

GM 719

Submitting for consideration and confirmation to the Board of Directors of the Natural Energy Laboratory of Hawai'i Authority, Gubernatorial Nominee, JOHN DELONG, for a term to expire 6-30-2015.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

NEIL ABERCROMBIE
GOVERNOR

RICHARD C. LIM
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: www.hawaii.gov/dbedt

Telephone: (808) 586-2355
Fax: (808) 586-2377

Statement of
RICHARD C. LIM
Director

Department of Business, Economic Development and Tourism
before the
SENATE COMMITTEE ON ENERGY AND ENVIRONMENT
Thursday, April 4, 2013
2:45 pm
State Capitol, Conference Room 225

in consideration of

GM 719

**SUBMITTING FOR CONSIDERATION AND CONFIRMATION TO THE BOARD OF
DIRECTORS OF THE NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY,
GUBERNATORIAL NOMINEE, JOHN DELONG, FOR A
TERM TO EXPIRE 6-30-2015.**

Chair Gabbard, Vice Chair Ruderman, and Members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) is pleased to present testimony in **strong support** of John DeLong to be considered for the NELHA Board of Directors. He has a long history of serving the State and as a successful businessman.

NELHA is a unique science and technology park in Kona comprising almost 900 acres that is still building out basic infrastructure. Mr. DeLong's very strong background in construction compliments many of the infrastructure projects that are still under development. More specifically, his private sector business experience with Hawaiian Cement, a company with combined revenues of several hundred million dollars, at the

CEO level affords an opportunity to provide invaluable advice and perspectives to the NELHA Board of Directors.

In addition, Mr. DeLong has a scientific background in chemical engineering that will assist in understanding the technological challenges of the technological park. As I have worked with him over the years, it is very clear that he has a strong interest in the successful development of new businesses that can take advantage of Hawaii's unique opportunities such as the Natural Energy Lab.

Thank you for the opportunity to offer these comments.

Written Statement of
YUKA NAGASHIMA
Executive Director & CEO
High Technology Development Corporation
before the
SENATE COMMITTEE ON ENERGY AND ENVIRONMENT
Thursday, April 4, 2013
2:45 p.m.
State Capitol, Conference Room 225

In consideration of
**GM 719 IN CONSIDERATION AND CONFIRMATION TO THE BOARD OF
DIRECTORS OF THE NATURAL ENERGY LABORATORY OF HAWAII,
GUBERNATORIAL NOMINEE, JOHN DELONG,
FOR A TERM TO EXPIRE 6-30-2015.**

Chair Gabbard, Vice Chair Ruderman, and Members of the Senate Committee on Energy and Environment.

I am pleased to have this opportunity to **support the appointment** of Mr. John DeLong to the Board of Directors for the Natural Energy Laboratory of Hawaii (NELHA).

Since 2006, Mr. DeLong has served as the NELHA representative to the Board of Directors for the High Technology Development Corporation. Over that span we have greatly valued his guidance as an innovative thought leader rooted with a deep understanding of growing a business in Hawaii. Mr. DeLong's contributions in vision and guidance to NELHA and HTDC are tremendous assets for the State.

I would like to encourage your favorable vote on his behalf.



BioEnergy Hawaii, LLC
New Ideas for Hawaii's Future

**Senate Committee on
Energy and Environment**

**Thursday, April 4, 2013
2:45 pm, Conference Room 225**

Chair: Senator Mike Gabbard; Vice Chair Senator Russell E, Ruderman

RE: GM 719; Submitting for Consideration and confirmation to the Board of Directors of the Natural Energy Laboratory of Hawaii Authority (NELHA), Gubernatorial Nominee, JOHN DELONG, for a term to expire 06-30-2015.

Written Testimony

Aloha, my name is Guy Kaniho, and I am the General Manager of BioEnergy Hawaii, LLC. (BEH). BioEnergy Hawaii strongly supports the consideration and confirmation of JOHN DELONG to the Board of Directors of the Natural Energy Laboratory of Hawaii Authority. John was instrumental in helping BioEnergy Hawaii negotiated a lease at NELHA.

BioEnergy Hawaii's primary business is the development and operation of bioconversion facilities in the State of Hawaii. Our proposed facility will separate, sort and process municipal solid waste (MSW) into usable feedstock, also known as refuse derived fuel (RDF) that can be converted through our integrated gasification technology to produce renewable energy in the form of electricity and/or biofuels to be utilized in power generation or in the transportation industry. In addition to providing a local alternative energy source, the facility will significantly reduce the amount of MSW being deposited into the landfills, thereby reducing the associated environmental impacts.

