

To: Cross, Iris M [redacted]@bp.com]; Dempsey, Ray C [redacted]@bp.com]; Ellis, Joel [redacted]@bp.com]; G Fuels NA Leadership Team [redacted]@bp.com]; Guinn, Shanan [redacted]@bp.com]; Kidd, Bill [redacted]@bp.com]; Matthews, Jason [redacted]@bp.com]; Mendes, Carey J [redacted]@bp.com]; Miner, Robert [redacted]@bp.com]; Morrell, Geoff [redacted]@bp.com]; Sidoti, Elizabeth [redacted]@bp.com]; Sparkman, Douglas [redacted]@bp.com]; Stout, Robert [redacted]@bp.com]; Streett, Mary [redacted]@bp.com]; Stultz, Mar [redacted]@bp.com]; Swink, Suzanne [redacted]@bp.com]; Thomas, Larry [redacted]@bp.com]; Walker, Ryan [redacted]@bp.com]

Cc: Abendhoff, Michael F [redacted]@bp.com]; Ballard, Carolyn [redacted]@bp.com]; Beach, Ho [redacted]@bp.com]; Brady, Pamela [redacted]@bp.com]; Brien, Michael P [redacted]@bp.com]; Bunch, Mark J [redacted]@bp.com]; Caprella, Mary L [redacted]@bp.com]; Castillo, Mayrena [redacted]@bp.com]; Chen, Matthew [redacted]@bp.com]; Constantin, Dawn M [redacted]@bp.com]; Corr Hanserd, Valerie L [redacted]@bp.com]; D'Andrea, John [redacted]@bp.com]; Edwards, Michelle [redacted]@bp.com]; Graves, Jamie [redacted]@bp.com]; Hanhart, Emily (OTHER) [redacted]@bp.com]; Hill, Valerie [redacted]@bp.com]; Jennings-Johnson, Debra A [redacted]@bp.com]; Johnson, Vincent (BP) [redacted]@bp.com]; Keilman, Thomas P [redacted]@bp.com]; LaFleur, Denise [redacted]@bp.com]; Lanier, Hope [redacted]@bp.com]; McKeon, Rayanne B [redacted]@bp.com]; Milley, Mar [redacted]@bp.com]; Moran, Ralph J [redacted]@bp.com]; Moten, Yvette [redacted]@bp.com]; Murphy, Dan J [redacted]@BP.COM]; Nolan, James [redacted]@bp.com]; Norvilas, Donna L [redacted]@bp.com]; Ragland, Kelle [redacted]@bp.com]; Richards, Simon W [redacted]@bp.com]; Rybarczyk, Ronald D [redacted]@bp.com]; Sandler, Matt [redacted]@bp.com]; Tigges, Laura [redacted]@bp.com]; Wolf, Tom [redacted]@bp.com]; Zalasar, Sergio [redacted]@bp.com]

From: Cochrane, Phil [redacted] (O=MSXBP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS [redacted])

Sent: Sun 09/04/2017 1:46:19 PM (UTC)

Subject: C&EA Fuels Team Weekly Report

Federal

Redacted - First Amendment

Risk Management Plan Due to concerns from members of Congress regarding how a Congressional Review Act repeal of the EPA's Risk Management Plan Rule would be viewed as "anti-safety," the chances of passage are becoming very slim. However, FGA and industry trades continue their advocacy efforts.

Redacted - First Amendment

Georgia

Pipelines In the final hours of the 2017 regular legislative session, lawmakers adopted a compromise bill addressing petroleum pipelines and eminent domain in the state. The bill allows pipelines to be constructed anywhere in the state (earlier versions banned pipeline construction in coastal counties), and lays out a set of rules and regulations for pipeline applications and permits from the GDOT and the Environmental Protection Division. Georgia API was able to defeat provisions that would have banned pipeline construction in coastal counties and language that would have extended the current petroleum pipeline moratorium for an additional three years. The final compromise on this bill is particularly important as other states facing similar concerns over proposed pipeline projects were awaiting the outcome, hoping to follow suit and maintain a level of consistency across state lines.

Alabama

Storms In light of storms impacting the state, Governor Bentley declared a State of Emergency on April 4th that included triggering of the state's price gouging rules. It will remain in effect for 30 days unless rescinded earlier.

Bentley Impeachment The Alabama Ethics Commission has issued a report concluding that Governor Bentley violated state ethics rules by misusing public funds in pursuit of an inappropriate relationship with a former female staffer. Based upon this, the legislature will move forward to address possible impeachment proceedings.

Tennessee

RVP The EPA Administrator this week signed approval to remove the 7.8 RVP requirements for middle Tennessee and is awaiting publication in the Federal Register. The final step will be officially removing Nashville from the EPA's 7.8

BPA_HC0R_00164670

RVP list, which is in process and awaiting signature.

Maryland

Fracking Gov. Hogan signed the statewide hydraulic fracturing ban into law. Although environmentalists supported the ban, they still have an uneasy relationship with the governor. The Maryland Petroleum Council opposed the ban, but said it was largely symbolic.

