



INTERNATIONAL
TRADE
ADMINISTRATION

Environmental Technologies Trade Advisory Committee

Meeting #6

2022-2024 ETTAC Charter

January 23, 2024

Ground Rules & Digital Best Practices

- Video on throughout the meeting
- Keep microphone muted unless you are speaking
- Use headphones to improve audio and minimize background noise
- Bottom Line Up Front & ELMO
- Strive for consensus

Review: Consensus

At decision points during ETTAC Committee meetings, we will check on the level of consensus. If anyone is a level 1 or 2, we will keep discussing.

5 – Strongly Agree

4 – Agree

3 – Can see the plusses and minuses, will go with the group's decision



Consensus

2 – Disagree

1 – Strongly disagree and can't support

Agenda Overview

10:00-10:15 am	Welcome & Committee Business
10:15-10:30 am	ETTAC Mid-Charter Survey Review
10:30-10:45 am	Recommendation Presentation & Approval
10:45-11:30 am	Updates-Implementation of Approved Recommendations
11:30-12:15 pm	Briefing on EXIM Credit Rules for Climate Projects
12:15-1:00 pm	Lunch Roundtable Discussion: ITA Supply Chain Center
1:00 - 2:00 pm	Subcommittee Breakout Meetings
2:00-2:15 pm	Subcommittee Readouts & Next Steps
2:15-3:00 pm	Breakouts to Deliberate on Draft Recommendations <ul style="list-style-type: none">• BABA, standards, trade promotion
3:00-3:15 pm	Next Steps, Public Comment & Adjourn

Remaining Dates for 2022-2024 Charter

April 11-12, 2023 (Tues-Wed)

June 20, 2023 (Tues)

September 26, 2023 (Tues)

November 14, 2023 (Tues)

December 14, 2023 (Thurs)

January 23, 2024 (Tues)

March 12, 2024 (Tues)

May 21, 2024 (Tues) *Last opportunity to approve recommendations

July 16, 2024 (Tues)

2022-2024 ETTAC Recommendations to Date

Submitted Recommendations	Recommendations in Progress
<ul style="list-style-type: none">• Technical Exchanges and Market Intelligence Roundtables• U.S. Objectives in the UNEA Intergovernmental Negotiating Committee (INC) on Plastic Pollution• Engagement with U.S. Trade and Development Agency	<ul style="list-style-type: none">• Low-Energy Wastewater Treatment and Reuse• Indoor Air Quality• 45Q Credits & Rules Regarding CCS• Global Methane Pledge• Build America, Buy America• Strategy for ET Standards• ITA Trade Promotion Tools

Mid-Charter Survey Results



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Industry & Analysis

trade.gov/

ETTAC 2022-2024 Charter Mid-Term Membership Survey Results January 2024

Is this your first charter on ETTAC?

2022-2024 Responses:

Yes: 35%

No: 65%

Total: 20

Response Rate: 74%

2020-2022 Responses:

Yes: 29.4%

No: 70.6%

Total: 17

Response Rate: 45%

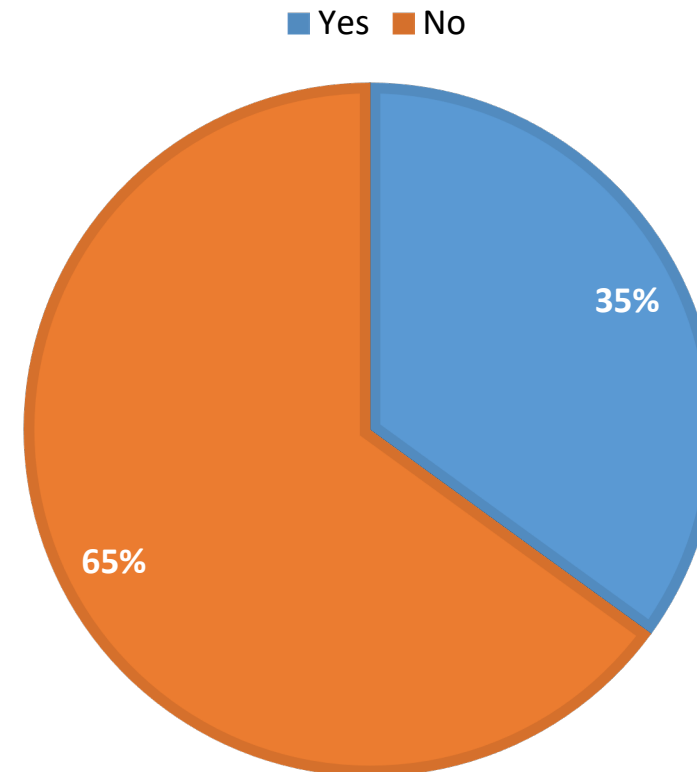
2018-2020 Responses:

