

9/9/2009



Memorandum of Understanding
between
First Solar, Inc.
and
Ordos City Government
(China)

MOU and background documents.

Assembled by: **The Phoenix Sun**



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 7, 2009

FIRST SOLAR, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-33156
(Commission
File Number)

20-4623678
(I.R.S. Employer
Identification No.)

350 West Washington Street
Suite 600

Tempe, Arizona 85281

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (602) 414-9300

Item 8.01. Other Events.

On September 7, 2009, First Solar, Inc. ("First Solar") issued a press release announcing a visit to First Solar's headquarters by Chairman Wu Bangguo of the Standing Committee of the National People's Congress of China and a delegation of senior Chinese government leaders to discuss how First Solar's low-cost solar technology can help contribute to China's goal of achieving a low-carbon economic future as well as meeting China's increasing demand for sustainable renewable energy. A copy of the press release is furnished as Exhibit 99.1 to this Form 8-K.

On September 8, 2009, First Solar and the Ordos City Government, China entered into a Memorandum of Understanding ("MOU") outlining a long-term strategic partnership between the parties pursuant to which First Solar would, through an appropriate business model, develop and construct a 2,000MW photovoltaic power plant located within the Ordos New Energy Industry Demonstration Zone in China. A copy of the MOU is furnished as Exhibit 99.2 to this Form 8-K, and a copy of the press release issued by First Solar on September 8, 2009 relating to the MOU is furnished as Exhibit 99.3 to this Form 8-K.

The information in this Form 8-K and in the exhibits attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or otherwise subject to the liability of that Section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d)	Exhibits.
99.1	Press Release of First Solar dated September 7, 2009
99.2	Memorandum of Understanding, dated September 8, 2009, between First Solar, Inc. and Ordos City Government
99.3	Press Release of First Solar dated September 8, 2009



First Solar Hosts Chinese National Leadership Delegation Seeking Sustainable Energy Solutions

TEMPE, Arizona, Sept. 7, 2009 – In an exceptional visit to the United States, a delegation of senior Chinese government leaders today visited First Solar (NASDAQ: FLSR) headquarters in Tempe to learn first-hand how the company's low-cost solar technology can help contribute to China's goal of achieving a low-carbon economic future as well as meeting China's increasing demand for sustainable renewable energy.

Hosted by First Solar CEO Mike Ahearn, the delegation led by Chairman Wu Bangguo of the Standing Committee of the National People's Congress of China met with First Solar executives to examine the company's industry-leading solar panels. The officials also discussed the significant potential for the U.S. and China to address global climate change through the creation of solar markets that take advantage of the significant solar resources in both countries.

"If the U.S. and China work together and strongly support solar growth, we believe we can reduce the cost of solar electricity to "grid parity" – where it is competitive with traditional energy sources - and create the blueprint for accelerated mass scale deployment of solar power worldwide to mitigate climate change," Ahearn said.

The Chinese delegation's visit to First Solar is part of an itinerary that will take them to Washington, D.C. to meet with Congressional leaders and the Obama Administration on a variety of energy, trade and business initiatives. Ahearn said he is encouraged that both China and the U.S. are becoming increasingly aware of the importance of promoting policies supportive of solar energy.

"As a nation, we need strong policy support to create a vibrant solar industry and the green jobs that come with it," Ahearn said. "Solar represents one of our best opportunities to help address global climate change and energy security, and we should ensure that it becomes a permanent, sustainable source of renewable electricity for the United States and the world."

First Solar recently announced agreements to build two large-scale solar power projects in Southern California. The installations, which will be among the largest of their kind, will have a generation capacity of 550 megawatts of photovoltaic electricity, enough to provide power to approximately 170,000 homes.

"We are interested in teaming with progressive government and community leaders to help them achieve their goals for mass-scale deployment of affordable solar power. We believe in investing in the communities we serve and enabling them with advanced technology and global best practices," Ahearn said.

