until December, but preliminary numbers indicate a drop of over 50% decline from last year. Losses have been concentrated in southeastern and southwestern states, where the numbers are much worse than the national average.

When comparing the first half of 2018 to the first half of last year, installations were down 76% in North Carolina, 26% in South Carolina, 84% in Georgia, 79% in Nevada and 41% in Arizona. Many of the states that saw

utility-scale solar growth in the first half of 2017 had no installations at all in the first half of 2018, including Colorado, Idaho, Minnesota, Mississippi, Montana, Tennessee, Alabama and Indiana.

Declines in utility-scale development have also harmed the U.S. steel industry, which produces the racking foundations for our projects. A typical utility-scale solar project uses \$100,000 of steel per megawatt installed.

Despite these consequences, the Trump Administration appears unwilling to grant our exclusion request. But rather than abandon projects, the people they could employ and the clean energy they can produce, we have tried to narrow the scope of the relief that we are seeking by backing a different exclusion request from Pinegate Renewables. We have enclosed that filing (USTR-2018-0001-0041).

This exclusion would apply only to bifacial modules, which capture energy from both the front and back of the module to generate between 4% and 8% more electricity than conventional modules. This technology has been the subject of U.S. Energy Department R&D for over a decade, but the government's work to deploy it has come up short thus far. The Trump Administration now has an opportunity to ensure that bifacial modules are finally deployed for utility-scale projects in the U.S. by granting the Pinegate Renewables exclusion request. And because less than 5% of global manufacturing capacity produces these modules – with no U.S. production for the utility-scale segment – no U.S. manufacturer would be harmed if this exclusion is granted.

If our industry gets this relief, it will help to deploy an innovative technology, create jobs, restore investment, strengthen demand for American steel, improve environmental outcomes and bolster energy security. American manufacturers of the tracking devices used to align modules with the sun would also secure a competitive advantage if the bifacial module market were first developed here. Indeed, American tracker manufacturers are already partnering with solar developers to advance technologies designed specifically for bifacial applications.

For our part, we would respond to this exclusion request being granted by announcing the reinstatement of previously cancelled or delayed projects. We are eager to get back to work building a stronger and cleaner electricity sector, and so we are requesting that you speak directly to President Trump, Vice President Pence and U.S. Trade Representative Lighthizer to ask for a timely and favorable decision on this more narrowly-crafted exclusion request for bifacial modules.

Thank you for your ongoing attention to this matter and your support for American energy production.

Sincerely,



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**Craig Cornelius, CEO of Clearway Energy Group**  
Operating in AZ, CA, CO, CT, FL, HI, IA, IN, MA,  
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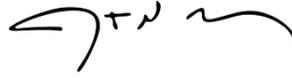
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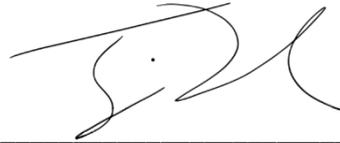
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