Fuel Oil News

JANUARY 2020

2020 OUTLOOK

SAUDI ARAMCO

2019 PRICES AND MARGINS

Setting the 2020 agenda

With a new government elected, and the promise that Brexit will be done by the end of this month, the industry has been busy getting its messages across to Boris.

Dedicated to developing a pathway for off-grid heating, UKIFDA, which continues to lobby government to ensure biofuels are part of the decarbonisation landscape, has emphasised that rural communities and, in particular, the forgotten rural fuel poor, must not be put at a disadvantage.

With '*heating and hot water being one of the hardest to tackle*', a realistic timeline is essential says Worcester Bosch. Mindful of the Conservatives' manifesto, which specifically mentioned boilers, the boiler manufacturer is looking forward to the delivery of the £6.3 billion promised for environmental upgrades to homes by way of grants to improve both boilers and insulation.

Also '*looking forward to working closely and constructively with government,*' the Tank Storage Association has called on government to work in partnership with the bulk liquid storage sector.

"Getting the next steps right will be crucial to ensure that our sector thrives into the future," said Peter Davidson, TSA executive director. (See page 23)

Among the '*pressing needs*' highlighted by the Freight Transport Association are final confirmation of the arrangements for imports/exports between the UK and Europe, agreeing details for the Northern Ireland border, including the potential for checks and where and how these are to be made, and the employment of EU nationals.

Looking for government to be '*far more ambitious and to commit to wholesale systems change across energy*', the Renewable Energy Association wants government to '*unleash the full potential of renewable energy and clean technology*'.

Whatever your own agenda may be in 2020, Fuel Oil News sends very best wishes for a prosperous year.

Having been installed as senior warden in the Worshipful Company of Fuellers, Berkshire fuel distributor, Carrie Marsh delivers her speech at the Mansion House. See page 5 for a report on the Fuellers' inaugural Future Energy Conference.

Fuel Oil News

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

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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.

Credit card payments
01565 653283

Founded in 1977 by James Smith

Published by
Ashley & Dumville Publishing,
Caledonian House, Tatton Street,
Knutsford, Cheshire
WA16 6AG

&AD PUBLISHING

Volume 43 No 1
ISSN 1757-1057

An Industrial Strategy for decarbonising oil-heated homes

THE UK AND REPUBLIC OF IRELAND GOVERNMENTS HAVE BOTH INDICATED THAT DECARBONISING THE EMISSIONS FROM OIL-HEATED HOMES WILL BE AN IMPORTANT PRIORITY

OFTEC supports these policy goals and is working to help these governments achieve their emissions reduction targets.

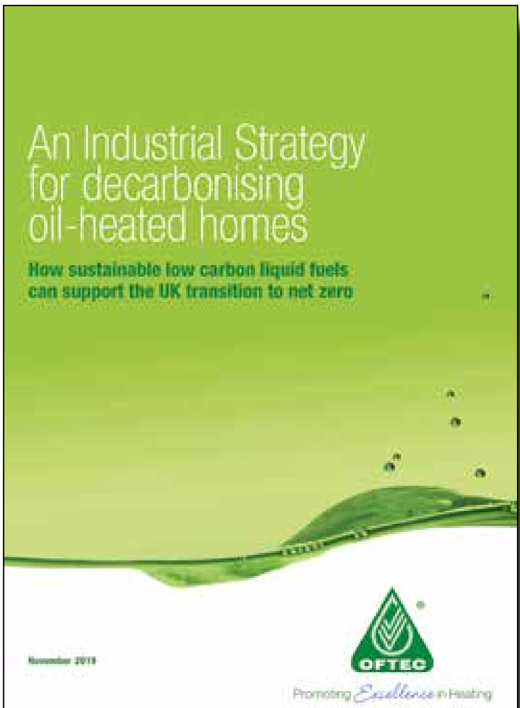
OFTEC has concluded that simple, less costly solutions are far more likely to be successful than those that are more costly or disruptive, which is why OFTEC favours changing the fuel, rather than switching to a completely different heat technology.

Consequently, OFTEC has proposed retaining existing oil heating systems and instead replacing the fuel with a sustainable low carbon liquid fuel manufactured from waste material.

Following detailed research OFTEC has published a new strategy document for the UK which includes policy recommendations for government.

A similar strategy document has also been produced for the Republic of Ireland.

Find out more at **www.oftec.org/future-heating**



A good starting point

Invited to see a biofuelled oil boiler in action by Worcester Bosch, Jane Raphael, editor of Fuel Oil News and Oil Installer, and deputy editor, Peter Clayton were very pleased to accept.

Touring the shop floor first, operations manager, Peter Wragsdale, proved to be an excellent guide. It was interesting to learn that the Clay Cross facility, which can receive up to 40 tonnes of steel a day, manufactures every component of its oil-fired boiler range by cutting, folding, punching and welding the raw material. The only exception being one small piece which must be finished externally to form its requisite shape. Up to 15,000 components are produced by the press shop every day for the 36 different variants on offer to those using oil-fired heating.

Paul Rose, OFTEC CEO, Peter Clayton and Jane Raphael and Martyn Bridges, director of technical communication and product management, Worcester Bosch, with the oil-fired boiler modified to B30K biofuel

Having seen oil-fired boilers ready to leave the factory, training engineer Alan Moody explained that the demonstration boiler was exactly the same, bar a tweak to the ignition. Some older boilers may possibly require nozzle or burner adjustments. The difference is that this boiler's fuel is 30% biofuel. Supplied by Argent Energy, the bio element is made up of waste products such as used cooking oil, chip fat and tallow which would otherwise go to landfill.

The primary aim of this demonstration boiler, which is monitored alongside a conventional kerosene boiler, is to show policy makers, engineers and installers just what can be achieved by using waste products to help lower carbon levels.

'*A good starting point*' for OFTEC CEO, Paul Rose, who was also present; OFTEC has long been a champion of biofuels. Indeed, biofuels trials and research commissioned by OFTEC has already established that a high percentage of existing oil-fired boilers would require little or no modification to run on B30K or higher.

As always good housekeeping will be essential for both tank and boiler to operate efficiently, with fuel tanks needing to be fit for purpose and thoroughly cleaned out before storing biofuels.

See page 7 for news of a 50-year old oil-fired boiler that has only just been replaced!

Working towards a low carbon future

Present at the event – Dr James Carroll, Dame Mary Archer, HRH the Earl of Wessex and Dr Jethro Browell (Drs Carroll and Browell are early career researchers within the Institute for Energy and Environment at the University of Strathclyde)

In November the Worshipful Company of Fuellers held its inaugural Future Energy Conference at The Royal Society in London hosted by our Master, HRH the Earl of Wessex, writes Carrie Marsh, senior warden and fuel oil distributor.

With a full agenda, the theme for the day was working towards and achieving a zero-carbon future. The Earl of Wessex gave an energetic opening speech acknowledging the many younger delegates present and the competition finalists from schools and companies which had produced future energy projects.

