

HAWAII GREEN INFRASTRUCTURE AUTHORITY
State of Hawai'i

Wednesday, October 27, 2021 – 1:30 p.m.

Video Conference

ATTENDANCE

Members Present: Mike McCartney, Scott Glenn, Richard Wallsgrove and Craig Hirai

Member Absent: Dennis Wong.

Staff Present: Gwen Yamamoto Lau, Leatrice Galicinao and Jordan Wong

Others Present: Gregg Kinkley (Deputy Attorney General)

Members of the Public: Ali Andrews CEO of Shake Energy Collaborative; Todd Yamashita, President and Sequoya, Secretary for Ho'ahu Energy Cooperative Molokai; Samantha Frick and Bryce Barbier of Mana Pacific; and Cody Brooks from RTO Insider.

I. **ROLL CALL**

Vice Chair Glenn called the virtual meeting of the Hawaii Green Infrastructure Authority to order at 1:32 p.m. As required by the Governor's October 1, 2021 Emergency Proclamation related to the State's COVID-19 Delta Response, Vice Chair Glenn called a proper roll call of all members:

Chairperson McCartney	Present
Vice Chair Glenn	Present
Secretary Wallsgrove	Present
Member Hirai	Present
Member Wong	Excused

Gwen Yamamoto Lau introduced the members of the Hawaii Green Infrastructure Authority team.

Members of the public were also invited to introduce themselves.

MATERIALS DISTRIBUTED

1. Agenda for the October 27, 2021 Meeting.
2. Minutes from the August 16, 2021 meeting.

3. Molokai Community Solar Project Overview.
4. GEMS Loan Funds Available Allocation as of 9/30/21.
5. Resolution authorizing Loan Application to the USDA.
6. HGIA Quarterly Report for period ended September 30, 2021.

II. **APPROVAL OF MINUTES**

Vice Chair Glenn stated that the first item on the agenda is the approval of the August 16, 2021 meeting minutes.

Secretary Wallsgrove moved and Chair McCartney seconded the motion to approve the August 16, 2021 minutes. Vice Chair Glenn asked if there were comments or discussion from the Members. Hearing none, he asked if there were any questions from the general public. Hearing none, Vice Chair Glenn called for the vote via roll call.

Ayes: McCartney, Glenn, Wallsgrove and Hirai.

Nays: None

The motion carried unanimously, 4 to 0.

III. **PROGRAM UPDATES**

Vice Chair Glenn stated that the next item on the agenda is Program Updates and called on Gwen Yamamoto Lau to present.

1. Residential Loan Portfolio Update: Yamamoto Lau reported that 72 new applications were received during the quarter and 166 applications are in process.

As detailed in the quarterly report, as of September 30th, 24 or 8.3% of the residential loan portfolio were past due. Of which, 13 were late due to the timing of the utility bill cycle and ten had past due balances owed but were still making payments. There is one loan, however, with a balance of \$26,000, that has not made a payment since December. The utility continues to work with the customer.

All of HGIA's direct billed loans were current.

2. Commercial Loan Portfolio Update: Leatrice Galicinao reported that four commercial loans aggregating \$1.9 million with total project costs aggregating \$3.9 million were closed during the quarter. Additionally, 7 commercial applications are in process.

All of HGIA commercial loans are being paid as agreed.

3. Miscellaneous Program Updates: Yamamoto Lau reported that HGIA has been collaborating with DBEDT, NELHA, HTDC, the University of Hawaii's MBDA Business Center and the Department of Agriculture to submit an Economic Development Administration's Build Back Better Regional Challenge grant application. The application focus is on Hawaii's Blue Ocean Economic Cluster (food security, ocean technology, ocean conservation and energy security).

HGIA has also been collaborating with the City, Hawaii Energy, the Energy Equity Hui and Rocky Mountain Institute on a Solarize Waianae Campaign, targeted to launch early next year.

