



Qcells | Corporate Affairs Group

October 2, 2024

Ms. Laura Watson
Director of the Department of Ecology
WA Department of Ecology
P.O. Box 47600,
Olympia, WA 98504-7600

Dear Ms. Watson,

On behalf of Qcells, a leading solar manufacturer with a significant presence in Washington State, the company submits these comments in response to the Department of Ecology's (DEC) September 18, 2024, request for input on delaying implementation of the Photovoltaic Module Stewardship and Takeback Program, Chapter 70A.510.010 RCW.

As the agency is aware, Qcells has demonstrated a strong commitment to Washington. The company has made a substantial investment in REC Silicon in Moses Lake, which has allowed it to restart production after being idle for several years. Qcells is also Washington's largest supplier of solar modules. In 2023, we manufactured over half of the solar modules sold in the state. Additionally, Qcells will supply Microsoft with twelve gigawatts (GW) of solar modules and EPC services over an 8-year period – the equivalent to powering more than 1.8 million homes annually. In short, our company is dedicated to advancing sustainable energy solutions and has been a proud contributor to Washington's renewable energy landscape.

For the reasons discussed below, Qcells agrees with the DEC assessment that left unchanged, Chapter 70A.510.010 RCW, "would disrupt the supply and cost of panels available for sale in Washington." Accordingly, Qcells supports DEC's proposal to delay the July 1, 2025, implementation of the law. Qcells further supports DEC's creation of a stakeholder advisory committee to develop recommendations to the legislature for appropriate amendments to the law.

While Qcells fully supports the principle of responsible stewardship for solar panels, we find the current regulatory framework impractical.

One significant challenge is the decentralized nature of the solar supply chain. As a manufacturer, we sell our panels to distributors, who then distribute them across the

country, making it impossible for the company to track the end-of-life disposition of our products. Simply put, we cannot recycle panels if we do not know where they are.

Another issue is the requirement that manufacturers collect recyclables from Washington residents. Recycling hubs are traditionally set up by governments with a relationship with their constituents or retailers with a relationship with their customers. In solar, manufacturers generally do not have a relationship with a solar project's end user or owner. Even if manufacturers had retail locations throughout Washington, consumers could not easily turn in their bulky solar recyclables as they do with consumer electronics. Solar manufacturers are unfortunately not set up to provide easy recycling solutions.

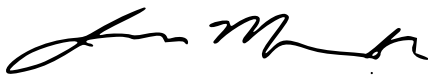
Moreover, American solar manufacturers like Qcells, who have committed to the US, will face a competitive disadvantage because of this law. Importers with minimal or no presence in the U.S. manufacturing space may evade enforcement of recycling laws altogether. Given the current landscape of record solar panel imports and plummeting prices, implementation of the existing law could further penalize U.S. manufacturers who have made significant investments to operate domestically.

Our experience in Niagara County, New York, is instructive. Niagara County implemented almost identical recycling mandates, but instead of trying to improve recycling, the seeming intent of the regime was to slow solar deployment. The law has led to continued confusion among developers, manufacturers, and recyclers regarding how to comply with the law and how to share the recycling costs. Some have decided not to do business in the county and given Washington's leadership on climate, we know such an outcome would be unacceptable to you.

Qcells remains committed to being constructive partners in Washington's clean energy transition. We look forward to collaborating with the DEC to address these concerns and develop solutions that support a vibrant and sustainable solar industry in the state.

Thank you for your attention to this matter.

Sincerely,



Joseph Mendelson
VP / Government Relations