

**HAWAII GREEN INFRASTRUCTURE AUTHORITY  
NOTICE OF MEETING  
BOARD OF DIRECTORS MEETING**

DATE: July 29, 2024  
TIME: 3:00 p.m.  
PLACE: 250 S Hotel Street, Conference Room B  
Honolulu, Hawai'i 96813  
And Video Conference

<https://us06web.zoom.us/j/81026695190?pwd=aCEoZHqWHunMIRLAIUM2TbLyDJy54Y.1>

Call in Number: +1 669-444-9171  
Meeting ID: 810 2669 5190  
Passcode: 099506

**Please note that this Zoom link will not be activated until 2:55 p.m. on July 29, 2024**

The public is welcome to participate by attending the meeting virtually or in person and/or by submitting written testimony to HGIA by one of the methods listed below. Testimony will be accepted only for items listed on the agenda. Please check our website for the upcoming meeting at <http://gems.hawaii.gov/learn-more/about-us/>.

By mail to: Hawaii Green Infrastructure Authority  
PO Box 2359, Honolulu, HI 96804  
By e-mail to: [dbedt.greenbank@hawaii.gov](mailto:dbedt.greenbank@hawaii.gov)

The deadline for submitting written testimony is before 12:00 noon on the business day prior to the board meeting.

Should you have any questions or concerns, please call us at (808) 587-3868.

**AGENDA**

**I. CALL TO ORDER/ROLL CALL**

**II. APPROVAL OF MINUTES**

1. Regular Meeting – April 29, 2024

**III. Program Updates**

1. Report on program updates in the Residential Loan Portfolio for the period ended June 30, 2024
2. Report on the program updates in the Commercial Loan Portfolio for the period ended June 30, 2024
3. Miscellaneous Program Updates.

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

1. Elect new Board Officers of the Hawaii Green Infrastructure Authority
2. Approve Additional Qualifying Improvements & revisit HRS 225-PS for C-PACER
3. Approval of HGIA's Quarterly Report for the period ended June 30, 2024

#### **V. ADJOURNMENT**

Upon distribution to HGIA's board members, HGIA shall make the full board packet available at: <http://gems.hawaii.gov/learn-more/about-us/>

If any person requires auxiliary aid or accommodation due to a disability, please call Latrisha Nakasone at (808) 460-7986 or email her at [dbedt.greenbank@hawaii.gov](mailto:dbedt.greenbank@hawaii.gov) as soon as possible preferably by close of business, three business days prior to meeting date. Please note that requests made as early as possible have a greater likelihood of being fulfilled. If a response is received after 3 business days prior to meeting date HGIA will try to obtain the auxiliary aid/service or accommodation, but HGIA cannot guarantee that the request will be fulfilled. In some cases, due to the limited number of communication access providers, a requested auxiliary aid/service or accommodation may not be obtained for the event even if a request is made prior to the reply by date.

Upon request, this notice is available in alternate formats such as large print, Braille or electronic copy.

HAWAII GREEN INFRASTRUCTURE AUTHORITY  
State of Hawai'i

Monday, April 29, 2024 – 3:00 p.m.

Conference Room #436 and Video Conference

Honolulu, Hawai'i 96813

**ATTENDANCE**

Members Present: James Kunane Tokioka, Mark Glick, Richard Wallsgrove

Staff Present: Gwen Yamamoto Lau, Nhu-An Tran, Dante Hirata-Epstein, Peter Tan, Lorrie Wu, Latrisha Nakasone

Others Present: John Cole (Deputy Attorney General)

Members of the Public: K.B. Chun

**I. ROLL CALL**

Chair Tokioka called the meeting of the Hawaii Green Infrastructure Authority to order at 3:03 p.m. Chair Tokioka called a proper roll call of all members.

Chairperson Tokioka	Present
Vice Chair Wong	Excused
Secretary Glick	Present
Member Wallsgrove	Present
Member Salaveria	Excused

All members confirmed that no other adults were present in the room with them.

**MATERIALS DISTRIBUTED**

1. Agenda for the April 29, 2024 Meeting.
2. Minutes from the March 28, 2024 Regular Meeting.
3. HGIA's Quarterly Report for the period ended March 31, 2024

**II. APPROVAL OF MINUTES**

Chair Tokioka stated that the first item on the agenda is the approval of the minutes of the March 28, 2024 regular meeting and asked for a motion to approve the minutes.

Secretary Glick moved and Member Wallsgrove seconded the motion to approve the March 28, 2024 regular meeting minutes. Chair Tokioka asked if there was any discussion on the meeting minutes. Hearing none, Chair Tokioka asked if there were any questions from the general public. Hearing none, Chair Tokioka called for a vote via roll call.

Ayes: Tokioka, Glick, Wallsgrove

Nays: None.

The motion carried unanimously, 3 to 0.

### **III. PROGRAM UPDATES**

Chair Tokioka stated that the next items on the agenda are program updates starting with Peter Tan on the Residential Portfolio.

1. **Residential Portfolio.** During this past quarter, HGIA received 517 new applications – 203 on-bill applications and 314 on-bill consumer lease applications. HGIA has approved 56 loans and is currently processing 939 loan applications.
2. **Commercial Portfolio.** Nhu-An Tran reported that during the past quarter, HGIA received 6 new applications from 2 small businesses and 4 third-party investors. Of these, 3 applications aggregating \$1.8 million were approved.
3. **Legislative and Miscellaneous Updates:**

Yamamoto Lau reported on the following HGIA-related bills that were approved by the Legislature:

- **HB1800**, which includes three additional special and federally funded positions.
- **HB2801**, effective July 1, 2024, will enable condominium associations to qualify for C-PACER financing and transition from a county-level to a state-level program.
- **HB2685** will create a solar hui fund for condo owners to invest in solar+storage systems to be installed on ALICE rooftops.
- Unfortunately, **HB2372**, which would have transferred \$50 million in general funds approved by the Legislature last year to HGIA's clean energy and energy efficiency fund to recycle loan repayments and reinvestment into new loans for ALICE households, was deferred.

Yamamoto Lau provided the following miscellaneous updates:

- HGIA was selected along with 5 other green banks to design clean water infrastructure financing programs to be scaled nationwide.
- HGIA applied for a \$500 million grant under the EPA's Climate Pollution Reduction Grant Program to lead a coalition of 15 states to install solar+storage systems in state and local buildings. Award notification is expected in July.
- HGIA was awarded \$62.45 million under the EPA's Solar For All Grant Program to finance rooftop solar+storage systems for low-income households and disadvantaged communities.

Chair Tokioka asked if there were any questions from the Members. Hearing none, he 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**

Chair Tokioka stated the last item on the agenda is the approval of HGIA's Quarterly Report ending March 31, 2024 and called on Gwen Yamamoto Lau to present.

Yamamoto Lau shared the following additional highlights:

- Effective with this March 31, 2024 Quarterly report, detailed metrics and financial reports will be submitted to the Commission in an excel worksheet.
- During the quarter, the HI-CAP Collateral Support Program supported 3 loans with credit enhancements and received a request for a working capital line for a Maui business that will be providing security for Lahaina. HGIA will provide credit support up to 50% of the line amount to facilitate access to capital.

Yamamoto Lau addressed questions from the members.

Chair Tokioka asked if there were any question from the public. Hearing none, he asked for a motion to approve HGIA's Quarterly Report for the period ending March 31, 2024. Member Wallsgrove moved, and Secretary Glick seconded the motion to approve HGIA's Quarterly Report for the period ending March 31, 2024. Chair Tokioka called for a vote via roll call.

Ayes: Tokioka, Glick, Wallsgrove.

Nays: None.

The motion carried unanimously, 3 to 0.

