

# Hawai'i Green Infrastructure Authority Green Energy Money Saver (GEM\$) On-Bill Program FAQ

## Residential / Non-Residential FAQ

**Q: What is the Hawai'i Green Infrastructure Authority (HGIA) Green Energy Money Saver (GEM\$) On-Bill Program?**

A: It is a program that helps eligible customers on all Rate Schedules (except Schedule "F") reduce electricity costs by installing approved Energy Improvements such as solar photovoltaic (PV) systems, solar hot water systems and/or commercial energy efficiency retrofits, which are repaid through the customer's electric bill.

**Q: Why was the GEM\$ On-Bill Program created?**

A: The program was created to provide access and financing options to renters, homeowners, nonprofits and small business owners who may not meet requirements for traditional financing but want to install solar PV or energy efficiency retrofits to save money on their electric bills.



**Q: Which Energy Improvement projects qualify?**

A: Currently, eligible projects include solar PV and energy efficiency installations such as solar hot water systems and commercial energy efficient HVAC systems. A complete list of eligible residential and commercial energy improvements is available on the HGIA website: <http://gems.hawaii.gov/approved-energy-improvements-ei-list/>.

**Q: Who is eligible?**

- A:
- a. Eligible utility rate class customers that meet GEM\$ Program guidelines (except for Schedule "F" – Public Street Lighting, Highway Lighting & Park & Playground Floodlighting), as follows:
    - i. Low and Moderate-Income (LMI) homeowners and renters (*Defined as <140% Area Median Income per the U.S. Department of Housing & Urban Development and Hawaii Housing Finance & Development Corporation's guidelines*);
    - ii. Nonprofits;
    - iii. Small businesses (that meet the U.S. Small Business Administration's size standards); and
    - iv. Multi-family rental projects.
  - b. With the exception of new developments, participants must have been a utility customer for at least six (6) consecutive months;
  - c. For tenant applicants or applicants where the property owner differs from the applicant (including Trusts and/or leasehold properties), additional requirements and approvals from the landlord or property owner will be required and disclosed to both the Applicant and Landlord/Property Owner as part of the program approval process.

**Q: Is this program available on Kauai?**

A: HGIA will be working with stakeholders on Kauai to launch a direct financing program for low and-moderate income homeowners.

**Q: My credit score is not very good. Can I still participate?**

A: Yes, GEM\$ does not require a credit check or verification of income. Eligibility and final approval will be based on the project meeting the estimated minimum required post-installation utility bill savings.

**Q: How is the required estimated minimum utility bill savings calculated?**

A:



The estimated utility bill savings is based on the difference between your historical annual kWh utility bill consumption, averaged on a monthly basis, and your projected post-installation kWh cost, based on the current utility rates, PLUS the monthly GEM\$ Program Charge. There is no guarantee

of actual bill savings due to a number of external factors such as customer behavior, utility rates, weather, etc.

**Q: I recently started my electric service. Do I still qualify?**

A: You may still qualify as long as you have a minimum six (6) months of consumption history with one of the Hawaiian Electric Companies at a previous or present address, assuming the property at your new address is similar to the one you last vacated.

If you moved to Hawaii from out of state or did not maintain electric service from one of the Hawaiian Electric Companies in your name for the preceding six (6) months, you will have to wait to apply until you have at least six (6) months of qualified service and go through the two-step process of qualification, but your chosen installation contractor can assist. For further assistance with the two-step process of qualification, contact HGIA.

**Q: I recently moved. Do I still qualify?**

A: You may still qualify as long as you have maintained an electric utility account over the preceding six (6) months with one of the Hawaiian Electric Companies. However, bill savings calculations are more accurate when analyzing a longer historic usage in the unit.

If you moved within Hawaii and have maintained electric service with any Hawaiian Electric Company in your name for the preceding six (6) months, you may be able to qualify assuming the property at your new address is similar to the one you last vacated. For further assistance with the two-step process of qualification, contact HGIA.

**Q: The electric utility bill is not under my name. Can I still apply to the Program?**

A: No. Only the person whose name is on the electric utility bill may apply. This is because the GEM\$ obligation is tied to the electric meter at a particular location and the GEM\$ tariff charge is applied to that location's electric bill.

**Q: If I meet Step 1 and Step 2 eligibility requirements, do I need homeowner's insurance to proceed with the installation?**

A: Yes. A valid Certificate of Homeowner's Insurance (COI) naming HGIA as Lender Loss Payee or Additional Insured must be received before the Contractor will be given a notice to proceed with the installation. Please note, COIs naming HGIA as "Additional Interest" is not sufficient to move forward with your installation.

