

Statement of Aaron Hall

President Borrego Solar

Good afternoon. I am Aaron Hall, the President of Borrego Solar, founded in 1980. Borrego Solar is one of the leading U.S. companies providing engineering, procurement and construction services (what is referred to as “EPC services”) for large-scale solar solutions. Borrego Solar consistently ranks among the top five largest providers of non-residential distributed generation solar energy systems in the United States. That makes Borrego Solar among the very largest solar module customers for the commercial segment of the U.S. market.

Because the outcome of this trade case might have significant adverse consequences for the market, I came to Washington DC to participate in this hearing so that you -- the Commissioners – have a proper factual understanding of the U.S. solar energy business when conducting your analysis and rendering your determination.

I want to begin by reiterating an important fact that you have heard before, but bears repeating: The claim by Suniva and Solar World that every single imported solar module has an adverse effect on their operations is completely false. It is completely false because for many customers Suniva and Solar World cannot even

attempt to compete for the business because they are not qualified to do so. Suniva and Solar World fail to meet our customer's qualification standards and so cannot bid for our customer's business.

It is important to understand that for many projects the decision as to which solar module supplier should be chosen is often out of our hands. For many projects, our customer and their finance partners insist on making the final decision about the solar panel supplier. The reason is straightforward. Many of our larger solar energy installation projects have long-term owners who count on solar modules performing for 20 to 30 years. It is in their financial interest to understand the long term reliability and expected performance of the modules and the system as a whole and the ability of the supplier to perform on its contractual obligations. Accordingly, for many of these projects we have to ask the supplier to provide documentation (mostly from third party labs) on expected performance of their solar panels as well as information on their capacity, which can be a risk factor for their ability to meet project schedule delivery requirements.

What this means is that these larger customers have their own list of approved solar module suppliers. I have seen such lists from multiple larger customers. And I have never seen Solar World's name or Suniva's name on any of these lists. In the eyes of these larger customers and their finance partners, neither Solar World

nor Suniva has ever had the proper combination of technical specifications and performance and supply capacity that these customers and their financial partners demand.

Please understand that these customer and investor-generated supplier lists have nothing to do with the unit price of the individual solar panel, and rather focus on the technical features and quality of the solar panels and the overall reliability of the supplier.

And indeed, with our own customers, the final unit price of the solar panel is only one part of a complicated decision-making process that is undertaken when deciding which solar technology and which supplier to choose for the project. Our customers are installing the solar energy systems because they want to achieve long-term savings from solar energy.

By definition, such long-term savings incorporates total system performance. This analysis, in turn, depends on a host of factors including “conversion efficiency” (how much direct sunlight is converted to electricity), “specific yield” (how much electricity will be produced per kilowatt installed, “module electrical degradation” (including light induced degradation) and “module physical size.”

And for many of these important performance attributes, the solar panels from Suniva and Solar World do not stand up to many of the imports. And this is not

just my opinion; in fact, there are objective third party sources that evaluate these very types of performance metrics for different types of solar panels. And these third party evaluation reports demonstrate that the solar panels offered by Suniva and Solar World simply do not have comparable performance results, most notably their modules would be expected to produce less kWh per kW installed.

Consequently, in many cases the project owners' independent engineers would therefore report lower production and lower financial benefit with these modules, which means the price we can charge for our systems is reduced since the asset is worth less.

As I noted in my declaration that I provided as part of the KOPIA Pre-Hearing Brief, I echo some of the frustrations from some of the witnesses regarding their procurement experiences. In their business with us, SolarWorld failed to deliver on time, attempted to change the product we had ordered, did not communicate well throughout the process and failed to attempt to mitigate any of the pain we the customer and our customers experienced as a result. These issues seemed to be pervasive in the company culture and involved even their most senior management. As a result we only consider working with SolarWorld when there is a customer mandate for American made product.

In short, the real-world experience of large commercial segment customers like Borrego Solar disproves the claims of Suniva and Solar World that every solar panel is functionally equivalent to every other solar panel and therefore the unit price of the solar panel dictates the customer's purchase decision. That is not how the market works.

That concludes my statement; I look forward to answering your questions.

