

Richard Ha

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Subject: testimony in favor HCR 304/ HR 254; HCCP&C; Mon Mar 24, 2:30

LATE TESTIMONY

Richard Ha
President
Hamakua Springs Country Farms

Monday, March 24, 2008, 2:30 pm
HEARING BEFORE
House Committee on Consumer Protection & Commerce

TESTIMONY IN FAVOR OF HCR304, HR254

Urging the Public Utilities Commission to rule that all schedule Q contracts should receive the full avoided cost pricing as written in the existing Schedule Q electricity rate schedule for each utility

Aloha Chair Robert N. Herkes and Vice Chair Angus L.K. Mckelvey and committee members:

My name is Richard Ha, I am President/founder of Hamakua Springs Country Farms which is a 600 acre, fee simple diversified farming operation at Pepekeo, 10 miles north of Hilo. We have been farming for more than 30 years and were formerly known as Kea'au Bananas, which was the largest banana farm in the state. Five years ago, we diversified into hydroponic vegetable farming and are now the largest hydroponic vegetable operation in the state. In addition to bananas, we now grow tomatoes, cucumbers, lettuces, green onions, colored bell peppers and other crops. Our revenues are nearly equally split between bananas and hydroponic vegetable production.

We are in favor of HCR 304, HR 254. which urges the Public Utilities Commission to rule that all Schedule Q contracts should receive the full "avoided cost" pricing as written in the existing Schedule Q electricity rate schedule for each electricity utility. "Avoided cost" refers to the average cost that the utility pays for fuel for electricity generation.

This past Thursday, March 20th, the PUC in docket No 2007-0220 States "it is the commission's interpretation that Act 162 requires the significant reduction or removal of the linkage between the price of fossil fuels and the purchase rate for the non fossil fuel generated electricity for all new purchased power contracts and agreements."

It goes on to say that it will open a new docket to examine the methodology for calculating Schedule Q rates. This resolution should give the PUC clear legislative intent that they should use "avoided cost" of oil in the rate calculation.

Schedule Q applies to small renewable energy systems that produce less than 100 Kilowatts of electricity. It was created to promote energy independence, keep money in our own economy and to help our farmers achieve food security.

Schedule Q incentivises small power producers. Absent the incentives, it is not likely that these small producers would invest in alternate energy. Instead we would pay foreigners for the oil used to generate electricity.

It is far better for us to pay our own people to develop electricity. The money would circulate in our own economy, more food would be grown and our society would become more energy secure.

Thank You for allowing me to testify.

Richard Ha
President
Hamakua Springs Country Farms