
A BILL FOR AN ACT

RELATING TO LONG DURATION CLEAN ENERGY STORAGE.

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

1 SECTION 1. The legislature finds that extreme weather,
2 exacerbated by climate change, can affect the supply and
3 availability of all forms of energy, including local renewable
4 resources and imported fuels. The ability to store locally
5 produced clean energy can help mitigate the risk of supply
6 disruptions during extreme weather or other events.

7 The legislature recognizes that the United States
8 Department of Energy has a goal of reducing the cost of long
9 duration clean energy storage by ninety per cent by 2031. The
10 department intends to make significant funding available to the
11 states to support the federal government's energy storage grand
12 challenge roadmap.

13 Accordingly, the purpose of this Act is to support the
14 continued development and storage of resilient, sustainable, and
15 locally produced clean energy in the State, and to make the
16 State competitive for clean energy storage federal grants, by:



1 (1) Amending the Hawaii renewable hydrogen program and
2 hydrogen investment capital special fund to encompass
3 a broader focus on long duration clean energy storage;
4 and

5 (2) Transferring responsibility for the program to the
6 Hawaii state energy office.

7 SECTION 2. Section 196-10, Hawaii Revised Statutes, is
8 amended to read as follows:

9 "[+]§196-10[+] Hawaii [~~renewable hydrogen~~] long duration
10 clean energy storage program. There is established[7] within
11 the [~~department of business, economic development, and tourism,~~]
12 Hawaii state energy office a Hawaii [~~renewable hydrogen~~] long
13 duration clean energy storage program [~~to manage the State's~~
14 ~~transition to a renewable hydrogen economy~~]. The program shall
15 design, implement, and administer activities that include:

16 (1) Strategic partnerships for the research, development,
17 testing, and deployment of [~~renewable hydrogen~~] long
18 duration clean energy storage technologies[+],
19 including renewable hydrogen, pumped storage
20 hydroelectricity, batteries, and other technologies;



- 1 (2) Engineering and economic evaluations of Hawaii's
2 potential for [~~renewable hydrogen use and~~] long
3 duration clean energy storage, including near-term
4 project opportunities for the State's renewable energy
5 resources;
- 6 (3) Electric grid reliability and security projects that
7 will enable the integration of a substantial increase
8 of electricity from renewable energy resources on the
9 island of Hawaii;
- 10 (4) [~~Hydrogen~~] Long duration clean energy storage
11 demonstration projects, including infrastructure for
12 the production, storage, and refueling of hydrogen
13 vehicles; hydroenergy storage; pumped storage
14 hydroelectricity; battery storage; and other
15 technologies;
- 16 (5) A statewide [~~hydrogen economy~~] long duration clean
17 energy storage public education and outreach plan
18 focusing on the island of Hawaii, to be developed in
19 coordination with Hawaii's public education
20 institutions[+], and to include education on renewable
21 hydrogen and other technologies;



H.B. NO. 2103

- 1 (6) Promotion of Hawaii's [~~renewable hydrogen~~] long
2 duration clean energy storage resources, including
3 renewable hydrogen, to potential partners and
4 investors;
- 5 ~~(7) A plan, for implementation during the years 2007 to~~
6 ~~2010, to more fully deploy hydrogen technologies and~~
7 ~~infrastructure capable of supporting the island of~~
8 ~~Hawaii's energy needs, including:~~
- 9 ~~(A) Expanded installation of hydrogen production~~
10 ~~facilities;~~
- 11 ~~(B) Development of integrated energy systems,~~
12 ~~including hydrogen vehicles;~~
- 13 ~~(C) Construction of additional hydrogen refueling~~
14 ~~stations; and~~
- 15 ~~(D) Promotion of building design and construction~~
16 ~~that fully incorporates clean energy assets,~~
17 ~~including reliance on hydrogen-fueled energy~~
18 ~~generation;~~
- 19 ~~(8) A plan, for implementation during the years 2010 to~~
20 ~~2020, to transition the island of Hawaii to a~~



1 ~~hydrogen-fueled economy and to extend the application~~
2 ~~of the plan throughout the State; and~~

3 ~~(9)]~~ (7) Evaluation of policy recommendations to:

4 (A) Encourage the adoption of [~~hydrogen-fueled~~
5 ~~vehicles;~~] long duration clean energy storage and
6 the identification of potential customers for the
7 storage;

8 (B) Continually fund the [~~hydrogen~~] long duration
9 clean energy storage investment capital special
10 fund; and

11 (C) Support investment in [~~hydrogen~~] long duration
12 clean energy storage infrastructure, including
13 [~~production, storage, and dispensing facilities.~~]
14 storage for renewable hydrogen, pumped storage
15 hydroelectricity, and other technologies; and

16 (8) Engineering and economic evaluations of potential
17 locations for long duration clean energy storage,
18 prioritizing locations for storing pumped storage
19 hydroelectricity, that:



- 1 (A) Maximize the ecological, social, and economic
- 2 benefits of nearby resources and make the best
- 3 use of agricultural and recreational lands; and
- 4 (B) Minimize or avoid negative impacts on cultural
- 5 sites, productive agricultural lands, and animal
- 6 habitats."