## V.    **ADJOURNMENT**

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

Secretary Glick moved, and Member Wallsgrove seconded the motion. Chair Tokioka adjourned the meeting by acclamation at 3:24 p.m.

Respectfully Submitted

By: \_\_\_\_\_

Mark Glick  
Its: Secretary

DRAFT



## C-PACER Financing Program

Category	Per Act <del>4183</del> (SLH <del>20242</del> )	Financing Program	
Service Area	<del>Participating Counties in Hawaii</del> State of Hawaii	<del>Participating Counties in Hawaii</del> State of Hawaii	
Participating Lender <u>or Qualified Capital Providers (QCP)</u>	A financial institution as defined by section 412:1-109, HRS or a private or public lender approved by HGIA.	A financial institution as defined by section 412:1-109, HRS or a private or public lender approved by HGIA.  Other interested capital providers shall complete and submit a Participating Lender Application to HGIA.	
Qualifying Improvements (QI)	A septic system or aerobic treatment unit system or connection to sewer systems, clean energy technology, efficiency technology, resiliency measure or other improvement approved by HGIA.  Must be permanently affixed to a building or facility or affixed to the real property.	Qualifying improvements include, but are not limited to the following:	
		Wastewater / Drinking Water <ul style="list-style-type: none"> <li>• Septic systems</li> <li>• Aerobic treatment unit systems</li> <li>• Connection to sewer systems</li> <li>• Drinking Water projects</li> <li>• Water conservation measures</li> </ul>	
		Clean Energy (consistent with State's CE goals) <ul style="list-style-type: none"> <li>• Solar PV Systems</li> <li>• EV Charging Stations</li> <li>• Wind</li> <li>• Fuel cells</li> </ul>	
		Energy Efficiency <ul style="list-style-type: none"> <li>• Insulation</li> <li>• Building envelope</li> <li>• Automatic energy control systems</li> <li>• HVAC</li> <li>• Lighting</li> <li>• Solar Thermal</li> <li>• Heat pumps</li> <li>• Other measures approved by HGIA (in concert with Hawaii Energy)</li> </ul>	
		Resiliency (improve durability of infrastructure) <ul style="list-style-type: none"> <li>• Flood mitigation</li> <li>• Hurricane mitigation</li> <li>• Storm/Sea level rise</li> <li>• Microgrids</li> <li>• Energy Storage Systems</li> <li>• Indoor air quality</li> <li>• Seismic measures</li> <li>• Fire suppression systems</li> </ul>	
		<u>For Condominium Associations only:</u>	<ul style="list-style-type: none"> <li>• <u>All condominium association related improvements that are affixed to the property or building (e.g., re-piping, elevator upgrade, concrete spalling, replacing rusted rebar, swimming pool repairs, etc.)</u></li> </ul>
		Other Eligible expenses:	<ul style="list-style-type: none"> <li>• Energy/water audits, feasibility studies, etc.</li> <li>• Soft costs (e.g., Engineering &amp; design, legal, permit fees, etc.)</li> <li>• Commissioning costs</li> </ul>

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## C-PACER Financing Program

		<ul style="list-style-type: none"> <li>Beneficial electrification projects<sup>1</sup></li> <li>Prepaid O&amp;M costs for up to 5 years (including measurement and verification costs)</li> <li>Cost of extended warranties</li> <li>Financing costs (e.g., Participating Lender or project developer fees, interest reserves, Program fees, title fees, recording fees, etc.)</li> <li>Ancillary costs for installations (not to exceed direct costs)</li> </ul>
		Qualifying improvements shall be in alignment with HRS 225P-5. Bridge technology shall not have a useful life beyond 2045. Please contact HGIA on qualifying improvement eligibility for measures not included above.
Eligible Properties	<ol style="list-style-type: none"> <li>Any existing or new non-residential real property not defined as a residential property, including any property where there is a leasehold or possessory interest in the property;</li> <li>Any multi-family dwelling or townhouse consisting of five or more units;</li> <li>Any condominium association organized under Chapter 514B consisting of six or more units; provided that individual residential condominium units shall not be considered commercial property and shall be ineligible to apply for commercial property assessed financing under this part; or and</li> <li>Agricultural property.</li> </ol>	<ol style="list-style-type: none"> <li>Any existing or new non-residential real property, including any property where there is a leasehold or possessory interest in the property;</li> <li>Any multi-family dwelling or townhouse consisting of five or more units;</li> <li>Any condominium association organized under Chapter 514B consisting of six or more units; provided that individual residential condominium units shall not be considered commercial property and shall be ineligible to apply for commercial property assessed financing under this part; or</li> <li>Agricultural property. Existing or new real property not defined as a residential property, including leasehold, multi-family dwelling or townhouse consisting of five or more units and agricultural property.</li> </ol>
Underwriting Requirement:	Participating Lender shall reasonably determine that the commercial property owner is able to borrow using reasonable commercial underwriting practices.	<p>Participating Lender shall reasonably determine that the commercial property owner is able to borrow using reasonable commercial underwriting practices.</p> <p>The Participating Lenders shall certify that the project meets its underwriting and cash flow requirements.</p>
Loan Amount:		No upper limits on the amount that can be financed

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<sup>1</sup> Beneficial electrification projects are projects that involve the replacement of systems involving direct fossil fuel use (e.g., natural gas, propane, heating oil) with systems using electricity only. Beneficial electrification projects provide a path to buildings and systems supplied with energy from renewable energy production sources as opposed to energy production sources or systems that rely on fossil fuel use, resulting in overall emission reduction.



## C-PACER Financing Program

Interest Rates & Lender's Fees		Negotiated between Participating Lender and Property Owner.
Maximum Term	Term not to exceed the useful life of the QI being installed or the weighted average useful life of all Qis being financed.	Term not to exceed the useful life of the QI being installed or the weighted average useful life of all Qis being financed.  More stringent maximum term limits may be applied at the discretion of the Administrator.
Amortization		Fully amortized. Capitalized interest and interest only periods allowed, as negotiated between the Participating Lender and property owner.
L <del>ie</del> an to Value:		For properties valued <sup>2</sup> at less than \$1.0 million, the C-PACER <del>R</del> loan shall not exceed the lesser of 25% of the C-PACER <del>R</del> l <del>ie</del> an to value or 90% of the cumulative loans to value.  For properties valued at \$1.0 million or more, the C-PACER <del>R</del> ace loan shall not exceed a cumulative l <del>ie</del> an to value of 90%.
Appraisal Requirement		The value of the property shall be determined by an appraisal or tax assessed value, acceptable to Participating Lender, with valuation date no more than 12 months old to be submitted with application.
Recourse:		Non-recourse
Security	<u>Program financing shall be secured by a voluntary assessment imposed on the benefitted property that is secured by a statutory lien; provided that the statutory lien shall have priority over all other liens except the liens for property taxes and other assessments lawfully imposed by a governmental authority against the property.</u>	The financing is evidenced by a commercial property assessed financing assessment contract (Contract) and is secured by a <u>statutory lien</u> <del>special assessment</del> recorded in the Bureau of Conveyances against the eligible property. The <u>statutory lien and related</u> <del>special assessments</del> <u>lien is are</u> senior to all commercial mortgages and deeds of trusts <u>and other governmental liens, except for lien for property taxes and other assessments already lawfully imposed by a governmental authority against</u> <del>and is equal (pari passu) in priority to other special assessments on</del> the property, provided that the lender consent described below are obtained. <del>The special assessment lien is junior to general property tax liens.</del>
Energy audits/ analysis; Water audit/analysis; Renewable studies; Resiliency analysis		<u>May</u> <del>Shall</del> be provided by a licensed professional engineer or professional in relevant field, who shall also certify that the improvement(s) meet the requirements of the statute.
Retroactive Financing		Subject to additional criteria: <ul style="list-style-type: none"> <li>Construction/installation of QI must have occurred within the <u>53</u>-year (<del>360</del>-month) period immediately preceding the date of application submission;</li> <li>Term cannot exceed weighted average effective useful life of QI, less the number of years since</li> </ul>

