HAWAII GREEN INFRASTRUCTURE AUTHORITY
NOTICE OF MEETING
BOARD OF DIRECTORS MEETING

DATE: July 30, 2026
TIME: 1:00 p.m.
PLACE: 250 S Hotel Street, #436
Honolulu, Hawai'i 96813
And Video Conference

https://teams.microsoft.com/meet/247356557227305?p=oK6pQ5QUEr7rkMLFE6

Call in Number: +1 808-829-4853,,661399200#
Meeting ID: 247 356 557 227 305
Passcode: Gd3UR3tM

The Teams link may be used by the public to observe the meeting and provide remote oral testimony. Please note that the Teams link will not be activated until 12:55 p.m. on July 30, 2026.

The public is welcome to participate by attending the meeting virtually or in person and/or by submitting written testimony to the Hawaii Green Infrastructure Authority ("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

HGIA requests that written testimony be submitted by 12:00 noon on the business day prior to the board meeting. Testimony received after this deadline will still be accepted but may not reach board members for review before the 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 30, 2026

III. Program Updates

1. Report on program updates in the Residential Loan Portfolio for the quarter ended June 30, 2026.
    a. Data on program activities, including new applications, approved applications, and funded projects; and
    b. Portfolio performance.
2. Report on the program updates in the Commercial Loan Portfolio for the quarter ended June 30, 2026.
    a. Data on program activities including new applications, approved applications, and funded projects; and
    b. Portfolio performance
3. Report on Solar Hui Program for the quarter ended June 30, 2026.
    a. Update on the status of the Solar Hui Program rules, including progress and expected timeline.

IV. DISCUSSION AND/OR DECISION MAKING

1. Discuss the funding for the Condominium Loan Revolving Fund pursuant to Act 296, Session Laws of Hawaii 2025

    The Board of the Hawaii Green Infrastructure Authority anticipates convening in executive session pursuant to Section 92-5(a)(4), Hawaii Revised Statutes, to discuss legal questions pertaining to the Authority's powers, duties, privileges, immunities, and liabilities.

2. Election of Hawaii Green Infrastructure Authority Board Members for the Positions of Vice Chair and Secretary.
3. Approval of HGIA's Quarterly Report to the Public Utilities Commission (PUC) for the quarter ended June 30, 2026.

V. ADJOURNMENT

HGIA shall make the full board packet available at http://gems.hawaii.gov/learn-more/about-us/ at least three business days prior to the meeting.

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 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 Hawaiʻi

Thursday, April 30, 2026 – 3:00 p.m.

Conference Room #436 and Video Conference

250 S. Hotel Street

Honolulu, Hawaiʻi 96813

ATTENDANCE

Members Present:	James Tokioka, Richard Wallsgrove, Mark Glick, Seth S Colby
Member Absent:	Dennis Wong (Excused)
Staff Present:	Gwen Yamamoto Lau, Tim Wong, Valerie Kubota, Jenna Seagle, Latrisha Nakasone
Others Present:	John Cole, Deputy Attorney General
Members of the Public:	Gregory Misakian

I. ROLL CALL

Chair Tokioka called the meeting of the Hawaii Green Infrastructure Authority to order at 3:00 p.m. Chair Tokioka called a proper roll call of all members.

Chair Tokioka	Present	
Vice Chair Wallsgrove	Present	Joined at 3:02 p.m.
Secretary Glick	Present	
Member Colby	Present	
Member Wong	Excused	

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

MATERIALS DISTRIBUTED

- Agenda for the April 30, 2026 Regular Meeting.
- Minutes from the March 30, 2026 Regular Meeting
- HGIA Quarterly Report for the period ended March 31, 2026
- Resolution
- HI C-PACER Financing Program Document (Proposed)

II. APPROVAL OF MINUTES

1. Chair Tokioka stated that the first item on the agenda is the approval of the minutes of the March 30, 2026, regular meeting and asked for a motion to approve the minutes.

   Vice Chair Wallsgrove joined the meeting at 3:02 p.m.

   Secretary Glick moved, and Member Colby seconded the motion to approve the March 30, 2026, regular meeting minutes. Chair Tokioka asked if there was any discussion on the meeting minutes. Hearing none, he asked if there were any questions from the general public.

   Gregory Misakian requested for the Hawaii Green Infrastructure Authority to revise the March 30, 2026 board meeting minutes to reflect that he testified as an individual.

   Yamamoto Lau confirmed that the minutes would be revised accordingly.

   Chair Tokioka asked if there were any more questions or comments.

   Gregory Misakian commented that testimony provided by him and Michael Onofrietti during HGIA's March 25, 2026 public hearing was not fully captured in the March 30, 2026 meeting minutes. He added that, while he had intended to suggest that the March 30, 2026 meeting minutes note that funding concerns regarding the condominium loan program were raised during the public hearing, he found that separate minutes for the public hearing exist that note his concerns.

   Yamamoto Lau noted that Gregory Misakian's comments would be reflected in the April 30, 2026 meeting minutes and that all public testimony received, including testimony submitted by Gregory Misakian and Michael Onofrietti, had been included in the Board packet for the March 30, 2026 Board meeting.

   Chair Tokioka asked if there were any more questions from the general public. With no questions from the general public, Chair Tokioka called for a vote via roll call to approve the March 30, 2026 regular meeting minutes with amendments.

   Ayes: Tokioka, Wallsgrove, Glick, Colby.
   Nays: None.
   The motion carried unanimously, 4 to 0.

<u>III.</u> <u>PROGRAM UPDATES</u>

1. Chair Tokioka stated that the next item on the agenda is program updates, starting with Valerie Kubota on the Residential Loan Portfolio.

   <u>Residential Loan Portfolio</u>: Kubota reported that during the quarter, HGIA received thirty-three (33) new applications for its GEMS Servicing Loan Program, of which 13 were for direct financing and 20 were for prepaid leases. Ten (10) applications were also received under the GEM$ Servicing Lease Program.

In an effort to educate applicants about Hawaiian Electric's Bring Your Own Device Plus (BYOD+) grid services program, under Kubota's leadership, the Authority began proactive outbound calls to applicants not informed about the BYOD+ program by their solar contractor.

