

# Economic Implications of Coastal Prairie Solar for the State of Louisiana and Iberville Parish

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## About CES

The Louisiana State University Center for Energy Studies (LSU-CES) was created by the Louisiana Legislature in 1982 with the stated mission of conducting, encouraging, and facilitating research and analysis to address energy-related problems or issues affecting Louisiana's economy, environment, and citizenry. The Center's goal is to provide a balanced, objective and timely treatment of issues with potentially important consequences for Louisiana.

## Funding for this report

NextEra commissioned LSU-CES to assess the economic and tax impacts of Coastal Prairie Solar for the state of Louisiana and Iberville Parish. NextEra provided information about the project and was given the opportunity to review and provide feedback on this report. The analysis and opinions expressed are those of the authors alone.



## Executive Summary

Coastal Prairie Solar is a proposed 175-megawatt utility scale solar project in Iberville Parish, Louisiana. Once completed, the project will generate enough electricity to power approximately 26 thousand Louisiana households on an annualized basis. Estimated economic and tax implications of the project are summarized as follows:

- The project has an estimated capital cost of \$286 million.
- Construction is anticipated to begin near the beginning of 2024 and be completed by the end of the end of 2025. Once completed, the facility will generate electricity for an estimated 35 years.
- During the approximately two years of construction, the project will support 449 jobs and \$57 million in earnings in Louisiana. Nationally, the project will support 1,275 jobs and \$142 million in earnings.
- Once operational, the project will support 14 jobs and \$2.2 million in earnings per year in Louisiana. Earnings includes direct lease payments to landowners. Nationally, it will support 28 jobs and \$3.2 million in earnings per year.
- During construction, this economic activity is anticipated to support \$8.1 million in state and local tax revenues, and an additional \$510 thousand per year once in operation. Note that this does not include property and sales taxes paid directly by the project itself.
- Honing in on Iberville Parish specifically, and including property and sales taxes paid directly by the project itself, over two years of construction and 35 years of operation we estimate the project will support an estimated \$50.5 million in local tax revenues. On a net present value basis, this is between \$17.9 million and \$36.4 million in Iberville local tax revenues, using an 8 percent and 2 percent discount rate, respectively.
- Decarbonization of Louisiana's economy can have important implications for future economic competitiveness, as companies are increasingly considering the carbon intensity of the local electricity grid when deciding where to make investments. Notably, such broader economic implications are not included in these estimates.

# 1 Introduction

Coastal Prairie Solar is a proposed 175-megawatt alternating current (MWac) utility-scale solar powered-electric generation facility that will utilize photovoltaic (PV) panels installed on a single-axis tracking system in Iberville Parish, Louisiana. The project has an estimated capital cost of \$286 million dollars.<sup>1</sup> As Louisiana and the nation look to decarbonize the generation of electricity, utility scale solar is slated to be the fastest growing renewable electricity source in Louisiana in coming years.

Coastal Prairie Solar is expected to begin construction near the beginning of 2024 and be completed by the end of 2025. Once completed, the project is anticipated to produce electricity, pay local taxes, support local employment and pay lease payments to local landowners for 35 years. For perspective, this project will generate enough electricity to supply approximately 26 thousand Louisiana households on an annualized basis.<sup>2</sup>

The project is being developed by NextEra Energy Resources, LLC, the world's largest generator of renewable energy from the wind and sun.<sup>3</sup> NextEra Energy Inc., the parent company of NextEra Energy Resources, LLC, is a publicly traded Fortune 500 company (NYSE: NEE) employing approximately 15,000 workers throughout the U.S. and Canada.<sup>4</sup> NextEra also maintains an office in Shreveport, Louisiana through its subsidiary Trinity Operating, LLC. NextEra directly employs at least 26 full time Louisiana residents spread across the state including New Orleans, Baton Rouge, Lafayette and Shreveport.

The remainder of the report is organized as follows.

- Section 2 discusses Louisiana's road to decarbonization, highlighting how this project will contribute to the state's goals.

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<sup>1</sup>Note that due to global supply chain issues, prices are changing rapidly, thus the actual capital expenditure could vary. This is the best reasonable estimate provided by the company under current market conditions.