Yes: 52.6%

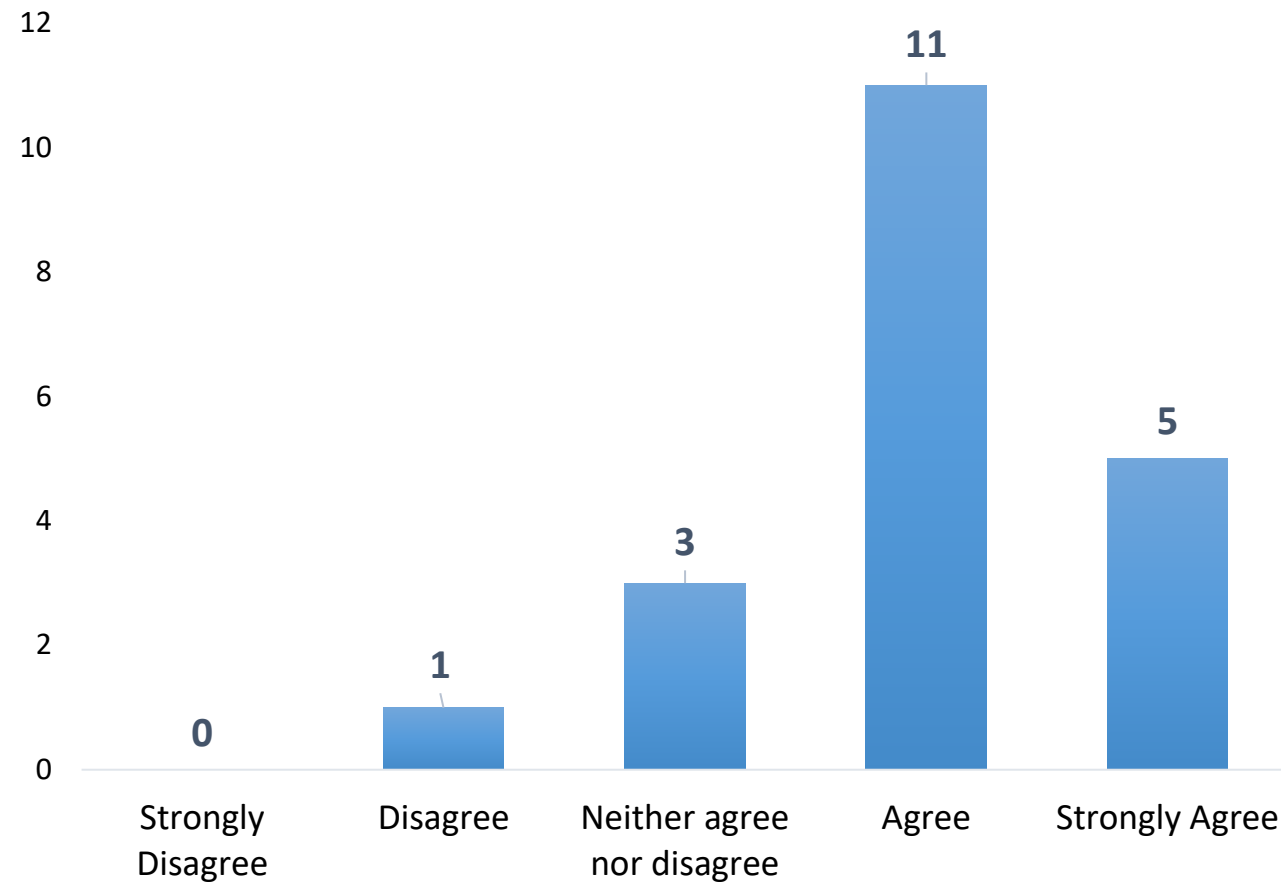
No: 47.4%

Total: 19

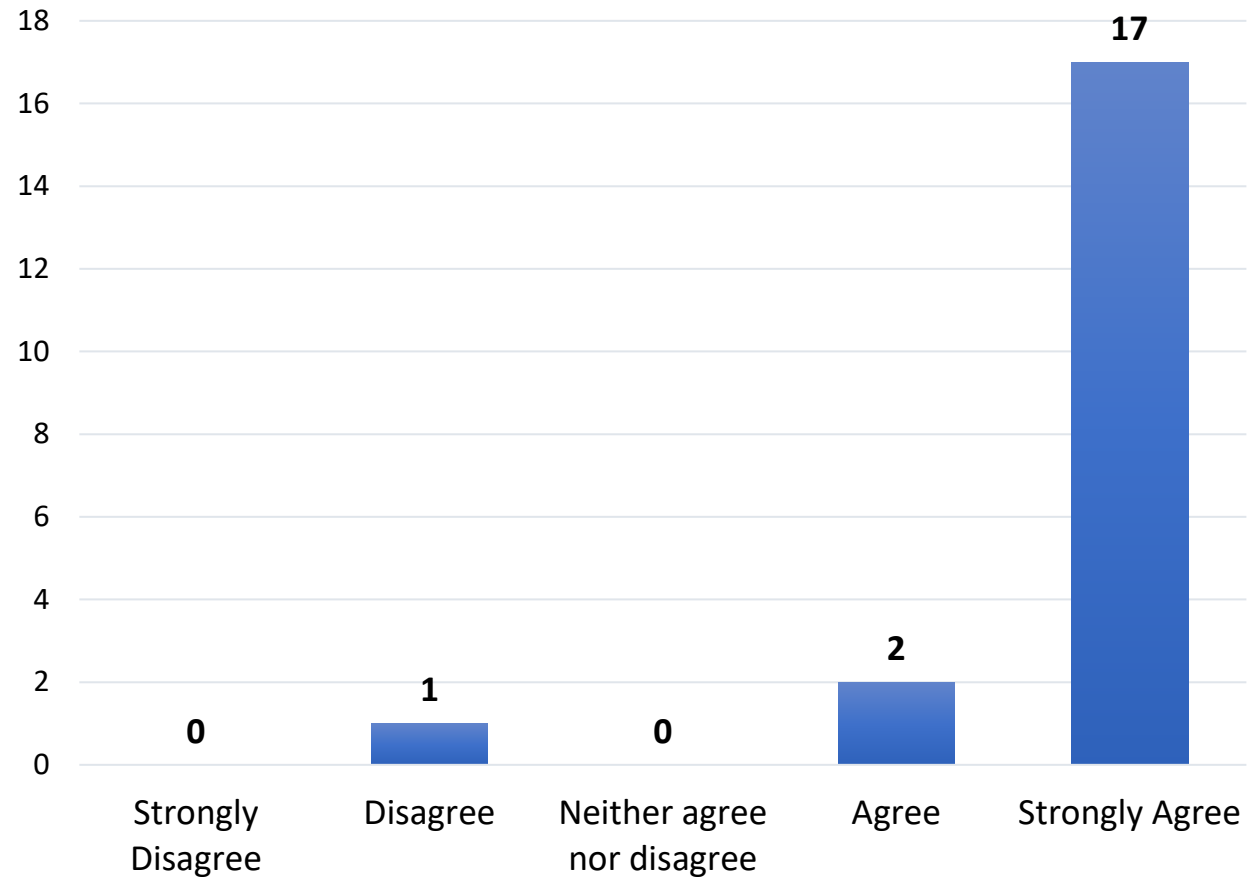
Response Rate: 51%



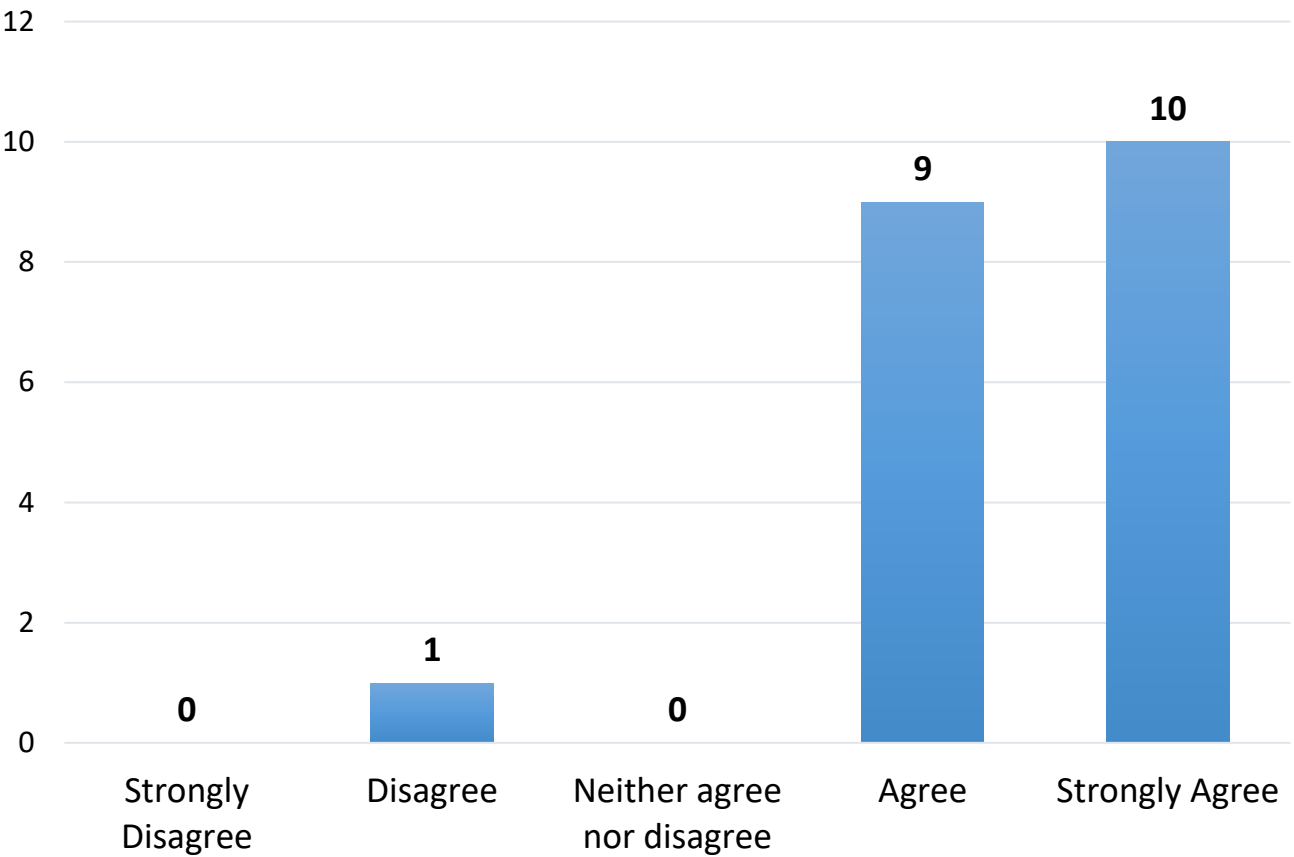
Matching new members with ETTAC “mentors/buddies” is an effective onboarding mechanism for new members to connect with experienced committee members and understand what to expect as an ETTAC advisor.



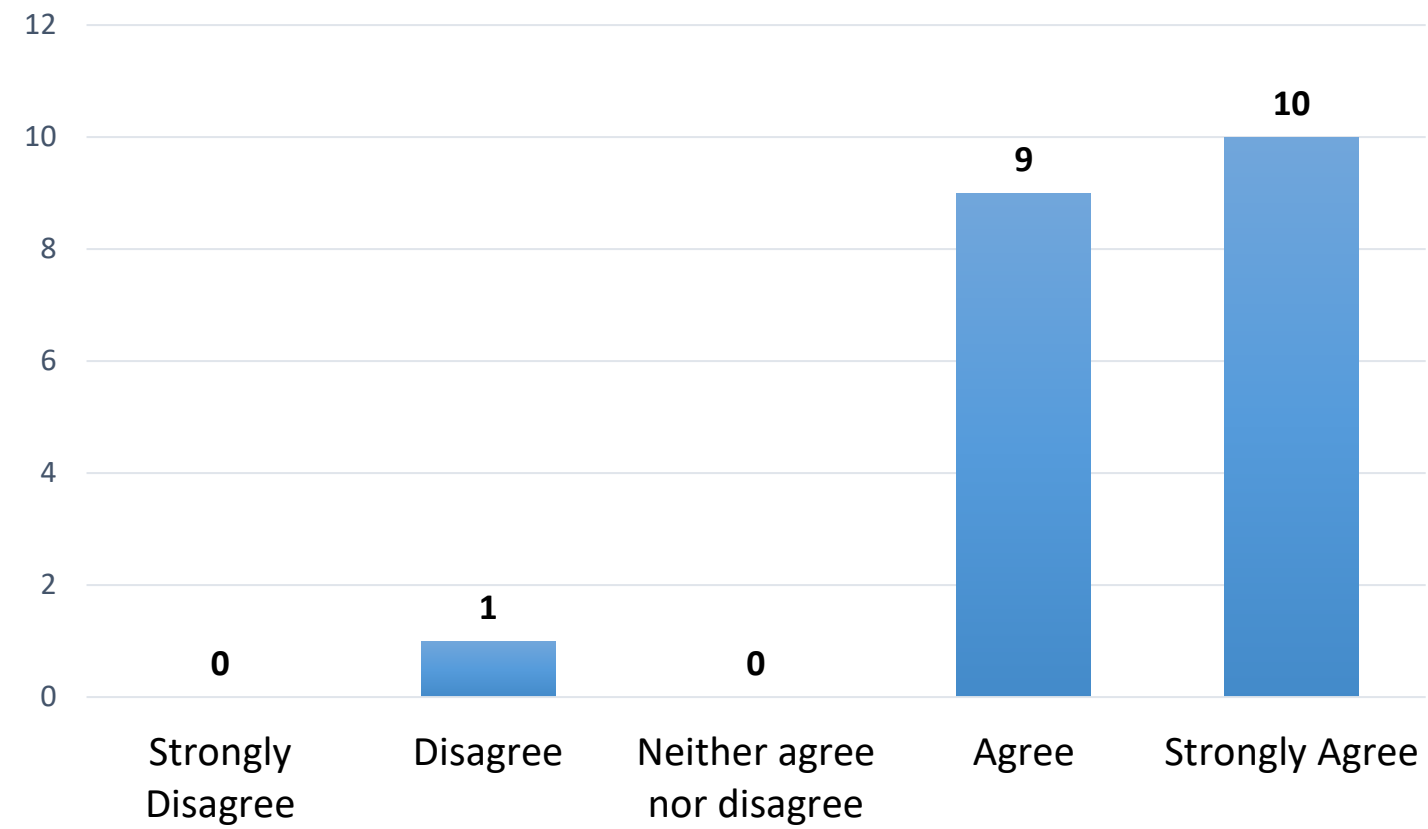
The April 11-12 initial meeting (“ETTAC Bootcamp”) was useful in providing me with background on the mission and structure of the ETTAC and an understanding of my role as an ETTAC advisor.



