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Reporter-
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The Hawaii Natural Energy Institute, a key research entity that has existed for nearly four decades and is aimed at helping to oversee Hawaii’s attempts to wean itself from imported oil, is in serious jeopardy of losing crucial funding from the state’s so-called barrel tax.

For every barrel of petroleum that is imported to Hawaii, the institute, which was formed by the Legislature in 1974 and is part of the University of Hawaii, gets 10 cents of the $1.05 total.

“Sometimes they bring in $20 million in matching [federal] grants,” State Sen. Mike Gabbard, D-Kapolei-Makakilo-Ewa, chairman of the Senate Committee on Energy and Environment told PBN.

But the institute faces a June 30 sunset for its barrel tax allocation after legislation to extend the sunset date stalled in the Legislature.

“It is true that that various bills that included language extending our sunset did not make it through the process,” Hawaii Natural Energy Institute Director Richard Rocheleau told PBN in an email. “However, I don’t know if there will be any attempts to fund energy projects via other means and so at this time, I would prefer to wait to discuss this until the session is [done].”

Gabbard noted that the institute’s share of the barrel tax, if nothing is done before June 30, would go into the state’s General Fund.

The institute, which has about 70 people working in various capacities such as research affiliates, technical support staff, core faculty, administration staff and students, has three areas of focus.

These include diminishing Hawaii’s total dependence on imported fossil fuels, meeting the state’s increasing energy demands with little or no environmental degradation and contributing to the technology base for funding solutions to the national and global energy shortage.

Meantime, as PBN reported last week, a bill that would have given the State Energy Office additional funding by increasing its share of revenue from the barrel tax has failed to advance.

The State Energy Office, which is part of the state Department of Business, Economic Development and Tourism, requested, through Senate Bill 17, an increase of its share of the tax from 15 cents to 27.5 cents.

“[The Department of Business, Economic Development and Tourism] continues to inform conferees and stakeholders that the State Energy Office’s Fiscal Year 2014-15 budget request is necessary to fulfilling our mission of deploying clean energy infrastructure and reinforcing Hawaii’s international prominence as a clean energy test bed,” State Energy Office Administrator Mark Glick told PBN in an email.

“What has been approved thus far represents a significant reduction from previous levels, restricting our programmatic capability and requiring us to consider limiting the scope and nature of our operations.”

Jeff Mikulina, executive director of the Blue Planet Foundation, feels really disappointed that the House did not move the barrel tax reallocation and expansion to other fossil fuel.

He said he would now like to see lawmakers increase the allocation to the State Energy Office in House Bill 200, the so-called budget bill.