<sup>2</sup> The Participating Lender shall determine the source of the value of the property (e.g., County real property tax value or appraised value).  
Updated 2024~~3~~ 07~~3~~

## C-PACER Financing Program

		construction completion evidenced by the Certificate of Occupancy or similar.
Refinancing/Loan Modification (does not start a new application)		Subject to additional criteria: <ul style="list-style-type: none"> <li>• Updated underwriting qualification;</li> <li>• Mortgage holder consent;</li> <li>• Financing term not to exceed the weighted average of the effective useful life of the QI, less the number of years since the construction completion evidenced by the Certificate of Occupancy or similar.</li> </ul>
Prepayment Penalty		Negotiated between Property owner and lender
Transfer Upon Sale:		<u>Remaining balance of the C-PACER</u> obligation to transfer upon sale.
Property Eligibility Requirements	<p>a. All property taxes and/or assessments levied on the property must be current;</p> <p>b. No involuntary liens, including construction liens that will not be paid or satisfied upon C-PACER loan closing.</p>	<p>a. All property taxes and/or assessments levied on the property must be current;</p> <p>b. No involuntary liens, including construction liens that will not be paid or satisfied upon C-PACER loan closing.</p>
Lender Consent	<p>Commercial property owner <u>shall</u>:</p> <p><u>A(i). Provide Participating Lender and HGIA evidence of written consent of each holder or loan servicer of any mortgage that encumbers the property at or before the time of execution of the Contract; and</u></p> <p><u>(ii) For a commercial property that is a condominium organized under chapter 514B, or preceding state law governing condominium property regimes, as an alternative to clause (i) the condominium association shall provide the Participating Lender and HGIA with evidence of the written consent of each creditor with a valid Uniform Commercial Code financing statement or mortgage recorded with the Bureau of Conveyances that encumbers or otherwise secures the condominium.</u></p>	<p><u>Commercial property owner shall:</u></p> <p><u>A(i). Provide Participating Lender and HGIA evidence of written consent of each holder or loan servicer of any mortgage that encumbers the property at or before the time of execution of the Contract; and</u></p> <p><u>(ii) For a commercial property that is a condominium organized under chapter 514B, or preceding state law governing condominium property regimes, as an alternative to clause (i) the condominium association shall provide the Participating Lender and HGIA with evidence of the written consent of each creditor with a valid Uniform Commercial Code financing statement or mortgage recorded with the Bureau of Conveyances that encumbers or otherwise secures the condominium. Commercial property owner to provide Participating Lender and HGIA evidence of written consent of each holder or loan servicer of any mortgage that encumbers the property at or before the time of execution of the Contract.</u></p> <p>The lender consent requirement may be waived by HGIA with respect to any lender that will be paid in full or satisfied at C-PACER closing.</p>
Approved Contractors:		<del>Contractors shall follow HGIA's existing "Approved Contractor" requirements and process.</del>

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## C-PACER Financing Program

Public Records	Summary Memorandum of the Contract shall be recorded in the Bureau of Conveyances.	Summary Memorandum of the Contract shall be recorded in the Bureau of Conveyances.
<u>Disclosure Property Owner agree and acknowledge</u>	<p>1. <u>Agree to the Participating Lender's remedies if a default occurs, including foreclosure, in accordance with the terms and conditions of the Commercial Property Assessed Financing Contract;</u></p> <p>2. <u>Commercial property owner to provide prospective buyers written disclosure of the commercial property assessed financing assessment at or before the execution of a Sales Contract.</u></p>	<p>1. <u>Agree to the Participating Lender's remedies if a default occurs, including foreclosure, in accordance with the terms and conditions of the Commercial Property Assessed Financing Contract;</u></p> <p>2. <u>Commercial property owner to provide prospective buyers written disclosure of the commercial property assessed financing assessment at or before the execution of a Sales Contract.</u></p>
Lien Priority	<u>Junior to general property tax liens</u>	Junior to general property tax liens
<u>Collections Collections</u>	<p><u>To mirror general real property taxes Each commercial property assessed financing assessment that is approved for collection shall be billed and collected by HGIA in accordance with the QCP's amortization schedule.</u></p> <p><u>HGIA may charge interest or other fees on assessment amounts not paid on a timely basis.</u></p> <p><u>Condominium associations:</u></p> <p><u>HGIA shall bill and collect financing assessments from condominium associations as described above.</u></p> <p><u>Financing assessments imposed and due from the association shall be a common expense of the association and the unit owners' proportionate share of the financing assessment shall be collected by the association in the same manner as common expense.</u></p>	<p><u>Each commercial property assessed financing assessment that is approved for collection shall be billed and collected by HGIA in accordance with the QCP's amortization schedule.</u></p> <p><u>HGIA may charge interest or other fees on assessment amounts not paid on a timely basis.</u></p> <p><u>Condominium associations:</u></p> <p><u>HGIA shall bill and collect financing assessments from condominium associations as described above.</u></p> <p><u>Financing assessments imposed and due from the association shall be a common expense of the association and the unit owners' proportionate share of the financing assessment shall be collected by the association in the same manner as common expense.</u></p> <p>Hawaii</p> <p>Frequency: Semi-Annual</p> <p>Honolulu</p> <p>Frequency: Semi-Annual</p> <p>Kauai</p> <p>Frequency: Semi-Annual</p> <p>Maui</p>

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## C-PACER Financing Program

		<p>Frequency:</p> <p>Semi-Annual</p>
<p><u>Delinquent Assessments Responsibilities of the City/Counties</u></p>	<p><u>HGIA shall commence and diligently pursue to completion the foreclosure of delinquent commercial property assessed financing assessments and any penalty, interest, and costs by advertisement and sale with the same effect as provided by general law for sales of real property pursuant to Chapter 667, HRS in accordance with the terms of the commercial property assessed financing contract. Any guidelines and procedures developed pursuant to this paragraph shall specify a deadline for commencement of the foreclosure sale and any other terms and conditions HGIA determines reasonable regarding the foreclosure sale.</u></p>	<p><u>HGIA shall commence and diligently pursue to completion the foreclosure of delinquent commercial property assessed financing assessments and any penalty, interest, and costs by advertisement and sale and with the same effect as provided by general law for sales of real property pursuant to Chapter 667, HRS in accordance with the terms of the commercial property assessed financing contract, after one year from the date of delinquency. The City and Counties will need to "opt-in" to and engage HGIA to administer a C-PACE program on behalf of its municipality. The ongoing role of the city/county are as follows:</u></p> <ol style="list-style-type: none"> <li>1. <u>Receive notice from HGIA that a C-PACE project financing closed and record the appropriate assessment(s) in its records</u></li> <li>2. <u>Upon notification from HGIA of its past due status, take appropriate enforcement action, as may be required, per the City/County's established policies and procedures.</u></li> </ol>
<p><u>Program Fees for all Eligible Properties except Condominium Associations:</u></p>		<p><u>Loans up to \$999,999.00</u></p> <ul style="list-style-type: none"> <li>• <u>Closing Fee - HGIA: 50 basis points</u></li> <li>• <u>Closing Fee - City/County: 25 basis points</u></li> <li>• <u>Annual Servicing Fee - HGIA: \$100250.00 per payment</u></li> </ul> <p><u>Loans \$1,000,000.00+</u></p> <ul style="list-style-type: none"> <li>• <u>Closing Fee - HGIA: 1.00% (cap of \$75,000)</u></li> <li>• <u>Closing Fee - City/County: 25 basis points (cap of \$12,500)</u></li> <li>• <u>Annual Servicing Fee - HGIA: \$20500.00 per payment</u></li> </ul>
<p><u>Program Fees for Condominium Associations:</u></p>		<ul style="list-style-type: none"> <li>• <u>Closing Fee - HGIA - 25 basis points</u></li> <li>• <u>Servicing Fee - HGIA - \$25.00 per payment</u></li> </ul>

