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# 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 Department of Defense  
6       Office of Naval Research between 2015 and 2017. The Hawaii  
7       office of naval research grant program was established to  
8       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 Department of Defense Office of Naval Research that is  
19 related to research on alternative energy and energy  
20 efficiency technologies in the fields of geothermal,  
21 solar, wind, ocean power, hydrodynamics, bioenergy,



1 biomass, solid waste, smart grids, transportation,  
2 alternative fuels, hydrogen, batteries, energy  
3 storage, or demand response;

4 (2) Is sixty per cent or more resident-owned; provided  
5 that for purposes of this paragraph, "resident" shall  
6 have the same meaning as defined in section 235-1,  
7 Hawaii 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 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 grant from the Hawaii office of naval research  
12   grant program.

13           (c)   The Hawaii office of naval research grant program  
14   shall cease to exist on June 30, 2024.

15           (d)   The department of business, economic development, and  
16   tourism shall adopt rules, pursuant to chapter 91, Hawaii  
17   Revised Statutes, necessary to implement the Hawaii office of  
18   naval research grant program.

19           SECTION 3.   There is established in the state treasury the  
20   alternative energy research and development revolving fund for



1 the purpose of promoting alternative energy research and  
2 development in Hawaii.

3 The alternative energy research and development revolving  
4 fund shall be abolished on June 30, 2024, and all unencumbered  
5 balances shall lapse to the credit of the general fund.

6 SECTION 4. There is appropriated out of the general  
7 revenues of the State of Hawaii the sum of \$ or so  
8 much thereof as may be necessary for fiscal year 2022-2023 to be  
9 deposited into the alternative energy research and development  
10 revolving fund.

11 SECTION 5. There is appropriated out of the alternative  
12 energy research and development revolving fund the sum of  
13 \$ or so much thereof as may be necessary for fiscal  
14 year 2022-2023 for the purpose of the Hawaii office of naval  
15 research grant program; provided that the moneys appropriated by  
16 this Act shall not lapse at the end of the 2022-2023 fiscal  
17 year; provided further that any moneys that remain unencumbered  
18 on June 30, 2024, shall lapse on that date.

19 The sum appropriated shall be expended by the Hawaii  
20 technology development corporation.

21 SECTION 6. This Act shall take effect on July 1, 2050.



**Report Title:**

HTDC; Alternative Energy Research; Matching Grants; Office of Naval Research; Appropriations

**Description:**

Authorizes the Hawaii technology development corporation to temporarily re-establish the Hawaii office of naval research grant program to provide fifty per cent matching grants to Hawaii awardees of alternative energy research grants from the Department of Defense Office of Naval Research. Establishes the alternative energy research and development revolving fund. Appropriates funds into and out of the revolving fund. Effective 7/1/2050. (HD1)

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

