

# Residential & Commercial GEM\$ Program

Hawaii Green Infrastructure Authority



Hawaii Green  
Infrastructure Authority

# About Us

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The Green Energy Money Saver (GEM\$) On-Bill Program was approved in 2018. GEM\$ is an innovative financing program for owner/users, landlords and tenants offered exclusively by the Hawaii Green Infrastructure Authority.

## ***Mission Statement:***

*To make clean energy accessible and affordable to the “underserved” consumer and commercial sectors of Hawaii*

# What's Unique About HGIA Loans?

- ✓ **Eliminates credit barriers** – No conventional loan underwriting for residential and commercial On-Bill customers

|                       | Residential & Commercial GEM\$       | Commercial Direct or Third-Party owned |
|-----------------------|--------------------------------------|--|
| Credit Reports        | Not required, unless landlord/tenant | Required for guarantors                |
| Financial Statements  | Not required, unless landlord/tenant | Required                               |
| Debt-To-Income Ratios | Not required                         | Required if not On-Bill                |

- ✓ **Obligation tied to the utility meter** (allows for transfer from ratepayer to ratepayer), enabling renters and lease-holders to benefit from solar.
- ✓ **On-Bill Payments** – Payments are made on the ratepayer's monthly electric bill.



# Eligibility Requirements

## Borrowers

- ✓ Nonprofits
- ✓ Small Businesses\*
- ✓ Multi-Family Rental Projects
- ✓ Rural Health Centers
- ✓ Low-to- Moderate Income homeowners or tenants

## Utility

- ✓ Customer of HECO, MECO, or HELCO on Rate Schedule R, G, J, DS, or P for the past 12 months\*\*
- ✓ Minimum estimated utility bill savings required (increases with # disconnection notices)

## Energy Improvements

### Commercial:

- ✓ Commercial Energy Efficiency Technologies (HVAC, lighting, etc.)
- ✓ Solar PV System

### Residential:

- ✓ Solar PV System
- ✓ Heat Pump Water Heater
- ✓ Solar PV Water Heater
- ✓ Solar Thermal Water Heater
- ✓ Energy Storage Systems

\*as defined by US Small Business Administration's size standards

\*\*for Residential: 6 months can be accepted as an exception

Approved energy improvements online at: [Hawaii Green Infrastructure Authority | Approved Energy Improvements \(EI\) List \(hawaii.gov\)](https://www.hawaii.gov/green/infrastructure-authority/energy-improvements/)



# Warranty Requirements

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## Manufacturer's Warranty:

- ✓ PV System only: 20 years
- ✓ PV + Storage: 25 years (required of PV system only)
- ✓ Storage: 10 years
- ✓ Solar Hot Water Panels: 10 years
- ✓ Solar Hot Water Tanks: 6 years
- ✓ Solar Hot Water Collectors: 10 years

## Workmanship Warranty:

- ✓ Residential Installations: 10 years
- ✓ Commercial Solar PV: 3 years
- ✓ Commercial SWH: 1 year

*Note: loan term to match either 20 or 25 years, depending on PV system warranty*



# GEM\$ Residential Program



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# Residential Loans vs. Leases

## GEM\$ Loan Program (Purchase)

*Allows financings for a homeowner to purchase an approved energy improvement (solar PV) system.*

- ✓ Long-term financing of 20 or 25 years
- ✓ Amortization based on occupancy type (Owner occupant vs Tenant/Landlord vs DHHL Lessee)
- ✓ Fixed interest rate of 5.50%
- ✓ No pre-payment penalties
- ✓ No loan/annual fees
- ✓ Required minimum bill savings based on # of HECO disconnection notices

## GEM\$ Energy Services Program (Lease)

*Long-term contract between an energy company (System Owner), which installs, owns and operates a solar PV system on the rooftop of an LMI household (ratepayer). The LMI ratepayer purchases the energy generated by the solar system for a pre-determined amount and pre-determined period.*