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## C-PACER Financing Program

Category	Per Act 41 (SLH 2024)	Financing Program	
Service Area	State of Hawaii	State of Hawaii	
Participating Lender or Qualified Capital Providers (QCP)	A financial institution as defined by section 412:1-109, HRS or a private or public lender approved by HGIA.	<p>A financial institution as defined by section 412:1-109, HRS or a private or public lender approved by HGIA.</p> <p>Other interested capital providers shall complete and submit a Participating Lender Application to HGIA.</p>	
Qualifying Improvements (QI)	<p>A septic system or aerobic treatment unit system or connection to sewer systems, clean energy technology, efficiency technology, resiliency measure or other improvement approved by HGIA.</p> <p>Must be permanently affixed to a building or facility or affixed to the real property.</p>	Qualifying improvements include, but are not limited to the following:	
		Wastewater / Drinking Water	<ul style="list-style-type: none"> <li>• Septic systems</li> <li>• Aerobic treatment unit systems</li> <li>• Connection to sewer systems</li> <li>• Drinking Water projects</li> <li>• Water conservation measures</li> </ul>
		Clean Energy (consistent with State's CE goals)	<ul style="list-style-type: none"> <li>• Solar PV Systems</li> <li>• EV Charging Stations</li> <li>• Wind</li> <li>• Fuel cells</li> </ul>
		Energy Efficiency	<ul style="list-style-type: none"> <li>• Insulation</li> <li>• Building envelope</li> <li>• Automatic energy control systems</li> <li>• HVAC</li> <li>• Lighting</li> <li>• Solar Thermal</li> <li>• Heat pumps</li> <li>• Other measures approved by HGIA (in concert with Hawaii Energy)</li> </ul>
		Resiliency (improve durability of infrastructure)	<ul style="list-style-type: none"> <li>• Flood mitigation</li> <li>• Hurricane mitigation</li> <li>• Storm/Sea level rise</li> <li>• Microgrids</li> <li>• Energy Storage Systems</li> <li>• Indoor air quality</li> <li>• Seismic measures</li> <li>• Fire suppression systems</li> </ul>
		For Condominium Associations only:	<ul style="list-style-type: none"> <li>• All condominium association related improvements that are affixed to the property or building (e.g., re-piping, elevator upgrade, concrete spalling, replacing rusted rebar, swimming pool repairs, etc.)</li> </ul>

## C-PACER Financing Program

		Other Eligible expenses:	<ul style="list-style-type: none"> <li>• Energy/water audits, feasibility studies, etc.</li> <li>• Soft costs (e.g., Engineering &amp; design, legal, permit fees, etc.)</li> <li>• Commissioning costs</li> <li>• Beneficial electrification projects<sup>1</sup></li> <li>• Prepaid O&amp;M costs for up to 5 years (including measurement and verification costs)</li> <li>• Cost of extended warranties</li> <li>• Financing costs (e.g., Participating Lender or project developer fees, interest reserves, Program fees, title fees, recording fees, etc.)</li> <li>• Ancillary costs for installations (not to exceed direct costs)</li> </ul>
Eligible Properties	<ol style="list-style-type: none"> <li>1. Any existing or new non-residential real property, including any property where there is a leasehold or possessory interest in the property;;</li> <li>2. Any multi-family dwelling or townhouse consisting of five or more units;</li> <li>3. Any condominium association organized under Chapter 514B consisting of six or more units; provided that individual residential condominium units shall not be considered commercial property and shall be ineligible to apply for commercial property assessed financing under this part; or</li> <li>4. Agricultural property.</li> </ol>	<ol style="list-style-type: none"> <li>1. Any existing or new non-residential real property, including any property where there is a leasehold or possessory interest in the property;;</li> <li>2. Any multi-family dwelling or townhouse consisting of five or more units;</li> <li>3. Any condominium association organized under Chapter 514B consisting of six or more units; provided that individual residential condominium units shall not be considered commercial property and shall be ineligible to apply for commercial property assessed financing under this part; or</li> <li>4. Agricultural property.</li> </ol>	
Underwriting Requirement:	Participating Lender shall reasonably determine that the commercial property owner is able to borrow using reasonable commercial underwriting practices.	<p>Participating Lender shall reasonably determine that the commercial property owner is able to borrow using reasonable commercial underwriting practices.</p> <p>The Participating Lenders shall certify that the project meets its underwriting and cash flow requirements.</p>	
Loan Amount:		No upper limits on the amount that can be financed	
Interest Rates & Lender's Fees		Negotiated between Participating Lender and Property Owner.	

<sup>1</sup> Beneficial electrification projects are projects that involve the replacement of systems involving direct fossil fuel use (e.g., natural gas, propane, heating oil) with systems using electricity only. Beneficial electrification projects provide a path to buildings and systems supplied with energy from renewable energy production sources as opposed to energy production sources or systems that rely on fossil fuel use, resulting in overall emission reduction.

## C-PACER Financing Program

Maximum Term	Term not to exceed the useful life of the QI being installed or the weighted average useful life of all QIs being financed.	Term not to exceed the useful life of the QI being installed or the weighted average useful life of all QIs being financed.  More stringent maximum term limits may be applied at the discretion of the Administrator.
Amortization		Fully amortized. Capitalized interest and interest only periods allowed, as negotiated between the Participating Lender and property owner.
Lien to Value:		For properties valued <sup>2</sup> at less than \$1.0 million, the C-PACER loan shall not exceed the lesser of 25% of the C-PACER lien to value or 90% of the cumulative loans to value.  For properties valued at \$1.0 million or more, the C-PACER loan shall not exceed a cumulative lien to value of 90%.
Appraisal Requirement		The value of the property shall be determined by an appraisal or tax assessed value, acceptable to Participating Lender, with valuation date no more than 12 months old to be submitted with application.
Recourse:		Non-recourse
Security	Program financing shall be secured by a voluntary assessment imposed on the benefitted property that is secured by a statutory lien; provided that the statutory lien shall have priority over all other liens except the liens for property taxes and other assessments lawfully imposed by a governmental authority against the property.	The financing is evidenced by a commercial property assessed financing assessment contract (Contract) and is secured by a statutory lien recorded in the Bureau of Conveyances against the eligible property. The statutory lien and related assessments are senior to all commercial mortgages and deeds of trusts and other governmental liens, except for lien for property taxes and other assessments already lawfully imposed by a governmental authority against the property, provided that the lender consent described below are obtained.
Energy audits/ analysis; Water audit/analysis; Renewable studies; Resiliency analysis		May be provided by a licensed professional engineer or professional in relevant field, who shall also certify that the improvement(s) meet the requirements of the statute.
Retroactive Financing		Subject to additional criteria: <ul style="list-style-type: none"> <li>• Construction/installation of QI must have occurred within the 5-year (60-month) period immediately preceding the date of application submission;</li> <li>• Term cannot exceed weighted average effective useful life of QI, less the number of years since construction completion evidenced by the Certificate of Occupancy or similar.</li> </ul>

<sup>2</sup> The Participating Lender shall determine the source of the value of the property (e.g., County real property tax value or appraised value).  
Updated 2024 07

