

Fuel Oil News

APRIL 2021

THE BRAND ISSUE

OWN OR OIL COMPANY?

IN CONVERSATION WITH PHILLIPS 66





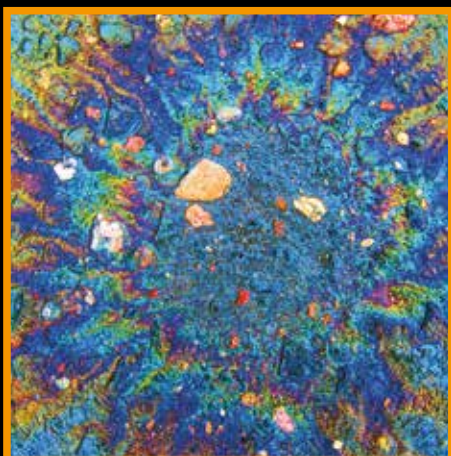
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The industry a year on

The publication of this, our April issue, marks a significant milestone coming, as it does, a year after we first entered a nationwide lockdown.

Initially thought to be a short-term measure to 'turn the tide' of the pandemic, the PM's declaration at the end of April last year that we had 'passed the peak' turned out to be hugely premature.

Some areas have fared better than others in the months that have since passed and several times we have seen the light at the end of the tunnel flicker briefly only to fail once again – extinguished in a way that the pandemic has seemingly reused to be.

Following on rather neatly from the theme of last issue's editorial – 'Accept the things you cannot change but change the ones you can' – our refusal to be overwhelmed by even the biggest challenges is no better demonstrated than by the incredible work that has gone into delivering an effective coronavirus vaccine.

At time of writing, the number of doses given this week alone is expected to top 4 million, putting the NHS an incredible 2 weeks ahead of schedule, with the total number of people

who have received the first dose a staggering 24,839,906.

Just today I received my own text inviting me to book and I'm delighted that I will be joining that number this coming weekend - just as this issue goes off to the printers.

With cases, hospitalisations and deaths all, thankfully, decreasing and with lockdowns beginning to lift, the vaccination programme, combined with the clear roadmap to an increasing return to normality, suggests that we can finally trust in a return to many of the things we have missed.

On the personal level those things will, of course, be different for each of us but, for the industry, the news that the Expo will go ahead in July, albeit in a new virtual format, is welcome news for us all.

It's been a very challenging year and many of you will have experienced some extremely tough times – both personally and in business terms.

Our sincere wish is for better times ahead for you, as individuals, and for the industry as a whole. We will continue to play our part in keeping this community informed and linked through these pages.

Fuel Oil News

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

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On the cover

Our cover features a tanker liveried with the instantly recognisable Greenery brand. We hear the thoughts of Caroline Lumbar, Greenery's UK trading director, as part of our in-depth look at the evolution of industry brands on pages 11 to 13 as well as getting to know Caroline better in 'In Profile' on page 23.



In this issue

In 'Diversification Corner' on page 9 we hear how a brand is evolving to reflect the ways it has diversified as it keeps up with changing industry needs and, on pages 16 & 17, we are 'In Conversation' with Phillips 66 Limited to understand more about the development of the company's brand positions and values.

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UKIFDA EXPO 2021 goes virtual

The organiser of the liquid fuels distribution industry annual event, UKIFDA, is delighted to announce that, for the first time in its 40-year history, EXPO will go virtual. Centre stage at the event, which will take place on 7th and 8th July 2021, will be given to the industry's Future Fuels initiative.

In addition to the new format and emphasis, UKIFDA has also announced that the headline sponsor will be industry titan Phillips 66 Limited.

UKIFDA's new chief executive Ken Cronin says:

"Having discussed this widely with our exhibitors and our members, it was clear that holding a physical event this year was shrouded with too much uncertainty. To expect commercial decisions to be made on such a basis would be grossly unfair. The safety of everyone has to be paramount.

"The EXPO has been running for more than 40 years and is the pivotal event for the liquid fuels distribution industry. In keeping with the spirit of EXPO we wanted to hold an event and do something bold which would be accessible to everyone and would bring people together to meet and discuss the important issues of the day bridging the gap between now and when we can meet safely.

"It is also fantastic to reveal Phillips 66 Limited as our headline sponsor. Phillips 66 has been a major part of UKIFDA EXPO for a large part of our history and we will be working closely with them to make this event a great success. I am also delighted at the strong response we have had from everyone in the pre-marketing of

this event.

"Given everything we're doing as an industry to contribute to the Government's Net Zero target – with the investment we're making in, and the campaigning for the inclusion of, renewable liquid fuels – this is an exceptionally important year for our industry and our customers and why we have decided to focus on Future Fuels."

Renee Semiz, managing director, UK Marketing, Phillips 66 Limited:

"We are thrilled that, despite the unprecedented challenges of the last 12 months, UKIFDA EXPO 2021 is going ahead and we are proud to be the headline sponsor. Operating excellence, environmental stewardship and social responsibility sit at the very heart of Phillips 66 and we look forward to the opportunity to be part of a key event in our industry's calendar that is shining a light on the Future Fuels initiative."

An exciting new format

UKIFDA membership and events manager Dawn Shakespeare adds:

"We have already secured the services of a leading event platform provider to ensure success and the best possible virtual experience for exhibitors and visitors alike.

"The social nature of the annual UKIFDA EXPO is key and will be a big part of the new virtual version, which will have a dedicated exhibitor area. This area will provide the ability for exhibitors to display pictures, videos and leaflets, as well as organise events, presentations and announcements, and to hold meetings



with interested parties. There will be an entirely separate conference section with the ability to hold presentations and to engage in interactive Q&A sessions.

"Day 2 of the event will be focused on what the future of the industry looks like and will be fully devoted to the Future Fuels Project. There will be opportunities for exhibitors, members and delegates alike to discuss and showcase the transition to low carbon liquid fuels."

"This year's virtual UKIFDA EXPO will provide the industry with the connection it needs – and will bridge the way to when we hope to host a physical EXPO once more in April 2022 at the Exhibition Centre Liverpool.

"We hope as many exhibitors and visitors as we normally attract to our annual exhibition will support us this year and join us online for what promises to be a highly rewarding two days of exhibits, seminars, presentations, announcements, meetings, networking, Q&As, and more.

"We're excited about our decision to go virtual this year and can't wait to connect with everyone online on 7th and 8th July."

For more information or to book an exhibition space or one of the remaining sponsorship packages, you can contact Dawn Shakespeare, UKIFDA membership and events manager, via email: ds@ukifda.org or, alternatively, visit the show website www.ukifda.org/ukifda-expo/ to register to attend.

WP Group on the road to a more sustainable future

Southampton-based fuel supplier WP Group is fuelling change for a cleaner, greener future by moving its own fleet over to the more sustainable Esso Diesel Efficient™ fuel, as it has shown to be not only more efficient than standard diesel fuel, but also more cost-effective and improves the carbon footprint of the vehicles that use it.

The fuel delivers lower CO2 emissions, resulting in cleaner air quality. Compared to standard Esso™ diesel, the Esso Diesel Efficient™ fuel helped reduce Nitrogen Oxide emissions by an average of 10 per cent and carbon dioxide emissions by an average of 2.8 per cent.

Independent tests also showed a reduction in fuel use of 2.8%, amounting to 28 litres of fuel saved for every 1000 litres purchased and a saving on the business fuel bill.

Mark Clouter, business development sales manager at WP Group, said:



"We've seen the benefits that this additised fuel can deliver and have switched our own fleet to run on Esso Diesel Efficient™ fuel to support our company's sustainability in the future.

"We offer a comprehensive selection of fuelling solutions, from ISO standard diesel to HVO. And, importantly, we work with our customers to ensure, whichever fuel they use, it is used in the most efficient way possible.

"Our own switch to using Esso Diesel Efficient™ fuel in our fleet is a small step but a logical and significant one towards fuelling change."

Significant developments for the Prax Group

It has been a busy period for the Prax Group with acquisitions, appointments and additional funding. The first announcement was of the group's successful completion of the strategic acquisition of Lindsey Oil Refinery and its associated logistic assets, following the signing of an agreement in July 2020 to purchase the refinery from energy major Total. Alongside this acquisition came the announcement of an exclusive crude oil and feedstocks supply arrangement with Trafigura, a market leader in the global commodities industry.

Under the new agreement, Trafigura will use its extensive global reach in international oil markets to source the optimal range of crude oils and feedstocks for the refinery. Sanjeev Kumar, CEO of the Prax Group, said:

"This arrangement is an important step in the Group's plans for the long-term growth of the refinery and it will pave the way to further strengthen our long-term relationship with Trafigura. It will provide operational and planning flexibility, helping us to continue to deliver an excellent level of service to our customers."



