

2014 STATE LEGISLATIVE SESSION

The adjournment of the 2014 State Legislative Session is just around the corner, and we are currently tracking the following bills which could have an impact on the Hawaii petroleum industry if enacted into law:

SB 2609 increases the minimum wage of \$7.25 an hour to \$10.10 an hour by January 2018. The bill also increases the tip credit to \$0.75 by January 2016. However, beginning in January 2015, the combined amount a tipped employee receives in wages and tips must exceed the applicable minimum wage by at least seven dollars in order for an employer to apply the tip credit.

HB 1938 is a housekeeping measure, which is necessary because the State Department of Agriculture's fuel specification rules have not been updated to reflect current and accurate ASTM standards regarding ethanol blending, and are not consistent with federal law and other state laws and administrative rules. This bill has been passed by the legislators and sent to the Governor for his action.

HB 2060 establishes a renewable fuels production tax credit to achieve greater energy security for Hawaii, and repeals the ethanol facility tax credit.

HB 2620 requires the University of Hawaii Sea Grant College Program to prepare a report updating its 1996 "Hawaii's Readiness to Prevent and Respond to Oil Spills" report to the State Legislature.

SB 2196 re-establishes the energy systems development special fund, which was repealed on June 30, 2013; increases the amount of the

environmental response, energy, and food security tax to be deposited into the environmental response revolving fund, energy security special fund, and agricultural development and food security special fund; and extends various allocations of the environmental response, energy, and food security tax from June 30, 2015, to June 30, 2030.

SB 2198 creates a task force within the department of business, economic development, and tourism to perform a feasibility study and propose legislation for (1) requiring locally produced renewable fuels to account for at least ten per cent of a distributor's annual sales of fuels for motor vehicles and (2) requiring the mixture of up to five per cent of locally produced biofuels in diesel fuels.

HECO + USN + LNG

Hawaiian Electric Co. and the U.S. Navy are in discussion about a plan to build Hawaii's first liquefied natural gas import terminal at Pearl Harbor. The terminal would be part of HECO's effort to find a cheaper source of fuel for power generation. In 2012, Governor Neil Abercrombie asked HECO to determine the feasibility of using natural gas as a replacement for fuel oil during its transition to renewable energy. A 2012 study conducted by the Hawaii Natural Energy Institute projected that LNG could provide fuel savings of 40 to 50 percent when compared to oil. Hawaii is the only state in the U.S. that does not use natural gas for electricity generation.

Annual Golf Fundraiser

HPMA is planning to have its annual golf fundraiser at Oahu Country Club on Monday, August 25th. Batters up!! Find golf registration/sponsor form online at www.wpma.com/hawaii, fax completed form to (801) 262-9413. ♠



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Golf Tournament

OAHU COUNTRY CLUB