## C-PACER Financing Program

Refinancing/Loan Modification (does not start a new application)		<p>Subject to additional criteria:</p> <ul style="list-style-type: none"> <li>• Updated underwriting qualification;</li> <li>• Mortgage holder consent;</li> <li>• Financing term not to exceed the weighted average of the effective useful life of the QI, less the number of years since the construction completion evidenced by the Certificate of Occupancy or similar.</li> </ul>
Prepayment Penalty		Negotiated between Property owner and lender
Transfer Upon Sale:		Remaining balance of the C-PACER obligation to transfer upon sale.
Property Eligibility Requirements	<ol style="list-style-type: none"> <li>a. All property taxes and/or assessments levied on the property must be current;</li> <li>b. No involuntary liens, including construction liens that will not be paid or satisfied upon C-PACER loan closing.</li> </ol>	<ol style="list-style-type: none"> <li>a. All property taxes and/or assessments levied on the property must be current;</li> <li>b. No involuntary liens, including construction liens that will not be paid or satisfied upon C-PACER loan closing.</li> </ol>
Lender Consent	<p>Commercial property owner shall:</p> <ol style="list-style-type: none"> <li>A(i). Provide Participating Lender and HGIA evidence of written consent of each holder or loan servicer of any mortgage that encumbers the property at or before the time of execution of the Contract; and</li> <li>(ii) For a commercial property that is a condominium organized under chapter 514B, or preceding state law governing condominium property regimes, as an alternative to clause (i) the condominium association shall provide the Participating Lender and HGIA with evidence of the written consent of each creditor with a valid Uniform Commercial Code financing statement or mortgage recorded with the Bureau of Conveyances that encumbers or otherwise secures the condominium.</li> </ol>	<p>Commercial property owner shall:</p> <ol style="list-style-type: none"> <li>A(i). Provide Participating Lender and HGIA evidence of written consent of each holder or loan servicer of any mortgage that encumbers the property at or before the time of execution of the Contract; and</li> <li>(ii) For a commercial property that is a condominium organized under chapter 514B, or preceding state law governing condominium property regimes, as an alternative to clause (i) the condominium association shall provide the Participating Lender and HGIA with evidence of the written consent of each creditor with a valid Uniform Commercial Code financing statement or mortgage recorded with the Bureau of Conveyances that encumbers or otherwise secures the condominium. The lender consent requirement may be waived by HGIA with respect to any lender that will be paid in full or satisfied at C-PACER closing.</li> </ol>
Public Records	Summary Memorandum of the Contract shall be recorded in the Bureau of Conveyances.	Summary Memorandum of the Contract shall be recorded in the Bureau of Conveyances.
Property Owner agree and acknowledge	<ol style="list-style-type: none"> <li>1. Agree to the Participating Lender's remedies if a default occurs, including foreclosure, in accordance with the terms and conditions of the Commercial Property Assessed Financing Contract;</li> </ol>	<ol style="list-style-type: none"> <li>1. Agree to the Participating Lender's remedies if a default occurs, including foreclosure, in accordance with the terms and conditions of the Commercial Property Assessed Financing Contract;</li> <li>2. Commercial property owner to provide prospective buyers written disclosure of the commercial property assessed financing</li> </ol>

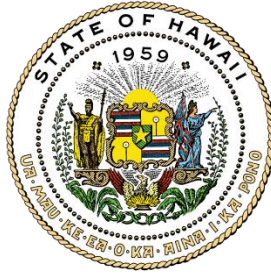


## C-PACER Financing Program

	2. Commercial property owner to provide prospective buyers written disclosure of the commercial property assessed financing assessment at or before the execution of a Sales Contract.	assessment at or before the execution of a Sales Contract.
Lien Priority	Junior to general property tax liens	Junior to general property tax liens
Collections	<p>Each commercial property assessed financing assessment that is approved for collection shall be billed and collected by HGIA in accordance with the QCP's amortization schedule.</p> <p>HGIA may charge interest or other fees on assessment amounts not paid on a timely basis.</p> <p><u>Condominium associations:</u></p> <p>HGIA shall bill and collect financing assessments from condominium associations as described above.</p> <p>Financing assessments imposed and due from the association shall be a common expense of the association and the unit owners' proportionate share of the financing assessment shall be collected by the association in the same manner as common expense.</p>	<p>Each commercial property assessed financing assessment that is approved for collection shall be billed and collected by HGIA in accordance with the QCP's amortization schedule.</p> <p>HGIA may charge interest or other fees on assessment amounts not paid on a timely basis.</p> <p><u>Condominium associations:</u></p> <p>HGIA shall bill and collect financing assessments from condominium associations as described above.</p> <p>Financing assessments imposed and due from the association shall be a common expense of the association and the unit owners' proportionate share of the financing assessment shall be collected by the association in the same manner as common expense.</p>
Delinquent Assessments	<p>HGIA shall commence and diligently pursue to completion the foreclosure of delinquent commercial property assessed financing assessments and any penalty, interest, and costs by advertisement and sale and with the same effect as provided by general law for sales of real property pursuant to Chapter 667, HRS in accordance with the terms of the commercial property assessed financing contract. Any guidelines and procedures developed pursuant to this paragraph shall specify a deadline for commencement of the foreclosure sale and any other terms and conditions HGIA determines reasonable regarding the foreclosure sale.</p>	<p>HGIA shall commence and diligently pursue to completion the foreclosure of delinquent commercial property assessed financing assessments and any penalty, interest, and costs by advertisement and sale and with the same effect as provided by general law for sales of real property pursuant to Chapter 667, HRS in accordance with the terms of the commercial property assessed financing contract, after one year from the date of delinquency.</p>
Program Fees for all Eligible Properties except Condominium Associations:		<p><u>Loans up to \$999,999.00</u></p> <ul style="list-style-type: none"> <li>• Closing Fee - HGIA: 50 basis points</li> <li>• Servicing Fee – HGIA: \$100.00 per payment</li> </ul>

## C-PACER Financing Program

		<u>Loans \$1,000,000.00+</u> <ul style="list-style-type: none"> <li>• Closing Fee - HGIA: 1.00% (cap of \$75,000)</li> <li>• Annual Servicing Fee - HGIA: \$200.00 per payment</li> </ul>
Program Fees for Condominium Associations:		<ul style="list-style-type: none"> <li>• Closing Fee – HGIA – 25 basis points</li> <li>• Servicing Fee – HGIA - \$25.00 per payment</li> </ul>



State of Hawaii



Hawaii Green Infrastructure Authority

**GREEN ENERGY MARKET SECURITIZATION &  
OTHER FINANCING PROGRAMS**

**QUARTERLY REPORT:  
April 1, 2024 – June 30, 2024**

REPORT TO THE  
STATE OF HAWAII  
PUBLIC UTILITIES COMMISSION

Pursuant to  
Act 211, SLH 2013  
Act 107, SLH 2021

Decision and Order No. 32318 filed in Docket No. 2014-0135

July 2024

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## 1 Introduction and Context

The Green Infrastructure Loan Program (a.k.a. the “Green Energy Market Securitization Program,” “GEMS Program” or “Program”) leverages public-private capital to deploy clean energy infrastructure that will contribute towards Hawaii’s pursuit of its statutory 100% clean energy goals by 2045 while helping ratepayers lower their energy costs. The GEMS Program is the result of Act 211, Session Laws of Hawaii 2013 (“Act 211”), which created the framework for establishing the GEMS Program, including its oversight, governance, and reporting processes. The Program is governed by the Hawaii Green Infrastructure Authority which consists of five members: The Director of Business, Economic Development, and Tourism, the Director of Finance, the Chief Energy Officer (fka Energy Program Administrator), and two members appointed by the Governor with the advice and consent of the Hawaii State Senate.

