A BILL FOR AN ACT

RELATING TO ENERGY INDUSTRY REPORTING.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1	SECTION 1. Section 486H-13, Hawaii Revised Statutes, is
2	amended as follows:
3	1. By amending subsection (1) to read:
4	"(1) The suspension of the maximum pre-tax wholesale
5	gasoline price shall suspend the commission's duty to calculate
6	and publish the maximum pre-tax wholesale gasoline price that
7	would have been in effect but for the suspension, but shall not
8	suspend or affect:
9	(1) Any duty to register, timely provide information, make
10	a report, or file a statement under chapter 486J; or
11	(2) Any duty of the commission to [+
12	(A) Timely obtain, analyze, or publicly disclose or
13	report information under chapter 486J; and
14	(B) Enforce chapter 486B."
15	2. By amending subsection (n) to read:
16	"(n) The commission shall have the power to determine the
17	extent to which a manufacturer, wholesaler, or jobber is

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complying with any requirement imposed or rule adopted under 1 2 this section, including the power to compel a manufacturer, wholesaler, or jobber to submit documents, data, and information 3 necessary and appropriate for the commission to determine [such] 4 5 compliance. [The commission may use data collected pursuant to 6 chapter 486J in determining such compliance.] " 7 SECTION 2. Section 486J-1, Hawaii Revised Statutes, is 8 amended by repealing the definitions of "competitively priced", 9 "corporate overhead expenses", "dealer tank wagon price", "major 10 fuel user", "major marketer", "major oil producer", "major oil 11 storer", major oil transporter", "nonrefiner wholesale price", 12 "refiner wholesale price", and "wholesale liquid fuel prices": 13 [""Competitively priced" means fuel grade ethanol for which 14 the wholesale price, minus the value of all applicable federal, 15 state, and county tax credits and exemptions, is not more than the average posted rack price of unleaded gasoline of comparable **16** 17 grade published in the State. 18 "Corporate overhead expenses" means the expenses or costs 19 allocated by the refiners that reflect their Hawaii business 20 units' share of corporate staff costs, such as legal, finance, 21 accounting, information technology, and similar costs.

1	"Dealer tank wagon price" means the wholesale price at
2	which liquid fuel is sold to any retail outlet by any
3	distributor priced on a delivered basis to a retail outlet.
4	"Major fuel user" means any person who uses fuel in the
5	manufacture of products or for the generation of power in
6	amounts determined by the commission as having a major effect on
7	energy supplies.
8	"Major marketer" means any person who sells natural gas,
9	propane, synthetic natural gas, or oil in amounts determined by
10	the commission as having a major effect on energy supplies.
11	"Major oil producer" means any person who produces oil in
12	amounts determined by the commission as having a major effect on
13	energy supplies.
14	"Major oil storer" means any person who stores oil or other
15	petroleum products in amounts determined by the commission as
16	having a major effect on energy supplies.
17	"Major oil transporter" means any person who transports oil
18	or other petroleum products in amounts determined by the
19	commission as having a major effect on energy supplies:
20	"Nonrefiner wholesale price" means the wholesale price at
21	which liquid fuel is sold by any distributor, not a refiner, to

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any other distributor, not a refiner, for resale at any
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    subsequent wholesale or retail transaction.
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         "Refiner wholesale price" means the wholesale price at
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    which liquid fuel is sold by a refiner to any distributor, not a
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    refiner, for resale at any subsequent wholesale or retail
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    transaction.
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         "Wholesale liquid fuel prices" means the prices at which
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    liquid fuel is sold at wholesale for resale at wholesale or
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    retail, typically but not limited to gasoline and diesel for
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    motor vehicles, and include "dealer tank wagon price",
    "nonrefiner wholesale price", and "refiner wholesale price"."]
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         SECTION 3. Section 486J-3, Hawaii Revised Statutes, is
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    amended to read as follows:
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         "§486J-3
                   Statements. [\(\frac{(a)}{}\)] Each [\(\frac{week}{}\)] month every
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    refiner and distributor [and major fuel user shall file with the
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    commission, on forms prescribed, prepared, and furnished by the
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    commission, a certified statement showing on a statewide
18
    consolidated basis, and] on the reporting date established by
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    the director, shall file on forms furnished by and to the
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    department showing separately for each county and for the
21
    islands of Lanai and Molokai within which and whereon fuel is
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1	sold or u	sed during the last preceding reporting [week, month,
2	the follo	wing:
3	[(1)	The total number of gallons or units of fuel, by type
4		or grade, refined, manufactured, or compounded by the
5		distributor within the State and, if for ultimate sale
6		or consumption in another county or on another island,
7		the number of gallons or units of fuel, by type or
8		grade, sold, exchanged, or otherwise transferred or
9		used by the distributor in each county or island;
10	(2)	The total number of gallons or units of fuel, by type
11		or grade, imported or exported by the distributor; the
12		total volumes of fuel, by type or grade, sold,
13		exchanged, or otherwise transferred or used by the
14		distributor; and if for ultimate sale or consumption
15		in another county or on another island, the number of
16		gallons or units of fuel, by type or grade, sold,
17		exchanged, or otherwise transferred or used by the
18		distributor in each county or island;
19	(3)	The total number of gallons or units of fuel sold as
20		liquid fuel, aviation fuel, diesel fuel, and other
21		types of fuel as required by the commission;

