Bridging the Access to Capital Gap: Small Businesses & Non-profits

Hawaii Green Infrastructure Authority

Hawaii Green Infrastructure Authority

Hawaii Green Infrastructure Authority

- Constituted in November 2014, Act 211 (SLH 2013) provided a framework to establish a State administered clean energy financing Authority
- Administratively attached to the Department of Business, Economic Development & Tourism
- Make clean energy investments accessible and affordable to Hawaii's underserved ratepayers; stimulate private investments and leverage innovative financing tools to mitigate risks and reach new markets.

Ohana means family and family means no one gets left behind.

On-Bill Repayment Mechanism

Available in the Hawaiian Electric Company Territories

GEM$ On-Bill Financing Program

Green Energy Money $aver (GEM$) On-Bill Financing Program, featuring:

- ✓ Immediate estimated bill savings
- ✓ Elimination of credit barriers
- ✓ Obligation tied to the electric utility meter (not a person)
- ✓ Program Charge payments conveniently made on your monthly electric utility bill
- ✓ Long-term financing of 20 or 25 years (for a more cash-flow friendly option) at a below-market, fixed rate of 5.5% per annum

Participant Eligibility

- ✓ LMI homeowners and tenants
- ✓ Small businesses, nonprofits, rural health centers, multi-family rental projects

Approved Energy Improvements:

- ✓ Solar PV Systems, Solar Water Heaters, Heat Pump Water Heaters, Commercial Energy Efficiency Technology

Power Purchase Agreement - Nonprofit

Utility bill: Before & after solar installation

Pre-Solar energy bill:
$5,560/Mo

Purchase Energy via PPA

Post-retrofit energy bill: **$3,453/Mo**

$2,107 projected initial monthly savings – 38%

Projected Utility Bill Savings:
$1,203,725
(over 20-year system lifetime)

Residential Solar + Storage Lease

Utility bill: Before & after solar installation

(Solar Lease)

Pre-Solar energy bill: **$424/Month**

PV + Storage System

Install 8.8 kW System with one HIVE Battery Energy Storage Smart DER Interconnection

$1,476 projected savings year 1
(29.1%) ($123/month)

Post-retrofit energy bill: **$301/Month**

Post-retrofit estimated energy cost: $26.00
Monthly GEM$ Program Charge for Lease: $275.00

Estimated Energy Savings: **$118,686**
(over 25-year life of lease)

Residential Solar + Storage Loan

Utility bill: Before & after solar installation

(Solar Loan)

Pre-Solar energy bill:
$652/Month

PV + Storage System

Install 8.8 kW System with one
HIVE Battery Energy Storage
Smart DER Interconnection

$972 projected savings year 1
(12.3%) ($81/month)

Post-retrofit energy bill: **$571/Month**

Post-retrofit estimated energy cost: $230.00
Monthly GEM$ Program Charge for Loan: $341.00

Estimated Energy Savings: **$119,358**
(over 25-year life of system)
Total Benefits including State Tax Credit: **$129,358**

Federally Funded State Small Business Credit Initiative HI-CAP Programs

HI-CAP Collateral Support Program

- **Objective**: Assist small businesses and nonprofits in obtaining loans to start or grow their business, which in turn will retain or create jobs, and generate state tax revenue with an economic multiplier impact for the State.
- **How**: Provides credit enhancements to reduce Participating Lender's credit risk, in the form of cash collateral (the lesser of 20% of the loan amount or $1.0 million). Exception approved for Maui.
  - Maximum loan amount - $20.0 million
  - As of 12/31/25 - $7.8 million in credit enhancements led to $31.9 million in loans
- Potential to support a wide assortment and large number of businesses and industries statewide.

Collateral Support Program - Maui

- Increase maximum SSBCI cash collateral to **50%** of the loan amount
- Increase maximum cash collateral amount to **$5.0 million** per loan
- Available for eligible small businesses and nonprofits in Maui County
- Exception available until September 30, 2028.
- Apply with Participating Lenders (**all islands**):
  - Afterglow Climate Justice Fund
  - Central Pacific Bank
  - Feed the Hunger Fund
  - Mission Driven Finance

HI-CAP CDFI Loan Program

- HGIA provides loan capital to community development financial institutions to help them make loans to small businesses and nonprofits
- Typically smaller loans with less stringent credit guidelines
- Apply with Participating CDFIs:
  - Feed the Hunger Fund
  - Hawaii Community Lending
  - National Community Reinvestment Coalition (NCRC)
  - REDF Impact Investing Fund

HI-CAP Loans Program

- **Objective**: Provide below market loan capital to kick-start catalytic initiatives or industries to help advance the state's goals (e.g., clean energy, manufacturing, high-tech, etc.)
- **How**: Financing may be in the form of a direct loan, a participation loan or a subordinate loan (similar to HGIA's GEMS financing program)
  - Maximum HI-CAP Loan amount: $5.0 million (total loan $20.0 million)
  - Exception for Maui - $12.0 million cap on a $20.0 million loan
- **Examples**:
  - $5,000,000 co-lending with Bank of Hawaii for a solar recycling and manufacturing plant (Oahu)
  - $9.5 million co-lending with American Savings Bank on a Community-Owned, Community Solar project (Molokai)

