BEFORE THE
UNITED STATES INTERNATIONAL TRADE COMMISSION

Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled Into Modules, From Cambodia, Malaysia, Thailand and Vietnam
Investigation Nos. 701-TA-722-725 and 731-TA-1690-1693 (Preliminary)

STATEMENT OF KURT WAGNER
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Written Testimony

[SECTION 1: Kurt Introduction]

Good afternoon. My name is Kurt Wagner, Chief Financial Officer of Illuminate USA, a new solar panel manufacturer based in Pataskala, Ohio.

I testify before you with nearly three decades of experience in innovative manufacturing with a focus on helping businesses achieve sustainable, profitable growth.

I have lived in Central Ohio for most of my life and graduated from The Ohio State University. Ohio is my home and I've dedicated my career to enabling the success of companies that provide quality, good paying jobs to my neighbors and other community members.

Illuminate USA is one of those companies.

[SECTION 2: Illuminate Overview]

Illuminate USA is investing more than $600 million to construct and operate one of the largest solar photovoltaic manufacturing facilities in the country.

I was one of the first two hires at Illuminate USA when it was launched by majority owner Invenergy in 2023. Since then, we've grown to directly employ more than 600 local workers in Ohio.

Upon completion at the end of this year, our facility will employ more than 1,000 employees and deliver up to 5 gigawatts of annual solar module capacity – enough to power one million American homes with clean energy.

The supply chain for solar equipment in the United States is still developing, which is why Illuminate USA is partnering with a leading Chinese solar panel manufacturer.

Over time, Illuminate USA will expand the US solar ecosystem across the supply chain, creating even more positive impact in communities across the country.

[SECTION 3: Biden Legacy & the IRA]

Illuminate USA is the ultimate success story of the Biden Administration's Inflation Reduction Act.

We are making tangible progress in onshoring solar manufacturing, meeting America's rising demand for clean energy, and creating new family-sustaining jobs.

In starting up new, American-based manufacturing facilities, companies like Illuminate are enabling the US to reverse-transfer solar manufacturing capability and technical know-how that it ceded long ago to China.

However, the petitioners' requested action directly threatens the stability of companies like Illuminate USA as well as domestic solar capacity and the efficacy of the IRA.

[SECTION 4: Why We're Here/What We Disagree On]

I am testifying for two reasons.

First, we urge you to separately consider solar cells and solar modules for injury purposes. Cells and modules are separate products made by separate industries. There is no domestic cell production and thus no domestic cell industry to injure. We will discuss this in our testimony today, and we will also discuss this in detail in our post-conference brief.

Second, we want to clarify what this case is really about.

This is not a debate between solar manufacturers and solar developers, as some of the press coverage and commentary might lead you to believe.

This is a debate between two different kinds of American solar manufacturers: incumbent manufacturers, who want protection from all competition, and new entrants, such as Illuminate USA who want to compete and are already creating jobs but remain at an early stage in their development.

The question for this panel, then, is how can all American solar manufacturers succeed in this new economy?

Let's look at the incumbent manufacturers, since they are the ones asking you to take action.

These incumbents are the biggest beneficiaries of the IRA among all manufacturers, and tariffs would only serve to further increase their competitive advantage over new entrants to the domestic industry and their pricing to the market.

They are asking you to protect domestic cell manufacturers with tariffs, even though there is no domestic cell manufacturing to protect. The obvious effect of such an action would be to raise costs for their emerging competitors.

Why would they want to do that?

They say it's because they are having to compete with dumped and subsidized imports from countries in Asia.

But if that's the case, why are they not asking for tariffs on imports from all countries in Asia that make and export cells to the US, including most notably South Korea.

The answer is that they are simply asking you to privilege one set of imports over another.

And the reason for this is that they import large volumes of cells from South Korea while their domestic competitors – including Illuminate – import cells from other countries. Petitioners excluded South Korea from this case to protect their supply chain for imported cells.

Petitioners want to shield their own South Korean cell supply chain from tariffs while blocking the cell supply chain of their US competitors No domestic manufacturer makes cells. Domestic manufacturers only make modules. As far as we know, Petitioners import most of their cells from South Korea. It is therefore no coincidence that South Korea is exempt from this petition. It is clear what is going on.

