

HAWAII GREEN INFRASTRUCTURE AUTHORITY

State of Hawai'i

January 26, 2018 –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, and Laurel Johnston

Members Absent: Kalbert Young

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

Others Present: Gregg Kinkley (Deputy Attorney General)

Members of the Public: Henry Curtis

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
Secretary Shon	Present
Member Johnston	Present (at 3:10 p.m.)
Member Young	Excused

MATERIALS DISTRIBUTED

1. Agenda for January 26, 2018 meeting.
2. Minutes from the meeting on December 8, 2017.
3. HGIA's Quarterly Report for the Quarter ended December 31, 2017.

II. APPROVAL OF MINUTES

1. Chair Salaveria announced that the first item on the agenda is the approval of the minutes of the December 8, 2017 regular meeting. Vice Chair Mikulina moved, and Secretary Shon seconded the motion to approve the December 8, 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: Mikulina, Salaveria and Shon.

Nays: None.

The motion carried unanimously, 3 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 received eleven direct loan and two consumer lease applications for Residential PV.

As of January 26, 2018, one loan in the portfolio was over 90 days past due for \$726 (outstanding loan balance is \$24,136), however, HGIA is in contact with the borrower to resolve the delinquency. Last payment made by this borrower was \$178 on January 18, 2018.

2. Following Kubota's update, Ryan Hamadon, Senior Program Officer, provided an update on the Commercial Loan Portfolio. Hamadon indicated that since the last board meeting, HGIA approved one loan for \$118,500, which will facilitate a \$223,600 project for a nonprofit.

Additionally, to date, HGIA funded \$2.7 million of the \$46.4 million loan for the Department of Education.

All commercial loans are current and paying as agreed.

Vice Chair Mikulina inquired about the pipeline for commercial projects. Hamadon indicated a flow of steady inquiries.

Member Johnston joined the meeting at this time.

3. Yamamoto Lau provided the following program updates:
 - a. HGIA continues to work with the HECO on its On-Bill Repayment Program. With the PUC issuing Order 35185 providing guidance to HECO's request for guidance on January 5, 2018, a Joint Filing for the approval of the Green Energy Money Saver Program will be filed no later than February 28, 2018.
 - b. HGIA and First Hawaiian Bank signed loan documents on Monday, January 22, 2018 for the Kahauiki Village microgrid project and the Utility Connection Agreement was filed with the PUC on January 22, 2018.

In an update provided by HECO regarding the availability of the electric utility grid to the project site, HECO indicated that they are awaiting permit approval to run the cables over the water along the bridge. Once they obtain approval, they will have a better indication of project completion.

Chair Salaveria inquired about providing power to the families who have already moved in. Yamamoto Lau indicated that in addition to solar PV, the microgrid also includes solar thermal and energy storage, enabling it to be temporarily off-grid. She also re-iterated that the bank (not HGIA) is financing the solar thermal and energy storage technologies.

Chair Salaveria asked if there were questions or comments from the Members. Seeing none, Chair Salaveria asked for any comments from the public.

Mr. Curtis inquired how the utility's rates might be affected once the project is connected to the grid. Yamamoto Lau replied that it would be dependent on the amount of energy the project consumes from the electric utility grid as well as the rate class.

IV. DISCUSSION AND/OR DECISION MAKING

1. Chair Salaveria announced that the next item on the agenda is a Legislative update and asked Gwen Yamamoto Lau to provide the update.

Yamamoto reported that there were bills introduced to (1) create a \$50.0 million GEMS revolving loan fund for any state agency to finance energy efficiency measures at an interest rate of 3.50%; and (2) to repeal the Green Infrastructure Fee (GIF) to repay GEMS bond and requires financing costs to be repaid from General Funds. According to Bond Counsel, the repeal of the GIF is an unconstitutional impairment of contract.

HGIA will monitor the progress of these bills and provide an update at the next board meeting.

Chair Salaveria asked if there were questions or comments from the Members. Seeing none, Chair Salaveria asked for any comments from the public.

Mr. Curtis asked how the 3.5% interest rate proposed for state agencies compare to the rate paid on the bond. Yamamoto Lau replied that the bond rate is approximately 2.99%.

2. Chair Salaveria stated that the final item on the Agenda is the approval of HGIA's Quarterly Report for the Quarter ended December 31, 2017. Chair Salaveria asked Gwen Yamamoto Lau to present the action item.

Yamamoto Lau provided an update on the quarterly report, highlighting the following:

- \$81.0 million of GEMS funds are committed to date;
- There is approximately \$47.0 million available to lend;
- The program posted a \$705,000 operating profit (total revenues of \$1.014 million less expenses of \$309,000) as of December 31, 2017;
- HGIA terminated WECC's services as of December 31, 2017; and
- Due to the deeper retrofits being done by the DOE, they estimate that their annual gross utility bill savings will exceed \$10.5 million (instead of \$8.0 million).

Secretary Shon moved and Vice Chair Mikulina seconded the motion to approve HGIA's Quarterly Report for the period ending December 31, 2017.

Chair Salaveria asked if there were questions or comments from the Members.

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: Johnston, Mikulina, Salaveria and Shon.
Nays: None.
The motion carried unanimously, 4 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.

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

Ayes: Johnston, Mikulina, Salaveria and Shon.
Nays: None.
The motion carried unanimously, 4 to 0.

Chair Salaveria adjourned the meeting at 3:30 PM.

Respectfully Submitted By:



Carilyn Shon
Secretary