

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

**Statement of Dan Shugar
CEO
NEXTracker, Inc.
August 15, 2017**

Thank you for the opportunity to present to the Commission.

- (1) My name is Dan Shugar and I am CEO of NEXTracker, Inc. I founded our company in 2013, and 2 years ago we were acquired by Flex, a \$25B global technology manufacturer. I run NEXTracker today as an independent subsidiary of Flex.
- (2) NEXTracker designs and manufactures advanced mounting structures called trackers that enable solar panels to follow the sun during the day, increasing energy production. We are headquartered in Fremont CA, and manufacture and serve customers on 5 continents.
- (3) We have created many hundreds of US jobs at our company and sub-suppliers over last few years.
- (4) Our top markets are the US, India, Mexico, Brazil, and Australia. NEXTracker is the global and US volume leader based on shipments. Today we have 9 GW delivered, the equivalent capacity of 38 coal power plants units. In addition to trackers, we provide solar panels for selected clients.
- (5) I have been in the solar industry since 1988 and have served in executive roles at solar panel producers, utilities, and component manufacturers. The key driver for this industry is innovation—and innovation has improved solar cells, modules, structures, and all aspects of our industry. Innovation has enabled solar to be the lowest cost source of power in much of

America's sunbelt and one of the top sources of new electricity. In NEXTracker's case, innovation to harvest the sun more efficiently and deliver better returns on investment to the owners of power plants enabled us to grow to global leader.

(6) I would like to share some perspectives on SolarWorld. I have known SolarWorld and its founder/CEO Mr. Frank Asbeck for over 20 years. SolarWorld started as an installer of solar products in Germany. Around 2005, they began manufacturing crystalline solar panels in Germany, and later in the US. At that time, the German grid heavily subsidized solar energy, paying about 45 cents per kWh. That is 10 times today's rate for solar of 3-5 cents per kWh. SolarWorld's value peaked in 2006, when their stock price hit at 265 Euros per share on the Frankfurt exchange.

(7) From SolarWorld's peak in 2006, the solar industry began rapidly transitioning, moving away from a heavily subsidized market in overcast Germany, to sunny areas where the economics of solar directly compete with traditional power like coal. This transition required ferocious innovation and cost reduction, and SolarWorld couldn't keep up. Given the change in competitive dynamics, how could a company be expected to maintain and enhance customer acceptance with a \$800 million judgment from the Hemlock litigation hanging over its head?

(8) Two years ago, NEXTracker began offering a product line in the USA called NX Fusion, where our tracker was offered together with solar panels as an integrated package for utility applications. To enable rapid delivery we were looking for a domestic supplier partner. SolarWorld had heavily promoted the capabilities of their Hillsboro Oregon factory to us. We decided to take them at their word and give SolarWorld a chance to become a significant business partner with a major order.

(9) It turned out to be a poor decision. On September 15, 2015, we awarded SolarWorld a \$32M Purchase Order for 156,000 solar panels over the coming year. The order specified 72-cell solar panels, which for technical reasons are needed for most utility applications.

SolarWorld accepted the order but then had a range of problems fulfilling it, starting with deliveries that were late by 6 weeks or more. When the panels finally came, we discovered from the labels that they were actually made in Thailand, not Oregon. Additionally, non-conformance with technical specifications required us to modify the panels in a third-party warehouse.

(10) The large magnitude of the operational problems SolarWorld had in fulfilling the 72-cell panel deliveries ultimately led NEXTracker to cancel the balance of the Purchase Order, after only 10% of the panels had been delivered. SolarWorld recognized their failings and accepted the cancellation with no penalty, after crediting us for the cost of bringing their panels within specification. After this fiasco, we disqualified SolarWorld from our vendor list.

(11) This is not a picture of a company poised to succeed in the marketplace if granted still another trade remedy.

(12) In closing, please understand that NEXTracker is one of the many solar industry businesses that are looking to the Commission to recognize the very special circumstances of this industry – an industry where long-term trends reflect decades of hard work and innovation to drive down costs, expand demand, and enable affordable, reliable solar systems to lower the cost of power for millions of Americans. We respectfully urge the Commission to reject the Petition, which is causing great uncertainty and damage to the US industry.

(13) Respectfully – Dan Shugar

