



Michigan **Community Solar** Alliance

Every Michigan resident deserves the option to choose clean, affordable solar energy, but right now, most lack access to cost effective, reliable, renewable solar energy because a state regulation stands in the way.

The Michigan Community Solar Alliance is working to change that.

Our bipartisan legislative plan provides energy customers with the opportunity to help meet their energy needs with locally produced renewable energy through a subscription to a local solar project and a credit on their monthly electric bill.

No home-installed solar panels, no big upfront costs. Just access to clean, easy, affordable energy for those who want it.

It's time for Michigan lawmakers to pass legislation to allow community solar in our state. The demand is there, the savings are real and the investment is coming.

Opening the door to community solar around the state that will encourage competition, spur innovation, support the environment and ultimately, save consumers money on their energy bills.

MCSA is:



A recent study by Michigan State University shows community solar has the potential to make an outsized contribution to Michigan's economy.



Michigan Community Solar Alliance

MICHIGAN STATE
UNIVERSITY

Let's look at the numbers.

Over the next three decades, the installation and ongoing maintenance of community solar in Michigan would:



Create **18,500 well-paying jobs.**



Create **\$1.47 billion** in economic impact.

So, what could the expansion of community solar mean for Michigan?



 The installation of each five-megawatt community solar project would:



- Fully employ 15 Michigan workers over the course of the year.
- Directly or indirectly support 30 well-paying Michigan jobs with a total annual income of just under \$2 million.
- Generate nearly \$3 million in total instate income as measured by gross state product.

 In total, installation of community solar projects around the state would:



- Support roughly 900 well-paying jobs a year.
- Generate a total of \$318.56 million in labor income.
- Generate nearly \$475 million in cumulative gross state product.

And how about into the future?

After installation, the ongoing operation and maintenance of community solar projects would also contribute greatly to Michigan's economy.



The annual operations and maintenance associated with one 5-MW facility would:

- Directly or indirectly support about 3 well-paying jobs.
- Generate \$179,415 in annual income.
- Contribute roughly \$414,210 to annual gross state product.

In total, over the 25-year lifespan of a project, the ongoing operating and maintenance expenses would:

- Directly or indirectly support 423 well-paying Michigan jobs every year.
- Generate \$412.36 million in labor income.
- Generate nearly \$952.01 million in cumulative gross state product.

How did they do it?



- ▶ Michigan State University's modeling is based on the modest assumption that 30 new five-megawatt (MW) installations will be installed every year over the course of the next six years.
- ▶ This would result in a total of 900 MWs of community solar generated capacity.
- ▶ 900 MW represents a tiny fraction of Michigan's generated electricity.
- ▶ In 2020, Michigan generated 104,875,132 MW hours of electricity (with 169,769 MW hours coming from utility solar).





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Energy Savings, Empowering Consumers and Economic Opportunity for Michigan

WHAT IS COMMUNITY SOLAR? AND HOW DOES IT WORK?

Community solar refers to a solar array located within a community where multiple customers can subscribe to a portion of the solar array and receive a credit on their utility bill for their share of the power that's produced, just as if the panels were on their roof. Consumers sign up to receive energy from a certain number of panels, which can be purchased up front or as a "pay-as-you-go" subscription.

THE PROBLEM: Under current law, direct participation in a community solar program is not allowed in Michigan, and renewable energy should be accessible and available to everyone.

More than 50 percent of American households don't have access to solar power because they either rent, live in a multi-tenet building, have roofs unable to host a solar system or are simply under the jurisdiction of a public utility that won't allow it, denying Michigan residents and business owners access to the kind of cost effective, reliable, renewable energy they demand.

THE SOLUTION: Update state law to allow access to community solar in Michigan.

Community solar arrangements connect people who want to use solar energy, but can't install it where they live, to a local solar installation, providing everyone with equal access to the economic and environmental benefits of solar generation.



WHAT ARE THE BENEFITS OF COMMUNITY SOLAR?

- Saves individuals and businesses money.
- Expands customer choice.
- Generates income and security for farmers.
- Creates jobs.
- Boosts economy without raising taxes.
- Strengthens Michigan's energy grid.

Introducing local solar installations will make the electric grid stronger and more resilient. A distributed grid of local solar facilities can help even out the electrical load, reducing outages and creating more energy stability for everyone.

Expanding the market for renewable energy to include community solar will spur continued competition and innovation in the renewable energy market, reduce how much traditional utilities need to invest in the grid, and ultimately, save ratepayers—including low-to-moderate income customers—money.

THE NEXT MOVE: Michigan's legislature should pass community solar legislation, unlocking access to community solar energy that will drive energy savings, spur economic opportunity, and build a more resilient electric grid for every community, while building a modern, 21st century grid for Michigan.

House Bills 4715 and 4716 will cut the red tape that prevents community solar projects from being built, allowing customers to participate in community solar if they choose. Passing this bi-partisan legislation will kick-start renewable energy projects around the state, create local jobs, provide new economic opportunities to farmers and rural communities throughout the state, and ultimately, save individuals and small businesses on their energy bills.

Say **YES to community solar.**

www.micommunitysolaralliance.com





Study: Community Solar Growth Could Generate \$1.4B Economic Impact

Michigan State University researchers found in a recently completed study that the installation of 900 megawatts of solar energy projects across the state could contribute to more than \$1.4 billion gross state product over the life of the projects and provide for the equivalent of about 18,500 jobs.

The [study](#) from the MSU Product Center/Center for Economic Analysis, requested by the Coalition for Community Solar, based its estimates on the installation of 150 megawatts per year of solar projects over six years.

In the study, researchers considered the economic contributions of community solar installations from the construction phase as well as the long-term operations and maintenance of such developments, with a lifespan of about 25 years following installation.

Researchers found that just for installation, the discounted cumulative gross state product would be about \$475 million. For long-term operations and maintenance, annual expenditures would lead to an estimated \$952 million in discounted gross state product.

Over the life of said projects, the combined discounted contributions to the gross state product would come to an estimated \$1.47 billion.

Gross state product, researchers noted, includes incomes earned by all economic institutions, including workers. The study projects the creation of about 900 jobs annually with a discounted total of \$318.6 million in labor income over the six years.

Alternately, the study states, over the average 31-year lifespan of a project, maintenance would create and sustain 423 jobs per year. This would lead to projected labor income during the long-term phase of the lifespan of the projects of \$412.4 million.

The combined expected labor income during the installation and operations and maintenance phase in this projection is about \$730.9 million, with the contributions to the gross state product of about \$1.43 billion.

"After analyzing the economic contributions of community solar power, it's clear that the addition of these types of installations significantly contribute to the state's energy and general economy," Steven Miller with the MSU Department of Agricultural, Food and

Resource Economics and one of the study's authors, said in a statement. "There's no questions that this would provide Michigan with positive benefit according to our analysis."

The study was based on about 180 solar projects being installed over a six-year period at a rate of 30 projects annually, with each project having a capacity of 5 megawatts. Projects of this size is a standard scale for community solar systems, the report noted, generating enough electricity to power about 950 homes.

After the six-year installation period for all the projects, with the typical 5-megawatt project taking about one year to install, each has a 25-year lifespan.

The construction of a 5-megawatt project on a 35-acre piece of land would cost about \$8.64 million and create about 15 direct jobs, most of which would be temporary for the installation phase. Each project was expected to support about 30 jobs with an annual income of about \$2 million, making the total generated income from a single project about \$2.97 million.

For the operations and maintenance stage, researchers estimated about three permanent jobs would be created, with annual labor income of \$179,415 and expenditures for a 5-megawatt facility to contribute about \$414,210 to the annual gross state product.