Ten applications aggregating $438,000 in total project costs were approved and fifty-seven loan and lease installations were partial or final funded based on project completion. There are currently one hundred twenty-five (125) HGIA financed systems being installed and forty-two (42) non-HGIA financed systems being installed.

The Authority has set aside $250,000 in GEMS funds for energy efficient heat pumps and solar hot water financing and is currently collaborating with Hawaii Energy to formalize a cross-referral program.

As of March 31, 2026, out of the fifty delinquent loans, only seven (7) did not make a payment in March 2026 or April 2026. All but one are on-bill. The Authority continues to reach out to the direct billed borrower for payment.

MECO extended its disconnection moratorium for all of its Maui customers to May 5, 2026.

Commercial Loan Portfolio: Yamamoto Lau reported that during the quarter, HGIA received ten (10) new applications. Six were for nonprofits, two for small businesses and two affordable multi-family projects. The Authority approved three (3) commercial loans aggregating $3.6 million in total project costs. There are currently twenty-five (25) systems being installed.

$12.5 million in GEMS funds remains available for lending, and all loans are currently being paid as agreed.

The HI-CAP program facilitated four loans aggregating $634,000 for small businesses.

Solar Hui Program: Tim Wong reported that Act 40 requires HGIA to adopt administrative rules. Draft administrative rules have been prepared and will be submitted to the Hawaii Legislative Reference Bureau (LRB) for comments. The Small Business Regulatory Review Board (SBRRB) form has been completed and no impacts are anticipated. The next step is to receive and address comments from LRB. The overall goal for the Solar Hui Program is to have the administrative rules approved by August 2026.

IV. DISCUSSION AND/OR DECISION MAKING

1. Chair Tokioka stated that the next item on the agenda is the approval of HGIA's Quarterly Report to the Public Utilities Commission (PUC) for the quarter ended March 31, 2026 and called on Yamamoto Lau to present.

Yamamoto Lau presented the following that have not been previously discussed:

- **Section 1.2** provides an updated overview of Hawaii Green Infrastructure Authority's energy impacts, estimated bill savings, and economic development impacts to date.
- **Section 2.7** is related to marketing activities. HGIA was featured in twelve (12) articles or publications during the quarter. HGIA also participated as a panelist in four workshops or webinars and participated in three outreach events.
- **Section 2.8** identifies additional activities that will be reported in the next quarter's report.
- **HB1618**, relating to the creation of a cesspool conversion revolving loan fund, died on March 25, 2026. It was later revived and is now in conference.
- **SB3125**, relating to income tax, the Legislature may provide recurring funding to HGIA's clean energy and energy efficiency revolving loan fund to facilitate solar adoption and reduce the energy burden for applicants. HGIA is awaiting the CD1 version of the bill to determine the final outcome.

Chair Tokioka asked if there were any questions from the board members. Hearing none, he asked if there were any questions from the general public. With no questions from the general public, Chair Tokioka called for a motion to approve HGIA's Quarterly report to the PUC for the quarter ended March 31, 2026.

Secretary Glick moved, and Vice Chair Wallsgrove seconded the motion to approve HGIA's Quarterly Report to the PUC for the quarter ended March 31, 2026.

Chair Tokioka called for a vote via roll call.

Ayes: Tokioka, Wallsgrove, Glick, Colby.
Nays: None.

The motion carried unanimously, 4 to 0.

2. Chair Tokioka stated that the next item on the agenda is the approval of a Resolution for HGIA to execute documents related to the $20.0 million Reimbursable General Obligation Bond repayment schedule, pursuant to Act 296, Session Laws of Hawaii (SLH) 2025, Financing for Condominiums and called on Yamamoto Lau to present.

   Yamamoto Lau presented the following:

   - During the March 30, 2026 Board meeting, the final administrative rules for the condominium loan program were approved.
   - The Office of the Governor of Hawaii reviewed the rules and gave the green light for the delivery of hard copies for final approval earlier this week.

- Upon the Governor's approval, the rules will be posted with the Lieutenant Governor's office and will become effective 10 days thereafter.
- The condominium loan program will be capitalized with a $20 million reimbursable general obligation bond, which must be repaid to the State.
- The resolution authorizes HGIA to negotiate a bond repayment schedule with the Hawaii Department of Budget and Finance and authorizes the Board Chair and the Executive Director to execute documents relating to the $20 million obligation.
- Bond proceeds must be deposited into the condominium loan revolving fund no later than June 30, 2026.

Chair Tokioka asked if there were any questions from the board members.

Secretary Glick asked whether repayment of the bond obligation would be made through principal and interest generated from loans issued under the program.

Yamamoto Lau responded that repayment would come from principal and interest payments received from loans. In addition to the $20 million reimbursable general obligation bond, $5 million from the Hawaii Hurricane Relief Fund (HHRF) will be deposited into the condominium loan revolving fund to support debt service coverage. Yamamoto Lau explained that the additional funding is intended to address the timing gap between issuance of the bond and receipt of principal and interest payments from borrowers to ensure that the bond is repaid.

Chair Tokioka asked if there were any questions from the general public.

Gregory Misakian stated that he understood the use of reimbursable general obligation bond funds but had concerns regarding the use of HHRF funds, and asked what statutory authority allows HGIA to use HHRF funds for the program.

Yamamoto Lau responded that the condominium loan program was established under Act 296, Session Laws of Hawaii 2025, which was approved by the Legislature and signed into law by the Governor, and that the legislation authorized both the reimbursable general obligation bond funding and the HHRF funding. She added that meetings had been held earlier in the legislative session with Insurance Commissioner Scott Saiki, Alison Ueoka, and Michael Onofrietti regarding the HHRF, and that consultants had already incorporated the $5 million allocation into their insurance funding analysis.

Gregory Misakian asked whether the concerns raised by Michael Onofrietti during his written and oral testimony at the March 25, 2026 public hearing had been addressed.

Yamamoto Lau responded that Representative Matayoshi introduced legislation [HB1513] during the current legislative session proposing an additional $100 million in funding for the condominium loan fund, which would have required additional debt service coverage from the HHRF. Discussions were subsequently held [on March 2, 2026,] with Insurance Commissioner Scott Saiki, Jerry Bump, Alison Ueoka, and Michael Onofrietti regarding the proposed bill. During the discussion, Michael Onofrietti indicated that while the $5.0 million allocation authorized under the legislation enacted the previous year had already been accounted for[1],no additional funding is available to support an additional $100 million allocation. As HGIA would not be able to accept any additional reimbursable general obligation bond funds without additional debt service reserve funds, HGIA respectfully requested that Representative Matayoshi allow HB1513 to die.