Luc Smets, refinery general manager

new refinery acquisition. We're committed to supporting our customers by providing access to the best opportunities available in the global commodity markets."

Prax has also announced the appointment of Luc Smets as general manager of the refinery. With over 30 years of extensive operational experience across the oil and refining industries, Luc has contributed to the successful business growth and development of many organisations including ExxonMobil Europe, Exxon Chemicals, Esso Belgium and Esso Luxembourg.

Commenting on the acquisition and Luc's appointment, Sanjeev Kumar, said:

"We are delighted to welcome Luc to the Prax Group, and more specifically to Prax Lindsey

Jose Maria Larocca, executive director and co-head of Oil Trading for Trafigura, said:

"Trafigura is delighted to be working with the Prax Group following their

Oil Refinery. A natural progression for the Group, the acquisition provides the opportunity to integrate the refinery and its associated product flows into our UK distribution and retail footprint. With Luc's extensive knowledge of all aspects of both the oil and the refinery industries, I look forward to the Prax Group continuing to provide a secure supply of energy to new and existing customers."

Finally, Prax announced the successful completion of a USD750 million securitisation facility. Robin Edwards, chief financial officer of the Prax Group, said:

"This new source of funding is an important milestone for the Group and will provide it with a solid platform from which to execute its strategic objectives and to support its future growth plans. The launch of a new securitisation facility, particularly amidst the backdrop of a challenging economic environment, serves to highlight the strength of our business model, and the confidence that the securitisation participants have in our management team and our vision for the future. We are very appreciative of their support in providing this commitment to the Group."



Carbon doesn't have to cost the earth



Carbon Offsetting Fuel Sales with Portland: a pragmatic solution to decarbonisation for fuel distributors.

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Bigger loads, better efficiencies for Kinch Fuel Oils

By upgrading from its previous Isuzu 7.5-tonne fuel oil tanker to a brand new Isuzu 11-tonne tanker, Wiltshire-based Kinch Fuel Oils Ltd is benefiting from much greater additional payload using a truck that is compact enough to still access the many tight and restricted customer locations throughout Wiltshire and Gloucestershire.



The latest Isuzu F110.240 rigid truck to join the 12-strong tanker fleet at Kinch Fuel Oils is fitted with a 7000-litre tanker body, commissioned and

built by Road Tankers Northern in Barnsley. With a three-compartment tanker body for even weight distribution, this Isuzu tanker will be carrying mainly kerosene and a range of domestic burning oils to customers local to the company's Malmesbury base in Wiltshire.

"With the increase in fuel oil tank capacity available on the higher GVW Isuzu 11 tonner, we will now be able to cover up to 12 customer drops per day using this vehicle. Our previous Isuzu certainly gave us good service over many years but, by moving up the weight range, this has allowed us to become more operationally efficient," said Roy Kinch, director, Kinch Fuel Oils Ltd. Roy continues:

"The drivers of this new Isuzu have already confirmed how easy it is to drive in both urban environments and country lanes, as well as it being really manoeuvrable on site, allowing them to access properties with quite limited access."

Supplied by Bristol-based Isuzu truck dealer, AK Commercials, and supported by a seven-year R&M agreement, the tanker will be operational in the Kinch fleet for at least seven years, covering approximately 30,000 km per annum, distributing fuel oil to customers in the Wiltshire and Gloucester areas.

Fundraising campaign gets Rix Petroleum support

Grangemouth-based, Rix Petroleum (Scotland) Ltd has teamed up with the 'My Name's 5 Daddie' Foundation – a campaign launched by an ex-Scotland rugby star to help tackle motor neurone disease (MND).

The charity was set up by Daddie Weir OBE and close friends after the former international was diagnosed with MND in 2017. The organisation has two main objectives: to raise funds to invest in MND, and to support people living with the disease and help them live as full a life as possible.

Gail Fawcett, Rix Petroleum business unit manager at its Grangemouth depot, is confident the company can support the organisation by raising a significant sum. She said:

"My Name's 5 Daddie is such a worthwhile cause, we want to do them proud. We're planning a lot of activities that we can do despite Covid. We're determined that won't hamper our efforts."

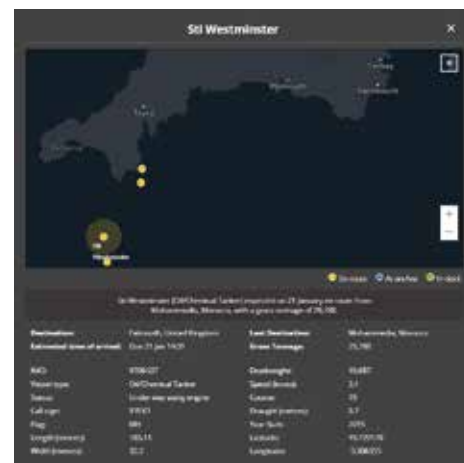
Mark Cessford, general manager at the fuel firm's Montrose base, said:

"Doddie Weir OBE is a national hero in Scotland and a household name to rugby fans across the world. So, when he announced he

had been diagnosed with MND, it really brought home that developing this awful condition can happen to anyone.

"As someone who has followed his career, I admire the way he has brought as much grit and determination to his personal fight and to the Foundation as he did his rugby. Naturally then, when it became time for us to choose a charity to support, this was top of our list."

To help the charity, Rix Petroleum has created point-of-sale material for its depots to inform customers and is also putting together a range of Covid-friendly fundraising events and aims to raise money at any agricultural shows that go ahead in 2021. The company has also taken its support of the foundation on the road by displaying branding on the back of a tanker to help spread its message.



Valuable insight offered by new Port Report service from OMJ

The Oil Market Journal (OMJ) has launched a series of new dashboards which provide full details on oil tankers en-route, in port and at anchor in ports around the United Kingdom and Ireland.

Updating in real-time, the service details any tanker in the world which has set its destination to a port in the UK and Ireland. It also provides full details on the gross tonnage of the cargo and other data including estimated time of arrival, last destination and status.

Within the OMJ Port Report dashboards clients can click on a tanker report and a pop-up will provide a map detailing the current location of the tanker along with details on other tankers in dock or heading to other ports listed on the dashboard tile. Clients are also able to edit the service to their own individual requirements including the country, port, type of tankers and/or tanker status.

Advantages of insight

"The service enables oil distributors to ascertain when a tanker is en-route to a port and is especially useful during periods of "tight supply" when product is on allocation," explains Ian Moore, director OMJ when asked about the advantages offered.

"The data shows users when the tanker has arrived and, as a result, users will know that product will soon be available again at the oil terminal."

Free trials are available via OMJ's support team.

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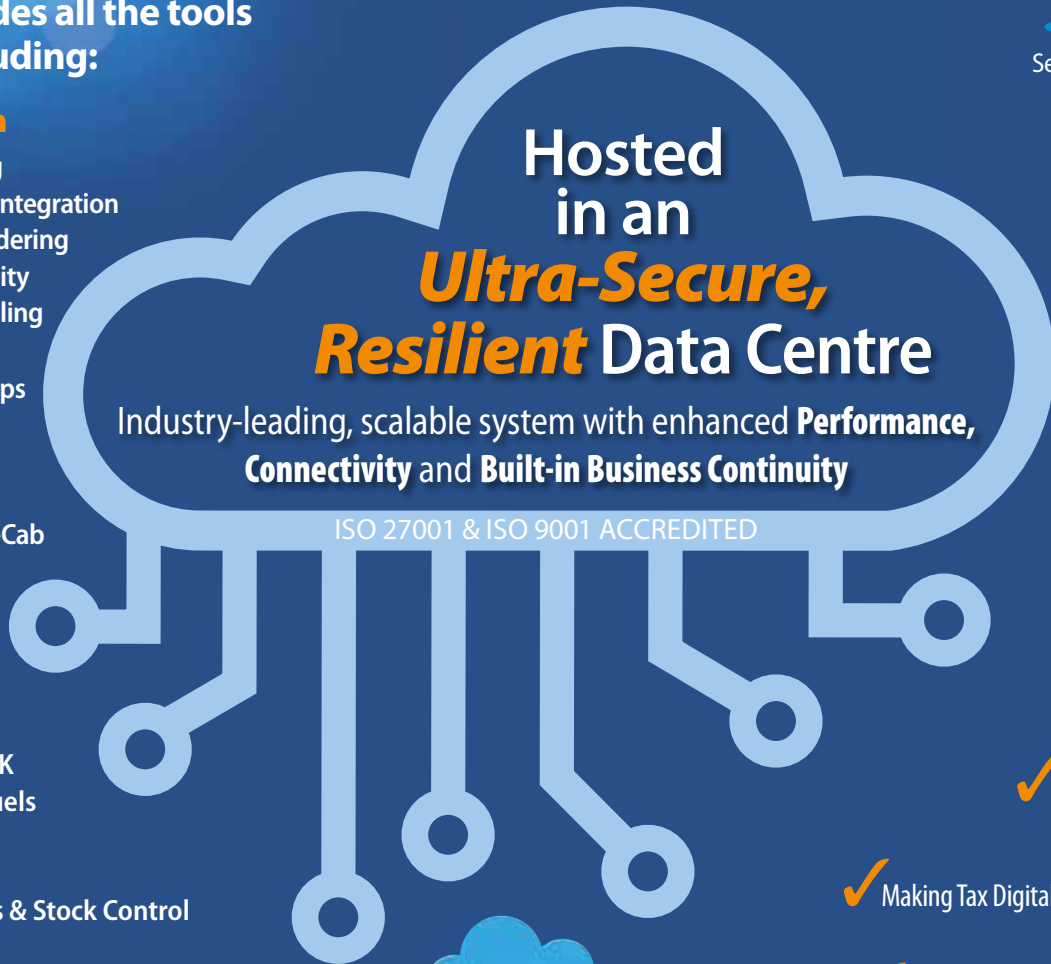
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A brand evolving to reflect diversification

