Renewable Energy & Energy Efficiency Advisory Committee (RE&EEAC)
Meeting Minutes

June 14, 2012

Committee Members Present:

Bryan Ashley
Mary Burgoon
Linda Church Ciocci
Karl Gawell
Andy Kruse
Nicole Poindexter
Scott Sklar
John Smirnow
Trey Taylor
Michael Weaver
Tom Weirich
Frank Wolak

Committee Members Absent:

Mohammed Alam
Asif Ansari
James Bradbury
Jim Crouse
Jeffrey D'Souza
Terry Fry
Bill Gleason
Jason Hartke
Jessica Isaacs
Ed Lowe
Doug Miller
Tamara Nall
Joey Neuhoff
David Rosenberg

Other Participants & Members of the Public:

Dustin Antonello, Underwriters Laboratories, Inc
Aaron Brickman, Deputy Director, SelectUSA
Ignacio Cundin, Underwriters Laboratories, Inc.
Andrew David, U.S. International Trade Commission
Jennifer Derstine, Designated Federal Officer (DFO), U.S. Dept. of Commerce
Cora Dickson, U.S. Department of Commerce
Roy Dunbar, CEO, Sustainable Star
Karen Hyun, Senior Policy Advisor, Department of Commerce
Nicole Lamb-Hale, Assistant Secretary, DOC and Chair of the TPCC Working Group on Renewable Energy and Energy Efficiency
Brian O'Hanlon, Designated Federal Officer (DFO), U.S. Dept. of Commerce
Adam O'Malley, Director, Office of Energy and Environmental Industries, ITA
Stephanie Sienkowski, U.S. Department of Commerce
Catherine Vial, U.S. Department of Commerce

The meeting of the Renewable Energy & Energy Efficiency Advisory Committee (RE&EEAC or Committee) was called to order at 9:37 a.m. by the Chair, Karl Gawell.

Scott Sklar moved to approve the minutes from the May 2-3, 2012 meetings. Linda Church Ciocci seconded. With no objections, the meeting minutes were approved as written.

Gawell briefly went through the day's agenda, identifying several modifications to the printed schedule, and noted that Tom Weirich would take over chairing the meeting at 10:00 a.m. Brian O'Hanlon thanked the Committee members for their participation.

Gawell mentioned that he had been asked to meet with the new DOE Assistant Secretary for EERE last week and reported that a top priority is economic competitiveness. At this meeting, Gawell discussed the Committee and explained that we have to look at ourselves in the context of a world market.

Andy Kruse noted that the Domestic Policy Subcommittee held a call with MARAD regarding shipping costs and how we can ship U.S. goods and products overseas using non-U.S. flag ships. This issue has been brought up through other working groups, specifically through MARAD and EXIM Bank. The recommendations the Committee is making are similar to those made in the past. There was some push-back from MARAD, so Kruse and others broke down arguments on both sides, analyzed what the conclusions were, and asks that Commerce watch this issue as it progresses.

There has been some change in the MARAD recommendation background language, but the recommendation itself is unchanged. Kruse reiterated that the overall industry consensus is that moving to the trust and convertible statutory waiver system would improve U.S. shipping, not be a threat to it.

Next, the Committee began the discussion on member feedback regarding the RE&EEAC scope, structure and operations. Gawell began by saying that one challenge the Committee has faced was a diminishing group. RE&EE is a rapidly changing industry, plus there is still room for agencies to learn about what other agencies are doing. There is a lot of government capability, but its accessibility and orchestration is hampering this. The question is how can Commerce, as it formulates its new Committee, do better? Initial points of feedback were that:

1. The Committee needs to have a deeper bench; it needs a strong group supporting it.
2. Agency meetings about recommendations have made the recommendations much stronger. It's natural to get push back, but in order to effectively mitigate this, the Committee needs to know more about the agencies. Agency days as intervening events are very beneficial.
3. Many things the Committee talked about doing, it never got around to actually taking action on; small and medium banks engaging in exports is one example. There are few opportunities for outside groups recommending things to agencies that they would consider. The Committee should take advantage of this.

