

**U.S. Department of Commerce
Renewable Energy and Energy Efficiency Advisory Committee
(REEEAC)**

Fourth Charter, 2016-2018

November 16, 2017
In-Person Meeting #5
Rm. 1414
U.S. Department of Commerce
1401 Constitution Ave NW
Washington, DC 20230

MINUTES

Welcome, Introductions, & Approval of Meeting Minutes

- Cindy Thyfault, REEEAC Chair
 - Ms. Thyfault opened the meeting, thanked the group for coming on the call. Walked through the agenda. Meeting minutes for the July 27, 2017 meeting were approved unanimously.
- Vickie Gunderson, Designated Federal Officer of the REEEAC, U.S. Department of Commerce (DOC)
 - Ms. Gunderson also welcomed the Committee to DOC and thanked them for their continued service to the Department.
 - Ms. Gunderson, along with Ms. Cora Dickson, provided brief updates on DOC activities since the July 27 REEEAC meeting as well as upcoming engagements. They highlighted International Buyer Programs such as Solar Power International, PowerGEN International, and DistribuTECH; trade missions to Canada and India; and upcoming deadlines for public comment and hearing requests regarding the Section 201 Solar Case.
 - Ms. Gunderson underscored that today's agenda has a focus on briefings and topics that DOC is seeking REEEAC advise in real-time, or in the form of formal recommendations.

Top Market Reports (TMRs): Updates & Feedback Session

- Cindy Thyfault, REEEAC Chair
 - Ms. Thyfault introduced the agenda item and provided background on REEEAC's engagement on Top Market Reports (TMRs). She noted that during the second charter of the REEEAC, the Committee weighed in on the reports and noted the importance data-informed decision-making.
 - Ms. Thyfault noted that independent of the feedback provided during the discussion today, she noted that she had purchased survey program and the Committee could create a survey to help people with giving their perspectives on TMR.
- Vickie Gunderson and Cora Dickson, U.S. Department of Commerce
 - Ms. Gunderson and Ms. Dickson walked the REEEAC through the presentation – including preliminary results of a solar sector and the smart grid report.
 - Ms. Dickson noted that the renewable energy portfolio was the first to write a TMR in 2012, and that subsequently there are now 28 different TMRs available on trade.gov. She further

underscored that the TMRs were originally internal U.S. Government (USG) reports, but evolved to be for the public.

- REEEAC Members provided feedback on the TMRs including:
 - Noted examining investment opportunities as one of the main focuses for solar business development
 - Suggested exploring ways to remove the largest market actors from the calculus to avoid analysis distortions based on market size, or potentially creating large market versus small market methodologies that leverage varying percentage weightings
 - Suggested having TMRs focus on sector growth potential.
 - Noted that having regional case studies focused at the sub-sector level (e.g., Asia for wood pellets) would be useful to the industry
 - Ms. Thyfault noted that the discussion questions provided could be sent to REEEAC members to solicit additional feedback.

Hurricane Response and Recovery: Commerce's Role

- Phil Saputo, Economic Development Administration (EDA), U.S. Department of Commerce
 - Mr. Saputo gave an overview of the role that EDA plays in disaster response and recovery. He identified that EDA's main focus in economic assistance is through recovery and works with FEMA through their National Disaster Relief Framework (NDRF).
 - Mr. Saputo identified the goals of EDA to be 1) Rebuild businesses & employment, develop economic opportunities; 2) Lend to, promote and facilitate the domestic economy; 3) Utilize federal, state etc. resources; and 4) Develop community-wide economic plans.
 - He also mentioned that the main deliverables out of EDA are to develop a Mission Scoping Assessment (MSA) in the near term and a Recovery Support Strategy (RSS) in the long term.
 - Mr. Saputo discussed about the current societal instability in Puerto Rico and how it was further exacerbated by Hurricane Maria.
 - Mr. Saputo noted high electricity prices in Puerto Rico (averaging at about 20 cents per KWh across residential, commercial and industrial).
 - He noted that the hurricanes caused 100 percent power loss for customers as well as two-thirds of people not having access to water. Even now, only one-third of the power has been restored and the majority of wastewater treatment facilities are still not working.
 - Mr. Saputo concluded his presentation by noting the most important preliminary action goal to be how to enhance the reliability and resilience of the grid.
 - Mr. Saputo noted the interest to deploy renewable energy on island as part of the recovery and resiliency strategy
 - Mentioned the Hazard Mitigation Program that allows FEMA to build in resiliency.
 - Concluded session by thanking everyone for their time and identifying the REEEAC recommendations as being helpful in dealing with the situation.
- REEEAC members engaged Mr. Saputo in a discussion and provided observations on the market. These included:
 - Doing business in Puerto Rico can be difficult to navigate and cultural challenges persist.
 - There is a need to build awareness among USG officials on the suite of technologies available today to aid in the response and recovery efforts.
 - Contract enforcement remains a challenge, where changes in government have led to contract cancellations in the past
 - Mentioned that the local utility does not have good enough credit to finance projects. Emphasized that DOC intervention to help secure financing will be critical.