In an issue where we consider the importance of brand, we take a close look at one company that has undergone a major brand evolution to reflect its diversification.

Exolum is the new brand name chosen by the CLH Group to strengthen the identification of the company with its future aims which are focused on adapting its business to decarbonisation and the energy transition, the digitalisation of activities and the fight against climate change.

The new brand focusses on innovation, diversification and sustainability, and Exolum is the single brand name that the group will use for all its business, present and future.

Diversifying to adapt to a changing environment

This rebranding is due to the need to adapt to the new environment and to transform the company itself which, in addition to carrying out oil product storage and transport activities in Spain, has embarked on an international growth process and is now present in 7 other countries. The group has expanded its activity to the storage, management and transportation of liquid products, especially chemical products, operating in new sectors such as eco-fuels, the circular economy and the development of new energy vectors.

In recent years, the CLH Group has experienced a series of notable changes, mainly focused on sustainable diversification, both in relation to the geographical areas where it operates, and also of the services offered to customers, over and above hydrocarbon logistics. As a result, it became necessary to renew the brand and align it with this new era of the company.

“We want these initiatives for diversification and adaptation of the company to be aligned with the new challenges of the sector with a change in our corporate identity that reflects our growth and leadership,” explains Jorge Lanza, CEO of Exolum. “This brand reflects the transformation process that we are going through internally, to align with the company’s new business models and transmit our company values. These values

are innovation and trust, reflecting the open and flexible way that we face the future, promoting new business opportunities committed to the development and sustainability of the planet.”

The new name, simple but modern, shows a spirit where innovation is the key. The brand is easily recognised in any language and the company will use this one name for all its business, both in Spain and in the six other countries where

it currently operates (United Kingdom, Ireland, Germany, Netherlands, Panama and Ecuador – in Oman, it will continue to operate with the joint venture OQ Logistics) thus reinforcing the global identity of the group and creating a great brand that is sound, international and unifying.

This is the company’s third name with the original having been Campsa and, from the early 90s, CLH. These brands were closely linked to the hydrocarbon sector and enjoyed considerable prestige among customers and professionals, with values such as quality and guarantee of supply.

“This new brand is another milestone on our journey and renews our commitment to our customers and to society as a whole,” affirms Jorge Lanza. “We understood that this was the natural step we had to take in the setting of our commitment to the international expansion and diversification of the business.”

With Exolum, the company sets itself a challenge to maintain the same level of recognition as its previous brands, extending it to the public at large, adapted to meet the aim of the company: “We create innovative solutions to improve our world”.



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Evolving brands in a transitioning industry

WITH THE ENERGY TRANSITION PICKING UP PACE, AND COVID FORCING THE HAND OF MANY TO ADAPT COMPANY PROCESSES AND WAYS OF WORKING, WE SPEAK WITH PRODUCERS, DISTRIBUTORS AND SUPPLIERS IN OUR INDUSTRY TO SEE WHAT IMPACT THIS HAS HAD ON THEIR BRANDS, THE WAYS THEY COMMUNICATE WITH, AND MARKET TO, CUSTOMERS AND WHAT THIS SAYS ABOUT THE INDUSTRY AS A WHOLE.

In an industry that has been around since the mid-1800s, there are many long-established brands that have become nothing short of household names – not just for those in the know but within society in general. What's interesting to consider is how these brands are now adapting in response to rapidly evolving attitudes towards climate change and the UK's net zero ambition and the part in this that these industry brands are perceived to play.

Take BP for example: Once the embodiment of oil production, its CEO, Bernard Looney, is rapidly becoming the industry face of the energy transition. Although he is the first to say that fossil fuels are payrolling the transition, the company has taken significant steps to be seen to be aiding the journey to net zero from an industrial viewpoint. In fact, BP's published statement of purpose – 'We want to help the world reach net zero and improve people's lives' – positions them a long way from the 'dirty oil' image of the past.

Commenting on the brand positioning statement for Phillips 66, 'Providing energy. Improving lives', Mark Todd, wholesale business manager explains:

"We believe that customers recognise and appreciate our traditional values. Phillips 66's core values are safety, honour and commitment, and we stand by our word – you can count on us to do the right thing, always.

"We strive to be the supplier of choice for our customers. We really value our customer relationships, and we build relationships for the long-term, with an honest and open approach. We know our customers value great service and commitment, so that is what we aim to achieve." We talk further with Mark about Phillips 66 in our 'In Conversation' on pages 16 and 17 of this issue.

There are companies in the sector who have not had to make such seismic shifts in their brand positioning with many evolving over



time and already featuring, or looking towards adding, more sustainable solutions to their product portfolios.

In business for over 25 years, Greenenergy's growth has come from its ongoing commitment to innovate, allowing the company to reliably deliver low-cost, quality fuels to its customers. As Caroline Lumbar, UK trading director at Greenenergy explained:

"Originally established to supply low emission diesel because of its significant air quality benefits, the Greenenergy name dates back to then, and remains core to the company's values as it continues to invest in renewable transport fuels that reduce carbon emissions."

Greenenergy now has over 25 supply locations across the country, including nine owned-stock managed terminals on the Thames, Teesside, Clydebank, Cardiff and Plymouth, and has built its brand on providing customers with industry leading supply resilience and best in class customer service.

Changing brands

In the past 12 months, COVID has had many different impacts on the industry, including the ways in which brands have been communicating with customers. Marketing of products and

services has largely moved online and, with customers being increasingly used to instant information, services and communication, companies are turning to technology to help. As Gemma Hogg, general manager at WCF Fuels North West, previously told us:

"Over the last few years, we have seen more of our customers ordering online and communicating through channels such as Whatsapp and Messenger. As such, we are constantly looking for opportunities to improve customer service through further digital transformation projects."

Janet Kettlewell, President of UKIFDA and owner of Kettlewell Fuels alongside her husband Trevor, has also commented on how digital communication with customers is growing in line with demand:

"Social media enables us to develop conversations and contact with customers in a way that is simply not possible on a telephone call in normal working hours. It also provides the opportunity to expand upon key messages, develop stories and be much more personal with the audience, which is welcome in communities like ours in North Yorkshire.

"Telephone ordering and engagement is, and will remain, a vital element of the

communication process. It's often the only opportunity to have direct contact with the customer and it allows us to build a personalised customer relationship."

The quickening pace of the energy transition has also impacted and we have seen a steady transition from traditional fuel oil brands to cleaner, greener representations.

When asked about the move towards sustainable alternatives, Greenergy suggested that the most effective way to reduce carbon emissions for existing transport fuels comes from the blending of biofuels into petrol and diesel. Being the UK's largest manufacturer of waste-based biofuels, with two plants in the UK and a third in Amsterdam, Greenergy is continuing to expand and invest in renewables, both through incremental investments in biodiesel manufacturing operations, and through investments in advanced biofuel projects, such as converting waste tyres to development fuels.

Caroline Lumbar explained:

"Greenergy's growth has come from our unwavering commitment to supplying low-cost, reliable fuel and being the easiest people to deal with. As we continue to invest in our operations and renewables, we are ensuring we are best positioned to adapt to changing customer preferences for lower carbon alternatives in a reliable and cost-effective way."

