

JAN 24 2018

A BILL FOR AN ACT

RELATING TO ENERGY.

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

PART I

SECTION 1. (a) There is established within the department of business, economic development, and tourism, an alternative energy research and development pilot program to provide grants to qualified businesses conducting research and development in alternative energy. The purpose of the pilot program shall be to promote the research and development of alternative energy in Hawaii by authorizing the Hawaii technology development corporation to provide matching grants to businesses that meet criteria established in subsection (b).

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

- (1) Has been awarded a competitive contract from the Department of Defense Office of Naval Research related to the research of alternative energy and energy 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 in section 235-1, Hawaii Revised
7 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 no 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 pilot program grant.

13 (c) The alternative energy research and development pilot
14 program shall cease to exist on June 30, 2019.

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 pilot program.

19 PART II



1 SECTION 2. There is established the alternative energy
2 research and development revolving fund for the purpose of
3 promoting alternative energy research and development in Hawaii.

4 The alternative energy research and development revolving
5 fund shall be abolished on June 30, 2019, and all unencumbered
6 balances shall lapse to the credit of the general fund.

7 SECTION 3. There is appropriated out of the general
8 revenues of the State of Hawaii the sum of \$1,000,000 or so much
9 thereof as may be necessary for fiscal year 2018-2019 to be
10 deposited into the alternative energy research and development
11 revolving fund.

12 SECTION 4. There is appropriated out of the alternative
13 energy research and development revolving fund the sum of
14 \$1,000,000 or so much thereof as may be necessary for fiscal
15 year 2018-2019 for the purpose of providing grants pursuant to
16 this Act.

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

19 PART III

20 SECTION 5. Section 206M-15.6, Hawaii Revised Statutes, is
21 amended to read as follows:



1 " [4] §206M-15.6 [4] Hawaii technology loan and grant
2 revolving fund. There is established the Hawaii technology loan
3 and grant revolving fund for the purpose of investing in
4 technology development in Hawaii[-]; including providing grants
5 to promote alternative energy research and development in
6 Hawaii. The following shall be deposited into the Hawaii
7 technology loan revolving fund:

- 8 (1) Appropriations from the legislature;
9 (2) Moneys received as repayments of loans;
10 (3) Investment earnings;
11 (4) Royalties;
12 (5) Premiums, or fees or equity charged by the
13 corporation, or otherwise received by the corporation;
14 and
15 (6) Loans that are convertible to equity;

16 provided that the total amount of moneys in the fund shall not
17 exceed \$2,000,000 at the end of any fiscal year."

18 SECTION 6. There is appropriated out of the general
19 revenues of the State of Hawaii the sum of \$1,000,000 or so much
20 thereof as may be necessary for fiscal year 2018-2019 to be



1 deposited into the Hawaii technology loan and grant revolving
2 fund.

3 SECTION 7. There is appropriated out of the Hawaii
4 technology loan and grant revolving fund the sum of \$1,000,000
5 or so much thereof as may be necessary for fiscal year 2018-2019
6 for the purpose of providing grants pursuant to this Act.

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

9 PART IV

10 SECTION 8. This Act shall take effect on July 1, 2018;
11 provided that on June 30, 2019, section 5 of this Act shall be
12 repealed and section 206M-15.6, Hawaii Revised Statutes, shall
13 be reenacted in the form in which it read on the day before the
14 effective date of this Act.

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S.B. NO. 3001

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S.B. NO. 3001

Report Title:

Alternate Energy Research and Development Pilot Program;
Appropriation

Description:

Establishes an Alternative Energy Research and Development Pilot Program and appropriates moneys for grants under the pilot program.

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