

The stamp of quality



Bankability | Last year First Solar revealed that its 50MW Macho Springs project in New Mexico had become the first to receive a 'Quality Tested' certification from VDE and Fraunhofer ISE, as described on the previous pages. Ben Willis asks Azmat Siddiqi, First Solar's senior vice president of quality and reliability, and John Sedgewick, president of VDE Americas Quality, what the accolade means

PV Tech Power: First Solar is already a respected player in the PV power plant business. Why was this certification step felt to be necessary?

Azmat Siddiqi: As we pursue excellence and quality in all our operations and all our endeavours, it's very important to raise the bar in the industry. So this was not just for First Solar, but to raise the bar in the industry.

John Sedgewick: We're clearly seeing the industry trend now towards what are more normalised financing mechanisms, and when that happens you need standardised certifications for plants. And we're leaning, almost pulling the industry along to something that's quite standard in other industries. In other industries when you have a US\$100 million asset, you have a certification on that asset saying everything's fine; in the solar industry we're not children, but we're maybe young teenagers.

PV Tech Power: Is this certification a reflection of the changing nature of the investors now being attracted to solar and what they're demanding?

JS: Absolutely. What we're seeing is that there's been a change in the way these assets are financed, where they're no longer based on tax equity or feed-in tariffs. They're going to be financial assets with traditional returns, and so banks are going to want to see certification to reduce risk; insurance companies will want to see these for reduced risk. It's just a maturing process in the industry is happening now.

PV Tech Power: What does the actual certification process look at?

JS: It's a very comprehensive analysis of the plant. It checks everything, from documentation of the smallest component, all the way up to the high-end system. And so it really certifies that that plant is a world-class, world-standard, highest-quality solar PV financial asset. So it's a very comprehensive analysis.

AS: There are over 300 different areas of focus, attention and certification in the process; it's a very comprehensive programme. Throughout our value chain, we try to put these new practices of technology readiness in place. So right up to commissioning, we've got these internal practices; now is the best time to have them certified.

PV Tech Power: How long does it take to do one of these tests?

JS: It's usually about three to four months, depending on what stage the plant is at. You can start it as the plant begins construction, or you can do it in the middle, or you can do it when it's completed.

PV Tech Power: Do you anticipate that your competitors in the industry will follow your lead?

AS: I would certainly hope so. Raising that bar is where the real win for the industry is; when the industry's acceptance of this certification becomes the norm, then we can all compete on our individual differentiators.

JS: Anything you do in the solar industry you do to drive costs down. And where we need to focus is on soft costs and financing, and the perceived risk that financial lenders and insurance companies assign to solar assets. And when you get just a small movement, a little movement in that reduction, it has a very large impact on reducing the cost of the asset and thereby increasing the market that's available to it.

PV Tech Power: Will First Solar's intention be to do this for all projects in the future now?

AS: The intention will be there. It depends a lot on individual customers and their intents, but our intention is to make this a standard practice so we stand technically and financially behind all our projects and ensure we have met all the requirements.

PV Tech Power: Investors are increasingly driving the quality assurance process on the demand side of the market through third-party quality assurance processes for components – can you see that happening at a PV system level?

JS: Yes, we are hearing from various financial institutions that at a systems level these kind of certifications more and more will be required as part of a financing package. It's not there yet, but it's going to become obvious that you need to have some level of risk reduction assurance that's more organised.

PV Tech Power: Is this part of the industry's growing up process?

AS: Yes, it's about risk identification, classification and mitigation. Mitigation is the key. ■



Credit: First Solar

VDE's John Sedgewick, top, and First Solar's Azmat Siddiqi.

First Solar's Macho Springs project is the first PV plant to receive VDE and Fraunhofer ISE's QT certification.