

**LOAN COMMITTEE MEETING
EXECUTIVE SESSION
HAWAII GREEN INFRASTRUCTURE AUTHORITY
State of Hawaii**

January 3, 2017 3:30 p.m.

Department of Business, Economic Development and Tourism
250 S Hotel Street, 4th Floor, Conference Room 436
Honolulu, Hawaii 96813

ATTENDANCE

Members Present: Ryan Hamadon, Gabe Lee, Wesley Machida, Heather Piper and Kalbert Young

Members Absent: None.

Staff Present: Gwen Yamamoto Lau

Others Present: Gregg Kinkley (Deputy Attorney General)

Members of the Public: None.

Vice Chair Machida called the Executive Session to order at 3:33 p.m.

I. EXECUTIVE SESSION

MATERIALS DISTRIBUTED

1. Minutes of the October 19, 2016 Executive Session meeting
2. Loan Request Packet for two loans aggregating \$679,785.
3. Loan Request for \$9.6 million Molokai hot water project.
4. Term Sheet for conceptual approval to proceed on a \$686,500 loan.

II. APPROVAL OF MINUTES

III. Discussion and/or Decision Making

The minutes for the Molokai solar hot water project does not contain any personal and confidential information and so the discussion surrounding its approval is herewith released.

Chair Young asked Gwen Yamamoto Lau to present this action item.

Yamamoto Lau reviewed the details of the request to commit up to \$9.6 million to finance approximately 1,200 solar water heaters for homes on Molokai. Although an average solar water heating system on Oahu will typically cost between \$6,300 to \$7,200, depending on the tank size, Hawaii Energy provided an estimated cost of \$8,000 per system, due to Molokai's higher costs. This project will be the collaborative efforts of Sustainable Molokai, Hawaii Energy, Blue Planet Foundation and HGIA.

The solar hot water equipment financed will need to meet the requirements of Hawaii Energy and will be financed utilizing HGIA's on-bill repayment ("OBR") mechanism currently under development. Individual loans will be underwritten and required to meet HGIA's OBR program requirements, including minimum bill savings. Yamamoto Lau addressed the Committee's questions on the OBR mechanism.

Chair Young asked the Committee for any further questions regarding the request. Hearing none, he asked for a motion for the Loan Committee's approval to recommend HGIA to commit up to \$9.6 million for Sustainable Molokai's solar hot water project, subject to the following:

- PUC approval of HGIA's OBR program;
- HGIA, the HECO Companies and Concord Servicing (HGIA's loan servicing vendor) successful development and launch of its OBR program;
- PUC approval to allow HGIA to finance residential energy efficiency measures (i.e. solar hot water, etc.); and
- Every individual loan must meet HGIA's OBR program requirements prior to funding.

Member Hamadon moved and Member Lee seconded the motion. Chair Young then called for the vote.

Ayes: Members Hamadon, Machida, Lee, Piper and Young

Nays: None.

Absent: None.

The motion passed unanimously, 5 to 0.

Member Lee was excused from the meeting at 4:30 p.m.

V. ADJOURNMENT

There being no further business, Chair Young entertained a motion to adjourn the Executive Session. Member Machida moved and Member Piper seconded the motion. Chair Young then called for the vote.

Ayes: Members Hamadan, Machida, Piper and Young.

Nays: None

Absent: Member Lee

The motion passed unanimously 4-0. Chair Young adjourned the Executive Session at 4:33 p.m.

Respectfully Submitted By:



Kalbert Young
Loan Committee Chair