



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

June 29, 2018

GOV. MSG. NO. 1168

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Twenty-Ninth State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,
Speaker and Members of the
House of Representatives
Twenty-Ninth State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on June 29, 2018, the following bill was signed into law:

HB2075 HD2 SD1 CD1

RELATING TO ENERGY
ACT 067 (18)

Sincerely,

A handwritten signature in black ink that reads "David Y. Ige".

DAVID Y. IGE
Governor, State of Hawai'i

A BILL FOR AN ACT

RELATING TO ENERGY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that imported oil
2 supplies over ninety per cent of Hawaii's energy. This
3 dependence on oil threatens Hawaii's land, air, and water,
4 places the economy's security at risk, and is not sustainable.
5 As a result, the State adopted the clean energy initiative to
6 achieve seventy per cent clean energy by the year 2030. This
7 clean energy initiative is rooted in the principle of maximizing
8 cost effective investments in clean energy production and
9 management to promote Hawaii's energy security. Along with
10 reducing the dependency on fossil fuels and increasing
11 efficiency measures, the clean energy plan contributes to the
12 State's economic growth.

13 The legislature further finds that there are growing
14 numbers of local Hawaii-based companies conducting research and
15 development in clean energy technologies. Utilizing Hawaii's
16 diverse renewable energy sources of solar, wind,
17 hydroelectricity, bioenergy, and geothermal, these companies are
18 demonstrating to the world with proven results that Hawaii is an



1 ideal laboratory for the development of clean energy
2 technologies. Many of these local research and development
3 companies have also obtained federal funding to develop clean
4 and alternative energy research and have created high-paying
5 jobs that employ highly skilled workers.

6 The legislature also finds that it is important to Hawaii's
7 future to support and strengthen these local companies to ensure
8 continued research and development and support Hawaii's economy.
9 For economic growth and diversification, it is in Hawaii's best
10 interest to take important steps to encourage high-impact, clean
11 energy solutions that encourage innovative economic development.

12 Act 159, Session Laws of Hawaii 2015, established a
13 matching grant pilot program, similar to the small business
14 innovation research grant program administered by the Hawaii
15 technology development corporation, to further strengthen and
16 support Hawaii's local companies that are conducting renewable
17 energy research and development through existing contracts with
18 the principal research division of the United States Department
19 of Defense, Office of Naval Research. Although the pilot
20 program expired on June 30, 2017, the legislature believes that
21 the program should be reestablished.



1 Accordingly, the purpose of this Act is to reestablish the
2 matching grant program originally created under Act 159, Session
3 Laws of Hawaii 2015.

4 SECTION 2. (a) There is established within the department
5 of business, economic development, and tourism, a two-year
6 alternative energy research and development program to provide
7 grants to qualified businesses conducting research and
8 development in alternative energy. The purpose of the program
9 shall be to promote the research and development of alternative
10 energy in Hawaii by authorizing the Hawaii technology
11 development corporation to provide matching grants to businesses
12 that meet the criteria established in subsection (b).

13 (b) Subject to the availability of funds, the Hawaii
14 technology development corporation may provide a grant to any
15 business that:

16 (1) Has been awarded a competitive contract from the
17 Department of Defense Office of Naval Research related
18 to the research of alternative energy and energy
19 efficiency technologies in the fields of geothermal,
20 solar, wind, ocean power, hydrodynamics, bioenergy,



1 biomass, solid waste, smart grids, transportation, or
2 demand response;

3 (2) Is sixty per cent or more resident-owned. For
4 purposes of this paragraph, "resident" shall have the
5 same meaning as defined in section 235-1, Hawaii
6 Revised Statutes;

7 (3) Is a for-profit entity organized under the laws of the
8 State;

9 (4) Has been doing business in the State for a minimum of
10 one year;

11 (5) Agrees to expend all grant funds, awarded pursuant to
12 this Act, in the State; and

13 (6) Conducts research in alternative energy that has a
14 high technology readiness level or high potential for
15 implementation as evidenced by a contract, funded by
16 moneys designated by the United States Congress as
17 funding for alternative energy and a national defense
18 budget funding directive, with the Department of
19 Defense Office of Naval Research that is existing and
20 active or was granted within three years prior to the
21 effective date of this Act;



1 provided that the amount of any grant awarded pursuant to this
2 Act shall not exceed fifty per cent of the amount of the grant
3 awarded to the business by the Department of Defense Office of
4 Naval Research; provided further that the business shall not be
5 eligible for a grant pursuant to this section if the business
6 has obtained any other state grant for the same research, other
7 than the grant awarded to the business by the Department of
8 Defense Office of Naval Research, at the time of or during the
9 duration of the alternative energy research and development
10 program grant.

11 (c) The alternative energy research and development
12 program shall cease to exist on June 30, 2020.

13 (d) The department of business, economic development, and
14 tourism shall adopt rules, pursuant to chapter 91, Hawaii
15 Revised Statutes, necessary for the purposes of implementing the
16 alternative energy research and development program.

17 SECTION 3. There is established the alternative energy
18 research and development revolving fund, to be expended by the
19 department of business, economic development, and tourism for
20 the purpose of promoting alternative energy research and



1 development in Hawaii through the awarding of grants under the
2 alternative energy research and development program.

3 The alternative energy research and development revolving
4 fund shall be abolished on June 30, 2020, and all unencumbered
5 balances shall lapse to the credit of the general fund.

6 SECTION 4. There is appropriated out of the general
7 revenues of the State of Hawaii the sum of \$1,000,000 or so much
8 thereof as may be necessary for fiscal year 2018-2019 to be
9 deposited into the alternative energy research and development
10 revolving fund.

11 SECTION 5. There is appropriated out of the alternative
12 energy research and development revolving fund the sum of
13 \$1,000,000 or so much thereof as may be necessary for fiscal
14 year 2018-2019 for the purpose of providing grants pursuant to
15 this Act.

16 The sum appropriated shall be expended by the Hawaii
17 technology development corporation for the purposes of this Act.

18 SECTION 6. This Act shall take effect on July 1, 2018.

APPROVED this 29 day of JUN , 2018



GOVERNOR OF THE STATE OF HAWAII



HB No. 2075, HD 2, SD 1, CD 1


THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 1, 2018
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Twenty-Ninth Legislature of the State of Hawaii, Regular Session of 2018.



Scott K. Saiki
Speaker
House of Representatives

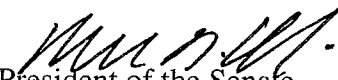



Brian L. Takeshita
Chief Clerk
House of Representatives

THE SENATE OF THE STATE OF HAWAI'I

Date: May 1, 2018
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the
Senate of the Twenty-ninth Legislature of the State of Hawai'i, Regular Session of 2018.


President of the Senate


Clerk of the Senate