

The background is a vibrant, multi-colored mosaic of small squares and rectangles in shades of blue, red, yellow, purple, and green. The mosaic is arranged in a circular pattern that tapers towards the right, creating a sense of depth and movement. A large, white, irregular shape is cut out from the center of the mosaic, serving as a frame for the text.

Economic
Impact of
Bogalusa West
Solar Project

STEPHEN R. BARNES,
PHD

Overview

- ♦ Louisiana's growth of renewable energy development is increasing as it follows a more established national trend. According to the U.S. Energy Information Administration, as of June 2022, renewable sources made up the following percent of all utility-scale electricity generation:
 - United States: renewables comprise 21.8%
 - Louisiana: renewables comprise 3.1%
- ♦ The Governor's Climate Action Plan for Louisiana also highlights the importance of these types of investments in the overall reduction of climate-related risks, as well as increasing Louisiana's long-term economic competitiveness.
- ♦ Savion is planning a utility-scale solar power facility in Washington Parish that expects to provide sizeable up front capital investment and long-term operating commitment, supporting significant new state and local tax revenues while creating minimal impact on local public services.

Inputs

- ♦ Construction
 - 18-month schedule (assumed split 3 months 2024, 12 months 2025, 3 months 2026)
 - \$68,192,000 in Labor, mobilization, overhead, internal expenses, etc.
 - \$185,865,000 for modules, racking, posts, electric cable & conduit, substation & t-line equipment & materials, inverters, main power transformer
 - Assumed 50% of labor from out of parish/state
 - Assumed \$4 million of materials sourced within parish/state
 - \$11 million inverter replacement + \$1.6 million labor in year 15
- ♦ Operations
 - \$775,000 annual expenditures including supporting 1 full time Savion employee, bi-weekly mowing, and other maintenance (four to eight workers)

Economic Impact Methodology

- Economic impact assessments capture the broader set of economic activities generated by an initial infusion of new dollars into the economy. When new economic activity occurs, businesses will purchase additional inputs and workers will have additional dollars for purchasing goods and services. The total economic effect accounts for indirect spending by businesses and induced spending by workers benefiting from additional dollars.
- RIMS II Multipliers developed by the US Bureau of Economic Analysis were used to estimate the total impacts related to the Bogalusa West Solar Project's operations and capital investments.
- Economic impacts can be measured in terms of employment, labor income, output, or value added. Except where noted, employment in this study represents average employment across a year. Labor income encompasses all forms of employment income including benefits. Output provides the most comprehensive measure of economic activity and measures the total value of all production. Value added is the difference between total output and the cost of intermediate inputs.
- The economic impact of the Bogalusa West Solar Project was analyzed twice: once focusing on Washington Parish to assess local impacts and once focusing on the State of Louisiana as a whole.

Construction Impacts (including indirect and induced)

- ♦ Washington Parish Impacts
 - Output: \$80.0 million
 - Earnings: \$39.2 million
 - Employment: 446 (peak year)
 - Value Added: \$57.8 million

- ♦ Louisiana State Impacts
 - Output: \$161.9 million
 - Earnings: \$69.4 million
 - Employment: 874 (peak year)
 - Value Added: \$109.8 million

Construction Impacts by Year

PARISH

	2024	2025	2026	2040	Total
Output	\$12.58	\$50.32	\$12.58	\$4.52	\$80.0
Earnings	\$6.35	\$25.42	\$6.35	\$1.05	\$39.2
Employment	111	446	111	18	446
Value Added	\$9.47	\$37.90	\$9.47	\$0.99	\$57.8

STATE

	2024	2025	2026	2040	Total
Output	\$25.80	\$103.19	\$25.80	\$7.14	\$161.9
Earnings	\$11.27	\$45.06	\$11.27	\$1.85	\$69.4
Employment	218	874	218	36	874
Value Added	\$17.72	\$70.88	\$17.72	\$3.43	\$109.8

Construction Impacts by Industry (Top 10)

PARISH OUTPUT (MILLIONS\$)

Construction	\$37.6
Retail trade	\$13.3
Durable goods manufacturing	\$8.5
Health care and social assistance	\$4.4
Nondurable goods manufacturing	\$3.0
Wholesale trade	\$2.0
Utilities*	\$1.6
Other services*	\$1.4
Finance and insurance	\$1.2
Food services and drinking places	\$1.1

STATE OUTPUT (MILLIONS\$)

Construction	\$37.7
Retail trade	\$19.3
Durable goods manufacturing	\$19.1
Wholesale trade	\$11.5
Health care and social assistance	\$11.0
Real estate and rental and leasing	\$9.7
Professional, scientific, and technical services	\$7.8
Transportation and warehousing*	\$7.2
Finance and insurance	\$5.6
Other services*	\$4.4

Operational Impacts (including indirect and induced)

- ♦ Washington Parish Impacts: first year (total over 35 years)
 - Output: \$2.1 million (\$117.9 million)
 - Earnings: \$0.4 million (\$21.7 million)
 - Employment: 8
 - Value Added: \$1.3 million (\$68.7 million)
- ♦ Louisiana State Impacts: first year (35 year)
 - Output: \$3.2 million (\$175.0 million)
 - Earnings: \$0.8 million (\$45.0 million)
 - Employment: 17
 - Value Added: \$1.8 million (\$99.9 million)

Tax Impacts

- Local taxes:
 - \$12.2 million in local sales tax revenue from construction
 - \$1.1 million in sales tax revenue over 35 years of operation
 - \$44.7 million in property tax revenue over 30 years of operation
- State taxes:
 - \$4.9 million in new state tax revenue during construction
 - \$3.2 million in new state taxes over 35 years of operation



Summary

- Savion is planning a utility-scale solar power facility in Washington Parish that expects to provide sizeable up front capital investment and long-term operating commitment, supporting significant new state and local tax revenues while creating minimal impact on local public services.
- For Washington Parish, construction of the project would add \$80 million in output and \$39.2 million in new earnings as well as create nearly 450 jobs during the peak year of construction, bringing a boost to the local economy. Long term operations would add another \$117.9 million in output and \$21.7 million in earnings over 35 years of operations. These activities would add \$13.3 million in new local sales taxes and \$44.7 million in property tax over the planning horizon.
- For the State of Louisiana, construction would add \$161.9 million in output and \$69.4 million in new earnings as well as create nearly 875 jobs during the peak year of construction. Long-term operations would add another \$175.0 million in output and \$45.0 million in earnings over 35 years of operations. Collectively, these activities would add \$4.9 million in new state taxes due to project construction and \$3.2 million in state taxes due to operations over the project horizon.