- Noted a need to focus on microgrids in the rebuilding.
- Emphasized the role of the pharmaceutical industry and underscored it as a key sector that will need access to power.
- Noted DOC could help facilitate connections of U.S. energy companies looking to supply goods and services in the response and recovery efforts.
- Noted that firms have struggled to identify points of contact.
- Underscored that diesel generator deployment tends to be the default response to hurricane disasters; however, this undermines the potential of energy technologies like storage.
- Suggested DOC help to convene stakeholders to foster a conversation on the grid and its future on the island
- Cindy Thyfault, REEEAC Chair
 - Summarized the points by others during the session and suggested that during the breakout sessions a group could discuss possible recommendations

Commercial Priorities in India: Briefing & Discussion

- Dave Nufrio, India Desk Officer, International Trade Administration, U.S. Department of Commerce
 - Mr. Nufrio discussed two recent high-level bilateral dialogues led by Secretary Ross and the U.S. Trade Representative.
 - He highlighted trade deficit as a key issue and the formulation of a three year work plan to improve standards, business climate etc.
 - Noted that DOC is in the process of reformatting the U.S. – India CEO Meeting in mid-2018 and once an official Federal Register notice was sent, he would forward to Vickie to send to the Committee.
 - Mr. Nufrio highlighted the upcoming Smart Grid and Energy Storage Business Development Trade Mission to India and that the mission will have a robust policy focus. He underscored feedback from the REEEAC could inform the policy priorities raised during the mission and in upcoming bilateral dialogues.
 - Concluded the session by thanking everyone for their input and mentioned that Commerce would continue working with the interagency on finding opportunities in India’s energy sector.
- Vickie Gunderson, Designated Federal Officer of the REEEAC, U.S. Department of Commerce
 - Ms. Gunderson noted that she traveled to New Delhi at the end of October for a series of meetings and conferences.
 - She provided highlights on the U.S.-India Clean Energy Task Force meeting as well as a bilateral workshop planned by CSIS under the auspice of the U.S. Department of State’s State and Urban Initiative.
 - She underscored the ambitious renewable energy deployment targets in India and underscored that much of the focus has been on generation, but there are fundamental challenges in the transmission and distribution sectors that need to be addressed
 - Ms. Gunderson underscored Mr. Nufrio’s comment seeking REEEAC input to DOC’s policy priorities and the importance of discrete, concrete, and actionable asks.
- REEEAC members provided comments and feedback including:
 - Nothing the emphasis in India to rely less on imported coal
 - Challenges associated with rural electrification
 - Forced localization in procurement processes for foreign firms
 - Emphasized the potential for ethanol to be leveraged in the market
 - Need for solutions (e.g., energy storage) to increase grid flexibility

- Emphasized that giving Indian companies the ability to have procurement on a long-term basis is key and that it would be necessary to assist in planning infrastructure and compliance.
- Noted high levels of corruption persist.
- Noted high tariffs on imports remain.
- Emphasized the focus on lowest price procurement methods
- Noted good credit of buyers limits securing project financing.
- Rob Sandoli, U.S. Department of Energy
 - Mr. Sandoli noted that DOE has done quite a bit of work in India and noted he would send a couple of recent reports on “Greening the Grid” to Ms. Gunderson for dissemination. He further noted that Secretary Perry is expected to travel to India soon after the new year and DOE and DOC are closely coordinating on the trip.