Sklar noted that RE&EE industries have a mixture of market sectors – different customers and great disparity between small/medium/large businesses. The RE&EEAC needs to break down that cross cut to be more surgical in addressing the needs and issues of those various customer sectors. The first two years of the Committee's existence focused on overarching themes, but there needs to be more focus and specificity moving forward.

O'Hanlon asked what other segments of the industry should be represented on the Committee, and how membership should be organized. Sklar noted that industries have a mix of market sectors and customers. He suggested the next committee address these segments, reiterating that

small, medium, and large companies have different interests and needs. Street lighting, pipelines, buildings and other infrastructure are examples of markets that could be focused on. Sales are where the rubber hits the road.

Kruse suggested specifically looking at applications and adopting a targeted direction. These could be small projects, like looking at opportunities for renewable energy to power telecom towers that are currently powered by diesel fuel, or for island nations that rely on diesel fuel. These represent very significant market opportunities. The Committee should also look at what other agencies are focused on (i.e. State Department focus on island nations, bringing together small and large manufacturers).

Next, Adam O'Malley introduced Nicole Lamb-Hale, DOC Assistant Secretary and Chair of the TPCC Working Group on RE&EE. Gawell turned the meeting over to Tom Weirich. Weirich introduced the Committee and briefly covered the Committee's history and recommendations being presented.

Nicole Lamb-Hale thanked Gawell and Weirich for their leadership and the Committee for their hard work and meaningful input. She noted that, unfortunately, the changes being recommended can't happen overnight and urged the Committee not to be disheartened if change doesn't happen as quickly as we would like. Lamb-Hale also pointed out that it is important to have input from industry and that the Committee will be rechartered with the goal of building on these recommendations. She encouraged members to apply for the rechartered Committee.

Next, John Smirnow introduced the Trade Agency Re-organization and ITA FY2013 Budget letter. He complimented the DOC team before explaining that the context for the letter revolves around four major themes that have emerged in Committee discussions over the last two years:

1. The need for (domestic) policy certainty is a critical precursor for exports.
2. The need to create a single trade window. The creation of BusinessUSA and the associated web site is a step in the right direction.
3. Lack of access to capital is a primary barrier to export competitiveness.
4. The negative impact of Local Content Requirements (LCRs) on the U.S.'s ability to be competitive.

Smirnow provided an overview of the major highlights in the recommendation letter:

- Consolidating trade functions will create a one-stop shop for U.S. businesses, particularly SMEs, and improve identification of and focus on priority markets.
- Expansion of online capabilities should not be at the expense of on-the-ground resources, like the Gold Key Service.
- Consolidation should not impede on the autonomy of OPIC or ExIm.
- Expanding resources for SelectUSA should result in increased investments
- Expanding resources for trade enforcement activities should focus on both consensus building as well as proactive measures.
- Reduction of MAS resources for work on standards issues should be careful not to impact U.S. leadership in the development of international standards.

Smirnow asked if there was any new information on trade consolidation. Lamb-Hale said that at this point she was not aware of any movement. ITA is doing what it can to get the ship aligned if

consolidation should happen by working to be more efficient. She said she didn't have any new information, but didn't imagine this is moving on the Hill right now. Lamb-Hale noted that the TPCC is the most functional that it's been in years. Proposed reorganization isn't specific to REEE issues, but it should help industry. Regarding the concern about standards, Lamb-Hale pointed out that within ITA they have more than one office focusing on standards. Consolidating this approach shouldn't be viewed as diminished attention to standards, simply reducing redundancy. NIST is a leader in standards. Pat Gallagher (NIST Director) is leading an initiative to coordinate standards appropriately. She expressed happiness that the Committee thinks the RE&EE exporters portal is working well and agreed that we still need boots on the ground to do trade promotion – probably more than we have – and that the portal is an important tool to augment in-person advocacy. Lamb-Hale urged the Committee to provide feedback if they saw ways to improve the portal.

Next, Sklar introduced the EB-5 Visa recommendation. The EB-5 program needs to be flexible as we are dynamically growing. Gawell noted that this fits a nice niche in the financing scheme and has real opportunity for capital investments. The vast majority of RE project problems arise in financing stages.

Lamb-Hale stated that FDI is key component of the long-term success of this sector, and others. She asked for examples of how SelectUSA can coordinate with embassy staff and regional centers if SelectUSA was given the resources it needs.

