

Testimony for Ohio House Bill 114
Before the Ohio House Public Utilities Committee
Colin Meehan, First Solar Director of Regulatory and Public Affairs
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Chairman Seitz and Members of the Ohio House Public Utilities Committee, thank you for the opportunity to provide written testimony on House Bill 114.

First Solar is a leading global provider of comprehensive photovoltaic (PV) solar energy solutions with more than 10 gigawatts (GW) installed worldwide. The Perrysburg, Ohio factory is the largest module manufacturing facility in the United States. The facility first broke ground in 1999 and by 2002, First Solar was producing 1.5 megawatts (MW) of commercial solar modules per year. Through increased automation, upgrades and expansion, First Solar's Perrysburg Manufacturing Operations now span over 1,000,000 square feet, with an annual capacity of 630MW.

First Solar opposes HB 114 which creates substantial business uncertainty at a time when we are working hard to keep our Ohio manufacturing facility competitive with international solar module manufacturers. This legislation goes further in dampening future large scale solar PV project development investments than HB 554 from the 131st General Assembly, which First Solar also opposed and was vetoed by Governor Kasich.

Recently First Solar decided to rapidly accelerate development and production of our next-generation Series 6 module at our Perrysburg facility, and have invested over \$100 million in our Ohio facility as part of this effort. We expect one 550MW Series 6 production line to be fully operational by 2018 and will assess the need for additional production workers at that time. Our decision to retool our Perrysburg plant in order to rapidly accelerate the production of our next-generation module will be critical to keeping advanced manufacturing in Ohio competitive with Chinese and other foreign module manufacturers.

Ongoing policy uncertainty throughout the U.S. and internationally has exacerbated these issues by creating boom and bust cycles that makes it difficult to plan for long term markets and investments. As an Ohio-based manufacturer of solar panels, and a developer of increasingly competitive utility-scale solar power plants, First Solar supports the removal of barriers such as the current legislative freeze of the RPS that prevent us from growing our business in the state.

With states like Georgia, Pennsylvania, Illinois, New York, and Minnesota rapidly expanding procurement of utility scale solar, the contrast with Ohio is clear. House Bill 114 converts the state's renewable energy commitments into voluntary goals and eliminates any obligation to comply until 2021. As a result, the proposed legislation would effectively extend the freeze without providing Ohio-based manufacturing companies like ours with the kind of business certainty that will allow us to thrive in the state. The simple fact is that while our U.S. manufacturing is based here in Ohio, our U.S. business and the jobs we create through engineering, procurement, construction,

plant operations, and maintenance occur almost entirely outside of Ohio. For these reasons I am here today on behalf of First Solar to oppose Senate Bill 320.

First Solar was born in Perrysburg, Ohio and has invested and innovated here for more than a decade. During this time, most U.S. solar manufacturers contracted, failed or left the U.S. due to global competitive pressures. First Solar doubled down on our commitment to Ohio and invested \$100 million dollars a year for the last ten years while expanding our manufacturing operations here several times.

Right now, solar manufacturers are at another inflection point, including First Solar. Flee or fight, survive or thrive. We've chosen fight and thrive but that decision does come without some real near term impacts.

First Solar's Perrysburg manufacturing facility has always served as both a benchmark for our global high tech production, as well as the leading edge for developing and scaling up production of new technology and new products, and has been a critical factor in the company's continued success. We will continue to invest in the Perrysburg facility, and look forward to it leading the way in production of this new product. We believe this product will be extremely competitive and sustainable in the current environment, allowing us to meet customer demand while capturing increased sales at acceptable margins.

While Ohio considers weakening its RPS, other states are ramping up their investment in utility scale solar as these technology advances make it an increasingly competitive resource with existing and new thermal generation. These decisions are being made based on the cost competitiveness of utility scale solar and other renewable energy technologies. This week, Illinois is considering RPS reform legislation that would establish a goal of approximately 1,000 MW of utility scale solar. Earlier this year the Georgia Public Service Commission approved a resource plan that will develop as much as 1,600 MW of new utility scale solar. New York recently approved a 50% RPS, and Pennsylvania has an 18% RPS. The Electric Reliability Council of Texas, is expected to announce that over 20,000 MW of solar will be installed over the next 15 years.

First Solar is proud to manufacture our advanced solar photovoltaic modules in Ohio, but the fact is that many states are working to attract more of the over 200,000 jobs in the U.S. solar industry today. The continuing rapid growth of the solar industry and the ongoing competition for industry jobs has created an important opportunity for Ohio, but that opportunity may not last long, and the competition for industry jobs is fierce. With the largest photovoltaic panel manufacturing facility in North America, we hope Ohio will work toward a sustainable and growing market for utility-scale solar.

In closing, First Solar is proud to continue our leadership in the solar industry with our ongoing investment in advanced manufacturing here in Ohio. We hope to further increase our investment in the state by building power plants using our Ohio-manufactured modules. Business certainty is critical in our effort to bring our industry-leading power plants to the state, and unfortunately the ongoing efforts to further

weaken the RPS by converting the standard to a voluntary goal has created a level of risk and uncertainty that makes it difficult to build projects in Ohio. This degree of uncertainty damages the opportunity to attract new business in the form of utility-scale solar PV project development, engineering, and construction, regardless of increasingly competitive pricing for utility-scale solar. As a result, we respectfully oppose this legislation and request that you commit to a stable business environment in Ohio that will support advanced manufacturing such as First Solar and not pass HB 114 favorably out of committee.

Thanks you for your time and consideration today.

Sincerely,

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