



# ANNUAL REPORT

## 2024

This report fulfills the reporting requirements as required by 206M-3.5, 206M-72, and 206M-15



Aloha,

It has been an extraordinary year for the Hawai'i Technology Development Corporation (HTDC) as we continue our mission of driving innovation and technology-based economic development in Hawai'i. I'm proud to share that this year we helped our clients generate more than \$900 million in revenue through our core programs. We also successfully launched two new programs essential to diversifying our economy—our aerospace and geothermal programs. These initiatives position Hawai'i at the forefront of space exploration and sustainable energy, strengthening our capabilities in sectors critical to the state's future.

The Hawai'i Center for Advanced Transportation Technologies (HCATT), an HTDC program, completed the deployment of a microgrid at Joint Base Pearl Harbor-Hickam. This project represents a significant step toward resilient and sustainable energy infrastructure, proving Hawai'i can lead in renewable energy innovation.

As we look ahead to the coming year, HTDC is excited to announce the launch of HTDC 2.0—a new initiative focused on leveraging cutting-edge technology and manufacturing to address key challenges facing Hawai'i. Our local companies are best suited to solve Hawai'i's problems using homegrown talent. Together with our community partners, we're pushing the boundaries of innovation, ensuring Hawai'i remains a hub for technological advancement and building a resilient future for all.

Mahalo for your continued support,

**Wayne Inouye**

Outgoing Interim Executive Director  
Hawai'i Technology Development Corporation

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Aloha Hawai'i!

As HTDC's newest member, I'm excited to begin working with the HTDC team, and building upon all the great work that they have been doing. We'll continue the HTDC spirit of innovation by trying novel approaches to extending traditional Hawaiian strengths in areas like tourism and agriculture. And help expand and empower our innovation community to build new areas of strength and economic impact for Hawai'i.

I'm looking forward to collaborating with all our government and industry partners in our shared mission of serving Hawai'i, its businesses, and its people through innovation.

I invite you all to join us on our innovation journey to help realize all the amazing potential of Hawai'i and our people.



Mahalo!

**Damon C. Matteo**

Executive Director & CEO  
Hawai'i Technology Development Corporation

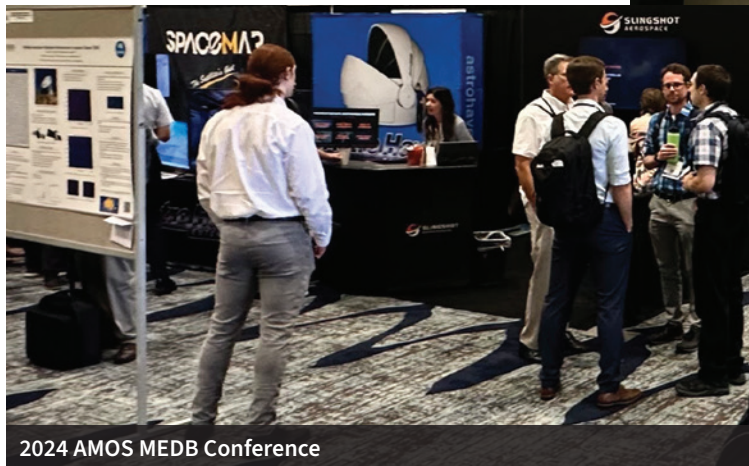
# Aerospace and Geothermal

In 2024, the Hawai'i Technology Development Corporation made significant advancements in both aerospace and geothermal initiatives, reflecting a strategic vision to elevate Hawai'i's role in cutting-edge technology sectors and renewable energy development.

## Aerospace

HTDC worked with multiple aerospace stakeholders to position Hawai'i as a key player in aerospace-related testing, research and development, and commercial operations. A significant achievement this year was collaborating with CAT and AeroVironment, sponsored by Space Force Maui, to secure Direct-to-Phase II funding for Space Situational Awareness missions. Plans are underway to transition operations from Spaceport America in New Mexico to Hawai'i in 2025, with the long-term goal of establishing permanent operations within the state.

