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ECONOMIC DEVELOPMENT & TOURISM  
*State Energy Office***

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**FOR IMMEDIATE RELEASE**

June 9, 2014

**DBEDT FILES APPLICATIONS WITH PUC TO IMPLEMENT GREEN ENERGY  
MARKET SECURITIZATION PROGRAM**

HONOLULU —The Hawaii Department of Business, Economic Development and Tourism (DBEDT) has filed two applications with the state Public Utilities Commission (PUC) seeking approval to move forward with the Abercrombie Administration's Green Energy Market Securitization (GEMS) program, which will make solar panels and other clean energy improvements more accessible and affordable to Hawaii consumers.

"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," said Gov. Abercrombie, who proposed the program in his 2013 State of the State address and signed it into law later that year. "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."

DBEDT 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. The GEMS program will open up access to solar PV for these market segments," Lim said. "This innovative financing approach leverages public dollars to achieve a long-term, sustainable financing solution to support clean energy project development."

Mark Glick, the administrator of the State Energy Office, said the GEMS program is a powerful tool in the state's push to meet its clean energy goals. "GEMS is an example of the State Energy Office focus on high-impact, creative solutions in affordable financing that have the flexibility for broad application in Hawaii's growing clean energy sector," Glick said.

The program will solidify Hawaii's position as a national leader in a growing movement to develop clean energy financing solutions. GEMS is designed to help meet the state's ambitious

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renewable energy and energy efficiency goals by using public dollars to mobilize private-sector capital in a way that stimulates the growth of Hawaii's clean energy economy. It represents a market-based approach to bringing clean energy into reach for more utility ratepayers, with focus on underserved markets such as low- and moderate-income homeowners, renters and nonprofits.

The applications were filed with the PUC on Friday. The first filing is 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 photovoltaic systems and other eligible clean energy technologies. GEMS will be administered at little or no cost to ratepayers.

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.

The GEMS bonds will be modeled after a well-established securitization structure that has been used in other jurisdictions to advance important state policy and cost recovery objectives. The bonds will not be tied to the state's credit rating. There have been about \$50 billion of these securitization bonds issued across the country since 1997. In all but one case, the securitization bonds have achieved "AAA" or equivalent credit ratings.

The GEMS bonds will be secured by a Green Infrastructure Fee. The fee will be assessed on all electric utility ratepayer bills to ensure the bonds achieve the highest possible credit ratings, and thus lowering the amount of the fee, which is expected to be less than \$2 a month for residential customers. As proposed in the financing order application, the Public Benefits Fee that is currently on electric utility customer bills will be reduced to offset the cost of the Green Infrastructure Fee, resulting in little or no impact to ratepayers.

The PUC's issuance of financing and program orders will allow the program to finalize guidelines relating to targeted customers, qualifying technologies, qualifying deployment partners and other program details. Based on current timelines relating to the regulatory, program setup and deployment partner onboarding processes, financing products are expected to be available to customers by November of this year.

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*The **Hawaii State Energy Office** is leading the state's charge toward clean energy independence. With a goal to meet and exceed Hawaii's 70 percent clean energy targets by 2030, the State Energy Office is committed to developing and deploying high impact solutions that will maximize Hawaii's renewable energy resources and improve efficiency and transportation standards. Through effective policies and innovative programs, the State Energy Office has positioned Hawaii as a leading proving ground for clean*  
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*energy innovation, which will generate quality jobs, attract investment opportunities and accelerate economic growth. The State Energy Office is a division of the state's Department of Business, Economic Development and Tourism. For more information, visit [www.energy.hawaii.gov](http://www.energy.hawaii.gov).*

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