



# ENERGY311

Be Your Own Power Grid™

## Chiquita & HRI: A Solar Success Story

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### Chiquita Fresh North America

A leading fruit producing company that grows, procures, markets, and sells bananas, pineapples, and other fruits. Chiquita creates positive impact through sustainability principles under the "Behind the Blue Sticker" initiative.

In 2017, HRI built the world's largest rooftop tracking solar system to power Chiquita's cold storage facility, which houses approximately 400 refrigerator trucks. This collaboration created a win-win partnership for both organizations.



### Harry Ross Industries

A family-owned real estate investment company specializing in industrial properties. HRI has diversified into solar power, currently owning and operating four solar farms producing 5 megawatts of electricity.

# The Partnership Before Energy311



## The Challenge

Electricity is the major operating cost of cold storage facilities



## The Solution

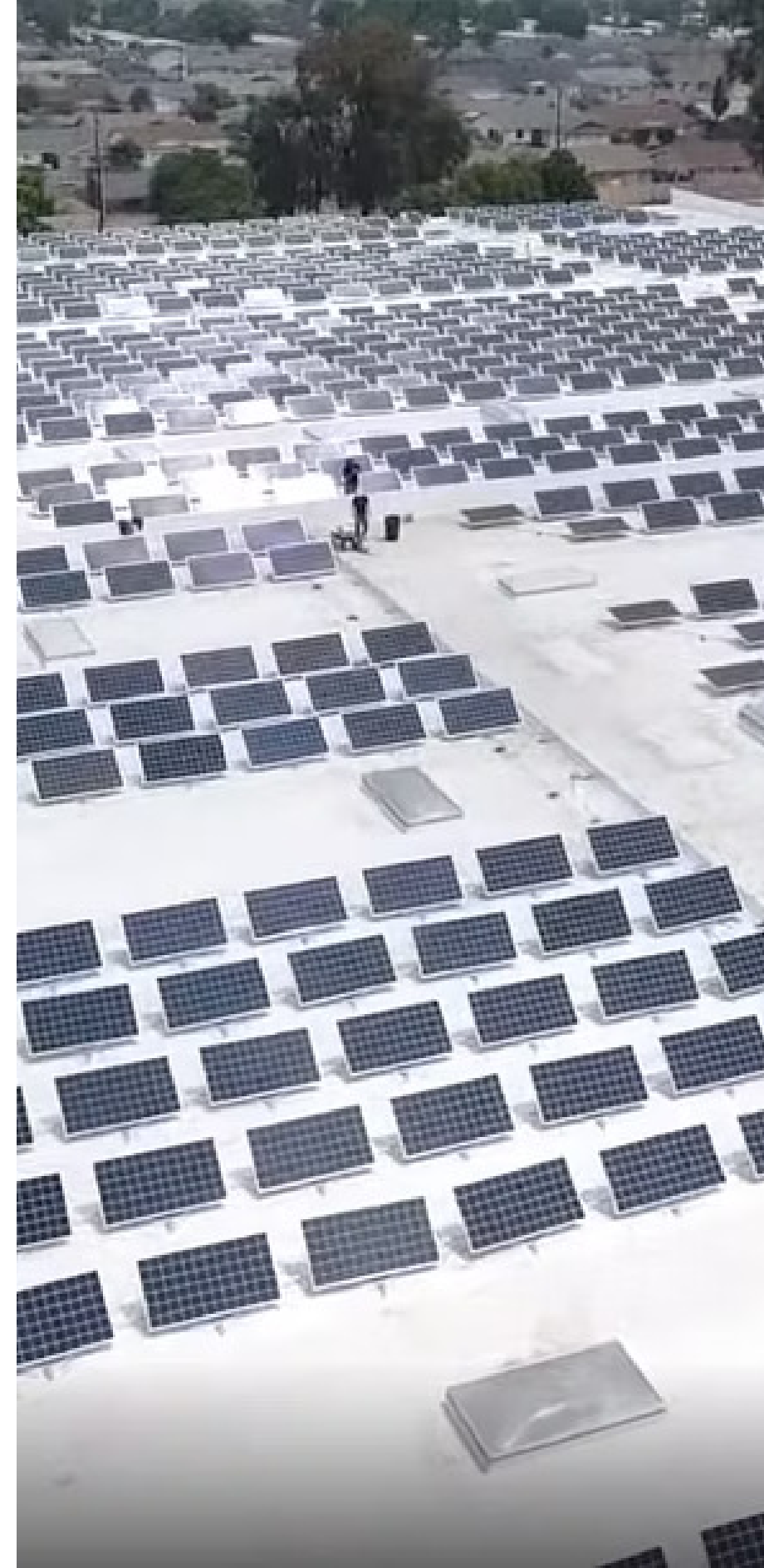
HRI proposed using solar power to reduce Chiquita's electricity bill



## The Agreement

HRI pays for installation and maintenance; Chiquita buys power at local utility rates

This innovative approach transformed idle rooftop space into a powerful revenue generator while providing Chiquita with sustainable, cost-effective energy for their cold storage operations.