The morning session covered several topics including the delivery of key priorities for future energy; alternatives to fossil fuels in heat and transport; and future urban growth and demand.

Lively conversation ensued from the panel – UK Power Networks, Energy Institute, EY and Northern Gas Networks – and from delegates and the Fuellers. Whilst the panel agreed on desired outcomes, the practical or available route to achieving this was somewhat hampered by infrastructure, co-operation and timelines hurdles.

A panel led by Dame Mary Archer welcomed the competition finalists whose designs included wind turbines with the ability to create more power using less energy as well as opportunities involving young people in the future energy debate.

The winner was Cheesecake, a small company developing advanced compressed air energy systems with the ability to store energy from intermittent renewables and produce reliable power on-demand.

Breaking for lunch there was a chance to meet people from charities supported by the Fuellers' Charitable Trust Fund – Generating Genius, Smallpeice Trust and Teentech.

Chaired by Edward Libby from the Energy Utility Forum, the future of energy and the economy were discussed in the afternoon, with Paul Cuttill summing up the event with a call to action.

With the day having thrown up many questions and encouraged more debate, there was much lively discussion at the end of the day which concluded with a drinks reception at St James' Palace where HRH The Earl of Wessex mingled with delegates and joined in the conversation.

A successful and thought-provoking day, our Master concluded that this was to be the first of more events to come from the Worshipful Company of Fuellers, so watch this space!

Also working towards a low carbon future are the supermajors – see page 21.

Could synthetic fuels be available in the next decade?

Carbon-neutral fuels can be made with synthetic hydrocarbons produced by chemical reactions between carbon dioxide, captured from power plants or the air, and hydrogen, created by the electrolysis of water using renewable energy.

According to Stephan Kunter, managing director and CEO of the Elaflex group who spoke at the APEA conference in November '*synthetic fuels could make a major contribution to reducing carbon emissions from transport without making changes to infrastructure or vehicles*'.

A method of extracting CO2 directly from the air is being pioneered by Carbon Engineering in Canada, backed by private investors, including Chevron (see page 21) and government agencies.

Only slightly more expensive than fossil fuels, the direct air capture system can remove a tonne of CO2 from the air for about $100, with one plant able to capture about a million tonnes of CO2 per year.

The question is will electrification deter support?

Boiler longevity

Fuel Oil News was delighted to read about an oil boiler which has been supplying heat to a Devon home for almost 50 years – and even more interested to find out which fuel distributor(s) have kept this English-made Hotspur boiler topped up for so long!

Testament to the reliability of oil-fired boilers, the owners had apparently '*never experienced any problems*' which may be due to the fact that the same man had serviced the boiler every year!

It remains to be seen if the newly installed boiler can live up to its predecessor…

Greenergy release

In May this year, the Serious Fraud Office (SFO) announced it was investigating certain aspects of biodiesel trading at Greenergy and various third parties as part of a broader investigation. The SFO has informed the company and our employees that they are no longer suspects in an ongoing investigation.

"We are pleased that both the company and our employees have now been released from the investigation. We would like to thank our staff for their professionalism and dedication during this time.

"Our success as a business has been built upon our values of integrity, honesty, openness and respect, and these values will continue to guide us."

UPEI calls on European governments to be technology neutral

Representing Europe's independent fuel suppliers, UPEI is in a unique position to offer perspectives to the EU long-term strategy and contribute to the ongoing decarbonisation consultation process.

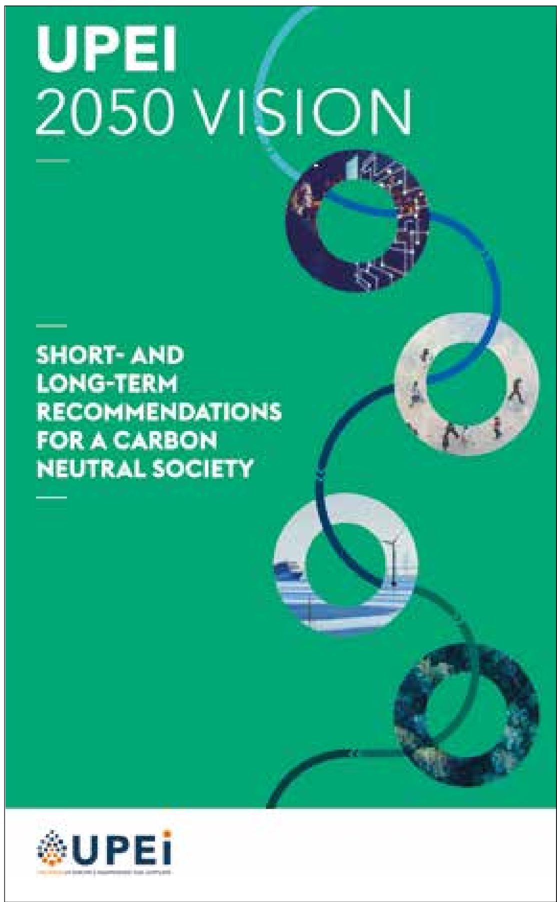
UPEI members are fully committed to providing flexible, affordable and clean energy to the consumer, to meet Europe's short and long-term climate objectives.

Published last year, the UPEI 2050 vision promotes the use of alternative fuels and the improvement of energy efficiency to reduce emissions immediately, while developing carbon neutral fuels to suit all needs and applications in the longer term.

Significant cost savings will result from using the existing infrastructure to store, move and distribute energy products. The deployment of low and carbon neutral fuels in liquid and gaseous forms can therefore happen immediately, making the most of existing assets. Moreover, independent fuel suppliers are already active and investing into developing the distribution of a greater variety of fuels and energies to satisfy evolving consumer demands.

To make this vision a reality, policy enablers are needed. UPEI calls upon governments to adopt a technology neutral approach to the energy transition; ensure a stable policy framework, favourable to investments; define long-term targets rather than market bans; consider social acceptance and affordability; and support innovation in low carbon fuels.

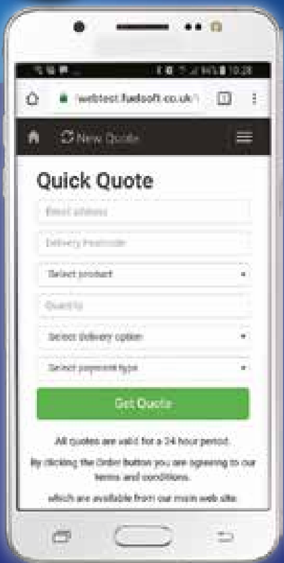
upei.org/upei-2050-vision



Fuelsoft The user-friendly solution

Everything your Customers want...
...everything the Distributor needs

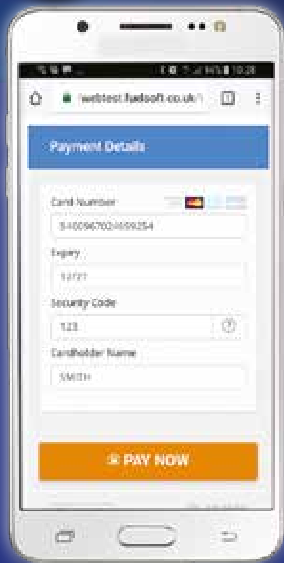
Customer Step 1 Get a Quote



Customer Step 2 Choose Delivery Window

Customer Step 3 Confirm Order

Customer Step 4 Make Payment



The Fuelsoft App will seamlessly carry out the following tasks:

Postcode check

Define Product & Quantity Availability

Specify Vehicle Types

Define Delivery Windows

Prices Calculated in Real Time based on current Costs & Margins

Upsell Opportunities

Customers Details / Quote Emailed & Stored for Quote/ Order Stats

Voucher Redemption

Customer Details used to Auto create Account

Order Confirmation Sent

Order Added to Fuelsoft

Payment Authorised for Future Settlement

Step 5 the Fuelsoft Order Processing

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The source of the graphs on this page is the Price Totem data published each month in Fuel Oil News. Figures for the Republic of Ireland are adjusted by the exchange rate to be comparable to pence per litre. Margins on average rose across all grades vs 2018; notably, kero was up across the board, by as much as 2ppl on 2018 prices. The regional spread of gasoil margins widened to 3ppl vs 2018's 2ppl, while diesel was largely unchanged, sticking to a range of 2.5ppl to 4ppl.

Regional margins

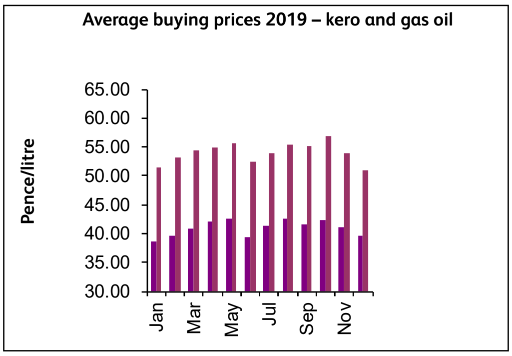
Kero margins continued to be highest in the South East and North East at 11ppl and 8ppl respectively, while Northern Ireland saw margins fall by up to 1ppl on both kero and gasoil grades vs 2018 averages. Scotland saw the highest diesel margins at 4ppl as the Midlands retreated towards 3.5ppl. By comparison, the North West saw generally the lowest margins across all products.

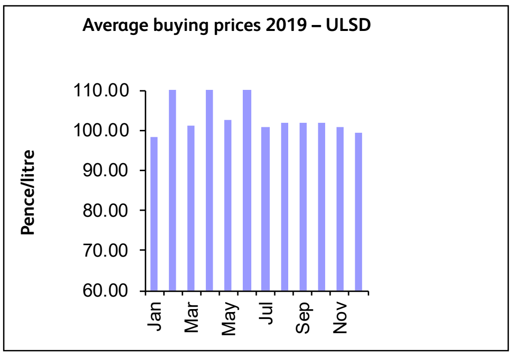
Prices fluctuate

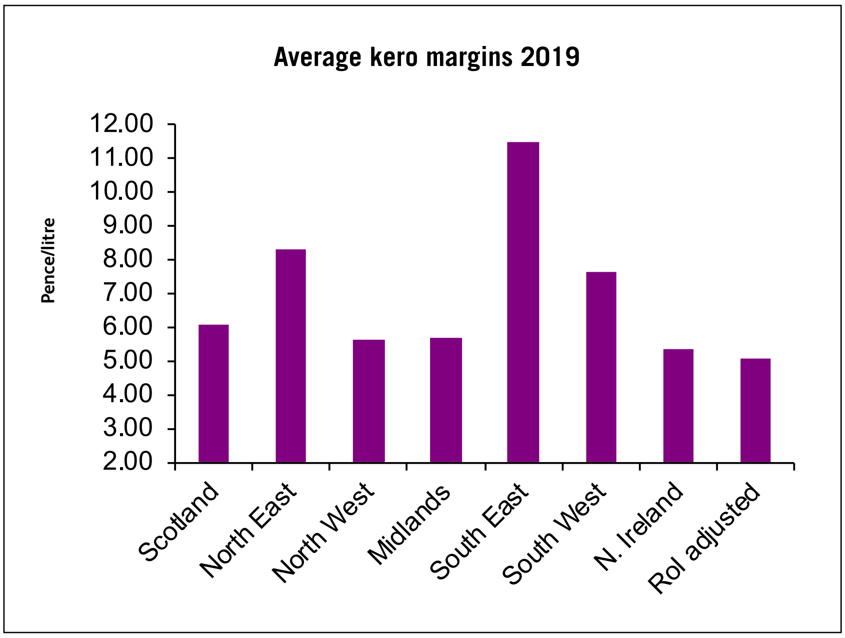
Despite being a fairly volatile year that saw a wholesale price spread of 8ppl across all grades, 2019's average prices for kero, diesel and gasoil fell overall (albeit less than 1ppl) vs 2018. Having been suppressed for most of the year due to low demand, refined product prices picked up during the second half of the year, notably reaching a high in September due to a 5% drop in production caused by attacks on Saudi Arabia.

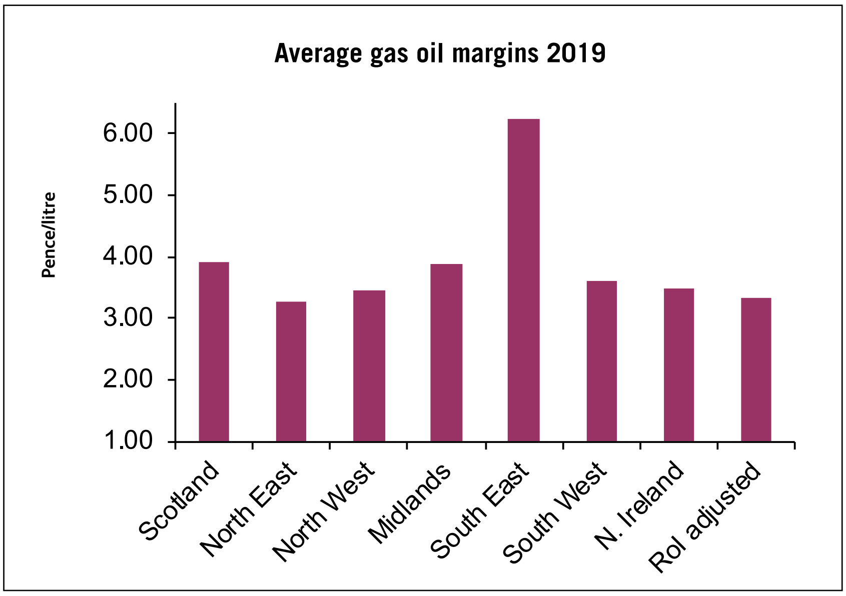
	Dec 2018	Dec 2019	Inc/Dec
Kero	37.18	37.66	+0.48
Gasoil	47.43	48.44	+1.01
Derv	95.00	96.15	+1.15

