

BEFORE THE U.S. INTERNATIONAL TRADE COMMISSION

***Crystalline Silicon Photovoltaic Cells (Whether or Not Partially
or Fully Assembled into Other Products), Inv. No. TA-201-75***

REMEDY HEARING

October 3, 2017

**TESTIMONY OF CRAIG CORNELIUS,
President, NRG Renewables LLC**

1. Thank you for the opportunity to address the Commission once again. My name is Craig Cornelius, and I serve as the President of NRG Renewables.
2. NRG is one of the largest independent power producers in the United States and one of the largest owner-operators of renewable generation in the country, with a fleet of over 2,500 MW of solar projects across all regions of the United States. Our renewables business directly employs 548 individuals. And through the hundreds of millions of dollars we invest every year in construction of new projects and operations of our fleet, we support thousands of jobs throughout our supplier network.
3. During the injury phase of this case, we illuminated the numerous and acute market dynamics that have exerted downward pressure on the price of energy from new U.S. solar installations in recent years. Those dynamics and pressures show no sign of abating in the years ahead – natural gas remains abundant and inexpensive in forward contracts for years to come while wind capacity factors continue to increase and delivered energy costs decline.
4. The petitioners acknowledge that their proposed remedies would push the solar market back to pricing levels we experienced in 2015 and earlier, when the utility-scale market was less than half the size it is today. Absent any new trade intervention arriving from this case, a typical installed cost for a large utility-scale project built in 2018 would be \$1.00/W. But if that same project must absorb a \$.32/W tariff, its price will rise by >25% and the project will no longer offer savings in most of the new states targeted for utility solar projects over 2018-2020.
5. As a result the petitioners' proposed remedies would halt new solar project construction in the vast majority of states where new projects are being built or planned. Entire regions of the U.S. that have been the focal point of new project development will no longer see solar as an economically viable fuel source. Major slowdowns will occur across the nation. Solar projects that we and others like us are advancing will be abandoned – leading to the collapse of 8 of the 10 state markets where we are developing utility solar projects and 10 of the 17 state markets where we are developing distributed generation projects. When it is all over, domestic demand for CSPV will have shrunk by more than half.
6. The petitioners have argued that their proposed remedies would have no such effect, suggesting that a return to module prices from a few years' past could not have a destructive impact on market

demand. Their analysis is wrong. It either evinces a willingness to knowingly present faulty analysis in pursuit of their own narrow purposes in this case, or a startling lack of basic knowledge of U.S. power and regulatory markets.

7. This slide shows the states where our analysis has concluded that the petitioners requested remedies would lead to the contraction of markets for large scale projects.

8. SolarWorld recently announced a plan to hire 200 employees in anticipation of a significant remedy being imposed in this case. To put that number in perspective, that number – 200 jobs – is the same number of jobs we provide in direct construction labor through a single 100 MW utility-scale solar project. And that doesn't include manufacturing jobs with our equipment suppliers or others in the supply chain. If no remedy were to be imposed, we would be aiming to complete twenty times that capacity of projects during the next 3 years.

9. Fortunately, there are better paths forward, and we've outlined them in SEIA's prehearing brief.

10. Part of that path involves providing petitioners invaluable technical assistance through the national laboratories. During my tenure at the Department of Energy and as an investor, I spent years and hundreds of millions of dollars supporting the development of innovative, U.S.-based solar technology companies. Some failed because they failed to develop a differentiated advantage in this competitive market. Some succeeded, including notably First Solar which stands out as an example for the intersection of effective policy support, successful technology innovation, and sound management and business strategy. That company benefited from technical assistance from national laboratories and federal funding in a variety of forms.

11. The same formula can be offered to the petitioners today. Technical expertise from NREL can be paired with financial support to the domestic cell and module manufacturing industry through the licensing fee concept proposed by SEIA, with the proviso that the mechanism for collection of funds for that support should have a limited inflationary impact on solar prices – say, \$.01/W – and a requirement that the funding be directed to upgrade or expand manufacturing capacity within the United States, along with a further requirement that it leverage other sources of private investment rather than displacing them.

12. I have true respect and appreciation for the considerations you must balance in this case, and as a lifelong contributor to the domestic solar industry, I share common cause with the aims of any industry participant who acts with sincerity to advance the cause of this technology.

13. Thank you again for this opportunity to testify. I look forward to your questions.