



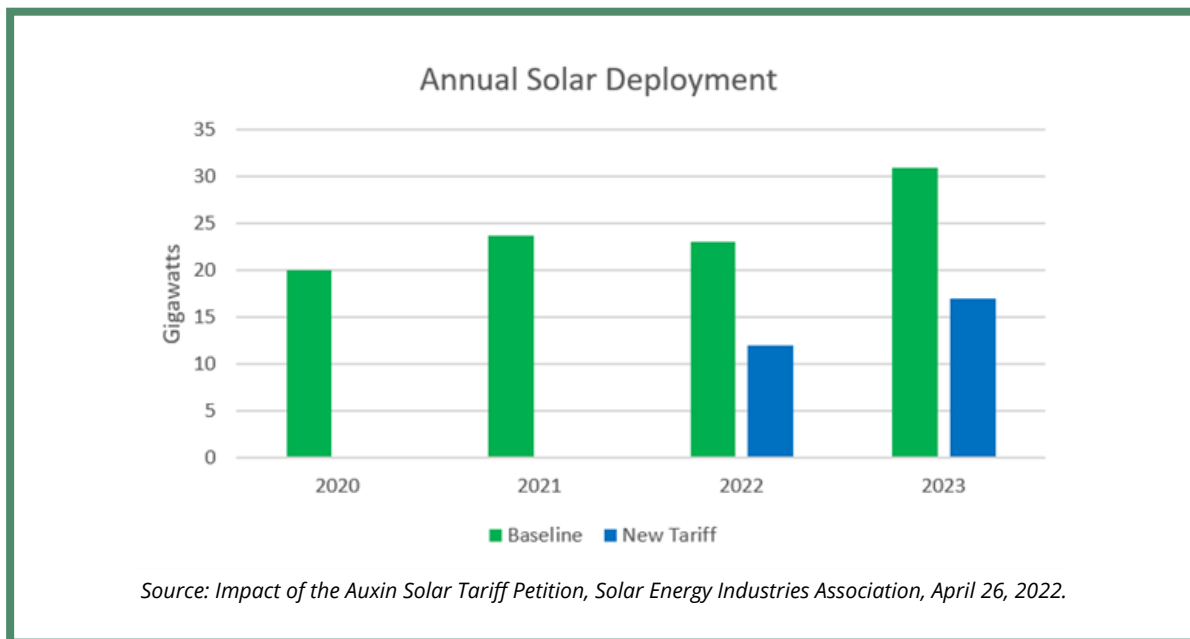
Department of Commerce AD/CVD Circumvention Inquiry

On March 25, the Department of Commerce (“Commerce”) initiated an [inquiry](#) of possible circumvention of current antidumping duty (AD) and countervailing duty (CVD) tariffs on crystalline silicon photovoltaic (CSPV) solar cells and modules completed in Cambodia, Malaysia, Thailand, or Vietnam, and using parts from China. Commerce initiated this inquiry in response to a [petition](#) from a single company - Auxin Solar, Inc., a California-based manufacturer of CSPV modules.

Current CSPV tariffs apply only to China, and if Commerce makes an affirmative decision, tariffs reaching 250 percent or higher could be applied to imports from those four countries retroactive to at least the date of the initiation of the investigation, but possibly months earlier. This decision is already having a severe adverse impact on the solar industry and threatens the achievement of the Biden Administration’s decarbonization goals.

Harm Resulting from Commerce Action

- The four countries at issue here currently account for 84 percent of the imported solar panels and half of the imported cells.
- The impacts of this investigation are already being felt. Surveys of the renewable energy industry by ACORE and the Solar Energy Industries Association (SEIA) reveal that:
 - Over 80 percent of companies already have had or expect delays or cancellations of product shipments.
 - More than two-thirds of the ACORE survey respondents report that 80 percent or more of their solar installations are at risk.
- More than 230,000 Americans work in solar at more than 10,000 companies in every U.S. state. Because solar is often paired with storage, the storage industry is also likely to suffer. Almost one-third of solar and storage companies surveyed by SEIA report that their entire workforce is at risk.
- This inquiry adds further uncertainty to the industry during supply chain constraints and increasing costs, as reflected in an unprecedented [18 percent increase](#) in solar purchased power contract prices over the past year before taking this inquiry into account.
- A [recent in-depth academic analysis](#) found little evidence that tariffs have worked to increase domestic renewable energy manufacturing. The authors conclude that continued global trade will be essential to meeting carbon reduction goals.
- Meanwhile, the US continues to engage in robust exports and imports of fossil fuels, including petroleum, liquified natural gas and coal.
- Through this investigation, the Administration is directly impeding its own decarbonization goals. The Department of Energy [found that](#) rapid solar growth will be necessary to achieve a decarbonized grid by 2035. More specifically, DOE concludes that solar capacity will need to increase from [about 92 GW at the end of 2021](#) to 550 GW by 2030 and 1,000 GW by 2035.
- [SEIA projects](#) that these new tariffs would decrease solar deployment by 34 GW over the next four years, including a 48 percent decline in 2022 alone, as shown in the figure below. Similarly, the American Clean Power Association [expects that](#) 24 GW of solar projects will be delayed or cancelled over the next two years.



Next Steps and Action Items

It is imperative that Commerce moves rapidly to make a negative determination. Please help us encourage that result through the following measures:

- Continue congressional advocacy advancing the clean energy tax package within a budget reconciliation process as the means to foster enhanced domestic manufacturing capabilities across the renewable energy sector. Within the context of these meetings, address the counterproductive impacts the Commerce inquiry is having on current projections for solar development. ACORE is conducting congressional outreach, and members are encouraged to continue participating and providing concrete examples to convey the need for a swift negative determination by Commerce.
- Where possible, undertake direct outreach to Administration officials, including the White House, the US Trade Representative (USTR) and the Commerce Department to highlight current impacts on the industry stemming from the Commerce decision to conduct an inquiry.
- Help reinforce the multi-group joint campaign coordination of resources, messaging and support for executive and congressional actions. Such advocacy will be conducted through an independent group but supported through collective efforts of organizational advocates. ACORE and its partners will continue to activate media, grassroots groups, national organizations and individuals across platforms in a concentrated manner to promote a prompt negative determination on the petition before Commerce and encourage positive policy action that supports domestic manufacturing for the industry.
- Develop and solidify a traceability protocol for renewable supply chains, working with Administration officials to ensure alignment on certifications for tracking products throughout the manufacturing lifecycle. This effort is important for the renewable sector as a whole given our global supply chain, and our need to work with trade partners to meet our mutual clean energy targets.