HTDC is also working with Fenix Space for future hypersonic testing and alternative rocket launches with substantially lower environmental impact. Fenix Space has secured funding from the Defense Innovation Unit (DIU) and is seeking congressional support from Hawai'i for further commercial rocket launch programs, which would provide operational advantages. In parallel, HTDC is collaborating with the Hawai'i Space Flight Laboratory and CAT to re-establish discussions with Rocket Lab New Zealand regarding future launches and operations from Hawai'i.



2024 AMOS MEDB Conference



2024 AMOS MEDB Conference, Leslie Wilkins and Jeanne Skog



HTDC has initiated discussions with state legislators and the Department of Business, Economic Development & Tourism (DBEDT) to identify potential sites for an aerospace port in Hawai'i, with initial operations planned at the Pacific Missile Range Facility on Kaua'i. The long-term goal is to establish a permanent aerospace facility on Hawai'i Island.



2024 AMOS MEDB Conference

## Geothermal

In the renewable energy sector, HTDC received \$3 million from the Legislature to support geothermal exploration, a critical step in Hawai'i's journey toward achieving 100% renewable energy by 2045. HTDC is collaborating with DBEDT, the University of Hawai'i's Geosciences Department, and other stakeholders to form a consortium aimed at creating a long-term plan for geothermal development. This consortium will focus on community outreach to build statewide support for geothermal energy while exploring new geothermal resources through a separate \$5 million grant awarded to UH for exploration efforts.

# Hawai'i Center of Advanced Transportation Technologies (HCATT)

In 2024, the Hawai'i Center for Advanced Transportation Technologies (HCATT) made significant strides in advancing cyber-secure renewable energy systems. With its mission to inspire and transform Hawai'i's clean energy future and position Hawai'i as a leader in hydrogen technology integration in the Pacific, HCATT continues to promote the state's 2045 Renewable Portfolio Standard, which aims to end the use of fossil fuels in the islands.

HCATT's primary project, the Pacific Energy Assurance Renewables Laboratory (PEARL), is part of a \$30 million, five-year cooperative agreement with the U.S. Air Force Research Lab, as well as a collaboration with the National Guard Bureau and the Hawai'i Air National Guard. Located at the 154th Wing Joint Base Pearl Harbor-Hickam, PEARL focuses on enhancing energy resiliency, cybersecurity, and mission assurance for the 154th Wing. In March 2024, PEARL achieved a significant milestone with a successful demonstration of its microgrid, which serves as a benchmark for renewable energy integration and a prototype for the U.S. Air Force.

In collaboration with key stakeholders, the next phase of PEARL will expand current capabilities through innovative hydrogen technologies to produce, store, and utilize gaseous and liquefied hydrogen from electricity generated by PEARL. Other deliverables will include hydrogen safety protocols, a techno-economic analysis (TEA), and business models for cost-effective and sustainable operations.



PEARL microgrid's Power Distribution Center; the control room for utility and cyber security systems



Members of the PEARL microgrid team from the 154th Civil Engineer Squadron, Burns and McDonnell, and Hitachi



Members from the 154th Wing, including Brigadier General Kristof K. Sills, Public Affairs, HTDC team, and Team HNN



# INNOVATE Hawai'i

INNOVATE Hawai'i, a program within HTDC, plays a pivotal role in supporting the growth of Hawai'i's manufacturing sector. As the official representative of the NIST Manufacturing Extension Partnership (MEP) National Network in the state, INNOVATE Hawai'i brings in more than \$800,000 in federal funds annually, providing crucial resources and support to small and medium-sized manufacturers. With a focus on workforce development, supply chain resilience, and technology adoption, INNOVATE Hawai'i aims to boost local businesses and enhance their global competitiveness.