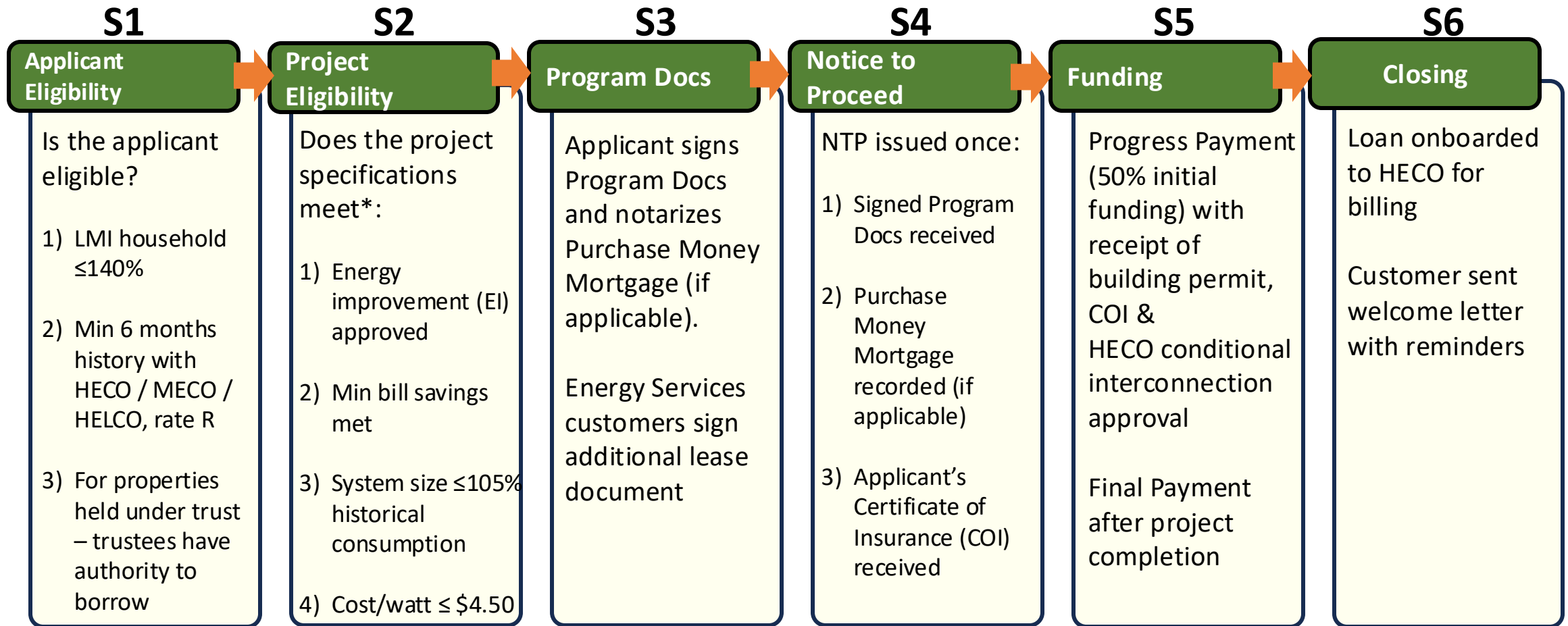
- ✓ Ratepayers enjoy pre-determined energy rates
- ✓ Ratepayers do not pay for upfront installation cost of the system
- ✓ Ratepayers required to meet a **15%** estimated bill savings annually to qualify
- ✓ Lease terms at the discretion of Investor/landlord as documented in Energy Services Program Agreement, but must not be longer than the PV panels warranty
- ✓ *Investors benefit from tax credits & cash flow from ratepayers purchasing energy from their system.*

Ratepayers (including Renters) enjoy immediate estimated bill savings  
Payments made conveniently on Ratepayer's monthly electric utility bill  
Elimination of credit barriers

Obligation tied to the utility meter (not a person) - allows for transfer from ratepayer to ratepayer



# Residential Application Process



\*Requirements may differ for GEM\$ Energy Services Program (leases)



## S1: Applicant Eligibility



# S1: Determine Applicant Eligibility

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## ***Applicant Requirements***

- Low- and moderate-income households: 140% or less of US Department of Housing & Urban Development (HUD) Income Schedule ([Hawai'i Housing Finance & Development Corporation | 2025 HUD Income Guidelines](#))
- Leases Only: Can include a handful of affluent households (will come from investor's equity)
- Owner occupant, Tenant/Landlord (Landlord Applicants require credit pull), Fee Simple/Leasehold/DHHL

## ***Required Minimum Electric Utility Account History (HECO / MECO / HELCO only)***

- Minimum 6 months, however 12 months preferred

# S1: Applicant Documents Required

1. **Application(s)** – 1 per electric utility ratepayer.
  - [GEM\\$ Main Application](#) - primary ratepayer (for loans and leases)
  - [Additional Application](#) - for any additional ratepayers or property owners
  - [Landlord](#) – need financial statements and tax return
2. **Most recent electric utility bill** – minimum 6 months history required
3. **Utility Authorization Form**– HGIA sends to HECO/MECO/HELCO to confirm # of disconnection notices to determine required bill savings needed for GEM\$ approval. An On-Bill Report (OBR) must be received from HECO prior to determining applicant eligibility
4. **Household Usage Info:** Green Button Data (if the applicant does not have a smart meter, they can complete the Household Usage Info Form)
5. **Customer identification for each ratepayer and property owner** – must be valid, government-issued ID with signature. Name on ID must match applications and electric utility bill account holder name.
6. **(if applicable)** Copy DHHL Lease or other ground lease
7. **(if applicable)** Landlord Application – required if applicant is a renter
8. **(if applicable)** Additional Application – required for any additional property owners or ratepayers
9. **Separate email addresses** for all applicants to send out eSign Program Docs

