

Roger Simpson

To: Peters, David
Cc: Wickes, Justin; Qian_JinSen TS/LG(钱金森); Wang Lei; Li_Yan(Helena) TS/SA;
Ding_Ying TS/F; Liu_YiYang TS/PA(刘译阳); Kant_Govind TS/SA
Subject: PV modules from China - Trina Solar's DM

Dear David,

In our submission of 20 January and several previous submissions to the Commission we provided information and evidence as to why it is inappropriate to use the benchmark price of domestically purchased PV cells as surrogate costs for self-produced cells in the construction of NVs of the PV modules produced from self-produced cells.

The Commission's fundamental reason for applying this uplift to the NV of modules produced from self-produced cells is that Trina Solar's self-produced cells include polysilicon, the recorded costs of which do not reasonably reflect competitive market costs because of the effect of GOC's policies on the price of domestically produced polysilicon.

As pointed out in previous submissions, the Commission has evidence that –

- [Confidential]% of the polysilicon used by Trina Solar in its production of cells during the IP was imported;
- Trina Solar's average production cost of cells during the IP was USD [Confidential]/w (domestically purchased USD [Confidential]/w); and
- the price of domestically produced polysilicon was higher than the price of imported polysilicon during the IP.

We would like to add to the above that the cost of polysilicon represents about 35% of Trina Solar's production cost of PV cells.

Taking the above information into account, the cost of domestically purchased polysilicon represents significantly less than 10% of the total cost to make PV modules. It is of important note in this regard that, as reported in section 6.3.6 of TER 239, the Commission did not make any adjustments to the cost of aluminium extrusions used in the production of PV modules because they represented less than 10% of the cost to make PV modules. It should follow that no adjustment is made to the cost of domestically purchased polysilicon used in the production of PV modules.

Attached is a non-confidential version of this email for posting on the EPR.

Regards,
Roger