

**U.S. Department of Commerce**  
**Renewable Energy and Energy Efficiency Advisory Committee**  
Fifth Charter, 2018-2020

June 4, 2020  
Virtual Meeting: WebEx

**MINUTES**

**Welcome, Introductions, and Updates**

- Ms. Dickson opened the meeting and welcomed the committee, giving an overview of the day's proceedings. Committee members introduced themselves. Ms. Dickson provided updates on the REEEAC website reboot, U.S Japan Energy Cooperation Working Group, a potential virtual B2B matchmaking program at Solar Power International, the Asia Edge Virtual Workshop series, and the status of the charter renewal.

**Committee Business**

- Mr. Kramer introduced the meeting minutes, committee voted to approve.
- Mr. Kramer introduced Recommendation #9 on revising content rules for EXIM support on REEEE projects and transactions. Committee voted to approve.
- Mr. Kramer introduced Recommendation #10 on Commerce support of REEEE manufacturing and service companies in the post-Covid environment. Committee voted to approve.
- Mr. Kramer introduced a revised Recommendation #6 on the use of REEE technologies to support disaster preparedness and recovery. Committee voted to approve as modified.
- Mr. Kramer introduced the letter to the next charter and the stoplight chart. Committee voted to approve.
- Ms. Dickson asked the committee about lessons learned from this charter and ideas that could be applied to the next charter, if approved. Mr. Vora proposed the formation of a "Technology & Innovation" sub-committee. Ms. Thyfault offered her perspective on the commitment involved with a leadership position within REEEAC. Mr. Sklar proposed that committee members at the beginning of each charter should choose their own sub-committees as opposed to having them assigned by Commerce. Mr. Card reminded the committee that the four existing sub-committees have been pillars of REEEAC for a long time.
- Mr. Mendelson spoke in support of integrating EV-related electric infrastructure into the committee scope. Ms. Dickson provided some clarification, mentioning that EVs themselves can't be included in committee but supportive infrastructure could, as could battery storage. In response to another idea, she also clarified that the committee doesn't typically recruit academics.
- Mr. Vora gave a presentation about post Covid-19 challenges and opportunities for the REEE sectors. He presented an overview of the key issues in play, and then a matrix to

evaluate the key opportunities and challenges in a given country, using India as an example. Mr. Higgins commented on the presentation and the trend of the increasing importance of equity issues, to lower system costs for everyone, so there's no cost-shifting from the haves to have nots. Mr. Kramer asked about possible overlap between Mr. Vora's matrix and the methodology for Top Markets reports. Mr. Horne took the question, answering that there might be some overlap, given the information presented.

### **Session 1: America Crece and Asia EDGE recommendations**

Ambassador Virginia E. Palmer, Principal Deputy Assistant Secretary, Bureau of Energy Resources, Department of State

Mitchell Silk, Acting Assistant Secretary for International Markets and Development, U.S. Treasury

Brian Lenihan, Deputy Assistant Secretary for Manufacturing, International Trade Administration, Department of Commerce

Joseph Uddo, Deputy Assistant Secretary, Office of Market Development and Energy Innovation (Office of International Affairs), U.S. Department of Energy (DOE)

