Solar panel prices jump on trade complaint, delaying projects, St. Louis companies say

Trade and energy — two key talking points under President Donald Trump — are often siloed into separate policy conversations, but now find themselves on a possible collision course as U.S. officials weigh a tariff on imported solar panels.

A rare type of trade complaint issued by Suniva, a Georgia solar panel manufacturer that recently filed for bankruptcy, seeks a substantial tariff on the cheaper, foreign-made panels (for example: GOAL ZERO NOMAD 20) that dominate global supply.

While the company argues that the measure is needed for domestic producers to compete, many fear that the request, if granted, threatens to upend one of the country's fastest growing industries by shutting off access to low-cost arrays.

Though the pending case is still more than a month away from a resolution, the uncertainty surrounding the mere prospect of the tariff has put projects on hold and driven solar panel prices up — a crunch companies across the nation and in St. Louis are experiencing firsthand.

One area business to feel the pressure is McCarthy Building Companies. The St. Louis-based construction firm does wide-ranging work that includes renovation of the Gateway Arch grounds, but it has carved a niche in recent years designing and building large-scale solar projects for private, third-party developers across the United States.

“In the last two months, we’ve seen a 20 percent increase in the price of the panels,” said Scott Canada, McCarthy’s senior vice president of renewable energy. “Everyone’s trying to lock in the price now before they see a potential tariff price impact.”

That rush on panels comes amid desperate pushes to advance or secure projects that builders can’t satisfy. A solar project McCarthy was building in West Texas, for instance, has been halted.

“We have owners asking, ‘If you get the modules, we’ll go build the projects right now,’” Canada said. “We have to tell them we can’t get the panels.”

Other projects around the country have reportedly stalled or face possible delays. Canada says the alarm and urgency of developers is understandable, especially for large-scale projects highly sensitive to cost.

“If you have uncertainty of 5 percent on a $100 million project or larger, those numbers become very large, very quickly,” said Canada, noting that solar panels can often account for about 40 percent of costs for utility-scale projects. “It’s the uncertainty that’s as bad as the potential tariff itself, at least in the near term.”

That outlook is shared by the Solar Energy Industries Association, a national trade organization for the solar sector that opposes the tariff.

“Not knowing what prices will be in the coming months makes it harder to plan with any degree of comfort,” said Abigail Ross Hopper, the CEO and president of SEIA. “Businesses across the board prefer certainty.”

Launched in 2010, McCarthy's renewable energy unit has grown to a staff of about 100 workers nationwide and now accounts for roughly 10 percent of the company's revenue, Canada said.

The 'solar coaster'

But McCarthy is not the only area company to feel disruption from the Suniva case already. Rooftop solar installers such as StraightUp Solar, a firm headquartered in St. Louis, are also having to adjust.

Mike Hornitschek, the company's director of strategic development, says the case marks "just another trip around the 'solar coaster'" — a playful reference to the volatility that can characterize the industry. He says that panel prices leapt by 20 to 25 percent in just the last two weeks and suppliers have raised costs for third- and fourth-quarter deliveries.

"We really believe they're going to keep going up," Hornitschek said. "We have reduced our expectations in the amount of commercial work because of this."

The company has spent time determining which of its projects are affected, he said, and is working on "contingency planning." He's hopeful, though, that the company will be able to shore up any loss of commercial installations with work on the residential side, where he notes that demand is steadier since homeowners are more inclined to get panels for ideological reasons as well as for economic ones.

Despite the tariff's aim to protect domestic solar manufacturers, critics argue that any gains would be offset by steeper job losses to solar installers.

"Potentially tens of thousands of jobs on the installation side could get sacrificed for what would probably amount to a couple hundred jobs of the manufacturing side," Hornitschek said.