

Fuel Oil News

JANUARY 2022



THE OIL PRICE REVIEW

A NEW DISTRIBUTOR LOOKS FORWARD

THE CHANGING DEPOT

FAST IS BACK ON THE ROAD...

In January and February we shall be exhibiting and meeting with customers and end users at:



11th-12th January 2022
NEC, Birmingham

RIPON | FOR NOW.
farm services | AND THE FUTURE

19th-20th January 2022
Harrogate



1st-3rd February 2022
Ulting, Maldon

**Come and say hello and
discuss all things fuel**

2022 – A year of recovery

If 2021 was the year of the hardworking ox, (this panel – December issue) then 2022 will be the year of the fearless Water Tiger.

Tigers are independent, fearless, loyal and high in self-esteem. Strong in the face of adversity and never ones to back down from a challenge, tigers are persistent and determined.

Seems we could all do with being ‘a bit tiger’ given current challenges.

An industry with roots firmly in increasingly unpopular fossil fuels is investing significant time and energy in reinventing itself whilst simultaneously continuing to provide the cheap, reliable and limitless energy that customers expect and demand.

All this against the backdrop of a most volatile and unpredictable market.

Over the last several years the oil price has fallen from over \$100 a barrel to \$25, rallied, then fallen again, even landing in negative territory at the height of the pandemic uncertainty.

Since then, the price has rallied to \$85 until, as we were preparing this issue, Omicron came along and the price fell by \$20, almost overnight.

This level of volatility makes a

tough industry tougher – and that’s before the vilification.

While the fossil fuel industry is scapegoated and legislated against, ‘green’ energy is the recipient of praise and financial subsidies, as well as benefitting from regulation, legislation and general good favour.

The world has a lot to thank fossil fuel for and the same industry that produces and distributes it is the one investing in delivering all the benefits but without the negative impacts.

The world may not have travelled far in 2021, but our industry has already made significant progress on its journey to a sustainable future – one we at FON have been proud to follow.

Despite Omicron, all forecasts see 2022 as the year of full global recovery, an end to global pandemic and a return to the normal we once had.

At Fuel Oil News, we wish for all of you, and your families and colleagues, a brighter, healthier and happier 2022.



Margaret Major, Managing Editor
✉ margaret@fueloilnews.co.uk
🌐 www.fueloilnews.co.uk
☎ 07786 267527

Fuel Oil News

The independent voice for the fuel distribution, storage and marketing industry in the UK and Ireland.

4, 5 & 6 INDUSTRY NEWS

7 IRISH NEWS

8-9 INDUSTRY FOCUS

How the fuel depot is changing over time

11-13 INDUSTRY ANALYSIS

What price oil? The 2021 market in review

14-15 IN CONVERSATION

An exciting new business in experienced local hands

16-17 INDUSTRY VOICE

Why are new UK oil fields essential to a sustainable future?

18 PORTLAND MARKET REPORT

Fuel tanker driver shortage – fact or fiction?

20-21 INDUSTRY INSIGHT

COP 26: Cars, cash, coal and trees

22 PRICING PAGE

23 IN PROFILE

A passionate and honest man well known in the industry but maybe not so well known for his love of cheese and chocolate – together!



Claudia Weeks
Content Creator
✉ claudia@fueloilnews.co.uk
🌐 www.fueloilnews.co.uk
☎ 01565 653283



Liz Boardman
Content Creator
✉ liz@fueloilnews.co.uk
🌐 www.fueloilnews.co.uk
☎ 01565 653283



Natalie Persoglio
Social Media Executive
✉ natalie@fueloilnews.co.uk
🌐 www.fueloilnews.co.uk
☎ 01565 653283



Rhian Burge
Subscriptions
✉ rhian@fueloilnews.co.uk
🌐 www.fueloilnews.co.uk
☎ 01565 653283



Hannah Gardner
Accounts
✉ hannah@andpublishing.co.uk
🌐 www.fueloilnews.co.uk
☎ 01565 653283



On the cover

Locals are becoming increasingly familiar with the livery of the Bedford Fuels tankers as the company’s drivers deliver to a rapidly expanding area. We hear from this recent entrant to the sector ‘In Conversation’ on P14 & 15.



In this issue

In this issue we chat to fuel distributors and suppliers about how fuel depots have changed over time in ‘Industry Focus’ on P8 & 9 and consider the important messages from COP 26 in ‘Industry Insight’ on P20 & 21.

Phillip 66 agrees UK-first sustainable aviation fuel supply

British Airways will become the first airline in the world to use sustainable aviation fuel produced on a commercial scale in the UK after signing a multi-year supply agreement with Phillips 66 Limited. Thousands of tonnes of SAF will be produced for the first time in the UK at the Phillips 66 Humber Refinery and will be supplied to British Airways to power flights from early 2022.

Committed to a low carbon future

The supply agreement advances both companies' commitments to a lower-carbon future. The airline will purchase enough sustainable fuel to reduce lifecycle CO2 emissions by almost 100,000 tonnes, the equivalent of powering 700 net zero CO2 emissions flights between London and New York on its fuel-efficient Boeing 787 aircraft.

The SAF will be produced from sustainable waste feedstock at the Humber Refinery, which will deliver its SAF supply to British Airways via existing pipeline infrastructure that feeds directly into UK airports. The use of this fuel will reduce lifecycle CO2 emissions by over 80% compared to traditional jet fuel.

First to produce at scale

Humber Refinery general manager, Darren Cunningham, said the announcement reflects the importance the aviation and energy industries are placing on sustainability and the continued development, adoption and scaling up of sustainable aviation fuel.

"The Humber Refinery was the first in the UK to co-process waste oils to produce renewable fuels and now we will be the first to produce SAF at scale, and we are delighted British Airways is our first UK customer."

"We're currently refining almost half a



million litres of sustainable waste feedstocks a day, and this is just a start. Markets for lower-carbon products are growing, and this agreement demonstrates our ability to supply them."

Sean Doyle, British Airways' chairman and chief executive, commented: "This agreement marks another important step on our journey to net zero carbon emissions and forms part of our commitment, as part of International Airlines Group, to power 10% of flights with SAF by 2030.

"We are excited to develop our relationship with Phillips 66 Limited further with a view to growing production capacity and using a wider range of sustainable waste feedstocks to supply our future flights."

Last year Phillips 66 Limited invested significantly to expand its production of fuels from waste feedstocks as part of a broader energy transition plan.

"This agreement with British Airways aligns with our strategy to create a refinery of the future, where we're producing fuels from waste, being a critical part of the electric vehicle supply chain, reducing the carbon intensity of our processes through carbon capture and using hydrogen to power the refinery," Cunningham said. "It secures long-term business in an ever-changing world."

Craggs Fuel Cards Limited becomes Greenarc Fuel Cards Limited

A Greenarc spokesperson explained: "Our name change represents our long-term goal of assisting customers with the management of their fleet whilst also helping them understand and implement a range of Carbon Reduction Strategies.

"It's an exciting era for our company – our steady growth has brought us new clients, new team members, pushed us into a much larger

office space and allowed us to bring a range of new green initiatives to our UK wide customers!"

Greenarc Fuel Card's journey started nearly a decade ago as Craggs Fuel Cards with a simple aim to save customers time, effort, money and add extra security to their businesses.

With the rebrand to Greenarc the company is determined to keep those original values as it takes its place in the sustainability space.

New RTN parts website keeps tankers running

RTN has launched an exciting new tanker parts e-commerce website. With thousands of products stocked, from top manufacturing brands, as well as support from an experienced sales team, RTN Tanker Parts is there to keep your tankers on the road.

RTN was founded by Frank Newell in 1991 with little more than a small office and telephone and grew rapidly. By 1993 the company was building over 80 new road tankers a year and RTN is now the UK's leading tanker manufacturer, making over 450 tankers a year. The launch of RTN's Tanker Parts website sees Frank and his sons move into their next venture as RTN expands its offering.

Solutions for sourcing unidentified or obsolete parts

The website offers thousands of parts for petroleum and LPG tankers and creating an account is simple. The unique parts identification feature allows you to send the highly knowledgeable sales team a picture of an unidentified part to source for you.

The dedicated parts sales team has over 60 years' experience within the industry, which means that their knowledge for not only identifying parts but also offering alternatives for obsolete items is second to none.

RTN Tanker Parts carries a wide range of parts in stock, from all leading manufacturers, to minimise tanker downtime and, by leveraging relationships with the manufacturers and buying in bulk, offers extremely competitive prices.

Looking ahead, RTN has plans to grow the site further in the coming months, by adding parts for ADR and PED Vacuum Waste tankers.



New Midlands tanker service and repair centre to open

West Midlands-based operators of fuel tankers and other vehicles used to transport hazardous goods will soon be able to call upon Midlands Truck & Van for specialist maintenance and repair back-up.

The Mercedes-Benz Dealer plans to open a workshop bay at its branch in Birmingham, that will be compliant with ADR and Petroleum Regulations and will operate on a round-the-clock basis, from 6am on Mondays until Saturday lunchtimes.

The 'Pet. Reg' bay, which is due to begin operating early in the New Year, is located at the far end of the workshop at the company's dealership in Smethwick. It has a 15-metre pit and, for safety purposes, is separated by a wall from the rest of the building, which boasts six drive-through truck and trailer bays, and others for vans.

Significant investment in equipment and team

The dealer is investing some £75,000 on specialist and custom-built inspection equipment and ADR Hazardous Goods training for truck service manager Dean Bennett and the four technicians hand-picked to man the bay. 'Big ticket' items will ultimately include a bespoke working-at-height facility, while the inventory also includes vapour tightness testing

systems and dedicated gas detector units, as well as adaptors and connectors to facilitate the safe opening and closing of valves.