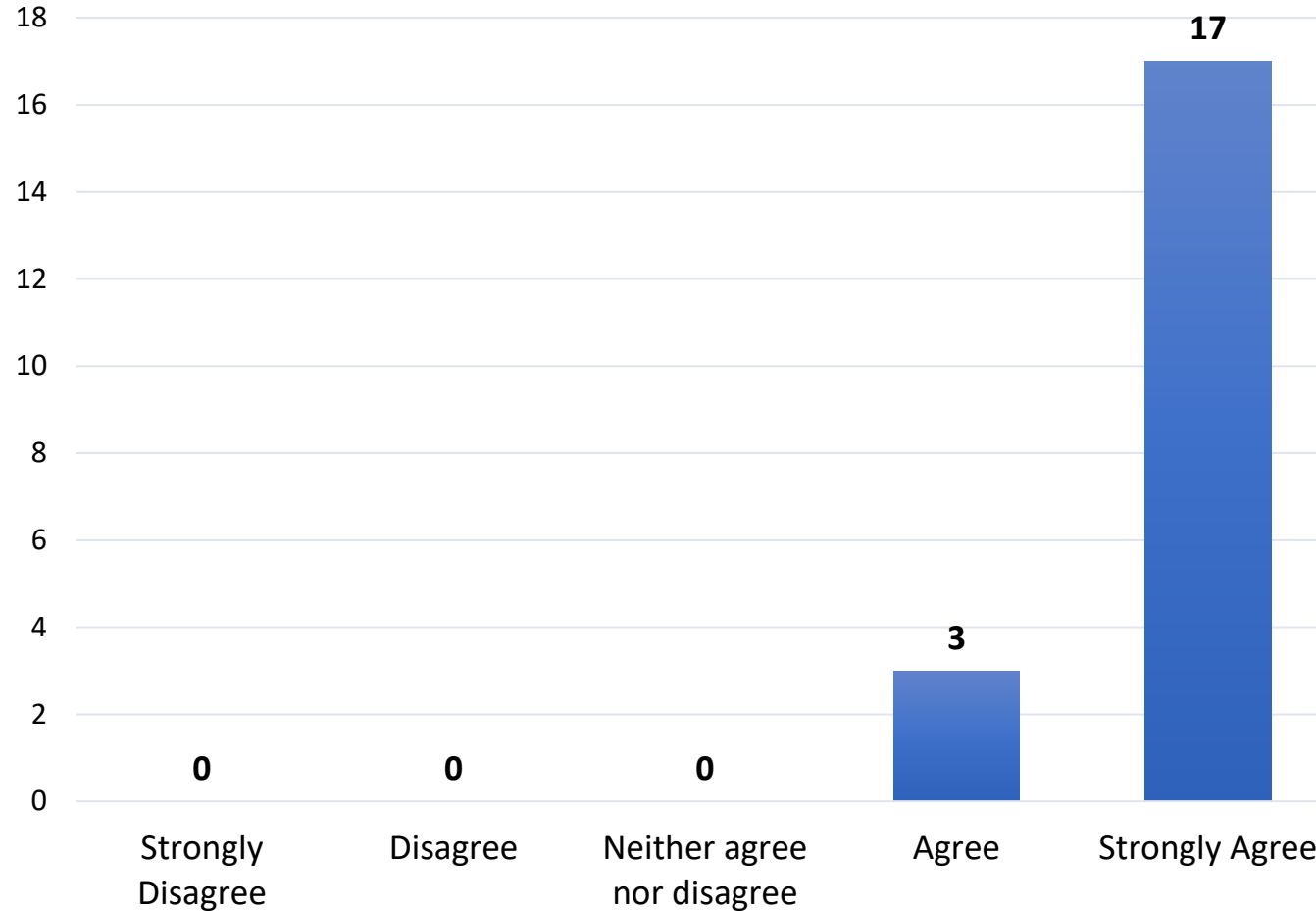
The committee’s mission and objectives are clear.



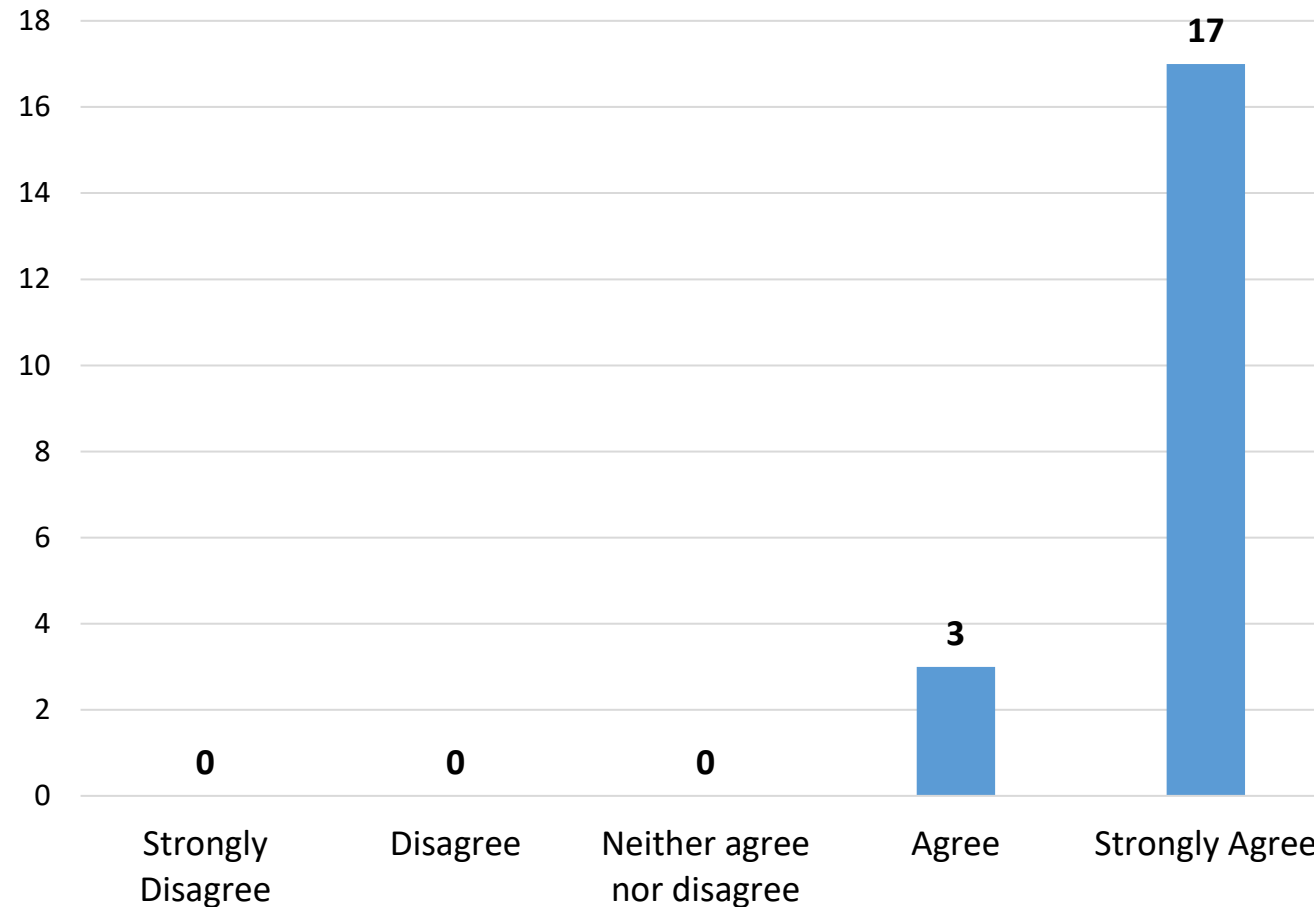
The committee represents the interests of my industry sector.



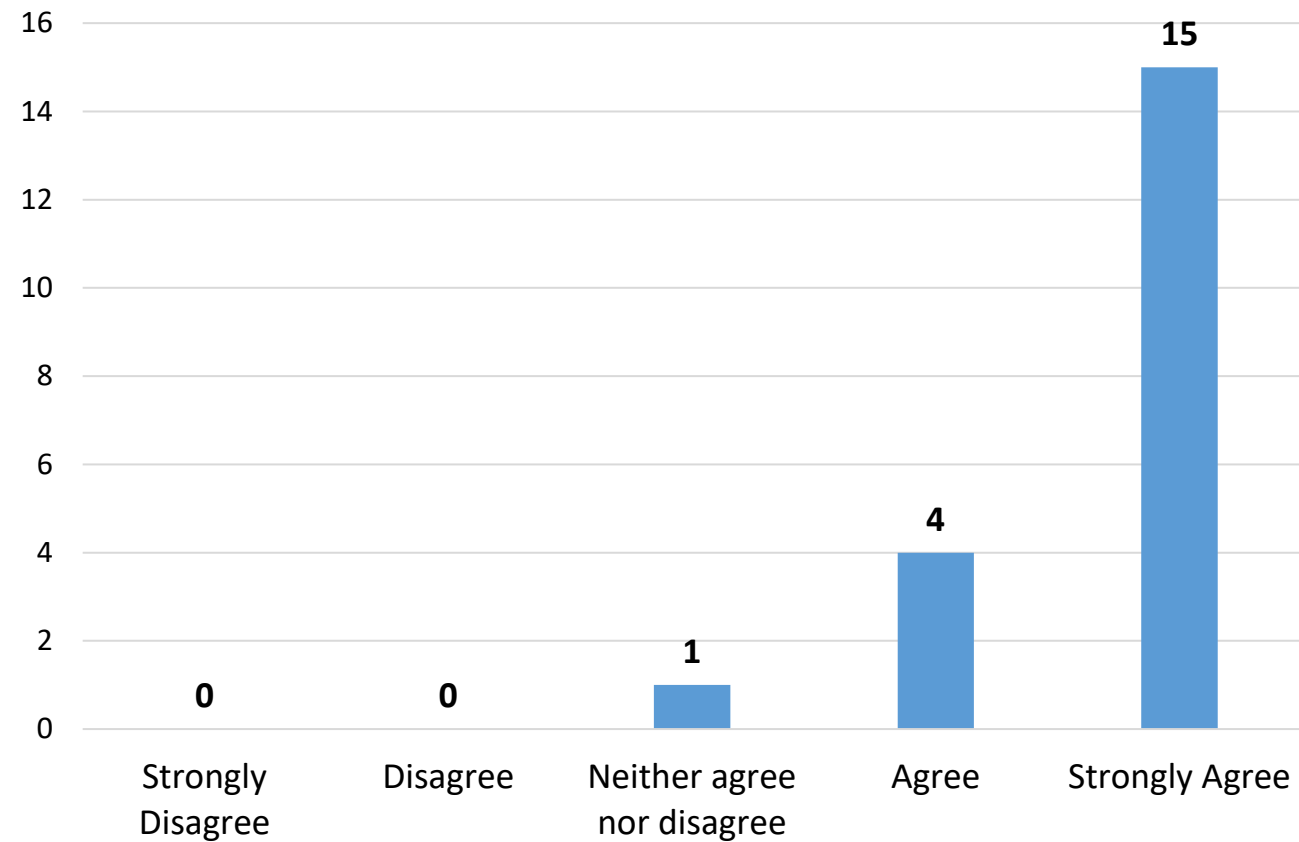
Commerce Department officials are accessible for member's questions and discussions.