***All contact with customer will be through the Banyan Application Portal. Applicants must check their emails to see when comments are added or revisions are needed***

- 1) Rejected: applicant does not meet eligibility requirements
- 2) Missing Items: application is incomplete or missing documents. Comment(s) will be left on the application in the Banyan Portal and missing/incorrect information will be set to must resubmit.
- 3) S1 Applicant Eligible / Pre-Approval: applicant(s) determined eligible to participate in GEM\$ Program. Next step will be to evaluate project eligibility. HGIA to contact contractor to request project docs for review (if no already provided)





## S2: Project Eligibility

# S2: Determine Project Eligibility

**Once the applicant(s)' application(s) have been approved, HGIA will send out the Contractor System Questionnaire via the Banyan Portal. You will receive an email Notification from Banyan when a Questionnaire has been assigned to you**

**Qualified Energy Improvements ([GEM\\$ Approved Energy Improvements \(EI\) List](#))**

## **System Sizing\***

- ✓ **Cost/watt  $\leq$  \$4.50** – based on total contract cost of PV System (not battery) and system size DC (kW)
- ✓ **System tolerance  $\leq$  105% total historical annual consumption** (as reflected on provided electric utility bill) – based on estimated year 1 production of system and 12-month historical consumption
- ✓ **NREL PV Watts estimate cannot exceed  $\pm$ 10% of contract Year 1 Production** (unless a written explanation is provided on PV Watts Certificate)

## **Required Minimum Bill Savings**

- ✓ Dependent on # of disconnection notices applicant has received (HECO reports this info to HGIA)
- ✓ Estimated bill savings calculations is inclusive of GEM\$ monthly program charge **plus grid purchases** and must be met each year of loan/lease term

*\*Note GEM\$ Energy Services Program may not require sizing guidelines, however requires a minimum 15% bill savings for all applicants*

| Disconnection Notices | Estimated Bill Savings Required** |
|-----------------------|-----------------------------------|
| 0                     | $\geq$ 5% Savings                 |
| 1 - 4                 | $\geq$ 10% Savings                |
| 5+                    | $\geq$ 15% Savings                |

**\*\*15% required for 3rd party owned systems**



# Document/Submission Requirements

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Contractor must complete the Contractor System Questionnaire assigned in Banyan and upload the following:

1. *NREL estimate*: <https://pvwatts.nrel.gov>
2. *PV Watts Estimate & Certification* – includes project info and variation % of year 1 production and NREL estimate. If variation > 10%, explanation needed.
3. *Purchase/Sales Contract* – requirements
  - Total Project Cost
  - PV Cost Only
  - Battery Cost Only (if not included in total, refer to PV Watts Certification)
  - Interconnection Type
  - Equipment make/model/count (panels, batteries, inverters, etc.)
  - Estimated year 1 production
4. *Conditional Utility Interconnection Approval* (optional until NTP)

Note: GEM\$ Energy Services Program can include a term sheet outlining PPA rate, escalator, and buyout (as applicable)





# Program Docs to Funding

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# S3: Program Docs

Once the proposed system is approved, an email will be sent to the applicant w/cc to the Contractor outlining the terms of the approval. The applicant will be asked to schedule a 15-minute call to explain the GEM\$ financing and next steps. Please note that the GEM\$ loan documents cannot be sent until the call is complete. If documents are sent via e-sign, HGIA will cc Contractor for tracking purposes.

- ✓ Preferably documents sent via e-sign. HGIA will cc Contractor on docs being emailed to customer.
- ✓ If Purchase Money Mortgage required (Land Court), notarized hard copy will be required. Customers have the option to sign in-person at HGIA office with notary if scheduled in advance

