

## NEWS

# NEW STUDY HIGHLIGHTS COST SAVINGS AND OTHER ECONOMIC BENEFITS OF SHIFT TO RENEWABLE ENERGY

### *Renewables Expected to Stabilize Energy Prices and Increase Business Investment in Indiana*

Indianapolis, IN – July 8, 2020 – According to a new study authored by Ball State University economist Dr. Michael Hicks, Indiana is in the midst of a history-making shift in fuel used to generate electricity, in large part driven by falling cost of renewables. Electricity generation from wind and solar renewable energy sources is now lower than the cost of natural gas or coal, according to the landmark study that looks at the [Economic Effects of the Changing Energy Mix in Indiana](#).

“Renewables will stabilize energy prices, offer more permanent supply, and move energy production into more Indiana communities,” says Michael J. Hicks, Distinguished Professor of Economics and Director of the Center for Business and Economic Research at Ball State University.

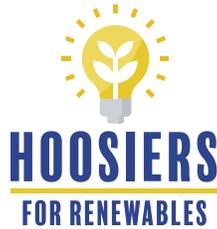
#### *Jobs Grow as Reliable, Renewable Energy Costs Fall*

“The employment and fiscal effects of electric power generation in Indiana remain very significant. We project a continued shift towards renewable energy through our forecast horizon of 2030,” says Hicks.

The study was commissioned by Hoosiers for Renewables, an organization dedicated to educating the public about the benefits of local and affordable renewable energy and the positive impact of embracing renewable energy economic development in Indiana. The shift to renewable energy will result in a net increase in employment and a broadening of the economic distribution of energy jobs across Indiana.

The study details:

- As renewables grow, Hoosier energy jobs will increase from 29,000 to 33,000 statewide.
- Electricity generation from renewable energy sources is now lower than the cost of natural gas or coal.
- In 2019, coal generation was \$109/megawatt hour and natural gas was \$56/megawatt hour.
- Over the past ten years, wind energy costs fell from \$135 to \$40/megawatt hour.
- Over the same period, solar energy prices dropped from \$369 to \$40/megawatt hour.
- Renewable energy costs continued to decline, even as federal subsidies decreased.



“The use of renewable energy has grown as costs have declined, making renewable energy competitive with other forms of electricity generation. Since renewable energy is not susceptible to volatile prices like that of coal or natural gas, consumers can enjoy more predictable prices -- and electric bills -- as electricity generation becomes more heavily dominated by renewables. Additionally, since renewable energy is not dependent of fossil fuels, there is very limited risk of disruption from global energy markets or fuel transportation,” Hicks says.

The analysis notes that the shifting energy mix in Indiana mirrors the nation as a whole, which is substituting natural gas and renewables for coal-fired electricity production. Nationally, the use of coal for electricity production declined from 48 percent in 2008 to under 28 percent in 2018. This changing mix of fuels was dictated by energy production economics.

A single 50-megawatt wind or solar project in a given Indiana county could have a substantial positive impact. “That size of project would create 250 direct and indirect jobs with a wind turbine project, or more than 475 jobs if it were a solar project. Average wages range from \$47,000 to \$57,000 annually. A single project can generate more than \$1 million in property taxes and generate hundreds of thousands of dollars in income taxes,” Hicks said.

“Indiana currently has over 2,700 megawatts of wind and solar energy production, and just over 3,000 megawatts of new projects are planned or currently under construction – creating new jobs that will be available throughout Indiana, and not just in a few southern counties as is the case with current energy production,” notes Steve Eberly, Executive Director of Hoosiers for Renewables. “This study underscores what we have been saying – that renewable energy growth will make Indiana more attractive to businesses that favor lower prices and fewer emissions. Renewables will lead to less geographic restrictions on company locations and will generate employment growth above what we can experience with continued reliance on fossil fuels.”

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**About Hoosiers for Renewables:**

*Formed in 2019, Hoosiers for Renewables is an organization dedicated to educating the public about the benefits of local and affordable renewable energy and the positive impact of embracing renewable energy economic development in Indiana. Hoosiers For Renewables currently has over 20,000 supporters statewide. To learn more or to join our effort, please visit [www.HoosiersForRenewables.com](http://www.HoosiersForRenewables.com).*