



GEMS (Green Energy Market Securitization) Program Frequently Asked Questions

What is GEMS?

The GEMS (Green Energy Market Securitization) Program is the State of Hawaii's innovative green infrastructure financing program designed to make clean energy improvements affordable and accessible for Hawaii's consumers. Governor Neil Abercrombie signed Act 211 on June 27, 2013 which authorized the creation of the GEMS program.

Why GEMS?

GEMS is the result of Governor Abercrombie's bold leadership and commitment to securing a clean energy future for Hawaii. While the State has seen early success in clean energy deployment, existing programs may not serve the entire spectrum of Hawaii's communities. The State has identified a market gap, where the needs of underserved markets, such as low and moderate income homeowners, renters, and non-profits, are not being addressed. GEMS was created to bridge the market gap and bring clean energy into reach for a wider audience.

An OmniTrak survey of Hawaii homeowners conducted in December 2012 found that 70 percent of those surveyed responded favorably when asked if they would likely make energy-saving home improvements if low-interest financing were available.

Who will benefit from GEMS?

This program is about democratizing clean energy for all of Hawaii's consumers. Currently there is a market gap for consumers who are interested in going green, but cannot afford the high upfront costs or cannot qualify for financing. GEMS will target these market segments to open up the market so more consumers may realize energy cost savings and participate in Hawaii's clean energy economy.

How will GEMS work?

GEMS' objective is to make clean energy improvements accessible and affordable. The program aims to work with existing clean energy companies to expand the market of eligible consumers who can simply invest in solar today, with no upfront cost, and repay over time.

What will GEMS do?

Initially, GEMS will target financing for distributed solar, and in particular for the underserved markets. Investing in solar today requires significant upfront cash or ability to qualify for a loan or lease product. Residents and businesses that have been able to invest in solar have achieved immediate savings on their monthly electricity bill, but many others have been left out of this market. GEMS works to bridge these financing barriers to bring clean energy into reach for them.

Is GEMS only for solar?

In its initial phase, GEMS targets distributed solar, but will be flexible and deployed in a phased approach to make financing available for many clean energy and energy efficient technologies that provide energy cost savings.

How is GEMS groundbreaking?

What makes GEMS pioneering is that the program combines two tried-and-true financing methods, a traditional rate-reduction bond structure and on-bill financing, in a synergistic model. This innovative structure can open the door for a whole new financing market in renewables and energy efficiency. Although the GEMS program was “invented in Hawaii” to serve Hawaii residents and businesses, the program has drawn national attention and could potentially serve as a model for other states.

What’s next?

The next step for the GEMS program is submitting the Financing Order and Program Order applications with the Public Utilities Commission. GEMS is targeted for implementation in 2014.

For more information on GEMS please visit the State Energy Office’s website at energy.hawaii.gov or contact our Office at 808-587-9001.