



The Economic Impact of the New Energy Industry in San Antonio (Through April 2015)

Study Conducted By:

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May 2015



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, Mortenson and Kaco; Silver Spring Networks; Landis + Gyr; GreenStar; Consort; and SunEdison. Through 2019, these companies are projected to bring 1,045 new jobs to the area with an annual payroll of about \$52 million and investment of \$117 million. To date, there have been 716 employees hired at these firms or relocated to San Antonio with an annual payroll of almost \$40 million. Additionally, these companies have already invested over \$137 million in construction activity 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 716 and generates income and benefits of about \$40 million, which yields an annual economic impact of \$684 million. When multiplier effects are taken into account, the economic impact expands to \$1.1 billion with employment in 3,797 full-time equivalent positions earning incomes of \$206 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 \$548 million. Once all of these companies reach their full local capacity, the impact is projected to be nearly \$1.7 billion in annual output and over \$788 million in value added to the San Antonio metropolitan economy. This activity will support 5,494 jobs with a payroll of about \$291 million.

The construction activity to date has supported 2,102 jobs earning incomes and benefits of \$110 million. This activity has generated a one-time boost of nearly \$241 million to output

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

and a contribution to gross regional product of over \$142 million. It is worth noting that the attained investment activity now exceeds the committed investment by all of these companies.²

**Table 1. Economic Impacts of New Energy Economy Companies' Operations in San Antonio
Based on Commitments by Company (2015 \$)**

<i>Impact Type</i>	<i>Employment</i>	<i>Income</i>	<i>Total Value Added</i>	<i>Output</i>
Direct Effect	1,045	\$50,657,137	\$405,765,194	\$1,016,846,442
Indirect Effect	2,936	\$177,043,701	\$264,642,787	\$452,552,204
Induced Effect	1,513	\$62,850,728	\$118,021,707	\$197,022,137
Total Effect	5,494	\$290,551,566	\$788,429,688	\$1,666,420,783

Based on Attained Employment & Income as of April 2015 (2015 \$)

<i>Impact Type</i>	<i>Employment</i>	<i>Income</i>	<i>Total Value Added</i>	<i>Output</i>
Direct Effect	716	\$39,768,625	\$283,077,124	\$684,226,984
Indirect Effect	2,012	\$121,304,589	\$181,324,636	\$310,074,060
Induced Effect	1,070	\$44,431,440	\$83,434,646	\$139,282,858
Total Effect	3,797	\$205,504,655	\$547,836,405	\$1,133,583,902

**Table 2. Economic Impacts of New Energy Economy Companies' Construction in San Antonio
Based on Committed Investment by Companies (2015 \$)**

<i>Impact Type</i>	<i>Employment</i>	<i>Income</i>	<i>Total Value Added</i>	<i>Output</i>
Direct Effect	1,137	\$64,450,526	\$68,444,447	\$116,864,466
Indirect Effect	173	\$9,173,023	\$14,786,267	\$26,119,687
Induced Effect	479	\$19,908,460	\$37,366,674	\$62,391,326
Total Effect	1,790	\$93,532,008	\$120,597,388	\$205,375,480

Based on Attained Investment as of April 2015 (2015 \$)

<i>Impact Type</i>	<i>Employment</i>	<i>Income</i>	<i>Total Value Added</i>	<i>Output</i>
Direct Effect	1,335	\$75,694,762	\$80,385,475	\$137,252,998
Indirect Effect	203	\$10,773,376	\$17,365,925	\$30,676,608
Induced Effect	563	\$23,381,750	\$43,885,778	\$73,276,308
Total Effect	2,102	\$109,849,888	\$141,637,177	\$241,205,914

Additionally, these companies have contributed \$2.6 million to date in support of various STEM educational initiatives and have committed to contribute a total of \$23.3 million. This generous funding supports or will support programs ranging from pre-K to college and includes scholarships, internships, and funding for think tanks, for example.

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.