This is not the purpose of the trade laws. To borrow their phrase, we should all be on the same "level playing field." Blocking cell imports from some countries while protecting cell imports from others does not create a level playing field.

We therefore urge the Commission to find that cells and modules are different products. I understand this is known in legal terms as finding separate "like products." We will elaborate on the legal factors in our post-conference brief, which we understand the Commission analyzes under its "semi-finished" products analysis

Regarding the specific products covered by this case. Petitioners seek relief against a very wide spectrum of solar products, including both cells and modules. They treat cells and modules as the same product, as if they are interchangeable. In fact, cells and modules are completely different products. We will explain this in more detail in our post-conference brief.

Cells and modules are physically different, and they are made using entirely different manufacturing processes. Cells are largely comprised of sliced silicon wafers that have been textured. A finished cell is essentially a very thin refined piece of a silicon wafer. It is less than half a millimeter thick and about 7 inches square. It is flexible, delicate, and relatively raw.

A module, by contrast, incorporates and encapsulates 72 of these full cells into a complete functioning unit designed to produce and capture electricity. It is a highly engineered product, made through a multi-step process which splits these 72 full cells into 144 half cells, arranges them in an intricate pattern, attaches them together with precision engineering and electrical connections, and then encapsulates them into a rigid, finished structure containing, among other things, aluminum, copper ribbons, glass and a junction box. A single utility-scale module is more than seven feet tall, three and one-half feet wide, and weighs about 70 pounds. Importantly, each individual full cell costs only about dollar to make. A finished module costs about $165, roughly half of this being the costs of cells.

I would like to make one additional point on this issue – not only are the products themselves physically different but the manufacturing processes are also different. Cells are made in a "clean room" environment which is a sterile environment to prevent contamination of the wafer from dust and particles.

Module manufacturing, on the other hand, involves elaborate production processes that flow from one step to the other in very large facilities. Petitioners wrongly describe this module production process as "only one" production step. That is false. Nobody in the industry would describe the module assembly process as involving one step. That would be like saying assembling a car is one step. In fact, there are no less than six intricate and separate production steps involved in making a module from the component cells – this includes: (1) preparing the glass sheets; (2) lamination; (3) stringing and tabbing the cells; (4) framing the module; (5) connection of the junction box; and (6) testing and inspection. Again, we will elaborate in our post-conference brief.

One final point is worth mentioning – making modules from cells takes an incredible amount of capital, specialized equipment, and space. Our module facility in Ohio is more than one million square feet (equivalent to the size of 19 football fields). This facility only makes modules. It does not make cells. Cells are made in separate facilities, which use completely different manufacturing processes.

Nobody in the industry views "cells" and "modules" as the same product. They are indeed separate products and separate industries. Petitioners do not make cells, and they are not involved in that industry. That is why they import vast quantities of cells from South Korea.

They cannot be harmed by cell imports because they do not make cells. They are simply using this case to protect their South Korean cell supply chain at the expense of their competitors' cell supply chains. The Commission should not permit this. The Commission should find that cells are separate like products and that cell production is a separate industry. The Commission should therefore find there is no domestic industry producing cells and that therefore there can be no harm to any domestic cell industry as required by law.

[SECTION 5: Call to Action]

Fully onshoring the solar supply chain will take time. Manufacturing capacity must be developed in the proper order – modules first, then cells, then wafers – and we are exploring the prospect of building a cell facility in the US down the line to this end. But hamstringing the industry with tariffs against some imported cells while exempting others will strangle momentum before it has even truly begun.

We must carefully approach trade policy so it recognizes the need to import upstream components until US manufacturing capabilities strengthen.

If demand outpaces new domestic manufacturing capacity, the IRA incentives will not be usable and will fail to create a domestic market.

On behalf of Illuminate USA, and other next-generation solar manufacturers, I ask that the Commission reject demands to take action against imports of solar cells and panels from southeast Asia.

By rejecting this demand, the Commission will send a strong signal in favor of market competition and in support of newer entrants that are working to deliver on the IRA's goals.

Thank you.

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I have read this document and believe, to the best of my knowledge, that the statements contained herein are true, and I am authorized to sign it.

/s/ Kurt Wagner — May 15, 2024

Kurt Wagner — Date