Kenneth Vincent, Director of the Office of Asian Affairs, DOE

- USG officials and committee members introduced themselves, with Mr. Lenihan opening the session.
- Mr. Higgins presented about Recommendation #5, which is focused on improving America Crece in ways that both level the playing field for the entry of US REEE technologies into the LAC market and help country partners implement best in class standards and practices.
- Mr. Silk spoke about America Crece and Asia EDGE and Treasury's engagement in them. He highlighted actions taken under the scope of Crece including holding industry roundtables, promoting microgrid solutions (in particular in Panama and Jamaica), providing technical assistance to country partners to help them improve procurement practices, and a new program related to the response of SOE's and utilities to COVID and its effects.
- Ms. Palmer spoke about the importance of REEEAC recommendations in designing programs, and agreed with the recommendation's emphasis on rule-making and standard setting, explaining that her office works on this. She also spoke about recent actions taken and success achieved under Crece, highlighting a loan guarantee program in the Caribbean, a conference organized in Brazil, a new regulatory framework for wind and solar in Ecuador and an accompanying capacity auction, which few American firms expressed interest in.
- Mr. Uddo spoke about the priorities of USG as they relate to involvement in energy and infrastructure projects, in particular regarding national security.
- Mr. Spira introduced the Asia EDGE recommendation, which calls for USG to focus Asia EDGE on large key markets, emphasize capacity building, and seek opportunities to improve procurement practices and procedures, especially regarding analysis of life cycle costs and benefits for projects.

- Ms. Palmer spoke about engagement efforts with Australia, Japan, and South Korea, highlighting engagement with Japan in particular and co-funding opportunities that have resulted. She also highlighted Vietnam and Thailand as the main countries in the region in the process of restructuring their power markets at the moment, and USG engagement with them on that process.
- Mr. Vincent spoke about DOE role in technical assistance and DOE labs, highlighting the US-India energy partnership.
- Mr. Uddo spoke about the Japan-United States Strategic Energy Partnership (JUSEP) as an example of work being done to open up new markets, and the possible opportunity to unlock Japanese financing for projects involving U.S. companies in Asia markets that JUSEP represents.

## **Session 2: US-Japan and US-EU FTA Recommendations**

Ian Steff, Assistant Secretary for Global Markets and Director General of the United States and Foreign Commercial Service, ITA, Department of Commerce

Danielle Fumagalli, Director for Japan Affairs, U.S. Trade Representative (USTR)

Jennifer Carton, Europe and Middle East Office, USTR

- Mr. Spira presented about possibility of a future trade agreement doing more to create opportunities for US REEE exports to Japan, in particular with regards to the implementation of minimum performance standards.
- Ms. Fumagalli spoke about the Stage One US-Japan trade agreement, explaining that it is pretty much a trade only agreement which involved Japan's removal of barriers to US agricultural goods in exchange for the U.S.' removal of barriers to Japanese industrial goods. Both sides also agreed to further talks to address negotiating objectives laid down in 2018, although no date for the beginning of such talks has been set at this point due to COVID. Ms. Fumagalli advised REEEAC committee members to base recommendations related to trade agreements on the USMCA or the US-Canada side agreement on energy, which the administration views as a template for future agreements.
- Mr. Higgins presented about the possibility of a future trade agreement doing more to create opportunities for US REEE exports to the EU and several suggested mechanisms that could be incorporated in a future trade agreement, for example with improvements for IP protections and harmonization of codes and standards.
- Ms. Carton spoke about the current status of EU-US trade negotiations. She emphasized efforts to eliminate regulatory barriers, specifically around emerging technologies, as well as measures that would provide a more favorable panorama for U.S. LNG and soybean exports. She emphasized that while conversations are ongoing and a deal is likely, it would be one of narrow scope, more focused on confidence building measures than anything else at this stage.
- Mr. Steff spoke about the importance of non-tariff barriers in inhibiting US exports of REEE products to Europe and provided an example of a specific case he was aware of.

He confirmed that a virtual meeting of the U.S.-Japan energy working group will be held on June 24.

- Mr. Vora spoke about the interest of U.S. companies in AI/Big Data analytics relating to RE and grid integration. He asked whether there is a mechanism to have a dialogue on that subject as it relates to trade agreements? Ms. Carton responded with a mention of the a recent E.U. white paper on AI, which she mentioned that USTR is reviewing and analyzing to understand its implications for trade.

