
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 of Hawaii adopted the clean energy
6 initiative to achieve seventy per cent clean energy by the year
7 2030. This clean energy initiative is rooted in the principle
8 of maximizing cost effective investments in clean energy
9 production and management to promote Hawaii's energy security.
10 Along with reducing the dependency on fossil fuels and
11 increasing efficiency measures, the clean energy plan
12 contributes to the 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 showing the world, with their proven track record, that Hawaii



1 is an 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 high-skilled jobs.

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 The purpose of this Act is to establish a matching grant
13 program, similar to the small business innovation research grant
14 program administered by the high technology development
15 corporation, to further strengthen and support Hawaii's local
16 companies that are conducting renewable energy research and
17 development through existing contracts with the principal
18 research division of the United States Department of Defense,
19 Office of Naval Research.

20 SECTION 2. (a) There is established within the department
21 of business, economic development, and tourism, a two-year



1 alternative energy research and development pilot program to
2 provide grants to qualified businesses conducting research and
3 development in alternative energy. The purpose of the pilot
4 program shall be to promote the research and development of
5 alternative energy in Hawaii by authorizing the high technology
6 development corporation to provide matching grants to businesses
7 that meet criteria established in subsection (b).

8 (b) Subject to the availability of funds, the high
9 technology development corporation may provide a grant to any
10 business that:

11 (1) Has been awarded a competitive contract from the
12 Department of Defense Office of Naval Research related
13 to the research of alternative energy and energy
14 efficiency technologies in the fields of geothermal,
15 solar, wind, ocean power, hydrodynamics, bioenergy,
16 biomass, solid waste, smart grids, transportation, or
17 demand response;

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



- 1 (3) Is a for-profit entity organized under the laws of the
2 State;
- 3 (4) Has been doing business in the State for not less than
4 one year;
- 5 (5) Agrees to expend all grant funds, awarded pursuant to
6 this Act, in the State; and
- 7 (6) Conducts research in alternative energy that has a
8 high technology readiness level or high potential for
9 implementation as evidenced by a contract, funded by
10 moneys designated by the United States Congress as
11 funding for alternative energy or a national defense
12 budget funding directive, with the Department of
13 Defense Office of Naval Research that is existing and
14 active or was granted within three years prior to the
15 effective date of this Act;
- 16 provided that the amount of any grant awarded pursuant to this
17 Act shall not exceed fifty per cent of the amount of the grant
18 awarded to the business by the Department of Defense Office of
19 Naval Research; provided further that the business shall not be
20 eligible for a grant pursuant to this section if the business
21 has obtained any other state tax credit or grant, other than the



1 grant awarded to the business by the Department of Defense
2 Office of Naval Research, at the time of or during the duration
3 of the alternative energy research and development pilot program
4 grant.

5 (c) The alternative energy research and development pilot
6 program shall cease to exist on June 30, 2017.

7 (d) The department of business, economic development, and
8 tourism shall adopt rules, pursuant to chapter 91, Hawaii
9 Revised Statutes, necessary for the purposes of implementing the
10 alternative energy research and development pilot program.

11 SECTION 3. There is established the alternative energy
12 research and development revolving fund for the purpose of
13 promoting alternative energy research and development in Hawaii.

14 The alternative energy research and development revolving
15 fund shall be abolished on June 30, 2017, and all unencumbered
16 balances shall lapse to the credit of the general fund.

17 SECTION 4. There is appropriated out of the general
18 revenues of the State of Hawaii the sum of \$ or so much
19 thereof as may be necessary for fiscal year 2015-2016 and the
20 same sum or so much thereof as may be necessary for fiscal year



1 2016-2017 to be deposited into the alternative energy research
2 and development revolving fund.

3 There is appropriated out of the alternative energy
4 research and development revolving fund the sum of \$ or
5 so much thereof as may be necessary for fiscal year 2015-2016
6 and the same sum or so much thereof as may be necessary for
7 fiscal year 2016-2017 for the purpose of providing grants
8 pursuant to this Act.

9 The sums appropriated shall be expended by the high
10 technology development corporation.

11 SECTION 5. This Act shall take effect on July 1, 2053.



Report Title:

Alternative Energy Research; Grants; High Technology Development Corporation; Office of Naval Research Matching Grant; Appropriation

Description:

Authorizes the high technology development corporation to provide fifty per cent matching grants to Hawaii awardees of alternative energy research grants from the Office of Naval Research. Appropriates moneys. Effective 7/1/2053. (SD2)

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