

## *Mandates Top the List* of Hawaii's Legislative Issues

*As forecast in the last (Spring) issue of WPMA Magazine*, Hawaii lawmakers introduced a slew of bills in the 2018 Legislature that convened on January 17. This being an election year, the number of bills furthering Hawaii's frenzied transformation towards becoming a clean energy economy was unusually high. Typically, lawmakers are reluctant to enact legislation that raises the cost of living for constituents during an election year, for fear of reprisal at the voting booth. However, the Hawaii Legislature was noticeably emboldened in introducing several bills that were intent on holding energy stakeholders' feet to the fire — particularly the state's key power utility — in attaining Hawaii's aspirational goal of 100% clean energy generation by the year 2045.

Adding to HPMA's legislative slate were bills granting paid sick leave and paid family leave to *all* workers, plus onerous tobacco bills bent on increasing licensing and permit fees for distributors and retailers, and prohibiting sales of tobacco products within a specified distance from schools and public playgrounds. Following is a rundown of where major pieces of legislation ended up in the session that will have adjourned by the time this issue goes to press.

The problematic bill from last session, House Bill 1580, which would have required all ground transportation in Hawaii to be powered by 100% clean energy by 2045, returned this session in an overhauled form. HB 2728 would have required achieving 100% clean energy use in all public ground transportation by 2035, and all other forms of ground transportation thereafter, with a near term benchmark goal of 10% reduction by 2025. The bill failed to be heard after crossing over to the Senate.

Another bill that could have dramatically altered the energy landscape for Hawaii was HB 2724. The bill would have established a Clean Energy Office by transferring all of the Hawaii State Energy Office into the newly formed office, and appointing a cabinet-level director who would report directly to the Hawaii governor. The singular purpose of the office would be to advance Hawaii's 100% clean energy initiative. Nowhere would expertise on conventional, traditional energy be provided, even though the transportation sector uses almost two-thirds of all petroleum consumed in Hawaii, and the electric power sector uses about one-fourth, according to estimates by the U.S. Energy Information Administration. Again, the bill failed to be heard in the Senate after crossing over.

SB 2019, a 10% biofuel blending mandate, failed to pass Constitutional muster because it required producers and distributors to only use biofuel made from in-state producers and feedstock. Additionally, the mandate was duplicative of the federal Renewable Fuel Standard, for which Hawaii as an opt-in state is already obligated to blend biofuel into motor vehicle fuel.

In other areas, legislation to require ethanol blending reporting to the state (HB 2028), expand the state's landmark clean energy initiative into a clean economy initiative to oversee the transition away from fossil fuels (HB 2719), and to subject gas utilities to renewable portfolio standard targets (HB 1801) all failed to be heard by the state Senate. In addition, a bill (SB 2304) that would have prohibited the sale of tobacco products within a certain distance of schools and playgrounds also died.

Overall, none of the energy bills that passed appear to materially impact HPMA members. I want to express my appreciation to our member companies who invested their time to weigh-in on issues that guided our lobbying efforts.

### **2018 HPMA Golf Tournament**

Join us on **Thursday, October 25** on the Big Island of Hawaii, for a day of golf, fellowship and networking. The Hapuna Golf Course has – *a rugged Hawaii beauty that comes of greens set amidst a dark lava field, seemingly endless ocean and coastline views, challenging play and a full range of facilities and services. This Arnold Palmer/Ed Seay golf course is a championship "links-style" design that was built in 1992 and stretches to just under 6,900 yards. The Pacific Ocean serves as the picture perfect backdrop and can be seen from every hole. Hapuna's challenging play and environmental sensitivity make it one of Hawaii's most unique golf courses.* See page 16 of this magazine for more details.

## **Marked by Distinguished Service History**

***In the more than 65 years since WPMA was founded,*** the organization has inducted 37 members into its Hall of Fame. None of the inductees have been from Hawaii – until now. HPMA is exceptionally proud to have that record broken with the 2018 induction of Robert Fung, General Counsel of Aloha Petroleum, Ltd. The well-deserved recognition was a surprise to Bob and sprung on him at the February 2018 National *WPMAEXPO* in Las Vegas. This honor recognizes a long history of service to both the state and local organizations. Fung served as President of the HPMA from 2004-2009; as a member of the WPMA Executive Committee from 2010-2014, and as the first-ever Hawaii-based President of the WPMA from 2013-2014. We thank Bob for his years of dedication to our industry and congratulate him on being honored as a Hall of Famer!

## **Other HPMA News**

***I'd like to personally congratulate Kendall Goo,*** a shift supervisor at Par Hawaii and his wife Daina. Their son, Kalen, is a recipient of a WPMA HPMA college scholarship. Best of luck to you, Kalen! And thank you to the WPMA Scholarship Foundation for providing financial aid to our future leaders.