Midlands Truck & Van has engaged consultants to assess the facility's compliance with the recommendations of the Energy Institute publication on the Design, Construction and Operation of Workshops for Petroleum Road Tanker Maintenance. This provides guidance on the requirements for workshops that inspect and maintain road tankers used to transport petroleum fuel products and covers the control of potentially explosive atmospheres as well as risks associated with working at height.

Following assessment and approval the dealer will be authorised to issue the Safe Loading Passes required by participating fuel terminals.

Broad range of services across a broad range of brands

The dealer's new service will be available to operators of all makes of tractor unit and rigid truck used to transport petroleum as well as petroleum tank semi-trailers. Once it is up and running, the facility's remit will be extended to cover a broad spectrum of hazardous loads.

Eric Gillespie of EBG Services observed: "There are major fuel companies with large storage facilities in and around Birmingham



that no longer have in-house inspection and maintenance capabilities. Operators are looking for additional service points able to provide high-level support at times that suit them.

"Midlands Truck & Van is ideally located in a part of the West Midlands that is not particularly well served currently. Against this backdrop, I'm sure its new ADR facility will prove very popular."

The dealer's intention, initially at least, is to offer an amber ATF service, covering vehicles used to carry certain restricted goods, in addition to those engaged in transport operations that are not defined as dangerous.

Steve Hunt concluded: "The very significant investment we're making in our new Pet. Reg. service reflects Midlands Truck & Van's commitment to provide customers with a truly comprehensive, 'one-stop shop' service.

"I've every confidence that by adding this additional string to our bow we'll also be opening the door to conversations and opportunities to grow our business with operators that don't currently have relationships with us."

Deal could see key hydrogen role for Fawley

A deal to explore potential for a Southampton Hydrogen hub that could lead to large-scale hydrogen production at the Fawley refinery has been agreed by ExxonMobil's subsidiary Esso.

Esso, Macquarie's Green Investment Group (GIG) and gas distribution group, SGN, have signed a Memorandum of Understanding (MoU) to explore the use of hydrogen and carbon capture to help reduce emissions in the Southampton industrial cluster – home to ExxonMobil's Fawley complex.

An initial feasibility study shows the annual hydrogen demand from the cluster could rise to as much as 37 TWh by 2050, including the heating demand of 800,000 homes across the South of England.

An increase in the use of hydrogen with carbon capture would help reduce emissions in the area's industrial sector and stimulate the local economy, while helping reduce emissions from domestic heating and transport.



Production could start as early as 2030

The study estimates that carbon capture facilities could initially capture approx. 2m tonnes of CO2 pa including from initial hydrogen production of around 4.3 TWh pa.

This could also attract significant investment, support existing employment and stimulate the creation of local jobs. If technical and business feasibility is confirmed, and with the right Government support, hydrogen production could commence as early as 2030.

Potential key role for Fawley

Joe Blommaert, president of ExxonMobil Low

Carbon Solutions said: "Hydrogen has the potential to help provide customers with access to affordable, reliable energy while minimising emissions.

"We are pleased to be part of this collaboration that includes a technical study to assess the potential for the Fawley facility to play a key role in both hydrogen production and carbon capture and storage solutions. With well-designed policy and regulations, hydrogen can help reduce the emissions of the Southampton industrial area that provides vital products for modern life."

Edward Northam, head of GIG Europe said: "It is extremely positive that our recent exploratory study has concluded that this project is both technologically and economically feasible. Getting the project to development will require close partnership with local industry – which is why ExxonMobil, a potential cornerstone producer and user of hydrogen, joining our project is a significant step forward."

The new year brings a new look to Fuel Oil News online

Those who have paid a recent visit to the Fuel Oil News website may have noticed that it has a very different look. After consultation with those in our community, we have updated it to make it easier for you to find, and read, the content you are looking for. All the previous content can still be found, along with some new elements, but it is now organised into your top subject areas, including the market, supply, products, future fuels as well as our ever-popular features on distributors, industry individuals and suppliers to the sector.

The site is updated daily with the latest news and views from the sector, and there will be more feature articles, product reviews and case studies. Visitors to the site can now read current and back issue magazine articles on the website in full, whilst still being able to view or download older issues in PDF format directly from the website.

At your desk or on the move – it works for you

We know that more and more of our readers



are visiting the Fuel Oil News website via tablets or smartphones, so our new site resizes automatically to suit your device meaning that the mobile version is clear and easy to read and navigate – no need to zoom in and out or resize the screen!

Our greatly improved online directory makes it easy to find service providers by category or A-Z, and we now offer options for enhanced and feature listings to promote

services more effectively.

For advertisers, our new range of banners offers much more impact and flexibility on both desktop and mobile.

The content you have asked for – in print and online

Your ongoing feedback on the topics you most value us bringing to you has been invaluable in developing the content of our monthly magazine. We have worked hard to not just give you the latest news and information from the sector but to also deliver focus issues addressing the areas that most affect you daily. Bringing our community together to share experiences, concerns, ideas and best practice assists you to do your job most effectively and we are now extending that approach to our online communications.

Take a look at the website – you'll find it constantly updated with the topics you have asked us to cover. We always welcome feedback so please let us know what you think of it, including what you would like to see in the future! margaret@fueloilnews.co.uk

WCF Driving Academy

What should you do when there is a shortage of drivers? Start your own driving academy! Cumbria-based distributor, WCF Fuels, has done just that as an ingenious solution to the driver shortage.

Fuel Oil News spoke with Phil Murray, the deputy managing director at WCF, to hear about the new driving academy.

“As an employee-owned business, WCF always puts our people at the heart of what we do. We have created many internal development programmes to help our colleagues fulfil their potential and the creation of a driving academy was an obvious next step.”

So much more than driving

“This is a fantastic opportunity to recruit new talent into our fuels businesses and provide a tailored training program bespoke to our way of doing business. The candidates will learn so much more about our business than simply driving tankers.

“Their training and development will cover all aspects of our operations, not just what we do, but more importantly how we do it. We are genuinely excited about this initiative and fully



expect that it will become embedded in our way of working and, ultimately, increase our already high levels of colleague retention.”

“We’ve been overwhelmed by the response we received following the launch of our academy, so much so that we had to increase the number of open days planned to cope with the level of interest! Unfortunately, we couldn’t offer places to every applicant, but those who have come through the assessment process have shown a great desire to learn and develop their skills. They genuinely want to build a new career at WCF and can see that they have joined a business who genuinely cares for their people and is insanely passionate about delivering a first-class customer service.”

Quality over quantity

“In order to deliver the quality of training needed, we have limited the first intake to six but aim to add to this initial cohort in 2022. As with any new initiative, we will be seeking feedback from our first cohort to see how we can further enhance the excellent training and support we already provide.

“Our aim is to reduce the need for external recruitment in the next 5 years and essentially ‘grow our own’ drivers of the future.”

WCF is also keen to hear from anyone that would be interested in joining the academy in 2022 so please do get in touch with: phil.murray@wcf.co.uk

Maxol runs annual charity fundraiser

Family-owned Irish oil company, MAXOL, has once again run its annual Christmas Coffee Cup campaign in support of depression charity Aware as demand for its services continues to grow.

With roots that run deep through the island of Ireland, Maxol has been at the heart of the community for 100 years and the important Christmas Coffee Cup campaign for 2021 was, at the time of writing, at selected service stations across Northern Ireland. The initiative aims to raise £20,000 for Northern Ireland's depression charity Aware and encourage good conversations about mental health.

Throughout December, for every Barista Bar coffee or tea bought at participating stores, Maxol will donate 10p to the local charity which supports people living with depression.



providing support, education, and information for people impacted by depression, bipolar disorder and mood related conditions which have been severely impacted by Covid-19 in Northern Ireland.

Additional element to the 2021 campaign

In a campaign first, this year Maxol, will be sharing some simple suggestions across their social channels on how to start a conversation about mental health with friends, family, or colleagues. A series of informative clips will be published over the next few weeks and will feature AWARE counsellors giving advice on questions to ask someone about how their feeling and ways to reach out to them.

Brian Donaldson, The Maxol Group CEO, said: "This year AWARE has marked 25 years of supporting people living with depression.

"Supporting good mental health is hugely important but, we also recognise it can be difficult to start a conversation about mental health, especially when it is someone close to you. With help from AWARE we have created simple suggestions on how to get the conversation started. You can see the content on our social channels and in selected stores too.

"So, if you are out and about in the coming weeks pop into a participating Maxol station and buy a hot drink and you'll be helping to make a positive difference to many people's lives."

Vital support in times of high demand

Clare Galbraith, head of fundraising manager for AWARE said: "Since 1996, AWARE has been offering support and education to thousands of people living with depression, anxiety, and bipolar disorder in Northern Ireland. In AWARE's 25th year, the launch of the Coffee Cup Campaign is more important than ever. With the ongoing impact of the pandemic, we have experienced a 40% increase in demand for our support services both in person and via Zoom between 2019 and 2021.

"During this same period, the number of people the charity has reached via social media has risen by 185%, whilst traffic to its website has increased by almost a quarter. The charity is currently expanding services to meet this increase in demand and will benefit hugely from the funds raised."

The money raised by the campaign will go towards AWARE

Don't Catch the "Diesel Bug"

With ATAK and ATAK+, you can protect your fuel in storage from algal contamination for up to 2 years - and effectively clean up existing algae issues.

Save money.
Save fuel.

Total
synthesis
Ltd



[f @Syntec4](#) [t @Syntec4Ltd](#)

hello@totalsynthesis.org

+44 (0) 1606 836897

+44 (0) 1244 300811

The changing face of the fuel depot

AS THE INDUSTRY CONTINUES TO EVOLVE, **LIZ BOARDMAN** CHATS TO FUEL DISTRIBUTORS AND EQUIPMENT SUPPLIERS ABOUT HOW FUEL DEPOTS HAVE CHANGED OVER TIME, WHAT IT TAKES TO ESTABLISH A NEW ONE, AND THE DIFFERENCE THAT A GOOD DEPOT MANAGER CAN MAKE.



