

Michigan Competitive Fuels' \$12 Billion Economic Boost

Based on IMPLAN modeling results for the Michigan Competitive Fuels Act with a 35% carbon intensity reduction by 2035:

A COMPETITIVE FUELS POLICY WOULD CREATE \$12 BILLION IN ECONOMIC BENEFITS IN MICHIGAN THROUGH 2035.

Economic impacts of the clean fuels standard occur due to direct, indirect, and induced types of activity, like:

- Direct impacts on the primary industries where spending occurs, such as spending on fuel production, vehicle purchases, and fueling infrastructure.
- Indirect impacts on industries that interface with the primary industries, such as material or service sales to industries that dispense fuels, vehicles, or infrastructure.
- Induced impacts such as increased spending by workers on food, housing, education, and healthcare.

SPURRING ECONOMIC ACTIVITY:

- Increasing demand for biofuels will incentivize innovation in farming practices and at biofuels manufacturing facilities.
- Increasing sales of clean fuels will expand fuel distribution supply chains and fuel retail opportunities.
- Increasing electricity sales to power electric vehicles will foster the installation of additional charging stations.
- Increasing sales of agricultural feedstocks and payments to farmers for climate-smart practices will result in increased income opportunities for farmers.

STUDY METHODOLOGY AND ASSUMPTIONS

The IMPLAN model was used for this study. The Competitive Fuels Act market credit price in dollars per ton of CO₂-equivalent greenhouse gas emissions was assumed based on historical price trends in existing markets. The configuration of the IMPLAN model used for this analysis offsets compliance costs for gasoline and diesel users by holding fuel prices neutral, as seen in other markets.

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Multi-Sector Growth

By 2035, the annual credit revenue generated by alternative fuel production is predicted to be between \$800-900 million.

SECTOR	Average Annual Benefit (2023 - 2035)	Total Benefit (Over 13 years)
Gasoline Users (Households)	\$40 million	\$524 million
Diesel Consumers (Trucking)	\$23 million	\$299 million
Electricity Producers and Charging Providers	\$511 million	\$6.6 billion
Ethanol Producers and Farmers	\$236 million	\$3.1 billion
Biodiesel Producers and Farmers	\$31 million	\$406 million
Renewable Diesel Producers	\$49 million	\$633 million
RNG Producers	\$54 million	\$697 million

Saving Consumers Money

Michigan households, as gasoline users, would see a total economic benefit of **\$524 million** over 13 years from cost savings due to lower-cost fuel blends.

The trucking industry, as diesel consumers, would see a total economic benefit of **\$299 million** over the 13-year period from 2023 to 2035.

Creating Michigan Jobs

Michigan has a longstanding history in the manufacturing industry, particularly in sectors related to advanced automotive production. The Competitive Fuels Act would create 2,700 annual full-time employees across many sectors in Michigan, adding more than 35,000 jobs in the clean fuel industries by 2035. This would increase labor income by \$2.9 billion and build on Michigan's automotive leadership.

Not to mention increasing state and local tax revenues by more than \$382 million!

competitive.cleanfuelsmi.org