When summarising Valero's brand, Mike Lewis, VP product supply, also focussed on sustainability:

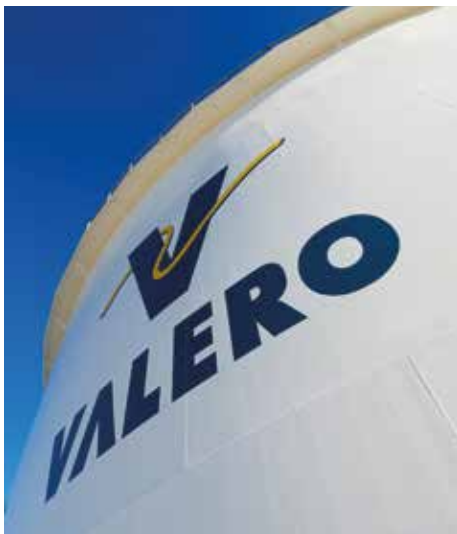
"The world requires reliable, affordable and sustainable energy and Valero sees this as an opportunity. We are committed to advancing the future of energy through innovation, ingenuity and unmatched execution.

"We believe that proactive and consistent dialogue with stakeholders helps us address environmental, social and governance priorities, which enhance our business. We make clear our commitment to sustainability and annually publish a Stewardship and Responsibility Report and our Sustainability Accounting Standards Board Report."

Janet Kettlewell, announcing her excitement about the work currently being undertaken to provide customers with a, soon to be released, sustainability proposition, said:

"The move to alternative solutions is going to play a key role in reaching government decarbonisation targets. We are supporting the UKIFDA position and like other members we are investigating new product opportunities.

"At Kettlewell Fuels, we view it as part of the natural evolution of business to adapt and adopt new technology and sustainability measures. This contributes to being able to



provide our customers with a service that is in line with many other market sectors.

"Right now, we are developing our customer sustainability proposition. We also take a very proactive approach to informing our customers about how they can contribute to fuel efficiency through our regular e-newsletter, 'how-to' videos and social media activity."

Chris Bicknell, managing director of HomeFuels Direct commented on the success of a new carbon offsetting programme currently being marketed at customers:

"This has had an impressive uptake in the first few months since we launched it, and there are many more 'green' products and services in the pipeline."

A necessary evolution

There are many reasons why a brand may evolve and be marketed differently. It may come as a result of acquisitions, consolidations, additions to a product portfolio or as a direct result of customers' changing needs. Considering brand evolution at Kettlewell Janet commented:

"Kettlewell Fuels has always had a clear and straightforward message with a good reputation in the North Yorkshire area we serve.

"About five years ago, we decided to implement a brand review. This was mainly driven by market consolidation and an increase in product and price competition. It was the right time to improve our brand position and messaging to give us a strong and consistent brand for the future."

Commenting on the company's five primary brand values, Janet continued:

"Our brand values guide and influence everything that we say and do. They really are integral to our processes and how we function daily, reflecting our personality too.

"As a truly independent business, delivering

an outstanding service matters and so each value is very customer service focused, which we know our customers appreciate."

Mike Lewis comments on how Valero's customer base influences its core values, and vice versa:

"Because we have close and collaborative relationships with our Valero and Texaco customers, we receive continual constructive feedback that enhances our service in order that it meets our customers' business needs. This gives us flexibility to respond quickly to changing conditions and to ensure they continue to meet their customers' needs in turn. For example, in December we completed the roll out of the DTN TABS terminal automation system that gives real-time information and notifications to customers, allowing them to forecast more accurately and better manage their inventory. Our flexibility and ability to respond reinforces our brand values; something we could not achieve without the close relationships and feedback we receive from our customers."

Similarly, Martin Cook, managing director, Mabanft commented on how customer surveys are carried out every year to ensure that the company is delivering on customer requirements and to see whether there is any room for improvement:

"Customers can score how we are performing in key areas that are of importance to them, such as reliability of supply, accuracy of invoicing, efficiency at the terminal and customer service. We always listen to their feedback and act on their suggestions. In fact, customers have influenced some of the developments on Mabalive such as online bidding which we are looking to roll out in the near future."

For companies selling online, creating a clearly recognisable customer-facing brand is integral to success. Christopher Bicknell commented:

"HomeFuels Direct was established in January 2008 with the intention of providing a service that is tailored around the consumer. The aim was to create a convenient way to order heating oil 24/7 whilst remaining extremely transparent with pricing.

"We have a superb product and an excellent website to support what we do. The opportunity for growth into the national marketplace became apparent, and in order to help us achieve continued growth we developed our brand further with the addition of an animated character, 'Ollie'. This became the brand ambassador for, and face of, HomeFuels Direct, helping us to clearly communicate with our customers in the digital realm."



Trusted and valued brands

Commenting on the importance of brand reputation, Mike Lewis, Valero, said:

“In the UK and Ireland we operate under the Valero brand, selling fuel to distributors and resellers, aviation fuel to airlines, and to retailers who sell under the Texaco brand to consumers. The Valero brand has only been in the UK and Ireland for ten years, but in that time has established a reputation for security of supply from Pembroke refinery, reliability, supported by its extensive distribution network, and supplying quality fuel. The Texaco brand has a long heritage in the UK and Ireland spanning over 100 years and has a strong reputation for quality fuel amongst consumers. In addition, since moving into the UK and Ireland and marketing fuel under the Texaco brand, Valero has enhanced the brand by giving retailers a ‘best-in-class’ service, supported by a dedicated and proactive Valero team.”

Again confirming the importance of having the customer at the centre of the company’s focus, Janet suggests some aspects of Kettlewell Fuels that customers value the most:

“Internally, we call it the ‘Kettlewell Cuddle’ and whilst we most certainly do not go around cuddling our customers, we want our customers to feel taken care of.

“At every interaction, our brand presentation and messages match our actions, as we manage and service our customers. Any changes that we make are gentle, evolutionary changes. Once agreed, and depending on



what’s altered, we select the most appropriate channels to get the message out there.

“Our amazing team is something we are very proud of. Every one of our employees is a brand ambassador and is excellent at conveying our brand at every opportunity, to customers, stakeholders and all our contacts including our social media friends, followers and fans.

“And, while technology plays much more of a role, the drivers are also an important touch point – they get to see and have face-to-face contact with our customers. The drivers are a critical part of the frontline face of Kettlewell Fuels.”

Chris Bicknell said:

“We regularly receive positive feedback from customers who value the transparency of our prices, and how quick and simple it is to purchase their heating oil. We accept that heating oil is not a purchase that people get excited to make, but it is a necessity – so as well as making it as seamless as possible we try to make it as interesting and enjoyable as we can – with a little help from Ollie!”

Valero also shares its own feedback from customers:

“Feedback from Texaco-branded retailers shows they value Valero’s security of supply from our refinery in Pembroke, our highly competitive dealer offers, an industry leading delivery service that includes auto replenishment, our Star Rewards loyalty programme – the UK’s most rewarding fuel loyalty programme – and the reassurance of the backing of Valero, one of America’s largest independent refiners.

“Valero’s adaptability to respond to changes across the industry is a key factor for our Commercial and Aviation customers, as well as continued investment in our extensive terminal network and logistics that ensures security of supply. They have also told us that they value the support they receive from their dedicated business managers and our internal support teams, backed by our strong customer offering.”

Whilst each company we have spoken to has found its own approach to evolving its brand over time and ensuring customers have a clear understanding of it, there is a consistent message that runs through all of it. It is clearly hugely important not just to have a clear brand position but to consistently demonstrate it.

It seems that the ability to maintain strong communication and customer relations as the industry evolves is key to success and will continue to be critical to future success – whatever that future may look like.





Water contamination in fuel a solution to the problem

One of the industry's perennial issues is the problem of water in fuel and the side effects of such contamination. The difficulty for those supplying fuel is that the end user can mistake the resultant issues such as sludge blocking filters and injectors or low fuel economy as a problem with the fuel quality, causing them to question what they had delivered.

Within the industry it is, of course, clear that the quality of fuel at the time of delivery is not the issue. A major problem is what happens in the end user's onsite storage tank over time. Since the hygroscopic nature of the bio content in today's diesel attracts water in the tank, tank owners need to deal with water contamination to avoid it becoming problematic.