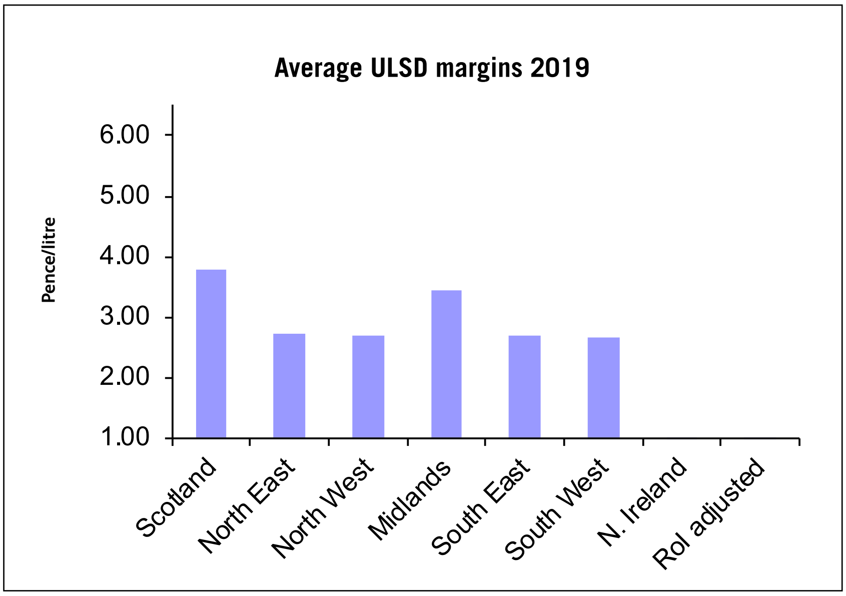
Platts buying prices











How do fuel distributors see the fuel future?

Richard Burton - managing director at Barton Petroleum

We are always optimistic…The main challenge will be for the industry to adapt quickly to an everchanging and demanding marketplace. Longer term we must all address our sustainability in whatever ways we can. Reducing carbon footprint for the foreseeable future is important for the environment and to our customers

Jo Ritzema – managing Director of WCF

With the increasing reality of the impact of climate change, UK fuel distributors must work together collaboratively with UKIFDA to identify, test and implement sustainable solutions, as well as convincing new recruits from outside the sector that this remains a vibrant industry in which to build careers.

It is imperative that we all continue to invest in our own businesses to support our rural and agricultural customers, many of whom don't have an alternative heating source and quite frankly need us. The industry must embrace the use of technology to allow us to keep pace with other sectors of the logistics industry who are leading the way. We have been too slow.

Christopher Bicknell – managing director of HomeFuels Online

The challenge to maintain and increase our eco-friendly initiatives awaits us in 2020, along with continuous innovations to make the process of ordering quicker and more efficient for the online consumer.

As a business we are at the forefront of reaching out to households who are now turning to the internet to purchase their home heating oil.

Nick Goodwin – managing director at Standard Fuel Oils

As a business we are excited for what 2020 will bring. After 8 years of operating out of a single location, come January we will have an additional two tankers based out of Manchester Fuel Terminal. This will bring opportunities for new staff including drivers and sales executives. In the last quarter of 2019, we signed up to supply a full lubricants range through Millers Oils. We now have a fully stocked warehouse offering next day delivery nationwide.

Our major concern would be the ongoing issues surrounding the introduction of FAME into gas oil. (See page 14/15). Although the North West remains unaffected at the time of writing, a large number of our fellow distributors are having to deal with complaints on a daily basis.

As we move into a new decade, it is impossible not to feel optimistic about what the future holds! As long as we keep innovating and remain at the forefront of new technology and embrace any new products that come into the market, our business will continue to operate as normal for the foreseeable future.

"As we move into a new decade, it is impossible not to feel optimistic about what the future holds," said Nick Goodwin, Standard Fuel Oils

Does your view of the future of fuel oil distribution differ to those here?
Fuel Oil News always welcomes comments from readers – call 01565 653283 to speak with Jane Raphael or Stephanie Samuel or email jane@fueloilnews.co.uk or stephanie@fueloilnews.co.uk.
We look forward to hearing your views!

Continued on page 12

How do fuel distributors see the fuel future?

Continued from page 11

Alex Wolfe – head of fuel cards at Certas Energy

"A major opportunity that we foresee in 2020 is further movement towards trucks. 2019 saw the movement of trucks on motorways grow by 1.8% as well as a 4% growth in the movement of LGVs. We grew alongside this, opening our 5 new bunker refuelling sites at Red Lion Truckstop in Northampton, Tyseley Energy Park, Newark, Holyhead and Ecclefechan.

Moving into a new decade we see the increasing importance of cleaner-burning diesel alternatives, such as Shell GTL Fuel and we also look ahead to embracing new technological innovations in the market, providing solutions for the future of the energy industry."

Malcolm Farrow – head of communications at OFTEC

"The 2020s will see a major change to the way we heat homes and businesses as we begin in earnest to transition away from fossil fuels. It will mean ending the use of pure kerosene and I'm optimistic that we can lead the shift towards sustainable low carbon liquid fuels, which is essential for the long-term prosperity of the industry and the best solution for off-gas grid consumers."

Mark Nolan – managing director at Nolan Fuels

One of the biggest challenges for us has been the rise in keyboard warriors, who search online for cheaper prices rather than talk to real people. However, with many online distributors being unable to readily share their prices, we regularly have return customers coming to us directly, prepared to pay the extra penny for our service.

Looking ahead, this gives us a lot to be optimistic about. We keep putting volume on each year; we've reached over 20 million litres and we're still growing. Our customers know us, and we know them. Never the most expensive, we charge a fair price and it is our service that sells.

The industry saw several acquisitions in 2019 and I expect 2020 to bring more of the same. Selling our own business is never off the table, but whilst I still get a kick out of supplying customers when no one else can, we will continue to grow. We're here to help the customer and in it for the long haul.

Rory Clarke – managing director at RIX

It certainly feels like our industry is on the brink of change, with the Blue Planet effect and kids on strike from school; the climate is increasingly on the agenda.

In response to Government policy we see more electric cars on the road and increases in the RTFO, which has resulted in an increase in the amount of FAME in fuel, gas oil in particular, which in turn has led to some challenges. Kerosene may well be next to have FAME added to it and that will also create some issues to overcome, but biofuels will allow us to decrease our carbon content which we must do or face the potential threat of more carbon neutral alternatives.

Whilst there are challenges to overcome I believe that the next decade will still hold plenty of opportunities for our industry.

My wish for 2020?
Brexit gets done and we can all move on!

PORTLAND MARKET REPORT

January update

Millwall FC and Saudi Aramco would seem, on the surface, to have little in common. But in many ways, the favoured New Den chant of "*no-one likes us, we don't care*", could just as easily be applied to the state oil company of Saudi Arabia…or indeed the oil industry as a whole!