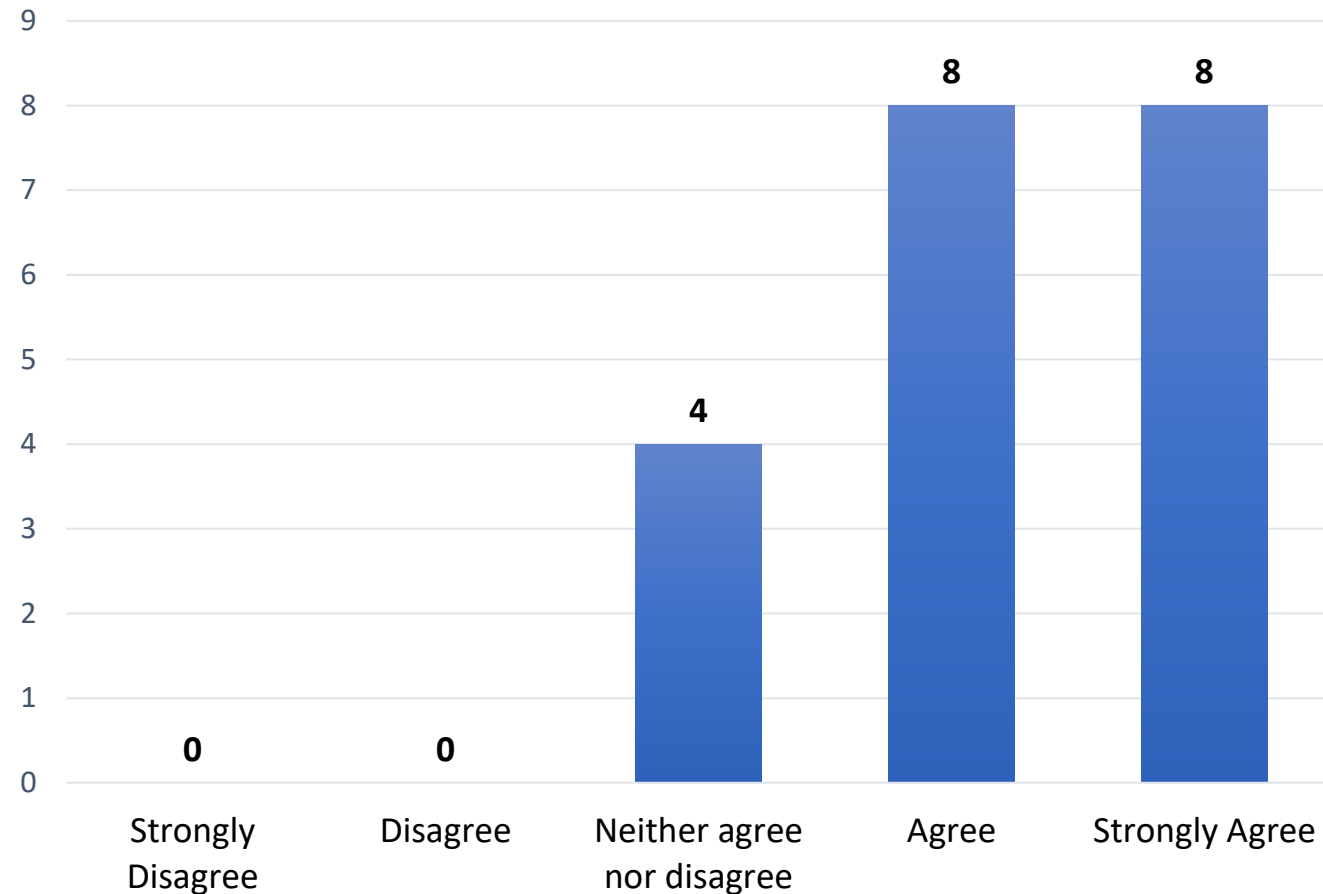
Regarding ETTAC meetings: The committee sets out clear meeting agendas and goals, facilitates discussion on potential recommendation topics, and provides guidance to members.



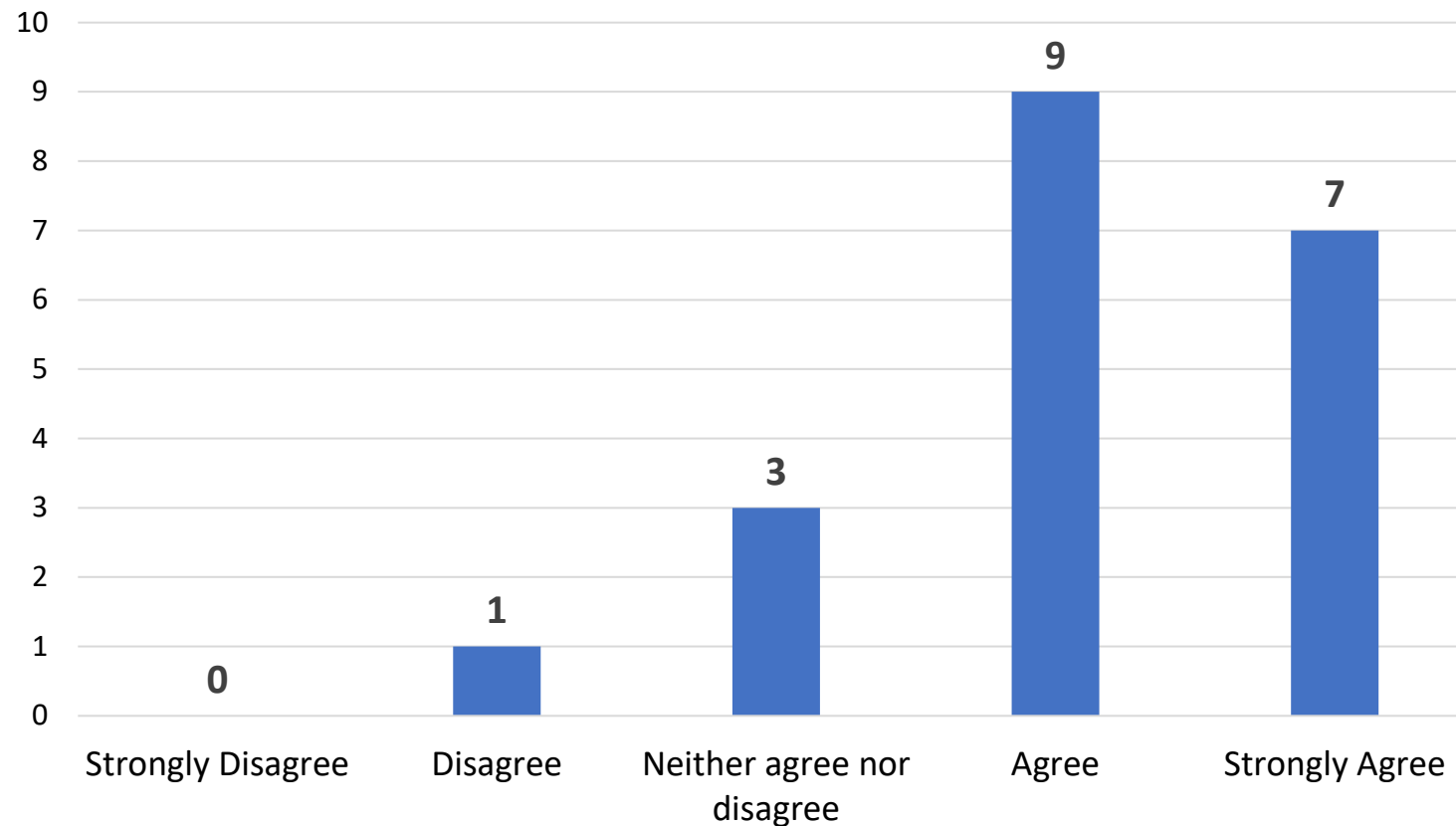
Regarding ETTAC meetings: I feel able to express my viewpoints in the committee decision-making processes.