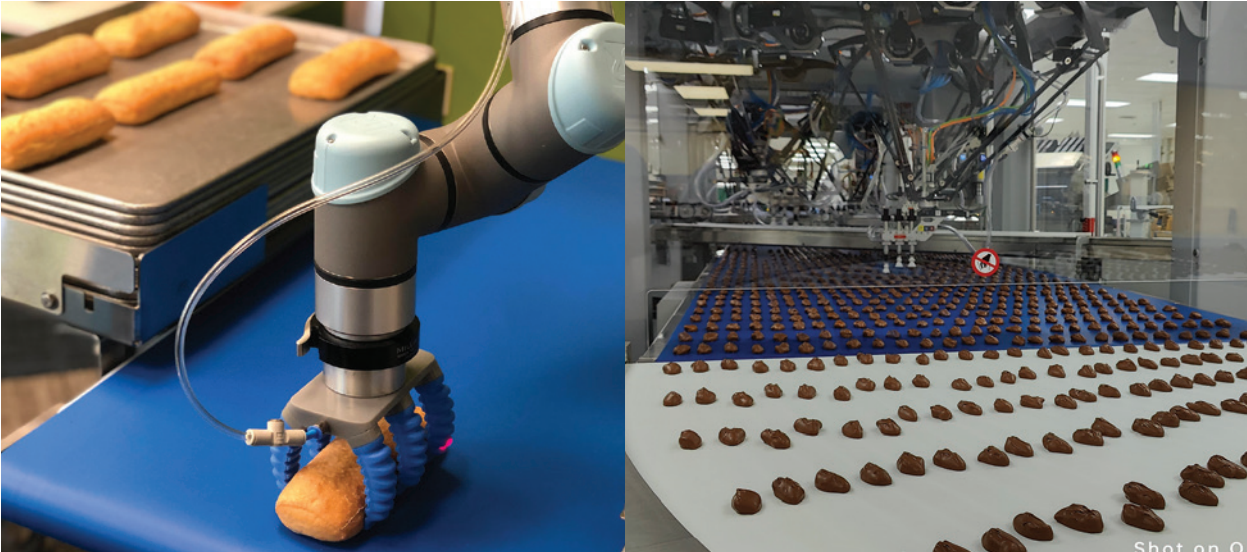
Onsite technical support and maintenance for food manufacturers, courtesy of INNOVATE Hawai'i

## Manufacturing Assistance Program

In 2024, INNOVATE Hawai'i facilitated 62 projects through HTDC's Manufacturing Assistance Program (MAP), awarding more than \$1.79 million in matching grants. These funds matched more than \$16 million in company investments and supported the creation of 466 new full-time jobs and 429 part-time jobs. A significant milestone this year was the award of \$1.5 million from the U.S. Department of Energy to promote smart manufacturing technologies in Hawai'i, further enhancing local manufacturing processes through automation and data-driven solutions.

**MAP Summary**

- 69 applications received
- 63 manufacturing grants awarded
- 41 first time applicants
- \$1.79 million total match
- \$16 million total match awardees
- 466 new employees
- 978 jobs saved



INNOVATE Hawai'i is advancing local manufacturing through education, support, and technology adoption services



## Textile and Apparel Manufacturing

INNOVATE Hawai'i's Textile and Apparel Manufacturing Initiative empowers Hawai'i's fashion industry by providing essential training and workforce development opportunities, expanding local manufacturing capabilities, and fostering industry connections. This comprehensive approach strengthens Hawai'i's economic resilience by diversifying its industries and creating sustainable job growth in the growing Textile and Apparel Manufacturing sector.

In March 2024, HTDC began meetings with Hawai'i textile and apparel manufacturers, which highlighted the need for workforce training and the adoption of new technologies to thrive. In response, HTDC launched a workforce training series for a Honolulu-based manufacturer in June 2024, which concluded in August. A new training series is also being developed for a Moloka'i textile and apparel manufacturer and is scheduled for later this year. These initiatives align with HTDC's mission to diversify Hawai'i's economy by creating jobs and promoting industry growth in rural areas.

### Goals for Textile and Apparel Manufacturing Initiative:

1. Support Hawai'i fashion manufacturers through grant funding to grow their production capabilities with equipment upgrades and new technology.
2. Provide workforce training opportunities that create jobs and engage Hawai'i's growing fashion manufacturing industry.
3. Establish a mentoring program that connects Hawai'i fashion designers and manufacturers with industry professionals who can assist with workflow modeling and enhanced production.



