

# Renewable Energy and Energy Efficiency Advisory Committee, *Charter IV*, Recommendation Fact Sheet

## **Recommendation #7 [Approved on September 28, 2017]:**

We recommend that the Secretary work with EXIM, OPIC, USAID, USTDA and other members of TPCC-REEE to provide training on the importance of requiring that products installed globally comply with internationally recognized standards in RE&EE projects.

To implement this recommend:

- DOC should identify top RE&EE markets through the Top Markets Report methodology
- DOC, as co-chair of the TPCC-REEE, should coordinate a training platform to execute capacity building and encourage executing agencies to leverage existing programs and funds to increase capacity building

**Sub-Committee:** Market Access

### **Background Information:**

We understand there are limitations to what these agencies can require in a project development RFP in terms of products and services (i.e. standards) for a stakeholder receiving USG funding. As such, we recommend that TPCC-REEE members should include as a condition for funding of RE&EE projects in key markets that host country officials attend a training seminar on the importance of requiring that installed products comply with internationally recognized standards. A training seminar on the importance of internationally recognized standards for safety and quality would be appropriate and helpful to discourage the host country from simply selecting the lowest-cost bidder. Typically, this bidder is one who intends to use products that are less expensive because they have not been certified to internationally recognized standards. Not only does this practice prejudice U.S. bidders whose compliance costs are factored into product price, but it also jeopardizes the project mission – facilitating meaningful and lasting foreign development and engagement.

The U.S. Government (USG) works with developing countries to provide capacity-building assistance to developing countries, specifically related to standards development. For example, Standards Alliance, a public-private partnership between USAID and American National Standards Institute (ANSI), coordinates private-sector subject-matter experts from ANSI member organizations in the delivery of training and other technical exchanges with interested countries. USTDA has awarded ANSI contracts to implement the U.S.-China Standards and Conformance Cooperation Program (SCCP), in which, each phase of the program calls for the organization of 20 workshops, mostly in China, over a three-year period that cover a wide range of sectors and issues related to standards and conformity assessment. Through USTDA, ANSI carries out the U.S.-Africa Clean Energy Standards Program (CESP), in partnership with Power Africa, to coordinate workshops in Sub-Saharan Africa, covering a wide range of technologies and challenges in the clean energy area. USTDA's Global Procurement Program has also conducted capacity building for public procurement officials to establish practices and policies that integrate life-cycle cost analysis and best-value determination in a fair, transparent manner. In some cases, GPI has a standard training session. With the exception of U.S.-Africa Clean Energy Standards Program, these training sessions do not dive deeply into REEE standards, although there are REEE project funding and facilities provided by the U.S. Government.

### **Expected Impact on Export Competitiveness:**

We expect that the level of U.S. Government engagement recommended here will result in an increased allowance of U.S. products in the RE&EE sector for associated projects where U.S. funding is involved, particularly in key markets of Brazil, India and Africa. This engagement will also level

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the playing field to help ensure that U.S. bidders on foreign market projects are not undercut by low-cost foreign bidders using non-compliant products.

**Specific Agencies Responsible for Implementation:** DOC, EXIM, OPIC, USAID, USTDA, and other members of the TPCC-REEE

**Metric to Track Success:**

- Increased number of workshops executed and corresponding participants (i.e., public officials) in top markets
- Increasing trend for foreign country RFPs for RE&EE sector projects to require that installed products be built to internationally recognized standards