



The Economic Impact of the New Energy Industry in San Antonio (Through April 2014)

Study Conducted By:

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I. Executive Summary

San Antonio has been engaged in an effort to develop its new energy sector in the local economy. This initiative, led by CPS Energy and many other partners, has been quite successful over the past few years in attracting several companies to the region that are focused on increasing the local capacity to provide electricity through solar power and other new energy technologies. The companies include a consortium of OCI Solar Power (OCISP), Mission Solar Energy (formerly Nexolon), Sun Action Trackers, and Kaco; Silver Spring Networks; Landis + Gyr; GreenStar; Consert; and SunEdison. Through 2019, these companies are projected to bring 1,045 new jobs to the area with an annual payroll of about \$51.9 million and investment of \$117 million. To date, there have been 378 employees hired at these firms or relocated to San Antonio with an annual payroll of almost \$22 million. Additionally, these companies have already invested over \$105 million in construction in the San Antonio economy.

In this study, the economic and fiscal impacts of the committed and achieved¹ jobs, payroll, and investment are measured. Tables 1 and 2 summarize the annual economic impacts of the operations from all of the new energy partner companies and the one-time effects of their construction.

The current direct employment at the partner companies totals 378 and generates income and benefits of over \$21.6 million, which yields an annual economic impact of \$389 million. When multiplier effects are taken into account, the economic impact expands to \$622 million with employment of 2,011 people earning incomes of about \$108 million. The total value added to the economy (i.e., the contribution to regional gross domestic product) from this economic activity is measured to be \$286 million. Once all of these companies reach their full local capacity, the impact is projected to be nearly \$1.6 billion in annual output and over \$775 million in value added to the San Antonio metropolitan economy. This activity will support 5,494 jobs with a payroll of about \$286 million.

The construction activity to date has supported over 1,636 jobs earning incomes and benefits of \$84 million. This activity has generated a one-time boost of nearly \$185 million to output and a contribution to gross regional product of over \$108 million. Once all of the

¹ The achieved jobs, payroll, and investment are measured as of April 2014.

construction is complete, it will support employment of 1,822 jobs, pay about \$94 million in income, and contribute \$121 million and \$206 million to gross regional product and output, respectively.²

**Table 1. Economic Impacts of New Energy Economy Companies' Operations in San Antonio
Based on Commitments by Company (2014 \$)**

<i>Impact Type</i>	<i>Employment</i>	<i>Income</i>	<i>Total Value Added</i>	<i>Output</i>
Direct Effect	1,045	\$49,810,529	\$398,983,837	\$1,000,282,256
Indirect Effect	2,936	\$174,084,855	\$260,219,940	\$442,639,924
Induced Effect	1,513	\$61,800,335	\$116,049,268	\$192,608,645
Total Effect	5,494	\$285,695,719	\$775,253,045	\$1,635,530,825

Based on Achieved Employment & Income as of April 2014 (2014 \$)

<i>Impact Type</i>	<i>Employment</i>	<i>Income</i>	<i>Total Value Added</i>	<i>Output</i>
Direct Effect	378	\$21,576,985	\$147,880,821	\$389,189,469
Indirect Effect	1,062	\$62,970,406	\$94,127,403	\$160,112,812
Induced Effect	571	\$23,316,989	\$43,785,470	\$72,670,964
Total Effect	2,011	\$107,864,380	\$285,793,694	\$621,973,244

**Table 2. Economic Impacts of New Energy Economy Companies' Construction in San Antonio
Based on Committed Investment by Companies (2014 \$)**

<i>Impact Type</i>	<i>Employment</i>	<i>Income</i>	<i>Total Value Added</i>	<i>Output</i>
Direct Effect	1,157	\$64,494,846	\$68,496,081	\$117,493,883
Indirect Effect	177	\$9,203,368	\$14,829,712	\$26,081,218
Induced Effect	488	\$19,928,761	\$37,404,781	\$62,093,441
Total Effect	1,822	\$93,626,975	\$120,730,575	\$205,668,542

Based on Achieved Investment as of April 2014 (2014 \$)

<i>Impact Type</i>	<i>Employment</i>	<i>Income</i>	<i>Total Value Added</i>	<i>Output</i>
Direct Effect	1,039	\$57,922,996	\$61,512,413	\$105,449,405
Indirect Effect	158	\$8,243,981	\$13,288,718	\$23,355,208
Induced Effect	438	\$17,892,137	\$33,582,188	\$55,747,784
Total Effect	1,636	\$84,059,114	\$108,383,320	\$184,552,397

Additionally, these companies have contributed \$1.2 million to date in support of various STEM educational initiatives and have committed to contribute a total of \$13.3 million. This

² Output is generally referred to as the economic impact of the activity and is a measure of the dollar value of the goods and services produced by the companies locally.

generous funding supports or will support programs ranging from pre-K to college and includes scholarships, internships, and funding for think tanks, for example.

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