About First Solar

First Solar, Inc. (Nasdaq: FSLR) is changing the way the world is powered by creating truly sustainable solar energy solutions. First Solar manufactures solar modules with an advanced semiconductor technology and provides comprehensive PV system solutions. By constantly decreasing manufacturing costs, First Solar is creating an affordable and environmentally responsible alternative to fossil-fuel generation. First Solar modules are most effective when demand for traditional forms of energy is at its peak. First Solar set the benchmark for environmentally responsible product life cycle management by introducing the industry's first prefunded, comprehensive collection and recycling program for solar modules. From raw material sourcing through end-of-life collection and recycling, First Solar is focused on creating cost-effective renewable energy solutions that protect and enhance the environment. For more information about First Solar, please visit www.firstsolar.com , or www.firstsolar.com/media to download photos.

For First Solar Investors

This release contains forward-looking statements which are made pursuant to the safe harbor provisions of Section 21E of the Securities Exchange Act of 1934. The forward-looking statements in this release do not constitute guarantees of future performance. Those statements involve a number of factors that could cause actual results to differ materially, including risks associated with the company's business involving the company's products, their development and distribution, economic and competitive factors and the company's key strategic relationships and other risks detailed in the company's filings with the Securities and Exchange Commission. First Solar assumes no obligation to update any forward-looking information contained in this press release or with respect to the announcements described herein.

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**MEMORANDUM OF UNDERSTANDING FOR A STRATEGIC PARTNERSHIP
TO DEVELOP A PHOTOVOLTAIC INDUSTRY IN ORDOS CITY**

between

ORDOS CITY GOVERNMENT

and

FIRST SOLAR, INC.

This Memorandum of Understanding (“MOU”) constitutes an agreement between Ordos City Government (“Ordos”) and First Solar, Inc. (“First Solar”, and collectively, the “Participants”). The Participants have reached the following understandings:

I. Purpose

A. Background

The Chinese government has responded vigorously to the challenges of sustainable economic development, environmental protection and climate change. As part of this response, China has expressed an intention to transition to a low carbon infrastructure and to further expand its use of renewable energy, including solar power. China is interested in expanding its capabilities to produce affordable solar electricity with sustainable technologies and industrial processes.

Ordos is a prominent city within the Autonomous Region of Inner Mongolia and has demonstrated leadership in renewable energy and the development of a low carbon infrastructure. Ordos is currently developing the Ordos New Energy Industry Demonstration Zone (the undertaker on the Chinese side) in Hangjin Banner, a planned 11,950 MW renewable energy park that could serve as a model for renewable power generation in China and throughout the world. When completed, the Ordos New Energy Industry Demonstration Zone is expected to contain 6,950 MW of wind generation, 3,900 MW of photovoltaic power plants, 720 MW of concentrating solar power plants, 310 MW of biomass plants and 70 MW of hydro storage. Ordos government intends to build a low carbon economy through the comprehensive development of diverse new energy resources and manufacturing, including the establishment of an advanced industrial base.

First Solar is a leading provider of solar (photovoltaic) modules and engineered solar power plants. First Solar utilizes advanced technology that has enabled significant and continuing reductions in solar electricity costs. In addition, First Solar operates a sustainable, closed loop product life cycle (including recycling products after use) that protects the environment, while also minimizing its carbon footprint and energy requirements. First Solar is interested in serving and investing in markets such as China that are committed to making solar electricity part of their long term electricity infrastructures.

The Participants intend to cooperate as described in this MOU in order to advance their respective interests and to establish a long-term strategic partnership.

B. Undertakings

First Solar will, through an appropriate business model, develop and construct a 2,000 MW photovoltaic power plant (the “Project”) located within the Ordos New Energy Industry Demonstration Zone. First Solar will supply the Project with low cost solar modules and provide additional engineering, procurement, training and other project support necessary to assure that the Project is successfully executed. Ordos will arrange for suitable sites for the Project within the Ordos New Energy Industry Demonstration Zone. Ordos will also provide adequate policy support to enable the financial feasibility of the Project and to generate opportunities to localize the solar value chain as described below.

