Amendments and compilation of Chapter 15-34
Hawaii Administrative Rules

November 1, 2018

SUMMARY

1. Subtitle amended.

2. §§15-34-1 is amended.

3. §§15-34-4 to 15-34-6 are amended.

4. §§15-34-8 and 15-34-9 are amended.

5. Chapter 15-34 is compiled.
HAWAII ADMINISTRATIVE RULES

TITLE 15

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM

SUBTITLE 6

HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

CHAPTER 34

ALTERNATIVE ENERGY RESEARCH AND DEVELOPMENT PROGRAM

Subchapter 1 Rules of General Applicability

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§15-34-2 **Definitions.** As used in this chapter, unless a different meaning clearly appears in context:

"Board" means the board of directors of the development corporation.

"Development corporation" means the Hawaii technology development corporation established by chapter 206M, HRS.

"Grant" means financial assistance provided to qualified companies in the State of Hawaii conducting research of alternative energy and energy efficiency technologies in the fields of geothermal, solar, wind, ocean power, hydrodynamics, bioenergy, biomass, solid waste, smart grids, transportation, or demand response, evidenced by a contract from the United States Department of Defense Office of Naval Research, under the terms and conditions provided in this chapter.

"HRS" means the Hawaii Revised Statutes.

"Recipient" means any business receiving a grant under this chapter.


§15-34-3 **Purpose of program.** The purpose of the alternative energy research and development program is to provide grants to businesses that are developing clean energy solutions in Hawaii with a high technology readiness level or high potential for implementation as evidenced by an award of a competitive contract from the United States Department of Defense Office of Naval Research. [Eff 3/11/16; comp FEB 03 2019] (Auth: Act 67, SLH 2018) (Imp: Act 67, SLH 2018)
§15-34-4 Grants: purpose; use of. (a) The development corporation may provide grants in accordance with Act 67, Session Laws of Hawaii 2018.
(b) Grants may be used by any recipient to purchase equipment or services, augment staff to add expertise required to expedite or enhance the quality of the program work, or prepare for subsequent program activities leading to commercialization of the technology.
(c) Grants shall not be used by any recipient for any of the following purposes:
   (1) Where the direct or indirect purpose or result of the grant would be to:
      (A) Repay a creditor or creditors of the recipient for any reason; or
      (B) Provide funds directly or indirectly as a loan to owners, partners, or shareholders of the recipient.
   (2) Effect a change in ownership of the recipient;
   (3) Provide or free up funds for acquisition of any kind of real property;
   (4) Entertainment or lobbying activities; or
   (5) Payment for goods or services for which moneys were granted under the Hawaii small business innovation research and small business technology transfer program pursuant to section 206M-15, HRS, or the manufacturing development program pursuant to section 206M-15J, HRS. [Eff 3/1/16; am and comp Feb 03 2019] (Auth: Act 67, SLH 2018) (Imp: Act 67, SLH 2018)

SUBCHAPTER 2
ELIGIBILITY AND SELECTION PROCESS

§15-34-5 Eligibility requirements. Any business applying for a grant shall meet all of the following qualifications:
(1) Has been awarded a competitive contract from the United States Department of Defense Office of Naval Research related to the research of alternative energy and energy efficiency technologies in the fields of geothermal, solar, wind, ocean power, hydrodynamics, bioenergy, biomass, solid waste, smart grids, transportation, or demand response:
§15-34-6 Application procedure. Any business applying for a grant shall provide as part of the application a copy of a contract awarded to the applicant by the United States Department of Defense Office of Naval Research relating to the research of alternative energy and energy efficiency technologies in
the fields of geothermal, solar, wind, ocean power, hydrodynamics, bioenergy, biomass, solid waste, smart grids, transportation, or demand response. The contract, or accompanying documentation, shall show that it is existing and active or was awarded after July 1, 2015, and that it was awarded by competitive means.

§15-34-7 Consideration and review of applications. (a) The development corporation shall cause the review of the application and resolution of any questions relating to the application through contact with the grant applicant.

(b) Following such review and resolution, the board shall consider and make a decision on qualified applications.

§15-34-8 Preferences and priorities in awarding grants. (a) In determining the distribution of funds, the development corporation shall be guided by the nature and significance of the activity of each grant application in relation to the research and development of renewable energy in the State, the importance of the grant to the activity's success, and the potential economic advantage or job creation prospects offered to the State.

(b) Preference shall be given to qualified businesses receiving their first alternative energy research and development program award.

(c) The development corporation shall not grant more than one award to any business in a fiscal year unless funding remains available in the last quarter of the fiscal year.

§15-34-9 Maximum grant amount: disbursement. (a) Maximum grant amounts shall not exceed $500,000 or fifty per cent of the amount of the grant awarded to the business by the United States Department of Defense Office of Naval Research, whichever is less.

(b) For awards greater than $150,000, the grant amount shall be disbursed as payments based on milestones approved by the chief executive officer of the
§15-34-10 Inspection of premises and records. The development corporation shall have the right to inspect at reasonable hours, the plant, physical facilities, equipment, premises, books, and records of any grant applicant either in the processing of the grant application or in the administration of the grant to the recipient. [Eff 3-11-16: comp FEB 03 2019] (Auth: Act 67, SLH 2018) (Imp: Act 67, SLH 2018)

§15-34-11 Completion of surveys. (a) Recipients shall complete surveys from the development corporation designed to measure the renewable energy, economic, and employment impact of this program and, as applicable, to assist the National Institute of Standards and Technology's Manufacturing Extension Partnership program. Recipients shall complete the surveys annually for five years following the award.

(b) The development corporation may request recipients to provide information regarding issues encountered with the alternative energy research and development program and recommendations for its improvement. [Eff 3-11-16: comp FEB 03 2019] (Auth: Act 67, SLH 2018) (Imp: Act 67, SLH 2018)

§15-34-12 Acknowledgment. Recipients shall acknowledge the development corporation in a proper and appropriate manner as a funder in all promotional publications, press releases, and other informational materials relating to the recipient's award for a period of two years following the award. Recipients shall provide such materials to the development corporation prior to their release to the public. [Eff 3-11-16: comp FEB 03 2019] (Auth: Act 67, SLH 2018) (Imp: Act 67, SLH 2018)
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM

Amendments to and compilation of chapter 34, Title 15, Hawaii Administrative Rules, on the Summary Page dated November 1, 2018 were adopted on November 1, 2018 following a public hearing held on October 30, 2018, after public notice was given in the Star Advertiser, West Hawaii Today, The Garden Island, Hawaii Tribune Herald, and the Maui News on September 28, 2018.

They shall take effect ten days after filing with the office of the Lieutenant Governor.

DEREK LAU
Chair, Hawaii Technology Development Corporation, Board of Directors

LOUIS P. SALAVERIA
Director, Department of Business, Economic Development, and Tourism

APPROVED:

DAVID Y. IGE
Governor, State of Hawaii

Dated: 01-23-2019

APPROVED AS TO FORM:

Deputy Attorney General

Filed