

**RE4I Committee Meeting Notes**  
**April 8, 2014**

**Introduction**

**Ryan Mulholland, Commerce Department; John Smirnow, Solar Energy Industries Association (SEIA); Scott Sklar, The Stella Group; Andrew Bennett, Commerce Department**

Ryan Mulholland, Senior Renewable Energy Trade, Specialist provided updates on renewable energy and energy efficiency (RE&EE) events and initiatives occurring o in the U.S. government since the previous Committee meeting on February 11, 2014. These included the U.S. Trade and Development Agency’s (USTDA) new Trade Talks Forum and the U.S.-India Energy Dialogue in New Delhi. He highlighted the recent release of ITA’s 2014 *Renewable Energy Top Markets Study*.

John Smirnow, Committee Chair, welcomed the Committee and noted the opportunity to provide impactful financing recommendations before the Committee’s charter expires in June 2014.

Ryan Mulholland and Andrew Bennett, Smart Grid Industry Analyst and International Trade Specialist, then provided an overview of the implementation process for the Committee’s 14 recommendations made in February 2014. Mr. Bennett discussed how updates to the harmonized tariff code system would need to be driven primarily by industry. Mr. Mulholland noted that the Commerce Department now has a “Report a Trade Barrier” button on its website ([export.gov/reee](http://export.gov/reee)); and that the development of potential regional integrated resource plans is also in progress. Commerce also noted that plans are underway to train intra-agency colleagues on competitiveness. Content would include both training on technology and on bankability. In the next charter, the Commerce Department will also explore the issue of power infrastructure resiliency.

**Landon Van Dyke, Senior MA, State Department**

The State Department has piloted an application for smart phones and tablets that shows embassies’ energy consumption across a set of metrics. The State Department is always seeking cost-saving mechanisms, and the app will serve as a form of eco-diplomacy and community outreach across a large organization. Embassies can be a showcase for best energy practices and U.S. technology. The State Department produces a Green Guide that is shared with all embassies around the world and gives recommendations. State requested information on U.S. exporters that would be made available through the app in order for embassies to be able to select appropriate technologies. The State Department would like to have a Beta version by August and then deploy the finished app by Labor Day.

**Jennifer Prescott, Assistant United States Trade Representative for Environmental and Natural Resources and Bill McElnea, USTR**

Jennifer Prescott discussed how environmental issues are increasingly interwoven into trade and multilateral settings. In President Obama's Climate Change Strategy, he noted the importance of removing barriers to trade in clean energy products. USTR recently notified Congress of its intent to begin Environmental Goods Agreement negotiations within the WTO. The notification followed an announcement that the United States would support such negotiations, which was made in January 2014 on the margins of the World Economic Forum in Davos, Switzerland.

In support of its required fact gathering, USTR released a Federal Register Notice requesting comments around 4 areas: products where would like to have tariffs eliminated, along with those associated codes; markets for environmental technologies; how best to ensure that agreement remains relevant over time; and the issue of non-tariff barriers. Comments and the list of those who want to testify will be due May 5. A public hearing will take place on June 5.

### **Maria Elena Rivero, Africa Unit, Mobile Markets at ITA Commerce Department**

Maria Elena Rivero provided an overview on the ongoing Power Africa Initiative. President Obama announced Power Africa last June. It is a 5-year initiative whose objective is to increase the supply of affordable, reliable energy to Sub-Saharan Africa. The goal is to double access to power, a new development approach focusing more on local capacity to help build Africa's own power generation and transmission. The program focuses on six countries, Ethiopia, Ghana, Kenya, Liberia, Nigeria, and Tanzania. Its goal is to facilitate the development of 10,000 MW of new power capacity.

The USG has committed over \$7 billion of financial support and loan guarantees. They include policy and regulatory best practices assistance. The private sector has also pledged \$9 billion in commitments to develop 1000 MW of generation. Symbion Power has pledged \$1.8 billion in Tanzania. The Millennium Challenge Corporation (MCC) is committing up to \$1 billion in systems support through its country compacts. The Export Import Bank will make \$5 billion available to support exports. The African Development Bank has also committed funding. A transaction-based approach is key to success. The FCS is working to disseminate information as well. The Committee asked questions on the Initiative, particularly how Power Africa projects are selected and the benefits of being a Power Africa project.

### **Lunch Discussion, Ryan Mulholland**

Commerce continued its summary of how previous RE&EE Advisory Committee recommendations are being implemented, including a revamped Country Commercial Guide Template and an increased focus on grid resiliency export competitiveness going forward.

### **Committee Updates**

#### **Trade Policy Subcommittee**

The Trade Policy Subcommittee noted the significant opportunity offered by the multilateral development banks (MDBs), both as investors in clean energy and facilitators of market development and access. Going forward, the subcommittee will discuss how to better leverage MDB financing in support of U.S. exports, as well as ways to utilize U.S. Government funding mechanisms with greater impact.

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

The U.S. Competitiveness Committee noted that it held several conference calls focused on ExIm Bank and OPIC. The subcommittee highlighted the need to educate private investors about what makes a renewable energy deal bankable, suggesting that government agencies could work with trade associations to provide free consulting services to small and medium-sized enterprises.

### **Financing Subcommittee**

The Financing Committee discussed innovative mechanisms for financing renewable energy development. The committee discussed how investors still view the RE&EE sector as “niche-y” and dependent on fickle government policy. The subcommittee will continue to develop recommendations around innovative financing mechanisms that could drive investment in the sector.

### **Lee Peterson, CohnReznick Group**

Mr. Peterson presented on the systemic challenges of renewable energy investment and discussed ways to overcome them. His presentation highlighted sections of IRS codes that are currently obstructions to doing business and could be removed or amended to expedite investment. Mr. Peterson noted that there are few tax equity investors, limiting the capital available to renewable energy projects and companies. The committee then discussed ways to allow other investors to support growth in the sector. A potential letter from the Committee to the Secretary of Commerce may address some of these points.

### **Chandra Brown, Deputy Assistant Secretary for Manufacturing, ITA, Commerce Department**

DAS Brown noted her experience as a manufacturer with 20 years of experience provides her with a unique perspective in which to view and implement government programs aimed at supporting U.S. exports in the RE&EE sector. She highlighted the importance of both manufacturing capacity and export growth to job creation and thanked the RE&EE Advisory Committee for their work to date. She commented that “The work that has come out of this particular Advisory Committee is stellar. It is timely and actionable and has the right people at the table.”

DAS Brown asked the Committee for their feedback on the future of the National Export Initiative. The Committee asked questions of Chandra and spoke of the importance of removing local content barriers in foreign markets.

### **Public Comment Period**

There were no comments from the public.

### **Ryan Mulholland, *Top Markets Study***

Commerce provided a PowerPoint presentation on its recently released 2014 *Renewable Energy Top Markets Report*. The report ranks 75 markets in terms of overall renewable energy export potential through 2015, and provides specific subsector information as well. Mr. Mulholland noted that the wind will likely overtake solar as leading renewable energy exporter over the next two years, which is backed by strong anecdotal evidence. Commerce also highlighted that two-thirds of renewable energy exports are expected to go to only five markets: Canada, China, Brazil, Chile, and Mexico; and that there are four types of renewable energy markets with different actions associated with each. ITA is also developing a similar report on smart grid export opportunities, oil & gas exports, and environmental technologies.

### **Next Steps**

The Committee will meet again via conference call on May 15, 2014. Jennifer von Bismarck will develop a draft letter to Secretary regarding financing, which will cite elements of the tax code that stop the public from investing in RE. At the Committee's final meeting on June 12, 2014, Commerce will seek participation from USDA and Treasury.