



November 12, 2019

David Olsen, Chair
Board of Governors
California Independent System Operator Corporation
California ISO Board of Governors

Re: Deliverability Assessment Methodology Revisions Proposal

Dear Chair Olsen and Members of the Board:

I am writing to express First Solar, Inc.'s support for the California ISO's deliverability assessment methodology revisions proposal.

First Solar designs, manufactures and sells photovoltaic solar modules with an advanced thin-film semiconductor technology. First Solar is the world's largest thin-film PV solar module manufacturer, developing, designing and constructing PV solar power systems throughout the world. The company is headquartered in the United States and its stock trades on the NASDAQ. First Solar has constructed over thirty generating facilities for over 4,600 MW in operation to serve the State of California, including projects located in nine California counties.

First Solar has worked closely with the California ISO to demonstrate the operational flexibility and grid support that utility-scale PV generation can provide, and we remain dedicated to designing grid-flexible solar generation, including PV combined with storage, to improve grid-support capabilities of this resource that remains so important to achieving California's GHG reduction goals. We are committed to working with the CAISO as it develops new market products, planning assumptions and generator interconnection rules needed to adapt to the changing generation profile serving the state. The First Solar team participated in the stakeholder process leading to the proposal to modify the deliverability assessment methodology.

First Solar supports this proposal for a number of reasons. First, several renewable generators expressed concern about increased reliance on curtailment under the new methodology. Excessive curtailment impairs the ability of existing and new solar generators to meet energy needs and undermines the value of the state's investment in these resources. Given the importance of developing and designing a transmission grid to accommodate California's policy goals, we urged the CAISO to address the significant time lag between the increased curtailment and the transmission solution to mitigate it. We believe that the new off-peak deliverability methodology addresses these concerns.



While some stakeholders have raised concerns about implementation issues associated with the off-peak deliverability methodology, we are comfortable that the CAISO team will continue engaging with stakeholders to clarify the details. This is not the first time CAISO has been on the cutting edge nationally in crafting new rules to address changing grid conditions, and we are confident that if the rules result in unintended consequences, CAISO will be open to reviewing and modifying its rules as it has when implementing other innovative design changes.

First Solar is also supportive of the proposal because it offers a one-time opportunity for energy-only projects to obtain deliverability that will be made available due to the methodology change. The transitional opportunity is designed to provide energy-only projects that are further along in their development cycle an opportunity to qualify for a deliverability allocation. This is important because these clean energy projects are better positioned to compete in upcoming solicitations than later queued projects. Advanced-stage energy-only projects are also better positioned to provide ratepayer savings due to their ability to capture federal investment tax credit savings and to add storage to help with energy shifting.

Finally, throughout this initiative the CAISO team was very responsive to stakeholder requests and concerns. Managing a large interconnection queue, the transmission planning process and market design to keep the grid reliable while responding to state policy direction is a complex process. The team led a transparent and informative process, responding to the concerns and issues raised by stakeholders and facilitating improved stakeholder understanding of the CAISO's methodologies and assumptions. The team also showed a sensitivity to the commercial realities that underpin the development of California's clean generation fleet.

First Solar appreciates the opportunity to share these views with the Board and looks forward to continued engagement on these important issues.

Sincerely,

A handwritten signature in blue ink, appearing to read "M Osterholt".

Mark Osterholt
Director, Project Development
First Solar, Inc.