1	(4)	The total number of gallons or units of fuel, by type
2		or grade, and their respective sales prices for all
3		fuel sold to federal, state, and county agencies,
4		ships-stores, or base exchanges, commercial
5		agricultural accounts, commercial nonagricultural
6	,	accounts, retail dealers, and other customers as
7		required by the commission;
8	(5)	Weekly weighted average acquisition cost per barrel
9		and volumes of foreign or domestic crude oil or other
10		liquid fuels, finished or unfinished, imported to
11		Hawaii, including information identifying the source
12	×	of the crude oil or other liquid fuels;
13	-(6)	The effective date and time, and the amount of change
14		in cents per gallon, of any increase or decrease in
15		wholesale price occurring during the week and the
16		weekly weighted average wholesale prices and sales
17		volumes of finished unleaded regular and premium motor
18		gasoline, and of each other grade of gasoline sold, by
19		island, to retail outlets, by classes of retail trade,
20	,	and to wholesale distributors;
21	-(7)	Weekly weighted average retail prices, and sales
22		volumes of finished unleaded regular and premium motor

I		gasorine, and or each other grade or gasorine sord, by
2	ı	island, by retail distributor outlets of all classes
3		of retail trade and by any distributor to other end
4		users; provided that the commission may purchase
5		retail price data from data service companies that the
6	·	commission may use to substitute some or all data to
7		meet the reporting requirement for retail price data
. 8	,	under this paragraph;
9	(8)	The effective date and time, and the amount of change
10		in cents per gallon, of any increase or decrease in
11		wholesale price occurring during the week and the
12		weekly weighted average wholesale prices, and sales
13		volumes of No. 2 diesel fuel and No. 2 fuel oil, by
14		island, to retail distributor outlets, by classes of
15		retail trade, and to all other wholesale distributors.
16		Weighted average wholesale prices and sales volumes
17		shall-be reported by type of wholesale liquid fuel
18		price;
19	- (9)	Weekly weighted average retail prices, and sales
20		volumes of No. 2 diesel fuel and No. 2 fuel oil sold;
21		by island, by retail distributor outlets of all
. 22		classes of retail trade and by any distributor to

1		other end users. The commission may purchase retail
2		price data from data service companies that the
3		commission may use to substitute some or all data to
4		meet the reporting requirement for retail price data
5	:	under this paragraph;
6	(10)	Weekly weighted average prices; and sales volumes for
7		retail sales and wholesale sales, by island, of No. 1
8		distillate, kerosene, finished aviation gasoline,
9		kerosene-type jet fuel, No. 4 fuel oil, residual fuel
10		oil, and consumer grade propane;
11	(11)	For each distributor that is a refiner, the gross
12	•	margins or spreads between a refiner's average
13		weighted acquisition price for each gallon of crude
14		oil and blendstock refined within the State and the
15		average weighted prices for each gallon or unit of
16		fuel sold, by county or island, to another
17		distributor, a retail dealer, end-user, and consumer;
18	(12)	For each distributor that is not a refiner, the gross
19		margins or spreads between the distributor's average
20		weighted price for each gallon or unit of fuel
21		acquired by the distributor and the average weighted
22		prices for each gallon or unit of fuel sold, by county

1		or island, to another distributor, a retail dealer,
2		end-user, or consumer; and
3	(13)	Revenues, expenses, profits and losses, and any other
4		financial or operating information as may be required
5		by the commission.
6	The commi	ssion shall prescribe applicable standards and
7	practices	for reporting to facilitate uniformity, consistency,
8	and compa	rability of the data to be submitted.]
9	(1)	The total volume of fuel imported into and exported
10		from Hawaii, and if for ultimate sale or consumption
11	•	in another county or on another island, the total
12		volume of fuel, in barrels, by import location
13		(foreign and domestic), by specific crude oil imported
14		and by liquid fuel type, aviation fuel, diesel fuel,
15		and other types of fuel as required by the department,
16		that is sold, exchanged, or otherwise transferred or
17		used by the distributor;
18	(2)	The total volume of fuel refined, manufactured, or
19		compounded by refineries, in barrels, by company, and
20		by liquid fuel type, aviation fuel, diesel fuel, and
21		other types of fuel as required by the department,
22		including No. 2 diesel fuel, No. 1 distillate, No. 2

