

**Department of Business, Economic Development, and Tourism
Operational Budget for Biennium Budget 2009-2011**

1. Introduction:

a. **Title and Program ID:** Natural Energy Lab of Hawaii Authority – BED 146/EL

b. **Summary of program objectives.**

NELHA's Objective aligns with the Departmental Missions of *"Leading efforts to transform how Hawaii produces, distributes and uses energy with an objective that 70% of Hawaii's energy to come from locally developed alternative energy sources and energy efficiency and conservation efforts by 2030"; "Aligning and facilitating public and private resources to encourage development of science, technology, engineering, and math skills resulting in the ability to turn new and creative ideas into products and services that have demand in global markets"; "Increasing international trade and international educational opportunities for Hawaii's citizens"; and "Improving, directly and in partnership with other departments, Hawaii's critical infrastructure."*

The Program promotes sustainable business development and supports economic diversification by providing resources and facilities for energy and ocean related research, education, public outreach, and commercial activities in an environmentally sound and culturally sensitive manner. This is achieved through marketing, managing and operating facilities that support sustainable utilization of available natural resources such as cold deep seawater, warm surface seawater, and high solar insolation and alternative distributed-energy resources. Facilities are located at Keahole Point in Kailua-Kona and in Puna, both on the Island of Hawaii.

National Defense Center of Excellence for Research in Ocean Sciences (CEROS) Objectives align with Departmental Mission of *"Aligning and facilitating public and private resources to encourage development of science, technology, engineering, and math skills resulting in the ability to turn new and creative ideas into products and services that have demand in global markets"*

Attached for administrative purposes to NELHA, the Program solicits and supports concept development and demonstration of advanced technologies for maritime military purposes and to advance technology, enhance regional capabilities and infrastructure, and demonstrate beneficial maritime military utility for the Department of Defense.

2. Program Performance Results:

a. Table 6: Program Performance Results

b. Discussion on how program's measures of effectiveness relate to the department's mission and program objectives.

NELHA's measures of effectiveness include the total number of tenants; the number of new tenants; tenants' gross sales; amount of investment at NELHA from both public and private sector sources. These measures reflect NELHA's on-going efforts and commitment to growth and expansion and to development and diversification of Hawaii's economy. NELHA's ongoing commitment in securing alternative energy projects keeps in line with the Governor's energy awareness mandates.

Projects funded by CEROS for concept development and demonstration of ocean technologies and applied ocean sciences for military maritime purposes support both State and National security interests. These efforts also help to create sustainable technology-based employment and economic growth for Hawaii companies.

c. Discussion on how performance results affect program activities.

The results of NELHA's work allow NELHA's facilities at Keahole Point to continue serving as the premiere site worldwide, where large volumes of both warm surface and cold deep seawater are consistently pumped ashore for use in aquaculture, marine biotechnology, manufacturing of highly valuable and desirable potable water, and other technologies. NELHA continues to serve as a laboratory for research and development; as an incubator facility for developing innovative, new technologies and businesses; and as a base for commercial operations that utilize, or are otherwise related to the use of the seawater and other available resources.

NELHA has continued to aggressively develop new and strengthen existing public-private sector collaborative efforts, thereby maximizing respective and collective resources to ensure outcomes that reflect higher achievement of success at quantitative levels.

The results of CEROS work ensures continued opportunities for additional and increased federal funding for establishment of new and stronger alliances with both federal and private sector entities and strengthening and diversifying Hawaii's economy.

d. Modifications to program's performance measures and rationale for these modifications.

None.

Capital Improvement Program (CIP) Budget for Biennium Budget 2009-2011

1. CIP Requests

None.

2. Proposed Lapses of CIP projects

Project Title: Host Park Infrastructure Upgrades

Act/Yr: 160/06

Amount of Lapse: FY 10 \$17,422

Justification: Project complete. Remaining allotment not required.

Project Title: NELHA Groundwater Environmental Monitoring Wells

Act/Yr: 160/06

Amount of Lapse: FY 10 \$13,511

Justification: Contract encumbered, project 50% complete. Remaining allotment not required.

Project Title: NELHA Master Plan Reconfiguration

Act/Yr: 160/06

Amount of Lapse: FY 10 \$49,026

Justification: Contract encumbered, project 25% complete. Remaining allotment not required.

Table 6
Program Performance Results

#	Measures of Effectiveness	Direction of Success (increase/decrease)	FY07 Result	FY08 Result	FY09 Plan	FY10 Plan
BED 146/EL						
1	# of New NELHA Tenants (Actual)	Increase	3	5	3	3
2	New Tenants (Acres) (Actual)	Increase	24.3	17.5	10	20
3	Amount of Tenant Sales (\$M)	Increase	50	52.9	54	82.5
4	Increase in Revenues (\$K)	Increase	577	304	1479	1446
5	Amount of Tenant Capital Investment at NELHA (\$M)	Increase	15.3	4	6.5	6
6	Value of CEROS Projects Funded (\$M)	Increase	4.9	5.1	8.8	9
7	# of CEROS Outreach & Interface Activities	Increase	17	18	19	17