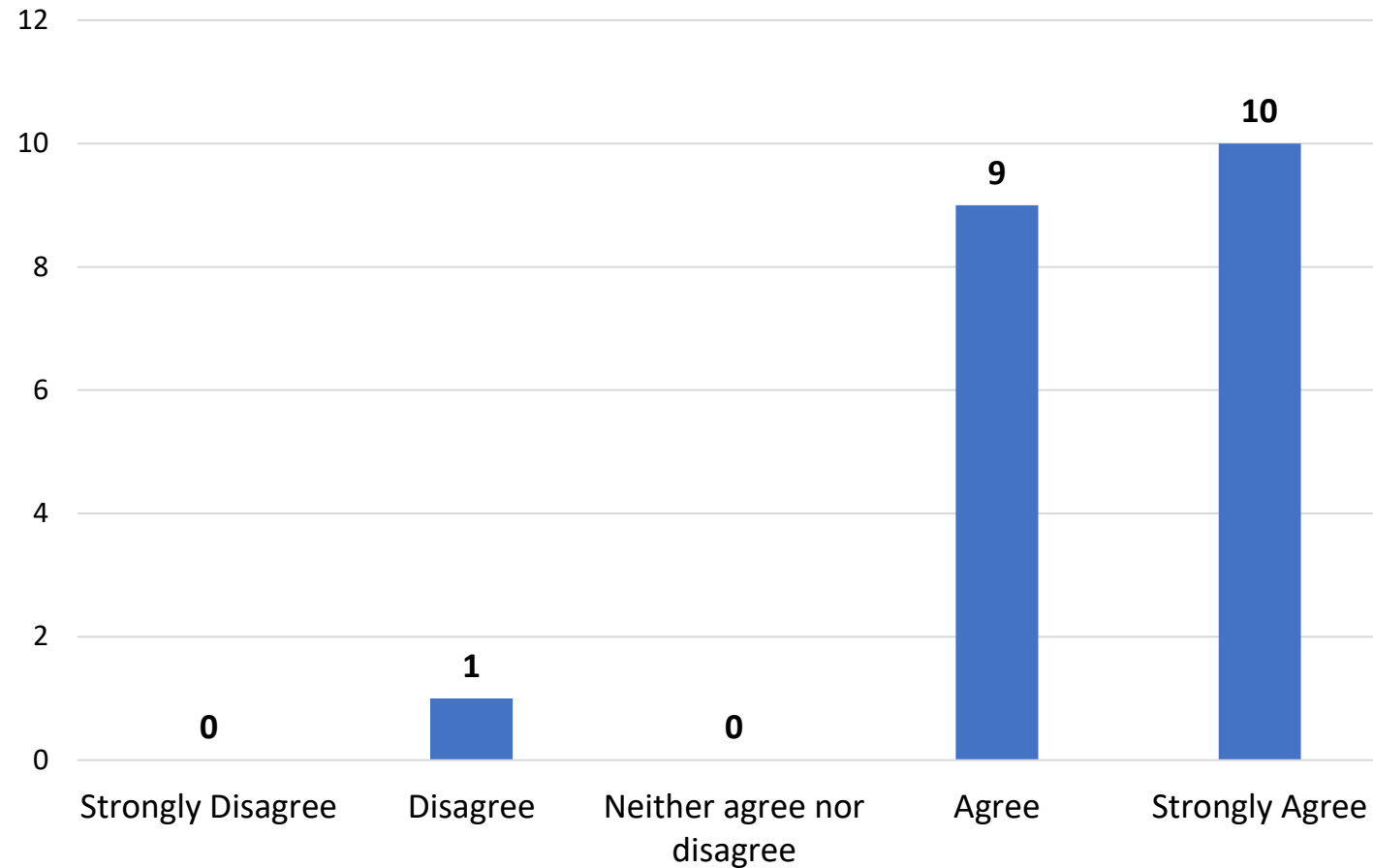
Regarding ETTAC meetings: There is active participation from members during committee meetings, including contributing to the recommendation development process and providing constructive feedback.



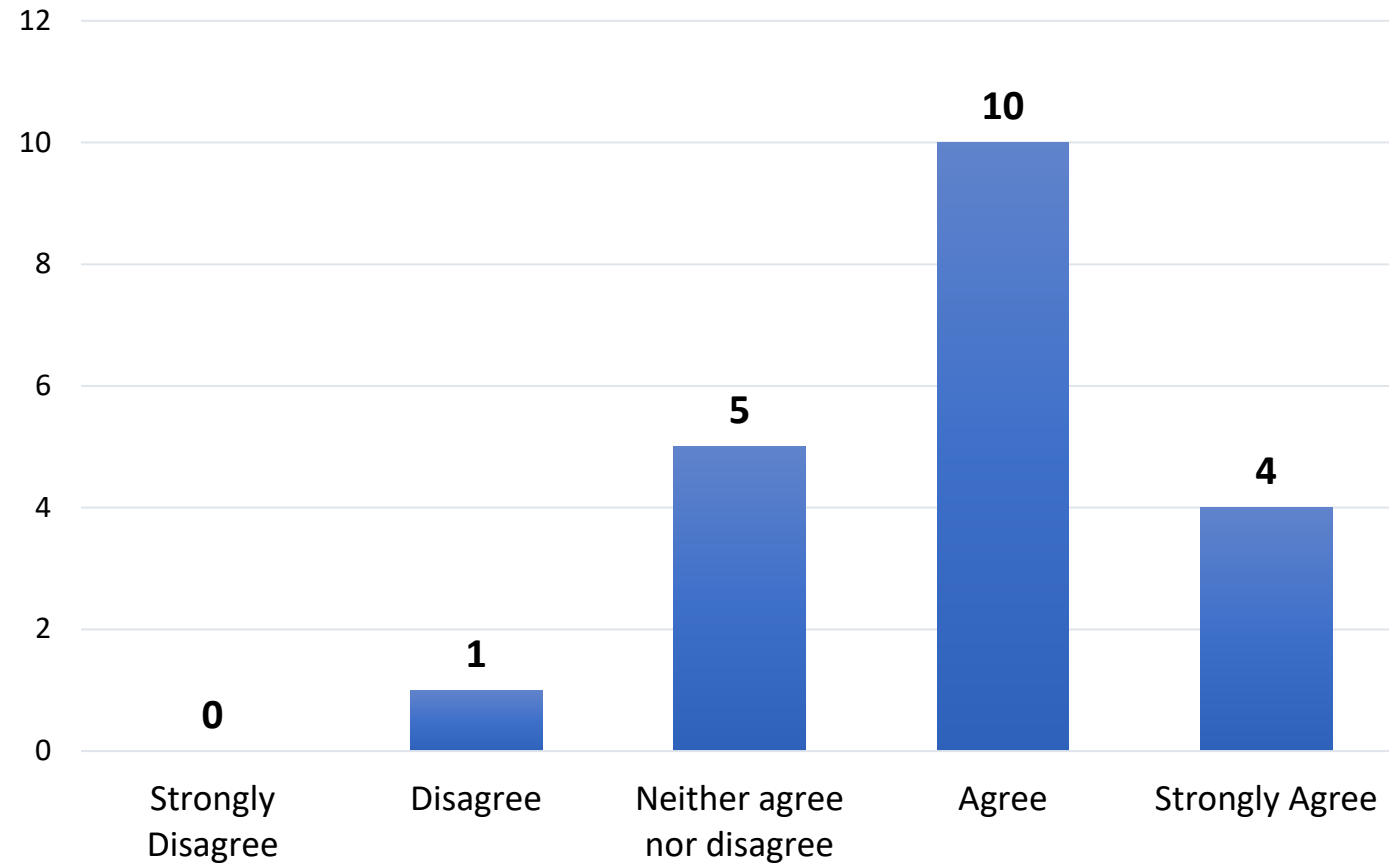
Regarding ETTAC meetings: There is enough deliberation of recommendation topics and issues of interest within the committee to provide members an opportunity to express different viewpoints and make informed decisions about recommendation topics.



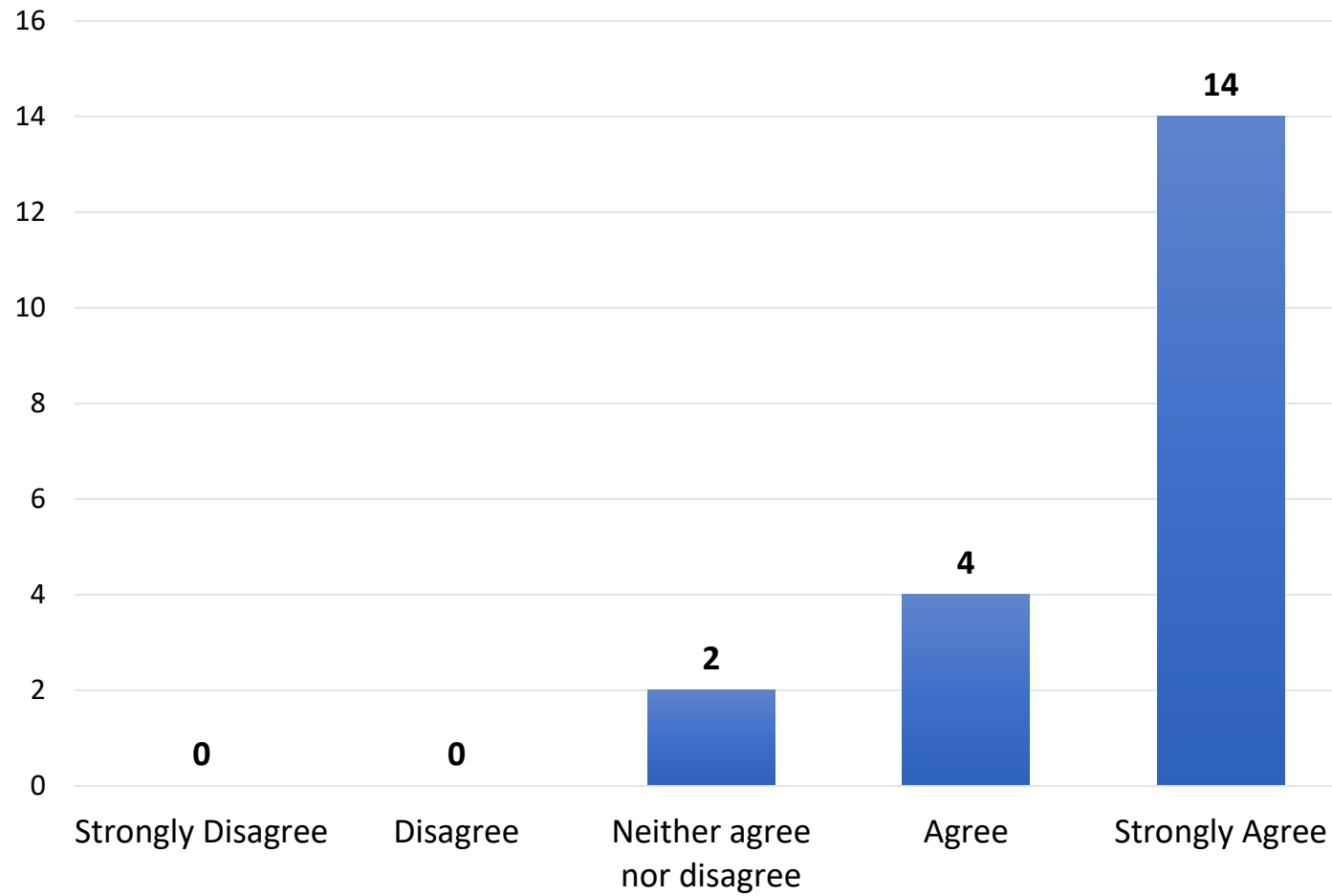
Regarding ETTAC meetings: External speakers adequately address information related to my specific sector and provide insights on topics that help inform committee recommendations.