## **Session 2: HS Codes and Hybrid Power Systems Recommendations**

- Mr. Mendelson introduced Recommendation #4, which suggests the implementation of procedures to improve the visibility of data relevant to policymakers on the REEE industries, in particular related to HTS codes.
- Mr. Taylor introduced Recommendation #7, which proposes a program to educate ITA commercial service officers about the benefits of hybrid power systems, with the goal of ensuring that they can then pass on that knowledge to local partners and refer those partners to U.S. companies that are leaders in the sector. Mr. Taylor highlighted the ways in which US can differentiate itself with local partners through the use of hybrids resources compared to the approach being taken by China and its BRI. The effort initially focus on the development of a poster and/or infographic, but could then be through the use of webinars and other outreach initiatives.
- Mr. Steff discussed his experience trying to change customs codes at the international level related to the semiconductor industry, as well as the benefits he's seen from the creation of visualizations to serve as reminders and promote change, in particular with relation to IP.
- Mr. Vora explained the important role DERs can play in a post-COVID recovery, especially as actors are using DER to defer investments in transmission and distribution.
- Mr. Horne mentioned existing monthly ITA trainings that could be a good opportunity to introduce such a visualization, and also proposed the ITA website as a good venue to further promote this initiative with a blog post.

## **Session 3: Disaster Response, Non-Wires Alternatives, and ExIm Content Policy Recommendation**

Shannon Roe, Senior Manager, Global Energy Sector Team Co-Lead, Pacific Region, U.S. Trade and Development Agency (USTDA)

Victoria Gunderson, Deputy Director, Office of Investment, Energy, and Infrastructure, U.S. Treasury

Craig O'Connor, Renewable Energy and Environmental Exports Officer, Project Finance Division, Export-Import Bank of the United States (ExIm)

Daniel Tobin, Managing Director, Power, Structured and Project Finance Division, ExIm

- Cora welcomed new USG folks joining, another round of introductions

- Ms. Van Wie McGrory introduced Recommendation #6 on behalf of the trade promotion and manufacturing subcommittees relating to the incorporation of REEE technologies into disaster preparation and response plans and frameworks. She mentioned that without proper planning, old systems are often built back up in the same way, missing out on an opportunity for the incorporation of new technologies and the benefits they can bring in terms of both cost and performance.
- Mr. Vora provided examples of where REEE tech has been incorporated in disaster planning, as well as specific cases where it should be incorporated but hasn't been.
- Ms. Roe commented on USTDA's role in this area, suggesting that its efforts to provide technical assistance or bring over officials from other countries for reverse trade missions as areas where additional work could be done in promoting REEE tech for disaster planning and response.
- Ms. Gunderson on behalf of Treasury, mentioning the authorization they were given to increase capital contributions to financial institutions and boost capacity building as part of the CARES Act. She said Treasury is looking at how project tenders are changing due to COVID response, as dollars are being redirected from private projects to public COVID related structures. But they are also looking further ahead to future projects.
- Mr. Horne commented from the perspective of his experience with the nuclear industry, and mentioned the Puerto Rico case where there was interest in micro reactors in the wake of Hurricane Maria. Mr. Horne also thinks an interagency task force—as proposed in the recommendation—would be a good idea as nothing like that existed at the time.
- Ms. Gunderson spoke about the way in which different departments are tasked with different responsibilities in disaster response.
- Mr. Higgins spoke about the role of Non-Wires Alternatives (NWA) in grid planning/infrastructure investment, mentioning that NWA are also very relevant to disaster response. He highlighted how NWA can act as a load modifier on the demand side, and on the supply side they can reduce the need for new investments in transmission and distribution. Unfortunately, however, current grid structures don't accommodate NWA, nor adequately compensate them in most places. The recommendation involves the establishment of an inter-agency task force on the matter, development of best practices, and engagement with foreign partners in promoting the integration of NWA onto the grid.
- Ms. Roe spoke about actions of USTDA in this area, mentioning a relevant project in Vietnam. She mentioned that for now reverse trade missions are on hold, but they are evaluating their options, with virtual solutions being among the proposed alternatives.
- Ms. Gunderson spoke about Integrated Resource Planning processes, and reminded attendees to try to engage with these processes when they take place.
- Mr. Higgins responded to a question about specific examples of NWA suitability, highlighting their important role in remote areas, for example mining facilities in Chile or Indonesia, where the distribution of land across thousands of islands makes NWA particularly attractive. He discussed the process for NWA planning, from a needs assessment, to gap analysis, and then to mapping out low hanging fruit and low risk assessments to fill gaps that have been identified. The main idea is to ensure countries are

looking at the full spectrum of options including NWA, as opposed to just the traditional ones.

