
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 imported oil
2 supplies over ninety per cent of Hawaii's energy. This
3 dependence on oil threatens Hawaii's land, air, and water,
4 places the economy's security at risk, and is not sustainable.
5 As a result, the State of Hawaii adopted the clean energy
6 initiative to achieve seventy per cent clean energy by the year
7 2030. This clean energy initiative is rooted in the principle
8 of maximizing cost effective investments in clean energy
9 production and management to promote Hawaii's energy security.
10 Along with reducing the dependency on fossil fuels and
11 increasing efficiency measures, the clean energy plan
12 contributes to the State's economic growth.

13 The legislature further finds that there are growing
14 numbers of local Hawaii-based companies conducting research and
15 development in clean energy technologies. Utilizing Hawaii's
16 diverse renewable energy sources of solar, wind,
17 hydroelectricity, bioenergy, and geothermal, these companies are



1 showing the world, with their proven track record, that Hawaii
2 is an ideal laboratory for the development of clean energy
3 technologies. Many of these local research and development
4 companies have also obtained federal funding to develop clean
5 and alternative energy research and have created high-paying,
6 high-skilled jobs.

7 The legislature also finds that it is important to Hawaii's
8 future to support and strengthen these local companies to
9 continue to conduct their research and development and to
10 continue to support Hawaii's economy. For economic growth and
11 diversification, it is in Hawaii's best interest to take
12 important steps to encourage high-impact, clean energy solutions
13 that encourage innovative economic development.

14 The purpose of this Act is to establish a matching grant
15 program, similar to the small business innovation research grant
16 program administered by the high technology development
17 corporation, to further strengthen and support Hawaii's local
18 companies conducting renewable energy research and development
19 through existing contracts with the principal research division
20 of the United States Department of Defense, Office of Naval
21 Research.



1 SECTION 2. (a) There is established within the department
2 of business, economic development, and tourism, a two-year
3 alternative energy research and development pilot program to
4 provide grants to qualified businesses conducting research and
5 development in alternative energy. The purpose of the pilot
6 program shall be to promote the research and development of
7 alternative energy in Hawaii by authorizing the high technology
8 development corporation to provide matching grants to businesses
9 that meet criteria established in subsection (b).

10 (b) Subject to the availability of funds, the high
11 technology development corporation may provide a grant to any
12 business that:

- 13 (1) Has been awarded a grant from the Office of Naval
14 Research related to the production of energy in the
15 fields of geothermal, solar, wind, ocean power,
16 hydroelectricity, bioenergy, biomass, or solid waste;
- 17 (2) Is eighty per cent or more resident-owned. For
18 purposes of this paragraph, resident shall have the
19 same meaning as defined in section 235-1, Hawaii
20 Revised Statutes;



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

3 (4) Has been doing business in the State for not less than
4 thirty years;

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

7 (6) Conducts research in alternative energy that has a
8 high technology readiness level or high potential for
9 implementation;

10 provided that the amount of any grant awarded pursuant to this
11 Act shall not exceed fifty per cent of the amount of the grant
12 awarded to the business by the Office of Naval Research.

13 (c) The alternative energy research and development pilot
14 program shall cease to exist on June 30, 2019.

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

18 The alternative energy research and development revolving
19 fund shall be abolished on June 30, 2019, and all unencumbered
20 balances shall lapse to the credit of the general fund.



1 SECTION 4. There is appropriated out of the general
 2 revenues of the State of Hawaii the sum of \$5,000,000 or so much
 3 thereof as may be necessary for fiscal year 2017-2018 and the
 4 same sum or so much thereof as may be necessary for fiscal year
 5 2018-2019 to be deposited into the alternative energy research
 6 and development revolving fund.

7 SECTION 5. There is appropriated out of the alternative
 8 energy research and development revolving fund the sum of
 9 \$5,000,000 or so much thereof as may be necessary for fiscal
 10 year 2017-2018 and the same sum or so much thereof as may be
 11 necessary for fiscal year 2018-2019 for the purposes of
 12 providing grants pursuant to this Act.

13 The sums appropriated shall be expended by the high
 14 technology development corporation for the purposes of this Act.

15 SECTION 6. This Act shall take effect on July 1, 2017, and
 16 shall apply to taxable years beginning after December 31, 2016.
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S.B. NO. 680

Report Title:

Alternative Energy Research and Development Pilot Program; High Technology Development Corporation; Office of Naval Research Matching Grant; Appropriation

Description:

Establishes and appropriates funds for an alternative energy research and development pilot program that authorizes the high technology development corporation to provide matching grants of up to fifty per cent to Hawaii awardees of alternative energy research grants from the Office of Naval Research.

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