

## **Renewable Energy and Energy Efficiency Advisory Committee (RE&EEAC) Meeting**

Tuesday, December 3, 2013

9:00 am–5:00 pm

The Renewable Energy and Energy Efficiency Advisory Committee (Committee) was called to order at 9:30am by Ryan Mulholland, Designated Federal Office (DFO), who welcomed the participants and facilitated introductions.

The Committee immediately turned to a discussion of potential policy recommendations developed by its subcommittees. The proposed recommendations and Committee decisions on actions going forward are set forth below:

### **Trade Policy Subcommittee**

The Trade Policy subcommittee began discussion on several potential recommendations that they had developed since the previous RE&EE Advisory Committee meeting.

*Potential Recommendation:* The Secretary of Commerce should direct ITA to create a standard U.S. Country Commercial Guide template for sector analysis with common terminology, data points, and research references across markets. An assessment of U.S. manufacturing and service provider capability and competitiveness should be reflected in the listed “Leading sectors for U.S. Export and Investment” section through consultation with ITA industry analysts and the DOE’s Clean Energy Manufacturing Initiative. *Move to final vote: not ready yet, needs more work.*

*Potential Recommendation:* The Secretary of Commerce should direct ITA to work with DOE/NREL, the Department of State and other interagency partners to develop a guide to U.S.-manufactured renewable energy and energy efficiency products and services (similar to the Environmental Solutions Toolkit). The Secretary should work with the State Department and military branches to ensure access to the guide is provided for building facility managers and contracted design firms working on procurement of RE&EE items. *Vote present: Yes, wording needs to be altered and blended with related recommendation on certification and catalog.*

*Potential Recommendation:* The Department of Commerce should work with customs and the ITC recommend that the World Customs Organization (WCO) establish specific Harmonized Tariff Codes (HTC) and the development of 10 digit codes for renewable energy equipment and components in the U.S. *Propose that the WCO establish HTC for specific renewable energy types. Move to final vote: Yes.*

*Potential Recommendation:* The Department of Commerce should enter into negotiations to eliminate or reduce tariffs on renewable energy equipment and products and services, seeking to

expand voluntary regional initiatives like the APEC Environmental Goods and Services Agreement into global mandatory trade pacts. *Move to final vote: Yes.*

*Potential Recommendation:* The Secretary should encourage the State Department and other US negotiators at the UN Conference on Climate Change (COP 21) in Paris in 2015, and in negotiating other climate change treaties and protocols, to expand deployment of renewable energy & energy efficiency by including in the agreement and expedited process reduction or elimination of tariffs and localization barriers to trade in RE/EE. *Move to final vote: Yes, John Smirnow Abstained. Vote dependent on future conversations regarding viability of recommendation.*

*Potential Recommendation:* The USTR should press ahead with negotiations for WTO or binding plurilateral agreements to reduce localization barriers that inhibit trade in renewable energy and energy efficiency, such as: Agreement on Environmental Goods and Services, such as by expanding the APEC Agreement on Environmental Goods and Services to the Trans-Pacific Partnership and OECD; Agreement on International Trade in Services. *Move to final vote: Yes.*

*Potential Recommendation:* Department of Commerce agencies, including USTR, should increase its monitoring and publicizing of local content requirements (LCRs) and other localization barriers in newly proposed RE&EE programs (such as FITs, RFPs and Renewable Energy Portfolio requirements) in key export markets, including by:

- Expanding and promoting the Notify U.S. Service (maintained by NIST as the US Point of Inquiry for Technical Barriers to Trade) or develop a separate web-based system to facilitate reporting of LCRs and Technical Barriers to Trade faced by US exporters;
- Requesting US Embassies to report localization barriers, including in RE/EE, in their annual reports to the USTR;
- Issuing special reports on barriers in specific countries, or highlighting these barriers in the USTR's annual report; and
- Continuing to expand and publicize governmental "best practices" to encourage a vibrant RE/EE industry locally without resort to localization barriers.

*Move to final vote: Yes.*

*Potential Recommendation:* The USTR should increase formal and informal efforts to reduce or eliminate local content requirements (LCRs) and other localization barriers in specific countries' renewable energy programs, particularly those in planning stages before programs are implemented. *Move to final vote: Yes.*

*Potential Recommendation:* The Secretary should recommend to the White House that the President issue a directive or memorandum directing Executive Branch agencies, in conducting inter-governmental discussions and activities relating to energy or climate matters (such as

energy policy, development, climate change, and trade), to promote reduction of non-tariff trade barriers in RE&EE. *Move to final vote: No.*