One company that has witnessed huge changes over the years is Tyne & Wear-based, Par Petroleum. “The industry as a whole has changed,” says managing director, Leanne Hardy. “When we started 30 years ago, a typical fuel distributor was independent and operator-owned. Large company acquisitions changed the structure of our industry and, today, most fuel distributors are large companies with multi-site operations. The increased legislation affecting fuel depots could have partly fuelled this change.

“In a world with far greater accountability, depots nowadays are typically cleaner, more environmentally secure and safer places to work. And standards tend to be more consistent through the country; it’s commonplace for a distributor to be audited regularly by customers, suppliers and third parties such as UKIFDA.”

Ford Fuels’ depot manager, Rob Robinson, is based at the company’s Gloucester depot, but also manages its Prestigne, Defford and Finmere sites. In his six years at Ford Fuels, he’s also noticed a sizeable shift at depot level: “During my time, more emphasis has been placed on energy overall, rather than just supplying an individual fuel. The period of change is in the here and now and will continue for many years.”

UK-wide, there are numerous reports of new depots opening and of existing ones being decommissioned as the sector consolidates, but how is this affecting businesses at ground level?

In the North East there are very few new wet depots being established, as Leanne explains: “In our region we are seeing new start-up businesses, but rarely with wet depots. Decommissioning of sites is commonplace due to acquisitions and consolidations and these sites are costly to re-commission due to the rate of change since they have been mothballed.”

For Rob, the number of depots owned is not always an accurate reflection of the size of the business or, indeed, the sector as a whole. He believes that “all businesses are looking to work smarter, utilise technology and continue to grow.”

The dream depot

That said, the statistics don’t lie, and new depots are springing up all the time. So what do distributors look for in a new depot?

“The basic requirements for a fuel depot are standard across the board – bulk fuel storage, loading facilities and delivery tankers,” says Rob. “Big considerations would be the supply of product to the depot and positioning a depot that has multiple options.”

Leanne agrees that location is key but adds that there can be fierce competition for the best sites: “Space in the UK is at a premium, with house building very much taking priority on brownfield sites. A distributor would typically look for a strategically located site, close to transport links, as would a housing developer.”

And when it comes to depot equipment, Kiran Shaw, director of sales and operations at IFC Inflow believes there is a simple tick list of essential items that every distributor needs: “A reliable electronic bottom loading skid, an accurate electronic tank gauge, a bunkering dispenser with fuel management and a depot automation system.”

For Liquip owner, Mike Green, other must-haves include “fully-approved, safe, easy-to-operate loading arms, earth overfill equipment, like our RM140E, which has been in the field since 2010, robust and accurate three and four inch PD meters and electronic presets”.

The role of the depot manager

Every depot (new or old) needs a good manager, but how difficult is it to get the right fit?

Recruiting a new depot manager is always a challenge, even more so in the current climate, but could the answer be promoting from within? Leanne certainly thinks so: “The role of a depot manager differs greatly from company to company depending on the size and structure of the business. With our background as a family business, the depot manager role, historically, would sit adjacent to the management of the company as a whole.

As we grow, we have actively started to create a company structure which supports existing team members to develop their skills to become future depot managers, but this is a time-consuming approach.

“A good depot manager needs to have a strong understanding of the products and processes. He/she can learn to work to systems and processes, however it’s still essential that they can manage the team within the depot.”

For Rob it’s all about choosing the right person: “Finding a depot manager is not a significant challenge: finding a capable depot manager who can perform to a high standard, is much more of a challenge.

“There’s no substitute for experience. Academic or theory-based training will provide a base level of knowledge, but no amount of training can prepare you for a pandemic, crisis or an emergency. A manager should have an adequate understanding of all aspects of the business for which they are responsible. Managers start their training in other roles, possibly in other industries, and draw upon their own experiences when they step into the role.”

And when it comes to skills, Rob considers that: “Utilising a combination of skills is far more important than being biased towards a particular skillset. Salespeople who have no consideration for operations create challenges for a business, as do operations people who have no consideration for sales.

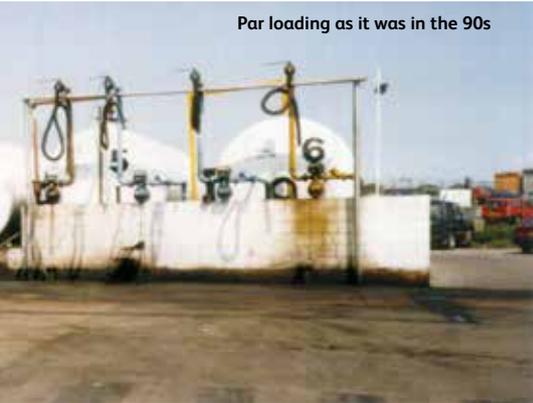
“A depot manager needs to be aware of these challenges and how they affect the day-to-day running of the depot. The directional focus of a depot should change according to the needs of the business and its customers, and a depot manager must have the ability to make these changes without affecting the fluid running of the depot.”

Equipped for change

And it’s not just depots that have changed, equipment has also evolved massively over the last twenty years.

At IFC, Kiran has seen “a noticeable shift

Par loading as it was in the 90s



and as it is now



towards electronic loading skids". He says: "When I first started in the industry, almost all the skids we supplied were fitted with mechanical registers and paper ticket printers. This year 80% of the skids we built were fitted with electronic pre-set controllers. And the same can be said for our provisions of tank gauging and bunkering dispensing systems. These systems have become electronic, with remote capture of the data and online access to it now becoming standard."

Mike Green agrees, citing the transition from top to bottom loading and mechanical to electric presets, as the two biggest changes in the depot equipment industry. "Bottom loading is far safer than top loading, while electronic presets such as our Vega T offer so much more in terms of security against theft, accounting reports, driver identity and transactional history."

For Kiran there are several factors behind these developments – the need to future-proof sites, integration with accounting and stock management systems, and added security.

"Many distributors recognise that their businesses will face changes in the coming years. So, when making long-term investments such as buying a new skid or upgrading equipment, it's best to choose a system which will be able to adapt to any changes that come along.

"Electronic skids can give accurate



electronic data on fuel movements between bulk storage tanks and road tankers. This provides essential information for wet stock management. They also provide added levels of security including pin code access and the capture of driver and vehicle data."

Reliability is also a big focus for depot owners. "The old-style mechanical registers are prone to wear and tear in winter-weather conditions, causing issues such as frozen buttons, moisture in the printer head and tickets getting stuck, all of which can prevent them from working properly."

Driving innovation

Product development is also driven partly by customer demand.

"New products take a long time to bring to market and the improvement of existing products is led by customers where possible," comments Mike. "The development of our Lynx bottom loading coupler was a direct result of questions to customers worldwide. The result was the lightweight, very easy-to-service simple coupling, which uses a stainless-steel outer cover to give a robust long-lasting coupler. The Liquip LBM800 loading arm has been given a much longer reach of up to 2.7m by using a double bearing arrangement for more rigidity. This was customer-led to allow greater freedom of movement for tanker drivers between tanker barrels and electronic presets in main terminals."

At IFC, product innovation is often a result of thinking ahead: "While we try to always fulfil the needs of our customers, often innovation means bringing customers solutions they didn't know they needed," says Kiran. "So, while progress in technology is definitely driven by customers wanting more from their equipment, innovation is driven by new ideas and fresh thinking at a manufacturer or distributor level."

It's also driven by the need to be more environmentally conscious. "The industry is moving towards low carbon fuels, such as HVO, and we are ensuring that our loading skids and

bulk fuel transfer equipment are all HVO ready," says Kiran.

At Ford Fuels, Rob is also looking ahead. "There are significant changes on the horizon, be that through duty or emissions. HVO is a product we have bought into. It offers customers a choice for a fuel that is greener than more established products."

Rising to challenges

But the move towards future fuels isn't without its problems as Leanne points out: "Expanding depot storage is, in itself, a challenge due to space and planning restrictions. It is frustrating that more public sector support and encouragement is not available to help distributors to harness future fuels and rise to the challenge of a smooth transition for the customers who remain reliant of liquid fuels. Throughout this transition, traditional and future fuels will need to be stocked side by side, meaning extra storage and more loading arms."

And this is where the equipment suppliers come in. "We have built a lot of skids this year with extra space for an additional product, giving the site the flexibility to accommodate new products," explains Kiran. "Customers also want to control their stocks more closely and remote access via web-based software is becoming increasingly common. Depot automation software, which can combine tank gauging, tanker loading and bunker dispensing to provide a complete view of the site's wet stock is also becoming more popular.

"The industry is facing challenges in the coming years with changes to fuels and energy supplies. It is encouraging that our customers are facing these challenges head on and continue to invest in new equipment for their depots. To support this, we are committed to developing our products to ensure we continue to provide the solutions that our customers need."

Have you invested in a new depot recently? We'd love to hear from you. Please get in touch with: liz@fueloilnews.co.uk



MABALIVE

Real-time, end-to-end deal administration

Mabalive provides an instant overview of your account and detailed real-time reporting of purchased orders, daily movements, balances to lift, invoice history and more.

Having accurate real-time, end-to-end visibility of your trading account saves you time and makes your deal administration far more efficient.

Live pricing
Online ordering
Real-time reporting
Deal administration

Contact us to find out more

0207 802 3300 | www.mabanaft.co.uk



M A B A N A F T

What price oil? 2021 in review

The following pages present a graph which shows the price of Brent Crude throughout 2021. With data supplied by The Oil Market Journal the markers highlight some of the key events throughout the year that have impacted on the pricing. We hope it provides an interesting look back over a year which, once again, presented unforeseen and unpredictable challenges.