### 1.1 Procedural History and Reporting Requirements

The State of Hawaii Public Utilities Commission (“Commission” or “PUC”) issued Decision and Order No. 32318<sup>1</sup> (the “Program Order”), which approved the “Application of the Department of Business, Economic Development, and Tourism for an Order Approving the Green Infrastructure Loan Program,”<sup>2</sup> (“Application”) for the Hawaii Green Infrastructure Authority (“Authority” or “HGIA”).<sup>3</sup> The Application requested, and the Program Order approved, the use of funds deposited in the Green Infrastructure Special Fund to establish and institute the GEMS Program, subject to the modifications described within the Program Order.<sup>4</sup> In addition to complying with reporting requirements mandated by Act 211, the Authority proposed providing the Commission with Quarterly Reports which offer a snapshot of program activities as a part of the Application.<sup>5</sup> The Commission approved the quarterly reporting proposal made by the Authority, adding additional requirements that arose during the docket process, including one from the Consumer Advocate<sup>6</sup> that included requirements concerning the financing of utility-scale projects, when applicable.<sup>7</sup>

The Commission’s approval of the Quarterly Report process, with modifications, stated that Quarterly Reports must provide information on the progress of the GEMS Program development and include, at a minimum:

- (1) All information proposed in [the] Application or as otherwise indicated by DBEDT in the course of this proceeding to be included in Quarterly Reports;
- (2) Summaries of all metrics approved pursuant to [the] Program Order, and as developed and approved through the metrics and data collection development process;

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<sup>1</sup> Filed on September 30, 2014 in Docket No. 2014-0135

<sup>2</sup> Filed on June 6, 2014 in Docket No. 2014-0135

<sup>3</sup> HRS §196-63 provides that until the Authority is duly constituted, the Department of Business, Economic Development, and Tourism of the State of Hawaii (DBEDT) may exercise all powers reserved to the Authority pursuant to HRS §196-64, and shall perform all responsibilities of the Authority. As the Authority has now been duly constituted, the Authority assumes in its own right, pursuant to statute, all of the functions, powers, and obligations, including responsive or informational submissions in this Docket, which had heretofore been assigned to DBEDT.

<sup>4</sup> See “Decision and Order No. 32318,” filed in Docket No. 2014-0135 on September 30, 2014, at p. 1.

<sup>5</sup> See “Application of Department of Business, Economic Development, and Tourism; Verification; Exhibits; and Certificate of Service,” filed in Docket No. 2014-0135 on June 6, 2014 at p. 17.

<sup>6</sup> “Consumer Advocate” refers to the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs of the State of Hawaii.

<sup>7</sup> See “Decision and Order No. 32318,” filed in Docket No. 2014-0135 on September 30, 2014, at p. 93.

- (3) Accumulated year-to-date tallies of quantitative, and to the extent possible, non-quantitative metrics provided in preceding Quarterly Reports for the applicable annual reporting period;
- (4) Any additional information required by this Program Order to be included as part of one or more Quarterly Reports; and
- (5) Actuals to date as compared to the immediately preceding Annual Plan budget.<sup>8</sup>

In the Application, the Authority proposed Quarterly Reports to include a snapshot of program activities, provide a financial summary, and address adjustments planned or made to the GEMS Program to accommodate market changes.<sup>9</sup> Effective with this March 31, 2024 Quarterly report, detailed metrics and financial reports will be submitted to the Commission in an excel worksheet.

More information about the procedural background for the GEMS Program can be found in the various filings in Docket No. 2014-0135 on the Commission’s website: [CDMS Search \(site.com\)](https://www.ctcms.com).

## 1.2 Overview of Program Status and Market Outlook

The following are Program highlights on the Authority’s clean energy financing programs, as of June 30, 2024:

Total Installed Capacity (kW)	15,654
Total Estimated kWh Production / Reduction Over Lifetime Since Inception	1,003,017,454
Total Petroleum Displaced Over Lifetime (Estimated Barrels)	615,874
Total Greenhouse Gas Avoided Over Lifetime (Estimated Metric Tons CO2)	301,705
Estimated Net <sup>10</sup> Bill Savings Over Lifetime	\$224,434,433
Number of Renters Benefitting from Clean Energy	1322
% Underserved Residential Households Served	87%

## 2. Summary of Program Activities

The following is a summary of the activities that have occurred between April 1, 2024 and June 30, 2024.

### 2.1 Administration

The following timeline of activities pertain to the administration of HGIA’s programs:

- **Board Meeting.** The Authority held a board meeting on April 29, 2024, during which it approved HGIA’s Quarterly Report for the quarter ended March 31, 2024.
- **Quarterly Report.** The Quarterly Report and financial statements covering the period of January 1, 2024 to March 31, 2024 was filed with the Commission on April 29, 2024 in Docket No. 2014-0135.
- **Equitable Clean Water Infrastructure Award.** On April 10, 2024, the Coalition for Green Capital announced that HGIA, along with the Connecticut Green Bank, DC Green Bank, Groundswell Capital (Arizona), Missouri Green Bank and Solar Energy Loan Fund (SELF)(Florida), were awarded \$1.3 million in awards and technical assistance to finance equitable clean water infrastructure.
- **IRA Greenhouse Gas Reduction Fund – Solar for All Program.** On Earth Day, April 22, 2024, the Environmental Protection Agency (EPA) announced that HGIA will be awarded \$62.45 million under the Solar for All Program. These funds can only benefit

<sup>8</sup> See “Decision and Order No. 32318,” filed in Docket No. 2014-0135 on September 30, 2014, at p. 97.

<sup>9</sup> See “Application of Department of Business, Economic Development, and Tourism; Verification; Exhibits; and Certificate of Service,” filed in Docket No. 2014-0135 on June 6, 2014 at p. 17.

<sup>10</sup> Net bill savings is ratepayer savings from solar system after paying loan or power purchase agreement payments.



low-income households with verified federal assistance programs (e.g., SNAP, LIHEAP, etc.) and disadvantaged communities. A portion of the funds can also be used for capacity building, technical assistance and workforce development in disadvantaged communities.

- **Act 40, SLH 2024.** Governor Green signed HB2685, CD1 into law on May 30, 2024 authorizing HGIA to create a Solar Hui Investment Fund for mutli-family and condo owners to co-invest in solar to be installed on ALICE rooftops. The bill also provided a Solar Hui Fund Manager position.
- **Act 41, SLH 2024.** Governor Green signed HB2801, CD1 into law on May 30, 2024 elevating the C-PACER Financing program to a State-level program and enabling Condominium Associations to be eligible for financing.



From left to right: Andy Kawano (City Budget Director); Karen Lee (City Corporation Counsel); Demaney Kihe (HGIA); Yamamoto Lau (HGIA); Rocky Mould (HSEA); Speaker Scott Saiki; Councilmember Matt Weyer; Murray Clay (Ulupono Initiative); Governor Green; Josh Wisch (Holomua Collective); Senator Jarrett Keohokalole; Damien Kim (IBEW 1186); Nonie Toledo (Toledo & Associates); Chris Benjamin (Climate Hawaii)

- **Act 230 SLH 2024.** Governor Green signed HB1800 into law on July 9, 2024. In addition to HGIA's base budget, this bill increased HGIA's full-time staff from five to eight and included \$15.0 million in CIP funds to HGIA's Clean Energy and Energy Efficiency Revolving Loan fund for solar + storage for ALICE ratepayers.

## 2.2 Status of Clean Energy Financing Programs

### 2.2.1 Residential Portfolio

During the quarter, the Authority received 258 new applications from ALICE households to install solar PV to lower their energy burden.

For ALICE households with limited tax liability, energy services agreements, also known as solar leases, are beneficial since they are not able to take advantage of the Federal and state tax credits. During the quarter, the Authority received 175 new applications from ALICE households to lease solar systems from third-party owners.

While "best practices" recommend that energy efficiency measures be installed before renewable energy, most consumers prefer conserving roof space for photovoltaic panels. During the quarter, we did not receive any applications for solar hot water installations.

