

United States Senate  
WASHINGTON, DC 20510-3703  
September 20, 2011

The Honorable Steven Chu  
Secretary of Energy  
U.S. Department of Energy  
1000 Independence Avenue, S.W.  
Washington, DC 20585

Dear Secretary Chu:

As you know, the development of solar energy is an important opportunity to make our country energy dependent and a world leader in renewable energy technology and manufacturing. To this end, the Department has committed a significant amount of resources towards the development of new solar technologies that will reduce the cost and increase the performance of solar energy systems. It has come to my attention that the Department of Energy recently announced that it will be guaranteeing \$344 million in loans for the deployment of rooftop solar energy systems on military bases and housing. This project will reportedly install as many as 160,000 installations on 124 U.S. military bases across 33 states. Given that this will be the largest domestic residential rooftop solar project in history, it is important to know how much of the project will use U.S. produced solar components and content.

My concern stems largely from the mounting evidence that unfairly subsidized Chinese solar firms are threatening the economic viability of the American solar manufacturing industry. Imports of solar panels from China are surging and are on pace to increase 240 percent this year, compared to 2010. Even more shockingly, imports of Chinese solar panels increased by 1,593% between 2006 and 2010. It is clear that our country needs to take aggressive action to combat this import surge and further develop our domestic solar energy sector. And on September 9, 2011, I called on the President to exercise the authorities vested in the Executive Branch to investigate China's trade-distorting practices take action, including pursuing the imposition of anti-dumping and countervailing duties and special safeguards under section 421 of the Trade Act to address these practices.

As you said yourself, this project "can also be a model for other large-rooftop solar projects that help America regain its lead in the solar industry." If this project simply allows for the importation of foreign products, it is hard to see how it will help the American solar industry regain its leadership. In light of this, I'd like to know (1) the source of solar products to be financed by this guarantee, including the percentage of U.S. content, (2) whether there are any domestic content requirements or conditions contained in the guarantee, and (3) whether the guarantee is consistent with the Buy America requirements of the American Recovery and Reinvestment Act which authorized the underlying loan guarantee authority, and (4) whether the Department has included any safeguards or requirements to ensure that U.S. products are utilized as part of the deployment program financed by this loan guarantee.

Thank you in advance for your reply.

Sincerely,



Ron Wyden  
Unites States Senator