It began hopefully

The year opened with a sense of hope after the end of 2020 saw the UK government announcing its second Covid-19 vaccine, and the UK Health Secretary declaring “2021 – year of hope and recovery”, in a push to increase confidence for economic growth in the UK and globally.

At the start of the year, the price of Brent crude sat at \$51 with OPEC considering production increases in Q1 2021. A new covid variant soon blighted the hopes of further demand recovery with a clear threat of more travel restrictions and further lockdowns.

OPEC+ members stabilise the market

The negative impacts of the resurgence of the pandemic and unrest in the US over the election outcome early in the year were somewhat offset by the members of OPEC+ working effectively together to stabilise the market. Compliance targets were met in January, limiting global supply, and a deal was made to maintain production cuts throughout February and March, with Russia increasing production and Saudi Arabia taking a 1 million barrel per day cut.

The leading nations attempted to maintain demand recovery through economic stimulus packages and a rapid vaccination program and, with OPEC maintaining a strong line on production, prices continued an

upward trend through Q1. The price began to fall at the end of the quarter as the infection rate rose, restrictions increased, vaccine supply faltered in Europe and demand slowed increasing market uncertainty.

In late March the Ever Given container ship ran aground, blocking the Suez canal in the process, and, with the salvage company suggesting recovery could take ‘weeks’, prices saw a spike which turned out to be short lived as the route was reopened in a matter of days.

A positive trajectory

The price of crude continued its overall positive trajectory through Q2 with some nervousness in May as US Iran talks suggested the possibility of increased Iranian supply. Rapidly increasing coronavirus cases in Asia, leading to increased restrictions and demand reductions, were offset by increased demand in the US and Europe.

June saw continuing increases, with the EIA reporting a significant draw in US crude stocks as economies began to reopen and fuel demand rose and prices reached highs above \$76 not seen since 2018. The market was up more than 50% yoy with more returning to workplaces and continuing travel recovery.

Q3 had a shaky start with an OPEC+ impasse over production increases, and prices began to head downwards as demand stalled and an eventual OPEC+ decision to increase output led to oversupply concerns. Through August the price fell significantly, as investors grew increasingly concerned that rising Covid-19 cases were threatening to stagger global economic recovery and could reduce demand for oil in major economies like China and the US.

Building to an annual high

As Hurricane Ida hit at the end of August,

shutting down production in Louisiana refineries and impacting production across the country, the oil price bounced back. It was lifted still further by the shortage of gas in Europe inflating gas prices and boosting the price of oil.

Towards the end of September, the price rose over \$80 as oil supply remained tight in the wake of disruptions in Gulf Coast production and investors hoped for a spill-over impact from higher gas prices amid supply tightness going into winter.

The price rise continued into Q4, seeing the year’s high of \$86.40 late October before once again falling through November as supply was restored and several governments in Europe re-imposed lockdowns due to a surge in Covid-19 infections. China found itself battling the spread of its biggest outbreak caused by the Delta variant.

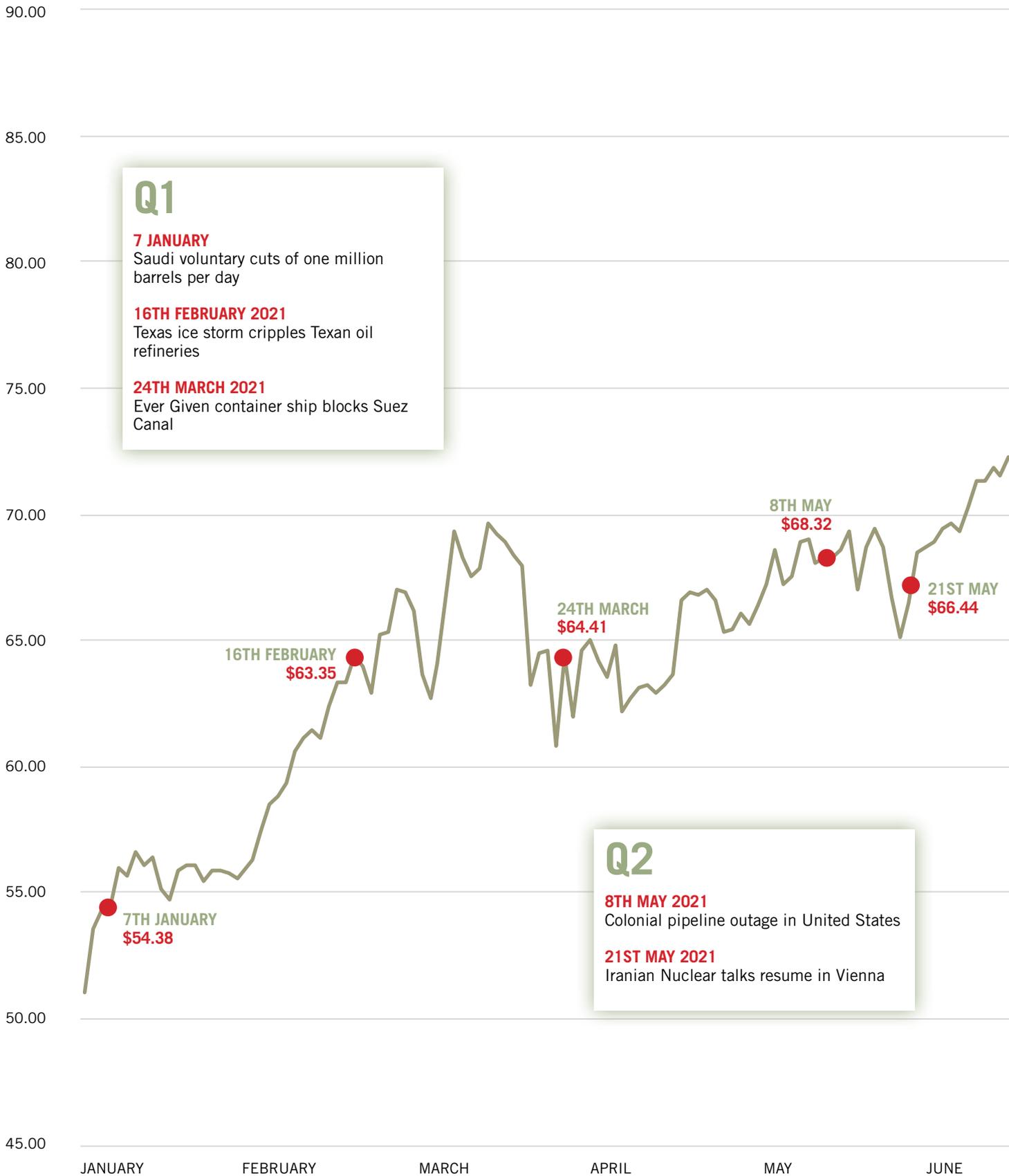
With the end of the year approaching at time of going to press, December began with another period of price volatility amid fears that the vaccine is unlikely to be as effective against the new Omicron variant as it has been against the Delta variant.

With renewed concerns of reimposed widespread travel restrictions, the price dropped back below \$68 in early December before rallying in the light of a continuing draw on US stocks and hopes that the Omicron variant will have less of a damaging economic impact than first anticipated.

With an overall recovery in the markets, 2021 has still been a year driven by the unpredictable impacts of Covid along with some very unexpected global events. The key moments are indicated on the graph overleaf.

Since 1999 OMJ has provided a wide range of oil prices, enabling clients to make informed trading decisions. Request a free trial: the-omj.com/evenbetter

The impact on oil price – key events by quarter through 2021



ICE Brent Crude



Q3

18TH JULY 2021
OPEC+ agrees 400,000 bpd production hike per month

30TH AUGUST 2021
Hurricane Ida knocks out Louisiana refineries

29TH SEPTEMBER 2021
Shortage of gas in Europe causes spike in gas prices and boosts oil prices

Shortage of oil tanker drivers in UK causes fuel shortages at UK service stations

Q4

23RD NOVEMBER 2021
US releases oil from emergency reserves

26TH NOVEMBER 2021
Crude oil prices fall \$10/b on news of a COVID Omicron variant

2ND DECEMBER 2021
OPEC+ confirms the group will still proceed with the production hike in January 2022 of 400,000 bpd

JULY

AUGUST

SEPTEMBER

OCTOBER

NOVEMBER

DECEMBER

Bedford Fuels Ltd

an exciting new business in experienced local hands

AS WE CELEBRATE A NEW YEAR AND NEW BEGINNINGS, FUEL OIL NEWS IS IN CONVERSATION WITH A BRAND-NEW FUEL DISTRIBUTION COMPANY, BEDFORD FUELS LTD. THE BEDFORDSHIRE-BASED DISTRIBUTOR, WHICH ONLY LAUNCHED IN OCTOBER 2021, IS ALREADY THRIVING. CLAUDIA WEEKS SPEAKS WITH **PAUL CRADDOCK**, THE DIRECTOR OF THE BUSINESS, TO LEARN MORE ABOUT ITS RAPID GROWTH AND TO DISCOVER WHAT THE FUTURE PLANS ARE FOR THIS EXCITING NEW DISTRIBUTOR.

Congratulations on launching Bedford Fuels Ltd. Having only begun trading on 1st October 2021, what led up to the decision to launch this exciting new business?

During my year out of the industry, I received several calls from friends and family advising me that they were unable to get a fuel delivery quickly or when they wanted it. I regularly checked out several company websites and comparison websites and, sure enough, it was difficult to get a next day, 2-day or 3-day delivery. Therefore, I saw a gap in the market that Bedford Fuels could exploit.

Having previously owned the well-respected family run partnership, Conquest Oil Company, until it was sold to Oil NRG Ltd what have you been doing in the interim and why are you keen to come back to the sector now?

During my time out of the industry I have been looking after my family's property portfolio and I was, of course, busy setting up the infrastructure for Bedford Fuels Ltd.