Minnesota

Enbridge Line 3 The Minnesota House of Representatives this week helped potentially clear the path of Enbridge's proposed Line 3 expansion project. Enbridge is seeking to replace the current pipeline, which runs from Alberta to Superior, Wisc. The House passed an amendment to a job and energy bill that would allow the project to move forward without going through the Public Utilities Commission, where it has been tied up for 2-and-a-half years. Additional legislative approvals are still needed.

Ohio

Redacted - First Amendment

RVP US EPA's final approval has been issued for the final rule to be published in the Office of the Federal Register to remove low RVP requirements in the Cincinnati and Dayton Area (Montgomery, Miami, Greene, Clark, Hamilton, Butler, Warren and Clermont counties).

Redacted - First Amendment

Heritage Lima Refinery Remediation Caprella followed up with NA Fuels, Cheryl McKinney regarding a heritage RCRA permit BP has been trying to disentangle from the Lima Refinery (Husky) for the last few years. McKinney, as the Husky Relationship Manager, will reach out to Husky on this situation. Ohio EPA Director Butler had contacted Caprella regarding this issue requesting support. Remediation Management, C&EA, Legal and Fuels North America are working together to have BP removed from the permit.

BP/City of Oregon Earth Day Event Caprella met with City of Oregon to present our contribution and discuss the April 29 Household Hazardous Waste Day event. BP and the City partner to provide this service for Oregon residents in recognition of Earth Day.

Illinois

Erginbilgic The internal communications team supported the Tufan Erginbilgic townhall and webcast from 30 S Wacker.

Taxes Wolf continues to monitor the various proposed changes to Illinois tax law and is updating BP's tax team on how it might affect BP. The Illinois Chamber and Illinois Manufacturers' Association are carrying the water for the business community in fighting these changes that affect many other companies, not just BP.

British-American Business Council Trans-Atlantic Conference (Chicago) Tom Wolf is working with Duncan Currie and Jamie Graves to assist Clive Christison for his opening remarks to the Trans-Atlantic conference on May 11th. BP is one of the signature sponsors for the event and we are also inviting BP leadership to attend the conference, pre-event reception and post-event gala with local business contacts.

Elgin-to-O'Hare pipeline Rybarczyk and Wolf continue to work support a BP pipeline replacement project near Chicago's O'Hare Airport. The project involves relocating sections of three pipelines to accommodate a new roadway project to provide better access to O'Hare. Some of the pipeline segments pass through airport property, and the project team has thus far encountered some resistance from the Chicago Department of Aviation regarding access in restricted areas. The team is working on its outreach strategy.

California

Transportation Bill The legislature passed the first major transportation package in decades and we expect the Governor to sign the bill soon. The package raises \$52 billion over 10 years and includes a \$0.12/gal increase in the gasoline excise tax, \$0.20/gal increase in the diesel excise tax, 4% increase in diesel sales tax, increases in vehicle registration fees and a \$100/yr fee on EVs. The bill was seen at the first major test of the state's democrat supermajority as a 2/3 vote in each house was required. One democrat in each house voted no and a single republican (in the senate) voted yes.

CARB Moran coordinated and participated in a meeting between IST, FNA regulatory affairs and CARB staff and leadership regarding BP's planned renewable diesel co-processing project at Cherry Point. The goal was to introduce the project and discuss the regulatory changes that would be needed to facilitate the generation of LCFS credits. CARB views the project favorably and appeared to agree in concept to a plan for LCFS credit determination that would maximize the value of the project.

Redacted - First Amendment

Cal Chamber Suit Late Thursday the Court of Appeals handed down a decision in Cal Chamber vs CARB. Cal Chamber brought the suit challenging the state's authority to raise revenue through the sale of carbon allowances in its cap and trade program. A three judge panel sided 2-1 with CARB finding that the auctions do not constitute a tax and that AB32 gave CARB sufficient authority to distribute carbon allowances in the current manner. The ruling was received favorably by CARB, the Governor's office and environmentalists as it was viewed as an affirmation of the state's "landmark" climate change policies. Though the ruling is still being reviewed by Cal Chamber attorneys, the fear is that in the ruling the court has created a new form of revenue that goes beyond the current revenue raising methods of tax or fee. Depending on the reading of the ruling, Cal Chamber may further appeal the case.

ACR BP will receive the "Quality Award" from the American Carbon Registry for its work in providing high quality carbon offsets to the California Carbon market. The award recognizes the accomplishments of BP's IST/Global Environmental Products staff who have been involved in over 60 projects in the state, making BP likely the largest single player in the development of California carbon offsets. Moran worked with the BP press office and with GEP to develop input into ACR's award announcement. Moran will accept the award on behalf of the company in San Francisco on April 19.

Indiana

Budget The Senate overwhelmingly passed House Bill 1001, the biennial budget bill. It removed a \$1 per-pack cigarette tax supported by House Republicans. The jobbers, the Petroleum Council, the Indiana Grocers Association, and Altria oppose the increase in the cigarette tax due to its negative effects on retailers facing competition from border-states with lower tax rates. HB 1001 will now be sent to a House-Senate conference committee to work out differences between the two chambers. The final budget will likely be shaped by the outcome of HB 1002, the comprehensive road funding bill, and projections in the revised revenue forecast.