HI-CAP Loans + SBA 504 Loan Program

- SBA 504 Loan Structure:
  - 50% - Bank
  - 40% - SBA 504 Debenture
  - 10% - Owner's Equity
- HI-CAP Loans funds the 40% Bridge Loan
  - Eliminates the need for the bank to fund two loans
  - Reduces bank risk – Bank loan balance outstanding at all times will not exceed 50% LTV
  - Eliminates bank risk in cases where the CDC is unable to obtain final approval on its 40% loan

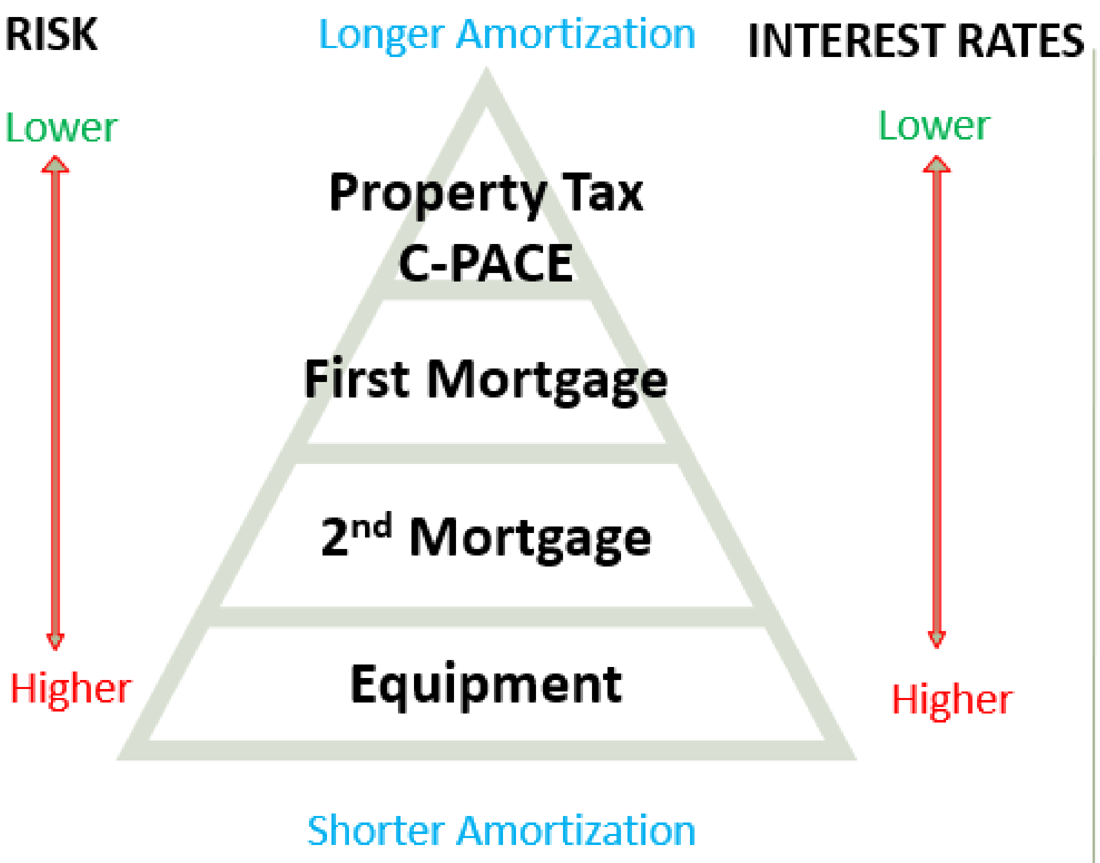
Other Financing Programs

HI C-PACER

Hawaii's Commercial Property Assessed Clean Energy and Resiliency financing program helps building owners, condominium associations and property developers access private-sector financing for clean energy and resiliency installations