<sup>2</sup>Based on company provided estimated yearly generation and average usage per residential household of 14,408 kWhs in Louisiana. Residential usage from EIA. Actual production will of course vary.

<sup>3</sup>Source: NextEra.

<sup>4</sup>Source: Google Finance.

- Section 3 will discuss the future of utility scale solar energy for both Louisiana specifically, and the larger electric grid within which the state operates.
- Section 4 discusses the methodologies used to estimate economic impacts.
- Results are presented in Section 5.

## 2 Louisiana’s Road to Decarbonization

In February of 2020, Governor John Bel Edwards announced the creation of a Climate Initiatives Task Force (CTF) to investigate and make recommendations for the reduction of greenhouse gas (GHG) emissions to achieve net zero emissions by 2050 (Edwards, 2020). The task force was also asked to develop policies, strategies, and incentives designed to achieve the net emissions reduction targets, while improving the health and welfare of the people of Louisiana and advancing Louisiana’s economic and energy profile.

In February of 2022, after two years of meetings, the Louisiana Climate Action Plan, was finalized (LCAP, 2022). The Plan included 28 strategies to achieve the emission reduction targets. Strategy 1 is to “shift towards a clean, renewable, and resilient power grid” where “renewable” is defined as naturally replenishing energy sources with zero GHG emissions, with the first example given as solar energy.

Concurrent with these government policy initiatives are the implementation of “environmental, social, and governance” (ESG) policies by large international corporations that include decarbonization commitments. For example, some of the largest hydrocarbon processing firms globally, many of which have large Louisiana footprints (e.g. ExxonMobil, BP, Shell, BASF), have publicly made specific decarbonization commitments. Because large industrial facilities are also large users of electricity, the decarbonization of the electric grid is a core component of how these companies can meet their decarbonization commitments while staying economically competitive. Simply put, manufacturing firms are increasingly considering the emissions

intensity of the electric grid when deciding where to make future investments. Thus, the growth in low carbon energy production in Louisiana should be viewed as complementary to, not a substitute for, other industrial manufacturing facilities in Louisiana.

Currently, renewables make up less than two percent of Louisiana’s power generation fuel mix,<sup>5</sup> while nationwide renewables make up approximately 16 percent of power generation. At the time of this writing, Louisiana’s largest solar plant began producing power in October of 2020 and has a 50 MW capacity.<sup>6</sup>

Although a topic of discussion locally, utility scale *wind* projects off Louisiana’s coast are likely still a few years into the future due to technical and financial reasons.<sup>7</sup> Thus, utility scale *solar* projects, like Coastal Prairie Solar, are front and center to Louisiana’s decarbonization strategy and serve as an immediate opportunity for renewable energy growth in Louisiana.

### 3 The Potential for Solar Growth in Louisiana

Louisiana has had over a decade of experience with behind-the-meter rooftop solar (Upton et al., 2019). In 2008, the Louisiana Legislature adopted a series of income tax incentives directly aimed at increasing rooftop solar. As a result, Louisiana households had access to two income tax credits they were able to call upon to provide financial support for their solar energy installations: a 50 percent state income tax credit and a 30 percent federal income tax credit, which combined to an 80 percent credit on all Louisiana solar installations less than \$25,000 in value.<sup>8</sup> Rooftop solar installations increased dramatically after the state tax credit was made available.<sup>9</sup> As of 2020, Louisiana has an estimated 170 megawatts (MW) of rooftop solar

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<sup>5</sup>See Figure 5 of LCAP (2022). Based on Dismukes (2021). Data from 2019.

<sup>6</sup>LA3 West Baton Rouge Solar Facility, also called “Capital Region Solar.”

<sup>7</sup>Based on author’s conversations with the wind industry and status of specific projects.

<sup>8</sup>A taxpayers’ ability to take advantage of the full tax credits was impacted by their individual tax situation, but likely the vast majority of homeowners received the full 80 percent combined tax credit.

