

TESTIMONY BY WESLEY K. MACHIDA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL  
PROTECTION  
ON  
HOUSE BILL NO. 1513

February 17, 2015

RELATING TO ENERGY

House Bill No. 1513: establishes a two-year Alternative Energy Research and Development Program under the Department of Business, Economic Development and Tourism to promote alternative energy research and development in Hawaii; establishes the Alternate Energy Research and Development Revolving Fund; and appropriates \$5,000,000 in general funds in FY 16 and in FY 17 to be deposited into the revolving fund to be used for the purpose of the two-year pilot program.

As a matter of general policy, the Department of Budget and Finance does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special or revolving funds should: 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program; 2) provide an appropriate means of financing for the program or activity; and 3) demonstrate the capacity to be financially self-sustaining. In regards to House Bill No. 1513, it is difficult to determine whether there is a clear nexus between the benefits sought and the source of funding, and whether the fund will be self-sustaining.

I encourage the Legislature to review the fiscal and operational plan for this program to ensure that it does conform to the requirements of Section 37-52.3, HRS.

Written Statement of  
**ROBBIE MELTON**  
**Executive Director & CEO**  
High Technology Development Corporation  
before the  
**HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION**  
Tuesday, February 17, 2015  
8:30 a.m.  
State Capitol, Conference Room 325  
In consideration of

**HB1513 RELATING TO ENERGY.**

Chair Lee, Vice Chair Lowen, and Members of the Committee on Energy & Environmental Protection.

The High Technology Development Corporation (HTDC) **supports the intent** of HB1513 relating to energy.

As part of HTDC's vision to create 80,000 new innovation jobs in Hawaii earning \$80,000 or more by 2030, HTDC supports initiatives aimed at promoting technology and innovation jobs. HTDC's Hawaii Small Business Innovation Research matching grant program is a successful model which piggybacks on the vetting process of the highly competitive federal grant program. The program has resulted in 20 federal dollars awarded to Hawaii companies for every state dollar. The program described in this bill aims at providing a similar benefit to Hawaii companies securing federal renewable energy research and development awards. HTDC comments that while this benefit could enhance projects, the program goals should be clearly defined as providing an advantage in securing additional funding or commercialization of the technologies. Also, the bill has very narrow specifications. HTDC looks forward to working with legislators and industry in defining requirements that would be advantageous for a broader segment of the industry. HTDC also comments that to provide grants to companies, similar language to HRS 206M-15 would need to be adopted.

HTDC defers to the appropriate Departments regarding the budget implications of the program.

Thank you for the opportunity to offer these comments.

lowen2-Thomas

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From: mailinglist@capitol.hawaii.gov  
Sent: Monday, February 16, 2015 7:55 AM  
To: EEPtestimony  
Cc: sota@pacificshipyards.com  
Subject: Submitted testimony for HB1513 on Feb 17, 2015 08:30AM

**HB1513**

Submitted on: 2/16/2015

Testimony for EEP on Feb 17, 2015 08:30AM in Conference Room 325

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Shannon Ota	Pacific Shipyards International	Support	No

Comments: I strongly support Bill #HB1513.

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From: mailinglist@capitol.hawaii.gov  
Sent: Saturday, February 14, 2015 12:05 PM  
To: EEPtestimony  
Cc: chung@navatekltd.com  
Subject: Submitted testimony for HB1513 on Feb 17, 2015 08:30AM

**HB1513**

Submitted on: 2/14/2015

Testimony for EEP on Feb 17, 2015 08:30AM in Conference Room 325

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Ann Chung	Navatek Ltd.	Support	Yes

Comments: Aloha Chair Lee, Vice Chair Lowen, and members of the committee: My name is Ann Chung representing Navatek Ltd., a Hawaii-based research and development company. We strongly support HB1513, which creates a matching grant program very much like the existing SBIR (small business innovation research) program where companies receiving a federal grant can then apply to HTDC for up to a 50% matching grant from the State. In this case, it would be only for those companies doing research in renewable energy technologies. The company must be Hawaii-owned and state grant monies received must be spent in Hawaii. This bill will help a number of local companies doing renewable energy research and help them pursue even more federal grants, support the economy by keeping high-paying, high-skilled jobs and keeping revenues in Hawaii, and further the State's commitment to renewable energy and supporting businesses. Mahalo for this opportunity to provide testimony.

