

JAN 23 2025

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 United States
6 Department of Defense Office of Naval Research between 2015 and
7 2017. The Hawaii Office of Naval Research grant program was
8 established to implement Act 159.

9 In the program's final year, the legislature passed Act 69,
10 Session Laws of Hawaii 2017, which, in part, changed the name of
11 the high technology development corporation to the Hawaii
12 technology development corporation. In its 2017 annual report,
13 the Hawaii technology development corporation noted that it had
14 awarded a total of \$950,000 to three local companies, which were
15 then matched with a total of \$10,200,000 in federal funds. The
16 legislature also finds that re-establishing this program would
17 align with the State's goal to achieve one hundred per cent



1 clean energy by the year 2045, while encouraging economic growth
2 and diversification.

3 Accordingly, the purpose of this Act is to:

4 (1) Re-establish the two-year Hawaii office of naval
5 research grant program; and

6 (2) Establish the alternative energy research and
7 development revolving fund.

8 SECTION 2. (a) There is established within the department
9 of business, economic development, and tourism, a two-year
10 Hawaii office of naval research grant program to provide grants
11 to qualified businesses conducting research and development in
12 alternative energy. The purpose of the program shall be to
13 promote the research and development of alternative energy in
14 the State by authorizing the Hawaii technology development
15 corporation to provide matching grants to businesses that meet
16 criteria established pursuant to subsection (b).

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

20 (1) Has been awarded a competitive contract from the
21 United States Department of Defense Office of Naval



1 Research that is related to research on alternative
2 energy and energy efficiency technologies in the
3 fields of geothermal, solar, wind, ocean power,
4 hydrodynamics, bioenergy, biomass, solid waste, smart
5 grids, transportation, or demand response;

6 (2) Is sixty per cent or more resident-owned; provided
7 that for purposes of this paragraph, "resident" shall
8 have the same meaning as defined in section 235-1,
9 Hawaii Revised Statutes;

10 (3) Is a for-profit entity organized under the laws of the
11 State;

12 (4) Has been doing business in the State for not less than
13 one year;

14 (5) Agrees to expend all grant funds awarded pursuant to
15 this Act in the State; and

16 (6) Conducts research in alternative energy that has a
17 high technology readiness level or high potential for
18 implementation as evidenced by a contract with the
19 United States Department of Defense Office of Naval
20 Research, that 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, and is existing and active or was granted
3 within three years before the effective date of this
4 Act;

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

15 (c) The Hawaii office of naval research grant program
16 shall cease to exist on June 30, 2027.

17 (d) The department of business, economic development, and
18 tourism shall adopt rules pursuant to chapter 91, Hawaii Revised
19 Statutes, necessary for the purposes of implementing the Hawaii
20 Office of Naval Research grant program.



1 SECTION 3. 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, 2028, and all unencumbered
6 balances shall lapse to the credit of the general fund.

7 SECTION 4. There is appropriated out of the general
8 revenues of the State of Hawaii the sum of \$ or so
9 much thereof as may be necessary for fiscal year 2025-2026 and
10 the same sum or so much thereof as may be necessary for fiscal
11 year 2026-2027 to be deposited into the alternative energy
12 research and development revolving fund.

13 SECTION 5. 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 2025-2026 and the same sum or so much thereof as may be
17 necessary for fiscal year 2026-2027 for the Hawaii office of
18 naval research grant program; provided that the moneys
19 appropriated by this Act shall not lapse at the end of the
20 2026-2027 fiscal year; provided further that any moneys that
21 remain unencumbered on June 30, 2028, shall lapse on that date.



1 The sums appropriated shall be expended by the Hawaii
2 technology development corporation for the purposes of this Act.

3 SECTION 6. This Act shall take effect on July 1, 2025.

4 INTRODUCED BY: Michelle D. Hanani



S.B. NO. 1518

Report Title:

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

Description:

Authorizes the Hawaii Technology Development Corporation to establish a two-year Hawaii Office of Naval Research Grant Program to provide 50 per cent matching grants to Hawaii awardees of alternative energy research grants from the United States Department of Defense Office of Naval Research. Requires the Department of Business, Economic Development, and Tourism to adopt administrative rules to implement the Hawaii Office of Naval Research Grant Program. Establishes the Alternative Energy Research and Development Revolving Fund. Appropriates funds.

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

