



## At ITC hearing, two US solar manufacturers ask for tariffs on imported cells

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A US-based solar-panel components maker called Suniva filed a petition with the International Trade Commission (ITC) this spring, alleging unfair trade practices after the company declared bankruptcy. It was later joined in its petition by SolarWorld America, another US-based solar cell manufacturer. Today, the two companies pleaded their case (PDF) in front of the ITC and are asking for tariffs to be placed on solar-panel materials imported to the US.

Specifically, “the petition seeks a 40-cent-per-watt duty on imported cells and a 78-cent-per-watt floor price for imported modules,” according to E&E News. Panels and their components have been plummeting in price, and Suniva and SolarWorld say this is mainly due to cheap imports from China and Southeast Asia. The tariffs they seek would apply to solar panel components imported to the US from anywhere in the world, however.

“Quite simply, we need the commission’s help to save solar manufacturing in the United States,” Jürgen Stein, chief executive of SolarWorld Americas, said in testimony before the commission, according to *The Washington Post*. “Relief under Section 201 is our last hope.”

Suniva and SolarWorld don’t have a lot of support for their cause within the solar industry itself. The group Solar Energy Industries of America (SEIA), which represents a broader swath of the solar industry, has denounced Suniva and SolarWorld’s case, saying that raising tariffs might be good for US panel manufacturers, but they would significantly reduce demand for panels as they would increase the price. That could lead to the solar industry shedding more than 88,000 jobs selling, installing, and servicing solar panels, according to the SEIA. The solar industry currently supports 260,077 jobs and is expected to grow.

The manufacturers, on the other hand, argue that tariffs would protect the US solar industry from dramatic competition, allowing domestic companies to hire almost 115,000 people. The SEIA called those numbers “preposterous.”

Third-party analysis seems to confirm a more grim outlook for the solar industry if Suniva's tariffs are imposed. Goldman Sachs estimates that, because Chinese cells and modules already account for 60 percent of the installations in the US, “such a measure would substantially reduce demand and revenue in the US industry, especially affecting US companies that install

residential solar panels, like Sunrun Inc., Vivint Solar Inc. and SunPower Corp,” according to *The Washington Post*.

This trade case has a unique opportunity to become political in ways that many trade cases are not: if the ITC’s members agree that Suniva and SolarWorld have been injured by trade conditions, the commission would hold a second hearing to investigate a remedy for the situation, but all final remedy decisions require a signature from the US president. Trump has been dismissive of renewable energy and has promised to bolster coal production and American manufacturing, and if Suniva and SolarWorld are successful, that could spell bad news for those parts of the solar industry that oppose the ITC petition.

But the dispute is not perfectly divided down party lines. Several conservative groups have joined with the SEIA to oppose Suniva and SolarWorld’s petition—notably the Heritage Foundation, according to E&E News, which has opposed solar panel tax incentives and argued against staying in the Paris Agreement. But the Heritage Foundation is in favor of free-trade, so it has joined with SEIA in this case. Groups like the conservative American Legislative Exchange Council (ALEC) and the Cato Institute also oppose the manufacturers’ tariff petition.

Today, the stakeholders gathered at the ITC’s headquarters in Washington, DC, to hear statements from Suniva and SolarWorld, as well as from opponents of the petition. The commission will decide on September 22 whether the manufacturers were injured by global trade conditions.

Although China’s exports of solar panels may have receded, SolarWorld argued in a May press release that the US market was still flooded with cheap panel components from Asia. “Despite the impact of two sets of US anti-dumping and anti-subsidy duties against Chinese and Taiwanese imports, global imports of solar cells and modules have kept surging into the US market,” SolarWorld wrote. “This surge mainly stems from substantial overcapacity added by Chinese-owned companies that located outside of China to avoid duties. The massive overproduction has led to the near-destruction of remaining solar producers in America.”

But the SEIA contends that Suniva and SolarWorld have no one to blame but themselves for their failure to compete in the market. In his opening statement to the ITC today (PDF), SEIA lawyer Matt Nicely said that Suniva’s cell technology was “a commercial failure” and that the company “shipped its cells to other countries to assemble into modules because its own module assembling facility in Michigan was poorly designed.”

The SEIA has also pointed out that the two manufacturers are foreign-owned entities themselves. Indeed, 64 percent of Suniva is owned by a Chinese firm, and SolarWorld is owned by a German parent company, according to UtilityDive.