**BEFORE THE UNITED STATES INTERNATIONAL TRADE COMMISSION**
**WASHINGTON, D.C.**

**CRYSTALLINE SILICON PHOTOVOLTAIC CELLS AND MODULES FROM CHINA**
**INV. NOS. 701-TA-481 AND 731-TA-1190 (REVIEW)**

# TESTIMONY OF MICHAEL ARNDT MANAGING DIRECTOR OF DEVELOPMENT RECURRENT ENERGY, LLC

Good afternoon, and thank you for the opportunity to appear before you today. My name is Michael Arndt. I am the Managing Director of Development at Recurrent Energy, and I work at our headquarters in San Francisco. Recurrent is one of the largest solar development companies in the United States. We are proud to employ 90 individuals directly, and we also indirectly employ hundreds of other Americans, including builders, engineers, consultants, and other professionals. In my role at Recurrent, I am familiar with our ongoing and planned contributions to America's energy grid, as well as the sourcing decisions that make our projects possible.

We have felt firsthand the effects of trade measures on the health of the U.S. solar industry, and, in light of our experience, I am here today to ask the Commission to remove the AD/CVD orders on imports of solar cells and modules from China. We are grateful for the Commission's attention to our promising industry—but, we are concerned that the multiple, overlapping trade restrictions on imports of solar products currently in force will detract from the development and deployment of solar energy in the United States.

We remain optimistic about both the future of solar power and our role in the continued U.S. growth of solar energy. Between 2016 and 2018, Recurrent accounted for

- 1,700 megawatts of U.S. solar projects;
- Over 3 billion dollars in third-party investment;
- 3,700 construction jobs; and
- 180 million dollars added to state and local tax bases.

We plan to maintain our leadership in U.S. solar development. In 2019 and 2020, Recurrent plans to add:

- Over 800 megawatts of projects in California and Texas;
- Over 800 million dollars in third-party investment;
- 2,000 construction jobs; and
- 100 million dollars added to state and local tax bases.

Regrettably, we do not expect the next two years to match our previous output. This forecast drop is at least partially a consequence of the cumulated trade measures now influencing the future of solar energy in the United States.

The cumulative U.S. trade measures have resulted in market uncertainty that dampens U.S. demand for utility-scale solar energy. Taken together, these barriers to trade have led to

1. Reduced power procurement activities;
2. Fewer new installations;
3. Delayed projects;
4. Lost revenue; and
5. Reduced employment across all sectors of the domestic solar industry.

More broadly, these effects limit new investment in state and local economies and delay investment from the financing community and capital markets. At the end of the day, added costs associated with trade restrictions ultimately translate into higher energy prices, which are paid by end users and ratepayers. Because solar energy competes with other forms of power generation – including coal, nuclear, natural gas, and wind – investing in solar, due to all these added costs associated with the trade restrictions, is less feasible and threatens the future of U.S. solar growth.

Recurrent has acutely felt the effects of the cumulated trade measures. Following the imposition of the Section 201 measure this past year, for instance, several projects that were initially intended for a 2019 commercial operation date were pushed back to 2020. These delays affected nearly 700 megawatts worth of projects, 1,400 construction jobs, tens of millions of dollars in local tax revenues, and over 600 million dollars in total project capital cost. Not only were there project delays, but electricity customers requested repricing and, in some cases, even put solicitations on hold due to inability of sellers to offer firm pricing.

I am here today to make these points even though we do not rely on imports from China in our projects, and the AD/CVD duties do not directly impact Recurrent's existing and future business operations. Since the original imposition of AD/CVD orders in 2012, production of solar products has expanded and diversified from China to several new jurisdictions. In light of this market restructuring and the emergence of new trade flows, like many U.S. solar developers, Recurrent no longer sources a significant portion of solar products from China. In fact, Recurrent largely stopped using solar modules from China in 2017, even before the Section 201 remedy came into effect.

Even though we do not rely on Chinese equipment to build installations that power American cities and homes, we ask the Commission to reevaluate the standing AD/CVD orders because the cumulative effect of trade measures has created market uncertainties that slow down procurement and made it more difficult for solar energy to achieve grid parity. These effects permeate the market, touching even solar developers who do not use Chinese products.

For these reasons, we respectfully ask the Commission to revoke the AD/CVD orders. I would be pleased to answer any questions.