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From: mailinglist@capitol.hawaii.gov  
Sent: Friday, February 13, 2015 5:36 PM  
To: EEPtestimony  
Cc: bnakaoka@pacificshipyards.com  
Subject: Submitted testimony for HB1513 on Feb 17, 2015 08:30AM

**HB1513**

Submitted on: 2/13/2015

Testimony for EEP on Feb 17, 2015 08:30AM in Conference Room 325

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Ben Nakaoka	Individual	Support	No

Comments: I strongly support HB1513

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From: mailinglist@capitol.hawaii.gov  
Sent: Saturday, February 14, 2015 6:37 PM  
To: EEPtestimony  
Cc: bkays@navatekltd.com  
Subject: \*Submitted testimony for HB1513 on Feb 17, 2015 08:30AM\*

**HB1513**

Submitted on: 2/14/2015

Testimony for EEP on Feb 17, 2015 08:30AM in Conference Room 325

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Brian Kays	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov  
Sent: Sunday, February 15, 2015 8:38 PM  
To: EEPtestimony  
Cc: bcuneo@navatekltd.com  
Subject: \*Submitted testimony for HB1513 on Feb 17, 2015 08:30AM\*

**HB1513**

Submitted on: 2/15/2015

Testimony for EEP on Feb 17, 2015 08:30AM in Conference Room 325

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Brian Cuneo	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov  
Sent: Sunday, February 15, 2015 10:02 AM  
To: EEPtestimony  
Cc: cfield@navatekltd.com  
Subject: \*Submitted testimony for HB1513 on Feb 17, 2015 08:30AM\*

**HB1513**

Submitted on: 2/15/2015

Testimony for EEP on Feb 17, 2015 08:30AM in Conference Room 325

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Charlie Field	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov  
Sent: Saturday, February 14, 2015 11:28 AM  
To: EEPtestimony  
Cc: eschiff5@gmail.com  
Subject: Submitted testimony for HB1513 on Feb 17, 2015 08:30AM

**HB1513**

Submitted on: 2/14/2015

Testimony for EEP on Feb 17, 2015 08:30AM in Conference Room 325

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Eric Schiff	Individual	Support	No

Comments: I strongly support bill HB1513.

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From: mailinglist@capitol.hawaii.gov  
Sent: Friday, February 13, 2015 5:38 PM  
To: EEPtestimony  
Cc: gjohnson@navatekltd.com  
Subject: Submitted testimony for HB1513 on Feb 17, 2015 08:30AM

**HB1513**

Submitted on: 2/13/2015

Testimony for EEP on Feb 17, 2015 08:30AM in Conference Room 325

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Gary Johnson	Individual	Support	No

Comments: I strongly support Bill #HB1513

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From: mailinglist@capitol.hawaii.gov  
Sent: Friday, February 13, 2015 7:32 PM  
To: EEPtestimony  
Cc: klock@navatekltd.com  
Subject: \*Submitted testimony for HB1513 on Feb 17, 2015 08:30AM\*

**HB1513**

Submitted on: 2/13/2015

Testimony for EEP on Feb 17, 2015 08:30AM in Conference Room 325

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Kacey Lock	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov  
Sent: Friday, February 13, 2015 2:37 PM  
To: EEPtestimony  
Cc: rfreitasjr@hotmail.com  
Subject: Submitted testimony for HB1513 on Feb 17, 2015 08:30AM

**HB1513**

Submitted on: 2/13/2015

Testimony for EEP on Feb 17, 2015 08:30AM in Conference Room 325

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Robert Freitas Jr.	Individual	Support	No

Comments: I support this bill!!!