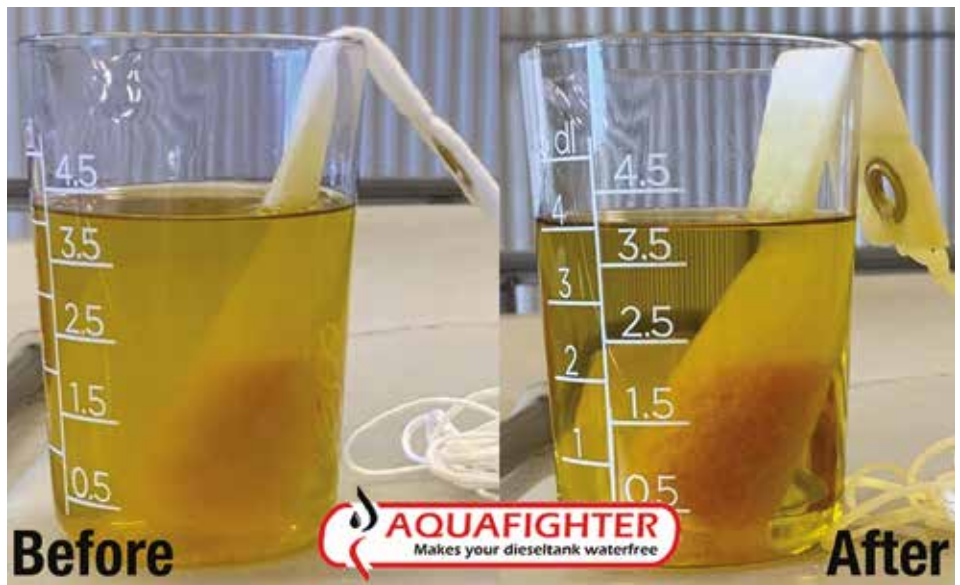
We spoke with Rob Terry, technical director for Centre Tank Services (CTS), to understand more about the problem of water contamination and to hear about a cost-effective solution that CTS has developed to enable distributors to work with their customers to avoid the problems.

So, what is meant by a complete solution to the issue of water in fuel?

Water in diesel can manifest itself in different ways. Most diesel users are already aware of free water – the visible layer that sits at the bottom of the fuel tank - and most tank owners see the benefit of a filter on their tank, but Rob highlights to us how this does not solve the entire problem as it fails to deal with suspended and emulsified water content. He goes on to explain how the CTS range of Aquafighter absorbers has been developed as a complete solution to water contamination in fuel.

"Suspended water is bound to the fuel molecules, making it appear cloudy. As diesel becomes so full of water that it can hold no more, it can start dropping free water out," Rob explains. "As the suspended water in the fuel passes through pumps and filters, it can become completely emulsified, turning diesel from cloudy to milky.

"Whilst typical fuel filters do a great job of removing the free water layer from the bulk tank, once their cellulose medium has some dirt caked onto them, their coalescing ability is limited. However, the special polymer inside the



Aquafighter absorbers efficiently removes all types of water contamination down to 70ppm, exceeding the requirements of EN590 diesel fuel standards."

What evidence is there that Aquafighter does just this?

"The efficiency of the Aquafighter absorbers has been tested over 7000 times by two of the largest fuel producers in the world, where

in every test sample, the results show that Aquafighter removes bound water to less than 70ppm," Rob tells us. "An additional test of B7 diesel at the renowned Saybolt Laboratories in Sweden showed 100% efficiency to less than 64ppm and after more than one week exposure, as low as 40ppm. The untreated sample tested at 363ppm.

In a very encouraging case study, one of the biggest fuel companies in the world also used Aquafighter exclusively to clean more than 1.7 million litres of water-logged fuel which would have otherwise been disposed of. By using Aquafighter, the company managed to save 90% of its fuel which was then returned to the fuel station to be sold at retail.

A range of easy-to-use solutions

The Aquafighter range means that there is a solution whether the customer is a farmer with a piece of agricultural machinery sitting with fuel in the tank until next season, a 2000litre plastic tank or a 10,000litre bulk storage tank.

"The beauty of the Aquafighter is that the end user can simply add the absorber to the largest opening in the tank themselves and easily retrieve and replace it when it is full," Rob explains. "Fuel suppliers could offer it to customers alongside fuel, to keep the stored diesel as clear and bright as it is when it is first delivered."



Pioneering future fuels.

Our Humber Refinery was the first in the UK to make renewable fuel from waste oil and we remain at the forefront of research and development into next-generation fuels.



PROVIDING ENERGY.
IMPROVING LIVES.

In Conversation with Phillips 66 Limited

IN THIS, OUR 'BRANDING AND MARKETING' ISSUE, WE CONSIDER HOW COMPANIES IN THE SECTOR HAVE ADAPTED AND EVOLVED THEIR COMMUNICATION STYLES AND BRANDING IN RESPONSE TO MARKET DEVELOPMENTS, THE ENERGY TRANSITION AND, MORE RECENTLY, COVID-19. HERE, **MARK TODD**, WHOLESALE BUSINESS MANAGER FOR PHILLIPS 66 LIMITED, SPEAKS IN DEPTH WITH CONTENT EDITOR, STEPHANIE SAMUEL, ABOUT THE BRAND POSITION AND VALUES OF PHILLIPS 66 AND JET AND EXPLAINS HOW, FOR THEM, WITH CLEAR COMMUNICATION BEING MORE IMPORTANT THAN EVER, CONSISTENCY IS KEY.

The supplier of choice

Commenting on the brand positioning statement for Phillips 66, 'Providing energy. Improving lives', Mark explained:

"We are excited about the future of energy, and we are hard at work on advanced engineering, sustainable technologies and future innovations that will allow us to continue to responsibly provide energy in ways that improve lives.

"We believe that customers recognise and appreciate our traditional values. Phillips 66's core values are safety, honour and commitment, and we stand by our word – you can count on us to do the right thing, always.

"We strive to be the supplier of choice for our customers. We really value our customer relationships and we build relationships for the long-term, with an honest and open approach. We know our customers value great service and commitment, so that is what we aim to achieve."

The future of energy

With the energy transition picking up pace, Mark shared the importance of sustainability being part of the company's customer-facing branding:

"Our customers have always been interested in our supply chains, and sustainability is very important to them too. In general, there is more interest in this space.

"There are a number of initiatives in place that represent a commitment to our future, and our communications support and communicate this.

"Phillips 66 Limited is a key player in the energy sector, supplying high quality fuels in the UK for over 50 years. Our Humber Refinery is fuelling the future and is one of the lowest emitting and energy efficient refineries in Europe."



A refined role in decarbonising the UK

Going into further detail about how Phillips 66 is playing an instrumental role in several projects and partnerships which support decarbonisation and the UK Government's 2059 net zero ambitions, Mark continued:

"Our Humber Refinery presents a unique opportunity for Phillips 66 to play a leading role, not least in the electric vehicle (EV) manufacturing chain. Humber Refinery is the only European facility capable of manufacturing premium grade graphite petroleum coke which forms a critical component of batteries in EVs and consumer electronics. Our unique role has been acknowledged by the Advanced Propulsion Centre as a core building block on the road

to establishing a UK-based EV battery manufacturing capability. Premium grade graphite petroleum coke is produced through a special process called calcining and forms a key part of high technology supply chains, including batteries in EVs.

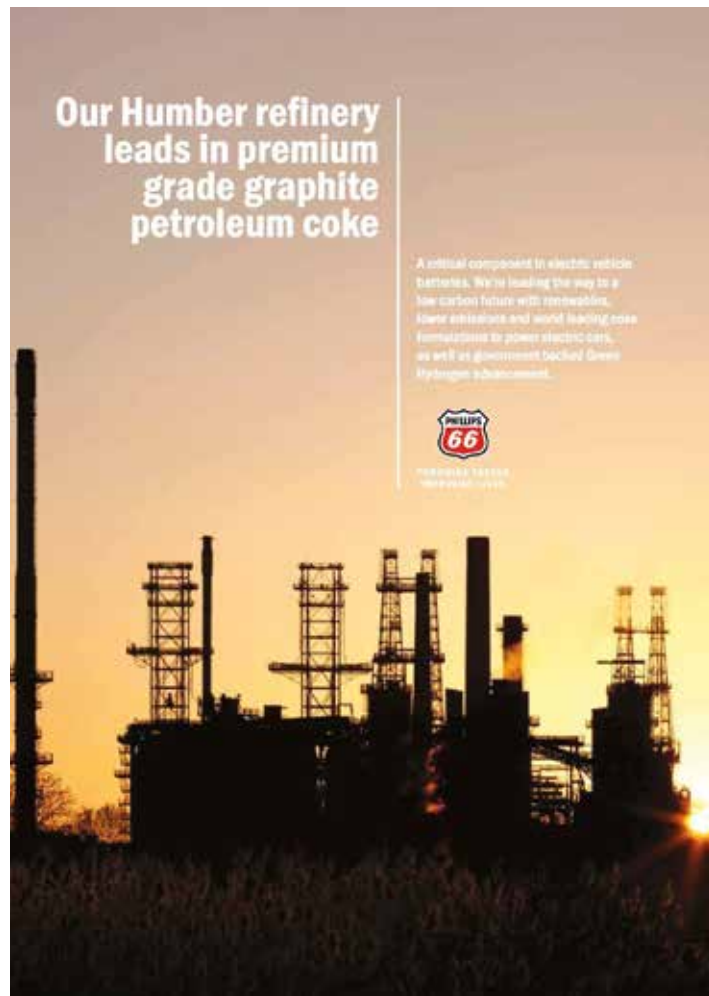
"Humber Refinery was also the first UK refinery to make renewable fuel from waste oil and we remain at the forefront of research and development into next-generation, cleaner fuels. In 2020, the latest investment in its growing renewable fuels infrastructure came in the form of a massive processing unit that will convert used cooking oil (UCO) into low-carbon fuel. The decarbonisation benefit of using waste oil is significant; compared to conventional fuels, UCO offers a greenhouse gas reduction of around 90%.