Weirich cited examples of other countries' presence in export markets through regional centers of excellence, (e.g. the Danish Trade Commission's work in Silicon Valley) which help forge relationships for their companies in foreign markets; these relationships can lead to financing. Lamb-Hale said it would be great if industry could share these best practices with Commerce.

Next, Sklar provided an overview of the OPIC recommendations, noting immense support for EXIM and OPIC. He went through the Committee's four OPIC-related recommendations that the Under Secretary for ITA, as a member of OPIC's board, should advocate for OPIC to:

- Increase the number of board meetings held per year.
- Continue to shorten the time between approval of a loan and its actual disbursement and incentivize project managers to retain ownership in completion by being given partial credit on approval and remaining deal credit upon disbursement.
- Provide a public statement of domestic benefits during the loan approval process.
- Provide a public annual report on usage of U.S. contractors in OPIC-sponsored funds' invested deals.

Sklar pointed out that OPIC is reasonably fast, but can be more efficient. Lamb-Hale asked about how fast OPIC is and how this compares to private finance. Sklar replied that it varies based on project complexity, but anywhere from 90 days to 6 months, which is about equal to private finance, but that OPIC should be faster.

Regarding the public statement recommendation, Sklar pointed out that not all projects have the same level of benefit to the U.S. economy and that the recommendation seeks to create a metric for public statements reflecting this reality. Likewise, the public annual report seeks to make sure the process is transparent.

Lamb-Hale, commenting on the public statement of domestic benefit, said that as the U.S. fights against LCRs, there's a line we don't want to cross, so this recommendation becomes tricky. Sklar pointed out that OPIC is using taxpayer funds to support these projects, create jobs; forcing transparency can impact actions, but this recommendation does not seek to regulate U.S. content usage.

Bryan Ashley said that more transparency can help and went on to discuss the Committee's LCR recommendation. U.S. companies certainly see and are harmed by LCRs, not just the overt LCRs, but also when countries give preference for domestic content. The Committee recommends that Commerce/ITA continue the hard and fast "this isn't right" dialogue on LCRs, keep pressure up, but simultaneously work within other international forums to foster a collective shift away from LCRs. Commerce/ITA should also work with industry to offer government best practices and to make the case that countries can attract industry without resorting to LCRs.

Lamb-Hale said she shares this concern. Commerce is working closely with USTR on LCR issues. It would be helpful for the Committee to provide Commerce with a list of markets where LCRs are cropping up, and what form they are taking as companies encounter them. This can be done without providing your name, but the USG needs to see where LCRs exist and how they are manifesting themselves. The trend in markets is that LCRs are increasing, not decreasing. We need to think about how to help governments educate people on capacity development and negative impacts of LCRs.

Next, Kruse introduced the MARAD recommendation. He initiated the discussion by providing background on current requirements:

- 100% of ocean-borne cargo financed by the Export-Import Bank (Ex-Im) shipped from the US to an international buyer must be transported on a US flagged vessel.
- MARAD approves, grants and administers waivers, based on unavailability or unreasonable rates, allowing the exporter to ship cargo on a foreign vessel.
- In order for MARAD to grant a waiver, it must first certify to EXIM that vessels are either not available or available at an unreasonable rate (MARAD will make this determination)
- Ex-Im will currently only finance 85% of the total shipping and/or equipment costs (non-competitive with other ECAs)
- **Compensatory Waiver**– Applicable to goods that have been, in honest error or through extenuating circumstances, initially shipped on non-US flagged vessels, prior to obtaining Ex-Im financing. Waiver is granted if exporter shows proof of obligation to ship an equivalent dollar value of cargo on a US flagged ship at a later date.
- **Statutory Waiver** - Waiver is granted if MARAD determines that a US flagged ship will not be available within a reasonable time or at a reasonable rate
- **EX-IM will finance:** shipping costs *AND* equipment costs for cargo under a compensatory waiver, but *ONLY* equipment costs under a statutory waiver

Underlying problems: The RE&EE industry faces numerous challenges under the MARAD US flagged-vessel requirements:

1. US fleet is limited – Major wind components (blades, towers) must be transported on break bulk vessels. There are less than 50 U.S. flag break bulks available today.