Thank you for this opportunity,

Guy Kaniho
General Manager
BioEnergy Hawaii, LLC

Dante K. Carpenter
3054 Ala Poha Pl., #401
Honolulu, HI 96818
(808) 833-8163

HAWAII STATE SENATE
TWENTY-SEVENTH LEGISLATURE

COMMITTEE ON ENERGY AND ENVIRONMENT
Thursday, April 4, 201
2:45 pm, Conference Rm. 225

RE: GM 719 Submitting for consideration and confirmation to the Board of Directors of the Natural Energy Laboratory of Hawai'i Authority, Gubernatorial Nominee, JOHN DELONG, for a term to expire 6-30-2015.

Chair Sen. Mike Gabbard, V. C. Sen. Russell E. Ruderman and Member Senators Suzanne Chun-Oakland, Les Ihara, Jr., and Sam Slom:

Good Afternoon. My name is Dante K. Carpenter, a concerned citizen of Hawai'i whose residence is in the Salt Lake area of Honolulu, Hawai'i. I have occupied positions as a former state senator, OHA administrator and trustee, as well as councilman and mayor of the County of Hawai'i. Further, I am a consulting engineer, retired naval officer, and am also the chairman of the Democratic Party of Hawai'i (DPH) since January 2010.

Over the past several years as a consulting engineer, I have come to know very well the myriad capabilities of Mr. John DeLong as a member and Board Chairman of NELHA. My association and working relationship as an engineer and as a Pacific Waste Inc. Board member-advocate of waste to energy facilities (W-T-E) at NELHA, with Mr. De Long, has been outstanding. Mr. DeLong is President of the Hawaiian Cement Company with its headquarters located in the Halawa Valley Industrial complex. Hawaiian Cement has offices on all the major islands in Hawai'i.

He is, without doubt, one of the most capable people I have encountered in my quarter-century-plus of public service in state, county and federal government positions. Mr. DeLong's responsible position including his background, training and education has virtually qualified him for positions requiring a high degree of responsibility, analytical ability, sound judgment, intelligence and interpersonal skills.

Finally, John DeLong's willingness to share his time, expertise and energy in additional public service is truly commendable and sincerely appreciated. He will continue to be a fine addition to the important functions of the Natural Energy Laboratory of Hawai'i Authority and its success in meeting its mission. If there are any questions I may respond to, please do not hesitate to call me at (808) 358 -7104 (cell) anytime.

Respectfully submitted,

Dante K. Carpenter

4/3/2013 @ 10 am

**Letter of Interest for Reappointment to NELHA Board of Directors
From John H. DeLong**

March 29, 2013

To Senator Mike Gabbord, Chair, Senate Committee on Energy and Environment and other Committee Members:

This letter requests my reappointment to the NELHA Board of Directors for a second term. For the majority of my first term I served as the Board Chair and Vice Chair of the finance committee. During my tenure on the Board, NELHA annual revenues grew 50% to over \$3.75M and achieved financial independence for ongoing operations. NELHA is no longer reliant on support from the State general fund for day-to-day operations. Private companies investing at NELHA in the previous four years includes Sopogy, a pioneer in solar concentrator technology; Celana, a company researching algae production for biofuels; Big Island Abalone doubled its production capacity; the Marine Mammal Center is building a monk seal rehabilitation facility and Cyanotech, the world's largest producer of Spirulina and Astaxanthin for the health food industry announced a major expansion of their processing capacity. Most recently, OTEC International committed to invest \$32M for construction and operation of a 1MW OTEC demonstration plant utilizing NELHA's unique deep-water pump and piping system. NELHA serves 32 tenant organizations with combined employment of more than 200. Estimated annual economic benefit to the State is in excess of \$50M.

NELHA's unique water resources provide an unmatched opportunity to attract and develop new business opportunities to Hawaii. The successful incubation and growth of start-ups requires NELHA staff and Board of Directors to create a nurturing environment while at the same time keeping an eye always focused on transitioning to self-sustaining and profitable businesses.

Continued expansion at the Natural Energy Laboratory facility helps to reduce reliance on tourism as Kona's major economic driver and provides a more balanced and stable employment base. It is critical to see all our development activities through the lens of our impact on Hawaii's fragile environment. NELHA is well positioned to provide economic growth that enhances and complements Hawaii's natural resources.

My professional experience focuses primarily in construction and construction materials such as cement, concrete, aggregates, and asphalt. I am the President of Hawaiian Cement and West Hawaii Concrete, a neighbor of NELHA. My education consists of a degree in Chemical Engineering from the University of Utah and a MBA from UH Manoa. This background of engineering, construction, and business provides useful private sector balance with many other board members who by statute represent a variety of State Agencies.