When my family sold Conquest Oil Company, HVO was in its infancy and most new houses were having heat pumps installed, so the future for fossil fuels looked bleak. With the advent of HVO and with government support, I can now see that the liquid fuels industry will have a bright future. I was a bit bored at home and needed a new challenge. Also, my wife said I was too young to retire!

Anthony Kinns, director, and Martyn Clark, director, are joint owners with you in the business. Do they also have a history in fuel distribution?

Anthony Kinns was a previous customer of Conquest Oil, is a local farmer, owns a local

petrol filling station and is managing director of Anthony Kinns Aviation (Services) Ltd, providing plane fuel services and manufacture of aviation fuel storage and delivery equipment. Martyn Clark was an equal shareholder in a fuel logistics business. When I told them of my ideas, they were both very keen to invest in the new venture.

Anthony will not be directly involved in the day to day running of the business, however, but will be offering support as required.

What areas will you be covering with your fuel distribution and what sort of split do you anticipate between domestic, commercial and agriculture?

We will be covering all of Bedfordshire, Hertfordshire, Buckinghamshire, Cambridgeshire, and Northamptonshire. I anticipate the business to be predominantly domestic with the volume split likely to be along the lines of 70% Domestic, 25% Agricultural and 5% commercial.

What is the best bit of advice you have been given so far in this industry?

My parents (and previous business partners) always told me to give customers what they would like (within reason), pay suppliers on

time, and look after your staff (treat people how you would like to be treated).

By doing that, you will build a loyal customer, supplier, and staff base.

Launching a distribution business at a time when fuel transition is always in the headlines shows a lot of faith in the future of the. What do you think the future will look like for liquid fuel as the demand for fossil fuels reduces?

I am really excited about the prospects for HVO and can see HVO replacing gas oil, diesel, and kerosene in the next 5 years, as long as the price is right and there is a readily available supply.

Are you optimistic about the industry's desire to persuade the government that a liquid biofuel should be part of the future for home heating?

Yes, I think the government will realise that the national grid and infrastructure, as it is now, will not have the required capacity or be able to cope with the increased demand for electricity with the proposed switch to electric vehicles and heat pumps.

Also, why would people spend up to £15,000 on a heat pump or an extra £15,000 on an electric vehicle if HVO is readily available?

What fuels do you currently offer?

We currently offer kero, gas oil, diesel, IHO and HVO. We decided not to supply petroleum.

How will the changes to red diesel entitlement next April affect you as a company and your customers?

The red diesel change in April 2022 is going to have a massive impact on the cost to





commercial gas oil customers (some will see their fuel costs double overnight). It will also stretch already tight credit lines and increase the risk of theft.

We will have to insist on customers paying COD or within 7 days. The times of generous credit terms will be a distant memory.

How is the business growing so far both in terms of customers, vehicles, and areas? Why are customers choosing Bedford Fuels Ltd and do you see much opportunity to grow further?

We started on October 1st, 2021, with two rigid and one artic. By the end of week 3 we had a third rigid, and a fourth rigid entered service at the end of week 6. The fifth rigid is due to start work in the first week of December.

In month 1 we delivered 0.85 million litres and in month 2 we delivered 1.4 million litres and we have completed over 1700 deliveries to over 1500 locations.

We started off supplying Bedfordshire and Hertfordshire but, with the extra vehicles, we now cover Cambridgeshire, Northamptonshire, and Buckinghamshire.

We have found that most of the loyal Conquest customers have been pleased that the old Conquest Oil Company team are back

together. There are dozens of customers that bought from my grandfather, then my mother and father, and were delighted when they heard Paul Craddock was back in the industry. Local people know the Craddocks, Clarks and Kinns families and are really pleased to support a local business and local people.

A lot of the local buying groups had a good relationship with the Craddock family.

To be honest, we have hardly carried out any marketing, 99 % of enquiries have come from word of mouth and customers seeing our tankers in their area. The best form of advertising is getting the tankers out in the local area. We find that 'people buy from people' and they like the personal attention to detail. We try and accommodate all requests, no matter how awkward the request. Our motto is: 'never to say no unless it is impossible.'

Customers also like our specialist local knowledge, they like the fact that we are not nationwide, they like our flexibility, we pride ourselves on customer care. We also have two female drivers, which the customers like. A lot of customers like the feel of a family company over a corporate one.

We are looking to grow to ten vehicles over the next 12-24 months as there are plenty

of customers for everyone within our delivery area.

Over the next few years, what do you see as major challenges to the industry and what are the positives?

The major challenges are the gas oil change in April 2022 and the Government's encouragement of electric vehicles and heat pumps. The positives must be future fuels (HVO) and the fact that commercial electric vehicles will not be a viable alternative for at least a decade.

What are the things that currently keep you awake?

As a new company it must be breaching credit limits with suppliers and hoping customers pay on time.

What do you enjoy most about operating in fuel distribution?

I love helping customers in a crisis. For example, a farmer that has run out of fuel in harvest, a domestic customer that has run out in winter and construction companies that have a site that has run dry.

I find that when you pull out all the stops to help someone, they remember what you have done for them and will keep coming back to you time and again.

What are the values that you would like Bedford Fuels Ltd do be associated with?

That we treat staff, customers, and suppliers with equal respect and treat them how I would like to be treated. We are flexible, fair and try to accommodate all requests.

Is there anything else you would like us to know about Bedford Fuels Ltd?

Our USP will be emergency supply within the area we cover.

Looking to the future what is the vision for the company?

To become established and recognised as the place to go for a quick and competitive fuel supply.

Bedford Fuels Ltd may be a new business in a rapidly changing industry but, with Paul at the helm, it is run by someone already well established in the sector who is backed up by an incredibly experienced team. They have already proven themselves prepared for the challenges and, with their drive and determination, are sure to make a success of it.

We look forward to covering their future developments.



Why are new UK oil fields essential to a sustainable future?

CONTRARY TO WIDELY EXPRESSED CURRENT VIEWS, THE UK'S OIL AND GAS INDUSTRY IS THE NATION'S BEST BET FOR BUILDING A GREEN AND LOW-CARBON FUTURE – AND THAT INCLUDES OPENING NEW OIL FIELDS LIKE CAMBO, SAYS **KATY HEIDENREICH**, OPERATIONS DIRECTOR AT OIL & GAS UK (OGUK) WHO SHARES HER THOUGHTS WITH US:

“Shell’s decision to suspend its involvement in Cambo, the UK’s next big oil field development, sent shockwaves through our industry.

“And when I say ‘our industry’ I’m thinking not so much about the companies involved in oil and gas – though they are important – but of the 200,000 or so people whose jobs and livelihoods will now be feeling just a little less secure.

“They are the backbone of an industry that works through the year to keep our country running. They supply the gas that helps heat 24 million (83%) of UK homes and generates nearly half our electricity.

“They also produce oil that gets refined into the petrol, diesel and other fuels that power our cars, vans, buses and trains.”

Contributing to regional economies

“Right now, 10,000 of them are living offshore on 250 oil and gas installations in the North Sea, the Atlantic waters north of Scotland and the Irish Sea. Those workers come from all over the UK – but especially from regions like East Anglia, Liverpool, Newcastle, Middlesbrough, Scotland’s central belt, Dundee, Aberdeen and Inverness.

“Hundreds live in or around London and some come from as far afield as Cornwall, Wales and Northern Ireland. Wherever they live they are contributing to the economy of their region.

The producers of future energies

“When offshore, however, their job is to keep the energy flowing to heat our homes, cook our food and power our roads and businesses. Tens of thousands more are working onshore in the supply chain, with firms based all around the UK providing engineering, manufacturing and other services.

Our country relies on those workers – the UK gets 73% of its total energy from oil and

gas. For Scotland the levels are even higher – in 2020 it relied on oil and gas for 78% of its total energy and 91% of its heating.

“In the future we will rely on them for new forms of energy too. Over the next couple of decades, the oil and gas workers of today will become the people who build and maintain our wind turbines, carbon capture systems, hydrogen production factories and other hardware needed for Britain’s low carbon future.

“That future needs a lot of work and a detailed plan. The UK has a target of becoming carbon neutral by 2050. But we will not hit that

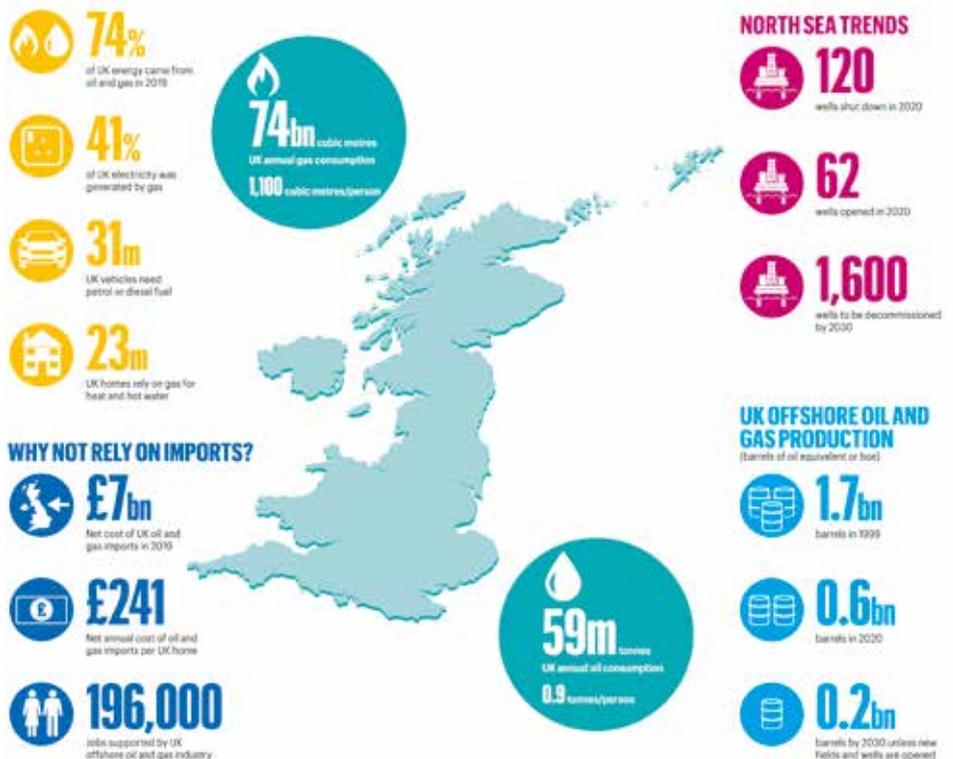
target by shutting down our existing oil and gas fields or stopping new ones being developed.

