

Spring Magazine 2020

Washington Wire by Lea McCullough

WOMA Convention and Trade Show Open for Registration:

Save the Date for **June 22-25, 2020** for the WOMA Trade Show and Convention at Suncadia Lodge & Resort. We are pleased to offer the same schedule and format as 2019, as it was a major hit and did so well. Per usual, I've made a couple fun tweaks and revisions just to keep it alive and fun!

- The Ladies Event this year will be Candle Making, Sugar Scrubs, and wine tasting all at the Lodge! I'm hoping to shift the timing one way or another so ladies have the opportunity to enjoy the spa at Suncadia as well for part of their "enjoyment" day!
- The main WOMA Golf Tournament will be on Prospector golf course this year and is scheduled for Wednesday, June 24th.
- We are adding a lower-cost PAC Tournament on Monday, June 22nd on Rope Rider Golf Course. Pricing will include two options: Individual: \$397; or Pair for \$749!

Sponsorship Opportunities are OPEN, and we are encouraging everyone to get your desired sponsorship claimed EARLY! I would like to thank a few supporters who have already committed:

Power Service Products – Horse Race Sponsor **Gordon Thomas Howell Law Firm – TBD**
US Oil and Refining Company – Premium Sponsor

If you would like to be a sponsor of this incredible event, please get your sponsorship in early and secure exactly what you want – and how you want to be recognized in 2020! We promise not to disappoint. Also ... hotel rooms are open and ready for you to book! Check your registration form for details!

2020 Washington State Legislative Update

On January 20th, many marketers representing WOMA organized in Olympia for a very successful Day on the Hill. This year we coordinated tightly with WSPA (Western States Petroleum Association) and were offered an opportunity to join their legislative reception graced with Senators and Representatives supporting our industry. Our day on the Hill was productive, and we had 30+ appointments throughout the day – some with legislators that understood our position, and some that did not. We do plan to continue to partner with WSPA in the future to create a supreme experience for our Marketers to attend Olympia and have their voice heard loudly. Plan to join us next year as we are in a long session, and the fight will be vast and mighty.

The 60-day legislative session adjourned sine die Thursday, March 12. A record number of bill introductions made an already fast-paced short session grueling with over 3,670 bills introduced during the last two sessions. Bills that did not pass this session are now officially dead, as bills have a biennial life of two years. The end of session was shadowed with the outbreak of COVID-19, although it was business as usual in Olympia until the end of the regular session.

Not unlike the past three years, the democrat controlled legislature and governor's office continued to wage a relentless attack on the petroleum industry and Washington consumers through several costly and unworkable climate change measures. Once again, WOMA and petroleum industry partners were able to defeat them all. That said, it is expected that democrats will increase their already substantial majorities after the November elections and we may not fare as well in 2021.

GHG Reduction Measures Defeated in the 2020 Session

Two carryover bills from 2019, HB 1110 and SB 5412, would have implemented a California-style low carbon fuel standard (LCFS), by directing the state Department of Ecology to create a Clean Fuels Program to limit the carbon

intensity of fuel. The carbon reduction targets were set at 10 percent below 2017 levels by 2028 and an additional 10 percent reduction by 2035. Initial cost estimates indicate that gas prices would increase by as much as 57 cents per gallon and diesel prices by 63 cents per gallon under this program which, thus far, appears to be an epic failure in California.

Also returning for a cameo appearance was legislation that would create a greenhouse gas cap and trade program. SB 5981 would require oil refineries to reduce their GHG emissions or bid for “allowances” from the state. The allowances are meant to encourage carbon reduction in addition to providing a revenue stream. As the cap thresholds are decreased, costs for the allowances would become more expensive and, by design, increase gas and diesel prices to discourage consumption.

New in the 2020 session was legislation granting the state Department of Ecology authority to limit carbon emissions by rule. By way of background, on January 16th the Washington Supreme Court reversed most of Ecology’s Clean Air Rule adopted in 2016 by declaring the Washington Clean Air Act (CAA) does not allow for the regulation of “indirect emitters” of greenhouse gases, which includes fuel suppliers. In response, Governor Inslee directed the introduction of HB 2892 and SB 6628, amending the CAA to include “indirect emitters” giving Ecology unfettered authority to regulate GHG emissions including adoption of an LCFS.

There is a lot of tension in the legislature and governor’s office related to the LCFS and Ecology’s clean air rule because both would result in increased fuel prices but no revenue to the state for transportation purposes. This has many legislative leaders worried that if something along these lines should pass, the anticipated transportation revenue package for 2021 that would rely on a gas tax increase, could not pass. Between now and the 2021 legislative session we will be engaged in conversations with industry partners to determine if there is a pathway for the adoption of a climate policy that will both encourage reduction in carbon emissions while limiting the impact on industry and consumers. Unfortunately, we may not be able to avoid a state-mandated climate policy, so it will be critical that we engage in dialogue and be at the table during the process.

WOMA Priority Legislation that Passed in 2020

SSB 6256 - Heating Oil Insurance: Directs the Pollution Liability Insurance Agency (PLIA) to design and implement a process to close out existing claims under the Heating Oil Pollution Liability Insurance Program. Once the insurance program is wound down, PLIA will use the Underground Storage Tank Revolving Loan and Grant Program to assist owners and operators of heating oil tanks to remediate past releases and prevent future releases.

SSB 6257 Underground Storage Tank Reinsurance Program: Authorizes the PLIA Director to design and implement an emergency program to assist owners and operators of underground petroleum storage tanks in meeting federal financial responsibility requirements in the event that a private insurer withdraws from the Commercial Underground Storage Tank Reinsurance Program.