"In addition, Phillips 66 Limited is advancing a project that uses renewable hydrogen to produce fuels at our Humber Refinery. The project, called Gigastack, aims to harness offshore wind to power electrolysis and produce hydrogen, a low-emission fuel capable of powering transportation and heavy industry, as well as multiple processes within refining. This project has the potential to help to reduce the emissions associated with producing fuels for road vehicles as well as ships and airplanes.

"Gigastack is a collaboration between Phillips 66 Limited, Danish wind farm developer and operator Ørsted, hydrogen systems developer ITM Power, and ElementEnergy. This project is backed by £7.5m funding from the Department for Business, Energy and Industrial Strategy to support the UK's 2050 net zero greenhouse gas emission target."

JET's brand mission

Striving to succeed does not stop at Phillips 66, however. Mark tells us more about the brand statement for JET:



Brand messages conveyed in a print campaign using striking, atmospheric photography of the Humber Refinery

“JET’s brand mission is to champion the interests of UK drivers. This is achieved through living our brand values every day; Human – we are all about people, we’re genuine, positive and always available to help; Focused – giving drivers the essentials they need to help them on their way with minimum fuss; Reliable – we have over 50 years’ experience as a UK refiner, providing a consistent, reliable service that can be trusted.”

When asked about the feedback received from JET approved partners, Mark continued:

“We have had very positive feedback from our distributors who are ‘JET Approved Partners’. Customer surveys are completed in order to help us improve service, build relationships and ensure that everyone is happy with our communications and availability. We have had feedback that our ‘JET Approved Partners’ recognise that relationships are a strength of Phillips 66, in fact, some of those taking the survey have been customers for 50 years, which highlights this strength. Our customers have high expectations of Phillips 66 and we work hard to measure up to those expectations.

“JET Approved Partners’ are regularly

invited to engage with us as a group – such as a recent visit to our Humber Refinery. We share industry knowledge with them and introduce key members of the Phillips 66 team who can share their expertise – such as our product quality specialist.”

Keeping up with communications

“Our distributors will most often see our customer facing teams, account management and sales support, but we do also have an internal informative portal called ‘My Phillips 66’, which is used for all account information.

“We send a quarterly digital newsletter to customers which includes details about the Phillips 66 & JET brands as well as projects we are working on. Externally we participate in advertising and PR in B2B titles and aim to produce comms that stand out and ‘demand’ to be seen. A good example is a print campaign we ran last year that features striking, atmospheric photography of the Humber Refinery. Beautiful in its simplicity, they have real impact, delivering important messages around ‘Fuelling the Future’ in a format that it is both memorable and engaging.

“We also exhibit at the UKIFDA Expo annually, we find this is a great opportunity to speak with customers and present any developments in our brand and communications to them. We are currently relaunching our UK website which includes all up to date information about the Phillips 66 brand. Plus, we hold a biennial customer conference which is a vital opportunity to meet with our customers and provide them with an overview of new initiatives.”

Consistency is key

Looking ahead, Mark commented on the importance of maintaining strong lines of communication, and relationships, as the industry continues to evolve:

“We find that consistency is key – meeting our ‘commitments’ if you like – and the value of excellent customer relationships has been a key part of Phillips 66 Limited’s success in the UK and will continue to be critical in the future.”

We look forward to catching up further with Phillips 66 at the UKIFDA EXPO, for which the company is this year’s headline sponsor, and to reporting all their latest news in these pages and online at fueloilnews.co.uk.



PORTLAND MARKET REPORT

MARCH
IN VIEW

IMPLICATIONS OF CHANGES IN THE REPORTING OF CRUDE OIL PRICES

It is either a brave or delusional man who thinks he can write an interesting article about oil price indices! But the reality is that there are some fairly chunky changes taking place in the way that crude oil prices are to be reported and these changes will affect not only the billions of dollars of commercial oil contracts executed every single day but also one of the key measures that the world has come to rely on with regards global economic health.

How the pricing of North Sea oil came to be such an important global economic benchmark is worthy of a whole article in itself but, suffice to say, North Sea oil is the marker price for oil traded around the world.

“DECLINING OUTPUT IS SOMETIMES FALLING BELOW THE BASELINE”

When people refer to the oil price, what they are really talking about is North Sea oil and fully 70% of the world's production is priced off North Sea grades. The specific grade in question is commonly referred to as 'Brent', after the original 1970's field of the same name. In reality, the 'Brent' price is actually made up of several different North Sea crudes – including Brent – but also including Forties (UK sector), Oseberg, Ekofisk and Troll (all Norwegian sector). All of the 'Brent' grades have similar high quality, low-sulphur characteristics, which give them a higher market value than heavier, 'sourer' crudes from elsewhere. Furthermore, North Sea oil is sold direct to ship (FOB = Free on Board) for onward distribution around the world, making it a 'pure', free-market oil price, tainted by neither logistical complications nor political interference.

For the last 10 years though, 'Brent' has faced a growing existential crisis, born out of dwindling supply. As the North Sea oil fields mature, so production diminishes, which means far less 'Brent' can be bought and sold. Back in their heyday, the Brent fields were producing as much as 2m barrels per day (bpd), allowing multiple trades of the black gold on a daily basis. But the problem now is that declining output is sometimes falling below the baseline

1m bpd mark and in recent pandemic-struck months, volumes fell as low as 400,000 bpd (less than 0.5% of global oil production). If we deduct product sent by pipeline direct to the UK mainland, this leaves enough oil for barely 1 or 2 international trades per day – hardly the sign of a robust market, underpinning everything from oil, derivatives and gas contracts, to inflation indices and investment funds.

Which is why there is now the radical suggestion to include West Texas Intermediate (WTI) in the Brent pricing pot. From a technical perspective there is some sense in such a move, as WTI is a 'sweet', light crude (high quality), just like its North Sea counterparts. But, commercially speaking, this is a truly seismic proposal. Historically, WTI has been sold to the US inland market, which means it reflects a set of American commercial fundamentals that are frequently very different to the seaborne crudes of the North Sea that serve the rest of the world. Equally significant is the fact that, by including American oil in a North Sea price basket, by definition, that oil must be delivered to the North Sea region (a so-called 'CIF' price – Carriage, Insurance & Freight), as opposed to the current FOB nature of Brent sales.

The terminology may be confusing, but the outcome is very simple. An FOB cargo sold direct to ship represents a core product price, whereas a CIF North-West Europe price has to account for 2 'alien' factors. Firstly, it has to reflect the source of the crude (in this case, the USA market) and secondly, it has to include the cost of shipping from the USA to Europe. In both cases, divergence from North Sea economics is easily possible and very likely. If the US oil market goes haywire (for whatever reason), it doesn't necessarily follow that the world economy will follow suit. When it comes to freight, the obvious statement is that shipping adds cost, but also the freight markets themselves are notoriously volatile, which means further unpredictable dynamics are added to the price of (Brent) oil.

Seemingly then, the addition of US crude to a North Sea basket makes little sense, but the core conundrum of declining North Sea production still remains. Price regulators argue that, without a supplemental grade being added to the Brent basket, the North Sea can

no longer justify its over-sized importance. They also argue that, since the US shale boom and resultant increases in American oil exports, WTI is already the mainstay of North West European oil trading, with over 450,000 barrels arriving in ARA (Antwerp-Rotterdam-Amsterdam) every day. And then there are the cynics who point out that a market friendly American crude is far more desirable than adding one of the Russian blends or, alternatively, relying on the Chinese dominated oil exchanges of the Middle East (eg, Dubai Mercantile Exchange).

That takes us back to WTI as the 'least worst option'. Of course, numerous interested parties will still want to have their say over the next few months. Producers, refiners and traders will have to decide what changes need to be made to supply contracts (some of which are 10-year term deals) and the commercial

“ONE OF THE KEY MEASURES THAT THE WORLD HAS COME TO RELY ON”

consequences of those changes. Then all eyes will turn to the paper market because, unless the likes of the Intercontinental Exchange (ICE) and New York Mercantile Exchange (NYMEX) agree to these changes, the trading liquidity that is the foundation of oil markets will be lost. And, all the while, you can expect HMRC and other tax authorities around the world to also take a very keen interest, as numerous Petroleum Revenue Taxes are calculated against Brent.

