

HAWAII GREEN INFRASTRUCTURE AUTHORITY
State of Hawai'i

January 27, 2017 –3:00 p.m.

250 S. Hotel Street, 4th Floor, Conference Room 436
Honolulu, Hawai'i 96813
And
240 Nonella Lane, Albion, California 95410

ATTENDANCE

Members Present: Wes Machida, Jeff Mikulina Luis Salaveria, Terrence Surles (via phone), and Kalbert Young

Members Absent: None

Staff Present: Mary Alice Evans (Deputy Director), Gwen Yamamoto Lau, and Dawn Brenneman

Others Present: Gregg Kinkley (Deputy Attorney General)

Members of the Public: None

I. ROLL CALL

Chair Salaveria called the meeting of the Hawaii Green Infrastructure Authority (HGIA) to order at 3:02 p.m.

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|---------------------|---------|
| Chair Salaveria | Present |
| Vice Chair Mikulina | Present |
| Member Machida | Present |
| Member Surles | Present |
| Member Young | Present |

MATERIALS DISTRIBUTED

1. Agenda for January 27, 2017 Meeting.
2. Minutes of the Regular Meetings on December 9, 2016 and December 23, 2016.
3. Resolution to delegate authority to Executive Director.
4. Approval Request for Molokai Solar Hot Water Project.
5. HGIA Quarterly Report for the period ended December 31, 2016.

II. APPROVAL OF MINUTES

- A. Prior to starting on the agenda items, Chair Salaveria announced the appointment of Gwen Yamamoto Lau as HGIA's Executive Director effective January 20, 2017, as was approved during the Board's executive session held on December 23, 2016.
- B. Chair Salaveria announced that the first item on the agenda is the approval of the minutes of the December 9, 2016 and December 23, 2016 regular meetings. Member Young moved, and Member Machida seconded. There was no discussion from the members.

Chair Salaveria asked if there were comments from any members of the public. Seeing none, he called for a vote.

Ayes: Machida, Mikulina, Salaveria, Surlles and Young
Nays: None

The motion carried unanimously, 5 to 0.

III. PROGRAM UPDATE: STATUS OF PROGRAM NOTIFICATIONS

- A. Chair Salaveria called on Gwen Yamamoto Lau to provide an update.
1. **Program Notification #7 PV + Storage:** HGIA is working with the Consumer Advocate's ("CA") office to clarify and address their concerns in a revised submission.
 2. **Program Notification #10 Add "Consumer" as an eligible participant for the approved Commercial PV – Project Sponsor loan product:**
 - o PN #10 was submitted to the Commission on November 28, 2016.
 - o On December 9, 2016 the CA filed comments objecting to this financing structure.
 - o On December 16, 2016, the Commission suspended PN#10 pending an informal technical conference.
 - o Also on December 16, 2016, the Authority filed a response to the CA's concerns.
 - o On January 4th, the PUC held an Informal Technical Conference where HGIA provided an overview of the request and answered questions of the CA, Commission and General Public.
 - o We are still awaiting a decision from the Commission.

IV. DISCUSSION AND/OR DECISION MAKING

- A. **Appointment of Terrence Surlles as Board Secretary.** Chair Salaveria welcomed Terrence Surlles, Interim Administrator of the State Energy Office to the HGIA Board. He asked for a motion to appoint Terrence Surlles as Board Secretary. Vice Chair

Mikulina moved, and Member Machida seconded. There was no discussion from the members.

Chair Salaveria asked if there were comments from any members of the public. Seeing none, he called for a vote.

Ayes: Machida, Mikulina, Salaveria, Surlles and Young
Nays: None

The motion carried unanimously, 5 to 0.

B. **Delegation to the Executive Director to do Certain Acts.** As was done with previous Executive Directors, in order to carry out her duties, the Board will be delegating its authority to do certain acts, including but not limited to the following:

1. Signing authority for contracts for services of consultants for rendering professional and technical assistance and advice and any other contract necessary and proper for the implementation of the GEMS Program, pursuant to Section 196-64 (a)(4).
2. Signing authority for contracts for the administration of the GEMS Program, pursuant to Section 196-64 (a)(5).
3. Signing authority to certify payrolls, requisitions, invoices, and other documents essential to the proper administration of the Authority.
4. Hiring employees necessary to perform the duties of the Hawaii Green Infrastructure Authority.
5. Providing testimony on legislation, bills and/or budget items related to the GEMS Program when it is impracticable to consult with the Board prior to the scheduled Hearing. The Executive Director will inform the Board at the next regularly scheduled meeting on testimony provided.

Chair Salaveria asked for a motion to approve the delegation. Member Young moved, and Member Machida seconded. The members declined further discussion.

Chair Salaveria asked if there were comments from any members of the public. Seeing none, he called for a vote.

Ayes: Machida, Mikulina, Salaveria, Surlles and Young
Nays: None

The motion carried unanimously, 5 to 0.

At this time Director Salaveria requested to change the order of the Agenda and discuss the Molokai Solar Water project next.

- C. **Approval to commit up to \$9.6 million for the Molokai Solar Hot Water project.** Prior to any discussion regarding this request Chair Salaveria asked if anyone present would like to recuse themselves from discussion and voting on the Molokai Solar Hot Water project. Vice Chair Mikulina asked to be recused as Blue Planet Foundation will be involved in this project.

Chair Salaveria duly noted and accepted Vice Chair Mikulina's recusal.

Chair Salaveria asked Yamamoto Lau to present the 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.

Chair Salaveria asked for a motion to approve committing 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.

Secretary Surlles moved, and Member Young seconded. The members declined further discussion.

Chair Salaveria asked if there were comments from any members of the public. Seeing none, he called for a vote.

Ayes: Surlles, Salaveria, Machida, and Young

Nays: None

Abstention: Vice Chair Mikulina

The motion carried unanimously, 4 to 0.

- D. **Approval of HGIA's Quarterly Report for the period ending December 31, 2016.** The final item on the Agenda is to approve HGIA's Quarterly Report for the period ending December 31, 2106.

Chair Salaveria asked Yamamoto Lau to present the action item.

Yamamoto Lau provided an overview for the report.

Chair Salaveria asked the members if there were any further discussion. Hearing none, Chair Salaveria asked for a motion to approve the Quarterly Report for the period ended December 31, 2016, to be filed with the PUC. Secretary Surles moved, and Member Young seconded. The members declined further discussion.

Chair Salaveria asked if there were comments from any members of the public. Seeing none, he called for a vote.

Ayes: Machida, Mikulina, Salaveria, Surles and Young
Nays: None

The motion carried unanimously, 5 to 0.

V. **ADJOURNMENT**

Chair Salaveria asked if there were any other matters that should be brought up. Seeing none, he asked for a motion to adjourn.

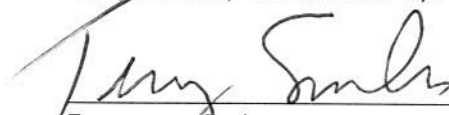
Vice-Chair Mikulina moved and Secretary Surles seconded the motion. Chair Salaveria then called for the vote.

Ayes: Machida, Mikulina, Salaveria, Surles and Young
Nays: None

The motion passed unanimously.

Chair Salaveria adjourned the meeting at 3:33 PM.

Respectfully Submitted By:



Terrence Surles
Secretary