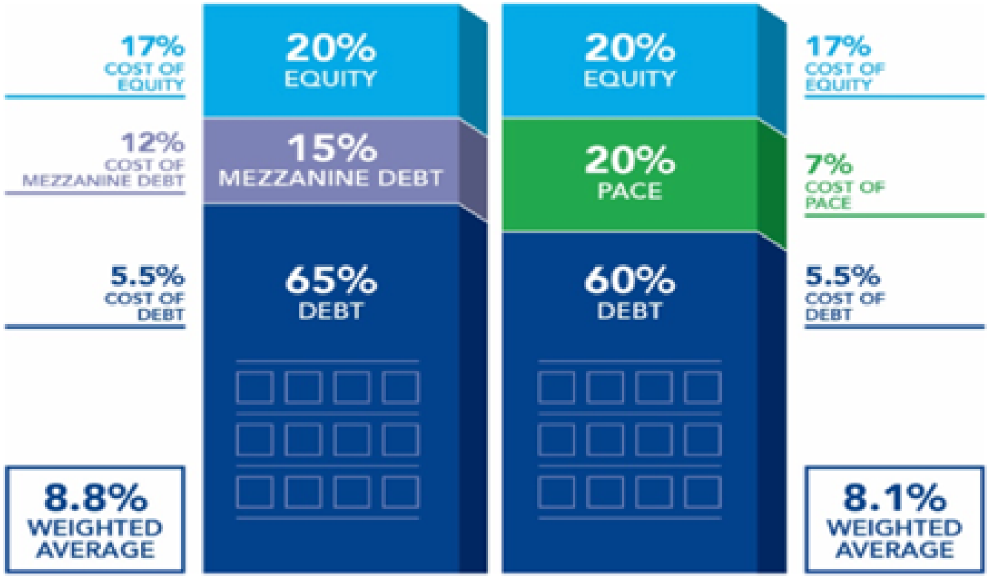
- **Features:** Up to 100% financing, no upfront cost, long-term financing, below-market interest rates
- **Eligible Uses:** Clean energy, energy efficiency, water conservation, renewable energy, resilience and other qualifying improvements
- **Eligible Buildings:** Commercial office buildings, hotels, industrial warehouses, hotels

C-PACE Unlocks Capital



Capital Stack

Traditional vs C-PACE

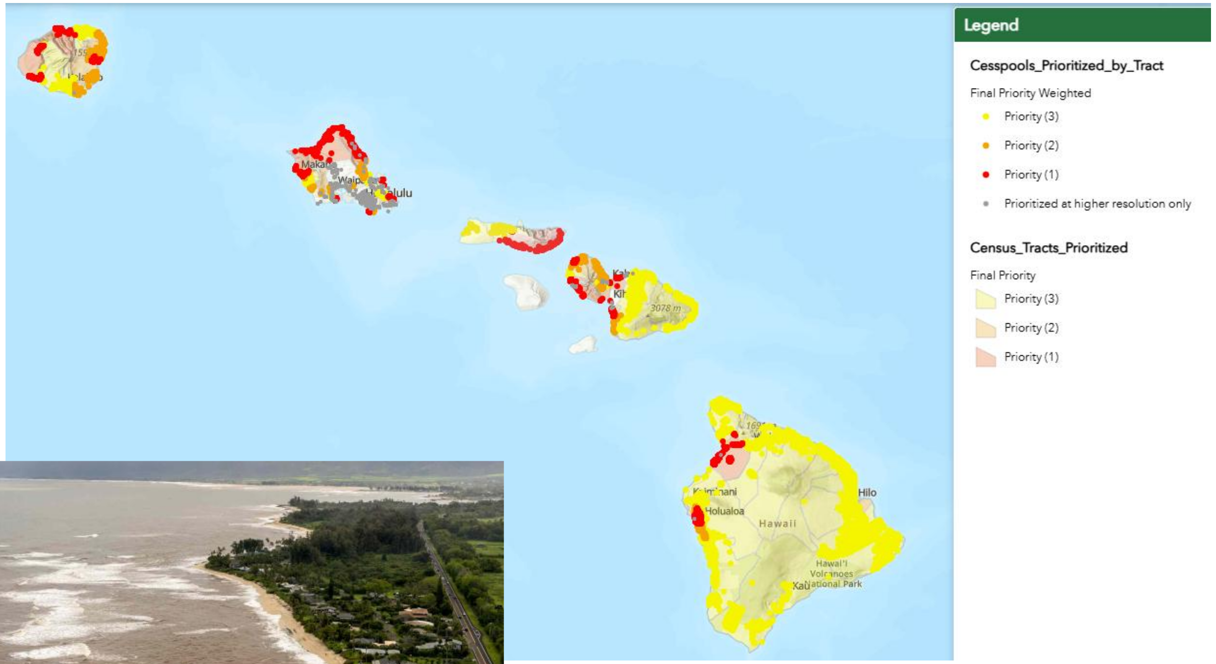


Source: https://www.cleanfund.com/what-is-pace/pace-in-the-capital-stack/

Coming Soon

Cesspool Conversion Loan Program

- HB1618, signed into law on July 8, 2026
- State 2050 deadline to convert over 80,000 cesspools to approved wastewater systems
- Affordable and accessible financing for cesspool conversions



Mahalo!

For more information, please contact:

E-mail: dbedt.greenbank@hawaii.gov
Telephone: 808-587-3868
Mailing Address:
P. O. Box 2359, Honolulu, HI 96804
Street Address:
250 S. Hotel St., #501, Honolulu, HI 96813

Hawaii Green
Infrastructure Authority