“In fact, stifling our existing energy industry would have exactly the opposite effect. It would wipe out the jobs and the workforce skills, such as marine engineering and construction, which are essential to hit that 2050 target.

“It would also be expensive. At the moment the UK produces only half the 74 billion cubic metres of gas it consumes annually. It also produces 53 million tonnes of oil – and consumes 59 million tonnes. Last year importing the extra gas and oil needed

SHOULD THE UK OPEN MORE OIL AND GAS FIELDS?

The UK’s existing oil and gas reserves will be largely gone by 2030. Should we open new fields? Or increase our reliance on imports?



to make good those production gaps cost the nation about £7 billion net – around £250 per household.

Maintenance not expansion

“Why, though, do we need new oil and gas fields on top of the ones we’ve already got? This is down to geology – the UK is blessed with lots of oil and gas, but it’s not found in massive reservoirs like those found in Russia and the middle east. Instead, it’s spread out across hundreds of smaller reservoirs. That means some are always becoming depleted and so need to be replaced by new ones.

“The next ten years, for example, will see 1,600 oil and gas wells being decommissioned. These closures would also see UK production of oil and gas plummet by 75% – unless we open new fields. That decline would be far sharper than any reduction we could achieve in demand – so imports would surge with householders and businesses facing all the extra resulting costs.

“This is why we need new fields like Cambo. They won’t boost overall production, but they will maintain it. And that will help maintain the flow of energy needed to see us through till 2050. By then, hopefully, there will be far less need for new oil and gas fields,

“SHUTTING DOWN OUR INDUSTRY JEOPARDISES A SUSTAINABLE FUTURE”

Reduce demand not output

“There are big challenges ahead. We need the government’s help to persuade the drivers of 32 million diesel and petrol vehicles to switch to an alternative. How can we affordably change the boilers, gas cookers and fires that heat 24 million UK homes? There’s also the 35 or so gas-fired power stations that provide nearly half our electricity.

“Those challenges are for the government and for all of us as consumers – but the point is that if we don’t cut demand then emissions are never going to decline. We could shut down the whole UK oil and gas industry, but the only result would be to send imports surging – with no reduction in emissions. The reductions will come only when we find low-carbon replacements for the machines, vehicles and appliances that power our homes, businesses, and transport.

“Planning and implementing that transition will take years of painstaking work and research. For environmental groups that’s a much tougher and less attractive task than firing broadsides

at the oil and gas industry. Our industry, by contrast, is already working to build the low-carbon infrastructure for our future.

Our industry – building a sustainable future

“We are building two UK projects to capture CO2, the main global warming gas, and planning three more. We are also looking at hydrogen production plants and building and operating ever-larger wind and solar farms. The environmental groups want to tear down the past, but my industry is, literally, building a sustainable future.”

KATY HEIDENREICH

is operations director at OGUK – the leading representative body for the UK offshore oil and gas industry – and has over 20 years’ experience in Upstream with extensive technical experience, built on a foundation of production and drilling engineering





RIGID / TRAILER MANUFACTURE • PARTS, SERVICE & RENTAL





Manufacturer of the Fuel Oil News Tanker of the Year 2020






Road Tankers Northern and Lakeland Tankers the UK’s leading road tanker manufacturers of aluminium semi-trailers, fuel/lubricant and LPG tankers

Road Tankers Northern, South Yorkshire
01226 350 650 www.rtnltd.co.uk

Lakeland Tankers Ltd, West Midlands
01384 421 199 www.lakelandtankers.co.uk



PORTLAND MARKET REPORT

DECEMBER
IN VIEW

WAS THERE REALLY A SHORTAGE OF FUEL TANKER DRIVERS AT THE END OF THE YEAR?

October and November of last year will be remembered for soaring energy prices and massive supply-chain disruption. For the most part, the UK was a mere bystander to these global events, with little control over proceedings (whilst increasingly suffering from the outcomes!). But Great Britain also suffered a 'man-made' energy crisis last autumn, involving (or to be precise, not involving) petrol tanker drivers.

Tankers and tanker drivers are a subject close to Portland's heart, having scheduled fuel deliveries for 18 months in the early 1990s as an enthusiastic but useless graduate. The experience was quite a baptism of fire, with lessons quickly learned on the best way to pick up piles of delivery tickets (knocked to the floor by unhappy drivers), how to construct sentences with a word / profanity ratio of 1:1 and most importantly, that Colin (the Shop Steward) "never does Brighton twice in a day".

"TANKER DRIVERS ARE THE DOYEN OF DRIVERS"

Whilst tanker driver strikes and fuel blockades are not unheard of, never, in recent memory, has there been a tanker driver shortage in the UK. Why? Well, because tanker drivers are the doyen of drivers, the *crème de la crème* and, whilst other driving sectors might have vacancies, the petrol sector always had new blood clamouring to get "onto the tankers". At the top of the commercial driving pyramid sits the tanker driver, with a Class 1 HGV ADR license, thus allowing him (mostly him!) to drive a 44 tonne / 38,000 litre articulated tanker. It also confers significant status, kudos and higher pay. The ADR part (International Carriage of Dangerous Goods by Road) covers the petroleum license and requires a separate test, which means that not all Class 1 drivers are permitted to drive a tanker. Class 2 drivers are only permitted to drive a rigid truck (up to a 4-axled / 8-wheeler commercial vehicle),

whilst a Class 2 driver with an ADR, can drive an equivalent sized rigid petrol tanker.

It's not entirely clear how many tanker drivers the industry is currently short of and, even more pertinently, it's never been made public just how many petrol stations were running short of fuel, before panic buying set in and created the 'crisis'. What we do know is that, in the final week of September, BP announced they were struggling to replenish a handful of sites in the South of England and a tanker driver shortage was the reason given. In fairness to the media outlets that reported on this story, petrol stations in the UK rarely run out of fuel (if ever) and this probably justified running the articles. However, the whole thing soon became a national circus as queues of panic buyers started clogging up highways around forecourts, filling multiple jerry cans, fighting with each other, and even following mortar trucks in the mistaken belief that they were carrying fuel...

Over a period of around 5 days, fuel liftings across the UK increased by 500% and the reality is that no supply-chain (however efficient) can cope with such an uplift in demand, in such a short period. This is particularly true in the petroleum sector, where high prices and even higher government duty rates, mean that a single 38,000 litre tanker load has a value of well-over £40,000. With such huge inventory costs, storing excess fuel is ruinous for cash-flow and this, in turn, means the petrol station world runs the mother of all 'just in time' delivery models. With 8,500 petrol stations in the UK, selling around 700m litres per week, circa 2,600 tanker deliveries are required every day. Multiply that by 5 to reflect the 500% uplift in volume and it is fair to say that the 150 or so army personnel that were deployed, were always unlikely to have a significant impact!

Predictably enough, the situation soon calmed down. Once everyone had filled up, there could be no more demand – jerry cans aside, you can't fill a car twice! Which leaves a big question mark over whether the whole thing was the result of a genuine tanker driver shortage or simply an example of excessive panic buying. There is little debate that general haulage (i.e., non-petrol) is experiencing acute

labour shortages. Pre-pandemic, 10% of non-fuel drivers were EU citizens and, when covid hit, many of them went home, never to come back. They got different jobs and then found it more administratively difficult to return to the UK in a post-Brexit world. This state of affairs with overseas drivers was further compounded by new IR35 tax rules on domestic drivers, which removed the beneficial tax status of 'self-employment' and led many older UK drivers to hang up their haulage boots once and for all.

"THE MOTHER OF ALL 'JUST IN TIME' DELIVERY MODELS"

But neither of these factors affect tanker drivers. Self-employed status is virtually unheard of in the petroleum sector and the UK industry has never had high numbers of EU nationals. Portland's view is that there was a minor shortage of tanker drivers post-summer, when desperate general haulage firms started to offer whopping salaries, juicy bonuses and eye-watering 'golden hand-shakes' ("if you join us, we'll pay you £5,000 immediately").

That was enough to turn some heads in the tanker world and, perhaps for the first time in modern history, a number of Class 1 ADR drivers crossed over to the previously unglamorous world of ordinary lorry driving.

That in itself was still not enough to create the scenes we witnessed in October though – I'm afraid they were down to panic buying, pure and simple!

For more pricing
information,
see page 22

Portland
www.stabilityfromvolatility.com



Winter is coming.

But don't let that leave you feeling cold.

Harvest Energy is one of the largest and fastest growing independent fuel suppliers in the UK. As a supplier of Kerosene we can be flexible, competitive and you can be confident of delivery. With Kerosene supply now available at Dagenham, Grays, Jarrow and Grangemouth you can rest assured your customers will be kept warm this winter.

