
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 Act 159, Session
2 Laws of Hawaii 2015 (Act 159), authorized the high technology
3 development corporation to provide fifty per cent matching
4 grants of up to \$500,000 to Hawaii businesses that were awarded
5 alternative energy research grants by the United States
6 Department of Defense Office of Naval Research between 2015
7 and 2017. The Hawaii Office of Naval Research grant program was
8 established to implement Act 159.

9 In the program's final year, the legislature passed Act 69,
10 Session Laws of Hawaii 2017 (Act 69), which, in part, changed
11 the name of the high technology development corporation to the
12 Hawaii technology development corporation. In its 2017 annual
13 report, the Hawaii technology development corporation noted that
14 it had awarded a total of \$950,000 to three local companies,
15 which were then matched with a total of \$10,200,000 in federal
16 funds. The legislature finds that re-establishing this program
17 would align with the State's goal to achieve one hundred per



1 cent clean energy by the year 2045, while encouraging economic
2 growth and diversification.

3 Accordingly, the purpose of this Act is to re-establish the
4 two-year Hawaii Office of Naval Research grant program.

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

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

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



- 1 hydrodynamics, bioenergy, biomass, solid waste, smart
2 grids, transportation, or demand response;
- 3 (2) Is sixty per cent or more resident-owned; provided
4 that for purposes of this paragraph, "resident" shall
5 have the same meaning as defined in section 235-1,
6 Hawaii 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 not less than
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 with the
16 United States Department of Defense Office of Naval
17 Research, that is funded by moneys designated by the
18 United States Congress as funding for alternative
19 energy and a national defense budget funding
20 directive, and is existing and active or was granted



1 within three years prior to the effective date of this
2 Act;

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

13 (c) The Hawaii Office of Naval Research grant program
14 shall cease to exist on June 30, 2026.

15 (d) The department of business, economic development, and
16 tourism shall adopt rules, pursuant to chapter 91, Hawaii
17 Revised Statutes, necessary for the purposes of implementing the
18 Hawaii Office of Naval Research grant program.

19 SECTION 3. There is established the alternative energy
20 research and development revolving fund for the purpose of
21 promoting alternative energy research and development in Hawaii.



1 The alternative energy research and development revolving
2 fund shall be abolished on June 30, 2026, and all unencumbered
3 balances shall lapse to the credit of the general fund.

4 SECTION 4. In accordance with section 9 of article VII, of
5 the Constitution of the State of Hawaii and sections 37-91 and
6 37-93, Hawaii Revised Statutes, the legislature has determined
7 that the appropriations contained in this Act will cause the
8 state general fund expenditure ceiling for fiscal year 2024-2025
9 to be exceeded by \$, or per cent. The reasons
10 for exceeding the general fund expenditure ceiling are that the
11 appropriations made in this Act are necessary to serve the
12 public interest and to meet the need provided for by this Act.

13 SECTION 5. There is appropriated out of the general
14 revenues of the State of Hawaii the sum of \$ or so much
15 thereof as may be necessary for fiscal year 2024-2025 to be
16 deposited into the alternative energy research and development
17 revolving fund.

18 SECTION 6. There is appropriated out of the alternative
19 energy research and development revolving fund the sum of
20 \$ or so much thereof as may be necessary for fiscal
21 year 2024-2025 for the purpose of the Hawaii Office of Naval



1 Research grant program; provided that the moneys appropriated by
2 this Act shall not lapse at the end of the 2024-2025 fiscal
3 year; provided further that any moneys that remain unencumbered
4 on June 30, 2026, shall lapse on that date.

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

7 SECTION 7. This Act shall take effect on July 1, 2024.

8

INTRODUCED BY:



JAN 17 2024



H.B. NO. 1685

Report Title:

Hawaii Technology Development Corporation; Alternative Energy Research; Matching Grants; Office of Naval Research; Appropriations; General Fund Expenditure Ceiling Exceeded

Description:

Authorizes the Hawaii Technology Development Corporation to temporarily re-establish the Hawaii Office of Naval Research Grant Program to provide 50 per cent matching grants to Hawaii awardees of alternative energy research grants from the U.S. Department of Defense Office of Naval Research. Establishes the Alternative Energy Research and Development Revolving Fund. Appropriates moneys into and out of the revolving fund. Declares that the appropriations exceed the state general fund expenditure ceiling for 2024-2025.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

