



## Local Food Coalition

HOUSE COMMITTEE ON AGRICULTURE  
Tuesday, February 12, 2013, 8:30 a.m. Room 325

### **HB 1148, HD1, RELATING TO PUBLIC UTILITIES**

Requires the PUC to establish preferential rates for the purchase of energy that is used or consumed for agricultural activities.

Chair Lee, Chair Wooley, Vice Chair Thielen, Vice Chair Onishi, and Members of the Committees:

My name is Dean Okimoto, and I represent the Local Food Coalition on this matter.

The Local Food Coalition (LFC) brings together farmers, ranchers, livestock producers, investors and other leading organizations, who collectively manage more than 1 million acres of land, and produce the majority of food in our state. Solving our challenge of increasing the local food supply — putting more local food on local plates — can best be accomplished by bringing people and organizations together who can work on the entire food value chain in a systematic way.

The Local Food Coalition strongly supports HB 1148, HD1.

Increased self sufficiency is a priority in the State, starting with the Governor's New Day initiative and by policymakers in various public statements. Containment of expenses is a basic requirement to enable our farmers and ranchers to be viable and provide food, fiber and energy that is a cornerstone to self-sufficiency.

During the economic downturn of 2008, one of the most significant expenditure causing hardship to agriculture was electrical expenses. The enormous fluctuations in cost that could not be directly passed on to customers caused many farms to falter, and in some cases go out of business. Pumping and refrigeration are among the major uses of power.

Preferential rates is not unprecedented. For example, Pacific Gas and Electricity provides agricultural rates to their ag customers in California and Oregon.

It should be noted that this measure does not dictate the terms of the preferential rate but rather authorizes the PUC to establish by rule or decision and order such rates.

Traditionally compensatory rates are common terms used in determining rates set by PUC. This measure sets into law a commitment by the State to support agriculture as in the public interest. By authorizing a preferential rate, the PUC implements the State's Constitutional Mandate that agriculture must be preserved and protected for the people of Hawaii.

HFBF is willing to work with the PUC and utility companies on this measure to identify language that will meet our mutual needs. We humbly request your support in passing this measure for further discussion.

We appreciate this opportunity to provide testimony on this matter.