7 SECTION 3. Section 206M-63, Hawaii Revised Statutes, is
 8 amended to read as follows:

9 "~~§~~206M-63~~§~~ **Hydrogen] Long duration clean energy**
 10 **storage investment capital special fund.** (a) There shall be
 11 established the ~~[hydrogen]~~ long duration clean energy storage
 12 investment capital special fund, into which shall be deposited:
 13 (1) Appropriations made by the legislature to the fund;
 14 (2) All contributions from public or private partners;
 15 (3) All interest earned on or accrued to moneys deposited
 16 in the special fund; and
 17 (4) Any other moneys made available to the special fund
 18 from other sources.
 19 (b) Moneys in the fund shall be expended by the
 20 ~~[development corporation:]~~ Hawaii state energy office:



1 (1) To provide seed capital for and venture capital
2 investments in private sector and federal projects for
3 research, development, testing, and implementation of
4 the Hawaii [~~renewable hydrogen~~] long duration clean
5 energy storage program, as set forth in section
6 196-10; and

7 (2) For any other purpose deemed necessary to carry out
8 the purposes of section 196-10."

9 SECTION 4. All rights, powers, functions, and duties of
10 the department of business, economic development, and tourism
11 related to the administration of the renewable hydrogen program
12 are transferred to the Hawaii state energy office.

13 All employees who occupy civil service positions and whose
14 functions are transferred to the Hawaii state energy office by
15 this Act shall retain their civil service status, whether
16 permanent or temporary. Employees shall be transferred without
17 loss of salary, seniority (except as prescribed by applicable
18 collective bargaining agreements), retention points, prior
19 service credit, any vacation and sick leave credits previously
20 earned, and other rights, benefits, and privileges, in
21 accordance with state personnel laws and this Act; provided that



1 the employees possess the minimum qualifications and public
2 employment requirements for the class or position to which
3 transferred or appointed, as applicable; provided further that
4 subsequent changes in status may be made pursuant to applicable
5 civil service and compensation laws.

6 Any employee who, prior to this Act, is exempt from civil
7 service and is transferred as a consequence of this Act may
8 retain the employee's exempt status, but shall not be appointed
9 to a civil service position as a consequence of this Act. An
10 exempt employee who is transferred by this Act shall not suffer
11 any loss of prior service credit, vacation or sick leave credits
12 previously earned, or other employee benefits or privileges as a
13 consequence of this Act; provided that the employees possess
14 legal and public employment requirements for the position to
15 which transferred or appointed, as applicable; provided further
16 that subsequent changes in status may be made pursuant to
17 applicable employment and compensation laws. The chief energy
18 officer may prescribe the duties and qualifications of these
19 employees and fix their salaries without regard to chapter 76,
20 Hawaii Revised Statutes.



1 SECTION 5. In accordance with section 9 of article VII, of
2 the Constitution of the State of Hawaii and sections 37-91 and
3 37-93, Hawaii Revised Statutes, the legislature has determined
4 that the appropriation contained in this Act will cause the
5 state general fund expenditure ceiling for fiscal year 2024-2025
6 to be exceeded by \$, or per cent. The reasons
7 for exceeding the general fund expenditure ceiling are that the
8 appropriation made in this Act is necessary to serve the public
9 interest and to meet the need provided for by this Act.

10 SECTION 6. There is appropriated out of the general
11 revenues of the State of Hawaii the sum of \$3,500,000 or so much
12 thereof as may be necessary for fiscal year 2024-2025 to support
13 the long duration clean energy storage program, including the
14 hiring of any temporary staff that may be needed to support the
15 transfer of the program to the Hawaii state energy office.

16 The sum appropriated shall be expended by the Hawaii state
17 energy office for the purposes of this Act.

18 SECTION 7. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.



H.B. NO. 2103

1 SECTION 8. This Act shall take effect on July 1, 2024.

2

INTRODUCED BY: Wade E. Lower
JAN 19 2024



H.B. NO. 2103

Report Title:

HSEO; Renewable Energy; Long Duration Clean Energy Storage;
Appropriation; General Fund Expenditure Ceiling Exceeded

Description:

Amends the Hawaii renewable hydrogen program and hydrogen investment capital special fund to include a broader focus on long duration clean energy storage. Transfers responsibility for the program to the Hawaii State Energy Office. Appropriates moneys. Declares that the appropriation exceeds the state general fund expenditure ceiling for 2024-2025.

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