Expect this one to run for a while yet. Like the super-tankers that carry the oil, when it comes to pricing mechanisms, making directional changes is a slow and cumbersome process. Nothing will happen before 2022 and quite possibly, the issue will be kicked further down the road to 2023.

For more pricing information, see page 22

Portland
www.stabilityfromvolatility.co.uk



A diesel game changer

With our industry united in seeking solutions to reduce the environmental impact of the sector as well as keen to find potential cost savings at a time when margins are seriously squeezed it is exciting to hear of a product that can achieve both. We talk to Gwyn Lewis, the founder of Shrewsbury based company, ElimiNOX Limited, to find out more about their fuel conditioner and how it could assist fleet managers in making the transition to clean fuels as well as contributing to the bottom line – an appealing combination.

ElimiNOX Eco is a pre-combustion fuel conditioner that can be added to fuel storage tanks prior to vehicle filling or directly into the vehicle fuel tank. The product has made a major breakthrough in the reduction of harmful emissions from diesel fumes and can also save users money. As Gwyn Lewis, the founder of ElimiNOX comments:

“Now that users can save money and our planet at the same time – why wouldn't they? In fact, this news is a game changer for all diesel and petrol users throughout the globe.”

Ahead of the major climate change conference, COP26, which takes place in Glasgow in November, Gwyn considers this to be a story of global importance. A bold claim to make perhaps, however the product has been rigorously and successfully tested by world renowned fuel laboratories giving ElimiNOX the research to back up their statements about its efficacy. The test results have been declared to be ‘game changing’ for the diesel engine, environmental pollution and the health problems associated with diesel engine pollutants. ElimiNOX Eco™ incorporates the technology of SulNOx Group Plc and is manufactured by one of the world's leading speciality chemical manufacturers, Nouryon.

Gwyn outlines the benefits of use:

“Not only does it dramatically reduce all the environmental pollutants produced by diesel engines but is also enables the engines to perform far more efficiently thus reducing fuel usage and saving money. An additional benefit of use is that ElimiNOX Eco cleans fuel when added to fuel storage tanks, and ensures diesel bug is both eliminated and prevented.”

Exciting results

One forward-looking company, Besblock Ltd of Telford, which runs a fleet of 27 Euro 6 trucks



and is keen to reduce its carbon footprint, has already been using the product and reports extremely encouraging results. As Mervyn Smith, transport manager comments:

“After using ElimiNOX Eco since May, we have been pleasantly surprised by the results with an 8% improvement in MPG and an extended period of the particulate warning light not illuminating, which confirms a reduction in PM emissions.

“As a forward-looking innovative company, we believe ElimiNOX Eco will undoubtedly reduce our carbon footprint. The fleet of 27 trucks has not suffered any detrimental effects during the period, nor suffered any fuel related problems.”

Mr Andrew Huxley MD of Besblock said:

“Not only does ElimiNOX fit in with our wider sustainability plans and help to reduce our carbon footprint but it has also saved us money. With that, alongside the reduced fuel filter replacements and maintenance costs of our fleet, we're looking at 9-10% savings per year”

Significant emissions reductions

Independent tests have also shown that toxic exhaust levels drop significantly and ElimiNOX shares these reduction figures, based on tests carried out by many leading vehicle testing laboratories including UK-based Millbrook Proving Ground.

CO - 72.8% **CO2 - 31.06%**
PM 2.5 - 61.43% **PM 10 - 52.48%**

For ElimiNOX the reduction in particulate matter (PM), being the most harmful pollutant, is especially significant as Gwyn explains:

“Emissions of PM2.5 and PM10 from marine fuels are higher than any other fuel type and the climate-warming effect is estimated to be up to 3,200 times stronger than CO2 on a 20-year timescale. Our PM reduction of up to 60% is a huge step in helping companies work towards decarbonisation goals and the quest for Net-Zero 2050. A recent test with HVO resulted

in a further reduction of 22% in PM which is highly significant.”

Another customer, who uses ElimiNOX Eco in his own diesel Mercedes car, shared an unexpected outcome of his recent MOT results. The emissions, taken as a part of the test, recorded zero.

Mr Llewellyn, who carried it out, said:

“In my 30 years doing this job, I have never seen a result like this. It is truly extraordinary.”

ElimiNOX not only works with diesel and petrol engines, but also with kerosene in home fuel applications ensuring household boilers run more smoothly, more efficiently and with fewer nasty pollutants being generated. ElimiNOX also prevents diesel bug growth in fuel to keep it in pristine condition, by emulsifying free water into the fuel, giving a cleaner more powerful burn rate. Other additives demulsify water, leaving it at the bottom of the storage tank, providing a breeding ground for diesel bug, rust and other contaminants.

In a further endorsement, Bureau Veritas has certified that fuel treated with ElimiNOX Eco retained EN590 compliance. Additionally, they measured over 30% increase / improvement in lubricity following dosing the fuel to the recommended 1:2000 ratio, which ensures a longer life for injectors, turbos and fuel pumps

We asked Gwyn what the next steps are:

“Currently we are working with a number of major oil companies in the UK to roll ElimiNOX out as a premixed fuel,” he answered. “Being members of UKIFDA we are keen to work with the liquid fuels industry to provide a practical solution that gives instant results in order to extend the life of carbon fuels and to play a key role in enabling the transition to clean fuels to net zero over the next decade or so.”

“We look forward to sharing further updates with readers of Fuel Oil News.”

All references, quotes & statements are with kind permission of SulNOx Group Plc.

Aquafighter: The COMPLETE Solution to Water in Fuel

Prevent the end user from mistaking the side effects of water in their fuel as a problem with fuel quality with Aquafighter. By simply adding it to the tank, their diesel can be kept as clear and bright as it was first delivered.

- ✔ Removes free, suspended AND emulsified water
- ✔ Leaves fuel appearing clear and bright not cloudy
- ✔ Prevents diesel bug from forming and fuel gelling
- ✔ Exceeds EN590 by reducing water down to <75ppm



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The oil distributor branding dilemma

A CONSIDERATION OF THE DECISION FACING EVERY DISTRIBUTOR – OWN OR OIL COMPANY BRAND?
A LOOK AT THE ADVANTAGES AND INFLUENCING FACTORS WHEN MAKING THE CHOICE

Historical perspective:

The development and expansion of ‘authorised distributor’ networks can be traced back to the 1950s and continued through the 1960s and 1970s, driven, principally, by the establishment of what was to become a national refining sector; over the circa 20 year time span no less than 10 oil refineries were commissioned. In building these distributor networks, the refining companies – names such as Mobil, Regent (who became Texaco), Amoco, Conoco, Burmah, Gulf, Total, Phillips, Petrofina, and Elf – were seeking to, among other things:

- Secure contracted / firm outlets for the commercial fuels slate, gasoil, diesel and regular kerosene, from their refineries
- Pursue the best / easiest way to gain access to the small & multiple delivery sectors, such as small commercial, agriculture and domestic / space heating
- Avail of the opportunity to reinforce their retail / visible brand ‘footprint’ through a complementary presence in the commercial fuels market over a wide geography

In the case of the longer-established oil majors – BP, Esso and Shell – these companies generally owned the depots from which their authorised distributors operated.

The early 1980s saw moves by BP and Shell to pursue further vertical integration of their downstream operations through acquisitions of a number of their authorised distributors; a process that resulted in the formation of BP, C&I and Shell Direct.

The early part of the current millennium heralded the divestment of these businesses, which now form part of the Certas Energy portfolio.

Esso withdrew from agreements with branded fuel distributors (ADs) earlier in the current millennium.

As a result of consolidation in the downstream sector and, in particular, the absorption or disappearance of many of the ‘mini-majors’ (e.g. Total, Fina, Elf, Mobil, etc.) the number of oil company branded fuel distributors (authorised distributors) has declined sharply.

Only two companies now have AD networks:

- Phillips 66 (Jet) – with 14 distributor businesses
- Valero (Texaco) – with 12 distributor businesses

Testament to the value of the ‘branded’



relationship can be derived from its endurance; in several instances there are agreements that span 30+ years and, in a few cases, over 50 years.

The branding decision (dilemma):

With the above value in mind we will now consider some of the benefits that accrue from this relationship vs. the ‘own brand’ option.