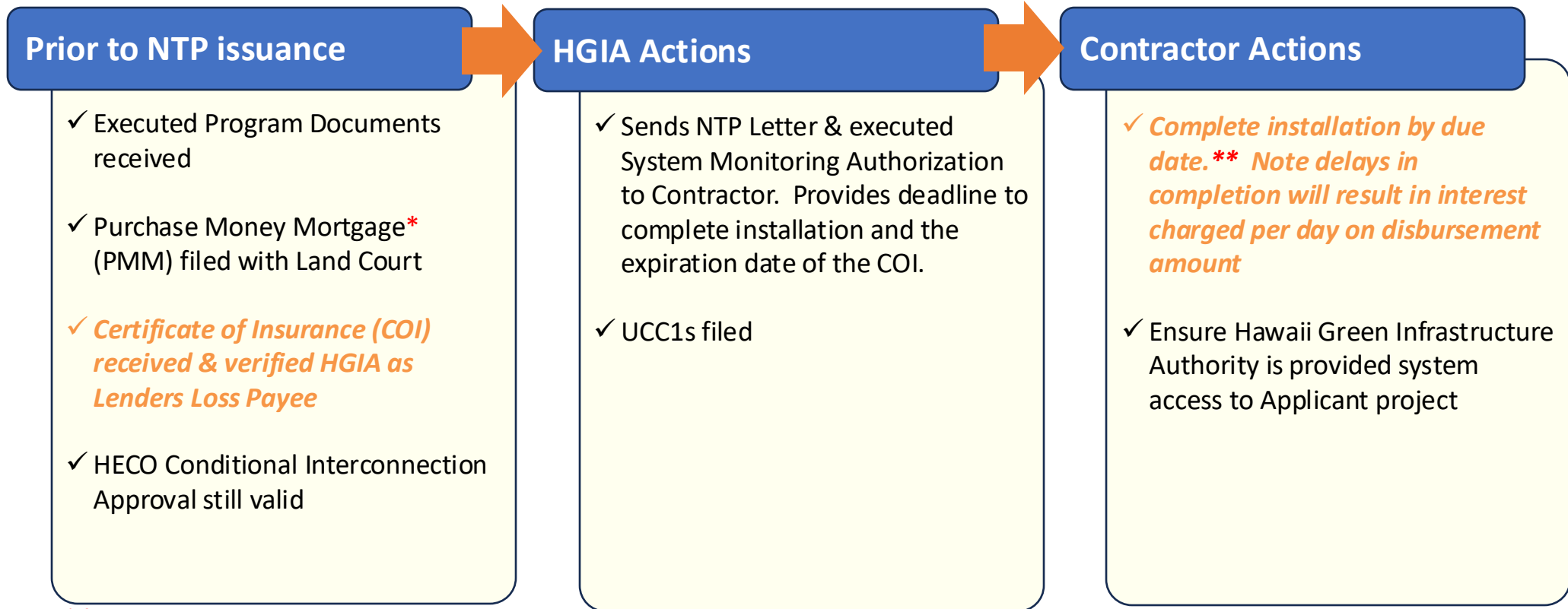
| Document Name                                   | Description   |
|---|---|
| COI Instruction and Acknowledgement Form        | Certificate of Insurance Instruction and Acknowledgement Form to add HGIA as Lenders Loss Payee on Applicant's Homeowners (H03) or Condo Insurance Policy (H06) |
| System Monitoring Authorization                 | Applicant's authorization to allow HGIA to monitor system for production  |
| Residential Participation Agreement (RPA)       | Lists GEM\$ Loan Program terms and conditions   |
| Purchase Money Mortgage (PMM) *                 | Required if property is held in Land Court; Notarized   |
| Certification of Trust *                        | To be signed by Applicant verifying their authority to borrow on subject property held under trust  |
| Solar Hot Water Maintenance Reserves Addendum * | Applicant to sign if opting for maintenance reserve on solar hot water heater installation  |
| Attestation to Purchase Electric Vehicles *     | Applicant's verification of electric vehicle purchase   |

\*If applicable

**NOTE:** The COI must be emailed to [dbedt.greenbank@hawaii.gov](mailto:dbedt.greenbank@hawaii.gov) no later than 30 days after the COI Instruction and Acknowledgement Form is signed. Failure to do so will result in a project being deemed ineligible for the GEM\$ program.



# S4: Notice to Proceed



\*If applicable – required when subject property is held in Land Court

\*\*loans only

**Important: HGIA must be alerted of any project changes that occur before, during, or after loan approval or NTP issuance. Changes may require review of underwriting and changes to loan amount approved.**

