FACT SHEET

CLEAN ELECTRICITY OPPORTUNITIES FROM BUILD BACK BETTER: MICHIGAN

The electric power system is undergoing a transformation that is driving large new investments in renewables and other non-emitting generation in all states across the country. The Build Back Better bill has the potential to significantly accelerate this investment, economic activity, and job growth in Michigan.

Clean energy remains the biggest job creator across America’s energy sector, employing nearly three times as many workers as the fossil fuel extraction and generation industries. There are more American clean energy workers (3.0 million) than there are middle and elementary school teachers (2.0 million), bankers (2.1 million), commercial truck drivers (1.8 million), or engineers (1.7 million).¹ Median hourly wages for clean energy jobs ($24 per hour) also are about 25 percent higher than the national median wage. And many renewables jobs, like those in solar and wind (combined $24.87 median hourly wage), also pay better than most fossil fuel extraction jobs such as in coal, natural gas, and petroleum fuels (combined $24.37 median hourly wage).²

2020 MICHIGAN CLEAN ENERGY JOBS, ACCORDING TO ENVIRONMENTAL ENTREPRENEURS:³
- Total Clean Energy Employment: 113,456
- Share of Statewide Workforce: 2.8%
- Renewable Energy: 10,767
  - Solar + Wind: 9,522
- Storage & Grid: 3,579
- Energy Efficiency: 74,242
- Clean Fuels: 600
- Clean Vehicles: 24,268
- Job Growth 2018-2020: 3.4%
- Job Growth June–Dec. 2020: 20.4%

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Michigan already has seen a build-out of clean energy resources in recent years, with many more projects in development. The map above shows wind, solar, and storage projects that are already operating or in development in the state. The clean energy incentives in BBB will support and further grow clean energy opportunities.

**BUILD BACK BETTER CLEAN ELECTRICITY INVESTMENTS**

The bill contains more than $150 billion in clean electricity tax incentives as well as more than $25 billion for clean energy loans, grants, research, procurement, and other essential programs. Tax incentives are critical to driving clean energy deployment and reducing the cost of renewables and other clean energy resources. The tax incentives included in the legislation are both more flexible and accessible to support all types of developers (small and large, for-profit and not-for-profit) who will usher in the fastest—and most sustained—build-out of renewables in the country’s history.

The 10-year time frame creates market stability to grow U.S. manufacturing and investments in retooled and new factories. New bonus credits for projects built that meet strong labor standards, using domestically produced components or in low-income and energy transition communities, will create well-paying jobs and drive equitable access to clean energy resources.

The incentives in this legislation also go well beyond the core clean energy tax credits and agency funding to include:

- A multi-sector Greenhouse Gas Reduction Fund (Clean Accelerator), with $7 billion designated for state, local, and nonprofit programs to install zero-emission distributed technologies in low-income and disadvantaged communities, and $20 billion in nonprofit financing for projects that reduce or avoid emissions by leveraging private sector investment.

- Incentives for solar and wind projects built in low-income communities and on tribal land.

- $5 billion to invest in low-carbon projects in communities impacted by closures of fossil infrastructure like refineries or coal plants.

- $9.7 billion for loans and grants to transition rural electric cooperatives away from fossil fuels.

- Grants and loans of more than $2 billion and $11 billion in tax credits to build electricity transmission lines to enhance reliability and enable renewable projects.
Potential New Clean Electricity Development and Jobs

States will be able to guide how much new clean energy investment occurs, but modeling from NRDC and other organizations shows that the Build Back Better programs, together with existing state and federal policies, could support the deployment of clean energy and help drive new economic opportunities over the next decade. BBB has a particularly important role to play in reducing the costs of this deployment.

Potential Michigan Results by 2030 (compared to 2021): ¹

- New low- and no-carbon capacity built: 6,000 – 6,900 MW, enough to power 850,000 to 1.4 million homes annually. Wind and solar capacity in the state grow by around 200 percent compared to today.
- Percentage of in-state generation coming from low- and no-carbon resources: 34 – 46 percent.
- Additional direct jobs, like those to manufacture, build, and service clean/low-carbon resources: 14,500 – 18,700.

Bonus Incentives for Low-Income and Coal Communities

The BBB includes bonus tax incentives to invest in low-income communities and areas impacted by closures of fossil infrastructure, making these communities very attractive for clean energy investment. The map below shows the location of these areas.

Figure 2: Energy Communities and Low-Income Communities in Michigan as Defined in Build Back Better

ENDNOTES

3 E2, Clean Jobs America 2021.
4 Drawn from preliminary NRDC analysis using ICF’s Integrated Planning Model. Job estimates were derived from the Eco-IDeA tool developed for NRDC by Synapse Economics. The Eco-IDeA tool is grounded in the results of primary analyses conducted with the IMPLAN model.

Source: NRDC analysis. Coal plant closures and coal mine closures are taken from S&P Global Market Intelligence Asset Data.