

Roth: Energy protectionism in the form of solar tariffs

By [Jim Roth](#), Director and Chair of the Firm's Clean Energy Practice Group. This column was [originally published in The Journal Record](#) on February 12, 2018.



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While this column was on hiatus, the president made his decision on the Section 201 International Trade case by, somewhat unsurprisingly, adding steep tariffs to solar cells and modules originating from China and several other countries. The tariff takes hold at 30 percent this year and will gradually decline to 15 percent in the fourth year.

During his tenure, Trump has been clear about his preference

for coal over renewables, so he couldn't likely squander this two birds, one stone opportunity to stick it to both the renewable energy industry and China. While it is true that cheap, imported panels have boosted the industry, huge investments, domestic job creation and low-cost clean energy accompanied that growth, which made for a complicated and contentious conflict.

[As I've mentioned previously](#), many were troubled by the irony that Suniva and SolarWorld, the petition filers, asserted serious harm to the domestic solar industry, yet are foreign corporations, but both have headquarters in the U.S., which gave them standing to challenge the imports. Nonetheless, they prevailed over a massive response from the rest of the solar industry and others interested in trade practices.

One silver lining in the battle appeared when conservative groups ALEC and the Heritage Foundation came out against the tariffs. Their positions on the matter bolstered an already strong faction of those opposed to tariffs, and I am always optimistic when logic transcends politics. But, despite the efforts of the bipartisan opposition group, (not even a Sean Hannity commercial did the trick) the tariffs are the new normal for the solar industry.

But will the tariffs actually help American manufacturers ramp up, and what will those prices look like? Of course, this is yet to be seen. But those in the industry predict (and some have already seen) increases of 10-15 percent over total project costs. Those prices are obviously paid by American consumers. Prices increased upon the initial recommendations, and before Trump made a decision, as solar installers were stockpiling the affected equipment in preparation for what many knew would result.

Since tariffs are taxes, the end users are the ones who will eventually foot the bill. This decision has many, even supporters of the president, disappointed. Those in favor of a

free market and especially those for free trade are calling the decision protectionist, while others are warning of a slippery slope not seen before in trade policy. The reason for the concern is that less than half of the petitions sent to the ITC have been granted any type of trade barrier, and since many believe this case lacked a definite injury to the industry, there are fears that other industries will file petitions with similar claims.

The great, hopeful fact that remains for America's energy future, regardless of what this or any administration does to help or hinder it, is that Americans overwhelmingly want cleaner, renewable energy to power their lives. And as America further electrifies its future, Oklahoma's sun and wind blessings should play a big role, so long as we don't deny ourselves the future.

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