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### **Nonprofits poised to save on energy**

The groups can apply for low-interest loans to pay for cost-cutting solar power systems

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A low-interest loan program created by the state to help Hawaii nonprofit organizations, homeowners and renters pay for solar power systems is open for business.

The Hawaii Green Infrastructure Authority, a state agency running the program, announced Tuesday that nonprofits can apply for photovoltaic system loans. Loans are expected to be available for residential customers soon.

Nonprofits should be able to cut their electric bills immediately with no money down, state officials said.

The program called Green Energy Market Securitization, or GEMS, has been in the works for about two years and is being touted as potentially a national model.

GEMS was set up using proceeds from selling \$150 million in state bonds to investors.

Of the \$150 million, \$65 million is available for nonprofits, though the State Energy Office said more than \$100 million in loan money should be available to nonprofits when counting equity contributed by investors taking advantage of PV system tax credits.

To use the loan program, nonprofits arrange to install PV systems owned by third parties that can claim state and federal tax credits and then charge the nonprofit significantly less than current electrical rates. The loan essentially prepays for a 20-year power purchase agreement.

Working with the state to provide PV systems for nonprofits are Clean Power Finance, Pana-sonic Eco Solutions and Coronal Group LLC. The companies work with Hawaii installers to originate the PV projects. Pacific Rim Bank is handling the loan applications.

"It is hoped that the unique financing structure of GEMS will give financial leverage to nonprofit organizations, allow them to reduce energy costs and put their savings toward their missions, as well as assist the state in meeting its clean energy goals," Lisa Maru-yama, president and CEO of the Hawaii Alliance of Nonprofit Organizations, said in a statement.

GEMS is aimed at helping underserved groups such as homeowners, renters and nonprofits that have had difficulty obtaining traditional financing for clean energy.

The bonds are backed by a fee paid by all Hawaii utility ratepayers, which gives the bonds a top credit rating without affecting the state budget.

The fee should be less than \$2 a month for residential utility ratepayers, and is offset by a reduction in

another ratepayer charge, the Public Benefits Fee, so that ratepayers don't pay extra to finance GEMS. Borrowers under GEMS pay into the utility fee account used to repay bondholders.

The Energy Office said GEMS is a key part of helping Hawaii meet and exceed a goal to rely on renewable energy for 40 percent of energy use by 2030 while trimming energy consumption by 30 percent.

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