

Executive Summary- NEER Solar Energy Projects in Indiana

NextEra Energy Resources (NEER) is planning 2.07 GW of utility-scale photovoltaic energy projects across Indiana in the next 3 years. Nine distinct solar energy projects represent \$2.22 billion¹ of capital investments in the Hoosier State spanning 8 counties. Purdue University’s Center for Regional Development undertook an economic impact analysis at the request of the company to quantify the direct, indirect, and induced economic impacts from this planned investment at the both the statewide, and local (county/regional economic) levels.

The study found that these investments would yield \$1.76 billion in short-term economic output (including \$0.35 billion of labor income) during the construction phase, and \$0.88 billion of long-term economic output (including \$0.12 billion of labor income) during the ongoing operating period of the planned projects over 30 years. These represent economic impacts of investments in local economies (counties) and spillover of economic impacts or benefits to the rest of Indiana. Such large capital investments accrue statewide benefits in Indiana.

Collectively, the short-term and long-term impacts include \$224 million of local tax payments that can be used for a variety of community benefits (if localities choose) including tax reductions, investments in public education, other local services, or infrastructure improvements (such as roads, broadband or other community needs). NEER will also provide \$35 million in Economic Development Agreement (EDA) payments to county governments.

In terms of job creation, the construction impacts of the \$2.22 billion of capital investments from all the projects are anticipated to support 5,638 jobs during construction and 1,440 job-years from ongoing operations and maintenance through the 30-year life cycles of the projects. The construction jobs can be divided into 4,509 jobs at the county level and 1,129 other jobs across the state.

The sectors which benefit most from these investments in order are: 1) solar panels at \$776 million; 2) metal fabrication at \$443 million; and 3) electrical and civil works at more than \$553 million, indicating broad support of the economy from the solar energy project investments. Overall, the modeling of economic impacts from investments will support a total of 5,638 jobs in the short-term, and 1,440 job-years in the long-term (during the projects’ planned 30-year lifespan). The major findings are summarized in the “A” tables below.

Table A1: Economic Impacts by Jobs: Yearly Summary

Jobs Construction	<u>2022</u>	<u>2023</u>	<u>2024</u>
Subtotal local	1,210	2,697	602
Remainder of state	440	483	206
Statewide total jobs	1650	3180	808
Jobs O&M Life Cycle	<u>2022</u>	<u>2023</u>	<u>2024</u>
Subtotal local	270	660	120
Remainder of state	120	210	60
Statewide total jobs	390	870	180

Table A2: Economic Impacts by Labor Income and Economic Output: Yearly Summary

Labor Income Construction	<u>2022</u>	<u>2023</u>	<u>2024</u>
Subtotal local	\$81.5 Millions	\$159.2 Millions	\$44.0 Millions
Remainder of state	\$28.3 Millions	\$29.5 Millions	\$11.2 Millions
Statewide total labor income	\$109.8 Millions	\$188.7 Millions	\$55.2 Millions
Labor Income O&M Life Cycle	<u>2022</u>	<u>2023</u>	<u>2024</u>
Statewide total labor income	\$35 Millions	\$73 Millions	\$16 Millions

¹ Unless noted the \$ values are nominal.

Economic Output Construction	2022	2023	2024
Subtotal local	\$412.6 Millions	\$812.2 Millions	\$235.4 Millions
Remainder of state	\$127.2 Millions	\$131.0 Millions	\$37.2 Millions
Statewide total economic output	\$539.8 Millions	\$943.2 Millions	\$272.6 Millions
Economic Output O&M Life Cycle	2022	2023	2024
Statewide total economic output	\$243 Millions	\$527 Millions	\$108 Millions

Local economic impact

Counties considered in this study included: Boone, Cass, Henry, Jasper, Pike, Pulaski, Starke, and White. The model suggests that positive economic benefits will accrue to counties where projects are located including spillover to the remainder of the state. For example, in 2022, 1,210 jobs are created locally in three counties because of the solar energy projects’ construction. At the same time, 440 jobs will be created in the remainder of the state to make a total impact of 1,650 jobs. For 2023, it will be 2,697 jobs locally and 483 jobs in the remainder of the state for a total impact of 3,180 jobs. For 2024, it will be 602 jobs locally and 206 jobs in the remainder of the state to make a total impact of 808 jobs. Similar spillover of impacts will be observed during the 30-year life cycle of the projects. This study looked at the investment on a statewide and a local economic impact basis. The smallest of these construction investments resulted in economic output of \$67 million in local and \$24 million in remainder of state, while the largest economic output is of \$308 million in local and \$42 million in remainder of the state. Tables “B” summarize the impacts of each individual solar energy project on local economy and statewide impact for each project.

Table B1: Local and Statewide Economic Impacts for Solar Energy Projects 2022 and 2024

Impacts	Local/Statewide	2022			2024
		Boone	Jasper	Henry	Pike
Employment impacts from construction	Subtotal local	507	506	197	602
	Statewide total jobs	669	702	278	808
Economic output from construction	Subtotal local	\$162 Millions	\$184 Millions	\$67 Millions	\$235 Millions
	Statewide total economic output	\$209 Millions	\$241 Millions	\$91 Millions	\$273 Millions

Table B2: Local and Statewide Economic Impacts for Solar Energy Projects 2023

Impacts	Local/Statewide	2023				
		Cass	White	Jasper	Pulaski	Starke
Employment impacts from construction	Subtotal local	362	536	836	467	496
	Statewide total jobs	444	607	990	544	594
Economic output from construction	Subtotal local	\$80 Millions	\$208 Millions	\$308 Millions	\$119 Millions	\$97 Millions
	Statewide total economic output	\$102 Millions	\$227 Millions	\$350 Millions	\$140 Millions	\$124 Millions

Sectors of the economy impacted

Locally, top five industry sectors impacted include electric power generation from solar, electric power transmission and distribution, construction of other new nonresidential structures, construction of new power and communication structures, and employment services. For remainder of the state, top five industry sectors remain the same. Additionally, full-service restaurants, architectural-engineering-and related services, hospitals, local government enterprises, etc., are also impacted from the proposed solar energy projects.