Road Funding Bill HB1002 is headed to a conference committee after the Senate voted 34-13 to approve its version of the comprehensive infrastructure funding plan. The bill as amended in the Senate would increase the state's gasoline tax by 10¢ per gallon and the diesel fuel tax by 6¢ per gallon over the next two years. Both rates automatically would be indexed for inflation by up to 1¢ per gallon in each of the next seven years. The Senate version removes sales tax from diesel fuel. The bill also includes a \$15 vehicle registration fee, a \$5 new tire fee, a \$75 fee for hybrid vehicles, a \$100 commercial license plate fee, and a provision giving the governor authority to seek interstate tolling. The House version had an immediate tax increase and moved all of the proceeds from the state's sales tax on gasoline to roads. Currently, a majority of the sales tax goes to the state's General Fund. House leaders added a \$1 cigarette tax increase to the budget bill to make up for that loss, but that provision was removed in the Senate. BP has remained neutral on the bill as long as the funding is directed to road and bridge infrastructure projects.

Distributed Generation/Net-Metering The House passed SB 309 and the Senate author concurred with the House changes so the bill will most likely be signed into law. Heavy industrial users of electricity and natural gas formed the Indiana Industrial Energy Coalition (INDEC) to originally oppose the bill due to provisions mandating co-generating facilities to restrict their generated energy sales to customers adjacent to their property. Last week the Coalition

withdrew its opposition to the bill. The investor owned utilities strongly support passage of the bill. Consumer groups oppose the provision to sunset current net-metering tariffs set at retail rates. BP through INDIEC was pushing to support utilization of cogenerated power to adjacent facilities due to the existing cogen facility at Whiting.

Ethanol Grants The Indiana Office of Energy Development (OED) and the Indiana Corn Marketing Council (ICMC) are accepting applications for the fourth round of the Hoosier Homegrown Fuels (HHF) Blender Pump Program. The goal of this program is to expand the availability of higher ethanol blends in areas of Indiana where blends of E15 – E85 are limited or not available. The recipients of the grants are required to track their ethanol volume sales and marketing efforts through 2017 and their ethanol sales through 2022. This data will help OED and ICMC measure the impact of the new ethanol fueling infrastructure.

US Senate Kokomo attorney Mark Hurt is the first Republican to file to run against Democratic Senator Joe Donnelly, who is up for reelection in 2018. Sixth District Congressman Luke Messer (R-Shelbyville) has taken initial steps toward running against Donnelly next year and 4th District Congressman Todd Rokita (R-Indianapolis) has also expressed interest in seeking the nomination.

City of Whiting Keilman discussed a refinery request with Whiting Mayor Stahura to upgrade and maintain an existing lakefront ramp facility to the Lake Michigan Beach adjacent to the Refinery Wastewater Treatment Plant. The ramp was constructed in 2014 to assist with efforts related to the lake event that occurred in March of 2014. Recent storms have impacted the ramp. BP Whiting Emergency Response wants to maintain the ramp to assist in future lakefront response if required. Mayor Stahura has indicated support for the activity.

Lakeshore Chamber Keilman attended the bi-monthly Lakeshore Chamber of Commerce Luncheon. East Chicago Mayor Anthony Copeland was the guest speaker. Copeland provided updates on the city's ongoing efforts to upgrade its Lake Michigan Shoreline as well as an update on the Cline Avenue Bridge restoration and environmental efforts related to the USS Lead issue. BP has been assisting the Figg Bridge Group and the city on requests related to ingress and egress from the bridge project. There was no mention of BP related to the USS Lead issue. Keilman spoke briefly with the mayor after his remarks.

Upcoming Dates

April 8	Cherry Point work party for Nooksack Salmon Enhancement Association
April 11	Cherry Point town hall
April 13	Indiana Association of United Ways BP Volunteer of the Year Award to BP Whiting Refinery

Redacted - First Amendment

April 21	Indiana Legislative session adjourns (scheduled)
April 22	Northwest Indian College Gala (Cherry Point)
April 23	Washington legislative session adjourns (scheduled)
April 25	Illinois Refinery Day in Springfield, Illinois.
April 27	WA Coastal Conservation Association dinner banquet – BP sponsor
April 28	Whatcom County Boys and Girls Club Gala Auction – BP Title sponsor
April 28	Helios Award submissions due
April 26	PAC Solicitation and BP Academic Excellence Banquet Toledo
April 29	BP/City of Oregon Earth Day Household Hazardous Collection Event
May 3	BP Toledo Community Advisory Board Meeting
May 6	Sean Humphrey House Gala – BP sponsor (Cherry Point)
May 11	BABC Conference Chicago – BP sponsorship – Clive Christison Speaking
May 20	Bellingham Technical College Welding Rodeo – BP Title sponsor
May 31	Illinois Legislative session adjourn (scheduled)
June 28-29	Mark Finley IL/IN meetings
July 10	Oregon legislative session adjourns (scheduled)

Phil Cochrane Sr. Director State & Local Affairs – Fuels North America BP America [REDACTED](desk) [REDACTED](cell)