<sup>9</sup>The Louisiana tax credit was then sunset legislatively at the end of 2017, as the cost of this program was balanced with other policy objectives for the state.

installations across over 28 thousand rooftops statewide.<sup>10</sup>

Unlike these *rooftop solar* installations, Coastal Prairie Solar is a *utility scale* project. For perspective, Coastal Prairie Solar alone is estimated to produce more electricity per year than the more than 28 thousand rooftop solar projects combined. Although rooftop solar can play a role in decarbonization of the electric grid, utility scale solar is more likely to provide meaningful emissions reductions over the next decade due simply to the scale of these projects relative to rooftop applications.

According to the U.S. Energy Information Administration’s Annual Energy Outlook (EIA, 2021), utility scale solar is anticipated to grow nationwide from supplying less than 2.5 percent of total U.S. electricity in 2021, to the largest source of renewable electricity in the United States in 2040, at which time EIA projects utility solar to account for 15 percent of U.S. power generation.<sup>11</sup>

The potential growth of utility scale solar regionally is illustrated in Figure 1. This shows the historical utility scale solar capacity installed for years 2016 through 2022 alongside the projects that are in the interconnection queue for the Midcontinent Independent System Operator (MISO).<sup>12</sup> Currently there are over 159,000 MWs of utility scale solar projects being planned across MISO. Approximately 65,000 MWs are in MISO’s southern region, and 25,000 MWs in Louisiana. Note that some of these projects are unlikely to be completed, while some will be completed but not in the time-frame shown. There are also projects currently being planned not yet in this list. Although this should not be interpreted as a forecast for solar growth per se, this figure does illustrate that utility scale solar is likely to experience significant growth in coming years, and Louisiana has an opportunity to participate in that growth.

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<sup>10</sup>Source: EIA Form 861. Net Metering. Sum of Louisiana utilities.

<sup>11</sup>Reference case Table 8 and Table 16. Comparison of Total Net Electric Power Sector Generation (Table 8) to Electric Power Sector Generation (Table 16) by source.

<sup>12</sup>MISO is the independent non-for-profit member based organization responsible for operating the power grid across 15 U.S. states, including most of Louisiana. MISO’s southern region includes the majority of Louisiana, Mississippi, and Arkansas as well as a portion of eastern Texas.

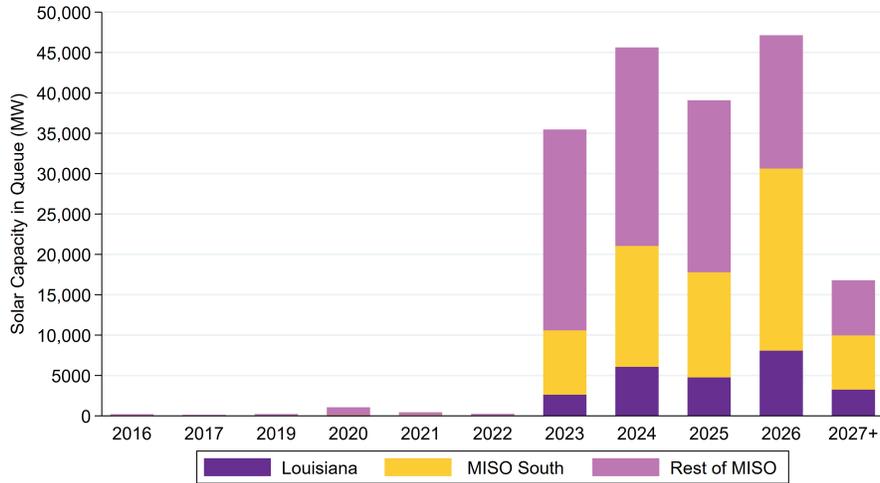


Figure 1: Historical and Solar Capacity in Interconnection Queue in MISO States

## 4 Methodology

### 4.1 Economic Impacts

The purpose of this report is to estimate the economic impacts of the construction and yearly operations and maintenance (O&M) of the Coastal Prairie Solar. As discussed in Section 2, decarbonization of Louisiana’s economy can have important implications for the future competitiveness of the state, as companies increasingly consider the carbon intensity of the electricity grid when deciding where to make investments. Notably, such broader economic implications are not included in the estimates presented.