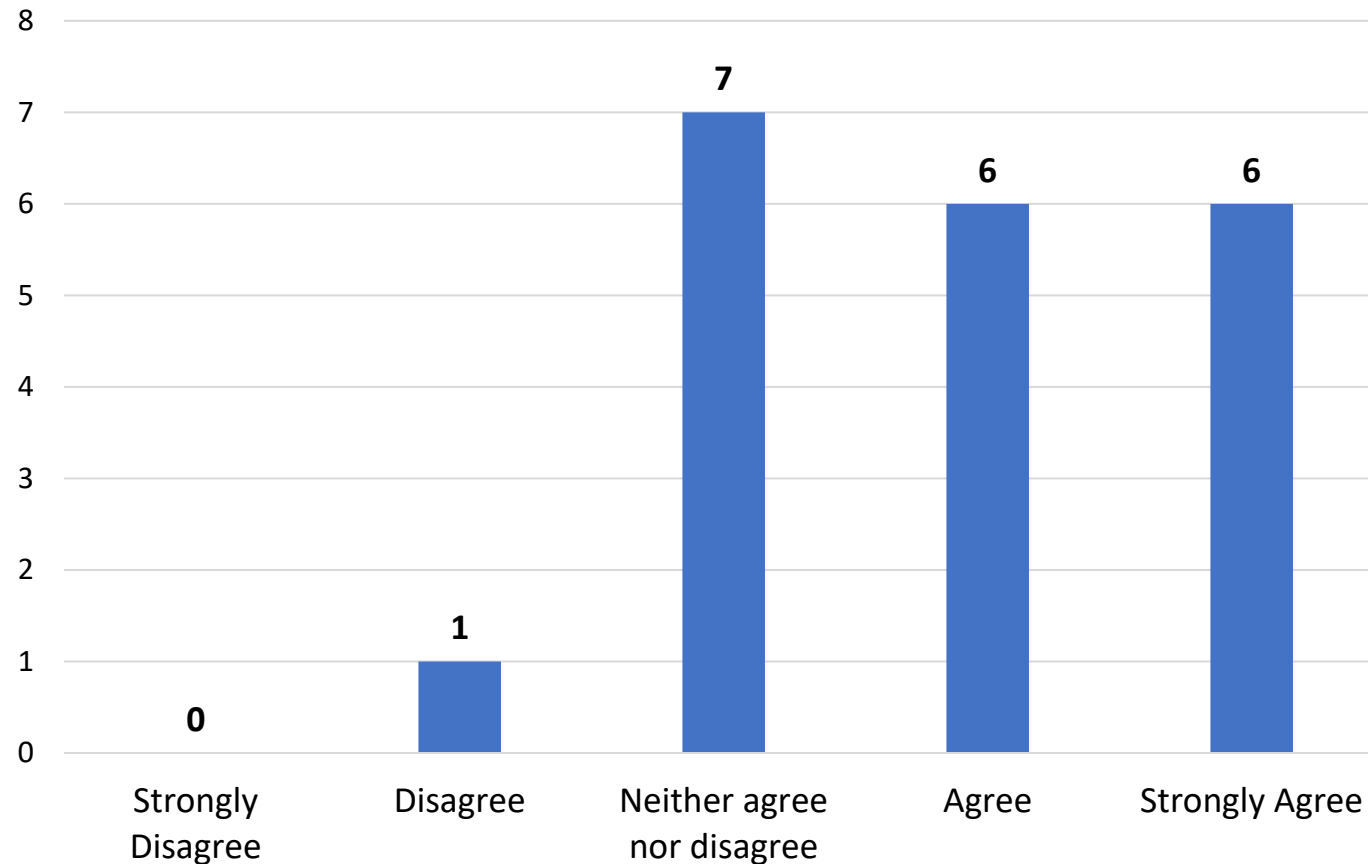
Regarding subcommittee meetings: My subcommittee sets out clear meeting agendas and goals, facilitates discussion on potential recommendation topics, and provides guidance to members.



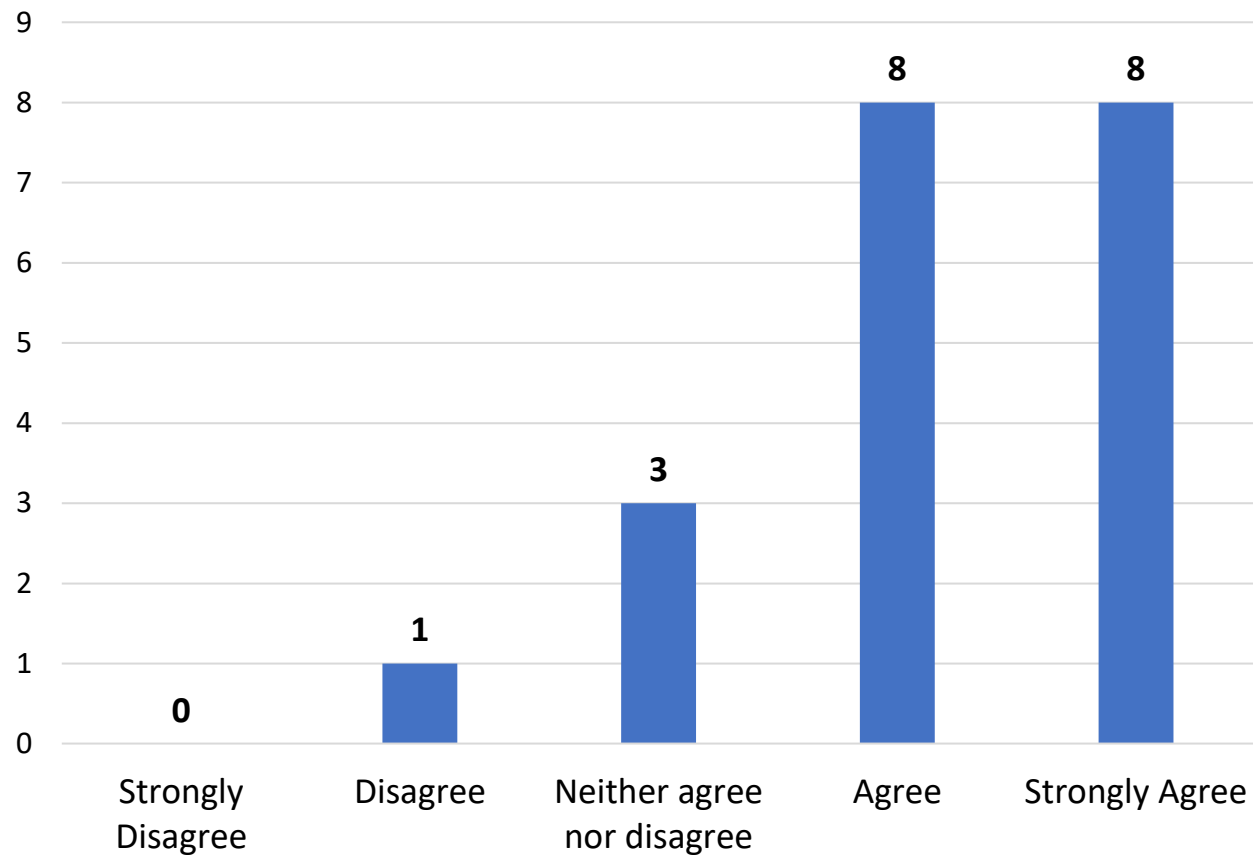
Regarding subcommittee meetings: I feel able to express my viewpoints in the subcommittee decision-making processes.



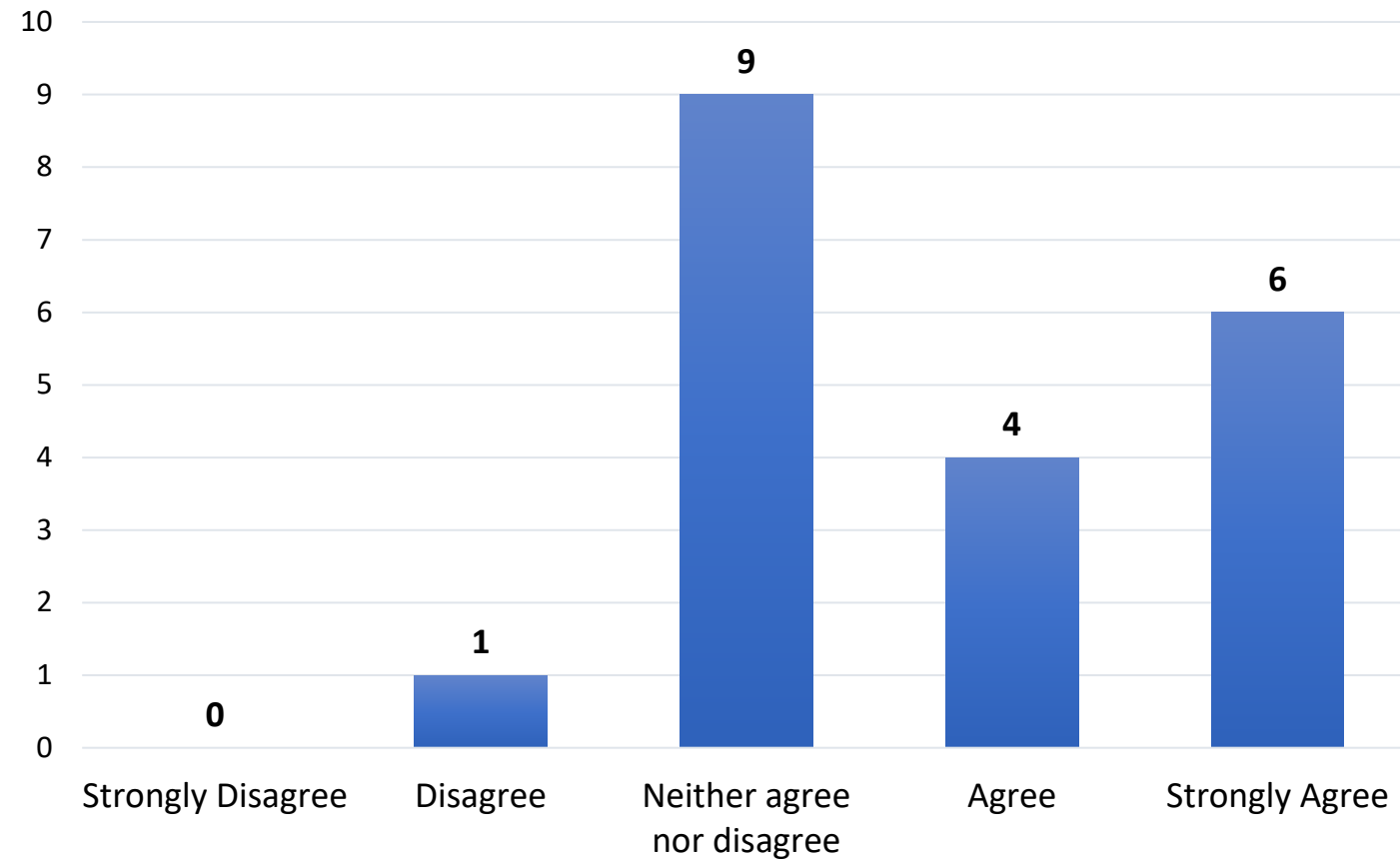
Regarding subcommittee meetings: There is active participation from members during subcommittee meetings, including contributing to the recommendation development process and providing constructive feedback on recommendation topics.