Fifty-two (52) applications aggregating \$3.4 million in total project costs were approved and Sixty-one (61) installations were partial or final funded based on project completion.

There are currently 1,429 applications in process, with Contractors currently installing 137 systems.

**Delinquent Status for the Residential Loan Portfolio as of June 30, 2024:**

<b>Loan Balance</b>	<b>Current</b>	<b>%</b>	<b>31 – 60 Days*</b>	<b>%</b>	<b>61 – 90 Days*</b>	<b>%</b>	<b>91+ Days</b>	<b>%</b>
\$12,208,392	\$10,789,886	88.4%	\$1,186,095	9.7%	\$118,726	1.0%	\$113,684	0.9%
No.: 449	396	88.2%	45	10.0%	5	1.1%	3	0.7%

As of June 30, 2024, one residential direct billed loan was 61 to 90 and one residential direct billed loan 91+ days past due. The borrowers last made a payment on April 3, 2024 and February 5, 2024, respectively. The Authority was not successful in obtaining a Sheriff escort to disable the solar system. Both accounts will be assigned to a local collection agency.

For the remaining fifty-one past due on-bill loans, forty-eight or 94% made payments in either June 2024 or July 2024. We expect one 91+ past due loan to be paid off by escrow early August 2024. We are investigating the remaining two 31+ days past due loans for possible technical issues with our loan servicer.

MECO’s extended its disconnection moratorium for all of its Maui customers to July 2, 2024.

**2.2.2 Commercial Portfolio**

During the quarter, the Authority received fourteen new loan applications to install solar on ten (10) low-income housing tax credit multi-family projects; for a social service nonprofit, for two small businesses and a third-party investors interested in providing energy services agreements to ALICE households.

Three (3) applications aggregating \$1.7 million in total project costs were approved and three projects were partial funded based on its respective EPC agreement.

There are currently twenty-one (21) applications in process, with Contractors currently installing 18 systems.

**Delinquent Status as of June 30, 2024 for the entire commercial loan portfolio:**

<b>Loan Balance</b>	<b>Current</b>	<b>%</b>	<b>31 – 60 Days</b>	<b>%</b>	<b>61 – 90 Days</b>	<b>%</b>	<b>91+ Days</b>	<b>%</b>
\$22,426,0122	\$22,426,012	100.0%	\$0.00	0.0%	\$0.00	0.0%	\$0.00	0.0%
No.: 70 <sup>11</sup>	70	100.0%	0	0.0%	0	0.0%	0	0.0%

As of June 30, 2024, all commercial loans were being paid as agreed.

<sup>11</sup> Although individual metrics for consumer leases are reported under the Residential Portfolio, advances for consumer leases are actually commercial loans. As such, these loans are included in the Commercial Portfolio for delinquency reporting purposes.



### 2.2.3 State Revolving Loan Fund

Delinquent Status as of June 30, 2024 for the State Revolving Loan Fund:

Loan Balance	Current	%	31 – 60 Days	%	61 – 90 Days	%	91+ Days	%
\$31,464,418	\$31,464,418	100.0%	\$0.00	0.0%	\$0.00	0.0%	\$0.00	0.0%
No.: 4	4	100.0%	0	0.0%	0	0.0%	0	0.0%

As of June 30, 2024, all state loans were being paid as agreed.

### 2.3 Status of HI-CAP Programs

Authorized under Act 107, SLH 2021, through a Memorandum of Agreement with sister agency the Hawaii Technology Development Corporation, the Authority is administering the credit related programs under the federally funded State Small Business Credit Initiative, providing capital assistance to Hawaii’s small businesses and nonprofits.

While some \$40.0 million in funding will support the HI-CAP Collateral Support, CDFI Loan Pool and Loans programs, the Treasury is releasing funds in three tranches. The first tranche of \$9.0 million was received in September 2022. Upon expending or obligating at least 80% of each tranche, the Treasury will release the next tranche.

During the quarter, the Authority supported three loans aggregating \$2.8 million under the Collateral Support Program with SSBCI credit enhancements aggregating \$1.1 million. Two of these loans were for Maui County, one to support a large working capital line for a contract with Maui County for Lahaina fire related activities and the other to purchase property for its operations.

Six (6) loans were made by Participating CDFIs aggregating \$763,000, primarily to agricultural related small businesses. One of the businesses that received SSBCI support recently acquired another company. Its success story is shared in this reel: [https://gems.hawaii.gov/wp-content/uploads/2024/07/Hi-CAP-CDFI-Program\\_CC-Tropical.mov](https://gems.hawaii.gov/wp-content/uploads/2024/07/Hi-CAP-CDFI-Program_CC-Tropical.mov)

Although the Authority approved a \$500,000 pre-development loan for a Waianae Cooperative to be matched by a loan from CNHA, the Coop was not successful in obtaining land rights and unfortunately had to cancel this loan. It is, however, working on a smaller project and will apply for a pre-development loan at a later date.

### 2.4 Marketing and Customer Service Activities

During the quarter, HGIA was featured in six articles locally and nationally regarding its Solar For All award. Bloomberg and the Hawaii Tribune Herald posted stories on the C-PACER statute; and HGIA was featured in Green Bank related articles locally and nationally.

Hawaii Public Radio and KHON News covered stories on the Solar For All award and HGIA related statutes; and Mark Glick, HSEO; Sandra Larsen, AES; and Yamamoto Lau were featured on Empowered – The Path Forward on June 11, 2024.

HGIA participated as a panelist or presenter in five local and national workshops or webinars, as follows:

- “The DERT on DER” on April 8, 2024 for Women in Renewable Energy.

- “Hawaii Prioritizes Energy Equity So No One Gets Left Behind” podcast for the Environmental and Energy Study Institute on April 9, 2024.
- “Creative Financing for Clean Energy & Equity” for dignitaries from Bermuda, Commonwealth of Dominica, Republic of Fiji, Grenada, Jamaica, Independent State of Papua New Guinea, Commonwealth of Puerto Rico, Republic of Seychelles, Solomon Islands, and the Republic of Vanuatu participating in the Blue Planet Alliance Fellowship Program on May 8, 2024.
- “Getting Money to the Ground: Funding Resilience in LMI Communities” for the Federal Reserve Bank of San Francisco on May 30, 2024.
- “Hawaii’s C-PACER Financing Program” for the Hawaii Council of Community Associations on June 10, 2024.
- “Virtual Town Hall on Condo Insurance” sponsored by Speaker Scott Saiki, Senator Sharon Moriwaki, and Representative Scott Nishimoto on June 18, 2024.

The Authority participated as an Exhibitor at the Minority Business Development Agency’s Capital Ready Fair on April 4, 2024 and the Molokai Resource Fair on May 18, 2024.

## **2.5 Additional Activities**

The following are activities that have occurred since the end of the quarter and will be reported as activities in the next Quarterly Report:

- **HI-C-PACER**. HGIA launched the Hawaii Commercial Property Assessed Clean Energy & Resiliency Financing program on July 1, 2024.

