H.G. FENTON BUSINESS PARK

"Five by Five," Solar Benefits are Loud & Clear

Mission Valley, CA

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CHALLENGE

The 5-building, Mission Valley business park was not taking advantage of its large rooftop area. As utility rates climb in San Diego at an average rate of 4% per year, the business park's tenants had no relief from the rising energy costs. The complex owner and namesake, H.G. Fenton, wanted to use on-site renewable energy production to lower the location's carbon footprint as well as financially benefit both themselves and each individual business in the park.

SOLUTION

HES Renewables was enlisted to design and install a 654-kilowatt commercial rooftop solar system that would produce clean electricity. Silfab Solar panels were selected for the project due to their strong performance as well as excellent value. Ivy Energy software was implemented to allow simple and accurate billing sharing. This combination allows all the financial benefits of solar to be spread across both the property owner (and solar system purchaser) as well as among the tenants using the electricity.

QUICK FACTS

654 kW	Total System Size
1,038,014 kWh	Estimated Annual Output
100%	Utility Energy Usage Offset
$8,400,000	Estimated 25-Year Net Operating Income
$225,000	Total Net Operating Income (Year 1)
44%	Estimated 25-Year Internal Rate of Return
$4,499,640	Estimated Year 1 Market Value Increase
$9,900,000	Estimated Year 25 Market Value Increase

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CUSTOMER BENEFIT

Now each tenant participates in the energy savings with an automatic 10% discount, compared to the utility rate at the time, on electricity that is produced on-site. The system is expected to offset all energy use of the tenants.

The system that saves these companies money also creates a new revenue stream for the business property owners. The estimated 1,038,014 kWh of electricity produced each year translates into an impressive, estimated 8.4 million dollars in net operating income over the first 25 years of production.

The HES Renewables team also ensured that the initial cost of building the solar system would be dramatically reduced by maximizing the tax credit and depreciation options for solar such as the Investment Tax Credit (ITC), the Federal Bonus Depreciation, and the State MACRS Depreciation incentives.

"It's incredibly rewarding to bring energy cost savings and increased operations cost predictability to more and more businesses. As utility rates climb, solar's overall value only increases. The payback period on a commercial solar system is impressively quick, allowing solar projects to provide a strong Return on Investment and then continue to deliver tremendous cost savings for decades. A commercial solar system is one of the best investments a company can make."

Wenjie Chen, Vice President, HES Renewables

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