Lastly, HGIA has been working with HECO to facilitate and automate HGIA's on-bill repayment mechanism for Community Solar projects to reach more underserved ratepayers.

Vice Chair Glenn asked the members if there were any questions on the updates. Yamamoto Lau addressed questions from the Members.

Vice Chair Glenn asked if there were any questions from the public, hearing none, he moved on to the next item on the agenda.

IV. **DISCUSSION AND/OR DECISION MAKING**

1. \$7.5 Million Set Aside: Vice Chair Glenn stated that the next item on the agenda is to approve a \$7.5 million aside for Ho'ahu Energy Cooperative Molokai's ("Coop") Community-Based Renewable Energy project and asked Gwen Yamamoto Lau to present.

Yamamoto Lau provided a high-level overview of this community-led, community-owned project, to be developed in a community with one of the highest energy costs and poverty levels in the state.

Yamamoto Lau explained that while the GEMS funds are not yet authorized to finance community solar projects, due to the significant impact this project will have on the Molokai community, coupled with the very long lead time needed before the project will be able to break ground, she recommended setting aside \$7.5 million, or approximately 50% of the total project costs, in GEMS funds for the Ho'ahu community solar project, subject to PUC approval and HGIA underwriting approval.

Vice Chair Glenn invited members from the Coop to speak. Ali Andrews and Todd Yamashita gave an overview of the Coop and the project, which would produce approximately 20% of Molokai's energy needs. He also stated that Molokai has a large population of renters and many rooftops are too old to support solar panels. As such this project would be able to help people who normally would not be able to access solar.

Vice Chair Glenn asked if there were any questions from the Members. Secretary Wallsgrove did not have a question but did want to disclose that while he supports community solar, as supervisor of the Environmental Law clinic at the UH Law school, which is currently providing pro bono work for the Coop, he would like to recuse himself from any decision making related to the Coop.

Hearing no further questions or comments from the members, Vice Chair Glenn inquired if there were any questions for the general public.

Seeing no other discussions Vice Chair Glenn called for a motion to approve setting aside \$7.5 million for Ho'ahu Energy Cooperative Molokai's Community-Based Renewable Energy ("CBRE") project, subject to HGIA obtaining Public Utilities Commission approval to finance CBRE projects as well as credit underwriting of the Coop project. Chairperson McCartney moved and Member Hirai seconded the motion. The votes were called via roll call.

Ayes: McCartney, Glenn, Hirai

Nays: None

Abstain: Wallsgrove

The motion carried 3 to 0, with 1 abstention.

2. GEMS Funding Reallocation: Vice Chair Glenn moved to the next item on the agenda is to approve reallocating \$2.5 Million from the LMI household and \$5.0 million from the Multi-family project categories to create a new \$7.5 million Community Solar category, and called on Gwen Yamamoto Lau to provide information on this action item.

Yamamoto Lau reported that in September 2019, based on the recommendations of a Permitted Interaction Group, HGIA strengthened its commitment to underserved ratepayers by reserving 100% of the remaining loan funds available to underserved ratepayers in four categories, (1) LMI Homeowners and Renters, (2) Small Businesses, as defined by the U.S. Small Business Administration, (3) Nonprofits and (4) Multi-Family Rental Projects, and allocated a set amount of funds to each category.

In order to establish a new Community Solar category, staff recommended "funding" it by decreasing the LMI Homeowners and Multi-Family Rental categories by \$2.5 million and \$5.0 million, respectively.

Vice Chair Glenn asked Members if they had any questions about the re-allocation. As a portion of the energy produced in the CBRE project will be for non-residential subscribers, Vice Chair Glenn recommended a change to the reallocation as follows:

- \$1.5 million from the Nonprofit category
- \$2.0 million from the LMI Household category
- \$4.0 million from the Multi-family Project category

Vice Chair Glenn asked for any questions from the general public. Hearing none, he asked for a motion to approve reallocating \$2.0 million from the LMI Household category, \$4.0 million from the Multi-family Project category, and \$1.5 million from the Nonprofit category to establish the \$7.5 million Community Solar category.

