

United States Senate

WASHINGTON, DC 20510

May 1, 2022

The Honorable Joseph R. Biden, Jr.
President of the United States
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear President Biden:

We write to express serious concern regarding the Department of Commerce's (Commerce) recent decision to initiate the circumvention inquiry requested by Auxin Solar in its petition. Initiation of this investigation is already causing massive disruption in the solar industry, and it will severely harm American solar businesses and workers and increase costs for American families as long as it continues. We strongly urge your administration to swiftly review the case and make an expedited preliminary determination. Such a determination should carefully consider the significant policy ramifications and reject the petitioner's request for retroactivity. We also request a meeting with you at your earliest convenience to discuss this urgent matter.

On April 1, 2022, Commerce initiated the circumvention inquiry called for in the Auxin petition that would subject crystalline silicon photovoltaic (CSPV) solar panels and cells imported from Malaysia, Vietnam, Thailand, and Cambodia to tariffs ranging from 50 to 250 percent. Given these four countries account for more than 80% of CSPV panel imports to the U.S. and over half of total U.S. panel supply, expanded tariffs on products from these countries would severely undercut the growth of the solar industry, cost tens of thousands of American jobs, and raise energy prices for U.S. consumers. We strongly support developing a domestic solar manufacturing supply chain, but current demand for solar products far exceeds existing domestic production capacity.

Already, as a result of Commerce's decision to initiate this investigation, industry surveys indicate that 83% of U.S. solar companies report being notified of canceled or delayed panel supply. Without a reliable and cost-effective source of panels, existing and proposed solar projects could come to a halt. According to Wood Mackenzie, a leading energy research firm, solar deployment will fall by approximately 16 GW annually if the current situation persists and tariffs are ultimately imposed. That is more than half the magnitude of total solar capacity the U.S. installed in 2021 (23.6 GW). Left unaddressed, cutting off this supply of panels and cells also risk the loss of more than 100,000 American jobs, including approximately 18,000 manufacturing jobs.

These tariffs, if imposed, would adversely impact ratepayers who depend on clean, affordable energy. For example, a utility could have to move to the next least costly supply of electricity if a contracted solar project could not be built or built on time because of the Department's investigation. In addition, some utilities could decide to take on any added costs resulting from

the tariffs and then pass them onto ratepayers. That could mean massive price hikes for U.S. utility customers, given that with CSPV modules subject to 250% tariffs, a typical 100MW utility scale solar project would face \$62.5 million in duty exposure. This would needlessly increase energy costs at a time when consumers are already facing rising prices and high costs of living.

Initiation of the investigation is already negatively impacting the U.S. solar industry, and the longer this situation persists, the more acute the damage will be. Accordingly, we strongly urge your administration to make an expedited preliminary determination in this matter and carefully consider the significant policy ramifications on American businesses, workers, and ratepayers. We also look forward to the opportunity to meet with you to discuss this matter further.

Thank you in advance for your consideration.

Sincerely,



Jacky Rosen
United States Senator



Martin Heinrich
United States Senator



Kyrsten Sinema
United States Senator



Thomas R. Carper
United States Senator



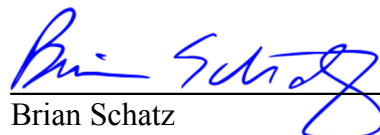
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United States Senator



Michael F. Bennet
United States Senator

/s/ Dianne Feinstein

Dianne Feinstein
United States Senator



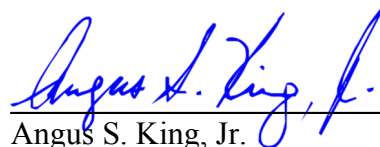
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