Gregory Misakian asked whether the $5 million allocation from the HHRF would be repaid to the fund through principal and interest payments or whether it would remain a permanent loan.

Yamamoto Lau responded that the $5 million from the HHRF is not a loan, but a transfer of funds. After repayment of the reimbursable general obligation bond, any remaining HHRF funds in the condominium loan revolving fund will be transferred back to the Insurance Division.

Chair Tokioka asked if there were any more questions.

Member Colby asked for an overview of the condominium loan program and requested a reminder regarding how the program would operate.

Yamamoto Lau responded that legislation enacted last year relating to the stabilization of property insurance established a condominium loan fund and loan loss reserve fund for HGIA to provide financing to condominium associations unable to obtain financing from traditional lenders. She stated that applicants must first obtain an adverse action or decline letter from a bank or credit union. The program will prioritize projects that reduce insurance risk, such as fire suppression systems and repiping projects, and is intended to help associations obtain full replacement value insurance coverage in the open market.

Member Colby asked what recourse would be available if condominium associations do not repay their loans under the program.

Yamamoto Lau responded that, if a loan is not repaid, HGIA would follow the same recourse and process used for any other HGIA borrower. She stated that condominium associations have the authority to assess all unit owners and that unit owners would be required to vote to approve a loan under the program. She further stated that the program is not a mandate, but an optional loan program for associations that determine they need financing and are unable to obtain financing elsewhere.

Member Colby asked what concerns Michael Onofrietti had raised during the public hearing, noting that he was unable to attend the hearing.

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[1] Act 296, SLH 2025 also appropriated $30.0 million to the HHRF for working capital, which included $5.0 million for the Condo Loan Program.

Yamamoto Lau responded that Representative Matayoshi had introduced a bill during the current legislative session proposing an additional $100 million in capital funding for the condominium loan program and that the proposal also looked to the HHRF to provide debt service coverage reserves for repayment of the bonds. During discussions regarding the proposal, Insurance Commissioner Scott Saiki, Alison Ueoka, and Michael Onofrietti noted that prior analyses accounted for the authorized $5 million HHRF allocation, but not for additional HHRF funds. Michael Onofrietti's concerns are related to the use of additional HHRF funds to support repayment of the reimbursable general obligation bonds.

Chair Tokioka asked if there were any more questions or comments.

Gregory Misakian stated that he would like to introduce himself to the Board members and shared that he serves as a director on his condominium association board, is a condominium owner advocate at the Legislature, and is also a kupuna advocate. He serves as President of the Kupuna Caucus and serves as Vice President of the Hawaii Alliance for Retired Americans (HARA), which includes union retirees.

Gregory Misakian further stated that he has concerns regarding the condominium loan program and the C-PACER loan structure, specifically the super-priority lien structure. He noted that he had not yet received a clear answer regarding the issue and is concerned that the lien would be placed on the property and could ultimately be assessed to individual condominium units and associations. Based on his research and discussions with others familiar with the issue, he stated that he is concerned that the liens could make it more difficult for unit owners to refinance and sell their units.

Gregory Misakian added that PACE loans have, in some cases, been viewed as predatory, including in Los Angeles where residential PACE programs were discontinued due to concerns regarding fees and other associated issues that people do not fully understand. He stated that he intends to continue advocating with the Legislature during the next legislative session for additional consumer protections. He also asked HGIA to make sure that the condominium loan program does not "go south" because he can see it "going south".

Yamamoto Lau responded that the program is a commercial C-PACER program rather than a residential PACE program, and clarified that no liens would be placed on individual unit owners. She noted that this clarification should address Gregory Misakian's concerns.

Gregory Misakian stated that he still had not received confirmation that separate liens would not be placed on individual units. He noted that individuals he had spoken with informed him that liens could be proportioned to each unit based on the unit's percentage interest in the association, but that the "jury is still out" on the issue. Gregory Misakian acknowledged that there may be a way for the lien to apply only to the property as a whole but stated that special assessments and other related issues could still arise. He noted his concerns regarding kupuna and others on fixed budgets taking on additional long-term loans, which he stated could “tie their hands” for a very long time. He further stated that he has yet to see how the property lien structure would function properly.

Chair Tokioka thanked Gregory Misakian for his comments.

Chair Tokioka asked if there were any questions from the board members. Hearing none, he asked if there were other questions from the general public. With no questions from the general public, Chair Tokioka called for a motion to approve the Resolution for HGIA to execute documents related to the $20.0 million Reimbursable General Obligation Bond repayment schedule, pursuant to Act 296, Session Laws of Hawaii 2025, Financing for Condominiums.

Vice Chair Wallsgrove moved, and Secretary Glick seconded the motion to approve the Resolution for HGIA to execute documents related to the $20.0 million Reimbursable General Obligation Bond repayment schedule, pursuant to Act 296, Session Laws of Hawaii 2025, Financing for Condominiums.

Chair Tokioka called for a vote via roll call.

Ayes: Tokioka, Wallsgrove, Glick.
Abstentions: Colby.
Nays: None.

The motion carried, 3 to 0, with 1 abstention.

3. Chair Tokioka stated that the last item on the agenda is the approval of the addition of Embodied Carbon as a Qualifying Energy Efficiency Improvement for the HI C-PACER financing program and asked Gwen to present.

   Yamamoto Lau stated that one of the great things about the C-PACER financing program is that it utilizes 100% private capital. However, one of the challenges is that the program relies entirely on private capital, and therefore HGIA has no control over getting deals done. Similar to opportunity zones, Hawaii is competing for private capital with 39 other states. As the financing program evolves, it is important for Hawaii’s program to also evolve to incorporate additional qualifying improvements to remain competitive.

   The industry recognizes greenhouse gas emissions resulting from the energy used for manufacturing building materials, as well as during construction, known as embodied carbon, as a substantial environmental consequence of new construction. In Hawaii, these carbon emissions are significantly amplified because most building materials are imported.