On the back of Saudi Aramco's recent Initial Public Offering (IPO), some commentators expressed surprise that there should be widespread investor interest in a company that not only produces the least popular product on the planet, but also a product whose future is constantly being called into question. Add to that the fact that Aramco operates in a dictatorship with an opaque judiciary and the ever-present threat of revolution, and many are scratching their heads in disbelief.

'WIDESPREAD INVESTOR INTEREST IN A COMPANY THAT PRODUCES THE LEAST POPULAR PRODUCT ON THE PLANET'

Such a view however overlooks the mighty scale of the oil industry, the breath-taking profitability of Aramco and the confidence of the Saudi Royal Family in backing the company's resilience in the face of a future decline in demand. First and foremost, the oil industry is still comfortably the biggest in the world and even if it was to halve in size, it would still be larger than (for example) the collective global metals market (iron, steel, gold, aluminium etc). As for Aramco itself, the company is the most profitable on earth by a factor of 2 to 3 times, outgunning the combined profitability of ExxonMobil, JP Morgan, Alphabet (Google) and Facebook. In the first 9 months of 2019 (when oil prices have been fairly flat), Saudi Aramco delivered profits of $68bn. Its nearest rival was Apple, which in the same period "only" made $35bn. The world may desire electrical fruit, but it would seem it needs filthy oil more.

Investors were well aware of these facts and interest in Aramco's share offering was correspondingly intense, with an incredible 25 Investment Banks involved in the process. In "crude" terms, when it comes to a company like Aramco, money talks and investors are rarely sentimental when it comes to hard returns.

THE OIL INDUSTRY IS STILL THE BIGGEST IN THE WORLD

But there is more to Aramco than its current staggering ability to make money and the floatation by the Saudis is both shrewd and bold. Yes, it is true that oil may be on the "last lap" of the global energy race, but in so many areas, it remains, and will remain indispensable. Cars, buses and maybe trucks can all shift to alternative power sources, but planes and ships cannot do so easily. Plastics, chemicals, fertilisers and pharmaceuticals all have few alternatives to the intense use of oil. More significant still is the fact that as demand for oil declines, so will investment in oil exploration, which will leave gaping holes in the relationship between supply and demand. Whereas demand moves in a linear and entirely predictable fashion, oil supply will disappear in "chunks", as oil companies cease investing in new projects. This will result in large and damaging price spikes, which will of course massively benefit the producers that keep investing and producing…

Step forward Saudi Aramco! In a "*last-man standing*" scenario, all sensible bets would have to be on Aramco. At an average oil extraction cost of $5-10 per barrel, it is unlikely their operations will ever be unprofitable – whatever the oil price. And when there are price spikes along the way, bumper dividends will be generated for shareholders. Furthermore, low extraction costs are a reflection of the low energy required to get Saudi oil out the ground, which actually makes Aramco's operations highly efficient and environmentally friendly versus the likes of Russian heavy crude or even American shale. In an environmentally conscious future, this kind of "green" factor could be extremely important to "necessary" buyers of crude.

All of which means that whilst the Oil Majors – see also page 21 – are now desperately trying to reinvent themselves as Energy Companies (with renewable solutions thrown into the mix), Aramco has no real reason to do anything but get the stuff out the ground and sit tight. All the while, competitors will likely fall by the wayside, picked off by shrinking demand, high production costs and aggressive environmental legislation. The $2trn valuation in December made Aramco the world's biggest company by market capitalization (easily surpassing Apple's current value of $1.15trn) and even though only 2-3% of shares were made available, they still generated $30bn for the Saudi Treasury. Much more will no doubt follow, when further shares are released this year.

Readers can make their own judgements as to whether the Saudi Royal Family showed far sighted judgement with their IPO or whether they are simply the lucky rulers of a country blessed with bounteous oil reserves, that are located in geologically basic rock formations. Either way, Saudi Aramco's share offering allows us to cast a light on what the oil sector might look like in 20 years' time, when demand has fallen, and alternative forms of energy are in the ascendancy. One conclusion might be that the industry in 2040 will be made up of multiple small players serving the niche products that still come from crude oil. Crown Prince bin Salman is banking on an alternative view, where one giant player dominates what is left of the oil industry. Based on December's flotation, it would seem that investors believe that the player in question will be Saudi Aramco.

For more pricing information, see page 22

Portland Fuel Price Protection
www.portland-fuel-price-protection.com

The quest to resolve gas oil issues

THE LAST QUARTER OF 2019 SAW A SUDDEN AND SIGNIFICANT INCREASE IN FUEL PROBLEMS REPORTED ACROSS THE UK, AFFECTING BOTH ON AND OFF-ROAD VEHICLES WITH THE RESULTING ISSUES POTENTIALLY LINKED TO THE USE OF FUEL WITH A HIGH FAME CONTENT

- **Reduced cold weather performance with poor flow characteristics and waxing**
- **Decreased stability and shelf life with gradual degradation through oxidation, hydrolysis and separation**
- **Water contamination with greater potential of algae, bug and mould growth**
- **Residual deposits increasing the risk of injector fouling/filter blocking**

With concerns growing, Petroineos held a gas oil and diesel workshop at their Grangemouth refinery in November. (For more details visit the Fuel Oil News website) **https://fueloilnews.co.uk/2019/11/petroineos-gasoil-and-biofuel-workshop/**

Does FAME forfeit fuel quality?

A Petroineos spokesperson explained:

"Having received dozens of samples back from customers for analysis, everyone met the required standard. Whilst confident in our systems, processes and product sold to market, we were made well-aware of the issues experienced and determined to get stakeholders together to find answers to the growing problem."

Hosted by Daniel Brain, commercial manager – marketing & distribution and refinery manager, Russell Mann, members of the quality and technical team were also on hand. Among the attendees were representatives from NFU Scotland, Ringlink Scotland and UKIFDA as well as distributors and their customers ensuring representation from all involved in the fuel supply chain.

Fuel Oil News commercial manager, Margaret Major, who attended the event witnessed a lively Q&A session as to what could be done to address the issues.

"It quickly became apparent just how emotive a subject this was," said Margaret.

"There was a real sense of desperation with NFU Scotland expressing concern about '*the potential threat to the well-being of both livestock and their members*' and reports of farmers increasingly frustrated at their inability to carry out jobs due to clogged filters causing machinery to breakdown, all of which was resulting in significant downtime and an increased financial burden."

Several fuel distributors gave examples of frustrated customers refusing to pay their bills; and, in a bid to find resolution measures, UKIFDA's CEO, Guy Pulham, raised a number of questions on behalf of members.

The event's large turnout left reassured that fuel produced by Petroineos met the required standards, but what still remained was an overriding feeling that RTFO standards imposed by government may not be fit for purpose. With winter weather on its way and lower temperatures known to exacerbate problems with FAME, there was an overwhelming call for the immediate suspension of FAME addition at the higher 7 % level until solutions to problems could be found.

FAME – reviewing with a matter of urgency and resolving this significant industry issue for the longer term

Immediately following the workshop, Petroineos communicated an initial plan of action.

