

Statement on tariff on solar products (1/25/18)

Dear Friends:

Dark Day for Solar in the U.S.: The Trump Administration is putting in place a 30% tariff on imported crystalline PV modules, kicking the global leading manufacturers in the shins, while hurting American jobs and solar businesses. This will particularly affect those who are on the tipping edge of saving money, while implementing higher-quality solar installations, just when solar has begun to beat the retail cost of energy produced by coal and gas. Hurt most: tax-exempt public benefit organizations (schools, water districts, municipal agencies), because their best opportunity to go solar has been to work with third-party investor-owners through the use of Power Purchase Agreements, whose ability to offer savings will be lessened.

There are over 260,000 of us in the solar development and installation sectors--and consensus (per GreenTechMedia) is that about 10%--or over 20,000 of those people--will lose their jobs; while fewer than 6,000 had been in the manufacturing of solar panels stateside. The two U.S.-based (but ironically foreign-owned) manufacturers, Suniva and SolarWorld, who filed the case for trade 'safeguard' protections, have now said the 30% reward isn't good enough to keep them afloat. At least one other Asian manufacturer, which was planning to open a U.S.-based assembly plant has pulled back their plan, given the unfriendly uncertainty created by it.

Big picture, since modules now represent less than 20% of the total cost of a solar project, a 30% increase creates just between a 5% and 10% increase in Total Project Cost. Not the end of the world, right? But, since our margin is similar to that, and all front-line solar projects are on the knife-edge of feasibility, every %-age point hurts, and a few will destroy projects. All when U.S. manufacturing is not likely to be saved. So, everyone loses. Can anyone say this is good policy? Perhaps good for he who currently occupies the White House: this action hurts China, California, and Solar Power all at once.

Friends, we need to do everything we can to increase the tempo of conversion away from GHG-producing fossil fuels, not slow it down. This misguided America First action jams on the brakes, but we will endure. Work became harder, but continued progress is absolutely essential.

David Kunhardt
CEO | SolEd Benefit Corp,

[415-609-7893](tel:415-609-7893)