*Potential Recommendation:* The Secretary of Commerce should direct ITA to limit multi-sector trade missions to closely related sectors and to better schedule trade missions – with the input of ITA industry analysts – to coincide with opportunities for U.S. companies to influence policy direction, take advantage of bidding opportunities and/or attend a relevant trade show or conference. *Move to final vote: Yes*

### **Trade Promotion Subcommittee**

*Potential Recommendation:* An interagency effort led by the Department of Commerce, with support from the Departments of State and Energy, should develop the planning standards and policy options to determine when and how to ensure that transmission investments support clean energy export initiatives. The Secretary should urge that the standards developed be utilized by agencies promoting clean energy exports, and utilized by OPIC, EXIM and US multilateral bank representatives in considering future transmission investments. *Move to final vote: Needs additional work (Karl, Jen, and Dan).*

*Potential Recommendation:* The Secretary of Commerce should direct ITA to build upon the World Watch Institute’s model for developing country and regional sustainable energy roadmaps to determine the forecasted demand for renewable energy and energy efficiency. ITA should prepare a list of qualified Clean Energy Planning Groups from which a country can pick analysts to direct its efforts. ITA also should provide funding to the country for development of its sustainable energy country roadmap together with regional Integrated Resource Plans, which would support U.S. policy and export efforts. *Move to final vote: Yes.*

*Potential Recommendation:* The Secretary of Commerce should facilitate briefings for the US Executive Directors of the Multilateral Agencies and the staffs at these institutions by this organizations and industries represented by the Advisory Committee to highlight US industry capabilities and proven sub-tier markets within classes of projects and procurements. These Executive Directors should be asked to arrange for similar briefings for projects and procurement staff within each of these multilateral entities. *Move to final vote: Yes.*

### **Finance Subcommittee**

*Potential Recommendation:* Develop and adopt a list of talking points and work them into speeches and discussions about the US role in Renewable Energy & Energy Efficiency (Proposed Talking Points Provided.). *Move to final vote: Needs modifications.*

*Potential Recommendation:* Engage in outreach activities specifically targeted at the finance community to raise awareness for the number and types of opportunities to invest in US RE&EE.

Specifically, attend and sponsor finance conferences, host panels, give speeches, and present case studies of successful US RE&EE exports. Recommended conferences include:

- Asset Backed Securities Conferences
  - ABS East / West
- Venture Capital Conferences
- Private Equity Conferences
- Banking Conferences
- Renewable Energy Conferences
  - Solar Power International
  - AWEA
  - REFF

*Move to final vote: No needs more work*

Share the RE&EE Advisory Committee's paper on the challenges to financing for US RE&EE with other agency heads. Adopt this paper's list of priorities as a talking point for critical areas for government action and support for US RE&EE. *Move to final vote: Needs modifications.*

Items for further action by the Finance Subcommittee:

- Research areas where executive level actions can increase flow of capital for US RE&EE;
- Meet with Treasury, SEC, DOL, OPIC and ExIm etc. to learn about all current activities to expand access to capital for RE&EE;
- Investigate barriers to capital flow and what changes would be necessary to remove those barriers.

Further relationships with the "SelectUSA" program to foster renewable energy and energy efficiency development in the U.S. *Move to final vote: No, send back to subcommittee to rework*

### **U.S. Competitiveness Subcommittee**

*Potential Recommendation:* Educate the global Commercial Service teams for aerospace and energy both domestically and in targeted foreign markets about the US REEE industry so they can help U.S. firms take maximum advantage of commercial opportunities. *Move to final vote: Yes, combine recommendation below.*

*Potential Recommendation:* Use ITA's webinar technology to educate renewable energy and energy efficiency companies about new and emerging opportunities and as a marketing tool to engage the organizations and individuals mentioned above. *Move to final vote: Yes, combine with recommendation above.*

*Potential Recommendation:* Build new relationships between DOC's Economic Development Administration (EDA) and NIST's MEP (Manufacturing Extension Partnership) with renewable energy and energy efficiency technology providers.

*Potential Recommendation:* The Secretary should recommend to the [President] [Cabinet] that [the President] [Secretaries of Commerce and Energy] convene a stakeholder roundtable discussion to explore and promote regional harmonization of state renewable energy portfolio standards to strengthen the US domestic market for renewable energy, indirectly promoting a strong, competitive US manufacturing base in RE & EE. *Move to final vote: No*

*Potential Recommendation:* Form a committee to conduct research & due diligence:

- Create a list of US RE & EE Technologies, Equipment & Products.
- Review the HS Code Categories and select all of the codes that each of the RE & EE Technologies, Equipment & Products would qualify under.
- Make a list of the top 40 USA Trade Countries and review the percentages that they charge for duties/tariffs and any other restrictions or requirements for all of the HS Codes relating to the US RE & EE Technologies, Equipment & Products.
- Review all of the information secured and make up information HS Code Guide with recommendations that will be made available to American companies for Export Business.