To estimate the economic impacts of the construction and yearly O&M of Coastal Prairie Solar, we use the Regional Input-Output Modeling System (RIMS II). RIMS II was created and is maintained by the Bureau of Economic Analysis (BEA), part of the U.S. Department of Commerce. RIMS II is an input-output (I-O) model that is based on a detailed set of industry accounts that measure the goods and services produced by each industry. Large underlying data sets trace the flow of goods and services through-

out the economy to final users. RIMS II is considered a backward linkages model, in that an increase in demand for an output results in an increase in demand for the inputs needed to create that output.

It is important to note that commodity flows are area specific and that they therefore allow modelers to consider the impact of specific investments in specific locations. In addition to RIMS II, we also utilize data from other United States government agencies such as the Census Bureau, the Bureau of Labor Statistics, and the Bureau of Economic Analysis.

Both “Type I” and “Type II” multipliers are provided by RIMS II. Type II multipliers account for both the interindustry and household spending of a final demand-change. Type I multipliers account for only the inter-industry effect. Thus, Type II multipliers, by definition, are larger than Type I multipliers. Utilizing these multipliers, the authors further dissect economic impacts into “Direct,” “Indirect,” “Induced,” and “Total” impacts. Where total impacts are identical to RIMS II Type II multipliers, and Direct + Indirect impacts are identical to RIMS II Type I multipliers.

We estimate impacts on employment, earnings, and value added. Employment includes counts of workers at establishments that employ workers in relevant sectors. Earnings (synonymous with “labor income”) includes wages and salaries, proprietors’ income, plus employer contributions to insurance, pensions, and social insurance. Solar lease payments to landowners are categorized as earnings. Value added represents the contribution to gross domestic product (GDP), and earnings are a major component of value added. Horowitz and Planting (2009) provides more detailed information on RIMS II and interpretation of the multipliers.

We utilize the study area of Louisiana as well as the United States in total. Parish level economic impacts are allocated based on gravity models of trade, for which a parish’s share of total impacts is based on both its distance from the project location as well as the sectoral employment in that region. Therefore, parishes that are closer in geographic proximity and have larger labor markets will be allocated larger shares of the economic impact. Sectoral level economic inputs to the model are based on confidential project-specific financial information provided by NextEra, and corroborated based

on publicly available information and the authors' general knowledge.

## 4.2 Tax Impacts

State tax impacts are based on information provided by the Louisiana Legislative Fiscal Office (LFO) alongside the authors' internal modeling. Local tax impacts are based on a combination of (a) parish-level estimated economic impacts, and (b) parish specific information on sales tax rates and property tax millages. Specifically, property tax information is based on the Louisiana Tax Commission (Chehardy et al., 2021). Parish level sales tax information is based on information compiled from the Louisiana Association of Tax Administrators and the state Minimum Foundation Formula for K-12 educational funding.

Tax impacts will also be separately estimated for Iberville Parish. Parish-specific tax impacts will include three categories: (1) property taxes paid by the project directly, (2) sales taxes paid by the project directly, (3) other tax revenues attributable to the economic activity associated with the project.

**Property Taxes** Utilizing project-specific information, the specific property taxes to the parish are estimated considering the Industrial Tax Exemption Program (ITEP). Direct property tax estimates are based on a 25-year depreciation schedule<sup>13</sup>, the millage rate obtained for the project location from the Iberville Parish Tax Assessor, and capital expenditures provided by NextEra. Note that this is not intended to be an estimate for purposes of remitting taxes, but does provide a reasonable perspective on revenues that are likely to be received by local governments within the parish.

**Sales Taxes** Sales taxes to be remitted directly to both the state of Louisiana and local governments within Iberville Parish were estimated by the authors of this report. These sales tax numbers are based on specific information about the initial capital expenditures and yearly operational expenditures once the project is completed.

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<sup>13</sup>Louisiana Tax Commission, General Business Asset Guidelines, Table 2503.D.

**Other Local Taxes** Utilizing economic impacts, we also include estimates of other local tax revenues generated from economic activity associated with the project.