2. High transportation costs – The cost of transporting blades and towers, for example, is extremely high (as a percentage of project cost for equipment). EXIM financing is critical to compete effectively.
3. Large projects with long lead times – Most wind projects are high volume and developers begin shipping components to site very early on in the process, well before financing is locked down.
Two primary issues exist, surrounding the MARAD US flagged-vessel requirements:
1. Many exporters do not have future projects in the queue, and thus are unable to satisfy compensatory waiver requirements; they cannot show proof of a commitment to ship cargo at a later date. If the ocean-borne cargo is still to be financed by Ex-Im, the exporter must find a way to pay for the elevated US flagged vessel costs (generally ≥50% more than foreign flag costs). Current Reach back language published by MARAD does not represent a broadly applicable solution.
2. When a project is granted a statutory waiver, equipment costs are financed by Ex-Im, however shipping costs (vessel rates, customs, duties etc.) are not.

Kruse noted that this was originally Ed Lowe's project, but that he has gotten up to speed in last couple of days.

Kruse provided the example that for a large GE shipment to Vietnam, shipping costs on a foreign ship were $15 million, while the same shipment on a U.S. vessel cost $25 million. U.S. exporters can't compete with this margin.

The recommendation to develop a US compensatory drawdown trust would allow exporters to transfer the obligations of a compensatory waiver by paying into the drawdown trust an amount not to exceed 25% over the invoiced foreign flag rate. The exporter is then no longer obligated to the terms of the waiver (i.e., to ship an equivalent dollar value of cargo on a US flagged ship at a later date).

Other exporters could then utilize the trust fund for the differential of shipping on U.S. Flag vessels, promoting the use of the U.S. Maritime industry. Note: once the trust funds are available to the open market, any exporter can fulfill the requirements of the compensatory waiver and in turn, utilize the trust funds. The exporter can fulfill the waiver by shipping an equivalent amount of cargo on a U.S. vessel at a later date, and withdraw no more than 25% of the US flag ship costs from the trust fund.

Kruse noted that this recommendation would help pay for other shipments, help America stay competitive, and preserve American manufacturing jobs. MARAD is concerned about preserving U.S. shipping jobs; industry is concerned about manufacturing jobs. This solution would help both.

Lamb-Hale said this is an excellent recommendation and asked where EXIM stood on this. Kruse replied that EXIM would do what MARAD says. Asked what Lamb-Hale can do to help, Kruse said the best thing to do is keep watching this issue and ask MARAD questions. Kruse will get Lamb-Hale details about how the trust would work, along with practical examples and other issues regarding availability of U.S. ships. Lamb-Hale will continue to raise this issue.

Karen Hyun mentioned that she sits on Marine Transportation Committee and can bring this issue up.

Kruse and O'Hanlon will prepare an information memo regarding the MARAD recommendation for Lamb-Hale and Hyun.

The Committee took a 10-minute break, continuing with Committee feedback.

Kruse said that the next Committee should look specifically at markets where the U.S. would have largest impact. He repeated the telecom example of over 1 million towers currently running on diesel and mentioned island nations, noting that the State Department has been doing more work in this area. Island nations, which largely rely on diesel fuel for their power needs, are extremely vulnerable to price fluctuations. These areas represent huge opportunities for renewables.

Linda Church-Ciocci agreed with previous statements and added that the Committee spent two years getting established, making good progress, and shouldn't lose sight of recommendations already made. We need to get deeper into the weeds on some issues, but shouldn't lose sight of broader policy recommendations that have already been submitted because they are critical to industry. She also suggested reaching more into the REEE industries to get more feedback, involvement, perhaps engaging people through public comment.

Smirnow added that there may be ways of getting people involved through teleconferences, etc., and would make it easier for small and medium-sized companies to participate. There is a role for associations to work more with members as they have tools to reach a broader audience.

Michael Weaver commented that it would be helpful to receive regular reports from Commerce on how Committee efforts are being received and if and how recommendations are being followed-up on.

Weirich suggested seeking out representation for the bio energy/biofuels sectors and others that are not currently represented on the Committee. He also brought up the idea of an internal exercise about communications and transparency. Finally, he noted that financiers need to be involved, citing Seminole Financial as an example.

