

## **HAWAII GREEN INFRASTRUCTURE AUTHORITY**

State of Hawai'i

June 14, 2019 –3:30 p.m.

250 S. Hotel Street, Conference Room 436

Honolulu, Hawai'i 96813

### **ATTENDANCE**

Members Present: Mike McCartney, Jeff Mikulina, Carilyn Shon and Robert Yu.

Members Absent: None.

Staff Present: Gwen Yamamoto Lau, Ryan Hamadon 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 3:52 p.m.

Chair McCartney	Present
Vice Chair Mikulina	Present
Secretary Shon	Present
Member Yu	Present

### **MATERIALS DISTRIBUTED**

1. Agenda for June 14, 2019 Meeting.
2. Minutes of the Regular Meeting on April 26, 2019.
3. Permitted Interaction Group Handout.

### **II. APPROVAL OF MINUTES**

Chair McCartney announced that the first item on the agenda is the approval of the minutes of the April 26, 2019 regular meeting. Vice Chair Mikulina moved, and Secretary Shon seconded the motion to approve the April 26, 2019 minutes.

Chair McCartney asked if there were comments from the Members. Seeing none, he called for a vote.

Ayes: McCartney, Mikulina, Shon and Yu.

Nays: None.

The motion carried unanimously, 4 to 0.

### **III. DISCUSSION AND/OR DECISION MAKING**

1. Chair McCartney stated that the next item on the agenda is the establishment of a Permitted Interaction Group ("Group") to investigate and make a recommendation

regarding the allocation of the remaining GEMS loan funds available to lend. Gwen Yamamoto Lau, HGIA Executive Director, was called to provide information on this action item.

Yamamoto Lau explained that due to deployment challenges in 2015 and 2016 when HGIA was first established, with a heightened sense of urgency, over the past two years, the Authority has been focused on quickly approving eligible applications and committing funds on a first-come, first-served basis.

With the recent launch of the GEM\$ On-Bill Program, coupled with the urgency created with the wind-down of the Federal solar tax credits beginning on January 1<sup>st</sup>, interest in GEMS financing and application activity have substantially increased.

With only approximately \$34.0 million left to lend and a number of applications currently in HGIA's pipeline, Yamamoto Lau expressed the importance for the Authority to assess if the remaining funds should continue to be deployed in its current manner (i.e. first-come, first-served), or if a portion of the funds should be strategically allocated to meet a higher level of goals and objectives.

Establishing a permitted interaction group to investigate, discuss and recommend an allocation (if any) of the remaining GEMS loan funds would allow HGIA to engage stakeholder perspectives and feedback prior to rendering a decision.

The proposed timeline for the Group, once established is:

- To meet at least twice; and
- Present its findings and recommendations during the next board meeting.

After hearing public testimony (as applicable), the Authority shall render a decision on the Group's recommendation during a third board meeting.

Per HRS 92-2.5, only two board members are allowed to participate in the Group. Other possible participants could include the Consumer Advocate, and other energy stakeholders.

Secretary Shon inquired about the projected size of the Group and the criteria for prospective members. Yamamoto Lau stated that it will be the decision of the board appointees as well as the availability of possible participants.

Chair McCartney asked if there were any further comments or questions. Seeing none, he asked for a motion to (1) approve the establishment of a Permitted Interaction Group ("Group") to investigate and make a recommendation regarding the allocation of the remaining GEMS loan funds available to lend; (2) appoint Chair McCartney and Vice Chair Mikulina to the Group; and (3) authorize Chair McCartney and Vice Chair Mikulina to select and invite non-board participants to the Group.

Member Yu moved and Secretary Shon seconded the motion. Chair McCartney then called for the vote.

Ayes: McCartney, Mikulina, Shon and Yu.

Nays: None.

The motion carried unanimously, 4-0.

2. Chair McCartney announced that the next item on the agenda is the establishment of a temporary moratorium on accepting commercial loan applications and called on Yamamoto Lau to present this action item.

Yamamoto Lau again indicated that there has been a surge of interest and application activity over the past few months for both residential and commercial projects, and as previously explained, HRS 92-2.5 requires three board meetings to take action on recommendations from the Group.