1		fuel oil, No. 4 fuel oil, kerosene, finished aviation
2		gasoline, kerosene-type jet fuel, residual fuel oil,
3	•	consumer grade propane, gasoline (regular, midgrade
4		and premium); and
5	(3)	The total volume of fuel distributed, in barrels, by
6		company, by island, and by liquid fuel type, aviation
7	·	fuel, diesel fuel, and other types of fuel as required
8		by the department, and by:
9		(A) Classes of retail trade; and
10		(B) Federal, state, county agencies, ships stores, or
11		base exchanges, commercial agriculture accounts,
12		commercial non-agriculture accounts, retail
13	1	dealers, and other customers as required by the
14		department.
15	[-(b)	- Each-major-marketer shall submit to the commission,
16	at a time	and in a form as the commission shall prescribe,
17	informati	on, including petroleum and petroleum product receipts,
18	exchanges	, inventories, and distributions.
19	(c)	The commission may require additional information as
20	and when	the commission deems necessary to perform the
21	commissio	n's responsibilities under this chapter.

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chapter 92F.

- 1 (d) Information in the statements filed pursuant to this 2 section shall be collected and maintained for the purpose of 3 facilitating the analysis required by this chapter; provided that the commission shall make the information available to the 4 5 public, to the extent permitted under sections 486J 6 and 486J 6 8-1" Section 486J-6, Hawaii Revised Statutes, is 7 SECTION 4. amended to read as follows: 8 9 "§486J-6 Confidential information. (a) Confidential 10 commercial information provided to the commission at any time 11 pursuant to this chapter that is exempt from public disclosure 12 under section 92F-13 shall be held in confidence by the 13 commission or aggregated to the extent necessary in the
- 16 (b) No data or information submitted to the commission <u>at</u>
 17 <u>any time</u> shall be deemed confidential if it is shown that the
 18 person submitting the information or data has made it public.

commission's discretion to ensure confidentiality as required by

19 (c) Unless otherwise provided by law, with respect to data
20 that the commission [obtains] obtained or [is] was provided
21 pursuant to section 486J-3, 486J-4, 486J-4.5, or 486J-5[7] prior

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1	to their repeal, neither	the	commission	nor	any	employee	of	the
2	commission may do any of	the	following:		•			

- (1) Use the information furnished or obtained for any purpose other than the purposes for which it is supplied;
- 6 (2) Make any publication whereby the data furnished by any person can be identified; or
- 9 department of taxation, the attorney general, the
 10 consumer advocate, the department of business,
 11 economic development, and tourism, and the authorized
 12 representatives and employees of each to examine the
 13 individual reports or statements provided."
- 14 SECTION 5. Section 486J-7, Hawaii Revised Statutes, is 15 amended to read as follows:
- "\$486J-7 Confidential information obtained by another

 state agency. Any confidential information pertinent to the

 responsibilities of the commission or the director specified in

 this chapter that is obtained by another state agency, including

 the department of taxation, the attorney general, and the

 consumer advocate, shall be available only to the attorney
- 22 general, the attorney general's authorized representatives, the



1	department of business, economic dev	elopment, and tourism, and
2	the commission and shall be treated	in a confidential manner."
3	SECTION 6. Section 486J-4, Haw	aii Revised Statutes, is
4	repealed.	
5	[" §486J-4 Informational report	s. (a) Each major oil
6	producer, refiner, marketer, oil tra	nsporter, and oil storer
7	shall submit to the commission, in a	form as the commission
8	shall prescribe, information that in	cludes the following:
9	(1) Major oil transporters sha	ll report on petroleum by
10	reporting the capacities of	f each major transportation
11	system, the amount transpo	rted by each system, and
12	inventories thereof. The	provision of the information
13	shall not be construed to	increase and decrease any
14	authority the commission m	ay otherwise haveγ
15	(2) Major oil storers shall re	port on storage capacity,
16	inventories, receipts and	distributions, and methods
17	of transportation of recei	pts and distributions;
18	(3) Refiners shall report on f	acility capacity and
19	utilization and method of	transportation of refinery
20	receipts and distributions	; and

