



Written Statement of
Len Higashi
Acting Executive Director
Hawaii Technology Development Corporation
before the
House Committee on Economic Development and Business
Friday, February 1, 2019
10:10 a.m.
State Capitol, Conference Room 309

In consideration of
HB774
RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.

Chair McKelvey, Vice Chair Kitagawa, and Members of the Committee.

The Hawaii Technology Development Corporation (HTDC) **supports** HB774 that appropriates funds into and out of the alternative energy research and development revolving fund for the Hawaii Technology Development Corporation to provide grants.

As part of HTDC's vision to create 80,000 new innovation jobs in Hawaii earning \$80,000 or more by 2030, HTDC supports initiatives aimed at promoting technology and innovation jobs. Last session \$1,000,000 was appropriated for the Alternative Energy Research and Development grant program. HTDC has completed the required public hearing on the proposed administrative rules for the program. HTDC intends to open the application period and make FY19 awards before the end of the fiscal year. Act 67, SLH18 restarts the program that was last awarded in FY17. In FY17, all 3 companies that applied were awarded a total of \$950,000. The companies matched the state award with a total of \$10.2 million of federal funds. HTDC comments that HB623 repeals this program so the bills should be coordinated.

We support this request provided it does not supplant the Governor's priorities in the Administrative budget. Thank you for the opportunity to offer these comments.

HB-774

Submitted on: 1/30/2019 9:44:46 AM

Testimony for EDB on 2/1/2019 10:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
William W. Steiner	Pacific Agricultural Land Management Systems	Support	No

Comments:

Pacific Agricultural Land Management Systems (PALMS) and Hawaii Oil Seed Producers (HOSPRO), two Big Island companies developing oil palm as a new vegetable oil source for biofuel, edible oil, animal feed, cosmetics, and other products support this bill as it will provide funding for the development of products that are imported to be manufactured in Hawaii increasing Hawaiian jobs, economic independence and sustainability for the future.



Statement of
Hermann Kugeler
Business Development Manager
Makai Ocean Engineering, Inc.

before the
House Committee on Economic Development & Business

Friday February 1th, 2019

10:10am

State Capitol, Conference Room 309

In consideration of

HB774

**RELATING TO THE ALTERNATIVE ENERGY RESEARCH AND DEVELOPMENT
FUND**

Chair McKelvey, Vice Chair Kitagawa, and Members of the Committee

Makai Ocean Engineering, Inc. **STRONGLY SUPPORTS HB774** that makes an appropriation to Alternative Energy Research and Development revolving fund.

Makai is a locally-owned and operated technology company based in Hawai`i for over 45 years. One of the driving reasons behind Makai's existence is to help Hawai`i achieve energy independence using clean, alternative and renewable resources.

Hawai`i is blessed with abundant natural resources such as wind, solar, geothermal, hydro, biofuels, and ocean energy. While wind and especially solar contributions to the energy portfolio are now commercial and have grown significantly, other options like ocean energy have the potential to significantly contribute to the supply of base load / firm / constant renewable power, but are worryingly underrepresented. These alternative options are at the same place solar and wind was 20 years ago, and require R&D to reach the same level of maturity and commercialization.

Makai is currently performing R&D and working towards commercialization of ocean thermal energy conversion (OTEC) at the Natural Energy Laboratory of Hawai`i Authority (NELHA) in Kailua-Kona. Makai employs eight highly-paid, highly-skilled engineers and scientists in the high tech / renewable energy field in rural Kailua-Kona. This program has achieved a huge milestone of connecting to the grid, making Hawai`i the home of the world's largest operational OTEC plant, and the clear leader in the emerging market of ocean thermal energy. Plans are in the works for new developments to move this technology even further.

Governor David Ige was present to dedicate the power plant and 'flip the switch,' and in his keynote address he said, "One big difference with OTEC is that it is a firm power source; it allows us to generate electricity consistently... and in the evening hours when other renewable sources are not available, which really is the key to a 100% renewable future."

With the help of programs like this bill, Makai has been able to secure additional competitively awarded federal funding from the U.S. Navy, and bring home national honors,

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such as the Small Business Administration's Tibbetts Award. This national award recognizes the very best in small innovative companies in the country whose technologies have made a strong economic impact in terms of high paying jobs, and demonstrating success in actually commercializing federal R&D and increasing taxable revenue for the state.

This is why we **STRONGLY SUPPORT HB774**. Not only would this program develop alternative energy technology for our 100% renewable future, it would enable our tech industry to compete and win more federal monies for technology development and support high-paying, highly-skilled professional jobs for our keiki here at home.

Thank you for the opportunity to testify.

HB-774

Submitted on: 1/30/2019 8:13:14 PM

Testimony for EDB on 2/1/2019 10:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Brodie Lockard	350Hawaii.org	Support	No

Comments:

HB-774

Submitted on: 1/30/2019 12:28:09 PM

Testimony for EDB on 2/1/2019 10:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ann Chung	Individual	Support	Yes

Comments:

I STRONGLY SUPPORT HB774. Companies doing critical research in clean energy technologies are bringing in large numbers of federal funding to Hawaii and creating the high-skilled, high-paying jobs our workers need. This program supports and strengthens these efforts to further encourage high-impact, clean energy solutions not only proving that Hawaii is an ideal laboratory for the development of clean energy technologies but also creating economic growth and jobs. I URGE YOU TO PASS THIS BILL.

Mahalo for this opportunity to testify.