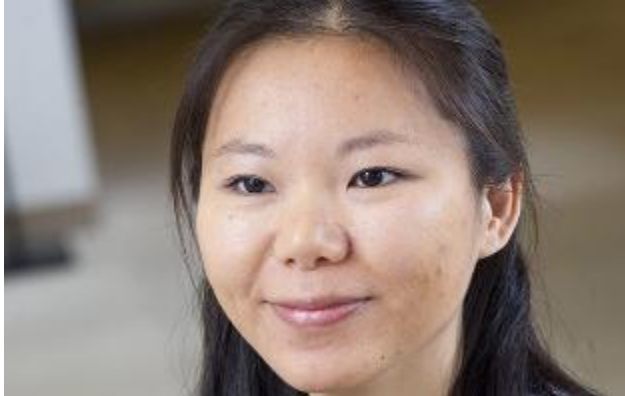


## Honolulu Star-Advertiser, Hawaii's business leader. - Financing program helps consumers to get solar - Hawaii News - Honolulu Star-Advertiser

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### Financing program helps consumers to get solar

By Kathryn Mykleseth



#### **QUESTION: What is the GEMS program?**

**ANSWER:** The GEMS (Green Energy Market Securitization) program is a sustainable green infrastructure financing initiative that will make PV (photovoltaic) systems and other clean-energy improvements more affordable for a wider group of consumers in Hawaii. GEMS is targeted at underserved groups, including homeowners, renters and nonprofit organizations that have had difficulty obtaining traditional financing for clean energy installations. The GEMS program is off the state's balance sheet, with no impact to the state's budget. It is able to do so by attracting private capital and investment to support clean-energy technology deployment in Hawaii. GEMS will provide consumers with innovative financing products that will result in electricity bill savings on Day One, with no money down. The program will be administered by the Hawaii Green Infrastructure Authority.

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#### **Q: How does GEMS work?**

A: The GEMS program, which has been approved by the Public Utilities Commission, will be funded by a \$150 million bond issuance. Proceeds from the bond sale will be deposited into a loan fund from which consumers can borrow to pay for their clean-energy installations. GEMS will make capital available for clean-energy loans that might not otherwise be provided by traditional lenders. The ability of GEMS to tap a huge pool of institutional bond investors allows the program to reduce financing costs for clean-energy installations by minimizing overhead expenses and taking advantage of economies of scale.

#### **Q: Who qualifies for GEMS?**

A: The main goal of the GEMS program is to deploy the majority of funds to assist the underserved. GEMS

applicants will be vetted during the loan process. The PUC will have monitoring and reporting requirements to make sure the goals of the program are being achieved.

**Q: Who pays for GEMS?**

A: Once the GEMS bonds are issued, bondholders will be repaid through a PUC-approved fee on utility bills that is expected to be less than \$2 a month for residential customers. By assessing the fee on all utility ratepayers, the bonds will achieve the highest possible credit rating, which in turn lowers the amount of the fee. The fee will be offset by a reduction of the Public Benefits Fee that is already on electric bills, resulting in little or no impact to ratepayers. Additionally, consumers who take advantage of the GEMS program will be repaying the program through their loan payments.

**Q: What is on-bill financing?**

A: GEMS provides the funding used to make clean-energy loans to underserved consumers. On-bill repayment is a separate program being created and launched by the PUC that will allow GEMS participants and others to pay for their clean-energy installations through their utility bills.

**Q: What types of clean energy can be financed with GEMS?**

A: Initially, GEMS will provide financing for distributed solar and other technologies that support PV interconnection, such as energy storage, advanced inverters and monitoring devices. Since GEMS supports grid-enabling technologies, it has the potential to help mitigate some of the interconnection issues that have slowed PV installations. Other proposed clean-energy projects will be evaluated on a case-by-case basis through a process being established by the program.

**Q: Can residents who do not have space for rooftop solar still benefit from GEMS?**

A: In approving the GEMS program, the PUC left open the possibility that GEMS could be used to support community solar programs. Community solar, in concept, would allow residents who can't put solar panels on their own roofs to buy or lease a share of panels installed somewhere else. The PUC ruled that if the Green Infrastructure Authority seeks to use GEMS funds to support community solar, the priority should be on the financing of individual participation in such a program as opposed to the financing of the underlying large-scale solar development.

**Q: Do residents have to purchase a solar system, or can they still qualify for GEMS if they lease the system?**

A: GEMS participants are not restricted to purchasing and owning solar systems. The financing products are essentially in the form of loans to participants because it eliminates the annual cost increases, also known as price escalators, but participants can install and use solar systems that they do not own, similar to what happens in leases and power purchase agreements.

**Q: Will residents in the GEMS program be pushed to the back of the line in the wait for net energy metering approval?**

A: Consumers using the GEMS program to install PV solar panels will be subject to the same interconnection rules that apply to all utility customers.

**Q: When will GEMS be available?**

A: The loan program is expected to be up and running in time for the first GEMS loans to be made to nonprofit organizations by early December. We expect to begin making loans to homeowners and renters by early January. The loans will be available over a deployment period that is expected to last roughly two years.

**Q: How can residents apply for GEMS?**

A: Consumers interested in participating in the GEMS program can fill out an online questionnaire at [energy.hawaii.gov/gems-inquiry-form-homeowner-or-renter](http://energy.hawaii.gov/gems-inquiry-form-homeowner-or-renter). They will be contacted when the loan program is operational. DBEDT also will be publishing a list of deployment partners, such as lenders and installers that consumers can contact regarding GEMS financing.

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