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(4) Major oil marketers shall report on facility capacity
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              and methods of transportation of receipts and
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              distributions.
         (b) The commission may require additional information as
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    and when the commission deems necessary to perform the
    commission's responsibilities under this chapter."]
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         SECTION 7. Section 486J-4.5, Hawaii Revised Statutes, is
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    repealed.
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         ["$486J-4.5 Informational cost reports. (a) Each
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    refiner, on a semi-annual basis, at reporting dates as the
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    commission may establish, shall file with the commission, on
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    forms prescribed, prepared, and furnished by the commission, a
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    certified statement of operating and overhead costs for the
14
    refiner's Hawaii operations that shall include but not be
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    limited to the following:
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         (1) Crude oil costs and sources;
         (2) Other-feedstock costs and sources;
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         (3) Refinery operating expenses;
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         (4) Marketing operating expenses by petroleum product;
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         (5) Distribution expenses by petroleum product; and
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         (6) Corporate overhead expenses.
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         (b) In addition to the reporting required under subsection
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    (a), each distributor shall file with the commission all
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    Securities and Exchange Commission Forms 10-K, 10-Q, annual
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    reports, quarterly reports, and carnings supplements published
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    by the distributor.
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         (c) Each distributor, except a distributor who is so
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    defined solely by criteria in paragraph (4) of that definition
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    in section 486J-1, who sells liquid fuel only at retail and is
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    not a refiner, shall file with the commission, on a semi annual
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    basis at reporting dates as the commission may establish, on
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    forms prescribed, prepared, and furnished by the commission, a
12
    certified statement of operating and overhead costs that shall
    include the following:
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14
         (1) Gasoline purchases and exchanges and sources;
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         (2) Diesel purchases and exchanges and sources;
16
         (3) Marketing expenses; and
17
         (4) Distribution expenses."]
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         SECTION 8. Section 486J-5, Hawaii Revised Statutes, is
19
    repealed.
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         ["$486J 5 Analysis of information; summary reports. (a)
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    The commission, with the commission's own staff and other
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    support staff with expertise and experience in, or with, the
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1	petroleum	industry, shall gather, analyze, and interpret the
2	informati	on submitted to it pursuant to sections 486J-3, 486J-4,
3	and 486J	4.5 and other information relating to the supply,
4	prices, m	argins, and profits of petroleum products, with
5	particula	r emphasis on motor vehicle fuels, including but not
6	limited t	o all of the following:
7	(1)	The nature, cause, and extent of any petroleum or
8		petroleum product situation or condition affecting
9		supply, price, margins, or profits;
10	(2)	The prices, with particular emphasis on wholesale and
11		retail motor vehicle fuel prices, and any significant
12		changes in prices charged by the petroleum industry
13		for petroleum or petroleum products sold in Hawaii and
14		the reasons for the changes;
15	. (3)	The income, expenses, margins, and profits in Hawaii,
16		both before and after taxes, of each distributor and
17		the income, expenses, margins, and profits, both
18	,	before and after taxes, of major oil companies in
19		other regions of the United States and other
20		countries; and
21	(4)	The emerging trends relating to supply, demand, price,
22		margins, and profits.

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         (b) The commission shall analyze the effects of state and
2
    federal policies, rules, and regulations upon the supply and
3
    pricing of petroleum products.
         (c) The commission shall publish annually and submit to
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    the governor and the legislature twenty days prior to the first
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    day of each regular legislative session a summary, including any
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    analysis and interpretation of the information submitted to it
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    pursuant to this chapter, and any other activities taken by the
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    commission, including civil penalties imposed and referrals of
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    violations to the attorney general under section 486J-9. Any
11
    person may submit comments in writing regarding the accuracy or
12
    sufficiency of the information submitted."]
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         SECTION 9. Section 486J-5.3, Hawaii Revised Statutes, is
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    repealed.
         ["[§486J-5.3] Use and analysis of information by the
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16
    department of business, economic development, and tourism. The
17
    department, with its own staff and other support staff with
18
    relevant expertise and experience, shall use the information
19
    obtained under this chapter to effectuate the purposes of
20
    chapters 125C, 196, and other relevant laws."]
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         SECTION 10. Section 486J-5.5, Hawaii Revised Statutes, is
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    repealed.
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1	[" [\$186J-5.5] Petroleum industry monitoring, analysis, and
2	reporting program. The commission shall establish the petroleum
3	industry monitoring, analysis, and reporting program that
4	includes development and maintenance of an automated petroleum
5	industry information reporting system that meets the
6	requirements of government, industry, and the public while
7	promoting sound policy making and consumer information and
8	protection. The purpose of the petroleum industry monitoring,
9	analysis, and reporting program is to conduct and facilitate the
10	efficient analysis and reporting of all information and data
11	provided by the petroleum industry pursuant to this chapter.
12	The commission shall develop the petroleum industry monitoring,
13	analysis, and reporting program in a manner that will result in
14	greater market transparency and provide useful information to
15	the general public and those agencies that are authorized to
16	conduct oversight of the petroleum industry and ensure
17	compliance with all relevant laws."]
18	SECTION 11. Section 486J-5.6, Hawaii Revised Statutes, is
19	repealed.
20	["[§486J-5.6] Petroleum industry monitoring, analysis, and
21	reporting special fund. (a) There is established a petroleum