Working Lunch: Sub-Committee Breakout Session

- The REEEAC membership determined over lunch to continue the discussion on Puerto Rico and to work to draft a recommendation to the Secretary on the topic.
- Vickie Gunderson, Designated Federal Officer of the REEEAC, U.S. Department of Commerce
 - Ms. Gunderson emphasized that as the Committee considers potential recommendations to the group should keep in mind the importance of identifying concrete actions for the DOC rather than focusing on actions outside of DOC jurisdiction.
 - She further underscored that any recommendation from this committee needs to remain within scope of the REEEAC charter – promoting U.S. competitiveness of RE&EE industries.
 - Ms. Gunderson underscored three examples of how actions related to hurricane resiliency relate to competitiveness:
 - She noted that use-cases and deployments of RE&EE domestically (e.g., Puerto Rico and U.S. Virgin Islands) serve as the foundation to the examples used abroad.
 - Ensuring that U.S. products and services are part of the solution will help to address any trade deficit issues
 - Noted that although RE&EE goods may not be manufactured on the islands, the competitiveness of other industries is dependent on reliable and affordable access to electricity
 - Further underscored the applicability of DOC and interagency work globally – especially in emerging markets – to the discussion at hand, especially the importance of regional variation and ensuring the solutions fit the locality.
- *The REEEAC membership opened the discussion by sharing observations and reacting to the presentation by Mr. Saputo:*
 - Cindy Thyfault emphasized the importance of financing and that it would be good for the finance committee to draft recommendation. She underscored the current lack of resilience and reliability in Puerto Rico’s electricity grid. Ms. Thyfault noted that the Puerto Rican government had recently done an over-sweep if environmental procurements and highlighted the helpfulness of technical expertise and identified one avenue of doing this would be through the University Technical Assistance program.
 - Jonathon Stewart suggested there is a need for technical assistance with the local utilities, government officials, and U.S. emergency response officials regarding emerging, new, and distributed resources
 - Arthur Haubenstock emphasized the importance of identifying response solutions and productive actions

- Jen Derstine emphasized focusing on helping businesses and the importance of short-term funds. She suggested that federal appropriated funds should be clarified by FEMA to a more resilient and efficient operation.
- Paula Soos noted the importance of long-term planning to enhance resiliency. She suggested DOC could provide staff in Puerto Rico to help coordinate projects on-the-ground and provide a point of contact for U.S. RE&EE firms.
- Scott Sklar noted that REEEAC would be most useful by identifying actions that DOC could take immediately improve its assistance with U.S. business seeking opportunities in the market. Mr. Sklar responded to Ms. Soos by noting uncertainty if Commerce could lend staff to Puerto Rico, but suggested that it could be included in the recommendation. Mr. Sklar underscored the need to identify those in a position to make decisions, as it is not currently apparent.
- Praveen Kathpal emphasized the importance of resilience to the discussion and encouraging stakeholders to embrace new technologies.
- Arthur Haubenstein suggested that a portal to connect disaster locations with businesses would be useful. He further noted that per Mr. Saputo's presentation, a focus on the effects of actions on economic recovery is important.
- *Mr. Sklar used these points to draft a recommendation that was then unanimously approved by REEEAC.*

DOC Leadership Drop-By

- Ian Steff, Deputy Assistant for Manufacturing, U.S. Department of Commerce
 - Mr. Steff thanked the REEEAC members for their hard work. He underscored the value of the REEEAC to the Department and the timeliness of its recommendations to date.

Re-Envisioning Trade Events: Feedback Session

- Anne Grey, U.S. Department of Commerce
 - Ms. Grey highlighted the current programs offered by DOC's International Trade Administration through her office, the Office of Trade Promotion Programs.
- Paul Morris, U.S. Department of Commerce
 - Mr. Morris noted the current programs are undergoing a re-evaluation and that input from stakeholders is greatly appreciated. He indicated that the discussion today would follow the discussion questions proposed and that the committee could continue to provide feedback after this discussion, through Ms. Gunderson, or by emailing the trade events email inbox.
 - *Mr. Morris then facilitated a question and answer session with REEEAC. Feedback included:*
 - **If we did not offer the current services that we do, what would you want us to do? Are there services that ITA is not providing that it should?**
 - Mr. Sklar suggested developing a quick and low-cost ways to interact with clients via technologies (e.g., skype or digital video conference).
 - Mr. Haubenstein suggested conveying the U.S. story to global actors to illustrate the proven solutions offered by the RE&EE.
 - Mr. Haubenstein recommended increasing the number of reverse trade missions.
 - Kevin Smith discussed about his experience participating in DOC-led trade missions and noted four functions that are useful:
 - Introductions to U.S. embassy staff in that country to reach out to for questions
 - Introductions to DOC regional officials