### 3. Financial Summary of the Hawaii Green Infrastructure Authority

**Balance Sheet**  
**As of June 30, 2024**

**ASSETS**

**Current Assets**

Cash in Bank Total	\$	55,672,150
Certificate of Deposits		4,152,677
Cash in Treasury		2,375,448
<b>Total Cash</b>	<b>\$</b>	<b>62,200,275</b>
Investments		34,374,956

<b>Total Cash and Investments</b>	<b>\$</b>	<b>96,575,231</b>
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Prepaid Expenses		-
Other Receivables		104,368

<b>Total Current Assets</b>	<b>\$</b>	<b>96,679,599</b>
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**Noncurrent Assets**

Loans Receivable	\$	69,431,947
Allowance for Loan Losses		(150,675)
Loans Receivable - Treasury		-
Other Noncurrent Assets		(1,500)

<b>Total Noncurrent Assets</b>	<b>\$</b>	<b>69,279,772</b>
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<b>Total Assets</b>	<b>\$</b>	<b>165,959,371</b>
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**LIABILITIES AND EQUITY**

**Liabilities**

**Current Liabilities**

Accounts Payable	\$	34,182
Accounts Payable - PUC		3,922,471
Accrued Expenses		-
Other Current Liabilities		6,777,803

<b>Total Current Liabilities</b>	<b>\$</b>	<b>10,734,456</b>
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<b>Total Noncurrent Liabilities</b>		-
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<b>Total Liabilities</b>	<b>\$</b>	<b>10,734,456</b>
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<b>Fund Balance, Beginning 3/31/24 (From last quarterly report)</b>	<b>\$</b>	<b>144,338,886</b>
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Net Income (loss) for the Quarter 4/1/24-6/30/24		10,886,029
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<b>Fund Balance, Ending</b>	<b>\$</b>	<b>155,224,915</b>
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<b>Fund Balance, Beginning 7/1/23 Audited</b>	<b>\$</b>	<b>141,363,096</b>
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Net Income (loss) fiscal year-to-date		13,861,819
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<b>Fund Balance, Ending</b>	<b>\$</b>	<b>155,224,915</b>
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<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$</b>	<b>165,959,371</b>
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Other Receivables are funds that have been recorded but have yet to be transferred between accounts.

Other Noncurrent Assets are for maintenance and other reserves and prepaid loan expenses.

Accounts Payable – PUC represents principal and interest repaid on GEMS funded loans.

Other Current Liabilities include unapplied cash (cash that is received by our loan servicer but has not yet been applied to a loan payment), and contract obligations for specific purposes.

**Hawaii Green Infrastructure Authority  
Revenues and Expenditures  
For the Quarter: April 1, 2024 - June 30, 2024**

<b>Revenues from Operations</b>	
Investment Interest	\$ 958,456
Interest Income on Loans	503,240
Other Income	51,290
HI-CAP Fees	5,940
Solar+Storage Loan Program Revenue	10,780,964
<b>Total Revenues from Operations</b>	<b>\$ 12,299,890</b>
<b>Operational Expenditures</b>	
Salaries and Benefits	\$ 196,793
Office and Administrative Expenses	13,793
Bank Fees	16,053
Program Expenses	173,535
<b>Total Operational Expenditures</b>	<b>\$ 400,174</b>
<b>Revenues Over (Under) Expenditures</b>	<b>\$ 11,899,716</b>
<b>Payments to PUC/PBF</b>	
PUC Repayment - Principal	\$ 590,692
PUC Repayment - Interest	487,642
<b>Total PUC Repayment</b>	<b>\$ 1,078,335</b>
<b>Bad Debt Expense</b>	<b>\$ 3,357</b>
<b>Unrealized Gains (Losses)</b>	<b>\$ 68,005</b>
<b>Net Change in Fund Balance</b>	<b>\$ 10,886,029</b>
<b>Fund Balance</b>	
Beginning of Period, Unaudited	144,338,886
<b>End of Period</b>	<b>\$ 155,224,915</b>

**Hawaii Green Infrastructure Authority**  
**Revenues and Expenditures**  
**For the Twelve-Month period: July 1, 2023 - June 30, 2024**

<b>Revenues from Operations</b>	
Investment Interest	\$ 3,193,470
Interest Income on Loans	1,824,868
Other Income	117,291
HI-CAP Funding and Other Income	17,112
Solar+Storage Loan Program Revenue	13,097,663
<b>Total Revenues from Operations</b>	<b>\$ 18,250,404</b>
<b>Operational Expenditures</b>	
Salaries and Benefits	\$ 680,565
Office and Administrative Expenses	17,115
Bank Fees	60,585
Program Expenses	518,016
<b>Total Operational Expenditures</b>	<b>\$ 1,276,281</b>
 <b>Revenues Over (Under) Expenditures</b>	 <b>\$ 16,974,123</b>
<b>Payments to PUC/PBF</b>	
PUC Repayment - Principal	\$ 2,115,392
PUC Repayment - Interest	1,807,078
<b>Total PUC Repayment</b>	<b>\$ 3,922,471</b>
 Bad Debt Expense	 3,243
 Unrealized Gains (Losses)	 813,410
 <b>Net Change in Fund Balance</b>	 <b>\$ 13,861,819</b>
<b>Fund Balance</b>	
<b>Beginning of Period, Audited</b>	<b>\$ 141,363,096</b>
 <b>End of Period</b>	 <b>\$ 155,224,915</b>

Loan capital from the general funds for Solar+Storage financing for ALICE households are posted as "revenue" for accounting purposes.

## **4. Additional Reporting Requirements**

### **4.1 Consumer Protection Policies**

The Program Order directed the Authority to “provide full details of the GEMS Program consumer protection policies it develops to the [C]ommission with its quarterly reporting and Program Notifications”<sup>13</sup> and to “report the details of any failure on the part of any Deployment Partner to comply with these consumer protection policies to the [C]ommission, including the number of complaints and the steps taken to address such complaints, as part of the GEMS Program’s quarterly reporting and Annual Plan submission process”.<sup>14</sup>

The GEMS Program submitted its consumer protection policies in a Program Notification to the Commission on July 1, 2015.<sup>15</sup> No complaints have been received to date regarding GEMS Deployment Partners.

### **Utility-Scale Project Financing**

The Program Order instructed the Authority to summarize and report information about utility-scale project financing during periods where utility-scale project financing is initiated and the project is operated.<sup>16</sup>

The Federally funded Solar for All program funds allows for financing community solar projects of up to 5 MW nameplate capacity that delivers at least 50% of the power generated from the system to residential customers within the same utility territory.

Ho‘ahu Energy Cooperative Molokai’s Community-owned, Community Solar project has the capacity to provide subscriptions to 1,500 of the island’s 2,500 grid-tied residential ratepayers. The Authority will be working with the Coop to be part of the capital stack for the project.

### **4.3 Utility System Cost Information Update**

The Program Order directed the Authority to “work with the HECO companies and the Consumer Advocate to determine the appropriate GEMS Program-related utility system cost information for reporting purposes, and to provide an update on the finalization of these utility system costs and impacts reporting requirements as part of DBEDT’s first Quarterly Report filing.”<sup>17</sup> Though “utility system cost” was not defined in the Program Order, the Consumer Advocate refers to these costs as costs “incurred as result of [distributed generation] PV or other clean energy projects financed by the GEMS [P]rogram.”<sup>18</sup>

Subsequent to the issuance of the Program Order, the Authority, HECO and the Consumer Advocate met to identify ways to integrate data that is currently available with data that will be obtained through monitoring and other means to quantify and analyze potential utility system costs due to distributed generation. The Authority did not allocate any resources for this initiative over the last quarter. HGIA will update the Commission on utility system cost information should discussions resume.

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<sup>13</sup> See “Decision and Order No. 32318,” filed in Docket No. 2014-0135 on September 30, 2014, at p. 66.

<sup>14</sup> See “Decision and Order No. 32318,” filed in Docket No. 2014-0135 on September 30, 2014, at p. 66.

<sup>15</sup> See “Program Notification No. 4 for the Green Infrastructure Loan Program” filed in Docket No. 2014-0135 on July 1, 2015 at pp 4-5.

<sup>16</sup> See “Decision and Order No. 32318,” filed in Docket No. 2014-0135 on September 30, 2014, at p. 60.

<sup>17</sup> See “Decision and Order No. 32318,” filed in Docket No. 2014-0135 on September 30, 2014, at p. 95.

<sup>18</sup> See “Division of Consumer Advocacy’s Statement of Position,” filed in Docket No. 2014-0135 on August 7, 2014, at p. 14.