Kerosene available at: Dagenham | Grays | Jarrow | Grangemouth

Sales Hotline:

+44 (0)1932 843 354

harvestenergy.com



A member of the Prax Group



A review of COP26 – the key ‘take-aways’

Amidst all the hype, ‘blah-blah-blah’, hard negotiating and compromising at the recent COP26 climate change conference in Glasgow, there were really four key areas for which the issues needed to be addressed, commitments made and actions to be pursued agreed. These were:

- **Cars:** To agree a timescale for ICEs to be phased out in their entirety
- **Cash:** To agree the requisite funding to be made available to developing countries, especially those most vulnerable to the effects of climate change, to facilitate their adaptations / preparations
- **Coal:** To agree a timescale for the phasing out of this fossil fuel as an energy source
- **Trees:** To agree a timescale for the complete discontinuance of all deforestation activity

We will now seek to summarise what can be seen as the principal outcomes from the summit.

Cause for encouragement:

Coal & fossil fuels:

This was the first global climate deal which stated that fossil fuel consumption is a major determinant of climate change and formulated a plan to reduce the use of coal in power generation, with commitments to phase it out

from 23 countries. This was tempered by some of the largest consumers declining to sign up, including USA, China & Russia.

20 countries pledged to stop financing overseas fossil fuel projects, including USA, UK and Canada.

Some countries also committed to granting no new licences for oil / gas exploration and establishing an end date for production.

Forest Loss:

The ‘Glasgow Leaders’ Declaration on Forests and Land Use’ was signed by 137 countries (including Brazil!) and covers 91% of the world’s forests. A commitment was made to ‘work collectively to halt, and reverse, forest loss and land degradation by 2030’. This is backed by £14 bln of public and private finance.

Without any interim targets, on-going monitoring will be key, especially due to some ambivalent interpretation by both Brazil and Indonesia.

Emissions targets ‘ratchet’:

The deadline for countries to announce bolder emission reduction targets has been brought forward from the 2025 meeting to next year’s COP27, in Egypt.

There are potential ‘mitigations’ allowed

to ‘take in to account different national circumstances’, which could be invoked by both China and India on the basis that they’re doing all they can, mindful of the role of coal in their power generation sector!

The ‘ratchet’ also demurs from explicit reference to limit warming to 1.5C.

Methane emissions:

More than 100 countries, including the USA, committed to reduce methane emissions, which are 80 times more toxic as a GHG than CO₂, by 30% by 2030 vs. 2020 levels.

If fully implemented, it is assessed that this could curtail warming by circa 0.2C by 2050. Regrettably, China, India and Russia, three of the five biggest emitters, declined to sign up.

COP21 (Paris) rule book:

An agreement was reached over the ‘Paris rule book’, which established rules on how countries should fulfil the pledge, made at COP21 in 2015, to limit global warming and reduce GHGs.

A deal on carbon markets was also reached, allowing those who reduce emissions to better than their targets to sell offset credits to other countries, enabling them to get closer to their targets.

Agreement was also made on a transparency framework to standardise the format for reporting on targets and emissions.

Cash:

At the 2009 Copenhagen meeting (COP15), developed countries undertook to advance \$100 bln from both public and private sources each year from 2020 to assist developing nations to manage and adapt to climate change.

It was assessed funding was around \$20 bln short of that last year, and the pledge might not be achieved until 2023. Funding commitments by both Japan and the USA will enable the target to be met in 2022. Developed countries were requested to increase adaptation funding by 2025 to double that in 2019. Amounts pledged are assessed to still be around \$70 bln per year below what is required.

Need to do better:

Global warming:

The Paris, COP21, meeting established the imperative of containing global warming by the end of the century at a maximum of 1.5C vs. pre-industrial times. An analysis of the COP26 pledges covering measures over the next decade indicated that these would only contain warming by 2.4C, with existing policies resulting in +2.7C.

So, there’s a lot more to be done.



Cars:

A number of countries, urban centres and organisations undertook to phase out ICE cars & vans by 2040 and by 2035 in certain leading markets e.g. UK. Over 30 countries signed the ‘Declaration on Zero Emission Cars and Vans’ but this did not include several large economies, such as the USA, China and Germany. Similarly, while a number of the vehicle manufacturers , such Ford, GM, Volvo and Jaguar Land Rover signed up, VW, BMW and Toyota declined.

Loss / damage:

A proposal for a damages fund to assist poorer countries with losses arising from severe weather events, rising seas and other climate related

impacts was submitted by developing countries. This was opposed by the USA, who had the proposal watered down to provision of technical assistance but no money to fund any rebuilding.

The proposal will be submitted again at COP27 next year.

Elimination of coal:

Possibly the biggest disappointment of COP26 was the insistence by both China and India, who, respectively generate 60% and 70% of their electricity from coal powered plants, that the declaration on its future usage substitute ‘phase out’ with ‘phase down’

COP26 was never intended to deliver the full package of pledges required to contain warming to well below 2.0C by the end of the century nor to map out the country strategies to support these undertakings.

Rather, it should be viewed as one of several stepping stones to get there.

However, the current state of progress means that there is a very wide gap between where the world is, post-COP26, and where it needs to be in order to be able to achieve the

maximum 1.5C temperature rise.

This is against a backdrop where the world still needs oil and gas which means that one of the key challenges, still to be addressed, is how best to manage the transition out of these energy sources in a way that is consistent with meeting the 1.5C max. target

One of the imperatives for the success of this transition is the need for policymakers to get serious about the adoption of a global carbon pricing system- a compelling, but feasible, hurdle to be addressed as a matter of some urgency in the coming years.

ROD PROWSE, worked for 30 years across the full spectrum of the downstream oil sector, in both the UK and USA, which has included leadership positions in both retail and wholesale fuels businesses. Rod draws on his extensive knowledge of this global industry to bring us ‘Industry Insights’.

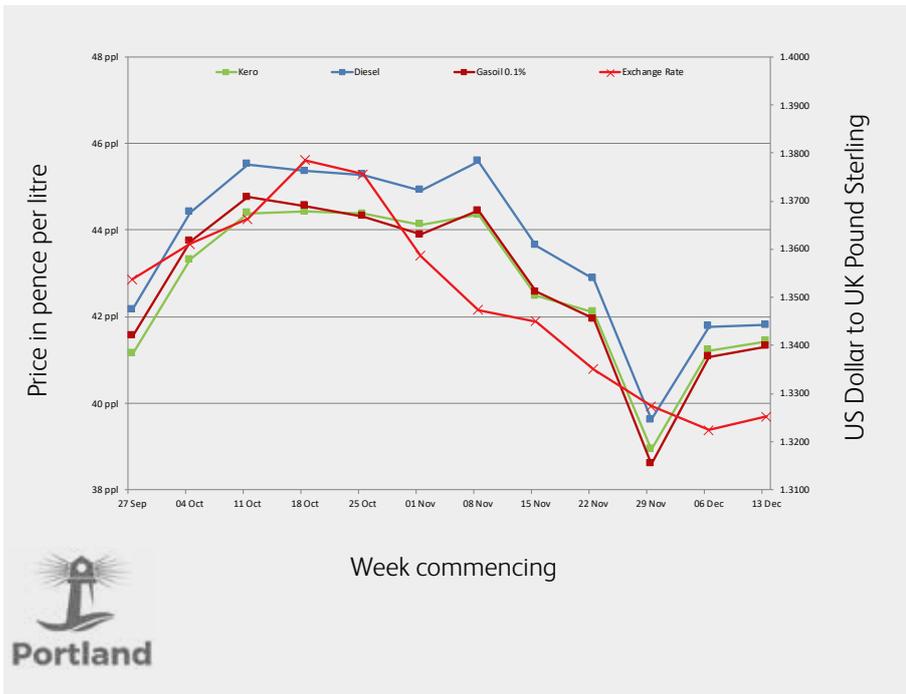


T: 01646 663300
 E: ukqueries@pumaenergy.com
 Milford Haven / Belfast / Westerleigh /
 Theale / Newport / London

Wholesale Price Movements: 19th November 2021 – 16th December 2021

	Kerosene	Diesel	Gasoil 0.1%
Average price	40.97	41.63	40.80
Average daily change	0.98	0.97	0.98
Current duty	0.00	57.95	11.14
Total	40.97	99.58	51.94

All prices in pence per litre



Highest price
43.80 ppl
Wed 24 Nov 21

Biggest up day
+1.74 ppl
Tue 07 Dec 21

Kerosene

Lowest price
37.97 ppl
Fri 26 Nov 21

Biggest down day
-5.56 ppl
Fri 26 Nov 21

Highest price
44.47 ppl
Wed 24 Nov 21

Biggest up day
+1.69 ppl
Tue 07 Dec 21

Diesel

Lowest price
38.77 ppl
Fri 26 Nov 21

Biggest down day
-5.40 ppl
Fri 26 Nov 21

Highest price
43.55 ppl
Wed 24 Nov 21

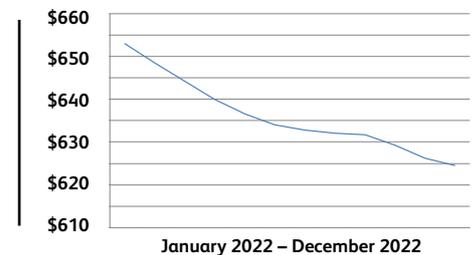
Biggest up day
+1.77 ppl
Tue 07 Dec 21

Gasoil 0.1%

Lowest price
37.89 ppl
Fri 26 Nov 21

Biggest down day
-5.36 ppl
Fri 26 Nov 21

Gasoil forward price
in US\$ per tonne



The Fuel Oil News Price Totem

	Trade average buying prices			Average selling prices		
	Kerosene	Gasoil	ULSD	Kerosene	Gasoil	ULSD
Scotland	43.98	55.68	103.71	50.14	59.49	107.77
North East	42.93	54.31	102.79	51.47	57.85	105.77
North West	44.50	56.91	105.18	50.43	60.24	107.85
Midlands	43.00	54.84	103.25	48.77	58.33	106.49
South East	43.10	54.80	103.23	55.01	60.89	106.04
South West	43.45	54.64	103.07	51.14	58.12	105.64
Northern Ireland	43.56	56.01	n/a	49.24	60.30	n/a
Republic of Ireland	57.32	61.44	104.65	62.66	65.07	107.96
Portland	41.31	52.36	99.94			

The price totem figures are indicative figures compiled from the Portland base rate using calculated regional variances.