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industry monitoring, analysis, and reporting special fund to be
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2
    administered by the commission.
3
         (b) The legislature may make appropriations from the
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    general revenues of the State of Hawaii, not to exceed
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    $2,000,000 in any fiscal year, for the petroleum industry
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    monitoring, analysis, and reporting special fund.
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         (c) Moneys in the special fund shall be used to:
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        (1) Administer the petroleum industry monitoring,
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             analysis, and reporting program pursuant to this
10
             chapter; and
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        (2) Establish full time staff positions in the
12
             commission to implement and maintain the petroleum
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              industry monitoring, analysis, and reporting program,
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              including the automated petroleum industry information
15
             reporting system established by section 486J 5.5."]
16
         SECTION 12. Section 486J-8, Hawaii Revised Statutes, is
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    repealed.
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         ["$486J-8 Sharing of information obtained by the
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    commission. (a) Except as provided in subsections (b) and (c),
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    the commission shall make any information obtained by the
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    commission under this chapter, including confidential
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    information, available only to the attorney general, the
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1 department of taxation, the consumer advocate, the department of 2 business, economic development, and tourism, an appropriate 3 legislative committee, and the authorized representative of 4 each, who shall safequard the confidentiality of all 5 confidential information received. 6 (b) The commission shall disclose to the public, using the 7 best readily available technology, the information contained in 8 the statements that are filed pursuant to section 486J 3, except 9 to the extent that disclosure is prohibited under section 486J 10 6. The commission shall publicly report this information within 11 fourteen days pursuant to the reporting dates established by the 12 commission under section 486J 3. (c) Nothing in this section shall be construed to prohibit 13 14 the implementation of the petroleum industry monitoring, 15 analysis, and reporting program under section 486J-5.5 or the public disclosure of the analysis of information and reports 16 17 described in section 486J 5."] 18 SECTION 13. Section 486J-9, Hawaii Revised Statutes, is 19 repealed. 20 ["5486J-9 Failure to timely provide information; failure 21 to make and file statements; false statements; penalties;

referral to the attorney general. (a) The commission shall

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1 notify those persons who have failed to timely provide the 2 information specified in section 486J-3, 486J-4, or 486J-4.5 or 3 requested by the commission under section 486J 3, 486J 4, or 4 486J 4.5. If, within five business days after being notified of 5 the failure to provide the specified or requested information, 6 the person fails to supply the specified or requested 7 information, the person shall be subject to a civil penalty of 8 not less than \$50,000 per day nor more than \$100,000 per day for 9 each day the submission of information is refused or delayed. **10** (b) Any person, or any employee of any person, who 11 wilfully makes any false statement, representation, or 12 certification in any record, report, plan, or other document 13 filed with the commission shall be subject to a civil penalty 14 not to exceed \$500,000 and shall be deemed to have committed an 15 unfair or deceptive act or practice in the conduct of a trade or 16 commerce and subject to the penalties specified in chapters 480 **17** and 486B. 18 (e) The commission shall refer any matter under subsection 19 (a) or (b) to the attorney general, who may exercise any 20 appropriate legal or equitable remedies that may be available to 21 the State.

- 1 (d) For the purposes of this section, "person" means, in
- 2 addition to the definition contained in section 486J-1, any
- 3 responsible corporate officer."]
- 4 SECTION 14. Statutory material to be repealed is bracketed
- 5 and stricken. New statutory material is underscored.
- 6 SECTION 15. This Act shall take effect on July 1, 2020.

Report Title:

Petroleum Industry; Information

Description:

Repeals the Petroleum Industry Monitoring, Analysis, and Reporting Program, and its special fund; requires refiners and distributors to report monthly to the Department of Business, Economic Development, and Tourism, on fuel imported, exported, transferred, used, refined, manufactured, compounded, and distributed. Effective July 1, 2020. (HB2631 HD2)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.