   To encourage a reduction of embodied carbon through renovation versus full demolition and new ground-up construction, embodied carbon is recommended as an eligible qualified improvement under the Hawaii C-PACER financing program for adaptive reuse and other major renovation projects. Adaptive reuse projects result in a change in the use of a building and 1132 Bishop Street is an example of a former office building converted into apartments. To qualify:

- A project must result in a major renovation or change in the use of the building.
- In the instance of acquisition of an existing building, the total hard and soft costs of the project must exceed the adjusted basis of the building, calculated by the purchase price and tax-assessed value of the improvements.
- In the instance of an already owned building, the total hard and soft costs of the project must equal or exceed the value of the existing building as measured through an appraisal or tax-assessed value.
- Projects must retain at least 50% of the existing primary and secondary structures, including foundations, columns, beams, walls, floors, and building enclosures such as interior skin and framing.
- Excluded are window assemblies, nonstructural roofing materials, and portions of buildings requiring remediation because they are unsafe, dangerous, or contain hazardous materials.
- The reduction of embodied carbon must be documented by a third-party professional and quantified pursuant to acceptable lifecycle industry software tools.

States including Colorado, New York, California, and New Jersey have already approved or are in the process of obtaining final approval to include embodied carbon as a qualified energy improvement.

Yamamoto Lau provided confirmation to Secretary Glick that the language will be revised from “embodied carbon” to “reduction of embodied carbon” as an eligible energy efficiency improvement.

Chair Tokioka asked if there were any more questions from the board members. Hearing none, he asked if there were any questions from the general public.

Gregory Misakian stated that he frequently advocates at the Legislature and recently was able to get five senators to vote “no” and one senator to vote “with reservations” on a nomination, which he noted demonstrated that legislators are listening to him. He further stated that he is concerned about the expanding scope of the C-PACER program. Gregory Misakian shared that he has an engineering background and previously worked for Siemens, Philips, and Raytheon. He added that what he’s seen in this state is “not the sharpest of the sharp and not the smartest of smart”. He referenced the deterioration of Aloha Stadium and concerns regarding steel that had been described as “self-healing”. He noted that there are a lot of “fluffy” words regarding embodied carbon and that he doesn’t know how anyone in Hawaii will properly determine the metrics, the details, and the science behind it. Gregory Misakian asked the Board to carefully review these issues and stated that oversight is key to avoiding future problems and concerns regarding accountability.

Chair Tokioka thanked Gregory Misakian for attending the Board meeting and stated that the board appreciates him for bringing his thoughtful comments and concerns to their attention. Chair Tokioka added that Yamamoto Lau and her team would carefully consider the concerns raised and review potential issues that could arise through the loan process.

Chair Tokioka asked if there were any more questions. With no more questions from the general public, Chair Tokioka called for a motion to approve the addition of “Reduction of Embodied Carbon” as amended, as a Qualifying Energy Efficiency Improvement for the HI C-PACER financing program.

Secretary Glick moved, and Member Colby seconded the motion to approve the addition of “Reduction of Embodied Carbon” as a Qualifying Energy Efficiency Improvement for the HI C-PACER financing program.

Chair Tokioka called for a vote via roll call.

Ayes: Tokioka, Wallsgrove, Glick, Colby
Nays: None.

The motion carried unanimously, 4 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.

Member Colby moved, and Secretary Glick seconded the motion. Chair Tokioka adjourned the meeting by acclamation at 3:45 p.m.

Respectfully Submitted

By: ___________________________
Mark Glick
Its: Secretary

State of Hawaii

Hawaii Green Infrastructure Authority

GREEN ENERGY MARKET SECURITIZATION & OTHER FINANCING PROGRAMS

QUARTERLY REPORT: April 1, 2026 – June 30, 2026

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 2026

Table of Contents

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[1] (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,"[2] ("Application") for the Hawaii Green Infrastructure Authority ("Authority" or "HGIA").[3] 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.[4] 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.[5] 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[6] that included requirements concerning the financing of utility-scale projects, when applicable.[7]

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;

[1] Filed on September 30, 2014 in Docket No. 2014-0135
[2] Filed on June 6, 2014 in Docket No. 2014-0135
[3] 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.
[4] See "Decision and Order No. 32318," filed in Docket No. 2014-0135 on September 30, 2014, at p. 1.
[5] 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.
[6] "Consumer Advocate" refers to the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs of the State of Hawaii.
[7] 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.[8]

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.[9] Effective March 31, 2024, detailed metrics and financial reports will be submitted to the Commission in an excel worksheet.

On November 26, 2025, the Commission issued Order no. 42129 requiring additional reporting requirements, including segregating and tracking GEMS loan repayments separately from other funding sources, as well as identifying administrative expenses attributable to GEMS loan repayments and non-GEMS financing.

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.

Since the passage of Act 211, SLH 2013, a number of additional mandates have been approved by the Legislature, expanding the scope and objectives of the Authority, with the consistent theme of **bridging the access to capital gap** to those unable to access financing through traditional lenders, including the following:

- Act 107, SLH 2021, expanding HGIA's scope to also implement financing programs on behalf of sister agencies and departments, such as HTDC's SSBCI direct lending and credit enhancement programs, known as HI-CAP;
- Act 40, SLH 2024 establishing a Solar Hui Investment program allowing condominium owners locked out of solar to co-invest in solar + storage systems installed on ALICE rooftops through an energy services agreement;
- Act 41, SLH 2024, elevating the commercial property assessed financing program, also known as Commercial Property Assessed Clean Energy and Resiliency (C-PACER) to a state-level program, enabling commercial property owners to access long-term fixed rate financing;
- Act 296, SLH 2025, establishing the Condo Association Loan Program and Loan Loss Reserve Program to bridge the access to capital gap for condo associations unable to obtain financing from traditional lenders. Said loans shall lower project's risk profile by replacing aging pipes, installing fire sprinklers and other necessary repairs and improvements; and
- Act 204, SLH 2026, establishing a Cesspool Conversion Revolving Loan Fund to bridge the access to capital gap for homeowners to convert cesspools to Department of Health approved alternatives or hook up to County sewerage systems.

While not required by Order 32318, the Authority is including updates and impacts of all of its financing programs in this Quarterly Report.

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[8] See "Decision and Order No. 32318," filed in Docket No. 2014-0135 on September 30, 2014, at p. 97.
[9] 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.

