

Chair Kathy Castor U.S. House of Representatives Select Committee on the Climate Crisis H2-359 Ford Building Washington, DC 20515 Ranking Member Garrett Graves U.S. House of Representatives Select Committee on the Climate Crisis H2-359 Ford Building Washington, DC 20515

Dear Congresswoman Castor and Congressman Graves:

I appreciate the opportunity to share with you the steps the Solar Energy Industries Association (SEIA) and our members have taken to prevent the use of forced labor in the solar supply chain and reduce our reliance on solar imports by growing U.S. solar manufacturing.

SEIA, on behalf of the more than 231,000 American workers employed by the domestic solar industry, is committed to ensuring that no products made from forced labor should enter the United States and we support efforts to address forced labor in China's Xinjiang Uyghur Autonomous Region (Xinjiang).

SEIA has been <u>calling on the industry to relocate supply chains</u> from Xinjiang since October 2020. On December 8, 2020, International Human Rights Day, SEIA announced the <u>Solar Industry Forced Labor Prevention Pledge</u> and restated our recommendation to industry participants to move their supply chains. Since then, 300 companies representing the majority of solar panels sold in the U.S. market have signed the pledge.

In addition, SEIA has updated its <u>Solar Industry Commitment to Environmental & Social Responsibility</u> to ensure the industry is adequately and proactively addressing evolving environmental and social responsibility issues. SEIA also partnered with leading experts in solar supply chain transparency to establish a comprehensive <u>Traceability Protocol</u>. The protocol will serve as an important compliance tool and give solar companies the ability to accurately determine the source of key components in a solar panel.

Leading solar panel suppliers are already taking steps to ensure the traceability of key inputs. Among those steps is to ensure that suppliers are relocated in regions where companies can conduct independent third-party audits.

As this issue highlights, there are significant policy benefits associated with increasing domestic supply of solar products. Though some critical solar components are already made in the United States, bolstering our domestic manufacturing capacity throughout the entirety of the solar value chain would help promote transparency, reduce the need to rely on imported products and create good-paying jobs here at home.

Indeed, SEIA is leading the way to an American solar manufacturing future. In May 2019, SEIA modified its bylaws to create a new Manufacturing Division and Board of Directors seat dedicated to representing domestic solar manufacturing interests. Later that year, SEIA hosted a Solar+ Manufacturing Summit attended by nearly 100 solar leaders from across the nation. This summit served as the basis for SEIA's September 2020 Manufacturing White Paper, which set a goal of 100GW of domestic solar and storage manufacturing capacity by 2030.



As first articulated in SEIA's Manufacturing White Paper, our country needs a new approach to growing U.S. solar manufacturing. As we have said for many years, and as has been validated time and again, tariffs are ineffective at growing solar manufacturing capacity. What our industry requires is a suite of long-term federal investments, including:

- 1. Demand drivers such as a long-term extension of the solar investment tax credit with direct pay and related bonus credits for meeting certain domestic content thresholds;
- 2. Ongoing domestic production support, i.e., the Solar Energy Manufacturing for America Act (SEMAA), as our manufacturers and their suppliers scale operations in a hyper-competitive global environment; and
- 3. Incentives for private sector investments in manufacturing capacity, i.e., a refundable 48C manufacturing tax credit.

Importantly, all three categories of federal investments are required if we hope to truly compete as a nation in solar manufacturing. We need to recognize that the United States is competing for private sector investments against not only China but other countries as well. Importantly, as we grow our domestic solar manufacturing base here at home, we must also recognize that it will take time to scale operations and reduce our reliance on imports.

SEIA is committed to preventing forced labor in the solar supply chain, and we would appreciate the opportunity to lend our expertise and work constructively with both Congress and the Administration to uphold U.S. law and prevent the importation of products made with forced labor.

We are eager to meet with you and members of your respective staffs to discuss our efforts to stamp out forced labor. That work will ensure a vibrant and safe global supply chain, which will be critical as we scale up a domestic manufacturing base. We also would like to discuss specific policies to support strong U.S. manufacturing and the massive demand for solar in the U.S. that will be needed to expand domestic supply chains, create jobs and fuel economic growth.

Sincerely,

Abigail Ross Hopper President & CEO

By In mm