'We are committed to engaging with our industry associations and governments and have already held teleconferences with UKPIA and appropriate government departments who have committed to review this issue as a matter of urgency.

"In order to assist government with this review, we encourage both representative bodies present at the workshop – NFUS and UKIFDA, to collate detailed information on the reported issues around equipment failures."

Issuing a further statement at the end of November, the Petroineos refinery announced that it had '*reduced the volume of FAME blended into our gas oil and diesel – in recognition of the need for action to ensure that end-users do not experience further unnecessary operational issues*'.

Petroineos has allocated significant resource to investigating the root cause(s) of the issues experienced with investigations being 'extensive and ongoing into what is a complex process with a large number of variables.' Speaking in late November, a spokesperson said:

"At this stage, we remain unable to identify any specific root cause within our manufacturing or FAME blending process and we remain confident that diesel and gas oil dispatched from Grangemouth refinery meets or exceeds the applicable specification. We are monitoring the effectiveness of the changes made and will communicate this to all stakeholders as we progress.'

Despite the challenging discussions there was widespread appreciation that Petroineos had taken the initiative to bring all those involved together to seek a solution.

"Although it didn't provide the answers that we were all looking for on the day, Petroineos should be applauded for setting up the meeting," said Jodie Allan, assistant manager at James D Bilsland who welcomed the Petroineos decision to reduce FAME content.

Commenting to Fuel Oil News in mid-December, Jodie added.

"We wait to see if the issues abate as the newer blended product moves through the system.

"Since this issue was first raised, UKIFDA has consistently and professionally represented the needs of members by utilising its strong relationships with other trade associations, industry groups and panels.

"It hasn't been easy as the issues have had no discernible patterns. It's not UK or Ireland wide; it is not just old tanks and equipment and it is not one type of distributor or supplier. UKIFDA will also ensure that the lessons learnt will be applied to future rollouts of increased biofuels."

In November, fuel oil distributors across Scotland joined representatives from the National Farmers Union in Scotland, Ringlink Scotland and UKIFDA at the Petroineos gas oil and diesel workshop to seek answers to issues experienced with the use of FAME

RTFO is not going away – longer term solutions need to be found

Rolling back the biofuel percentage may alleviate the issues in the short term, but distributors clearly acknowledge that the RTFO isn't going away. Given the need to make the sector more sustainable by reducing emissions and decreasing the reliance on imported fossil diesel, longer term solutions still need to be found. Two other areas under consideration to enable non-problematic use of diesel with a higher FAME percentage are housekeeping and additives.

However, feedback from the floor at the workshop suggested that end users have attempted to address both but that neither were seen to be the complete answer to problems which have continued.

In terms of housekeeping considerations, there is plenty of guidance available online. Actioned last year, UKIFDA has been running a campaign to reinforce its guidelines and information on the management and storage of gasoil to ensure all users are aware of the impact that the addition of FAME has on mobile equipment. As Guy Pulham pointed out – "*good house-keeping is part of the issue but it's not the whole solution*."

Additives – to use or not to use?

The use of additives to alleviate the negative effects of increased FAME percentages is very much part of the ongoing collaborative work in the industry, with early indications looking extremely favourable. This will be welcomed by workshop attendees where a plea from the floor:

'We're looking for help. Is there an additive we can put in? What can you recommend?' suggests an understanding that, as the fuel composition changes, off-road fuel needs to be viewed in the same way as on-road fuel with respect to additives which will almost certainly be a key part of the solution.

Others commented that equipment manufacturers had originally suggested that the use of additives other than their own would invalidate warranties. More recently however, manufacturers have now confirmed that the use of biofuels requires additives, with the choice extended to any suitable ones.

"Subsequent to the meeting at Grangemouth UKIFDA has continued its discussions with TSA, UKPIA and IPIA, with government departments also made aware of the issues," UKIFDA CEO, Guy Pulham told Fuel Oil News.

"UKIFDA has also met with the National Farmers Union to share information and with additive suppliers to understand their own testing results and efforts in finding short term solutions. We are also committed to supporting any new initiatives or industry groups that may be formed to investigate the problem.

"UKIFDA continues to evaluate data received from members and consumers with the aim of shortly providing an updated picture as to how the geography of the issue has changed."

Finding the right solutions

When FAME was introduced into road diesel similar filter blocking issues were experienced in cold weathers. Led by a DFT/SMMT filter blocking task force set up in 2013, the automotive sector and oil industry very quickly learned how the change was impacting on the distribution supply chain which led to changes in vehicle pumping and filtration systems. The result was that vehicle manufacturers effectively engineered out the problems so there are very few issues in Euro VI vehicles. It seems that this experience and co-operative approach needs to be replicated in the gasoil fuel chain and swiftly.

It remains to be seen – but the likely key to these present gas oil issues may well lie in greater cooperation throughout the fuel chain, with end users engaging with both fuel and additive suppliers to find the right additive solutions.

J&M Oils transfers to Valero ownership

ANNOUNCING THEIR DECISION TO RETIRE LAST YEAR, WEXFORD COUPLE JACK & MARY GALWAY HAVE TRANSFERRED THE OWNERSHIP AND OPERATIONS OF J&M OILS, THEIR ADAMSTOWN-BASED BUSINESS, TO VALERO MARKETING IRELAND LIMITED WHICH MARKETS THE TEXOIL BRAND IN IRELAND.

Having devoted 34 years of service to the business since its establishment in 1985, their decision was influenced by a wish to see the high level of service to its customers maintained without interruption and with a long-term prospect of continuity.

"Moreover, with our daughter and three sons each pursuing successful careers and no clear line of succession, it became inevitable that a new arrangement needed to be found," explained Jack.

Long associated with home heating oil distribution in the south east, J&M Oils serviced an extensive domestic and farm customer base throughout Wexford town and county and into south Kilkenny and east Waterford.

Before setting up J&M Oils, Jack had acquired eight years in the oil business, working as a Texaco driver from their depot in New Ross. The impetus to 'go it alone' came when Texaco gave its drivers the chance to branch out and set up their own businesses – an opportunity seized upon by Jack and Mary.

"ENSURING A CONTINUED HIGH LEVEL OF CUSTOMER SERVICE SUPPORTED BY COMPETITIVE PRICES THAT ARE AMONGST THE BEST IN THE MARKET"

Pictured on the day of their retirement announcement are Jack Galway (centre) with his wife Mary (2nd left) along with (l-r) driver, Barry Clare, Jack and Mary's son Tom; Frank Staples and driver Pat Hennessy who, with his colleague Barry, will continue to operate deliveries as before

"We've dedicated our lives to bringing the business forward, to delivering warmth and comfort to a legion of loyal home heating oil customers and to providing a vital fuel supply to local farming communities," said Jack and Mary.

"Our decision to pass the reins to Valero is one that will ensure the J&M Oils tradition lives on, and that customers can look forward to enjoying the same high level of service and competitive pricing they had come to expect from J&M Oils."

Henceforth, deliveries will continue to be made by experienced drivers Pat Hennessy, from Tullogher, Co. Kilkenny and Barry Clare, a native of Wexford town now living in Chapel, Clonroche.