## 5 Results

### 5.1 Economic Impacts

Economic impacts are presented in three categories. First, construction impacts are presented for the United States, Louisiana, and Iberville Parish. Second, yearly operations and maintenance (O&M) impacts of the facility once it is operational are presented similarly for the U.S., Louisiana, and Iberville Parish. Finally, we present estimates of state and local tax impacts of the project, with a specific focus on Iberville Parish. Note that Iberville Parish is located within Louisiana, which is located within the United States. Thus by definition, nationwide impacts are larger than state-level impacts, which are larger than parish-level impacts.

**Construction Impacts** Table 1 shows estimated economic impacts during the construction phase of the project. The table shows economic impact estimates for the entire continental United States, Louisiana, and Iberville Parish. Nationwide, 1,275 workers will be supported during the approximately year and a half while under construction. Construction will be associated with \$142 million in earnings, and \$293 million of Gross Domestic Product within the U.S.

In Louisiana, the project will support 449 workers during construction, \$57 million in labor income and earnings, and \$94 million in Gross State Product. Approximately 42 of these jobs and \$4 million in labor income and earnings will be in Iberville Parish.

**Ongoing Impacts** Table 2 shows yearly economic impacts once the facility is fully operational. Nationwide the project will support approximately 28 jobs per year, \$3.2 million in labor income and earnings, and \$5.0 million

Table 1: Economic Impacts during Construction of Coastal Prairie Solar

	(1)	(2)	(3)
	Employment	Earnings	Value Added
<i>Panel A: United States</i>			
Direct	427	\$61.6	\$102.5
Indirect	267	\$29.6	\$72.0
Induced	582	\$62.4	\$118.5
Total	1,275	\$142.3	\$293.0
<i>Panel B: Louisiana</i>			
Direct	222	\$32.4	\$50.6
Indirect	79	\$10.7	\$18.5
Induced	148	\$13.6	\$24.8
Total	449	\$56.8	\$93.9
<i>Panel C: Iberville Parish</i>			
Direct	21	\$2.8	\$3.7
Indirect	7	\$0.50	\$0.9
Induced	14	\$0.63	\$1.2
Total	42	\$4.0	\$5.7

RIMS II 2021 and author's calculations. Earnings and Value Added in millions of dollars. Discrepancies in totals might arise due to rounding. Dollar values listed in 2022 dollars. Employment effects will persist during the approximately year and a half of construction.

in Gross Domestic Product. In Louisiana, the project will support approximately 14 jobs, contributing to \$2.2 million in labor income and earnings. Note that these earnings include direct payments to landowners as well as earnings from employment supported by the project. Locally, the project will support approximately one job per year in Iberville. Due largely to lease payments paid to local landowners, the project will support approximately

\$1.4 million in labor income and earnings locally.<sup>14</sup>

Table 2: Annual Economic Impacts Once Coastal Prairie Solar Operational

	(1)	(2)	(3)
	Employment	Earnings	Value Added
<i>Panel A: United States</i>			
Direct	4	\$1,760	\$2,497
Indirect	4	\$294	\$413
Induced	20	\$1,096	\$2,080
Total	28	\$3,149	\$4,991
<i>Panel B: Louisiana</i>			
Direct	3	\$1,658	\$2,308
Indirect	3	\$190	\$268
Induced	8	\$364	\$659
Total	14	\$2,212	\$3,236
<i>Panel C: Iberville Parish</i>			
Direct	<1	\$1,345	\$1,416
Indirect	<1	\$7	\$10
Induced	<1	\$14	\$25
Total	≈1	\$1,366	\$1,452

RIMS II 2021 and author's calculations. Earnings and Value Added in thousands of dollars. Discrepancies in totals might arise due to rounding. Dollar values listed in 2022 dollars.

## 5.2 Tax Impacts

Economic activity generates revenues for the federal, state, and local governments. When goods are purchased, sales taxes are paid. When workers earn income and companies earn profits, income taxes are paid. Property taxes

<sup>14</sup>The company has presented landowners with a land lease option. This analysis utilizes the lease option, which spreads earnings and tax impacts over time. If landowners had a purchase option, this would front-load those impacts into the initial period of the analysis.

are paid by residential homeowners and by businesses from which people purchase goods and services. Next we present the estimated tax revenues supported by this project.