# S5: Funding Options

|   | 50/50 Progress Payment  | 100% Project Completion   |  |  |
|---|---|---|--|--|
| <b>Description</b>  | 50% initial funding at start of installation, 50% final funding at project completion   | Full funding at project completion only   |  |  |
| <b>Fees</b>   | <p>Solar PV: Greater of \$300 or 2.5% loan amount</p> <p>Solar Hot Water: Greater of \$100 or 2.5% loan amount</p> <p>Installation must be completed within 6 months of progress payment, or interest will accrue daily and withheld from disbursement</p>  | <p>Solar PV: Greater of \$300 or 1.0% loan amount</p> <p>Solar Hot Water: Greater of \$100 or 1.0% loan amount</p>  |  |  |
| <b>Required Documents</b>   | <table border="0"> <tr> <td> <p><b>1<sup>st</sup> 50% (Progress Payment)</b></p> <ul style="list-style-type: none"> <li>✓ Building and/or Electrical Permit(s)</li> <li>✓ COI valid</li> <li>✓ HECO Conditional Interconnection still valid</li> </ul> </td> <td> <p><b>Final 50%</b></p> <ul style="list-style-type: none"> <li>✓ Closed Building and/or Electrical Permit</li> <li>✓ COI valid</li> <li>✓ HECO Interconnection Validation Email (to be followed by FINAL Interconnection Approval)</li> <li>✓ BYOD Plus registration documents (if applicable)</li> <li>✓ HGIA has system access</li> <li>✓ GEM\$ Completion Form</li> </ul> </td> </tr> </table> | <p><b>1<sup>st</sup> 50% (Progress Payment)</b></p> <ul style="list-style-type: none"> <li>✓ Building and/or Electrical Permit(s)</li> <li>✓ COI valid</li> <li>✓ HECO Conditional Interconnection still valid</li> </ul> | <p><b>Final 50%</b></p> <ul style="list-style-type: none"> <li>✓ Closed Building and/or Electrical Permit</li> <li>✓ COI valid</li> <li>✓ HECO Interconnection Validation Email (to be followed by FINAL Interconnection Approval)</li> <li>✓ BYOD Plus registration documents (if applicable)</li> <li>✓ HGIA has system access</li> <li>✓ GEM\$ Completion Form</li> </ul> | <p><b>Funding @ 100% Project Completion</b></p> <ul style="list-style-type: none"> <li>✓ Closed Building and/or Electrical Permit</li> <li>✓ COI still valid</li> <li>✓ HECO Interconnection Validation Email (to be followed by FINAL Interconnection Approval)</li> <li>✓ BYOD Plus registration documents (if applicable)</li> <li>✓ HGIA has system monitoring access</li> <li>✓ GEM\$ Completion Certificate</li> <li>✓ Final Sales Contract</li> </ul> |
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# GEM\$ Commercial Program



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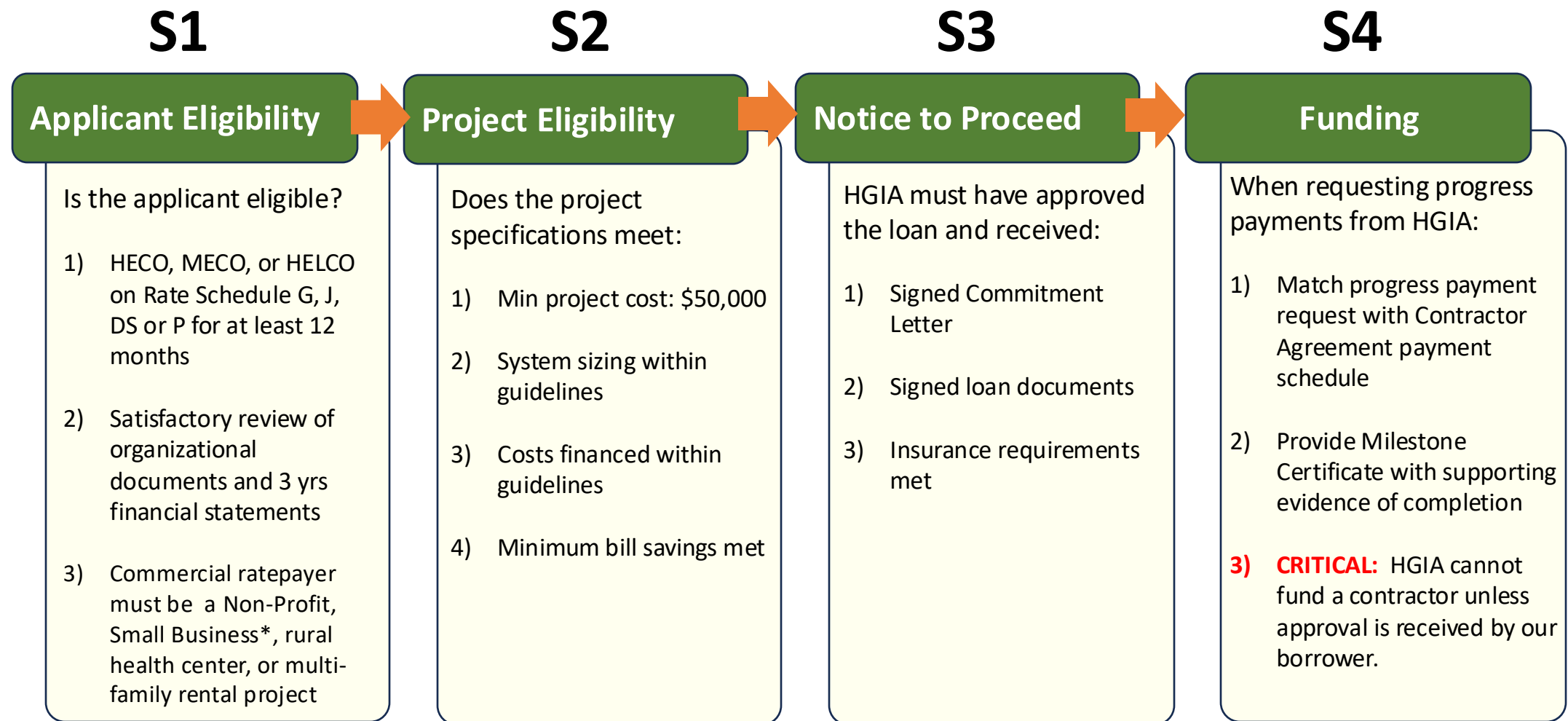
# Commercial Repayment Methods

