



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

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, Mortenson and Kaco; Silver Spring Networks; Landis + Gyr; GreenStar; Consort; and SunEdison. Through 2019, these companies are projected to bring 1,069 new jobs to the area with an annual payroll of about \$52 million and investment of \$124 million. To date, there have been 788 employees hired at these firms or relocated to San Antonio with an annual payroll of almost \$44 million. Additionally, these companies have already invested over \$140 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 788 and generates income and benefits of about \$44 million, which yields an annual economic impact of \$835 million. When multiplier effects are taken into account, the economic impact expands to \$1.2 billion with employment in 3,579 full-time equivalent positions earning incomes of \$184 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 \$524 million. Once all of these companies reach their full local capacity, the impact is projected to be over \$1.6 billion in annual output and almost \$699 million in value added to the San Antonio metropolitan economy. This activity will support 4,801 jobs with a payroll of about \$239 million.

The construction activity to date has supported 1,885 full-time equivalent positions earning incomes and benefits of \$102 million. This activity has generated a one-time boost of nearly \$247 million to output and a contribution to gross regional product of over \$127 million.

¹ The achieved jobs, payroll, and investment are measured as of July 2015.

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	1,069	\$51,346,266	\$392,467,139	\$1,090,965,316
Indirect Effect	2,508	\$135,711,326	\$216,389,183	\$388,999,904
Induced Effect	1,224	\$52,179,685	\$89,892,164	\$157,069,308
Total Effect	4,801	\$239,237,277	\$698,748,486	\$1,637,034,527

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

<i>Impact Type</i>	<i>Employment</i>	<i>Income</i>	<i>Total Value Added</i>	<i>Output</i>
Direct Effect	788	\$43,959,391	\$295,412,256	\$834,957,945
Indirect Effect	1,849	\$100,037,909	\$159,508,573	\$286,746,390
Induced Effect	942	\$40,165,382	\$69,195,227	\$120,904,986
Total Effect	3,579	\$184,162,681	\$524,116,056	\$1,242,609,320

**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	1,025	\$58,861,012	\$59,462,191	\$125,226,928
Indirect Effect	190	\$11,168,710	\$18,396,172	\$32,646,821
Induced Effect	458	\$19,541,173	\$33,662,615	\$58,820,117
Total Effect	1,674	\$89,570,895	\$111,520,979	\$216,693,866

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

<i>Impact Type</i>	<i>Employment</i>	<i>Income</i>	<i>Total Value Added</i>	<i>Output</i>
Direct Effect	1,147	\$66,900,083	\$67,583,369	\$142,949,278
Indirect Effect	217	\$12,749,328	\$20,999,634	\$37,267,062
Induced Effect	521	\$22,225,475	\$38,286,728	\$66,900,028
Total Effect	1,885	\$101,874,885	\$126,869,731	\$247,116,367

Additionally, these companies have contributed \$2.8 million to date in support of various STEM educational initiatives and have committed to contribute a total of \$23.4 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.