

HAWAII GREEN INFRASTRUCTURE AUTHORITY

State of Hawai'i

January 28, 2019 –3:00 p.m.

250 S. Hotel Street, Conference Room 436

Honolulu, Hawai'i 96813

ATTENDANCE

Members Present: Mike McCartney, Jeff Mikulina, Carilyn Shon, and Roderick Becker.

Members Absent: None.

Staff Present: Gwen Yamamoto Lau, Ryan Hamadon, Nate Akamu, Penny Silva, and Aleena Montano.

Others Present: Gregg Kinkley (Deputy Attorney General).

Members of the Public: None.

I. ROLL CALL

Chair McCartney called the meeting of the Hawaii Green Infrastructure Authority (HGIA) to order at 3:22 p.m.

Chair McCartney	Present
Vice Chair Mikulina	Present
Secretary Shon	Absent (Arrived at 3:28 p.m.)
Member Becker	Present

MATERIALS DISTRIBUTED

1. Agenda for January 28, 2019 Meeting.
2. Minutes of the Regular Meeting on December 14, 2018.
3. HGIA's Quarterly Report for the period ending December 31, 2018.

II. APPROVAL OF MINUTES

1. Chair McCartney announced that the first item on the agenda is the approval of the minutes of the December 14, 2018 regular meeting. Vice Chair Mikulina moved, and Member Becker seconded the motion to approve the December 14, 2018 minutes. There was no discussion from the members.

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

Ayes: McCartney, Mikulina, and Becker.

Nays: None.

The motion carried unanimously, 3 to 0.

III. PROGRAM UPDATES

Secretary Shon joined the meeting at this time.

Chair McCartney stated that the next items on the agenda are Program Updates and called on Gwen Yamamoto Lau, Executive Director, to provide Authority updates.

1. Yamamoto Lau welcomed HGIA's newest members: Aleena Montano, Administrative and Client Support Representative and Nate Akamu, Program Officer. HGIA is now fully staffed.
2. Ryan Hamadon, Senior Program Officer, announced that due to position changes he is shifting from overseeing the Commercial Portfolio to the Residential Portfolio. Hamadon provided an update stating that since the last board meeting on December 14, 2018, we received 6 applications of which 4 were for the on-bill repayment (OBR) program and 2 were for direct financing.

As of January 28, 2019, two loans are past due. One loan over 31 days with a balance of \$32,260.89 and a past due amount of \$490.14. And, as reported during HGIA's December 14, 2018 meeting, one loan with its property in escrow, expected to close on December 31, 2018. However, the sale of the home has been delayed and we are awaiting a new closing date from escrow.

3. Nate Akamu, Program Officer, provided an update on the Commercial Portfolio and the status of the DOE loan. Since the last board meeting on December 14, 2018, we approved two commercial loans aggregating \$1.1 million with total project costs of \$2.1 million benefiting a nonprofit senior facility on Maui and a social service nonprofit on Oahu.

One delinquent loan was reported on our December 31, 2018 Quarterly Report to the PUC due to a miscommunication in the company's accounting department. The situation has been resolved and all loans are being paid as agreed.

To date, HGIA has funded approximately \$11.5 million toward the Department of Education's ("DOE") loan.

4. Yamamoto Lau provided the following updates on the GEM\$ On-Bill Program:

An updated testing timeline from HECO indicates that we are on schedule for a Technical "Go Live" date of March 19, 2019, when the on-bill repayment mechanism will be migrated from the test environment to HECO's live environment.

If there are no complications from this migration, such as system errors, rejects, and disruptions (especially after the month end cut-off), the project will proceed to an Operational "Go Live" on April 8, 2019, when we will begin placing loan repayments on the ratepayers' utility bills.

Chair McCartney asked if there were questions or comments from the Members. Vice Chair Mikulina inquired about the transition to On-Bill Repayment (OBR) on existing GEM\$ loans funded. Yamamoto Lau indicated that as communicated to the PUC in the OBR filing, we are currently direct billing these loans and will be transitioning the repayment to the utility bill when the system is up and running.