Through the new arrangement, the company pledges to provide what Frank Staples, Valero Marketing Ireland's commercial manager south east, says will be "*a continued high level of customer service supported by competitive prices that are amongst the best in the market*".

"Specifically, customers of J&M Oils will continue to benefit from continuity of service and a competitive market approach that being part of a larger network will bring," added Frank.

Engineering the energy transition

With EU breweries throwing out around 3.4 million tons of unspent grain every year, a Queen's University Belfast researcher has developed a low-cost technique to convert left over barley from alcohol breweries into carbon.

Dr Ahmed Osman from the School of Chemistry and Chemical Engineering explains:

"Only a few steps are needed – drying the grain out and a two-stage chemical and heat treatment using phosphoric acid and then a potassium hydroxide wash. The resulting product can then be used as a renewable fuel for homes in winter, charcoal for summer barbecues or water filters in developing countries." Hoping to explore opportunities for the commercialisation of this method in creating activated carbon and carbon nanotubes, Dr Osman added:

"The synthesis of value-added products from barley waste is a prime example of the circular economy. Using waste food by-products and creating a high-value product can benefit the environment and society through economic and social opportunities."

From 26th-28th February, Queen's University's work on biofuels from waste will be featured at the Engineering the Energy Transition conference in Belfast.

Global oil prices – the illusion of stability?

FOR THE FIRST ELEVEN MONTHS OF LAST YEAR THE CRUDE PRICE TYPICALLY TRADED WITHIN A RANGE OF $55 TO $70 PER BARREL, BREACHING THE UPPER LEVEL IN APRIL AMID A CURTAILMENT IN RUSSIAN FLOWS TO EUROPE, AND A RENEWED FOCUS ON US SANCTIONS AGAINST IRAN. AT THE TIME OF WRITING THERE ARE JUST THREE WEEKS LEFT IN 2019; THE YEAR TO DATE HAS SEEN FRESH ECONOMIC AND GEOPOLITICAL TURMOIL, WITH 2020 SET TO SEE THESE ISSUES CONTINUE, SAYS CORNWALL INSIGHT'S DR CRAIG LOWREY

Expectations for oil demand remain crucially dependent on the global economic outlook. Over the course of 2019 there have been progressive reductions in oil demand growth forecasts from both the US Energy Information Administration (EIA) and OPEC – reflecting underlying financial and macro-economic issues.

Trade war concerns dominate demand outlook

Fears over the stability of the global economy show no signs of abating as long as the US-China trade war remains a key factor. America's wider attitude to the use of tariffs on its other trading partners – including the EU – has also added to concerns. The US-China dispute, which has intensified over the last two years, has been cited by commentators as a brake on economic growth and has in turn reduced expectations for global oil demand.

While comments in November 2019 from negotiators on both sides of the dispute indicated a more conciliatory tone and, the prospect of a wind-back of some tariffs, there remain mixed messages from the White House as to the Trump administration's actual position. This includes the prospect of a deal delay until after the 2020 presidential election in November 2020.

Although questions over demand growth continue, the supply outlook remains buoyant. This is being led by the US and in defiance of an increase in the number of American shale oil producers filing for bankruptcy or seeking to restructure their debts with creditors. Meanwhile, output from OPEC remains subject to the output sharing agreement that the group established with Russia in early 2017. The goal of the agreement was to scale back supplies in a bid to stabilise the market and support prices.

IPO and drone strikes overshadow Saudi output

As OPEC's main producer, Saudi Arabia has its own issues to consider in the form of the long-awaited initial public offering (IPO) of state-owned Saudi Aramco on the Riyadh stock exchange. With the Kingdom seeking a $2 trillion valuation for the company, such an outcome depends in part on a high oil price. The main objective of the floatation is to secure funds to diversify the Saudi economy away from its reliance on oil revenues.

This reliance was brought to the forefront over the course of the summer given serious production disruptions in the country. In September, confirmation from the Saudi Arabian energy minister that drone strikes had reduced the country's oil output by around half, resonated across the energy markets. The incident – the second of its kind in a matter of weeks, and which Saudi authorities blamed on Iran – took the Abqaiq crude processing plant offline.

This site is seen as critical to Saudi oil production and according to information released by Saudi Aramco, processed around half of the nation's crude oil production in 2018. Also hit was Khurais, the country's second largest oil field, prompting fears of an extended loss of oil production and exports from the Kingdom. A spike in prices after the incident, the use of fuel stocks held by the Kingdom and a quicker-than-expected resumption in flows saw the market subsequently retreat.

Iran remains under tough economic sanctions from the US, these having been stepped up in response to the drone strikes. In addition, the Pentagon announced that it would send military reinforcements to the Middle East in the wake of the attack following a request from Saudi Arabia and the United Arab Emirates. Despite these geopolitical issues the prospect of an escalation and further military conflict in the region remains seemingly low.

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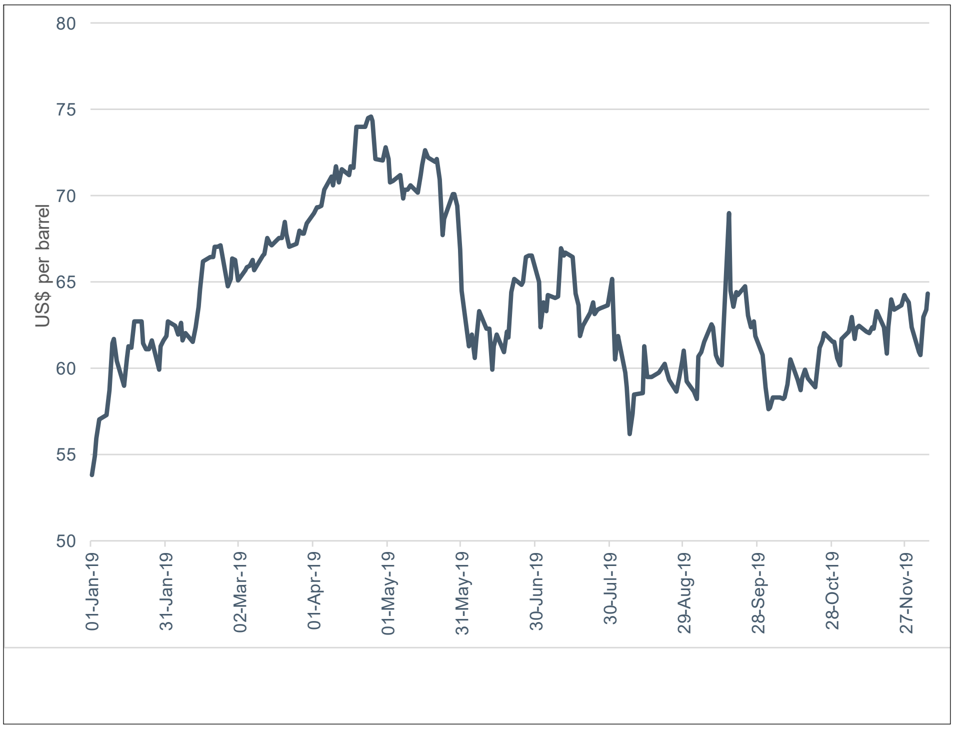
Front month ICE Brent Crude oil price, January 2019 to October 2019 (US$ per barrel)



Source: Intercontinental Exchange

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Election, election, election

Looking ahead to 2020, the US political debate is set to assume centre stage as November's presidential election looms. With president Trump having sought to promote American energy independence, a number of Democratic candidates have highlighted policies based upon the reduction of oil & gas and a lower carbon agenda.

