



Hawaii Launches Innovative Financing Model for Clean Energy

EESI Providing Assistance for New On-Bill Financing Program

May 15, 2019—On April 8, Hawaii Governor David Ige formally announced the **Green Energy Money Saver (GEM\$) on-bill financing program**, a statewide initiative to make clean energy more affordable for homes and small businesses. The culmination of more than seven years of work by Hawaiian authorities, the program provides easy-access financing for cost-effective rooftop solar panels and other renewable distributed energy systems, as well as energy efficiency upgrades (for more details on the GEM\$ program, see EESI's case study at www.eesi.org/GEMS).

The Environmental and Energy Study Institute (EESI) has provided assistance to the **Hawaii Green Infrastructure Authority (HGIA)**, the GEM\$ administrator, since 2017, through our recently expanded **Access Clean Energy Savings (ACES) program**. "EESI is delighted to have played a part in helping Hawaii towards its goal of obtaining 100 percent of its energy needs from renewable sources by 2045," said **EESI Executive Director Carol Werner**. "We see enormous potential in the on-bill financing model, which allows businesses and households—including low-income households and renters—to save money from the get-go as they make their homes and buildings more efficient and also switch them to renewable energy."

"The GEM\$ program is designed to democratize clean energy and reduce energy poverty by expanding access and affordability of renewable energy and energy efficiency to renters, low and moderate-income homeowners and nonprofit organizations," said **Gwen Yamamoto Lau**, HGIA's executive director. Until now, income-constrained households and renters had been locked out of the clean energy market. To reach these populations, GEM\$ adopted best practices from other on-bill programs to expand inclusivity.

"Islands can and should lead the way into the low-carbon future we must embrace to prevent runaway climate change," says Arturo Garcia-Costas, program officer for the environment at **The New York Community Trust**, which helps fund EESI's ACES program, along with **The JPB Foundation**. "With this cost-effective program, Hawaii is taking another leap forward in creating an energy sector for the 21st century."

On-bill financing makes investments in energy upgrades as hassle-free and affordable as possible. The clean energy investment is conveniently repaid through a line item on the participant's monthly electric bill, with no upfront costs. There's no need for a credit check—a good history of utility bill payment is sufficient. Because the investment is tied to the utility meter (rather than to an individual), it can easily be transferred from one participant to another. This enables longer repayment periods—to make monthly repayments much more affordable—and allows renters to participate. Most importantly, on-bill financing can save participants money immediately by approving projects that provide average savings that exceed the cost of the monthly repayments (the GEM\$ on-bill program will finance only such cash-flow positive projects).

The GEM\$ On-Bill program is available to about 95 percent of Hawaii's population, though certain conditions must be met. In particular, projects must be designed to reduce energy bills by at least 10 percent (including repayment of the clean energy investment). Eligible projects include solar hot water heaters, heat pump water heaters, energy efficiency measures, and rooftop solar systems—all of which offer the best paybacks in Hawaii's sunny climate.

For more information: John-Michael Cross • jmcross@eesi.org • (202) 662-1883

Before this month's official launch, the GEM\$ program had been quietly operating since June 2018. The program received 120 applications in the pre-launch window—and 27 more in the week after the April 8 announcement. Four commercial solar projects and four residential projects have been approved, for a total of \$1.2 million and \$160,000, respectively.

For more information, please contact John-Michael Cross at jmcross@eesi.org or (202) 662-1883.

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