*Move to final vote: No*

*Potential Recommendation:* (i) Update NIST standards that create artificial barriers to the competitiveness of US manufacturers of climate friendly cooling gasses, (ii) coordinate NIST standards with the EPA's SNAP, to insure a uniform and competitive framework for US manufacturers to provide advanced technologies to address climate concerns and (iii) monitor evolving standards in other countries such as Europe's F-Gas phase out regulation and continue to update US standards as needed to insure that US companies are well positioned to provide products that meet other countries evolving needs. In addition, the EDA should prioritize the manufacturing of climate friendly coolants for grants to improve economic opportunities in America's industrial base.

*Potential Recommendation:* The Secretary of Commerce should direct ITA to work with the Department of Energy's Clean Energy Manufacturing Initiative (CEMI) in developing its proposed "American Clean Energy Manufacturing Partnership & Public Private Partnerships" concept to establish a US Clean Energy Manufacturing and Distributed Energy for the World (CEMDEW) Public Private Partnership. The Partnership will be modeled on SEMATECH for semiconductors, established in 1988, with participation from critical government departments (e.g., energy, commerce, and defense) and major US manufacturing and energy technology

companies. The Partnership will identify and resolve common manufacturing and energy distribution problems for US and export applications.

*Potential Recommendation:* One of the Partnership's functions will be to establish a technology and funding platform for energy systems development from prototype to commercially deployable product and services for exportation. Additionally, the Partnership will identify and address economic deployment issues for clean energy systems in the developing economies. ITA staff should participate in and on CEMI's "Tiger Teams" that will be formed to help create and guide the consortiums of potential strategic partners resulting from CEMDEW. *Move to final vote: Not ready yet, needs to be reworked.*

*Potential Recommendation:* Department of Energy strategy memos should be extended to include a comprehensive export competitiveness evaluation of the specific industry. The memos should be on an annual review cycle with specific industry measurements that follow and assess the industry segment progress.

The E3 program should integrate the results of the DOE strategy memos to target specific industries and segments to market and drive focused activities and results to drive global competitiveness. The E3 program should be expanded to include export training.

Department of Energy Fellows program should include product and services export training to the individual Fellows. *Blend 26-28 into one recommendation.*

Department of Commerce should in conjunction with the other agencies, develop a 5 year strategy from the DOE memos. The memos should be expanded to all segments of the RE&EE portfolio, not just the ones that DOE invests in. The strategy should be supported with the use of a new fellow program to drive interdepartmental and industry tactical action plans and execution.

*Potential Recommendation:* Promotion efforts through the Renewable Energy and Energy Efficiency Export Initiative should be broadened to include goods and services intended to increase power infrastructure resiliency in the face of increasingly severe weather worldwide. *Move to final vote: No, needs to be reworked*

*Potential Recommendation:* The Secretary should be provided information to advocate the most effective form of tax subsidies for the EE & RE industries, in conjunction with the Energy & Treasury Departments. While tax incentives for renewable energy are legislated, and should not be permanent, the administration should strongly promote the use of the most effective types of tax incentives, with time frames that allow market stability, and which generate the most economic activity per dollar of tax expenditure.

*Potential Recommendation:* Research should be undertaken into the extent of implementation of energy service contracts by federal agencies, to comply with the requirement to decrease the energy intensity of their facilities under Executive Order 13514. Initial steps should include

meetings with the Senior Sustainability Officer at Commerce and Federal Environmental Executive at OMB, and a review of agency scorecards and sustainability plans. If it is determined that there is significant untapped potential for energy savings through energy service contracts, the potential for establishing a centralized unit to negotiate energy service contracts for the agencies, possibly within GSA, should be investigated. *Vote to forward: Not Necessary.*

*Potential Recommendation:* Department of Commerce should develop a certification and catalog for Domestic made RE&EE products and services. The catalogue of products then should be part of a market program to various Federal program participants (Green Embassies, Department of Ag., E3, DoD, etc.) for both domestic and foreign Federal projects. *Move to final vote: No.*

### **Public Comment Period**

There were no public comments.

### **Committee Business**

The Committee agreed to hold a follow-up call to render final votes on subcommittee recommendations. Mr. Mulholland indicated that he would circulate a revised version of the relevant recommendations in advance of the call. The Committee tentatively scheduled a meeting for January to present its recommendations to the Secretary of Commerce. After January, the Committee discussed holding two additional meetings. It was also agreed that the draft finance white paper would be recirculated within the Finance Subcommittee for additional review and comments.

### **Adjourn**

The Committee meeting adjourned at 4:30 p.m.