Table 3 shows the tax revenues supported at the state and local levels through the economic activity generated by this project. During construction, the project will support approximately \$8.1 million in tax revenues, with approximately \$2.7 million to the state and an additional \$5.4 million to local governments across the state. Once the project is operational, it is estimated to support \$107 thousand in tax revenues for the state and \$404 thousand for local governments per year. Once operational, the project is estimated to support about \$510 thousand in annual tax revenues for the state and local governments. Results shown in Table 3 only include tax impacts associated with the broader economic activity of the project and do not include local direct taxes associated with the specific project itself which are presented next.

**Iberville Tax Impacts of Coastal Prairie Solar** In this section, we hone in on local tax impacts within Iberville Parish. This includes project-specific estimates of the state and local direct sales taxes paid, direct (local) property taxes paid, as well as tax revenues from broader economic activity in the parish associated with the project.<sup>15</sup> What also differentiates these estimates from those in Table 3 is that we present the net present value of local taxes supported by the project from 2023 (when construction is anticipated to begin) until 2055. This represents the approximate lifetime of the project.

Direct project sales taxes are estimated by the authors. Direct property tax estimates are based on the following modeling assumptions:

- Fair market value is based on the capital cost net of the federal investment tax credit (ITC). The federal ITC is assumed to be 30 per-

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<sup>15</sup>Future tax estimates from broader economic activity are based on the same methodologies used in the estimation of results presented in Table 3. To account for future earnings growth, a 2.5 percent nominal escalation factor for labor income is utilized based on historical average nominal hourly and weekly earnings growth in the United States.

Table 3: Tax Impacts of Coastal Prairie Solar

	(1)	(2)
	<b>Construction</b>	<b>Yearly O&amp;M</b>
<b>State Taxes Revenues</b>		
<i>Income</i>	\$885	\$34
<i>Sales</i>	\$953	\$37
<i>Corporate</i>	\$141	\$0.5
<i>Other</i>	\$764	\$29
Total State Revenues	\$2,742	\$107
<b>Local Revenues</b>		
<i>Sales</i>	\$2,503	\$179
<i>Property</i>	\$2,684	\$211
<i>Other</i>	\$206	\$13
Total Local Revenues	\$5,393	\$404
<b>Total</b>	<b>\$8,136</b>	<b>\$510</b>

All values listed in thousands of dollars. Results only show taxes associated with economic activity generated by the project, but does not include direct property and sales taxes paid to Iberville Parish. Those taxes are included in the net present value calculation for the parish presented in a subsequent table. Discrepancies in totals might arise due to rounding. Dollar values listed in 2022 dollars.

cent, based on the recently enacted federal Inflation Reduction Act. A higher capital cost or non-inclusion of the federal ITC for assessment purposes would increase the property taxes owed.

- Millage rate of 103.38 obtained from the Iberville Parish Tax Assessor’s website for the approximate project location. Note that project-specific millage might differ and millage rates can change over time.
- 25-year depreciation schedule is obtained from the Louisiana Tax Commission.<sup>16</sup> Note that at the time of assessment, different components of the facility will likely be assigned different depreciation schedules (for example modules, racking, fencing, and other components). A

<sup>16</sup>Louisiana Tax Commission, General Business Asset Guidelines, Table 2503.D.

shorter schedule will reduce property taxes owed.

- A 10-year 80 percent industrial tax exemption (ITEP) is included. ITEP requires the approval by the Board of Commerce and Industry and local governmental entities. Not approving ITEP for the project would significantly increase property taxes paid, and could impact the company's choice on whether to move forward with the project. Of course, if the project is not completed, the property taxes owed are zero.