|                              | On-Bill Repayment   | Direct / Project Sponsor Loan Repayment  |
|------------------------------|---|--|
| <b>Billing</b>               | <i>Program Charge billed directly through electric utility bill as a tariff</i>   | <i>HGIA invoices borrower directly, monthly</i>  |
| <b>Obligation</b>            | <i>Obligation tied to utility meter (not a person)</i>  | <i>Loan made directly to borrower – all parties on title MUST be a borrower or guarantor on the loan</i> |
| <b>Interest Rate</b>         | <i>5.50% fixed for up to 20 years</i>   | <i>As low as 4.50% fixed for up to 20 years</i>  |
| <b>Amortization</b>          | <i>Up to 20 years</i>   | <i>Up to 20 years*<br/>*may depend on partner bank terms</i>   |
| <b>Max Financing</b>         | <i>Up to 100% project cost (with partner bank involved)</i>   | <i>Up to 100% project cost (with partner bank involved)</i>  |
| <b>Non-Payment</b>           | <i>Customer’s electricity may be disconnected due to non-payment</i>  | <i>HGIA will follow its standard collection procedures</i>   |
| <b>Underwriting</b>          | <i>Underwriting focused on bill savings</i>   | <i>Credit and cash flow-based underwriting to qualify</i>  |
| <b>Required Bill Savings</b> | <i>5% to 15% estimated bill savings in each year over the life of the loan, dependent on disconnection notices and financing program.</i> | <i>15% bill savings over the life of the loan</i>  |

**Leveraging GEM\$ funds together with traditional bank financing encouraged**



# Commercial Application Process



# Commercial S1: Application Eligibility

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## Applicant Requirements:

- ✓ Must be a customer of Hawaiian Electric Company on Rate Schedule G, J, DS or P for the past 12 months
- ✓ Commercial ratepayer must be a Non-Profit, a Small Business (as defined by the SBA guidelines), rural health center, or a multi-family rental project

## Documents Required:

- ✓ Utility bill with 12 months of consumption history
- ✓ Utility authorization
- ✓ Organizational documents
- ✓ Project information
- ✓ Financials, as applicable

## How to Apply:

**Online application:** [Hawai'i Green Infrastructure Authority \(hawaii.gov\)](https://hawaii.gov/green-infrastructure)

**Email:**  
dbedt.greenbank@hawaii.gov

# Commercial S2: Project Eligibility

## Project Eligibility Requirements:

- ✓ Minimum project cost - \$50,000
- ✓ Installed PV system cost not to exceed \$5.625/watt (total project cost over system size DC kW)
- ✓ Up to 20% of other costs may be financed (roof repair, meters upgrade, etc.)
- ✓ Minimum required estimated bill savings (including repairs, upgrade, program charge)

## Documents Required:

- ✓ Participant Agreement and/or Promissory Note
- ✓ Security Agreement
- ✓ Guaranty Agreement
- ✓ Executed Installation Contract
- ✓ Request for certificate of insurance
- ✓ Solar System Monitoring Authorization letter
- ✓ And other loan documents

## Loan Approval:

HGIA issues Commitment Letter with Loan Terms & Conditions

***Please inform HGIA of any changes to the above-mentioned variables as it will affect our savings calculations; we will need to re-run our numbers and make sure our program mandated minimum savings is being met.***



# Commercial S3: Notice to Proceed & Funding

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- ✓ Once all GEM\$ documents are signed, we will issue the Notice to Proceed
- ✓ Contractor submits milestone progress payment requests to solar system owner and HGIA