Shelly Nitta-Gima, co-founder of Aloha Cut & Cloth



Meeting with Kealopiko in Moloka'i, Senator Lynn DeCoite, Ane Bakutis, and Wendy Oshiro

Laha'ole fashion booth at Pa'i Foundation event



# Hawai'i Small Business Innovation Research (HSBIR)

The Hawai'i Small Business Innovation Research (HSBIR) program, part of INNOVATE Hawai'i, is the Small Business Administration's Federal and State Technology (FAST) Partnership Program recipient for Hawai'i. The HSBIR program provides vital support to Hawai'i tech and innovation small businesses, offering wraparound services and matching funds. In 2024, the program awarded \$2.5 million to businesses, enabling them to access further funding through federal SBIR awards.

The HSBIR program remains the longest-running state-funded SBIR matching program in the U.S. since its inception in 1988. For fiscal year 2025, the Hawai'i Legislature allocated \$1 million to HTDC to continue supporting SBIR companies. The program also targets underrepresented communities, including rural and Native Hawai'ian businesses, through workshops and networking events.

**SBIR Summary**

- 13 applications received (Phase I)
- \$500,000 total state match (Phase I)
- 128 new employees
- 20 applications received (Phase II/III)
- \$2 million total state match (Phase II/III)
- 233 new employees



Pacific International Shipyard site visit



Cindy Matsuki and Bernice Kissinger at TechConnect OELS Conference



Morgan Bonnet at Quest Accelerator Hawaii Demo Day



# Hawai'i Capital Investment Program (HI-CAP)

HI-CAP (Hawai'i Capital Investment Program) is a state initiative designed to provide capital to Hawai'i's small businesses and startups, helping them scale and grow through strategic funding. In fiscal year 2024, HTDC deployed \$19 million to eligible businesses, with additional funding expected in 2025. Under new manager Tuan La, exciting initiatives and partnerships are anticipated, aimed at further enhancing Hawai'i's entrepreneurial ecosystem.





# Accelerator and Small Business Training Program

The Accelerator and Small Business Training Program continues to support entrepreneurship across Hawai'i. In fiscal year 2024, the program ran more than 20 cohorts, training and assisting over 450 companies and creating more than 900 jobs. It also received \$2 million in legislative funding to support local organizations offering structured business and technical training for entrepreneurs.

For fiscal year 2025, \$1 million has been allocated, with a notice of funding expected in fall 2024. The program will focus on supporting new initiatives that align with HTDC's economic development priorities.

## Accelerator Program Summary

- 13 applicants
- 9 awarded
- 3 first time applicants
- 900+ jobs created
- 450+ companies assisted
- \$70 million+ in total revenue

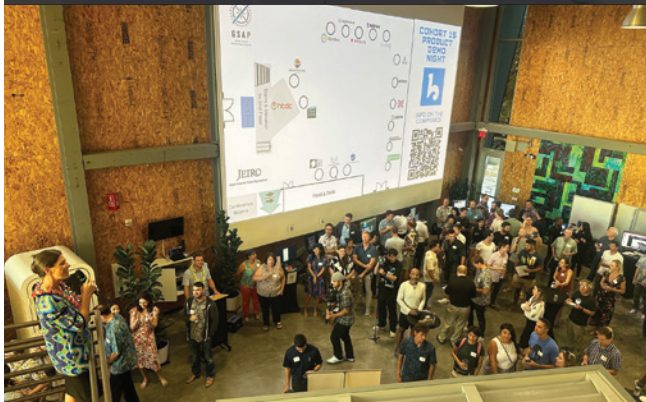
For more information, check out our HI Now Daily segments. Link to library of segments below:  
[https://www.youtube.com/@hightechdev/videos?view=0&sort=dd&shelf\\_id=1](https://www.youtube.com/@hightechdev/videos?view=0&sort=dd&shelf_id=1)