I look forward to continue working with the staff and other members of the Board of Directors to accelerate the pace of change to achieve NELHA's mission to "develop and diversify Hawaii's economy by providing resources and facilities for ocean related research, education, energy and commercial activities." My passion for science and technology combined with 25 plus years of business experience as well as more than four years as the Board Chair provides a unique blend of expertise to insure NELHA's continued success. I ask for your support for my re-nomination to the Board of Directors of the Natural Energy Laboratory Hawaii Authority.

Responses to requested questions:

- (1) Why do you wish to continue as a member of the board of directors of the Natural Energy Laboratory of Hawai'i Authority?
 - a. The diversity of the tenants, uniqueness of the NELHA facility and the complexity of successfully functioning in the government sector requires years of experience for a board member to become fully effective. Due to my 6 years of experience on the board these final two will be my most productive.
 - b. This is an exciting time at NELHA when several long planned actions will soon be realized. I would like to be on the NEHLA board to insure that the long "pregnancy" results in healthy babies and that those babies get a good start.

- (2) How did you handle the role and responsibilities as the chairman of the board of directors of the Natural Energy Laboratory of Hawai'i Authority?
 - a. The major role of the chairman of the board is to insure that the organization makes steady progress in achieving its mission while maintaining levels of integrity, professionalism and efficiency that reflect well on the State of Hawaii and its citizens. We have accomplished this.
 - b. The chair also serves as a sounding board and source of counsel for NELHA staff especially its Executive Director. As chair I am in contact several times per week with NELHA staff monitoring progress on key issues and offering counsel as needed.

- (3) What were your main achievements as a member, and particularly as chairman, of the board of directors of the Natural Energy Laboratory of Hawai'i Authority.
 - a. Chaired the recruiting committee that found and hired a new Executive Director in June of 2011 that has been very successful in accelerating NELHA's growth.
 - b. NELHA annual revenues grew 50% since joining the board to over \$3.75M and achieved financial independence for ongoing operations. NELHA is no long reliant on support from the State general fund for day-to-day operations. This is a team effort largely the result of NELHA staff but with strong support from the board.
 - c. Private companies investing at NELHA in the previous four years includes Sopogy, a pioneer in solar concentrator technology; Celana, a company researching algae production for biofuels; Big Island Abalone doubled its production capacity; the Marine Mammal Center to establish a monk seal rehabilitation facility and Cyanotech, the world's largest producer of Spirulina and Astaxanthin for the health food industry recently announced a major expansion of its processing capabilities.
 - d. OTEC International committed to invest \$32M for construction and operation of a 1MW OTEC demonstration plant utilizing NELHA's unique deep-water pump and piping system.
 - e. NELHA's serves 32 tenant organizations with combined employment of more than 200. Estimated annual economic benefit to the State is in excess of \$50M.

- (4) What difficulties did you encounter as chairman of the board of directors of the Natural Energy Laboratory of Hawai'i Authority? How did you overcome those difficulties?
 - a. Advancing initiatives and achieving deadlines is difficult within the State system. Finding an Executive Director with the knowledge, experience, and temperament to successfully navigate the State system resulted in an acceleration in the positive pace of change at NELHA.

- b. Maintain a laser focus on accounts receivables to proactively manage relationships with tenants in financial distress.
- (5) What do you hope to accomplish during your next term of service
- a. Finalize lease negotiations with OTEC International and begin construction of the OTEC facility.
 - b. Complete the renovation of the NELHA office building with federal grant monies and establish NELHA as the premier Kona area small business incubation facility. Leverage HTDC incubator expertise to accomplish this.
 - c. Complete the construction of the Queen K frontage road to provide access to NELHA via a signalized intersection and allow for development on previously inaccessible NELHA acreage. Developing the frontage road properties through public private partnerships will provide a future revenue stream reducing the need for future State funds for NELHA capital development.
 - d. Continue to expand the tenant base through more aggressive marketing.
- (6) Were there any conflicts of interest that arose during your service on the board of directors of the Natural Energy Laboratory of Hawai'i Authority? How did you overcome any conflicts of interest?

No conflicts of interest in the past.

- (7) Do you foresee any future conflicts of interest? How would you overcome any future conflicts of interest?
- In the unlikely event of a future potential conflict of interest, the potential conflict would be identified to all concerned and I would recuse myself from any decision making having to do with that issue.

Thank you for considering my reappointment to the NELHA Board of Directors.

Respectfully Submitted,

John DeLong

John DeLong
President, Hawaiian Cement
Business: 808.532.3401
Fax: 808.441.7601
John.DeLong@hawaiiancement.com