Buying prices are ex-rack. Selling prices are for 1000 litres of kero, 2500 litres of gas oil and 5000 litres of ULSD (Derv in ROI). Prices in ROI are in €.

Wholesale prices are supplied by Portland Analytics Ltd, dedicated providers of fuel price information from refinery to pump.

For more information and access to prices, visit www.portlandpricing.co.uk

WELCOME TO JANUARY'S EDITION OF OUR SPECIAL MONTHLY FEATURE WHICH GIVES YOU THE OPPORTUNITY TO 'MEET' AN INDUSTRY FIGURE AND, HOPEFULLY, TO DISCOVER ANOTHER SIDE TO THEM BEYOND THE WELL-KNOWN FACTS.

WE CHAT WITH **NEIL RYDING**, RECENTLY RETIRED MANAGING DIRECTOR AT FUEL ADDITIVES SCIENCE TECHNOLOGIES LTD, WHO SPEAKS PASSIONATELY OF LIFE AND WORK AND, DESPITE, A VERY TRADITIONAL BACKGROUND, SHARES SOME SURPRISING RECOMMENDATIONS.

“KNOW WHAT YOU’RE DOING; ENJOY WHAT YOU’RE DOING; BELIEVE IN WHAT YOU’RE DOING.”

NEIL RYDING

Give your career history in 25 words or fewer.

Traditional. Engineering degree from Manchester. Graduate apprenticeship. Front-end engineering job on major chemical plant. International sales and business management serving the oil industry. Business owner-director.

Describe yourself in 3 words

Loyal. Conscientious. Perceptive.

What were your childhood / early ambitions?

All the usual: bus driver, fireman, pilot, scoring 100 for England.

Describe your dream job (if you weren't doing this?)

Golf course greenkeeper.

What's the best business advice you've ever received?

Don't listen to anyone who hasn't done it.

Share your top tips for business success

Know what you're doing; enjoy what you're doing; believe in what you're doing.

What's your most recent business achievement of note?

Keeping our staff safe and healthy during the pandemic whilst staying fully operational and continuing to make progress as a business.

Tell us your greatest fear.

Failure – however you define it.

Which is most important – ambition or talent?

Talent. Although, regrettably, we live in an age where talent and knowledge no longer seem to be advantageous.

What's the best thing about your job?

Knowing that we supply products and know-how with a high degree of efficacy and provenance without having to rely on half-truths to sell them.

Which is the quality that you most admire?

Resilience.

What are you most likely to say?

Let's be realistic.

What are you least likely to say?

I'll have that lovely salad.

Describe your perfect day

It is sunny and warm. I've played a round of golf on any of the Lancashire coastal courses. I'm

pottering in the garden with Test Match Special on the radio and looking forward to a long summer evening barbeque with family, friends and red wine.

Do you have a favourite sports team?

Any British/English national team and Penwortham Cricket Club.

What's the biggest challenge of our time?

Maintaining a stable and cohesive society.

Cheese or chocolate?

Both and sometimes together. Try it! Wensleydale and dark chocolate washed down with chilled cognac!

Share your greatest personal achievement

With my wife, raising four children who are all level-headed, contributing members of society.

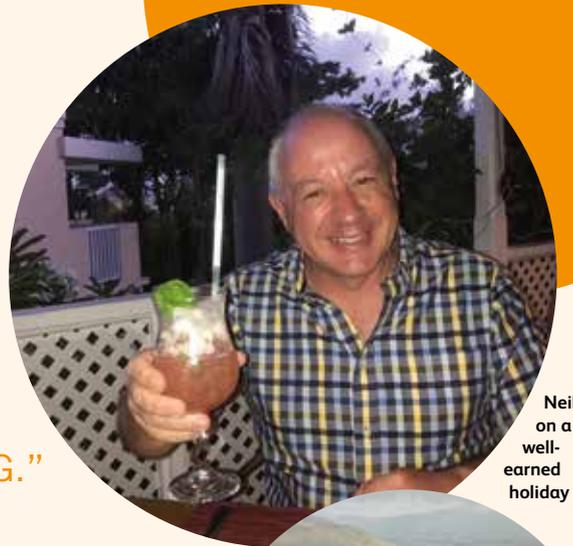
What's your pet hate or biggest irritant?

Dumbing down in all aspects of work and life. We should be striving for the best not accepting the average.

If you were on 'Mastermind' what would your specialist subject be?

BBC sports coverage in the 1970s and 1980s.

A shared favourite pastime – Neil with two of his three sons



Neil on a well-earned holiday



Neil escaping to the great outdoors



If you were elected to government what would be the first law you'd press for?

The introduction of a form of (non-military) national service.

If your 20-year-old self saw you now what would they think?

Well, that didn't go to plan!

What is number 1 on your bucket list?

An active and comfortable third age involving as much travel as possible.

What 3 things would you take to a desert island?

My wife. A permanently charged and connected iPad. The complete works of Peter Kay.

Tell us something about you that people would be very surprised by

I'm not really a grumpy old man – honest.

Who would you most like to ask these questions of?

According to my colleagues, anyone with a big enough ego!

Products & Services Directory

**EVERYTHING YOU NEED
TO PROTECT YOUR BUSINESS**

OAMPS

HAZARDOUS INDUSTRIES

Your insurance partners
in the fuel & oil industry

01372 869762 | www.oamps.co.uk

OAMPS is a trading name of Pen Underwriting Limited, which is authorised and regulated by the Financial Conduct Authority (FCA number 314493).
Registered Office: The Walbrook Building, 25 Walbrook, London EC4N 8AW.
Registered in England and Wales. Company Number: 5172311



eaprojects

Measurement & Metering Control

Complete liquid management

- ▶ Automated tanker loading
- ▶ Web based tank gauging
- ▶ Stock control systems
- ▶ Bottom loading skids and conversions
- ▶ Engineering design services
- ▶ Site maintenance

T: +44 (0)1629 815674

F: +44 (0)1629 813426

sales@ea-projects.com

www.ea-projects.com

exocet
FUELLING SOLUTIONS

**UNIQUE FUEL ADDITIVES
GIVING GUARANTEED RESULTS**

Automotive Marine Off Road & Static Domestic Industrial

Tel: 01743 761415
www.fastexocet.co.uk

cobo
Tankers & Services



**MARKET LEADERS
IN PETROLEUM ROAD
TANKERS**

Cobo Tankers and Services Ltd
C26 Josephs Well
Hannover Lane
Leeds
LS3 1AB

Main Office : 0113 3886400
Fernando Gomis : 07840 048 835
fgomis@cobotankersandservices.co.uk
Terry Morgan : 07712 871 786
tmorgan@cobotankersandservices.co.uk
Joby Clark: 07592 519 349
jclark@cobotankersandservices.co.uk

Whole Business Insurance Package for
Fuel Oil Distributors

- ▶ One Policy
- ▶ One Insurer
- ▶ One Payment
- ▶ One Renewal Date

Book your appointment now!

020 3907 1361



oilshield evergreen AVIVA

**FUEL & OIL CONTAMINATION,
SPILLAGES OR POLLUTION ?**

Bespoke investigative chemistry
of fuels & oils.
Identification of contaminants.
Determining causes of quality issues.
Characterisation of novel fuels.
Detailed analysis reporting.
Over 40 Years petrochemical experience.

SMS Analytical Ltd
0333 358 0037
www.smsanalytical.com



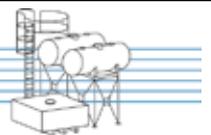
ALLIED
Storage Tanks Limited

- Shop fabricated storage tanks cylindrical or rectangular up to 200,000 litre capacity
- Site built storage tanks up to 5,000,000 litres capacity
- Refurbishment and demolition of existing site storage tanks
- Basement generator fuel tanks

- Self bunded tanks cylindrical and rectangular
- Offloading and installation of shop built storage tanks
- Bitumen bases, pipelines, insulation & cladding, access steelwork and ancillary equipment

Phoenix Works, Richards Street
Darlaston, West Midlands, WS10 8BZ

Tel: +44(0) 121 568 8166
Fax: +44(0) 121 568 8177
email: sales@alliedstoragetanks.co.uk



Fuel Oil News

Founded in 1977 by James Smith

01565 653283

www.fueloilnews.co.uk

Managing director
Nick Smith

Subscriptions

Annual subscription for the UK
& Republic of Ireland is priced at
£98 or €113 inc. p&p. Overseas:
£115 or €134.
Back issues: £8 per copy.

Published by

A&D Publishing,
Caledonian House, Tatton Street,
Knutsford, Cheshire
WA16 6AG
www.ashleyanddumville.co.uk

Fuel Oil News is sold solely on condition that:

(1) No part of the publication is reproduced in any form or by any means electronic, mechanical, photocopying or otherwise, without a prior written agreement with the publisher.
(2) The magazine will not be circulated outside the company / organisation at the address to which it is delivered, without a prior written agreement with Ashley & Dumville Publishing.
The publishers gratefully acknowledge the support of those firms whose advertisements appear throughout this publication. As a reciprocal gesture we have pleasure in drawing the attention of our readers to their announcements. It is necessary however for it to be made clear that, whilst every care has been taken in compiling this publication and the statements it contains, the publishers cannot accept responsibility for any inaccuracies, or the products or services advertised.
Fuel Oil News is printed on sustainable forest paper. © Ashley & Dumville Publishing. Printed by Stephens & George Print Group Tel: 01685 388888

A&D
PUBLISHING