

---

# 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, or  
2 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, funded by  
16 moneys designated by the United States Congress as  
17 funding for alternative energy and a national defense  
18 budget funding directive, with the Department of  
19 Defense Office of Naval Research that is existing and  
20 active or was granted within three years prior to the  
21 effective date of this Act;



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

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

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

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



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

17       The sum appropriated shall be expended by the Hawaii  
18 technology development corporation.

19       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 50% 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 moneys into and out of the revolving fund. Effective 7/1/2050. (SD1)

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