The Project will be built in multiple phases over the period 2009 to 2019. Phase 1 will be a 30 MW demonstration project that will begin construction by June 1, 2010 and be completed as soon thereafter as practicable. Phases 2, 3 and 4 will be 100 MW, 870 MW and 1000 MW. Each Phase will start construction following the completion of the previous Phase. The Participants will agree on an annual installation schedule that allows Phases 2 and 3 to be completed by December 31, 2014 and Phase 4 to be completed by December 31, 2019. The Project will operate under a feed-in-tariff that is adequate to support the financial feasibility of the Project.

First Solar intends to actively participate in the development of the photovoltaic industry in China. First Solar intends to facilitate expansion of the supply chains in China for thin film photovoltaic module production and for the recycling of photovoltaic modules after use. During the implementation of the Phases covered by the time period from 2009 through 2014, First Solar intends to actively review the possibility of module and supplier manufacturing sites in Ordos, and other considerations required to support a First Solar

investment. First Solar will also pursue additional multi-year opportunities for the sale of modules in China in preparation for a factory investment.

II. Roles and Responsibilities

A. Phase 1. Ordos and First Solar will cooperate on Phase 1 of the Project in order that it will proceed according to the below schedule.

- a. First Solar, with the support of Ordos, will complete the Project Proposal and Feasibility Study on or before November 30, 2009.
- b. First Solar and Ordos will use reasonable efforts to have the local DRC approve the Project Proposal on or before December 15, 2009.
- c. Ordos will support First Solar in securing all other permits and approvals required to construct Phase 1 by May 30, 2010.
- d. First Solar and Chinese project collaborators will commence construction of Phase 1 by June 1, 2010.
- e. The Participants will use reasonable efforts to accelerate the dates referenced in clauses (a) through (d) above.
- f. The Participants intend that all material agreements and understandings among themselves and with third parties that relate to Phase 1 will be reduced to definitive written agreements before commencement of Phase 1.

B. Phase 2 and following Phases. Ordos and First Solar will cooperate on Phase 2 and following Phases of the Project in order to complete the following actions, with the goal of commencing construction on Phase 2 immediately following the completion of Phase 1 and completing construction of the Project by the end of 2019.

a. *Ordos Undertakings.* In order to facilitate Phase 2 of the Project, Ordos will:

- i. Arrange for 65 square kilometers of land, subject to change, within the Ordos New Energy Industry Demonstration Zone at a favorable price that is suitable for the construction of a 2,000 MW photovoltaic power plant, including 1.5 square kilometers of land, subject to change, to be arranged previously for Phase 1.
- ii. Provide adequate infrastructure to support the construction and operation of the Project, including road access, water and power during construction, a high speed internet connection and the substation for interconnection to the grid.
- iii. Support First Solar in the preparation of the Project Proposal and the Feasibility Study.
- iv. Support First Solar in obtaining all required approvals for the Project in an expedited manner, including but not limited to approval by the local DRC and the right to interconnect to the grid.
- v. Work with all relevant government departments to provide adequate policy support to enable the financial feasibility of Phase 2 and following Phases and to generate opportunities to localize the solar value chain, including a feed-in tariff that subsidizes the price of the electricity generated by the Project and appropriate support and assurances related to factory investment, intellectual property protection and the like.
- vi. Provide all other assistance in the development, construction and financing of the Project reasonably requested by First Solar.

b. *First Solar Undertakings.* In order to facilitate Phase 2 and following Phases of the Project, First Solar will:

- i. Establish commercial relationships with Chinese suppliers, financiers, construction firms and other businesses as needed to execute Phase 2 and the following Phases.
- ii. In cooperation with its Chinese business collaborators, take all of the steps necessary to begin construction of Phase 2 and following Phases, including working closely with Ordos in the preparation of the Project Proposal, completion of the Feasibility Study and submittal of applications for the required permits and approvals.

iii. Work to satisfy the conditions required to support a First Solar investment in China.

iv. In cooperation with its business collaborators, execute the construction of Phase 2 and the following Phases in accordance with agreed upon specifications.

c. *Definitive Agreements.* The Participants intend that all material agreements and understandings among themselves and with third parties that relate to Phase 2 and following Phases, including the factory investment, will be reduced to definitive written agreements before commencement of each Phase or investment.

