

HAWAII GREEN INFRASTRUCTURE AUTHORITY

State of Hawai'i

December 8, 2017 –3:00 p.m.

250 S. Hotel Street, 4th Floor, Conference Room 436

Honolulu, Hawai'i 96813

ATTENDANCE

Members Present: Luis Salaveria, Jeff Mikulina, Carilyn Shon, Wesley Machida and Kalbert Young

Members Absent: None

Staff Present: Mary Alice Evans, Gwen Yamamoto Lau, Ryan Hamadon, Valerie Kubota and David Nygaard

Others Present: Gregg Kinkley (Deputy Attorney General)

Members of the Public:

I. ROLL CALL

Chair Salaveria called the meeting of the Hawaii Green Infrastructure Authority (HGIA) to order at 3:04 p.m.

Chair Person Salaveria	Present
Vice Chair Mikulina	Present
Member Machida	Present
Member Shon	Present
Member Young	Present

MATERIALS DISTRIBUTED

1. Agenda for December 8, 2017 meeting.
2. Minutes from the meeting on October 23, 2017.
3. HGIA 2017 Report to the Governor and Legislature.
4. HGIA Audit for the fiscal year ended June 30, 2017.
5. Proposed Residential Loan Program Product Sheet and Contractor Criteria.

II. APPROVAL OF MINUTES

1. Chair Salaveria announced that the first item on the agenda is the approval of the minutes of the October 23, 2017 regular meeting. Member Machida moved, and Vice Chair Mikulina seconded the motion to approve the October 23, 2017 minutes. 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, Shon and Young.

Nays: None.

The motion carried unanimously, 5 to 0.

III. **PROGRAM UPDATES**

Chair Salaveria stated that the next item on the agenda are Program Updates and called on Valerie Kubota, Program Officer to provide an update on the Residential Loan portfolio.

1. Kubota informed the Board that since the last board meeting, HGIA funded fifteen Residential PV loans aggregating \$495,717 with an additional \$1.2 million loans approved and currently in the process of being installed.

As of November 30, 2017, one loan in the portfolio is over 90 days past due for \$544 (outstanding loan balance is \$24,136), however, HGIA's loan servicer is in contact with the borrower to resolve the delinquency.

2. Following Kubota's update, Gwen Yamamoto Lau introduced Ryan Hamadon as HGIA's new Senior Program Officer, who joined the Authority on November 16, 2017.

Hamadon provided an update on the Commercial Loan Portfolio indicating that since the last board meeting, HGIA approved four new loans aggregating \$7.5 million, which will facilitate \$17.2 million in total project costs. These loans will benefit two nonprofits, one small business and a multi-family rental project. The rental project, located in West Oahu, will have 211 interconnections.

Additionally, to date, HGIA funded \$1.9 million of the \$46.4 million loan for the Department of Education.

All commercial loans are current and paying as agreed.

3. Yamamoto Lau shared the top three suggestions from HGIA's Stakeholders within the Technologies ((1) Energy Storage Solutions; (2) DR Related Technologies; (3) Smart-Grid Infrastructure), Fund Strategy ((1) Make low-income a priority with outreach beyond solar contractors; (2) Keep lending as we are doing now and use GEMS to seed a green revolving loan fund; (3) GEMS should no longer be used as a "slush fund") and Role of GEMS ((1) Continue to leverage GEMS with private capital; (2) Pursue PACE partnerships; (3) Obtain CIP Bond funds to further capitalize the loan fund) categories.

Yamamoto Lau reported that on November 24, 2017, the Hawaiian Electric Companies ("Companies") filed a Status Update and Request for Guidance on the On-Bill Repayment Mechanism in Docket No. 2014-0135, to seek Commission guidance on the Companies' last four remaining issues. On December 4, 2017, the Authority filed its Response to the Companies' filing.

IV. DISCUSSION AND/OR DECISION MAKING

1. Chair Salaveria announced that the next item on the agenda is the approval of HGIA's 2017 Report to the Governor and Legislature. Chair Salaveria asked Gwen Yamamoto Lau to present the action item.

Yamamoto Lau stated that this report is similar to the September 30, 2017 Quarterly Report to the PUC that was approved in October, with future opportunities identified including expanding clean energy technologies for financing, on-bill repayment, converting a portion of the fund into a revolving loan fund for any state agency to access for energy efficiency retrofits, and community based solar.

Vice Chair Mikulina moved and Member Machida seconded the motion to approve HGIA's 2017 Report to the Governor and Legislature.

Chair Salaveria asked if there were questions or comments from the Members. Member Machida inquired on the amount of GEMS funds available to lend. Estimates indicate that there is approximately \$50.0 million available to lend due to the PUC's Order No. 34930 which changed the priority uses of the GEMS loan repayments to be applied first towards the replenishment of the reduced Public Benefits fee collections before covering HGIA administrative overhead. This requires GEMS funds to be reserved to ensure proper administration, loan servicing and oversight until all of the loans are paid in full.

Chair Salaveria asked if there were any further questions. Seeing none, Chair Salaveria asked for any comments from the public. He then called for a vote.

Ayes: Machida, Mikulina, Salaveria, Shon and Young.

Nays: None.

The motion carried unanimously, 5 to 0.

2. Chair Salaveria announced that there is a correction to the agenda which states that the Board shall approve HGIA's audit. The next item on the agenda, however, is for the Board to accept the audit prepared by N&K CPAs, Inc. for the fiscal period ended June 30, 2017. Chair Salaveria asked Gwen Yamamoto Lau to present the action item.

Yamamoto Lau reported that HGIA received a clean audit. Of note is HGIA's revenues are increasing revenues and its expenses are decreasing.

Member Machida moved and Member Young seconded the motion to accept HGIA's financial audit prepared by N&K CPAs, Inc. for the fiscal year ended June 30, 2017.

Chair Salaveria asked if there were questions or comments from the Members. Seeing none, Chair Salaveria asked for any comments from the public. He then called for a vote.

Ayes: Machida, Mikulina, Salaveria, Shon and Young.

Nays: None.

The motion carried unanimously, 5 to 0.

3. Chair Salaveria announced that the final item on the agenda is the approval of changes to the Residential Loan Program. Chair Salaveria asked Gwen Yamamoto Lau to present the action item.

Yamamoto Lau explained that with the termination of WECC's contract to originate loans, bringing the origination and underwriting in-house beginning November 9, 2017, additional enhancements are being recommended to meet market needs and requested the changes to the Residential Loan Program guidelines on system sizing, to allow progress payments for solar contractors, and to revise the eligibility criteria to become an Approved Solar Contractor.

Vice Chair Mikulina moved and Member Machida seconded the motion to approve the recommended changes to the Residential Loan Program, including the enhanced underwriting option for systems sized larger than historical energy consumption, allowing progress payments with an interest only option for 6 months and a corresponding 19.5-year amortization, and revising the criteria to qualify as a GEMS Approved Installer.

Chair Salaveria asked if there were questions or comments from the Members. Seeing none, Chair Salaveria asked for any comments from the public. He then called for a vote.

Ayes: Machida, Mikulina, Salaveria, Shon 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 discussed. Seeing none, he asked for motion to adjourn the meeting.

Member Machida moved and Vice Chair Mikulina seconded the motion. Chair Salaveria then called for the vote.

Ayes: Machida, Mikulina, Salaveria, Shon and Young.

Nays: None.

The motion carried unanimously, 5 to 0.

Chair Salaveria adjourned the meeting at 4:02 PM.

Respectfully Submitted By:



Carilyn Shon
Secretary