- Mr. Kramer introduced Recommendation #9, which proposes that ExIm content requirements be altered to make it a more attractive option for US companies looking for financing, given the more favorable terms offered by competing OECD credit agencies (not to mention Chinese ones).
- Mr. O'Connor spoke about factors that explain why ExIm policies on content requirements exist as they are, and mentioned that discussions are ongoing about this matter.
- Mr. Tobin spoke about the timeline of ExIm decision-making on policy changes, mentioning that he expects any significant changes to be announced by the end of July. He also mentioned a previous REEEAC proposal to look at U.S. content in a new way, considering not just manufactured content but also IP, among other areas.

#### **Session 4: COVID Recommendation and Summary of Recommendations**

Karen Dunn Kelley, Deputy Secretary, Commerce

Nazak Nikakhtar, Assistant Secretary, Industry and Analysis, ITA, Commerce

Daniel R. Simmons, Assistant Secretary for the Office of Energy Efficiency and Renewable Energy (EERE), DOE

- Ms. Dickson and Mr. Kramer welcomed new USG folks joining, followed by another round of introductions.
- Ms. Dunn Kelley offered comments on behalf of Secretary Ross, thanking committee members and highlighting Commerce's commitment to helping the private sector succeed (especially as it relates to innovative technologies) and the importance of the REEEE industry to returning America to normal operations as the U.S. reopens.
- Ms. Nikakhtar echoed Ms. Dunn Kelley's remarks, emphasizing the value that Commerce gains from the feedback provided by the committee. Technological leadership is a critical part of national security, and REEEAC is at forefront of this. Continuity across committees is helpful. Importance of reducing supply chain vulnerabilities.
- Mr. Simmons spoke about the adjustments being made by DOE to the crisis, especially regarding R&D funding. DOE is still releasing new funding opportunities even in the midst of this crisis, as well as working on efforts to try to reshore key supply chains. National energy labs are still working hard in the midst of crisis to develop new technologies, and are even contributing to the production of supplies to combat COVID.
- Mr. Kramer gave a summary of the recommendations proposed during the REEEAC V charter.
- Ms. Thyfault introduced Recommendation #10, related to COVID. She framed the recommendation in the context of ongoing job loss and supply chain concerns. The recommendation focuses on critical mineral supply chains, and the inclusion of domestic REEE equipment for energy production at critical sites like military bases.

- Ms. Nikakhtar spoke about possible changes to ExIm financing, and the need to think about how promoting exports creates jobs domestically. Also, where are supply chain vulnerabilities?
- Mr. Simmons spoke about a recent \$70 million award by DOE to UT San Antonio for energy cybersecurity research, and also mentioned that Texas A&M is planning major work in this space. He reiterated the challenges of securing supply chains, and the openness of DOE to hearing from the private sector on how this can be accomplished.
- Ms. Nikakhtar commented that Commerce is leading an inter-agency initiative on critical sector supply chain security. Mr. Mendelson spoke about challenges of developing domestic supply chains in the near term, given ongoing supply needs, and consumer demands for sustainability. Ms. Nikakhtar said that the Commerce-led initiative is considering all factors that might affect product competitiveness, as well potential mid-term solutions.
- Ms. Thyfault mentioned an NREL report on integrating clean energy into mining.
- Mr. Kramer, the sub-committee chairs, and Ms. Dickson offered their thanks to the committee members for their support throughout the duration of the charter
- Ms. Dickson gave details about the process for applying to the next charter, which is likely to be renewed.