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From: mailinglist@capitol.hawaii.gov  
Sent: Sunday, February 15, 2015 5:36 AM  
To: EEPtestimony  
Cc: lawsonns@icloud.com  
Subject: \*Submitted testimony for HB1513 on Feb 17, 2015 08:30AM\*

**HB1513**

Submitted on: 2/15/2015

Testimony for EEP on Feb 17, 2015 08:30AM in Conference Room 325

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
William S Lawson	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov  
Sent: Monday, February 16, 2015 4:35 PM  
To: EEPtestimony  
Cc: fmoore@hsimechanical.com  
Subject: \*Submitted testimony for HB1513 on Feb 17, 2015 08:30AM\*



**HB1513**

Submitted on: 2/16/2015

Testimony for EEP on Feb 17, 2015 08:30AM in Conference Room 325

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Fred Moore	HSI Mechanical, Inc.	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov  
Sent: Monday, February 16, 2015 9:18 AM  
To: EEPtestimony  
Cc: gfukushima@pacificshipyards.com  
Subject: Submitted testimony for HB1513 on Feb 17, 2015 08:30AM



**HB1513**

Submitted on: 2/16/2015

Testimony for EEP on Feb 17, 2015 08:30AM in Conference Room 325

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Gene Fukushima	Pacific Shipyards International	Support	No

Comments: I strongly support HB#1513

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From: mailinglist@capitol.hawaii.gov  
Sent: Tuesday, February 17, 2015 4:26 AM  
To: EEPtestimony  
Cc: tzangle@navatekltd.com  
Subject: Submitted testimony for HB1513 on Feb 17, 2015 08:30AM



**HB1513**

Submitted on: 2/17/2015

Testimony for EEP on Feb 17, 2015 08:30AM in Conference Room 325

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Troy Zangle	Navatek	Support	No

Comments: I strongly support HB1513

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From: mailinglist@capitol.hawaii.gov  
Sent: Tuesday, February 17, 2015 6:59 AM  
To: EEPtestimony  
Cc: clayton@unitekhawaii.com  
Subject: \*Submitted testimony for HB1513 on Feb 17, 2015 08:30AM\*



**HB1513**

Submitted on: 2/17/2015

Testimony for EEP on Feb 17, 2015 08:30AM in Conference Room 325

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Clayton Murobayashi	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov  
Sent: Tuesday, February 17, 2015 2:23 AM  
To: EEPtestimony  
Cc: mbuelsing@navatekltd.com  
Subject: \*Submitted testimony for HB1513 on Feb 17, 2015 08:30AM\*



**HB1513**

Submitted on: 2/17/2015

Testimony for EEP on Feb 17, 2015 08:30AM in Conference Room 325

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Michael Buelsing	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov  
Sent: Tuesday, February 17, 2015 3:50 AM  
To: EEPtestimony  
Cc: jdoyle@navatekltd.com  
Subject: \*Submitted testimony for HB1513 on Feb 17, 2015 08:30AM\*



**HB1513**

Submitted on: 2/17/2015

Testimony for EEP on Feb 17, 2015 08:30AM in Conference Room 325

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
William Doyle	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov  
Sent: Tuesday, February 17, 2015 8:47 AM  
To: EEPtestimony  
Cc: cbradley@navatekltd.com  
Subject: \*Submitted testimony for HB1513 on Feb 17, 2015 08:30AM\*



**HB1513**

Submitted on: 2/17/2015

Testimony for EEP on Feb 17, 2015 08:30AM in Conference Room 325

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Christian Bradley	Individual	Support	No

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From: mailinglist@capitol.hawaii.gov  
Sent: Tuesday, February 17, 2015 8:40 AM  
To: EEPtestimony  
Cc: vnagahiro@lava.net  
Subject: \*Submitted testimony for HB1513 on Feb 17, 2015 08:30AM\*

**HB1513**

Submitted on: 2/17/2015

Testimony for EEP on Feb 17, 2015 08:30AM in Conference Room 325

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
vicki nagahiro	Individual	Support	No

Comments:

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Sent: Tuesday, February 17, 2015 10:22 AM  
To: EEPtestimony  
Cc: gary@navatekltd.com  
Subject: Submitted testimony for HB1513 on Feb 17, 2015 08:30AM



**HB1513**

Submitted on: 2/17/2015

Testimony for EEP on Feb 17, 2015 08:30AM in Conference Room 325

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Gary Shimosono	Individual	Support	No

Comments: I strongly support bill #HB1513

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