Chairperson McCartney moved and Member Hirai seconded the motion. The votes were called via roll call.

Ayes: McCartney, Glenn, Hirai

Nays: None

Abstain: Wallsgrove

The motion carried 3-0, with 1 abstention.

Chairperson McCartney left the meeting at 2:07 pm.

3. Resolution to Borrow: Vice Chair Glenn noted that the next item on the agenda is to approve a Resolution authorizing HGIA to apply for a loan with the United States Department of Agriculture's Rural Energy Savings Program for up to \$20 million. Vice Chair Glenn called on Gwen Yamamoto Lau to provide information.

Yamamoto Lau reported that in alignment with the Authority's Annual Plan and Act 107 (SLH 2021) signed into law on June 28, 2021, HGIA plans to apply for a USDA Rural Energy Savings Program loan in the amount of \$20.0 million to provide additional loan capital.

The complete application requires a Resolution from HGIA's board to authorize staff to submit a loan application and if approved, authorizes the Executive Director and the Board Chair to sign loan documents and agreements. The application is due by December 15, 2021.

Vice Chair Glenn asked if there was any questions or discussion about this resolution. Yamamoto Lau addressed questions from the Members.

Vice Chair Glenn asked if there were any further questions. Hearing none, he asked if there were any questions from the general public. Hearing none he asked for a motion to approve a Resolution authorizing HGIA to apply for a loan under the United States Department of Agriculture's Rural Energy Savings Program for up to \$20 million.

Secretary Wallsgrove moved and Member Hirai seconded the motion. Vice Chair Glenn called for the vote via roll call.

Ayes : Glenn, Wallsgrove and Hirai
Nays : None

The motion carried unanimously, 3 to 0.

4. HGIA's Quarterly Report: Vice Chair Glenn moved to the final item on the agenda, the approval of HGIA's Quarterly report for the period ended September 30, 2021 and asked Gwen Yamamoto Lau to provide information on this action item.

Yamamoto Lau shared the following highlights:

- As of September 30th, \$90.3 million of GEMS funds have been committed.
- There are approximately \$33.8 million available to finance underserved ratepayers.
- Excess revenue over expenditures for the first quarter of the new fiscal year was \$257,000, prior to the \$806,000 in loan repayments that will be transferred to the PUC.
- To date, the GEMS program has created or retained over 1,250 green jobs and generated over \$15.0 million in state tax revenues.

Administrative Update:

During the quarter HGIA submitted a letter of intent to the USDA for the RESP loan as well as Program Notification No. 14 to the PUC to request approval to expand the use of the \$50.0 million State Revolving Loan fund. On October 5, 2021 the PUC issued order 38001 approving Program Notification No. 14.

Vice Chair Glenn asked for questions on the Quarterly Report from the Members. Hearing none, he asked if there were any questions from the general public. Hearing none, Vice Chair Glenn called for a motion to approve HGIA's September 30, 2021 Quarterly Report.

Member Hirai moved and Secretary Wallsgrove seconded the motion to approve HGIA's quarterly report for the period ended September 30, 2021. Vice Chair Glenn called for a vote via roll call.

Ayes: Glenn, Wallsgrove, and Hirai
Nays: None

The motion carried unanimously, 3 to 0.

V. ADJOURNMENT

Vice Chair Glenn asked if there were any other matters that should be discussed. Hearing none he asked for a motion to adjourn.

Secretary Wallsgrove moved and Member Hirai seconded the motion. Vice Chair Glenn called for the vote.

Ayes: Glenn, Wallsgrove and Hirai
Nays: None

The motion carried unanimously, 3 to 0.

Vice Chair Glenn adjourned the meeting at 2:21 p.m.

Respectfully Submitted

Richard Wallsgrove

By: _____
Richard Wallsgrove
Its: Secretary