# The Challenge: Why PPAs Fall Short

One traditional solution for billing energy is a power purchase agreement (PPA). HRI considered drafting such an agreement to provide power to Chiquita at a fixed fee for 20 years, with a 3–5% annual rate escalator. However, PPAs introduced significant risks for both parties.

## Long-Term Lock-In

A binding 25-year contract with limited flexibility for changing business needs or market conditions.

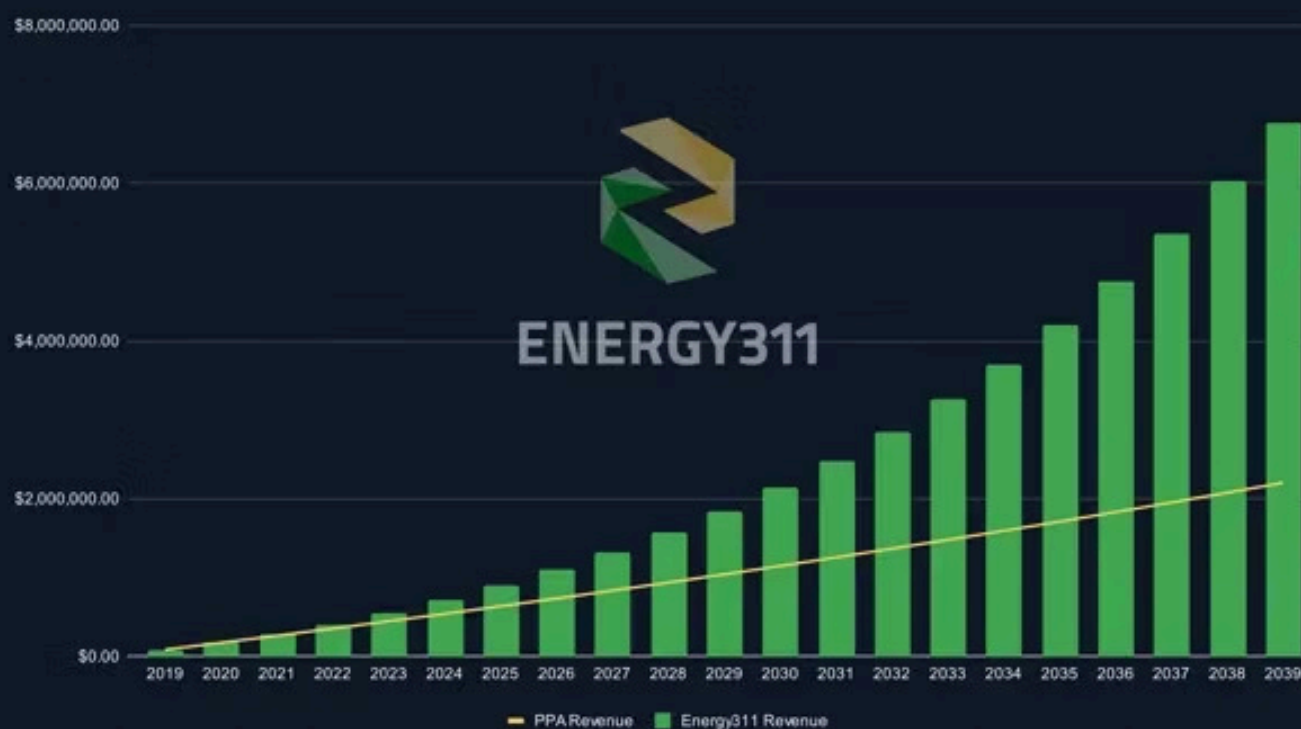
## Unpredictable Energy Pricing

If market prices increase faster than the PPA's fixed rate plus escalator, HRI suffers lost profits. If prices increase slower, Chiquita pays more than buying directly from Southern California Edison (SCE).

## Consumption Uncertainty

Higher than expected consumption reduces HRI's profits as more grid power is purchased at utility rates and sold at discounted fixed rates. Lower consumption means Chiquita pays for electricity they may not need.

## Energy311 vs PPA Revenue



# How Energy311 Works

01

## Automated Meter Data Collection

HRI installed AlsoEnergy revenue-grade meters to measure solar production and grid power consumption. Billing.Energy provides automated monitoring and billing by pulling usage data from these meters daily.