O'Hanlon asked Nicole Poindexter and Mary Burgoon about what issues are important from the demand side. Burgoon replied that the demand side really wasn't touched on during Committee discussions; generation-side and renewables issues were the primary focus, though she noted that a lot that was discussed will help in exporting. EE/demand side is hard to quantify and it didn't fit naturally in the Committee.

Poindexter mirrored that sentiment, saying the subject matter didn't pertain to the Committee discussions. If subcommittees were organized by industry rather than by policy, the EE/demand side might have a more prominent voice.

O'Hanlon asked who Commerce needs to add to the committee, mentioning that DOC will be having phone conversations with potential new members about the time commitments and level of work involved. Expanding the representation on the Committee will be a key focus.

Commerce has already completed some of the paperwork to begin the recharter process. The new Committee will be approximately 35 members (this Committee was set at 30).

Sklar pointed out that someone wouldn't have to be on committee to provide input. The challenge is to bring in sector experts and to integrate customers into the dialogue. There needs to be need more EE and the financial community with portfolios of experience that resonates with the depth and breadth of the industry.

Weirich cited interconnectivity as a big issue, noting that RE can only be as successful as our technologies' storage and transmission. Smart grid was listed as an example. O'Hanlon mentioned that smart grid side will be integrated into this group. Weirich also suggested figuring out the green building angle.

Frank Wolak asked if the Committee is missing a dimension of facilitators, a second tier of people who could give input into how the process is facilitated, movement of goods, issues they face, feedback from customers, etc. Weaver pointed out that companies like his aggregate all of those second tier vendors through its membership and represents these issues to the Committee. However, greater input would be welcome from the logistics side.

O'Hanlon asked if it is practical to bring in views covering the whole chain of project development. Burgoon said yes, looking at it from a global point of view, rather than talking to each segment of the supply chain, is the way to go. As members of this Committee, we should be versed in these issues and are expected to do that background information gathering.

O'Hanlon asked if, on the issue of engagement, more could be done over the phone, but cautioned that we may not get full engagement. Poindexter stated that representatives will get to meetings in-person if they see value in it for themselves. The challenge is being very clear in what the benefit is. Weaver suggested setting ground rules up front and keeping meetings finite, concise. Weirich spoke about web platforms and suggested that subcommittees post progress on working drafts of documents. Webinars can be helpful, but should be kept to 90 minutes or an hour. Meetings themselves could be shorter.

Derstine noted that when the next Committee comes together, DOC will alert new members about Committee operating rules. She asked for input on what should be conveyed from the outset. Weirich suggested an orientation packet with information about time expectations, operational staff, external communications, etc. Other suggestions included background info on various agencies, explicit purview of the Committee, examples of how the Committee got from point A to point B on making recommendations, sort of a process flow chart.

Weaver asked if there is a role for an execution committee to help the Secretary's office work recommendations through and report back to Committee. O'Hanlon clarified that the law says the Committee can't do implementation, but going forward reports on implementation will be an aspect of every Committee meeting. He also noted that Commerce will be less shy going forward about saying which recommendations or parts of recommendations are not going to work.

Ashley said that it would be helpful from a motivation standpoint to hear directly from the Secretary. O'Hanlon noted that most advisory committees don't get that type of interaction and pointed out that this Committee had a number of fairly high-level people come through,

including Acting Secretary Rebecca Blank, Deputy Under Secretary Michelle O'Neill, Nicole Lamb-Hale, and others.

Weaver asked how was this Committee formed and how it evolved. The Committee came out of the RE&EE Export Initiative (which was inspired by the White House through the National Export Initiative and the Administration's focus on the RE&EE industries) and originated in the office of Energy & Environmental Industries and worked its way up. Secretary Chu and Secretary Locke announced committees on the same day.

The Public Comment period opened at 11:57am.

Roy Dunbar, CEO of Sustainable Star, commented that he was impressed with the relevance of the subject matter and recommendations to the type of work his very small company is doing. He was particularly glad to hear about OPIC, EXIM – experiences with these agencies have been among the most fluid interactions with any part of government, but the need to be faster is important. Small businesses are the engines of job creation. In the fast-growing industry of renewables, small and medium-sized businesses will have a profound impact on our industries.