C. Ordos and First Solar will use reasonable efforts to gain approval of this MOU by all necessary parties in advance of Chairman Wu's visit to First Solar.

III. Non-Binding

This MOU sets forth the agreement in principle among the Participants concerning the Project and potential investment, but does not purport to include all the essential terms of the Project or potential investment, and, in any event, it is not intended to be and is not a legally binding agreement on the part of the parties hereto. A legally binding obligation, if any, shall only arise upon the execution of the definitive agreements for the Project and potential investment.

IV. Signatures

This MOU is agreed to by ORDOS CITY GOVERNMENT and FIRST SOLAR, INC. on this 8th day of September, 2009.

ORDOS CITY GOVERNMENT, by
/s/ Authorized Signatory

FIRST SOLAR, INC., by
/s/ Michael J. Ahearn
Michael J. Ahearn, Chairman & CEO
350 West Washington, Suite 600 Tempe, AZ
85281



First Solar to Team With Ordos City on Major Solar Power Plant in China Desert

TEMPE, Arizona, Sept. 8, 2009 – First Solar today announced a memorandum of understanding (MOU) with the Chinese government to build a 2 gigawatt solar power plant in Ordos City, Inner Mongolia, China.

Pursuant to the MOU, signed in the presence of Chairman Wu Bangguo of the Standing Committee of the National People's Congress of China, the solar project in Ordos will be built over a multi-year period. Phase 1 will be a 30 megawatt demonstration project that will begin construction by June 1, 2010 and be completed as soon thereafter as practicable. Phases 2, 3 and 4 will be 100 megawatts, 870 megawatts, and 1,000 megawatts. Phases 2 and 3 will be completed in 2014 and Phase 4 will be completed by 2019.

“This major commitment to solar power is a direct result of the progressive energy policies being adopted in China to create a sustainable, long-term market for solar and a low carbon future for China,” First Solar CEO Mike Ahearn said at the signing ceremony. “We’re proud to be announcing this precedent-setting project today. It represents an encouraging step forward toward the mass-scale deployment of solar power worldwide to help mitigate climate change concerns.”

The project will operate under a feed-in-tariff which will guarantee the pricing of electricity produced by the power plant over a long-term period.

“The Chinese feed-in tariff will be critical to this project,” Ahearn said. “This type of forward-looking government policy is necessary to create a strong solar market and facilitate the construction of a project of this size, which in turn continues to drive the cost of solar electricity closer to ‘grid parity’ – where it is competitive with traditional energy sources.”

The MOU contemplates that during the implementation of the initial phases of the project First Solar will actively review the possibility of module and supplier manufacturing sites in Ordos, and other considerations required to support a First Solar investment. First Solar also intends to facilitate expansion of the supply chains in China for thin film photovoltaic module production and for the recycling of photovoltaic modules after use.

“We are very pleased to be partnering with one of the solar industry’s global technology leaders in a project of such significance to Ordos’s low carbon future,” said Cao Zhichen, vice mayor of Ordos Municipal Government. “Discussions with First Solar about building a factory in China demonstrate to investors in China that they can confidently invest in the most advanced technologies available.”

The MOU sets forth the agreement in principle of the parties concerning the project and related activities. Final agreement between the parties is subject to the negotiation and execution of definitive agreements among the parties.

About First Solar

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First Solar has filed a Current Report on Form 8-K with the Securities and Exchange Commission, dated September 8, 2009, which contains additional information regarding the Memorandum of Understanding referenced in this news release.

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