

Hawaii looking for nonprofits to help with solar energy system installations

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The state of Hawaii is looking for nonprofits that may have had trouble getting financing for solar energy systems to apply for loans under the state's green energy financing program.

The Hawaii Green Infrastructure Authority said Tuesday that it has begun accepting loan applications from nonprofits, which can use the state's Green Energy Market Securitization program, or GEMS, to save money on their electric bills with no money down.

Nonprofits will be able to use GEMS financing to prepay a power purchase agreement for a solar photovoltaic system that will fix their electricity costs for 20 years at a significant discount to current utility rates.

Due to their tax-exempt status, nonprofits are not able to take advantage of state and federal tax credits used to lower the cost of PV systems.

Under a prepaid power purchase agreement, a third party owns the PV system installed on the nonprofit's roof, claims the tax credits and passes benefits along to the nonprofit in the form of lower electric rates.

"It is hoped that the unique financing structure of GEMS will give financial leverage to nonprofit organizations, allow them to reduce energy costs and put their savings toward their missions, as well as assist the state in meeting its clean energy goals," said [Lisa Maruyama](#), president and CEO of the Hawaii Alliance of Nonprofit Organizations, in a statement.

The Hawaii Green Infrastructure Authority, which is under the state Department of Business, Economic Development and Tourism, is working with **Clean Power Finance**, Panasonic Eco Solutions and Coronal Group LLC to provide the power purchase agreement for the nonprofits.

The companies will work with Hawaii installers to originate the solar energy projects.

An allocation of \$65 million of GEMS loan funds, combined with tax equity capital, will result in more than \$100 million in total financing for the nonprofit sector. Nonprofits interested in a GEMS loan may apply directly with **Pacific Rim Bank**.

GEMS employs a financing structure to channel low-cost capital from the bond market to make clean energy more affordable and accessible in Hawaii.

Capitalized with \$150 million, GEMS initially will focus on investments by nonprofits — and soon residential utility customer — in solar PV systems and other technologies that support PV interconnection.

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