Dustin Antonello of Underwriters Laboratories, Inc. stated that he was happy to be here to observe. He noted that Underwriters Laboratories feel they play an important role in export promotion activities and can make life easier for manufacturers by helping them understand requirements to get products overseas. He provided a brief overview of Underwriters Laboratories' reach and services, and commented that he finds the Committee to be very relevant and that Underwriters Laboratories could help get more exports overseas and support the role of the U.S. government in the NEI.

The Committee broke for lunch at 12pm and returned after a brief break to discuss the Committee recharter process.

Commerce has received approval to recharter the Committee, though they can't formally charter the new Committee until this charter ends. The last thing the current Committee will do is ratify minutes, which will be circulated via email for a yay or nay vote. Current members' appointments will end after this charter ends. In order to reapply, simply let Derstine or O'Hanlon know that you are interested in reapplying. They will need to reevaluate all members to make sure they have the right Committee balance, but current members do not need to submit new paperwork. O'Hanlon noted that it is hard to tell how long the process will take, but the goal is to have people appointed by August and hold the first meeting in the fall.

Derstine explained that the Committee focus this time around will fit in with related areas Commerce is currently engaged in. She described four key areas:

1. Project development lifecycle for RE&EE projects (i.e. when are decisions made? which parties are involved?) – Commerce is looking for case studies on how the project development timeline differs among technologies. For each project, they are aware that some content is sourced locally, for example, but this may differ. For what products or services are you likely to go with local providers? Is there anything that would change that decision (i.e. Ex-Im financing)? Is the USG connecting with the right people in export markets to better identify opportunities?

2. Commerce will be looking for feedback on how ITA can improve its outreach to small and medium-sized companies. How can ITA identify and target export-ready companies suitable for counseling and advocacy services in the most cost-effective manner?
3. Top Prospects Study – this was initially presented to the Committee in November. Commerce will continue to improve, expand the study. Are they looking at the right criteria? Commerce is exploring adding a future markets study to look at where the U.S. could have the biggest impact in earlier stages of market development.
4. RE4I – look at areas to help exporters and identify gaps in trade promotion services. Are the government programs working? Do they need to be improved?

The idea is to more closely tie recommendations to the mission Commerce performs every day and to adopt a more specific scope.

Sklar mentioned that other drivers that the Committee could do case studies about include bigger mixed-use developments with buildings, infrastructure, etc. He suggested looking at end use structures, noting that the technologies themselves are driven by those sectors, but there are also different scales within technologies. You have to look at the application side.

O'Hanlon asked about giving focus to demand side. Burgoon said that a lot of decisions are made locally; there is export opportunity, but we would have to look at each situation on a case-by-case basis. Poindexter mentioned smart grids being an interesting study and recommended expanding the question beyond project lifecycle information to include next steps once the information is obtained. O'Hanlon mentioned that there is a lot of education and training work that needs to be done to make ITA staff sophisticated enough in these areas to help on the ground in export markets.

Smirnow pointed out that there should be room for creative policy recommendations, too. Derstine responded that the Committee would still have leeway, but a larger portion of the committee work would be focused on key areas.

O'Malley next provided perspective regarding other advisory committees his office manages using the Civil Nuclear Trade Advisory Committee (CINTAC) and the Environmental Technologies Trade Advisory Committee (ETTAC) as examples.

There was an unprecedented demand locally for civil nuclear technologies (a $750 billion market in next the 7-10 years). The challenge for the U.S. is to take advantage of this demand due to the status of competition from state-owned, vertically integrated entities. These entities are able to provide financing, deal sweeteners, liability coverage, and high-level, consistent advocacy. The U.S. system is not designed this way and is more difficult to navigate. Due to this competition, the U.S. will continue to lose market share and the ability to influence nonproliferation talks and security goals if the U.S. Government is not involved.

The CINTAC was established in 2008 as part of civil nuclear trade initiative. Its membership spans supply chain, consists of seven subcommittees and issued its first set of recommendations in 2010. Among the CINTAC's initial eight recommendations were:

1) Create a Team USA led by a White House Director on Civil Nuclear Policy, including a nuclear trade advisory center;
2) Eliminate unfair competition;

3) Reverse OPIC's anti-nuclear financing policies;
4) Advance ratification of the CSC for Nuclear Damage;
5) Advance workforce training;
6) Accelerate commercialization of nuclear technologies;
7) Support trade missions and advocacy;
8) Develop took kit aimed at foreign buyers.