**Q: How will the Program work?**

A: Interested customers must follow a few simple steps:

- 1) Applicant Eligibility. Apply online at <http://gems.hawaii.gov/>. Complete the online application and upload a copy of your recent utility bill and government-issued picture ID.
- 2) If you receive a Step 1 Applicant Eligibility approval to participate in the GEM\$ Program, select a contractor from the list of Approved Contractors listed on the HGIA website - <http://gems.hawaii.gov/gems-approved-installers/>.
- 3) Your Approved Contractor will submit a project proposal and the Hawaii Green Infrastructure Authority will underwrite the project to verify your Step 2 Project Eligibility, which includes the minimum estimated post-installation savings threshold required for final approval.
- 4) Once approved, the participant executes the required program documents, and a valid Certificate of Insurance naming HGIA as Lender Loss Payee is submitted, the installation can begin.
- 5) Upon project completion and contractor funding, your monthly GEM\$ Program charge to repay your obligation will be placed on your monthly utility bill.

**Q: Is this a HECO program?**

A: No. It is a program administered by Hawaii Green Infrastructure Authority on behalf of the Hawai'i Public Utilities Commission (PUC).

The Hawaiian Electric Companies are working on behalf of the PUC by providing services such as: billing the monthly GEM\$ tariff charge on the customer's electric bill; collecting GEM\$ monthly payments; and notifying other program entities when a participant moves out and closes the electric account.

The other entity working on behalf of the PUC for the GEM\$ Program is Concord Servicing Corporation ("Concord"). Hawaii Green Infrastructure Authority administers the Program, accepting and reviewing applications, verifying energy savings calculations, training participating contractors and promoting the program to potential customers. As a contractor to HGIA, Concord works directly with the utilities to transmit the recurring GEM\$ Program charge on the respective customer's monthly electric bill.

**Q: I'm a renter. Can I still participate?**

A: Yes. Renters are eligible if their landlord (the property owner of record) agrees to participate and comply with the required terms and conditions of the program. GEM\$ was designed to reduce obstacles, as an example, for renters to have access to the installation of energy efficient projects and provides benefits for both the renter and landlord.



**Q: I'm a renter. Why would I want to use this program?**

A: Renters (with landlord permission) who pay their own electric bills can reduce those bills with no money down and without the long-term personal credit risk as would be the case with traditional financing (e.g., consumer loans). Because this obligation is tied to the meter and not customers, once renters close their utility account at move-out, they have no further responsibility to pay on the obligation (except for any past due amount owing which include balances on the electric service and on the obligation).

**Q: Do I own the equipment?**

A: The Energy Improvement (EI) owner will be the system owner, who may be the owner of record of the subject property on which the energy improvement is installed or a project sponsor.

**Q: Who is responsible for system maintenance?**

A: The Energy Improvement owner is responsible for routine and emergency maintenance or repairs throughout the obligation term.

**Q: Who gets the tax credits and/or rebates for GEM\$ projects?**

A: The EI owners may be eligible for any available rebates and state and/or federal tax credits. Please refer to your tax advisor or accountant for any questions regarding the available tax credits. For energy efficiency projects, the EI owner has an option to utilize available rebates to buy down the GEM\$ interest rate.



**Q: Is my savings calculation guaranteed?**

A: No. Projected energy savings are estimated based on your historical energy usage and the type of energy improvement. Future energy and dollar savings will vary based on factors such as changes to electricity prices, your electricity use, and weather.

**Q: How is the obligation term calculated for my project?**

A: To keep the monthly GEM\$ Program charge at a minimum, the term of the obligation is stretched out for the estimated useful life of the EI once installed; as an example, for solar PV, the term may be up to twenty-five (25) (based on the equipment warranty) years from the in-service date. The payment may be amortized over the same or different period of time, depending on your occupancy type.

**Q: What if I can't pay my electric bill?**

A: Non-payment of your electricity bill, to include the GEM\$ Program charge, will subject you to your utility's standard collection procedures, up to and including disconnection of your electric service. If you need assistance or would like to set-up payment arrangements on your account, please contact the Hawaiian Electric Companies' Customer Care Center.

**Q: Is there a penalty for pre-payment?**

A: There will be no penalty for pre-payment; however, prepayments must be arranged directly with the Hawaii Green Infrastructure Authority. Prepayment made directly to the utility will result in a credit balance in your utility account, not a reduction to your GEM\$ obligation.

