



Written Statement of  
**Len Higashi**  
Acting Executive Director  
Hawaii Technology Development Corporation  
before the  
**House Committee On Economic Development & Business**  
and the  
**House Committee On Energy & Environmental Protection**  
Wednesday, February 12, 2020  
9:00 a.m.  
State Capitol, Conference Room 309

In consideration of  
**HB2717**  
**RELATING TO THE ALTERNATIVE ENERGY RESEARCH AND DEVELOPMENT FUND.**

Chairs McKelvey and Lowen, Vice Chairs Kitagawa and Wildberger, and Members of the  
Committee.

The Hawaii Technology Development Corporation (HTDC) **supports with requested amendments** HB2717 that extends the alternative energy research and development revolving fund lapse date from 6/30/2020 to 6/30/2021 and appropriates funds into and out of the alternative energy research and development revolving fund for the provision of grants by the Hawaii Technology Development Corporation.

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 growing tech and innovation jobs. In FY19, HTDC awarded 3 companies \$950,000. The companies brought \$10.5 million of federal dollars into the state. The program did not receive an appropriation in FY20.

HTDC comments that the revolving fund used for this program has been challenged by the auditor as an inappropriate use of a revolving fund. HTDC suggests that the program should be appropriated and expended directly from the general fund.

Thank you for the opportunity to offer these comments.



Statement of  
**Hermann Kugeler**  
**Business Development Manager**  
**Makai Ocean Engineering, Inc.**  
before the  
**House Committee on Economic Development & Business**  
**and**  
**House Committee on Energy & Environmental Protection**

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Chair McKelvey, Vice Chair Kitagawa, and Members of the Committee on Economic  
Development & Business

and

Chair Lowen, Vice Chair Wildberger, and Members of the Committee on Energy &  
Environmental Protection.

Makai Ocean Engineering, Inc. **STRONGLY SUPPORTS HB2717** 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, 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 HB2717**. 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-2717**

Submitted on: 2/6/2020 8:57:20 PM

Testimony for EDB on 2/12/2020 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Jennifer Azuma Chrupalyk	Individual	Support	No

Comments:

**HB-2717**

Submitted on: 2/10/2020 3:01:51 PM

Testimony for EDB on 2/12/2020 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Ann Chung	Individual	Support	Yes

Comments:

I STRONGLY SUPPORT HB2717. 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

**HB-2717**

Submitted on: 2/10/2020 5:54:15 PM

Testimony for EDB on 2/12/2020 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Andrea Quinn	Individual	Support	No

Comments:

Dear Honorable Committee Members:

Please support HB2717, which will help in the fight against climate change.

Thank you for the opportunity to present my testimony.

Andrea Quinn

Kihei, Maui



Chamber of Commerce HAWAII  
*The Voice of Business*

**Testimony to the House Committees on Economic Development & Business and  
Energy & Environmental Protection  
Wednesday, February 12, 2020 at 9:00 A.M.  
Conference Room 309, State Capitol**

**LATE**

**RE: HB 2717 Relating to Alternative Energy Research and Development Fund**

Chairs McKelvey and Lowen, Vice Chairs Kitagawa and Wildberger, and Members of the Committees:

The Chamber of Commerce Hawaii ("The Chamber") **supports** HB 2717, which extends the alternative research and development revolving fund lapse date from June 30, 2020 to June 30, 2021.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

In 2018 the Legislature established the alternative energy research and development program through Act 67 to further strengthen and support Hawaii companies that are conducting renewable energy research and development through contracts with the Office of Naval Research (ONR). This bill seeks to extend the program for one more year through June 30, 2021.

The Chamber continues to support the State's efforts to promote and foster innovation research and development in Hawaii. Innovation is a proven catalyst for economic growth and the creation of high-skilled and high-paying jobs. Local companies currently partnered with ONR are at the forefront of alternative energy research and development, and these efforts are likely to continue helping the State achieve its renewable energy goals.

Thank you for the opportunity to testify in support of HB 2717.