

September 27, 2017

The Honorable Rhonda K. Schmidtlein
Chairman
U.S. International Trade Commission
500 E Street, SW
Washington, DC 20436

Re: Investigation No. TA-201-075: PG&E Corporation and Edison International Non-Party
Statement on Remedy

Dear Chairman Schmidtlein,

PG&E Corporation (PG&E) and Edison International (Edison) respectfully submit the following comments for the Commission's consideration in making its remedy recommendation to the President in the above referenced investigation. As the Commission evaluates possible remedies to address the injury alleged by Suniva and SolarWorld, we want the Commission to consider how increased costs for solar panels have the potential to increase electricity prices for businesses and households in California and across the United States.

Through their utility subsidiaries, PG&E and Edison provide regulated electric service to more than 31 million people throughout California. Approximately one-third of the regulated electric companies' residential customers are low-income, so the affordability of electricity is a key concern as we work to comply with various mandates in operating our businesses. The utilities directly employ more than 36,000 people and have made substantial investments in universal, large-scale solar generation.

In 2016, approximately 10 percent of California's electric generation came from solar energy. Like 28 other states and the District of Columbia, California has a renewable portfolio standard (RPS) with which PG&E and Edison's regulated electric companies must comply, as well as programs and goals to advance private solar on rooftops at homes and businesses. California's RPS requires that 50 percent of the electricity we provide to our customers come from specified renewable resources by 2030, and there are milestone requirements along the way. As a result, we expect the amount of solar generation we purchase on behalf of our customers to increase in the coming years.

As regulated electric companies, retail electricity prices are set by state regulators based on cost-of-service ratemaking. This means that the regulated electric companies' fixed costs, including generation capacity, poles, and wires, as well as variable costs such as fuel, are recovered from customers through their electricity rates.

The remedy requested by Suniva, of a minimum price of \$0.78 per watt in addition to a tariff of \$0.40 per watt, would increase the price of solar panels by more than 100 percent. These costs will be passed onto electricity customers. Importantly, this includes not just residential

electricity customers but trade-exposed commercial and industrial customers as well. Electricity costs are a key factor in the competitiveness of many industries.

As a result of the RPS requirements, our companies will need to procure solar generation even if additional tariffs are imposed that increase the cost of imported solar panels. Currently, solar panels represent about 50 percent of the installed cost of universal solar generating capacity. Increased solar panel costs would not necessarily lead to cancellation of proposed universal, large-scale solar projects, and the increased costs of these projects will be passed onto electricity customers.

For these reasons, we urge the Commission to consider carefully what remedy it recommends to the President. As detailed above, any remedy that increases prices of solar panels above current levels will result in higher electricity prices for our customers. The statute and the domestic industry's petition contemplate more reasonable and effective alternatives such as adjustment assistance and international negotiations. We urge the Commission to focus on such remedies. Trade adjustment assistance in the form of worker assistance, research and development grants and even preferential government procurement for solar generation projects would be superior means to help U.S. producers transition to successful competition. Similarly, negotiations could address existing trade frictions on solar products and resolve oversupply concerns without resorting to government price controls or quantitative restrictions. We urge the Commission to explore alternative creative means for adjustment and transition for U.S. solar panel producers.

Respectfully submitted,



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