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, 2026:

Total Installed Capacity (kW)	23,783
Total Estimated kWh Production / Reduction Over Lifetime Since Inception	1,227,870,254
Total Petroleum Displaced Over Lifetime (Estimated Barrels)	753,973
Total Greenhouse Gas Avoided Over Lifetime (Estimated Metric Tons CO2)	369,369
Estimated Net[10] Bill Savings Over Lifetime	$275,513,925
Number of Ratepayers Benefitting from GEMS/GEM$	7,159
State Tax Revenues Generated	$24,279,395
Economic Multiplier Impact	$430,646,587
% Underserved Residential Households Served	95%

2. Summary of Program Activities

The following is a summary of the activities that have occurred between April 1, 2026 and June 30, 2026.

2.1 Administration

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

- **Response to Information Request**. On April 8, 2026, HGIA submitted its responses to the Information Requests in Docket No. 2014-0135.
- **Board Meeting**. The Authority held a board meeting on April 30, 2026, during which it approved HGIA's Quarterly Report to the PUC for the quarter ended March 31, 2026, approved a Resolution for HGIA Board Chair and Executive Director to execute documents related to the $20.0 million Reimbursable General Obligation Bond repayment schedule pursuant to Act 296, SLH 2025, Financing for Condominiums; and approved the addition of a Reduction of Embodied Carbon as a Qualifying Energy Efficiency Improvement for the HI C-PACER financing program.
- **Quarterly Report**. On May 1, 2026, the Authority filed its Quarterly Report for the period ending March 31, 2026 in Docket No. 2014-0135.
- **Administrative Rules**. On May 7, 2026, the Governor approved the Financing for Condominiums Administrative Rules.
- **Condominium Loan Program Launched**. On May 11, 2026, HGIA launched the Condominium Loan Program.
- **Request to Permanently Approve the GEM$ Servicing Program**. On June 3, 2026, HGIA submitted its formal request for the Commission to permanently approve the GEM$ Servicing Program, in docket 2014-0135.
- **Order 42619** was filed in docket no. 2014-0135 setting a deadline for comments regarding HGIA's request to permanently approve the GEM$ Servicing Program.
- **Information Requests** for both HGIA and HECO from the Consumer Advocate were submitted in docket no. 2014-0135 on June 15, 2026.
- **Response to Information Request.** On June 16, 2026, the Authority filed its response to the Consumer Advocate's IRs in docket no. 2014-0135.
- **Response to Information Request.** On June 22, 2026, HECO filed its response to the Consumer Advocate's IRs in docket no. 2014-0135.

[10] Net bill savings is ratepayer savings from solar system after paying loan or power purchase agreement payments.

- **Letter.** On June 23, 2026, the Authority filed a letter in docket no. 2014-0135 providing comments to HECO's response.
- **Letter.** On June 23, 2026, HECO filed a letter including rebuttal and reply comments to HGIA's letter, in docket no. 2014-0135.
- **Letter**. On June 23, 2026, the Consumer Advocate filed a letter recommending that the Commission temporarily extend the GEM$ Servicing pilot to December 31, 2026 to provide parties sufficient opportunity to evaluate HGIA's request to permanently approve a GEM$ Servicing Program.
- **Recurring Funding**. June 25, 2026, Governor Green signed HB1800, also known as Act 175, SLH 2025, the state's budget bill into law, which included $10.0 million in recurring clean energy loan capital.
- **Order 42731**. On June 30, 2026, the Commission issued Order 42731 in docket no. 2014-0135 extending the GEM$ Servicing Pilot Program through December 31, 2026 and set a procedural schedule to govern the Commission's review of HGIA's request.

2.2 Status of Clean Energy Financing Programs

2.2.1 Residential Portfolio

During the quarter, HGIA received fifty-three (53) new applications for its GEM$ Servicing Loan Program, of which 29 were for direct financing and 24 were for prepaid leases. Nine (9) applications were also received under the GEM$ Servicing Lease Program.

Thirty applications aggregating $1.9 million in total project costs were approved and fifty-eight loan and lease installations were partial or final funded based on project completion.

There are currently sixty (60) HGIA financed systems being installed and twenty-nine (29) non-HGIA financed systems being installed.

Delinquent Status for the Residential Loan Portfolio as of June 30, 2026:

Loan Balance	Current	%	31 – 60 Days*	%	61 – 90 Days*	%	91+ Days	%
$37,049,220	$35,172,306	94.9%	$1,276,980	3.4%	$148,717	0.4%	$451,218	1.2%
No.: 848	793	93.5%	38	4.5%	5	0.6%	12	1.4%

As of June 30, 2026, out of the fifty-five delinquent loans, only two (2) did not make a payment in June 2026 or July 2026. One is direct and the other is on-bill. The Authority continues to reach out to the direct billed borrower, who last paid on May 19, 2026, for payment.

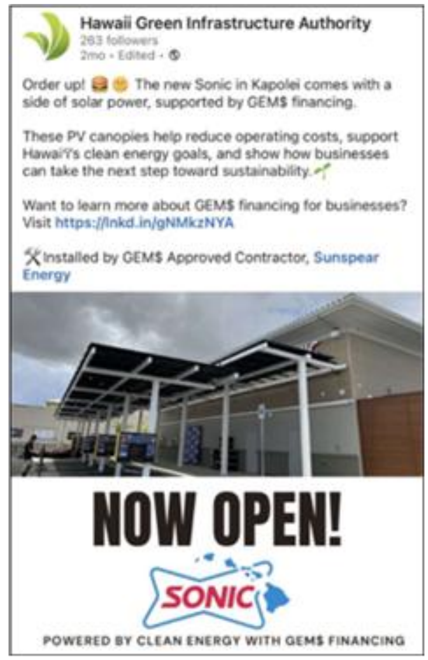
MECO extended its disconnection moratorium for all of its Maui customers to August 24, 2026.

2.2.2 Commercial Portfolio

During the quarter, HGIA received six (6) new applications. Five were for nonprofits, and one for a small business.

The Authority approved five (5) commercial loans aggregating $5.1 million in total project costs. There are currently twenty-two (22) systems being installed.