Iberville Parish taxes supported by Coastal Prairie Solar are presented in Table 4. Over the approximately 35 years of the project's projected life, it is estimated to pay approximately \$41.0 million in direct property taxes, and generate \$50.5 million in all local revenues including sales taxes paid directly by the project itself, as well as general revenues supported by the overall economic activity of the project. Notably, approximately 81% of local tax revenues are attributable to the direct property taxes paid on the facility itself.<sup>17</sup>

Table 4 also presents the net present value (NPV) of tax impacts, at different discount rates. NPV calculations take into account the fact that a dollar today is more valuable than a dollar in the future, a concept commonly referred to as the "time value of money." This is true for two reasons. First, due to general inflation, a dollar in the future will have less purchasing power than a dollar today. Second, a dollar today could be invested and interest could be gained. Thus, there is an opportunity cost of deferring payment. The *discount rate* represents one's tradeoff between payments made today versus in the future. A higher discount rate suggests that the individual values dollars today relatively more than dollars in the future, while a lower discount rate suggests that the individual is more "patient," i.e., is more willing to forgo the dollars today for future payments. One's preferred discount rate might be impacted by current market interest rates. Note that if the discount rate is zero, this is equivalent to no discounting. In

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<sup>17</sup>Calculation considers zero discount rate. As the discount rate increases, the net present value share of property taxes decreases.

other words, a zero discount rate is obtained by simply summing all dollar values over the relevant period, not considering the time value of money.

Table 4 therefore presents local tax impacts at different discount rates. At a 2 percent discount rate, the NPV of the future revenues is about \$36.4 million, while at an 8 percent discount rate the NPV is \$17.9 million. With zero discounting, i.e., not taking into account the time value of money, the total estimated revenues associated with Coastal Prairie Solar for Iberville Parish over approximately 35 years is \$50.5 million.

Table 4: Iberville Local Tax Impacts of Coastal Prairie Solar

	(1)	(2)
	<b>Direct Property</b>	<b>All Local Revenues</b>
No Discounting	\$41.0	\$50.5
2% Discount Rate	\$28.7	\$36.4
4% Discount Rate	\$20.8	\$27.5
6% Discount Rate	\$15.6	\$21.8
8% Discount Rate	\$12.0	\$17.9

Includes the net present value over 37 years in millions of dollars. This includes two years of construction and 35 years of operation. Includes both direct taxes as well as tax revenues associated with economic activity induced by the project.

We note that the authors of this report are neither certified public accountants nor tax assessors. Many factors will impact these tax estimates including without limitation changes in policy, millage rates, earnings growth, continued operations of the facility and local, national and world economic conditions. These are the authors' best estimates based on the previously mentioned data sources and assumptions. Actual future tax receipts may be lower or higher than those shown. These estimated revenues are not guaranteed and should not be relied upon for budgeting purposes. Full knowledge and understanding of the limited data and assumptions used to calculate these estimates should be considered.

### **5.3 Other Benefits**

The results in Sections 5.1 and 5.2 only include the monetary economic and tax impacts. There are other potential benefits of the project that are not quantified in this analysis.

Decarbonization of Louisiana’s economy can have important implications for the future economic competitiveness, as companies are increasingly considering the carbon intensity of the local electricity grid when deciding where to make investments. Growth in solar penetration can reduce the greenhouse gas emissions intensity of Louisiana’s electric grid, thus making Louisiana a more attractive location for manufacturing investments all else held equal. In addition to reduced greenhouse gas emissions, to the extent that solar energy displaces other forms of electricity generation, this can also reduced localized emissions of pollutants.

## **6 Conclusions**

Coastal Prairie Solar is a proposed 175-megawatt utility scale solar project in Iberville Parish, Louisiana. The project is estimated to have a total capital cost of approximately \$286 million dollars. The purpose of this report is to estimate the economic and tax implications of Coastal Prairie Solar for the state of Louisiana and Iberville Parish, specifically.

The project will support an estimated 449 jobs within the state during construction, which is anticipated to begin in the middle of 2024 and be completed by the end of 2025. During construction, the project will support \$57 million in labor income and earnings for Louisiana and contribute \$94 million to Louisiana’s Gross State Product. Once operational, the project will support approximately 14 jobs statewide and support \$2.2 million in labor income and earnings per year.

During construction, the project is anticipated to support \$8.1 million in state and local revenues, and an additional \$510 thousand per year once in operation. Notably, these estimated tax impacts do not include the property and sales taxes paid directly to Iberville Parish by the project.

Considering all local taxes in Iberville Parish specifically over the approximately 35 year life of this project, we estimate the project will support a net present value of \$17.9 million to \$36.4 million, using an 8 percent and 2 percent discount rate, respectively.

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