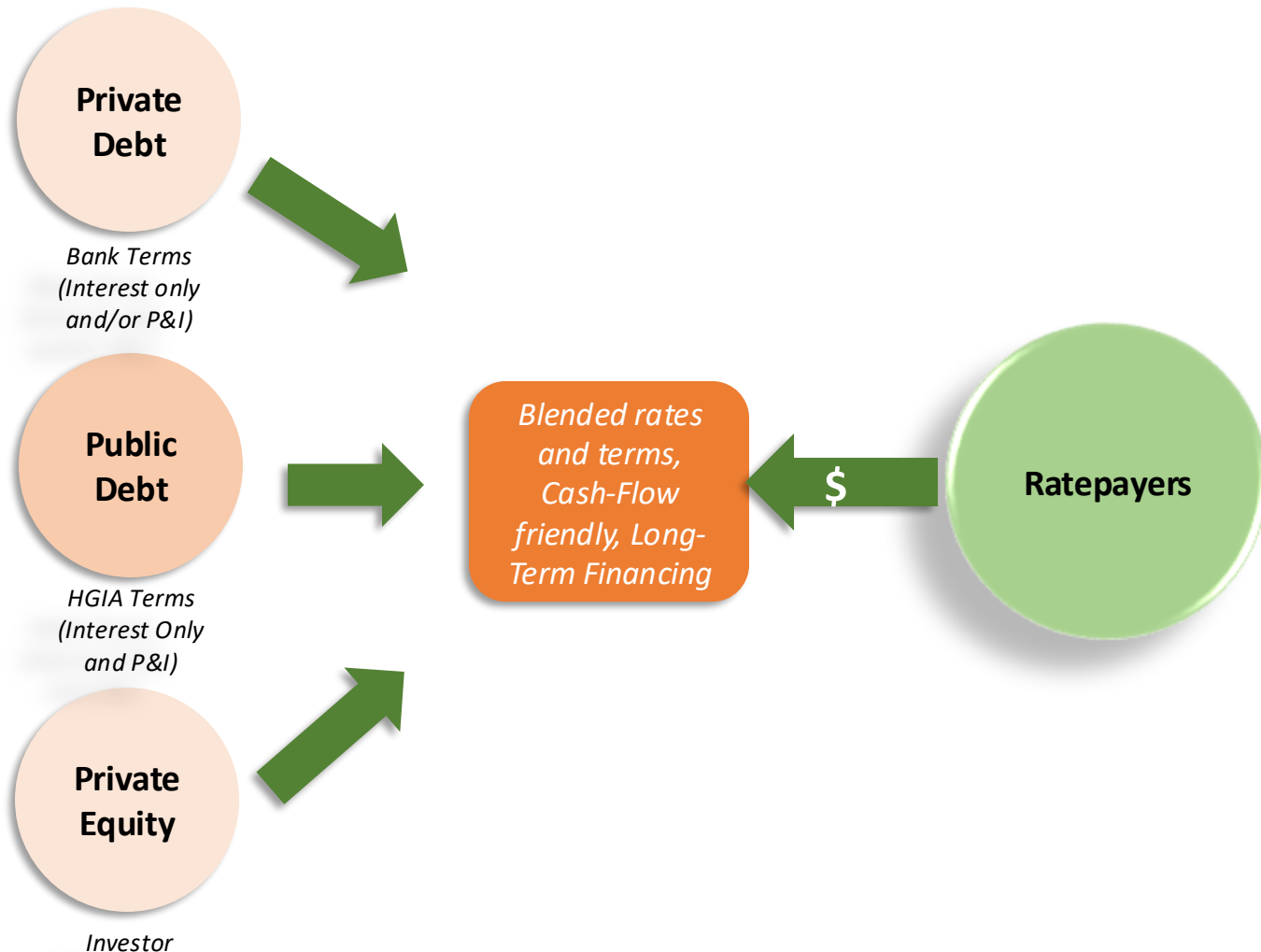
# Commercial S4: Funding Requirements

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1. **Progress Payments based on the EPC Agreement.**
2. **Ensure requested payment amounts match contract schedule of payments. Any revisions made to the payment schedule must be accompanied with an Amended and Executed Contractor Agreement**
3. **Each Milestone Certificate packet received requires review and approvals**
  - Every request for payment must be approved by our borrower (your client)
  - Payment requests to include invoice and partial lien release
4. **Final Payment**
  - Final invoice
  - Final Lien Release
  - Closed Building/Electrical Permit
  - Executed Completion Certificate
  - HECO Interconnection PTO
  - BYOD Plus Documents (if applicable)
  - HGIA granted system monitoring access
  - HGIA named on Borrower's Certificate of Insurance as Lender Loss Payee