- Country match-making to gain an understanding of the business environment and facilitate connections to senior government officials. (Mr. Smith noted that at times this match-making is not always as streamlined or relevant as hoped.)
- Premium of being part of a delegation. (Mr. Smith noted the trade mission provides some senior attention absent in an individual gold-key.)
- Mr. Smith suggested DOC could hold a “Trade Day” at the Embassy, where U.S. firms and in-country contacts could connect.
- Jen Derstine identified the main benefit of Trade Mission is the policy discussions that can be leveraged via the group format. Ms. Derstine noted the Embassy staff as useful for facilitating connections for SMEs that do not always have robust boots on the ground. She emphasized that follow-up discussions post-service need to be improved.
- Ms. Thyfault recommended creating webinars could aid in the education discussions suggested.
- Jonathon Stewart noted that although the DOC services are small by consulting comparisons, he has found that local Embassies (those of foreign governments) will facilitated connections with their local buyers/utilities at no cost. He emphasized that some businesses are scared away by the costs associated with working with U.S. embassies, where fewer costs would be better for increasing engagements.
- Mr. Sklar recommended increasing the number of reverse trade missions as travel costs for overseas trips can be prohibitive for SMEs.
- **What are foreign governments doing better than us? What can we do?**
 - Mr. Stewart noted that the current strict content review puts U.S. businesses at a disadvantage over the businesses leveraging their government programs that have less stringent requirements. The current U.S. content review processes are not reflective of today’s complex global supply chains.
 - Mr. Sklar emphasized European countries offer targeted trade missions and reverse trade missions to help their businesses find more opportunities than us. He suggested that DOC should be more responsive to specific upcoming tenders and to form trade missions and events around them.
 - Ms. Thyfault recommended offering loan guarantees that are much more flexible. Gave the example of how in some situations, it would be easier for Ms. Thyfault to use the Denmark program over the U.S. program given U.S. content restrictions.
 - Mr. Smith emphasized EXIM and OPIC are overall very important for U.S. businesses, but challenges remain. He noted that other governments offer more targeted and active direct lobbying. Noted the importance of more robust engagement with the business community and U.S. Ambassadors, but the current lack of appointments is a challenge.
 - Mr. Stewart noted that most foreign governments and companies have Capitol Hill lobbyists

Sub-Committee Updates & Next Steps

- Cindy Thyfault, REEEAC Chair
 - Ms. Thyfault thanked everyone for their hard work and noted that there were no sub-Committee updates to provide at this time.
 - She noted that the next in-person committee meetings will be February 22 and May 10.
 - Regarding next steps, Ms. Thyfault noted there was interest in drafting an India recommendation and asked that the India recommendation to be addressed via the Market

Access Sub-Committee. She noted that the Finance Sub-Committee could discuss next steps regarding Puerto Rico/U.S. Virgin Island recommendations.

- Ms. Thyfault also reminded the committee that she will send out the TMR survey.
- She emphasized that the approved recommendation will be sent via email to the committee for polishing up and grammatical edits.
- Mr. Stewart noted that the market access sub-committee is still waiting to discuss further the standards recommendation with USTDA.
- Ms. Gunderson noted the request is still in process and she will follow-up with USTDA on status. She noted that USTDA senior staff were invited to attend this meeting, but had a conflict and could not attend.

Public Comment & Adjourn

- No public comments.
- Meeting adjourned.

Attendance

First Name	Last Name	Organization
Bruce	Bauchmire	DLZ Corporation
Kelly	Davis	Renewable Fuels Association
Mike	Davis	NC Sustainable Energy Association
Jen	Derstine	Capstone Turbine Corporation
Seth	Ginther	U.S. Industrial Pellet Association
Arthur	Haubensstock	8minutenergy Renewables
Praveen	Kathpal	AES Energy Storage, LLC
Kenneth	Kramer	Rushton Atlantic
Joseph	Mendelson	Tesla
Greg	Merritt	Cree, Inc.
Lloyd	Ritter	Distributed Wind Energy Association
Jorge	Sanchez	Sana, Inc.
Frank	Shaw	Skadden, Arps, Slate, Meagher, & Flom LLP
Scott	Sklar	The Stella Group, Ltd.
Kevin	Smith	SolarReserve
Paula	Soos	Covanta Energy
Jonathon	Stewart	National Electrical Manufacturing Association
Cindy	Thyfault	Westar Trade Resources
Frank	Yang	Stion Corporation
Elena	Berger	U.S. Department of Energy
Rob	Sandoli	U.S. Department of Energy
Lauren	Diekman	U.S. Department of Energy
Sandra	Chapman	U.S. Department of Energy
Moises	Behar	U.S. Department of State
Vickie	Gunderson	U.S. Department of Commerce, ITA
Cora	Dickson	U.S. Department of Commerce, ITA
Matt	Goeppele-Parrish	U.S. Department of Commerce, ITA

Matt	Kent	U.S. Department of Commerce, ITA
Josh	Hodge	U.S. Department of Commerce, ITA
Adam	O'Malley	U.S. Department of Commerce, ITA
Man	Cho	U.S. Department of Commerce, ITA
Ian	Steff	U.S. Department of Commerce, ITA
Phil	Saputo	U.S. Department of Commerce, EDA
Dave	Nufrio	U.S. Department of Commerce, ITA
Paul	Morris	U.S. Department of Commerce, ITA
Anne	Grey	U.S. Department of Commerce, ITA