Oil company branding

- Security and continuity of oil products supply by being in the top category of priority among competing customer group demands
- Association with a recognised, ‘credible’ brand name that confers stature
- Advice on, and support for, marketing and promotional activities and initiatives – as a quid pro quo for compliance with agreed brand standards
- Contribution to funding for vehicle re-painting
- Advice and support on technical issues associated with depot operation e.g. certification and standards
- Opportunity for best-practice sharing with other distributors via distributor representative/consultative body (council), as well as the opportunity to obtain feedback on key / current issues
- Opportunity to build an enduring and mutually beneficial relationship - which is evident from the longevity of several of those still / currently in place

Own brand

- Ability and opportunity to ‘lever’ association with localities served, on the basis of familiarity with company name / reputation, etc.
- Opportunity and scope to pursue independent marketing and promotional activities and

initiatives (in some respects this is a corollary of the third listed benefit of oil company branding)

- Flexibility to source oil products from more than one supplier (there can be some scope to do this under an oil company branded relationship, with the supplier’s consent)
- Flexibility and scope to build relationships with more than one supplier, facilitating price comparisons
- Opportunity to source a proportion of product requirements on a purely ‘spot’ basis
- Independence to be able to develop own brand strategy and associated tactics which are tailored to (or customised for) particular/ local circumstances and conditions
- By extension of the previous consideration, scope to tweak and adjust strategy and tactics to meet rapidly changing and/or unforeseen circumstances/requirements

The lists considered above are not exhaustive but rather seek to highlight some of the main considerations. They should also not be construed as mutually exclusive. The judgement and decisions on which course is preferable are essentially down to individual choice and circumstance. Consequently, one cannot be deemed to be preferable to the other solely on the basis of the lists of considerations highlighted.

The decision is considerably more nuanced than a simple comparison of pros and cons and, increasingly, how distributors navigate the energy transition away from fossil fuels will become a key determinant of brand positioning and strategy.

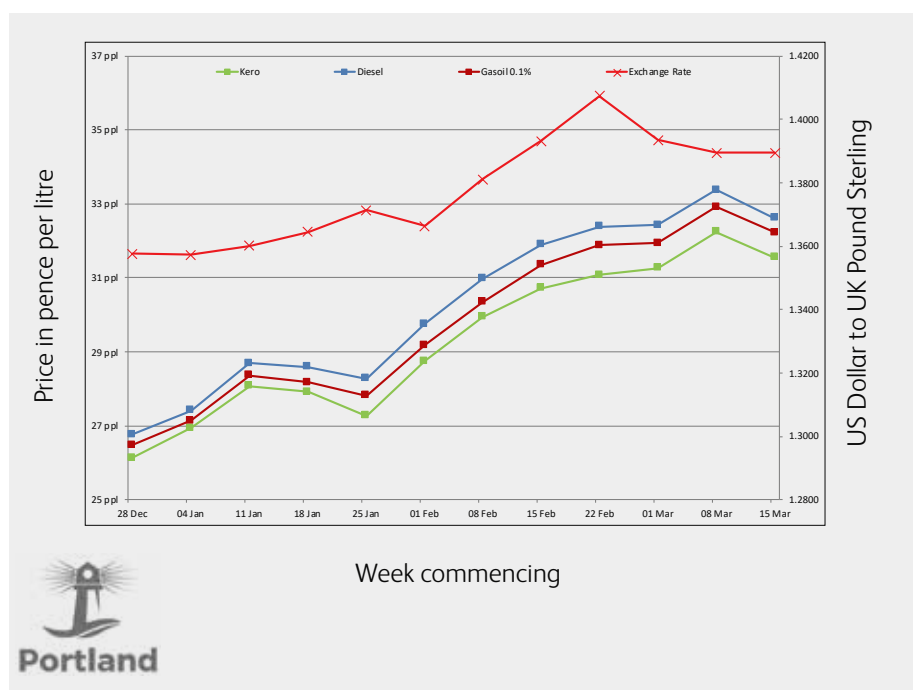
We would be very interested to hear from you with your thoughts and experiences.

Please contact stephanie@fueloilnews.co.uk
01565 653283

Wholesale Price Movements: 19th February 2021 – 18th March 2021

	Kerosene	Diesel	Gasoil 0.1%
Average price	31.46	32.65	32.17
Average daily change	0.46	0.46	0.46
Current duty	0.00	57.95	11.14
Total	31.46	90.60	43.31

All prices in pence per litre



Highest price
32.73 ppl
Fri 12 Mar 21

Biggest up day
+1.09 ppl
Fri 05 Mar 21

Kerosene

Lowest price
30.45 ppl
Tue 02 Mar 21

Biggest down day
-1.06 ppl
Thu 18 Mar 21

Highest price
33.92 ppl
Fri 12 Mar 21

Biggest up day
+1.14 ppl
Fri 05 Mar 21

Diesel

Lowest price
31.49 ppl
Thu 18 Mar 21

Biggest down day
-1.09 ppl
Thu 18 Mar 21

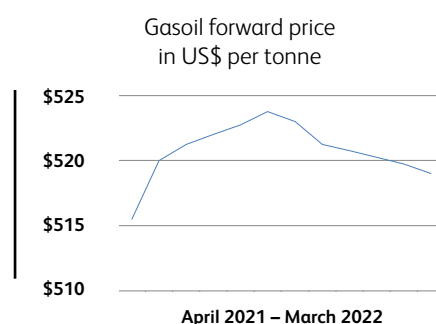
Highest price
33.44 ppl
Fri 12 Mar 21

Biggest up day
+1.15 ppl
Fri 05 Mar 21

Gasoil 0.1%

Lowest price
31.13 ppl
Thu 18 Mar 21

Biggest down day
-1.09 ppl
Thu 18 Mar 21



The Fuel Oil News Price Totem

	Trade average buying prices			Average selling prices		
	Kerosene	Gasoil	ULSD	Kerosene	Gasoil	ULSD
Scotland	33.34	45.73	93.51	38.01	48.86	97.17
North East	32.29	44.36	92.59	38.71	47.26	95.28
North West	33.86	46.96	94.98	38.37	49.70	97.39
Midlands	32.36	44.89	93.05	36.70	47.75	95.97
South East	32.46	44.85	93.03	41.43	49.83	95.56
South West	32.81	44.69	92.87	38.62	47.54	95.18
Northern Ireland	32.92	46.06	n/a	37.21	49.59	n/a
Republic of Ireland	46.68	51.49	94.45	51.03	54.54	97.44
Portland	30.67	42.41	89.74			

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 APRIL'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.

IN THIS ISSUE WE CHAT WITH **CAROLINE LUMBARD**, UK TRADING DIRECTOR FOR GREENERGY, TO FIND OUT MORE ABOUT THE PERSON BEHIND THE COMPANY'S PURCHASING AND OPERATIONS STRATEGIES AND COMPLEX SUPPLY CHAIN ACTIVITIES.

"ALWAYS REMAIN POSITIVE"

CAROLINE LUMBARD

Give your career history in 25 words or fewer.

I started my career at Greenergy as a temp on reception. From there I quickly moved into a sales support role and then eventually to board director.

Describe yourself in 3 words.

Determined. Loyal. Generous.

What were your childhood / early ambitions?

I always wanted to be a nurse but that dream was quashed when I discovered I could not stomach blood, sick or poo.

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

I would like to work as a florist. I am not sure I like the idea of 4am trips to the flower market but I really like the idea of spending my day surrounded by flowers and making beautiful arrangements.

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

There is no good news or bad news just 'on time' news.

Share your top tips for business success?

Never give up, always remain positive and fight for what you want. Learn from your mistakes. Always delight the customer as, without the customer, there is no business. If you are upset or angry, write that email response but send it tomorrow (after you have rewritten it).

What's your most recent business achievement of note?

Getting through this pandemic, managing the enormous change and coming through 2020 with a stronger and more resilient business.

Caroline Lumbard



Tell us your greatest fear?

Spiders...

Which is most important – ambition or talent?

I think you need a mix of both.

What's the best thing about your job?

That no day is ever the same; every day brings its own challenge, and I am still learning new things.

Which is the quality that you most admire?

Positivity / Resilience.

What are you most likely to say?

A large Sauvignon please.

What are you least likely to say?

I wanted to reach out to you as we are on the start of a journey...

Describe your perfect day?

On a beach, with my family, sipping cocktails with nothing on the 'to do' list.

Do you have a favourite sports team?

No, but my family are all West ham supporters so these are the only games I have been to.

What's the biggest challenge of our time?

This pandemic.

Cheese or chocolate?

Both, it is entirely mood driven.

Share your greatest personal achievement?

My children.

What's your pet hate or biggest irritant?

Noisy eaters. Snoring.

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

She's done well.

What is number 1 on your bucket list?

Hot air ballooning with the kids in Cappadocia.

What 3 things would you take to a desert island?

My pillow, moisturiser and Frazzles.

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

I used to be a Sunday school teacher.

Who would you most like to ask these questions of?

Michelle Obama.



Caroline enjoying a well-earned escape with the family: 'I am sure we are all counting the days to be back on our sunny holidays!'

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