Sonic Drive-In, which opened in Kapolei on May 16, 2026, financed its solar, in part, through the GEM$ financing program. The following is HGIA's social media post providing visibility to the business and HGIA's financing program:



Delinquent Status as of June 30, 2026 for the Commercial loan portfolio:

Loan Balance	Current	%	31 – 60 Days	%	61 – 90 Days	%	91+ Days	%
$35,485,302	$35,485,302	100.0%	$0.00	0.0%	$0.00	0.0%	$0.00	0.0%
No.: 84[11]	84	100.0%	0	0.0%	0	0.0%	0	0.0%

As of June 30, 2026, all loans were being paid as agreed.

2.2.3 State Revolving Loan Fund

In addition to the University of Hawaii at Manoa, other departments with preliminary interest in financing, include projects for the Department of Education, State Libraries and the Foreign Trade Zone.

Delinquent Status as of June 30, 2026 for the State Revolving Loan Fund:

Loan Balance	Current	%	31 – 60 Days	%	61 – 90 Days	%	91+ Days	%
$27,935,879	$27,935,879	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, 2026, all state loans were being paid as agreed.

2.2.4 GEM$ Servicing

With the sunset of Federal solar tax credits on residential systems, coupled with the $40.0 million cap and scheduled elimination of state solar tax credits in 2031, using recuring new funding provided by the Legislature, the Authority is currently

[11] Although individual metrics for consumer leases are reported under the Residential Portfolio, advances for consumer leases are actually commercial loans. As such, the leases are reported in the Residential metrics and the underlying loans are included in the Commercial Portfolio for delinquency reporting purposes.

designing a new Clean Energy Solar Program ("CELP") to bridge the gap and elimination of the tax credits. As a result, the Authority expects the number of GEM$ Servicing loans to continue to grow.

On June 3, 2026, the Authority submitted a formal request for the Commission to approve a permanent GEM$ Servicing Program. Following a series of information requests and letter submissions, the Commission issued Order no. 42731 on June 30, 2026, extending the GEM$ Servicing Pilot Program through December 2026. The Commission also set the following procedural schedule:

Procedural Event	Deadline
Rolling IRs from Parties to HGIA[12]	July 1, 2026 to August 31, 2026
Technical Conference	To be determined by the Commission or upon Parties' Request
Statement of Positions ("SOPs") from Parties	September 30, 2026
HGIA's Reply SOP, if necessary	October 14, 2026

Per the Commission's procedural directive, the Authority will respond to rolling IRs, as they are received, within the ten-business day deadline.

2.2.4.1 HGIA Financed GEM$ Servicing (Solar + Storage and Solar for All Funds)

a.	Project Developer/Contractors[13]	All
b.	Total Projects	595
	LMI Projects	590
	Non-LMI Projects*[14]	5
c.	Fees Collected Q42026:	N/A
d.	Developer Gross Revenue Q42026	$98,020
	Average Monthly Revenue/Project	$218
e.	Implementation Costs:	None

HGIA continues to work with a community solar developer on financing a community solar project utilizing HI-CAP funds, alongside private capital. Subscriptions will be collected on-bill utilizing the GEM$ Servicing on-bill repayment mechanism. The Authority will provide a status update when project financing is approved.

2.2.4.2 Non-HGIA Financed GEM$ Servicing

a.	Project Developer:	Holu Hou Energy
b.	Total Projects	87
	LMI Projects	82
	Non-LMI Projects	5
c.	Fee Collected Q42026:	$19,440
d.	Developer Gross Revenue Q42026:	$24,428
	Average Monthly Revenue/Project	$160
e.	Implementation Costs:	None

[12] Responses to the IRs are due within ten (10) business days after they are received.
[13] All HGIA solar contractors are eligible to install non-GEMS financed solar projects: Hawaiʻi Green Infrastructure Authority | HGIA Approved Contractors
[14] Non-LMI projects are financed 100% with private capital.

All fees paid by the Developer are netted against administrative expenses.

2.3 Status of HI-CAP Programs

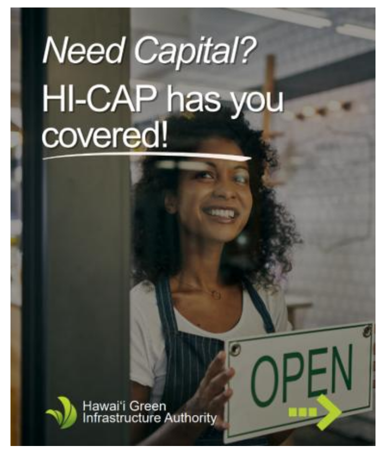
Authorized under Act 107, SLH 2021, through a Memorandum of Agreement with sister agency the Hawaii Technology Development Corporation, the Authority is administering the credit related programs under the federally funded State Small Business Credit Initiative, addressing the access to capital gap for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

During the quarter, five SSBCI supported loans were funded aggregating $1.2 million for agricultural, healthcare and food related businesses.

The Authority also approved a $5.0 million loan as part of the capital stack for a $20.0 million project to construct a PV recycling and manufacturing facility in West Oahu.

As of 6/30/2026, some $12.6 million in HI-CAP program funds have facilitated **over $44 million in loan capital** for small businesses and nonprofits statewide, with highlights by industry as follows:

- Manufacturing $15,106,000
- Restaurants $ 8,284,000
- Healthcare $ 4,009,403
- Energy $ 3,700,000
- Sports & Recreational Related $ 3,221,000
- Wholesale $ 1,000,000
- Waste Removal $ 989,859



2.4 Status of HI C-PACER Financing Program

The Authority is working with a C-PACE lender to close a $245.0 million loan as part of a $431.0 million capital stack. This project, scheduled to close shortly, with construction beginning in early 2027, will provide significant environmental and economic development impacts.

2.5 Status of Solar Hui Fund Program

Administrative rules for the Solar Hui Investment Program have been submitted to the Governor's office to request approval of a Public Hearing.

2.6 Status of Condo Loan Program

Governor Green approved the Financing for Condominiums Administrative Rules on May 7, 2026.

The Authority launched the Condominium Loan Program on May 11, 2026, and is currently underwriting applications aggregating $12.9 million. This loan program addresses the access to capital gap facing Condominium projects with deferred maintenance issues that have already been denied credit from banks and/or credit unions. Eligible purposes are for essential repair work, including fire sprinkler or other fire safety system upgrades, pipe repair or replacement, roof repair or replacement, repairs needed to address structural issues and other maintenance or repairs that will reduce the risk profile of the condominium project. The following is an example of the structural remediation work needed for an applicant requesting financing:

Temporary structural support to keep the upper level from failing.