The ETTAC was developed in 1994 under Congressional direction. An interagency TPCC was formed in 1992, but progress was stunted through the first eight years of the 2000s, though the committee is being revitalized. The committee's two primary recommendations to date are:

1) Direct focus of Commerce's international trade promotion programs on the ET industry;
2) Leverage EPA expertise and resources to improve the effectiveness of those activities.

Themes that are emerging across the Energy and Environmental Technologies Advisory include:

- challenges to competitiveness not unique across subsectors
- need to influence other agencies
- access to finance
- committee outreach to other agencies
- commercialization of technology
- influencing legislation
- policy change takes time

O'Malley instructed the RE&EEAC to utilize the DFO to hammer other agencies on these issues, and suggested being proactive on individual basis (outside of the committee structure) to follow-up on these issues.

Burgoon asked whether the CINTAC has seen an increase in the number of exports due to renewed focus. O'Malley replied that they haven't seen this yet, but noted that the export time frame for civil nuclear is quite a bit longer. He also clarified that that while focusing on influencing legislation may not be the best use of the Committee's time, when legislation that specifically involve trade come up, it's fair game and probably worth the time to make recommendations regarding proposed legislation. Examples of this would be legislation that established MARAD and EXIM's reauthorization. O'Malley reiterated that influencing other agencies is really critical, but that policy change takes time.

O'Hanlon reiterated that by trying to tie the Committee's work into the other things Commerce is doing, the DFOs and others can push more regularly on these issues.

Next, O'Hanlon introduced the RE&EEAC Recommendation Matrix, which provides feedback on the status of and actions taken on the first set of Committee recommendations.

1. **Establish a national policy with Binding Clean Energy targets – The White House supports this** – The White House is supportive, but as this item requires Congressional action, it is unlikely to proceed in an election year.
2. **DOE should modify its mission to include promotion of economic competitiveness** - DOE has a desire to put competitiveness into its mandate. DOE operates program office by program office, but in key energy initiatives there are efforts underway to make a

commitment to commercialize technology in the U.S. That conversation is ongoing and DOE in at very highest level has been involved. They want to see that benefits of taxpayer dollar happen, at least partially, in the U.S.

3. **The effect on U.S. economic competitiveness should be taken into account before entering into bilateral research and development partnerships and in the evaluation of the effectiveness of such partnerships.** – There has been movement on this issue, which is a direct result of RE&EEAC recommendation spurring conversation. DOC and DOE will continue to talk.
4. **Evaluation of the potential export market into DOE grant and loan application and selection processes** – DOE is transitioning into seeing potential for export as a factor in the development of portfolio of investments in new technologies.
5. **E3 partners should identify and adopt consistent voluntary technical standards for RE&EE services and corresponding qualification for E3 service providers** – This issue was not followed-up on by the Committee, but the E3 Program welcomes further discussion.
6. **Expand E3 client expertise of RE&EE technologies and services –** The E3 Program is looking for further feedback from the Committee on what kind of expertise and the proposed format.
7. **Incorporate USEAC contacts into E3 as appropriate** – this recommendation has been carried to its conclusion, the E3 and USEACs have exchanged information on their programs and, when an E3 client is export ready, referrals are made to the local USEAC.
8. **ExIm should offer pre-export working capital loan guarantees** – Ravi Arulanantham (ExIm) spent a lot of time talking internally about whether ExIm can develop new products to do this. They could have an impact in the first stage (from lab into production), but would need different tools to evaluate risk. ExIm also been concerned with its reauthorization, which diverted focus from this. ExIm is willing to work with the Committee to come up with an alternative, new mechanism to recommend.
9. **ITC report on global import market for RE products and services, including demand projections in key export markets** – USTR has been quite open about this and has been in discussions with ITC about several reports, though they will likely be tight-lipped about what they move forward with
10. **Information gaps on competitiveness issues** – we are hearing from EERE, which has traditionally been the most resistant to this change, that the new Assistant Secretary is keen on having this information himself, so they may apply some DOE resources to collecting this information
11. **SelectUSA MOU** – SelectUSA has developed a model MOU that cleared both political and legal hurdles. Associations can start working with SelectUSA. They are looking to the Committee for suggestions about how to get the word out.

