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# A BILL FOR AN ACT

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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



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

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

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



1 program expired on June 30, 2017, the legislature believes that  
2 the program should be reestablished.

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

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

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

18 (1) Has been awarded a competitive contract from the  
19 Department of Defense Office of Naval Research related  
20 to the research of alternative energy and energy  
21 efficiency technologies in the fields of geothermal,



1 solar, wind, ocean power, hydrodynamics, bioenergy,  
2 biomass, solid waste, smart grids, transportation, or  
3 demand response;

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

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

10 (4) Has been doing business in the State for not less than  
11 one year;

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

14 (6) Conducts research in alternative energy that has a  
15 high technology readiness level or high potential for  
16 implementation as evidenced by a contract, funded by  
17 moneys designated by the United States Congress as  
18 funding for alternative energy and a national defense  
19 budget funding directive, with the Department of  
20 Defense Office of Naval Research that is existing and



1 active or was granted within three years prior to the  
2 effective date of this 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 Department of Defense Office of  
6 Naval Research; provided further that the business shall not be  
7 eligible for a grant pursuant to this section if the business  
8 has obtained any other state grant for the same research, other  
9 than the grant awarded to the business by the Department of  
10 Defense Office of Naval Research, at the time of or during the  
11 duration of the alternative energy research and development  
12 program grant.

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

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 alternative energy research and development 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, 2020, and all unencumbered  
3 balances shall lapse to the credit of the general fund.

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

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

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

16       SECTION 6. This Act shall take effect on July 1, 2112.



**Report Title:**

Alternative Energy Research; Grants; HTDC; Office of Naval  
Research Matching Grant; Appropriation

**Description:**

Authorizes the Hawaii Technology Development Corporation to  
provide 50% matching grants to Hawaii awardees of alternative  
energy research grants from the Office of Naval Research. Makes  
appropriations. (HB2075 HD1)

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