The $20.0 million reimbursable general obligation bond funds have been deposited into the Condominium Loan Fund. The Authority is awaiting the transfer of the $5.0 million debt service reserve from the Hurricane Relief Fund, approved by the Legislature. Upon said transfers, these loans can be approved and closed.

2.7 Marketing and Customer Service Activities

During the quarter, HGIA was featured and/or included in the content of sixteen (16) articles, publications or television appearances, as follows:

- 4/7/2026 – Environmental & Energy Study Institute (ESSI)[16], "On-Bill Financing Project: A history of making energy more affordable for rural households"
- 4/7/2026 – CleanTechnica, "Hawaii Sustainability Expo: The importance of experienced-based event for the future of clean energy"
- 4/10/2026 – Civil Beat, "A last minute miracle for a bill to help Hawaii convert cesspools"
- 4/21/2026 – Living808, "Save Energy and Live Sustainably at Hawaii Sustainability Expo"
- 4/22/2026 – Hawaii Business Magazine, "Making Climate Action Work for Hawaii"
- Seven articles or spots on the launch of HGIA's Condominium Loan Program between 4/22/2026 to 5/18/2026, featured on KHON2, Governor's Newsletter, Aloha State Daily, Hoodline, Pacific Business News, Big Island Now, and Island Life
- 4/24/2026 – AOL, "New tech, ways to lower your energy bill in Honolulu"
- 5/8/2026 – Working for Hawaii, "What bills passed in Hawaii's 2026 Legislature"
- 6/22/2026 – Global Data, "X-Caliber arranges $431M financing for Coco Palms Resort in Hawaii"[17]
- 6/25/2026 – Hawaii Public Radio, "New loan program set to help homeowners finance cesspool conversions"

HGIA participated as a panelist or presenter in eleven (11) seminars, workshops or webinars, as follows:

- 04/01/2026 – "What's the Law" with Coralie Matayoshi on the Condominium Loan Fund

[16] ESSI is a nonpartisan independent think tank focused on energy, environmental and climate policy in Washington D.C.
[17] This article does not explicitly mention HGIA, however, it does mention the C-PACE program.

- Four small business outreach events, in collaboration with the U.S. Small Business Administration, US Department of Agriculture, Small Business Development Centers, Veteran Business Ownership Centers, HEDCO, TMC Financing and DBEDT’s Business Development Business Support Division on Kauai, Kona, Maui and Hilo between April 21, 2026 and June 24, 2026;
- 4/25/2026 – Sustainability Expo – Electric Home Show, Panelist on Energy Affordability with Ted Peck, Holohou Energy; Josh Stanbro, Hawaiian Council and Pono Homes
- 5/12/2026 – Department of Energy, Better Buildings Summit, Panelist on “The Power of Partnerships: Innovative Financing to Scale Implementation”
- 5/12/2026 – Department of Energy, Better Building Summit, Panelist on “Meet your Financial Solutions”

  During the Summit, the Department of Energy also recognized the Authority as a Better Buildings Better Plants Financial Ally Goal Achiever alongside the Community Preservation Corporation and Siemen’s Financial Services, Inc.

HGIA’s Award


With DOE Deputy Assistant Secretary Carolyn Snyder

- 5/15/2026 – Blue Planet Alliance, Creative Financing
- 6/1/2026 – Opportunity Zone 2.0 Market Activation Summit, Moderator for the “Structuring an OZ Capital Stack” panel
- 6/8/2026 – Pacific Climate Summit, Moderator for the “Climate Finance & Investment to Accelerate Innovation” panel

In addition, HGIA participated at the following four (4) outreach events:
- 4/24 to 04/26/2026 – Electric Home Show Expo at the Blaisdell with Hawaiian Council

Rufino Magliba, Hawaiian Council; Nick Chang & Sharlene Chae, HGIA

- 5/27/2026 – Chinatown Kupuna Emergency Preparedness Fair
- 5/29/2026 – Waianae Economic Development Council's Waianae Moku Made Community Outreach Event
- 5/30/2026 – Homeowner's Environmental Expo at Kaneohe Elementary School

2.8 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:

- **Cancellation of Projects**. As July 4, 2026 was the deadline to safe harbor Federal tax credits, following the July 4^{th} holiday weekend, the Authority received requests to cancel two commercial projects aggregating $3.8 million.
- **Act 204, SLH 2026**. On July 8, 2026, Governor Green Signed HB1618 relating to cesspool conversions into law.
- **Motion for Reconsideration of Order No. 42731**. On July 10, 2026, the Consumer Advocate submitted motion requesting the PUC reconsider and modify Order No. 42731.
- **Public Hearing**. The Solar Hui Fund public hearing is scheduled for August 25, 2026 at 11:00 a.m.

3. Financial Summary of the Hawaii Green Infrastructure Authority

Balance Sheet
June 30, 2026

ASSETS			
Current Assets			
Cash in Bank Total		$	68,297,182
Certificate of Deposits			5,288,677
Cash in Treasury			1,795,789
Total Cash		**$**	**75,381,648**
Investments			37,366,459
Total Cash and Investments		**$**	**112,748,107**
Other Receivables			965,930
Total Current Assets		**$**	**113,714,037**
Noncurrent Assets			
GEMS Loans Receivable	(76%)	$	65,856,418
Solar + Storage Loans Receivable	(24%)		20,781,068
Allowance for Loan Losses			(172,964)
HI-CAP Loans Receivable			906,725
Solar for All Loans Receivable			267,372
Capitalized Costs			74,221
Total Noncurrent Assets		**$**	**87,712,840**
Total Assets		**$**	**201,426,877**
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts Payable		$	8,021
Accounts Payable - PUC			3,205,831
Accrued Expenses			35,817
Other Current Liabilities			25,281,371
Total Current Liabilities		**$**	**28,460,089**
Total Noncurrent Liabilities		**$**	**67,074**
Total Liabilities		**$**	**28,527,163**
Fund Balance, Beginning		$	170,875,099
Net Income (loss) for the Quarter 4/1/26-6/30/26		$	2,034,381
Posting Adjustments			(9,766)
Fund Balance, Ending		**$**	**172,899,714**
Fund Balance, Beginning 7/1/25 Audited		$	162,464,484
Net Income (loss) fiscal year-to-date			10,258,810
FY2025 - Adjustment -removed Loan Loss Reserve EE			1,500
Fund Balance, Ending		**$**	**172,724,794**
TOTAL LIABILITIES AND FUND BALANCE		**$**	**201,426,877**

Other Receivables are funds that have been recorded but have yet to be transferred between accounts.