**Q: Can I get multiple energy-efficient measures or just one?**

A: You can apply for multiple qualifying measures, which will be bundled towards the minimum bill savings requirement.

**Q: Is there a minimum income level to participate?**

A: To allow the program to assist more low and moderate-income (LMI) households, affluent families will no longer be eligible for financing. Affluent households typically have a variety of options to access traditional financing with local banks and credit unions. (*Affluent is defined as 140% or greater Area Median Income per the U.S. Department of Housing & Urban Development and Hawaii Housing Finance & Development Corporation's guidelines*).

**Q: What if I move to a new location?**

A: Your obligation to pay for the Energy Improvement stops when you end your utility service at that location. The remaining obligation balance remains with the electric meter at that location. Energy savings benefits and payment obligations may be transferred to subsequent tenants or property owners when they begin electric service there. You are, however, responsible for any amounts owed to GEM\$ during your electric service period on that meter. Some restrictions apply.

**Q: Can I install the equipment myself?**

A: No. Only GEM\$ Approved Contractors are allowed to install approved Energy Improvements under the GEM\$ Program. For a listing of participating contractors, visit <http://gems.hawaii.gov/participate-now/installers/>. If your preferred contractor is not on the list, they may apply to become an Approved Contractor. Please refer to the HGIA website, <https://gems.hawaii.gov/wp-content/uploads/2018/06/Contractor-Application-Packet.pdf>, to apply to become an Approved Contractor.



**Q: How can I apply?**

A: To apply, visit the HGIA website at <http://gems.hawaii.gov/> and complete the online application or download a printable application packet. Should you have any questions, please call HGIA at (808) 587-3868 or email at [dbedt.gems@hawaii.gov](mailto:dbedt.gems@hawaii.gov).





## **Contractor FAQs – refer all questions/inquiries to the GEM\$ website or HGIA phone number.**

### **Q: What are the eligibility requirements to be an Approved Contractor?**

A: Contractors must meet the following requirements:

1. Furnish Hawaii Green Infrastructure Authority with a “Compliant” Certificate of Vendor Compliance from the State of Hawaii Department of Accounting and General Services to show business registration and tax liability compliance.
2. Possess appropriate current and active contractor’s license(s) issued by the State of Hawaii. For non-licensed trades, contractors will be required to provide evidence of appropriate certifications.
3. Provide proof of insurance in the following amounts and list the State as an additional insured:
  - a. General liability insurance of at least \$1,000,000 per occurrence / \$2,000,000 aggregate.
  - b. Worker’s Compensation Insurance.
  - c. Furnish Hawaii Green Infrastructure Authority with Certificates of Insurance naming HGIA as an additional insured.
4. Be in good standing with the Better Business Bureau with no unresolved complaints.
5. Have demonstrated relevant experience with installation of similar projects.
6. Have completed a GEM\$ orientation and training provided by Hawaii Green Infrastructure Authority.
7. Furnish Hawaii Green Infrastructure Authority with a signed Contractor Participation Agreement.
8. Ensure that any subcontractors are properly licensed/certified and adequately insured. The Approved Contractor will be responsible for any and all work performed by their employees and subcontractors.



### **Q: How do I apply to become a participating contractor?**

A:



You can apply by completing a Contractor Application and submitting it along with the other required documents identified on the Contractor Application Checklist, which can be found at <https://gems.hawaii.gov/wp-content/uploads/2018/06/Contractor-Application-Packet.pdf>.

### **Q: How do participating contractors submit a project?**

A: During the GEM\$ Contractor Orientation and Training, HGIA will provide the Contractors with instructions and access to submit project documents.

### **Q: What items do I need to provide in the project package?**

A: Information required depends on the Energy Improvement being requested. During the GEM\$ Contractor Orientation and Training, HGIA will inform Contractors of the required information.

**Q: What is the project approval process?**

A: As detailed on HGIA's website: <http://gems.hawaii.gov/participate-now/for-homeowners/>

Step 2 – Project Eligibility requires:

- 1) Proposed Energy Improvement is on GEM\$ Approved List;
- 2) Contractor must be a GEMS Approved Contractor; and
- 3) Post-Installation, the Energy Improvement must provide an estimated minimum 10 percent utility bill savings;
- 4) As applicable, the project meets all GEM\$ Program requirements and guidelines.