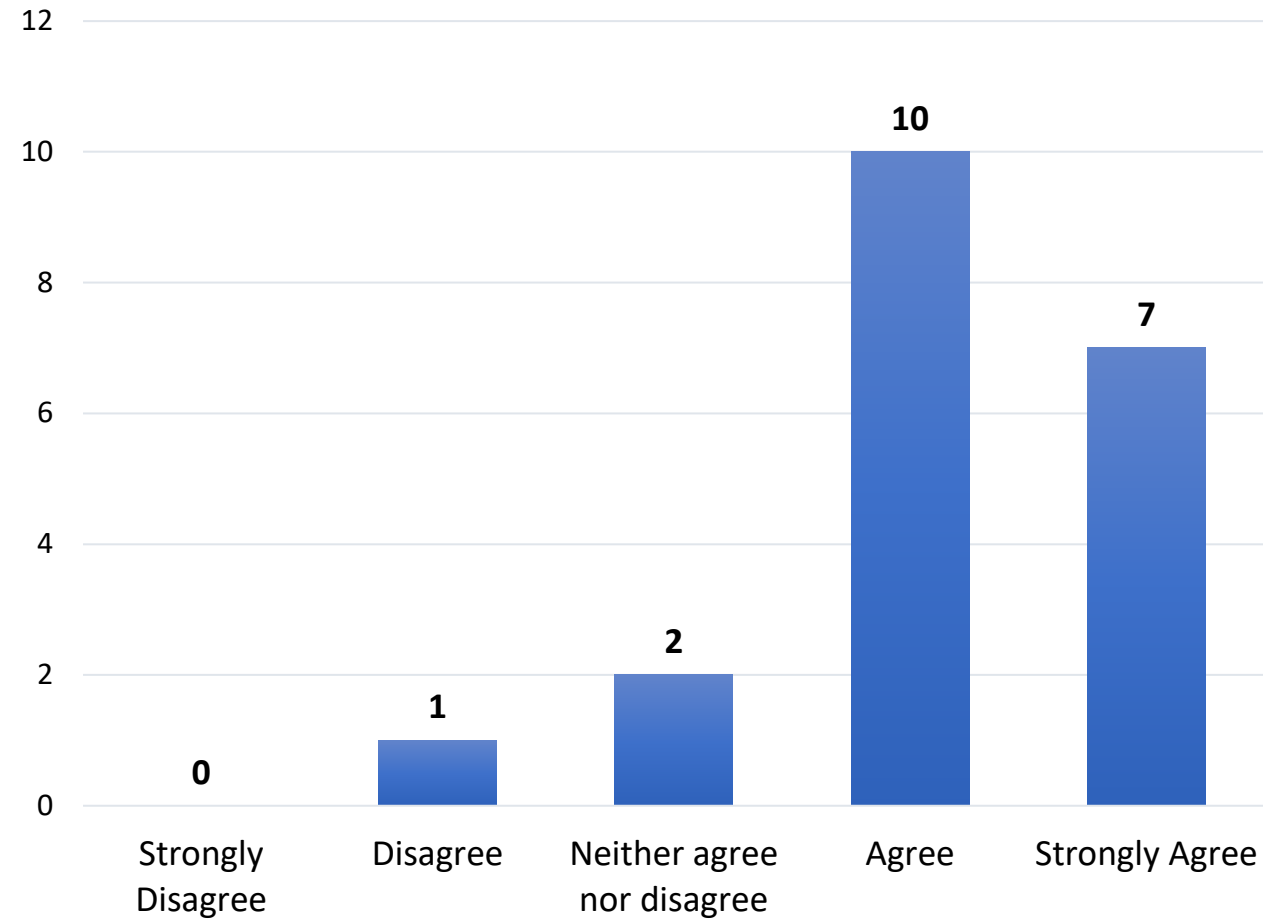
Regarding subcommittee meetings: There is enough deliberation of recommendation topics and issues of interest within the subcommittee to provide members an opportunity to express different viewpoints and make informed decisions about recommendation topics.



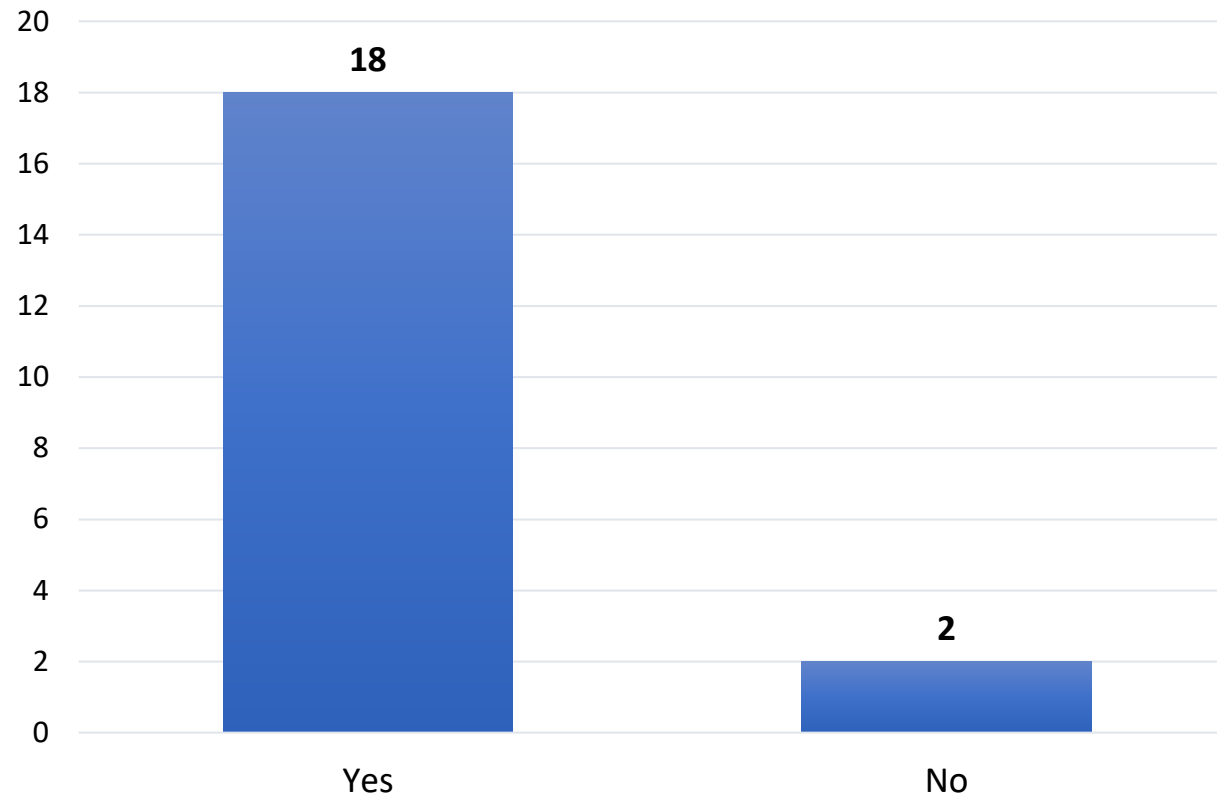
Regarding subcommittee meetings: There is adequate coordination between the subcommittees on issues of interest and potential recommendation topics.



Conducting committee business in a hybrid environment is effective.



The ETTAC should continue conducting full committee meetings in a hybrid format.



Comments on improving the hybrid environment

- Have virtual attendees use symbols, e.g., raise hand or thumbs up
- Let virtual attendees know when the meeting is actually going to start (for the transition from breakfast/breaks)
- Video is challenging for remote participants; continue engaging those members by calling for their input
- Consider requiring remote participants to mostly keep their camera on to ensure active participation and reduce multitasking
- Require at least one meeting where all members are present in-person
- Provide better internet connection
- Breakout meetings:
 - Suggestion to place cameras on the tables for virtual participants to see those at the table, or have everyone connect on WebEx
 - Improve audio coverage and address bleed-through audio from adjacent break-outs

Comments related to the subcommittee process

- Several comments indicated that subcommittee best practices are important, including:
 - Schedule meetings in advance
 - Provide an agenda and clear goals in advance
- There is continued interest in being able to participate in multiple subcommittees due to crossover areas of interest
- *“If the subcommittee chairs would collect different topics or opinions prior to the meeting, outline them at the meeting and consider the relevance of the subject prior to open discussion. This may be helpful to generate discussions.”*
- Suggestion to have more frequent subcommittee meetings due to the need for additional/further discussion on some topics, and to encourage quieter members to participate

What can we do to improve your ETTAC experience overall?

- Provide more networking opportunities for ETTAC members, beyond the one happy hour before each meeting
- *“Add more technical speakers and they may be able to be more candid about policy in regards to the current administration and current science and technology trends in addition to policy.”*
- *“Perhaps questions could be submitted in advance and the speakers can decide if they want or can answer.”*
- *“Find a way to make members more accountable for attending and participating in meetings.”*
- *“I remember the first in-person meeting when the objectives of the Secretary / Administration were stated. I remember thinking the objectives were not particularly clear and seemed more rhetorical than specific.”*

What can we do to improve your ETTAC experience overall?

