

COMMUNITY SOLAR: READY TO WORK FOR NEW MEXICO

Jobs and Economic Impact Assessment

The Community Solar Act (Committee Substitute HB9) is a chance to bring affordable solar energy to thousands of New Mexican’s citizens and create a pathway to support 728 sustained jobs and one-quarter billion dollars in private clean energy investments by just 2023. Across the US, affordable solar gives families, businesses, schools, and many others a way to lower energy bills. Community solar gives customers who face barriers to rooftop solar equitable access to all the benefits solar provides. New Mexico must pass the Community Solar Act to unlock these benefits for the Land of Enchantment. Community solar will expand access to solar for all, including low income households, and build a stronger, distributed, and more resilient electric grid.



New Mexico can expect the following benefits from 200 MW of distributed community solar installed between 2021 – 2023:¹

Economic Benefits



200 MW of community would **serve approximately 24,160 customers²**, bringing access to solar for those without rooftops or building ownership.



A **34% increase in solar jobs, 728 sustained full-time jobs** during the near-term construction of community solar facilities in the first phase of the state’s community solar program.



\$115.5 million in earnings for those employed across the solar supply chain.

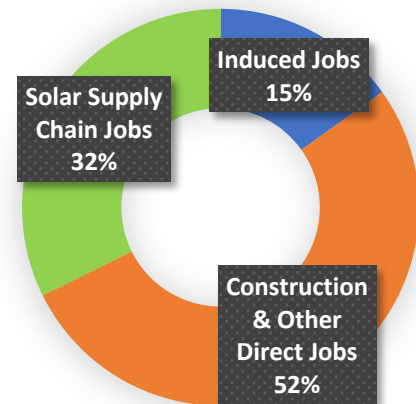


\$240 million in local economic benefits for the state, excepting local tax revenues.



The above statistics yield an average of **\$15 million/year** of economic benefit *each year* during the 25-year minimum life of the solar projects.

Job Creation by Sector



¹ Assumes 50 MW / year (2021 – 2023 after completion of the Commission’s rulemaking) plus an additional 50 MW for projects that could be exempt from the annual statewide cap.

² Assumes the program serves 60% residential and 40% large customers, with 24,000 residential customers with a 5kW average subscription size and 160 large customers with an average subscription sizes of 500 kW.

To understand the benefits associated with this legislation, Vote Solar used Jobs and Economic Impact (JEDI) Model developed by the National Renewable Energy Laboratory (NREL) to reasonably estimate the employment, earnings and economic impacts from the construction and operation of these community solar energy facilities. NREL's Solar Photovoltaic JEDI model has been used extensively by decision makers to assess the expected impacts of solar energy projects, proposed programs and policy decisions.

Methodology

The JEDI model assesses the job, earnings and economic impacts expected from a 200 MW of community solar expected to be developed in the near term upon passage of HB9. Direct, indirect, and induced impacts to employment, earnings and economic impacts were calculated.

Employment impact figures typically represent full-time equivalents (FTE), or 2080-hour units of labor (job years). However, it is assumed that solar jobs will be maintained over the initial phase of the program after rulemaking is completed, thereby making these sustained jobs. Earnings reflect wages, salary compensation, and benefits paid to workers. Economic output refers to economic activity or the value of production in the state or local economy, and it is reported in 2020 dollars.

NREL's JEDI model calculates jobs, earnings, and output distributed across three categories:

- *Direct Impacts.* Direct impacts arise from on-site labor and professional services such as solar project development, design, permitting, construction, and labor. These results include labor only—no materials.
- *Indirect Impacts.* Investments into solar projects stimulate economic impacts in industries outside of onsite construction and maintenance activities. Indirect impacts refer to changes in local revenue and industry impacts across the PV supply chain.
- *Induced Impacts.* Induced impacts result from reinvestment in the local economy, and spending of earnings by direct and indirect beneficiaries of solar projects. Examples of induced impacts include money spent on restaurants, gas and groceries.

Direct, Indirect and Induced jobs and economic benefits were captured from the following:

- **Employment Impacts During Construction and Operations and Maintenance:** Solar installations require significant upfront private investment in capital and labor. Once installed and commercially operable, solar installations require a workforce for continued operation and maintenance.
- **Earnings from a Statewide Community Solar Program:** A robust community solar program would support tremendous earnings potential among New Mexico's citizens. Solar installation, operations and maintenance jobs are well-paying jobs, and significantly above minimum wage.
- **Economic Output in New Mexico's Economy:** The construction and operation of community solar facilities results in several economic impacts, which when combined into a currency metric, demonstrates the total economic output of near-term project development.

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