



SMA Australia Pty. Ltd.
GF, 67 Epping Road
North Ryde, NSW 2113
PO Box 645, North Ryde BC 1670
Tel.: +61 1800 SMA AUS
www.SMA-Australia.com.au
info@SMA-Australia.com.au

Tuesday, 1 July 2014
Ms. Candy Caballero
Director Operations
Australian Anti-Dumping Commission
Customs House
1010 La Trobe St
Docklands VIC 3008

**SMA Australia's Submission to the Anti-Dumping Commission's Dumping Investigation: ADC 239 –
PV Modules or Panels being exported from China**

Dear Ms. Caballero,

SMA Australia is one of 21 global subsidiaries of the SMA Group, the global market leader for solar inverters, a key component of all photovoltaic plants. It is headquartered in Niestetal, near Kassel, Germany. SMA's broad product portfolio includes a compatible inverter for every type of module on the market and for all plant sizes. The product range includes both inverters for grid-connected photovoltaic plants as well as off-grid and hybrid system technology. The product portfolio is supplemented by comprehensive services and operational management of Utility Scale PV-plants. SMA's global experience over the last 30 years across multiple continents is one of its major strengths, resulting in a worldwide installed base of 47 Gigawatts (GW) and a reputation for being a bankable inverter solution provider.

SMA is a supporter of ethical and fair business practices and supports the efforts being made by the Australian Anti-Dumping Commission. However, SMA's view is similar to that suggested by Infigen Energy and Australian Solar Group in their respective submissions, which state that the Utility Scale market cannot and should not be compared to the component manufacturers/providers to the Residential and Commercial market.

The primary reason for this is simply that the competition involved in the Residential/Commercial markets and the Utility Scale market are driven by completely different mechanisms as outlined in a number of key ways which SMA shall describe below:

Bank Account Details: SMA Australia P/L, BSB: 342 079, Account #: 109195001, Swift Code: HKBAU2S AU
ABN: 44 127 198 761



- The scope of Australian Standards for Solar Energy Systems stops at 150 Kilowatts (kW) (AS/NZs 4777) – i.e Suppliers in the smaller Residential and Commercial sector can use standard compliance as a primary source of buyer assurance. In the Utility sector a much wider set of criteria are applied and driven by the project finance sector.
 - Bankability of the supplier – in case of PV there are a limited set of Tier 1 global suppliers that meet this test. A simple example being track record of supply to Utility Scale solar plants and assurance on proven field data.
 - Capacity of supplier to meet the demands of the project. Project finance will demand that the PV module supplier has a production capacity many times greater than the project size.
- The Small Scale Renewable Energy Scheme provides an upfront subsidy for systems below a 100kW which encourages price driven buyer behaviour.
- Australian Tariff Concessions on Solar Inverters currently apply a 5% duty on single phase and three phase inverters to protect small local suppliers however, there is an exemption on the application of duty on inverters larger than those used in Residential or Commercial applications (TC - 1131414) as these suppliers do not meet the requirements or make the products required by the Utility sector market.
- Current market size of over 3 GW of Solar Systems installed however, only less than 40 Megawatts (MW), i.e. less than 1% of the total market, are Utility Scale Systems.

SMA believes and understands that protection of the local component manufacturers and suppliers in the Residential and Commercial markets is important. However, projects in the Utility Scale market undoubtedly require component suppliers with global experience and bankability to be able to bring global economies of scale to deal with the lifetime issues involved with Power Plants to ensure the supply of competitive and reliable electricity supply in Australia's National Electricity Market.

SMA recommends the commission to exempt Utility Scale projects from the scope of this investigation and implores a quick resolution that protects the Residential and Commercial market as they have done with Solar Inverters. SMA also requests that the commission keep in the forefronts of their efforts that every week that goes by is forcing us and other multinational manufacturers in the Utility Scale Solar Projects business from holding back on providing long term jobs for Australians in these remote locations, where the Power Plants are being built, and prevents our local subcontractors from planning for the future and increasing their respective workforce.

By way of example the Anti-Dumping Investigation has placed a number of key Utility Scale projects on hold and risk losing finance due to the uncertainty of outcome. As a result SMA have put on hold plans to recruit service technicians.

SMA welcomes any questions that the Commission may have and thanks them for the opportunity to submit our market opinions to form a part of the Anti-Dumping Investigation.



Yours Sincerely,

SMA Australia Pty Ltd

A handwritten signature in blue ink, appearing to read 'Mark Twidell', is written over a light blue horizontal line.

Mark Twidell

Managing Director

About SMA

The SMA Group generated sales of c€1.0 billion in 2013 and is the global market leader for solar inverters, a key component of all PV plants and, as an energy management group, offers innovative key technologies for future power supply structures. It is headquartered in Niestetal, near Kassel, Germany, and is represented internationally in 21 countries. The Group employs more than 5,000 people worldwide. SMA's broad product portfolio includes a compatible inverter for every type of module on the market and for all plant sizes. The product range includes both inverters for photovoltaic plants connected to the grid as well as inverters for off-grid systems. SMA is therefore able to provide ideal technical inverter solutions for all plant sizes and types. Since 2008, the Group's parent company, SMA Solar Technology AG, has been listed on the Prime Standard of the Frankfurt Stock Exchange (S92) and also in the TecDAX index. In recent years, SMA has received numerous awards for excellence as an employer and achieved first place in the nationwide "Great Place to Work®" competition in 2011 and 2012.