Quest Accelerator, Cohort 1



Hawai'i FoundHer, Cohort 3



Blue Startups, Cohort 15



PACE, Venture Competition 2024



Mana Up, Cohort 9

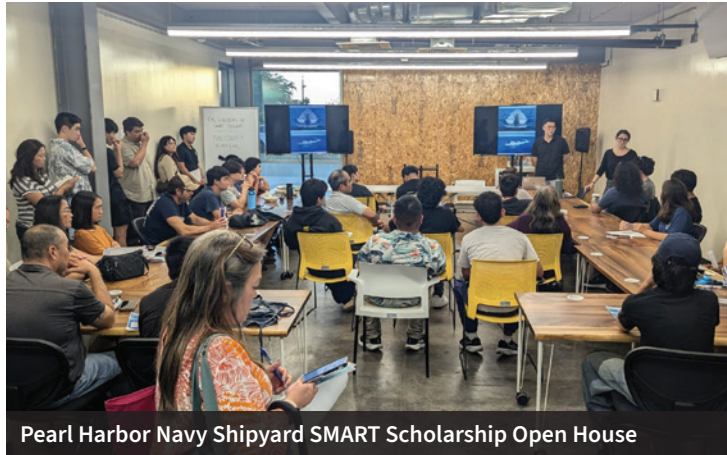


Blue Startups in partnership with JETRO cleantech companies



## Workforce Development

HTDC has embarked on a new initiative to identify job opportunities and foster workforce development for businesses involved in technology and innovation. This initiative focuses on raising community awareness and creating streamlined pathways for individuals interested in pursuing careers in these fields. HTDC's efforts include growth strategies, marketing, and outreach to build a robust workforce pipeline.



Pearl Harbor Navy Shipyard SMART Scholarship Open House

## Tax Credit for Research Activities (TCRA)

The R&D Tax Credit program, now administered by HTDC, plays a vital role in supporting Hawai'i's high-tech businesses by providing financial incentives for research and development. In 2024, the \$5 million tax credit was fully allocated within 65 seconds of the application window opening, highlighting the high demand. Efforts are underway to increase the tax credit allocation to \$15 million, allowing more businesses to benefit in the future.

## Conclusion

In 2024, the Hawai'i Technology Development Corporation (HTDC) has made remarkable progress in advancing innovation, economic diversification, and technological leadership across key sectors. Through our aerospace and geothermal programs, we have positioned Hawai'i as a leader in space exploration and renewable energy, while initiatives like HCATT and INNOVATE Hawai'i have driven sustainability and growth in clean energy and manufacturing. Our commitment to fostering entrepreneurship and supporting small businesses has resulted in significant job creation, new revenue streams, and strengthened local industries.

As we move into 2025, HTDC remains dedicated to leveraging Hawai'i's unique strengths and resources to build a resilient, technology-driven economy. By continuing to support innovation, entrepreneurship, and workforce development, we are laying the foundation for a future where Hawai'i can thrive as a global hub for cutting-edge technology and sustainable solutions. With the ongoing support of our partners and community, we look forward to driving further success and opportunities for the people of Hawai'i.

Mahalo for your continued trust in HTDC as we work together to shape Hawai'i's future.



## Board Members

<b>Craig Nakanishi</b>	Chair	Cades Schutte LLP
<b>Matthew Sullivan</b>	Vice Chair	Oceanit
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<b>Edward Barnabas</b>	Board Member	Booz Allen Hamilton
<b>Kelly Ueoka</b>	Board Member	PACXA
<b>Gregory R. Kim</b>	Board Member	Vantage Counsel LLC
<b>Gregory Uehara</b>	Board Member	Consultant, Nalu Scientific
<b>James Kunane Tokioka</b>	Board Member	Department of Business, Economic Development and Tourism (DBEDT)
<b>Jaclyn Kaina</b>	Board Member	Kaua'i Economic Development Board (KEDB)

*The grant metrics reported were prepared in accordance with Hawai'i Revised Statute 206M3.5 and 206M-15.1 and the HiGrowth report per 206M-72. The annual report required by each of these statutes have been combined into this single comprehensive report.*





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