Accounts Payable – PUC represents the estimated 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), contract obligations for specific purposes and unearned grant income.

Hawaii Green Infrastructure Authority

Revenues and Expenditures

For the Quarter: April 1, 2026 to June 30, 2026

Revenues from Operations			
Investment Interest		$	667,905
Interest Income on Loans			816,269
Other Income			49,260
HI-CAP Fees			10,133
HI-CAP Program Revenue			
Solar + Storage Loan Program Revenue			1,484,778
Solar For All Loan Program Revenue			2,639
Total Revenues from Operations		**$**	**3,030,984**
Operational Expenditures			
Salaries and Benefits		$	318,677
Office and Administrative Expenses			5,808
Bank Fees			19,768
Program Expenses			68,036
Total Operational Expenditures		**$**	**412,289**
Revenues Over (Under) Expenditures		**$**	**2,618,695**
Payments to PUC/PBF			
PUC Repayment - Principal		$	477,997
PUC Repayment - Interest	610,262		
Net PUC Repayment - Interest	(287,324)		322,938
Total PUC Repayment		**$**	**800,935**
Bad Debt Expense		**$**	**(830)**
Unrealized Gains (Losses)		**$**	**215,791**
Net Change in Fund Balance		**$**	**2,034,381**
Fund Balance			
Beginning of Period, Unaudited			**$170,875,099**
Posting Adjustments			(9,766)
End of Period			**$172,899,714**

Adjustments for PUC:				
Less: GEM$ No -HGIA Debt Fees				(19,440)
Less: Federal Reimbursements				(11,310)
Less: Marketing, Business Development & Outreach				(400)
Less: Training, Travel & Subsistence				(4,889)
Net Operational Expenditures				**$ 376,250**
76%	GEMS			286,002
24%	Solar + Storage			90,248
Add Back Proportionate Share of Marketing & Travel				
25%	GEMS	$	1,322	287,324
75%	Solar + Storage	$	3,967	94,215

Hawaii Green Infrastructure Authority
Revenues and Expenditures
For the Period: July 1, 2025 to June 30, 2026

Revenues from Operations			
Investment Interest		$	3,525,967
Interest Income on Loans			2,956,560
Other Income			206,407
HI-CAP Fees			29,906
Solar + Storage Loan Program Revenue			8,136,246
Solar For All Loan Program Revenue			159,771
Total Revenues from Operations		**$**	**15,014,857**
Operational Expenditures			
Salaries and Benefits		$	1,234,993
Office and Administrative Expenses			16,715
Bank Fees			75,091
Program Expenses			498,665
Total Operational Expenditures		**$**	**1,825,464**
Revenues Over (Under) Expenditures		**$**	**13,189,393**
Payments to PUC/PBF			
PUC Repayment - Principal		$	2,221,311
PUC Repayment - Interest	2,216,571		
Net PUC Repayment - Interest	(1,232,051)		984,520
Total PUC Repayment		**$**	**3,205,831**
Bad Debt Expense		**$**	**2,177**
Unrealized Gains (Losses)		**$**	**277,425**
Net Change in Fund Balance		**$**	**10,258,810**

Fund Balance				
Beginning of Period, Audited			**$**	**162,464,484**
FY2025 - Adjustment -removed Loan Loss Reserve EE				1,500
End of Period			**$**	**172,724,794**
Adjustments for PUC:				
Less: GEM$ No -HGIA Debt Fees				(38,440)
Less: Federal Reimbursements				(150,933)
Less: Marketing, Business Development & Outreach				(17,412)
Less: Training, Travel & Subsistence				(5,334)
Net Operational Expenditures			**$**	**1,613,345**
76%	GEMS			1,226,365
24%	Solar + Storage			386,981
Add Back Proportionate Share of Marketing & Travel				
25%	GEMS	$ 5,686		1,232,051
75%	Solar + Storage	$ 17,059		404,040

Capital from general funds for Solar+Storage loans, federal funds for Solar for All loans, and federal SSBCI funds for the HI-CAP programs are posted as "revenue" for accounting purposes when earned.

Non-HGIA financed GEM$ Servicing fees aggregating $(38,440) are subtracted from Total Operational Expenses. Additionally, as federal funds can only be used for specific purposes according to federal guidelines, federal reimbursements are also subtracted from Total Operational Expenses.

Pursuant to the response to the Commission's PUC-HGIA-IR-161, Marketing, Business Development and Outreach, as well as Training, Travel & Subsistence expenses will be allocated 25% to GEMS and 75% to Solar + Storage interest income, as reflected above.

Based on the 6/30/2026 loan receivable balances, an allocation of 76% (as compared to 78% last quarter) of administrative expenses were applied to GEMS and 24% (as compared to 22% last quarter) was applied to the S&S Funds. The PUC repayment aggregates $3.2 million and consists of $2.2 million in principal and $984,000 in net interest income.

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"[18] 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".[19]

[18] See "Decision and Order No. 32318," filed in Docket No. 2014-0135 on September 30, 2014, at p. 66.

[19] See "Decision and Order No. 32318," filed in Docket No. 2014-0135 on September 30, 2014, at p. 66.

The GEMS Program submitted its consumer protection policies in a Program Notification to the Commission on July 1, 2015.[20] No complaints have been received to date regarding GEMS Deployment Partners.

4.2 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.[21]

The Authority is underwriting a loan to finance a community solar project with subscriptions collected on-bill utilizing its GEM$ Program Charge mechanism.

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."[22] 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."[23]

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.

[20] 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.

[21] See "Decision and Order No. 32318," filed in Docket No. 2014-0135 on September 30, 2014, at p. 60.

[22] See "Decision and Order No. 32318," filed in Docket No. 2014-0135 on September 30, 2014, at p. 95.

[23] See "Division of Consumer Advocacy's Statement of Position," filed in Docket No. 2014-0135 on August 7, 2014, at p. 14.