



Potential Economic Impact: Timberwolf Solar Project

Prepared by Brigid Tuck, Updated July 20, 2023

KEY FINDINGS

Timberwolf Solar, LLC plans an \$188 million solar development project investment in Mower County. Extension’s analysis finds the project will contribute an estimated \$92.7 million in economic activity during construction and \$4.95 million in annual operations. The project will support an estimated 335 jobs during construction and 14 during ongoing annual operations. During the anticipated 30-year life of the project, it will generate \$148.6 million of economic activity in the county.

PROJECT OVERVIEW

With its \$188 million capital investment, Timberwolf Solar will install photovoltaic solar arrays, producing up to 100 megawatts of energy. The 1,282.5-acre project footprint will be located between Adams and Taopi. The project also includes access roads, a collector substation, an approximately 900-foot transmission line, a MET tower, temporary laydown yards, and operations and maintenance (O&M) office space.

The proposed project will contribute to the economy in two ways. First, Timberwolf Solar will invest in site development and solar panel installation. The economic impact of these construction activities is shorter term in nature and will dissipate when the construction ends. Second, the solar energy project will generate economic activity annually due to ongoing O&M. These impacts are longer term and will occur annually, as long as the project is operating at planned levels.

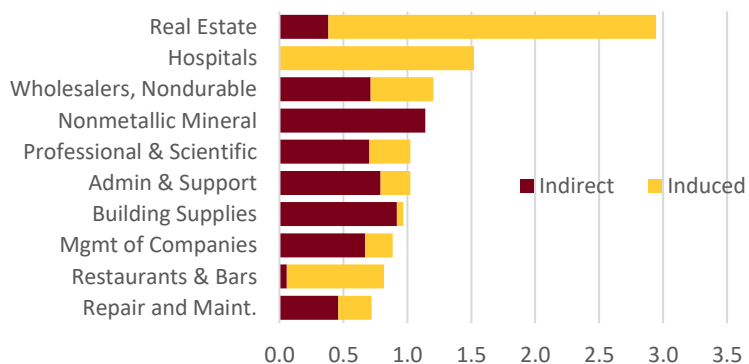
CONSTRUCTION

Timberwolf Solar plans to invest more than \$188 million in the development project. Of this, an estimated \$71.4 million will be direct activity in Mower County (Table 1). Most of the activity will be construction activity (crews installing solar arrays, underground electrical cabling, overhead transmission lines, etc.). The remaining will be professional services, such as legal and architectural services.

Table 1: Economic Contribution, Construction of Proposed Timberwolf Solar Project, Mower County, \$188 million in total investment

	Output (millions)	Employment	Labor Income (millions)
Direct	\$71.4	210	\$27.0
Indirect	\$9.6	50	\$2.9
Induced	\$11.7	75	\$3.5
Total	\$92.7	335	\$33.4

Chart 1: Top Industries Affected, Construction of Proposed Timberwolf Solar Project, Mower County, Indirect and Induced Effects (millions)



In total, the Timberwolf solar project construction will generate an estimated \$92.7 million in economic activity in the county. The project will support 335 jobs: 210 construction and related jobs at the site and 125 jobs at other businesses. The top impacts beyond the construction site will flow to industries including real estate, health care and wholesale trade (Chart 1). These impacts will dissipate after construction is complete.

In addition to output and employment impacts, the construction project will generate tax collections. The model estimates \$3.1 million in state and local tax collections from the project, including \$731,150 in property taxes (to fund local services, such as schools).

OPERATIONS AND MAINTENANCE

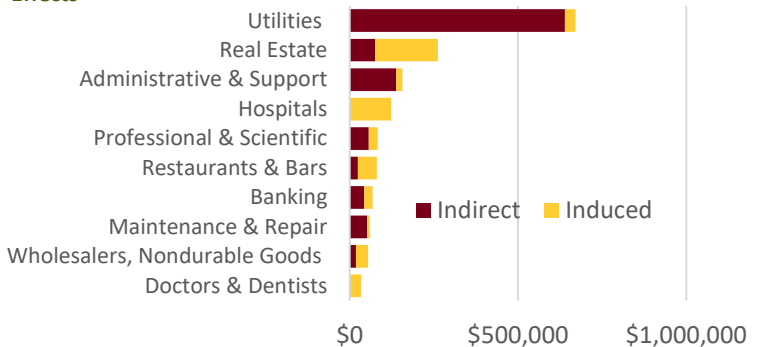
Timberwolf Solar plans to spend approximately \$5.5 million annually to operate and maintain the solar site. Of this, an estimated \$2.8 million will be with businesses within the county (Table 2). An estimated \$307,000 will be wages and benefits for the employees on site.

The direct and ripple effects will create an estimated \$4.95 million in annual activity (totaling \$148.6 million during the life of the project). The project will support \$819,280 in labor income annually.

Table 2: Economic Contribution, O&M of Proposed Timberwolf Solar Project, Mower County, \$5.5 million in annual spending

	Output	Employment	Labor Income
Direct	\$2,818,800	3	\$307,000
Indirect	\$1,247,670	5	\$263,920
Induced	\$887,540	6	\$248,360
Total	\$4,954,010	14	\$819,280

Chart 2: Top Industries Affected, O&M of Proposed Timberwolf Project, Mower County, Indirect and Induced Effects



Timberwolf Solar anticipates employing three people to perform O&M at the solar site. As a result of spending, the project will support an estimated 14 total workers in the county annually. The top impacts beyond Timberwolf Solar’s expenditures for O&M will be industries including utilities, real estate, and administrative and support services (Chart 2).

The project’s O&M will also generate ongoing tax collections. On an annual basis, Timberwolf Solar plans to pay \$560,000 in property taxes. Further, the model estimates \$178,545 in collections from the multiplier effects. Through the project period, this equates to \$22.2 million in property tax revenue.

SUMMARY OF METHODS

Economic impact is comprised of direct, indirect, and induced effects. Direct effect is the initial investment by a business. Timberwolf Solar, LLC provided Extension with its budget for construction and operations. Indirect and induced effects are the multiplier (or ripple) effects. Broadly, indirect effects stem from the business purchasing goods and services and induced effects stem from household spending of income. Extension used the input-output model, IMPLAN, to calculate the indirect and induced effects.

To learn more about Extension, visit www.extension.umn.edu/community-development. There is also a technical report explaining Extension’s approach to the analysis. Contact Brigid Tuck, tuckb@umn.edu, to obtain a copy.