Seeing no further member comments, Chair McCartney asked for public comments. Hearing none, he concluded the program updates.

IV. DISCUSSION AND/OR DECISION MAKING

1. Chair McCartney stated that the next item on the agenda is the Legislative Update and called on Gwen Yamamoto Lau to provide the update.

Yamamoto Lau indicated that due to a change in the budgeting process for the House, there are a number of budget related bills that are currently being tracked.

Additionally, Representative Lowen, Chair of the Energy & Environmental Protection Committee introduced House Bill 855, relating to clean energy financing, which amends and expands the purpose of the Building Energy Efficiency Revolving Loan Fund (established by Act 155 – SLH 2009) to a Clean Energy Revolving Loan Fund; and transfers the administration of the Clean Energy Revolving Loan Fund to HGIA.

Chair McCartney asked if there were any comments or questions on the Legislative update. Seeing none, he asked for public comments. Hearing none, he concluded the Legislative Update.

2. Chair McCartney indicated that the next item on the agenda is HGIA's strategic discussion for Fiscal Year 2020. Yamamoto Lau was called to facilitate the discussion.

Yamamoto Lau stated that HGIA is working on its 2020 Annual Plan which is due to the PUC by March 30, 2019.

Yamamoto Lau reviewed HGIA's FY 2019 Areas of Focus:

- **On-Bill Repayment Mechanism:** Approved by the PUC with implementation anticipated to begin on April 8, 2019;
- **Financing PV + Storage:** While HGIA has not yet submitted an updated request responding to the Consumer Advocate's concerns on Program Notification No. 7 to the PUC, the Authority has been financing PV + Storage projects by leveraging outside sources of capital; and
- **State Revolving Loan Fund for Energy Efficiency Retrofits:** Signed into law by the Governor and approved by the PUC.

After discussion by the members, HGIA's focus for FY 2020 will be:

- Approval to finance PV + Storage;
- Financing residential solar hot water heaters, especially for the underserved;
- Financing multi-family projects to impact more households; and
- Creating a model to leverage private and other capital with our OBR mechanism.

HGIA's longer term focus shall include the following:

- Seeking additional funding for loan capital; and
- Creating a strategy to convert projects, whether previously approved for a solar hot water variance or contemplating applying for a solar hot water variance, to install solar hot water heaters (when feasible) by leveraging the on-bill repayment mechanism as a means to remove the additional costs to developers.

Chair McCartney asked if there were any further comments or questions regarding the strategic discussion. Seeing none, he asked for public comments. Hearing none, he concluded the strategic discussion.

3. Chair McCartney stated that the final item on the agenda is the approval of HGIA's December 31, 2018 Quarterly Report and asked Yamamoto Lau to present the action item.

Yamamoto Lau provided an update highlighting the following:

- \$76.0 million in GEMS funds committed to date;
- \$52.3 million in GEMS funds available to lend; and
- Excess revenues over expenditures for the 6-month period ending December 31st aggregating over \$1.6 million.

During the quarter, the Authority purchased its last loan from WECC, concluding our contract with them.

Chair McCartney asked if there were any comments or questions on the Quarterly Report. Seeing none, he asked for public comments. Hearing none, he asked for a motion to approve HGIA's Quarterly Report for the period ending December 31, 2018.

Vice Chair Mikulina moved and Secretary Shon seconded the motion to approve HGIA's Quarterly Report for the period ending December 31, 2018. Chair McCartney then called for the vote.

Ayes: McCartney, Mikulina, Shon and Becker.

Nays: None.

The motion carried unanimously, 4-0.

V. ADJOURNMENT

Chair McCartney asked if there were any other matters that should be discussed. Seeing none, he asked for a motion to adjourn the meeting.

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

Ayes: McCartney, Mikulina, Shon, and Becker.

Nays: None.

The motion carried unanimously, 4 to 0.

Chair McCartney adjourned the meeting at 3:58 PM.

Respectfully Submitted By:



Carilyn Shon
Secretary