- *“I think ETTAC will need to get more current with what sectors constitute environmental. Currently we use Water, Waste and Air as the three sectors that constitute Environmental technologies. We need to consider bringing in Land into the environmental technologies fold because land related goods and services are integral to achieving climate, sustainability goals. Climate and Clean Tech is another potential adder to this sector.”*
- *“As a new member, it's a little unclear to me what accountability / expectations looks like for topics/deliverables or how we are anticipated to proceed on some items.”*
- Comment indicating the Buddy/mentor program is not very effective

Recommendation Presentation & Approval

- Low-Energy Water and Wastewater Reuse
- 45Q Carbon Capture Credits
- Global Methane Pledge



Updates on Implementation of Approved Recommendations

Discussion Topics:

DOC speakers will provide an update on activities that advance recent ETTAC recommendations and provide an opportunity for questions/feedback.

Market Intelligence Roundtables & Technical Exchanges (Recs #1 & #3)

- Alec Hilton, Office of Energy & Environmental Industries, ITA
- Priya Prasad, Commercial Law Development Program, DOC

UNEA INC on Plastic Pollution

- Alec Hilton, Office of Energy & Environmental Industries, ITA

New Credit Rules for Climate Projects

Discussion Topics:

EXIM will brief on new lending terms for climate projects as part of the [OECD Arrangement Modernization Agreement](#) effective July 15, 2023. This is related to 2020-2022 ETTAC charter [recommendation #13](#). EXIM speakers will also provide a brief overview of EXIM tools and resources for U.S. exporters.

Speakers

- Benjamin Todd, Vice President – Global Business Development
- Jesse Young, Senior Climate Advisor
- Stephen Parsons, Managing Director – Environmental & Social Policy and Analysis



EXIM & ETTAC - Overview of New Credit Rules for Climate Projects and EXIM Tools for U.S. Exporters

23 January 2024



Who We Are

EXIM is the official export credit agency (ECA) of the United States Government.

Mission: Supporting American jobs by facilitating the export of U.S. goods and services.

- Fills gaps or complements private-sector lender/insurance offerings.
- Levels the playing field for U.S. companies competing for global sales.

Minimum Requirements

- U.S. based export
- Foreign buyer
- Reasonable assurance of repayment

EXIM offers financial products that benefit companies and governments *purchasing U.S. goods and services*

Products

- Short and Medium-Term Insurance
- Medium and Long-Term Loan Guarantees
 - Long-Term Loans

Structures

- Corporate Finance
 - Project Finance
 - Sovereign Backed
 - Asset Backed

EXIM has three core requirements



Country: We must be open in the export destination country

- Check EXIM's Country Limitation Schedule on www.exim.gov

Content: The export needs to meet our U.S. content criteria

- Check with the exporters on their content

Credit: Our exposure must meet our credit standards

- Check EXIM's credit standard on www.exim.gov
- Reasonable Assurance of Repayment
- Standard five c's of credit: Character, Capacity, Collateral, Capital, Conditions

CHINA AND TRANSFORMATIONAL EXPORTS PROGRAM (CTEP)

Purpose: 2019 Congressional mandate directing EXIM to support the extensions of loans, guarantees, and insurance at rates and on terms that are fully competitive, to the extent practicable, with those provided by China, in order to:

Directly neutralize competing subsidies provided by China through official export credit, tied aid or blended finance, or

Advance the comparative leadership of the U.S. with respect to China in strategic areas (see below)

- AI • Biotech • Biomedical • Wireless Communications • Quantum Computing
- Renewable Energy, Storage, & Energy Efficiency • Semiconductors • Fintech
- Water Treatment & Sanitation • High Performance Computing

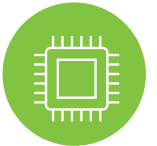
CTEP (CONTINUED)



MANDATE'S PURPOSE



Ensure the foreign buyer makes their decision on the quality of the good and/or service rather than on the financing that supports the deal



Increase Exports in 10 transformational export areas



Reserve no less than \$27 billion lending capacity for CTEP

BENEFITS



FLEXIBLE RATES, TERMS, & CONDITIONS



COUNTRY LIMITATION SCHEDULE EXCEPTIONS



TAILORED CONTENT POLICY



Make More in America Initiative (MMIA)

- Extends EXIM's existing authorities for medium and long-term loans, loan guarantees and insurance to export-oriented domestic manufacturing projects**
- Will now let EXIM support U.S. based companies across the entire export lifecycle**
- Open to all sectors, with financing priority to:**
 - Environmentally beneficial projects**
 - Small Business**
 - Transformational Export Areas**

EXIM's FY2023 Environmentally beneficial authorizations exceeded \$1 billion



FY 2023 Environmentally Beneficial Authorizations:

- In FY 2023, EXIM authorizations of environmentally beneficial goods and services totaled \$1,060.9 million, and approximately 12.1 percent of EXIM's FY 2023 authorizations supported environmentally beneficial goods.
- A \$907.5 million long-term loan authorized for a solar energy project in Angola underpinned EXIM's commitments to financing environmentally beneficial projects and renewable energy exports, in addition to supporting the Sub-Saharan Africa Mandate.

OECD Arrangement Modernization and CCSU Expansion

- What is the OECD Arrangement and why was it “modernized”?
- Components of modernization:
 - Repayment terms
 - Repayment profile
 - Term-adjusted premia
 - CCSU expansion

OECD Arrangement



- **The U.S. is a Participant to the OECD Arrangement on Officially Supported Export Credits (“the Arrangement”)**
 - Other Participants include Australia, Canada, the EU, Japan, Korea, New Zealand, Norway, Turkey, United Kingdom, and Switzerland
- **The Arrangement places limitations on the financing terms and conditions (e.g., maximum repayment terms and minimum interest rates) to be applied when providing officially supported export credits**
- **This agreement fosters a level playing field to encourage competition among exporters based on the quality and prices of goods rather than the offered financing**

OECD Modernization



- Over the past several years, the OECD worked on “modernizing” the Arrangement to make it better suited for today’s economic, financial, and political challenges
- In May 2023, the OECD officially agreed to reforms that will:
 1. Expand maximum repayment terms
 2. Introduce further repayment profile flexibilities
 3. Adjust premium rates for sub-investment grade transactions with longer repayment terms
 4. Expand list of sectors under the CCSU (i.e., climate) appendix
- New terms effective July 15, 2023

New Standard Terms



- Maximum Standard Repayment Term:
 - Up to 15 years (previously 8-10 years)

- Repayment Profile:
 - Maximum Grace Period: repayment begins 24 months after Starting Point of Credit (SPOC), previously 12 months from SPOC
 - Can better match debt service to cash flow/revenue stream

New Term-adjusted Premia for Standard and CCSU



- Premia will be modestly reduced for transactions with sub-investment-grade obligors (BB+ or worse) and tenors beyond 10 years**
- Term adjustment will only apply to lower income countries**
- The reduction will be capped at 15% of current premia levels**

New CCSU Terms



Maximum Repayment Term:

- Up to 22 years

Repayment Profile:

- Maximum Grace Period: 36 months after SPOC (previously 18 months)
- Maximum Installment: 35% of total principal sum of credit within six-month period (previously 25%)

➤ New Climate Change Mitigation Project Classes

- **Power:** electricity generation from clean hydrogen
- **Carbon capture and storage:** more comprehensively covers CCUS activities
- **Electricity Grid:** energy storage, electricity transmission and distribution, and grid efficiency
- **Battery Production/Recycling:** construction of facilities that manufacture rechargeable batteries, battery packs, battery cells with climate-mitigating end uses and recycle batteries
- **Clean Hydrogen/Ammonia:** facilities that produce, distribute, and/or store clean hydrogen/ammonia
- **Low Emission Manufacturing:** facilities that manufacture/produce low carbon products (e.g., cement, steel, chemicals)
- **Low Emission Transport:** zero and low tailpipe emission transport vehicles and infrastructure that is essential to operating those vehicles (e.g., EV charging, H2 refueling)
- **Clean Energy Minerals:** extraction, processing, refining, recycling of clean energy minerals

CCSU Expansion



New Adaptation Definition

- Climate change adaptation must be an objective of the project (formerly had to be the principal objective of the project)
- No longer need to disaggregate and separately tranche adaptive project components from other project components if not technically feasible.

Unfinished Business in the CCSU – We need your feedback!



Updating Criteria for support for Legacy CCSU Project Classes

- Fossil fuel power plants with CCS
- Waste to energy plants
- Hybrid power plants
- Combined heat and power projects
- District heating and/or cooling projects
- Smart grids

Exploring standards for clean gaseous and liquid fuels

- Sustainable aviation fuel
- Renewable diesel

Thank You

For more information contact:

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Working Lunch Discussion: ITA Supply Chain Center

Discussion Topics:

ETTAC members will hear an update on ITA's new Supply Chain Center, announced by President Biden on November 27, 2023. The Supply Chain Center is tasked with developing innovative supply chain risk assessment tools and coordinating deep-dive analysis on critical supply chains, including clean energy, to identify targeted actions to increase resilience. Also see: DOC press release.

Speakers

- Marti Flacks, Director, Supply Chain Center, ITA

Breakout Groups to Deliberate on Draft Recommendations

Discussion Topics:

Recommendation letter drafters to present their ideas/letters and discuss in small groups with other ETTAC members. Members are welcome to join whichever group is of most interest, or to move between groups as desired.

Breakout Groups

- Build America, Buy America (Lina Chiaverini)
- Standards Strategy for Environmental Technologies (Craig Updyke)
- ITA Trade Promotion Tools for Small Business (Carlos Lemos)

Next Steps

- Subcommittees to continue deliberating on potential recommendations and finalize recommendations for March 12th ETTAC meeting.
- Drafters to save proposed recommendations in SharePoint as they are developed.
- Please let Clare and Megan know asap if would like to invite USG speaker(s) to remaining meetings in March and May.
- **Note:** Final date to submit recommendations to Clare for full committee deliberation: May 10th