

**Richard Ha**

**From:** Richard Ha [richard@hamakuasprings.com]  
**Sent:** Monday, February 04, 2008 6:09 PM  
**To:** 'AGRtestimony@capitol.hawaii.gov.'  
**Cc:** 'Alan Takemoto'; 'Brian Miyamoto'; 'nalofarms@hawaii.rr.com'  
**Subject:** HB 2261 Hawaii Farm renewable sustainable energy loan program

House of Representatives  
24<sup>th</sup> Legislature  
Regular Session of 2008

Committee on Agriculture  
Committee on Energy and Environmental Protection

Notice of Hearing  
Date: Wed, February 6, 2008  
Time: 8:30a.m.  
Place: Conference Room 325

HB 2261 Hawaii Farm Renewable sustainable energy loan program

Chairs  
Clift Tsuji  
Hermina Morita

Aloha Chair persons and fellow representatives;

I am in favor of HB 2261—Hawaii Farm renewable sustainable energy loan program

This is a bill that accomplishes three things;

**It addresses our food security issue by encouraging farmers to farm.** If farmers make money they will farm. This bill will help farmers to save money by using alternate energy sources as oil costs rise. And, if the utilities will buy power from farmers in the future, farmers can make money. Further, farmers can qualify for 100% state income tax credits for alternate energy projects.

**It helps to wean us from dependence on foreign oil?** When farmers produce power, it will help us get off foreign oil.

**It addresses an economic issue of balance of payments.** A dollar saved from having to buy foreign oil is a dollar that can revolve in our local economy.

This bill is necessary because energy projects cost money and in lots of cases the savings is in the future. In order for farmers to obtain a positive cash flow when starting energy projects sooner rather than later, farmers must have a lower loan payback for doing energy products compared to present electricity/power costs. A low downpayment and long payback period helps to accomplish this.

Alternate energy projects qualify for 100% state income tax benefit though Act 122. While it is true that investors in these projects can qualify for favorable tax treatment, investors require a return on their investment. If investors finance farmers alternate energy projects, the value of the project goes to the investors and not to the farmers. If so, farmers would not waste their time to start the alternate energy projects in the first place. And, that is the main reason that this bill is so effective.

Aloha

Richard Ha  
President  
Hamakua Springs Country Farms