02

## Accurate Monthly Invoicing

Chiquita is invoiced using SCE's TOU-8 TIME OF USE OPTION B rate schedule. Billing.Energy automatically re-creates the SCE bill, including updated fees, taxes, and time-of-use (TOU) charges.

03

## Transparent Billing

Every charge is itemized and matches utility rate structures, ensuring complete transparency and eliminating billing disputes between landlord and tenant.

Energy311 eliminates the complexity and risk of traditional PPAs by providing flexible, transparent billing that tracks actual utility rates and consumption in real-time.

# Transforming Investment into Value

## HRI Investment

- 1.3MW Solar System: **\$3,750,750**
- 368,000 sqft Roof: **\$1,288,000**
- **Total Cost: \$5,038,750**

## Tax Benefits

- Solar tax credit (30%): \$1,511,625
- Federal bonus depreciation (21%): \$899,416
- CA State depreciation (11%): \$471,123
- **Total Tax Benefit: \$2,882,164**

**Solar Cost After Taxes: \$868,586**

## Return on Investment

**\$305K**

### Yearly NOI

Annual net operating income and energy profits

**3.1**

### Break Even

Years to recover investment

**18.62%**

### Average ROI

With tax incentives included

**\$4.7M**

### Property Value Increase

First year building value gain

Energy311 turned idle rooftop space into meaningful value for all parties. Chiquita agreed to pay HRI prevailing rates for electricity over the lease term, discounted by \$25k/year. HRI increased the overall building value from **\$25M to \$40M**, thanks to new energy profits, securing a long-term lease with Chiquita, and other building improvements.

# Results: Increased Revenues and Building Value

## HRI Benefits



### **\$300K+ Annual NOI**

Additional net operating income and profits every year



### **\$5M Building Value Increase**

First year increase in building market value with no property tax increase



### **\$13.7M New Revenues**

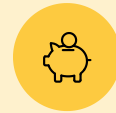
Total revenues from solar over 25 years



### **Extended Lease Term**

Energy savings helped secure long-term tenant commitment

## Chiquita Benefits



### **\$25K Annual Savings**

Yearly electricity cost reduction



### **Roof Maintenance Included**

All annual roof maintenance costs covered in the solar maintenance plan



### **Sustainability Goals**

Going green helped meet "Behind the Blue Sticker" sustainability objectives



### **Predictable Costs**

Transparent billing aligned with utility rates eliminates surprises

# 25-Year Financial Analysis

The table below shows actual first-year results and projected performance over 25 years, based on a 5% estimated annual rate escalator for electricity. Break-even occurs at just 3.1 years, with the additional NOI of \$305,505 and a cap rate of 6.5% creating \$4.7M in new building value.

Year	Billing Revenue	Ongoing Grid Fees	Tax Incentives	NOI	Cash Flow
0	\$0	\$0	\$0	\$0	(\$3,750,750)
1*	\$652,233	(\$346,728)	<b>\$2,505,267</b>	\$305,505	(\$939,979)
2	\$684,844	(\$364,064)	\$150,759	\$320,780	(\$468,440)
3	\$719,086	(\$382,268)	\$90,456	\$336,819	(\$41,165)
4	\$755,041	(\$401,381)	\$54,273	\$353,660	<b>\$366,768</b>
5	\$792,793	(\$421,450)	\$54,273	\$371,343	\$792,384
6	\$832,432	(\$442,523)	\$27,137	\$389,910	\$1,209,431
...	...	...	...	...	...
<b>25</b>	<b>\$2,103,515</b>	<b>(\$1,118,232)</b>	<b>\$0</b>	<b>\$985,283</b>	<b>\$13,712,262</b>

\* First year actuals; years 2-25 are projections based on 5% estimated annual rate escalator for electricity

# Energy311 Value Propositions



## Automated Billing

Eliminate manual billing processes with automated meter data collection and invoice generation that matches utility rate structures exactly.



## Transparent Pricing

No more PPA risks or fixed-rate contracts. Bill tenants at actual utility rates with complete transparency and real-time rate updates.



## Flexible Agreements

Avoid long-term PPA lock-in. Energy311 adapts to changing consumption patterns and market rates, protecting both landlord and tenant.



## Maximize ROI

Turn solar investments into reliable revenue streams. Energy311 helped HRI achieve 18.62% average ROI and \$4.7M in first-year property value increase.

## "It was a no brainer."

"After the tax breaks, the solar system practically paid for itself, and we had a new warranted and maintained roof and solar system. Billing.Energy has made our transition to solar on our tenant-occupied buildings possible and profitable."

— Rob Ross, Harry Ross Industries



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