Weaver asked Commerce to let the Committee know if a recommendation is not going to move forward so they might refocus attention elsewhere. O'Hanlon said there would be more regular briefings moving forward.

Aaron Brickman, Deputy Director, SelectUSA arrived to discuss the EB-5 Visa and SelectUSA recommendations with the Committee. He mentioned that EB-5 is scheduled to expire every September. SelectUSA was launched by executive authority by President Obama one year ago to expand and keep business in the U.S. A few key functions of SelectUSA include: to serve as an information assistance mechanism; answer investor inquiries about how to invest in the U.S.;

take on an ombudsmen role; work with companies experiencing problem with federal rules that could compromise investment; advocacy; work with U.S. Economic Development Organizations (EDOs) in competition with foreign entities for new foreign investment projects; and incentivizing other agencies of Commerce to also engage at least through referrals.

Jeffrey D'Souza joined the meeting via conference line to talk about the EB-5 Visa recommendations. He stated that the recommendations don't add anything new in terms of commercial additions, but ask that the program's focus expand beyond the real estate sector. D'Souza noted that the scaling of the EB-5 program has gone up sharply. The Committee is suggesting that the commercial offices in embassies, the Department of Commerce, and others make themselves available to promote the renewable energy sector as one of the potential groups. The program itself expires this September, and the Committee recommends that program be renewed and that the number of visas is increased.

Brickman responded that some aspects of the recommendations are fantastic, but some are unrealistic, though these elements can be redirected. He said that EB-5 is one tool in the economic tool box in the U.S. Regarding the expansion of the program, it is important to be realistic what can or can't be done in the current environment. He also noted that of the 200 EB-5 Regional Centers, two-thirds of them are dormant. Brickman asked if the Committee had presented these recommendations to the U.S. Citizen and Immigration Services (the Committee has not). On developing marketing materials, he pointed out that he wouldn't want DOC to be put in the position of having to explain another department's program. DOC could become an avenue for renewable energy investment, but should not be in the position of explaining the role of another federal or state agency.

Brickman stated that RE is attractive for global investors and that, as a government, the U.S. should be thinking innovatively about how to make the international investor community aware of this opportunity. He is not convinced EB-5 is best way to do that and he urged the Committee to think through, outside of EB-5, how we can use the SelectUSA initiative and various USG tools to work collaboratively within that framework.

O'Hanlon asked how the Foreign Commercial Service (FCS) is interacting with FDI program. Brickman responded that the FCS's role is in business investment attraction, retention, and expansion, with a focus on outreach, engagement, and events. The primary objective for the FCS is jobs and economic growth; they aren't considering one sector over another. Any renewable energy coverage for specific FCS events has been at the request of event organizers. Brickman suggested looking into a collaborative plan to work with U.S. industry and identify key markets.

O'Hanlon asked if any/all EDOs can take advantage of FCS FDI programs. Brickman responded that FCS offers single location promotion. This service helps EDOs, on a for-fee basis, to promote their location for FDI (these are only EDOs, but they work very closely with industry). FCS also offers facilitated investment missions (FIM), which bring EDOs to large trade shows/conferences. FIM may be more effectively organized around a sector or theme.

Gawell asked for an update on the MOU process with SelectUSA. Brickman responded that the template looks good. SelectUSA hasn't gotten any expressions of interest, but they look forward to it and quick action would be welcome.

Gawell asked that the MOU be circulated to Committee members, and encouraged them to forward to other groups that would be interested.

O'Hanlon and O'Malley again thanked Committee members for their contributions and service to the committee.

O'Hanlon noted that Commerce staff would continue pushing the Committee's recommendations forward between charters.

The meeting was adjourned at 2:25pm.

Respectfully submitted,
Alison Holm
Recording Secretary
June 22, 2012

We hereby certify that to the best of our knowledge, the foregoing meeting summary is accurate and complete.

Submitted by:

Jennifer Derstine
DOC, DFO

Karl Gawell,
RE&EEAC Chair