

Talking Points on Manufacturing Council's Energy Subcommittee Trade Mission Letter

INTRODUCTION:

- Good afternoon, everyone. Thank you for allowing us to participate in your call today. We are grateful for the opportunity for our committee's to work together to promote **unified support** for trade missions in renewable energy.

BACKGROUND:

- It is the Manufacturing Council Energy Subcommittee's goal to promote trade relationships in renewable energy while simultaneously **increasing domestic production and export activity** per Secretary Pritzker.
- To accomplish this goal, the Energy Subcommittee is drafting a Trade Mission Recommendation Letter to Secretary Pritzker focusing on trade in the renewable energy sector to promote U.S. clean energy manufacturing.
- We would like to leverage similar leadership efforts pursued by other renewable energy committees to complement/supplement the respective Recommendation Letters.

TRADE MISSION CONTENTS:

- Per Adam O'Malley's guidance, our primary recommendation will be to recommend that the Office of Energy and Environmental Industries evaluate the markets and sectors suggested in the Energy Subcommittee's letter to the Secretary for trade missions as part of its 2016 Renewable Energy Top Markets Report.
- So far our clean energy manufacturing focus has been on the following markets:

- **Wind** – specifically advanced fiber composites used to manufacture longer wind turbine blades
- **Solar** – specifically Photovoltaic technologies for the production of solar panels
- **Automotive vehicles** – specifically advanced fiber composites to construct lightweight vehicles and lithium ion batteries
- **Fuel cells and energy storage and transmission** –
- **And building efficiency** – mainly R&D

- The Office of Energy Efficiency and Renewable Energy (EERE) is investing in these markets as a part of the Clean Energy Manufacturing Initiative.

- According to research being conducted by the International Trade Administration, the Department of Energy, and the International Energy Agency, there is great promise and opportunity for manufacturing and trade in these areas.

MARKET CHALLENGES

- However, we also recognize that there are many challenges to penetrating these markets as well.
 - So far we have focused on trade missions with countries that demonstrate notable growth, specifically between 2008 and 2014, in renewable energy sectors, including:
 - Belgium, India, Japan, New Zealand, Poland, Romania, and South Korea.
 - We may also consider countries that have a more established renewable energy sector like:
 - China, Brazil, and Germany
 - We know, for example, from India’s case study in the Renewable Energy Top Market Report that India’s renewable energy market is “one of the most challenging and unwelcoming markets for American exporters globally.” India also has a competitive domestic wind manufacturing industry, so our efforts should be to find a niche in the market that India cannot satisfy domestically.
 - We know from Brazil’s case study that U.S. exporters have difficulty due to “substantial and intensifying trade barriers.”

- We also know that Brazil does not produce small wind turbines domestically, so this may be an area for potential in U.S. exports.

- While we understand that we, the Energy Subcommittee, are on the right track regarding the trade mission recommendation initiative, we are certainly open to discussing and considering other renewable energy markets, other countries for trade missions, **and any challenges we may face in penetrating those markets.**

PROGRESS SO FAR:

- To date, we have had meetings with Chandra Brown and Drew Bennett to discuss the direction of our recommendations.

- We have also been in touch with Adam O'Malley, who provided us with a summary of recommendations of the RE & EEAC to the Secretary of Commerce for Charter 1: 2011 – 2013 and Charter 2: 2012 – 2014

- We are eager to hear any suggestions you might have regarding the direction and scope of our recommendation thus far as we would like to submit our Letter for the Manufacturing Council's approval by the end of October.

OPEN FOR COMMENTS FROM COMMITTEE MEMBERS: