From: Kevin Reilly [mailto:kevin@gtrconsulting.com.au]
Sent: Monday, 29 February 2016 12:50 PM
To: 'Sharma, Sanjay'
Cc: 'Andrew Percival'
Subject: Request for revision of Renesola's dumping margin calculation [**Public Version**]

Dear Sanjay

I refer to our discussions back in September 2015 prior to the Commission's termination of its investigation into PV Panels and my follow-up email of 22 September 2015. At that time we provided details and supporting evidence identifying errors in the Commission's revised dumping margin calculation methodology and requested that the revised dumping margin to be adjusted accordingly. The Commission did not review Renesola's dumping margin, we assume on the basis that the investigation was to be terminated and published its Termination Report containing an incorrect dumping margin of 16.1% for Renesola.

Again we request that the errors in the Commission's revised dumping margin calculation methodology for Renesola be corrected in line with the below comments and attached documentation <u>prior</u> to the publication of the Commission's new Statement of Essential Facts.

The following comments in no way reflect any agreement with the Commission's finding that the costs and prices of PV modules or panels are significantly influenced by the Government of China such that the domestic selling prices of the PV modules or panels in China are not suitable for establishing a normal value under section 269 TAC(1)(a) of the Anti-Dumping Act.

Renesola has provided revised Confidential spreadsheets (see attached) containing corrections to the Commission's dumping margin calculations based on the following comments:

1. **Double counting on the R&D cells**

In the CTMS worksheet, the cell inputs include cells that were used previously by Renesola for [Commercial in confidence business practice]. Many of these cells are recycled back into normal production once [Commercial in confidence business practice] completed. The related costs for the cells used for [Commercial in confidence business practice] are recorded in [Commercial in confidence business practice]. When these cells are recorded they are recorded at [Commercial in confidence business practice] in the production costs as their costs [Commercial in confidence business practice].

Please refer to the cost reports that were submitted during the on-site verification. The cost of [Commercial in confidence business information] cells have been factored into [Commercial in confidence business practice]expenses, and the input unit cost is [Commercial in confidence business practice] in the cost report (please refer to the attached Confidential spreadsheet [Commercial in confidence accounting reports]. In using the substituted surrogate cell value to calculate the CTMS, the Commission has double counting the cost of [Commercial in confidence business practice]cells recycled back into normal production.

Renesola has revised the Commission's dumping margin calculation to factor in the costs methodology historically used by Renesola in its ordinary course of business for [Commercial in confidence business practice]cells.

2. **The Commission has incorrectly neglected the grade in the revised dumping margin calculation;**

Article 2.2.1.1 of the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994*, states 'for the purpose of paragraph 2, costs shall normally be calculated on the basis of records kept by the exporter or producer under investigation, provided that such records are in accordance with the generally accepted accounting principles of the exporting country and reasonably reflect the costs associated with the production and sale of the product under consideration. Authorities shall consider all available evidence on the proper allocation of costs,* *including that which is made available by the exporter or producer in the course of the investigation provided that such allocations have been historically utilized by the exporter or produce*r, ...'.

As Renesola reported in its Exporter Questionnaire response and during the on-site verification, in its normal course of business, Renesola adopts the [Commercial in confidence business practice]for modules with different grades.

The Commission, in its revised dumping margin calculations, simply substituted surrogate cell cost regardless of the grade. This is incorrect and Renesola has revised the Commission's dumping margin calculation using its [Commercial in confidence business practice] methodology for modules with different grades.

The above two adjustments results in a revised 'dumping margin' of XXX%. While we disagree strongly with the Commission's dumping margin calculation methodology and its finding that a 'particular market situation' applies to the production of Renesola's PV modules or panels, if the Commission insists on maintaining this position we request that the revised 'dumping margin' for Renesola be adjusted to reflect the facts and business practices relating to Renesola as stated above and verified by the Commission's officers during the on-site verification visit. If the Commission was to base its findings on the actual situation of the market in China and the actual facts and business practices relating to Renesola, the dumping margin for Renesola would be XXX% as originally calculated from the findings of the on-site verification visit to Renesola and as set out in the Renesola Exporter Verification Visit Report.

We look for to your confirmation, prior to the publishing of the Commission's new Statement of Essential Facts, that the dumping margin calculation for Renesola has been corrected and amended. If you have any further questions please give me a call.

Kind regards

Kevin

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