

HAWAII Energy Marketers Association Report



Bob Hood
HEMA President

Maui UPDATE

Clean-Up

The clean-up process from the August wildfire is

underway. The Environmental Protection Agency is completing the first phase in identifying and removing potentially hazardous materials such as paints, batteries, and electronics from the burned structures. We understand that eighty percent of this work has been completed as of late October. Prior to and after each day's work, a Hawaiian pule (prayer) is conducted in the Hawaiian language by the clean-up teams. These pules are performed to both keep the clean-up teams safe and allow them to leave behind any negative energy or bad feelings accumulated in their work. Most importantly, the pules serve to honor the 99 people who lost their lives in the fire.

The United States Army Corps will lead the second phase of the cleanup, removing the estimated 700,000 tons of burned structure rubble and ash. Much of this rubble and ash will be shipped to the mainland for disposal, while the remainder will be placed in a dedicated Maui landfill. This second phase will include cultural monitoring by a Honolulu-based company, given the architectural and cultural significance of Lahaina and its structures.

While the clean-up process will take many months to complete, the planning for Lahaina's re-building is also underway. The Maui County Council has begun the rule-making process for its rebuilding with the intent of streamlining construction to the extent possible, while encouraging input from residents.



Economy

Maui has experienced a significant economic impact in the wake of the wildfire. Tourism has been Maui’s leading industry, and visitor arrivals have declined by more than 60% from over 7,000/day to less than 3,000/day. As a result, many businesses have reduced operations, including airlines, car rental companies, hotels, and restaurants. An estimated \$13 million per day in revenues has been lost from this decline in tourism. A recent meeting of the State Council on Revenues forecast a \$600 million reduction in revenues statewide for the next fiscal year.

The resulting impact to Maui’s residents has been severe with unemployment claims spiking from approximately 100/week to over 4,000/week shortly after the fire. These claims have recently reduced somewhat to approximately 1,000/week. A full recovery for business and employment is not projected until 2026.

Impacted Residents

Many local support organizations continue their hard work and deployment of HEMA Members’ and others’ donation funding to ensure impacted employees and other West Maui residents are provided long-term housing until the rebuilding process is completed. In addition, those impacted are being provided additional resources that include financial assistance, employment placement, medical treatment, and transportation services.

WPMA and its State Associations – Support of Maui

On behalf of HEMA, I extend a sincere mahalo to WPMA and its State Associations for their recent donations (during the WPMA Board Meeting) in support of Maui and its impacted residents. During HEMA’s Board Meeting on November 3, we noted our gratitude for these donations and approved a supplemental donation. Furthermore, HEMA approved the combined donation to be provided to Maui United Way, which is a Maui-based organization providing on-going relief and resources to the Maui Ohana.

Finally, and as an update to my prior personal note in the fall newsletter, I had the opportunity in mid-October to again join many of Aloha Petroleum’s Lahaina-based employees for lunch at our one facility that wasn’t destroyed by the wildfire. I was truly moved by their resiliency, positivity, and strengthening bonds for one another. They well-represent the overall spirit and culture exhibited by the residents of Lahaina and throughout Maui.

2024 Legislation

Hawaii’s legislature has established six interim working groups tasked with evaluating specific topics related to the Lahaina wildfire. Their draft reporting will be produced by November 1, 2023, and their final reporting is due by December 15, 2023.

The Hawaii Constitution mandates that the regular legislative session commence on the third Wednesday of January. While it is too early to identify their priorities at the time of drafting this newsletter, the atmosphere heading into the ’24 legislative session may be one of subtle successes. Most legislators will be running for re-election, and economic recovery will be a large part of legislative discussions.

Considering Hawaii’s rising cost of living and housing demands, we anticipate there will be efforts to reform Hawaii’s tax system to compensate for rising income disparity. Several strategies from progressives include creating new income individual tax brackets for the highest incomes, increasing capital gains taxes, corporate tax rates, and worker protections.

For HEMA, we anticipate ’24 legislative initiatives to include providing Hawaii Counties the authority to further regulate tobacco and mandating additional employee leave initiatives. HEMA and its Members will remain diligent in working collaboratively on these anticipated initiatives to the mutual benefit of our Member companies and our industry’s customers.

2024 HEMA Golf Tournament

No Fooling – 2024 Hawaii’s golf tournament is April 1st, right after the Easter holiday. To register today and/or for more details go to www.wpma.com/hawaii/calendar-of-events and mark your calendar now for the HEMA Tournament at Oahu Golf Course.