Due to the aforementioned requirements, a temporary moratorium in accepting commercial applications may be prudent to ensure that there are still funds available to implement changes (if any) based on the Group's recommendation. To be fair to potential applicants with "shovel ready" projects in need of financing, a reasonable timeframe should be provided prior to the moratorium taking effect.

Vice Chair Mikulina inquired if applications for residential projects will continue to be accepted. Yamamoto Lau confirmed that applications for single family residential projects are much smaller in size (typically \$35,000), and as such, will continue to be accepted.

Chair McCartney asked if there were comments from the Members. Seeing none, he asked for a motion to approve a temporary moratorium on accepting commercial loan applications, effective July 1, 2019, pending a recommendation from the Permitted Interaction Group, with the understanding that if a complete commercial loan application packet is submitted by June 30, 2019, HGIA will underwrite and make decisions on those applications based on the current qualifying and underwriting criteria.

Vice Chair Mikulina moved and Member Yu seconded the motion. Chair McCartney then called for the vote.

Ayes: McCartney, Mikulina, Shon and Yu.

Nays: None.

The motion carried unanimously, 4-0.

3. Chair McCartney stated that the next item on the agenda is for the Board to discuss the performance of the Executive director and asked Gwen Yamamoto Lau to provide an overview of her performance over the past year.

In addition to the typical administrative duties and responsibilities of her position, Yamamoto Lau reviewed the four additional areas of focus over the past year:

1. Deploy GEMS capital;
2. Expand GEMS product mix;
3. Increase positive visibility to the GEMS Program; and
4. Develop a legislative strategy.

Yamamoto Lau reported the Authority approved and committed some \$15.2 million in GEMS loans over the past year. Additionally, three new loan products or programs were launched:

1. Commercial Energy Efficiency product;
2. State Energy Efficiency Revolving Loan Fund; and
3. The Green Energy Money Saver (GEM\$) On-Bill Program.



Yamamoto Lau stated that while she had intended to resubmit a Program Notification to the PUC to request approval to finance PV + Storage, she was not successful in getting this accomplished over the past year. However, Yamamoto Lau assured the board that this has not precluded HGIA from financing PV + Storage projects as it continues to seek opportunities to leverage private capital for commercial projects and recently established a \$20.0 million fund leveraged by \$10.0 million in private capital to finance residential PV + Storage projects.

During the evaluation period, 20 articles or publications (locally, nationally, and in one case, internationally) were about GEMS or mentioned GEMS in a positive manner. Additionally, Yamamoto Lau conducted 10 presentations (i.e., ACEEE webinar and Panel Presentations; energy conferences, community outreach presentations), and HGIA participated in 7 tradeshow as an Exhibitor.

On the legislative front, time was spent meeting with policy makers and advocating for a proposed bill to establish a Clean Energy Revolving loan fund.

Chair McCartney thanked Yamamoto Lau for the overview and announced that the board will convene into Executive Session pursuant to Section 92-5(a)(2), HRS, where a board may hold a meeting closed to the public to consider the evaluation of an employee where matters affecting privacy will be involved, as well as Section 92-5(a)(4) to consult with the board's attorney on questions and issues pertaining to the board's powers, duties, privileges, immunities and liabilities, in order to discuss the Executive Director's performance over the past year.

Chair McCartney asked for a motion to enter into Executive Session. Vice Chair Mikulina moved and Member Yu seconded the motion. Chair McCartney called for the vote.

Ayes: McCartney, Mikulina, Shon and Yu.

Nays: None.

The motion carried unanimously, 4-0.

Chair McCartney then asked all non-board members to vacate the room with the exception of Gwen Yamamoto Lau and Deputy Attorney General Gregg Kinkley.

The meeting entered Executive Session at 4:18 p.m.

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#### EXECUTIVE SESSION

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The meeting reconvened at 5:03 p.m.

Chair McCartney summed up the Executive Session by stating that the board has discussed the performance of the Executive Director, which will be provided to her in an Evaluation Report, and thanked Yamamoto Lau for her performance over the past year.

#### IV. 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.

Member Yu moved and Vice Chair Mikulina seconded the motion. Chair McCartney then called for the vote.

Ayes: McCartney, Mikulina, Shon and Yu.

Nays: None.

The motion carried unanimously, 4 to 0.

Chair McCartney adjourned the meeting at 5:08 p.m.

Respectfully Submitted By:



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Carilyn Shon  
Secretary