# Direct & Third-Party Commercial Loan Products

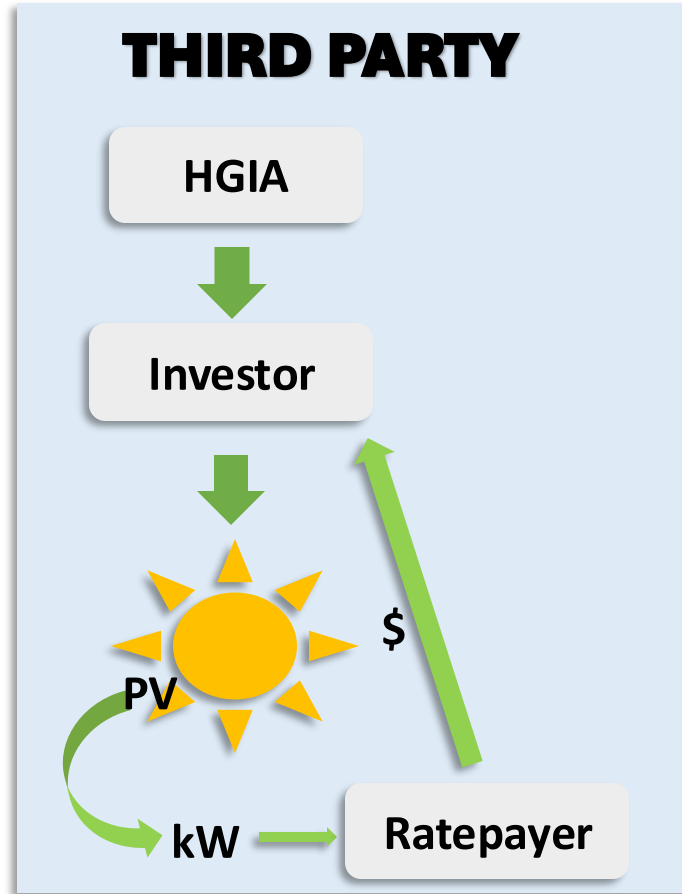
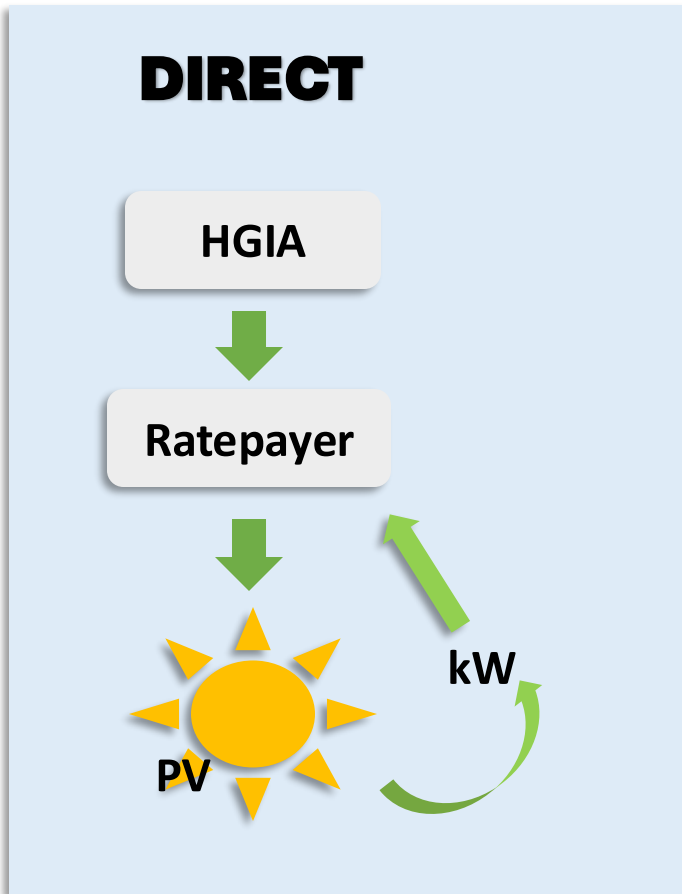


## Objectives:

1. Collaborate and partner with banks and other financial institutions
2. Be more flexible and competitive
3. Fill a market gap with an unconventional financing tool

# Commercial Terms & Structure

*Two Types of Commercial Financing:*



*Direct or Third-Party Loans provide a good fit for PPA Structure...*

# Thank you

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For more information, please contact:

[dbedt.greenbank@hawaii.gov](mailto:dbedt.greenbank@hawaii.gov)

808-587-3868



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