

From the Pacific Business News

:<http://www.bizjournals.com/pacific/news/2014/06/09/hawaii-green-financing-program-heads-to.html>

Jun 9, 2014, 5:42pm HST Updated: Jun 10, 2014, 7:20am HST

Hawaii green financing program heads to state regulators for approval



[Duane Shimogawa](#)

Reporter- *Pacific Business News*

[Email](#) | [Google+](#) | [Twitter](#) | [LinkedIn](#)

Hawaii is looking to move forward on a green financing program aimed at allowing more residents and businesses to install clean energy systems such as solar.

The state Department of Business, Economic Development and Tourism has filed two applications with the **Hawaii Public Utilities Commission** seeking approval to move forward with the Gov. [Neil Abercrombie](#) Administration's Green Energy Market Securitization or GEMS program.

"The GEMS program is a significant step toward removing barriers that have prevented many Hawaii residents from embracing clean energy and lowering their power bills," Abercrombie, who proposed the program in his 2013 State of the State address and signed it into law later that year, said in a statement. "GEMS will play an important role in the state's pursuit of energy independence while helping to create green jobs and raising Hawaii's profile as a global model for clean energy."

Hawaii Department of Business, Economic Development and Tourism Director [Richard Lim](#), the architect of the GEMS program, said one of the challenges was to come up with a financing structure that would channel capital to green energy investments outside the traditional financing model.

"While solar PV has grown exponentially there is a market gap of consumers who cannot afford the high upfront costs, or cannot qualify for loans," he said in a statement. "The GEMS program will open up access to solar PV for these market segments. This innovative financing approach leverages public dollars to achieve a long-term, sustainable financing solution to support clean energy project development."

The applications were filed with Hawaii regulators on Friday. The first filing was for a financing order to issue up to \$150 million in Green Infrastructure Bonds and to authorize a Green Infrastructure Fee to secure the bonds.

The second filing is for an order to create a Green Infrastructure Loan Program that would use the bond proceeds to provide alternative low-cost financing for solar PV systems and other eligible clean energy technologies. GEMS will be administered at little or no cost to ratepayers, the state said.

Proceeds from the bond issuance will be placed in a Green Infrastructure Special Fund that can be used alone or in combination with private capital to provide financing to consumers through "deployment partners," such as local financial institutions, solar financiers and energy lenders.

Consumers will be able to repay the loans over time with the savings on their electric bills.

DBEDT will oversee the program until a Green Infrastructure Authority is created to take over the administrative duties.

The fund initially will be used to support the installation of solar PV systems, and will later be expanded to cover a variety of eligible clean energy technologies, energy storage, smart modules, monitoring devices and other technology to support the interconnection of PV systems to the grid.

Last week, California-based Renewable Funding [was awarded the contract to develop and manage the program.](#)

Duane Shimogawa covers energy, real estate and economic development for Pacific Business News.