
A BILL FOR AN ACT

RELATING TO ENERGY.

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

1 PART I

2 SECTION 1. (a) There is established within the department
3 of business, economic development, and tourism, an alternative
4 energy research and development pilot program to provide grants
5 to qualified businesses conducting research and development in
6 alternative energy. The purpose of the pilot program shall be
7 to promote the research and development of alternative energy in
8 Hawaii by authorizing the Hawaii technology development
9 corporation to provide matching grants to businesses that meet
10 criteria established in subsections (b) to (d).

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

14 (1) Has been awarded a competitive contract from the
15 Department of Defense Office of Naval Research related
16 to the research of alternative energy and energy
17 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 with the
17 Department of Defense Office of Naval Research that is
18 existing and active or was granted within three years
19 prior to the effective date of this Act; provided that
20 the contract is funded by moneys designated by the
21 United States Congress as funding for alternative



1 energy and a national defense budget funding
2 directive.

3 (c) The amount of any grant awarded pursuant to this Act
4 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.

7 (d) A business shall not be eligible for a grant pursuant
8 to this section if the business has obtained any other state
9 grant for the same research, other than the grant awarded to the
10 business by the Department of Defense Office of Naval Research,
11 at the time of or during the duration of the alternative energy
12 research and development pilot program grant.

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

15 (f) 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.



1 PART II

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

5 The alternative energy research and development revolving
6 fund shall be abolished on June 30, 2020, and all unencumbered
7 balances shall lapse to the credit of the general fund.

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

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

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



1 PART III

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

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

- 11 (1) Appropriations from the legislature;
- 12 (2) Moneys received as repayments of loans;
- 13 (3) Investment earnings;
- 14 (4) Royalties;
- 15 (5) Premiums, or fees or equity charged by the
- 16 corporation, or otherwise received by the corporation;
- 17 and

18 (6) Loans that are convertible to equity;
19 provided that the total amount of moneys in the fund shall not
20 exceed [~~\$2,000,000~~] \$ _____ at the end of any fiscal year."



1 SECTION 6. There is appropriated out of the general
2 revenues of the State of Hawaii the sum of \$ or so much
3 thereof as may be necessary for fiscal year 2018-2019 to be
4 deposited into the Hawaii technology loan and grant revolving
5 fund.

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

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

12 PART IV

13 SECTION 8. Statutory material to be repealed is bracketed
14 and stricken. New statutory material is underscored.

15 SECTION 9. This Act shall take effect on July 1, 2050;
16 provided that on June 30, 2020, section 5 of this Act shall be
17 repealed and section 206M-15.6, Hawaii Revised Statutes, shall
18 be reenacted in the form in which it read on the day before the
19 effective date of this Act.



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. Repeals the pilot program on 6/30/2020. Effective 7/1/2050. (SD2)

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