American foreign policy may also be a factor in the market, depending upon how the wider relationship with Saudi Arabia, and particularly Iran, evolves in the run-up to the election. The country's economic policy will also be a key factor.

With oil priced in US dollars, the health of the nation's economy and the level of American interest rates will also be important. At the end of October, amid signals of slowing economic growth the Federal Reserve cut rates for the third time in 2019. This all but reversed the increases seen throughout 2018.

As lower interest rates are commonly reflected in a weakening of the nation's currency, in the case of the US this would make oil comparatively cheaper and could help support demand. However, this would be tempered by the wider economic implications that would necessitate lower interest rates.

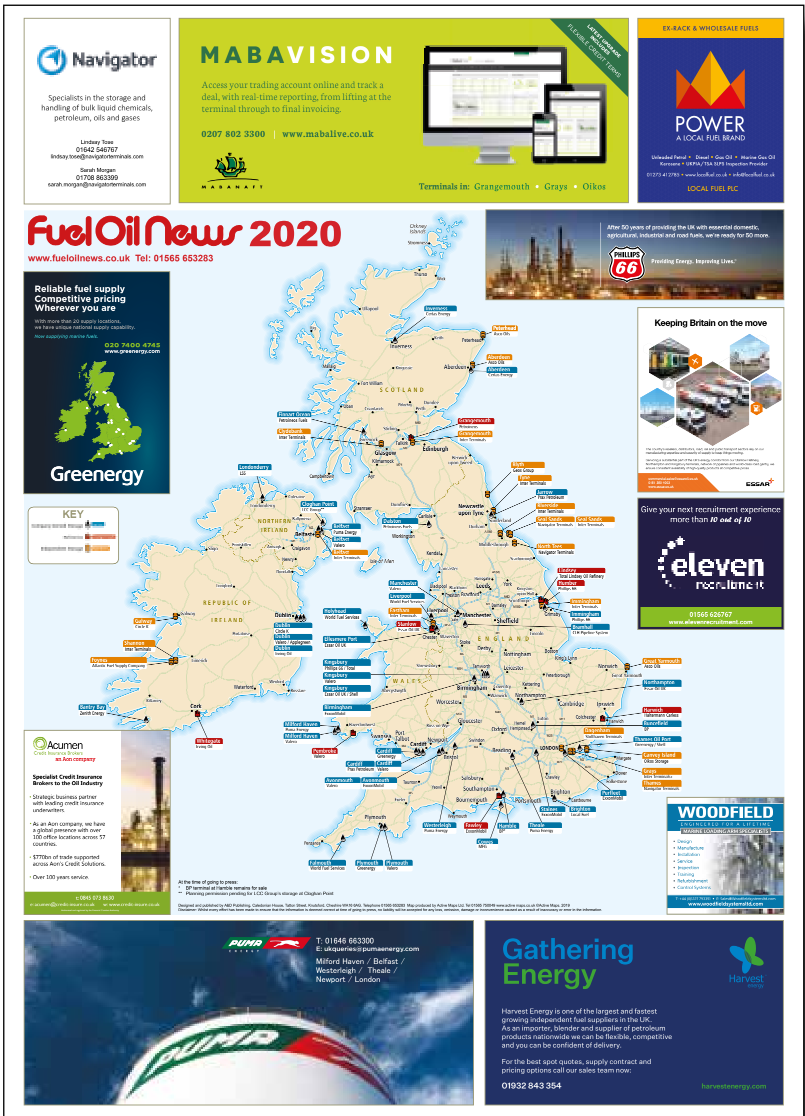
The UK has its own electoral and political considerations with the future of the nation's relationship with the EU showing little immediate signs of becoming clearer.

The fate of the October 2019 deal negotiated by the Conservative government will be inextricably linked with the outcome of December's election, as will the future of the UK and EU economies and in turn what that means for the global economic outlook.

Dr. Craig Lowrey is a senior consultant at Cornwall Insight with over 25 years' experience across the energy sector – **www.cornwallinsight.com**

What's in store for 2020?

ENCLOSED WITH THIS ISSUE IS A FREE COPY OF THE FUEL OIL NEWS 2020 STORAGE & TERMINALS MAP WHICH MARKS THE 12TH EDITION OF THIS VERY POPULAR PRODUCT



Kicking off with IMO changes to marine fuels, the industry will no doubt have plenty to report at **StocExpo**, which takes place at Rotterdam Ahoy from 10th–12th March 2020.

Opening the conference, Artur Runge-Metzger, director, DG CLIMA, European Commission will give an assessment of the future of sustainable transport and the EU's energy policy.

Closer to home, Peter Davidson, TSA executive director has called on the new UK government to work in partnership with the bulk liquid storage sector and '*for positive steps to be taken around our future trading relationship with the EU to restore business confidence and mitigate uncertainty*.'

The 2020 **Tank Storage Association conference & exhibition** will take place at the Ricoh Arena in Coventry on Thursday 24th September.

New for 2020 – the TSA has launched its very own channel on YouTube.

"With the aim of providing a window into the UK's bulk liquids industry, the channel will feature videos showcasing the sector and its role in supporting growth and prosperity," explained Peter Davidson.

"It will also allow us to communicate and connect with a much wider audience. For the launch, the channel displays the associations' core values and work on behalf of its membership. Additional videos, interviews and much more will be uploaded regularly.

"This exciting initiative reflects our commitment to raising awareness of the incredibly important role that our sector plays."

Fuel Oil News would very much like to thank those companies who have supported the production of this year's map – **Acumen, Essar, Eleven Recruitment, Greenergy, Harvest Energy, Local Fuel, Mabanaft, Navigator, Phillips 66, Puma Energy and Woodfield**

Assisting with driver training and fuel protection in Africa

TWO YORKSHIRE-BASED COMPANIES HAVE BEEN BUSY WORKING IN AFRICA RECENTLY. HELPING TO KEEP TANKER DRIVERS AND FUEL CONTENTS SAFE DURING TRANSPORTATION, THE MISSIONS UNDERTAKEN BY HUDDERSFIELD-BASED HOYER UK AND LEEDS-BASED MECHTRONIC HAVE CERTAINLY MADE AN IMPACT

A high demand for dangerous goods training

In November Chris Hill, HOYER UK's senior driver trainer, was in Africa for his sixth trip as part of the company's ongoing support of Transaid, working with trainers who currently deliver HGV training at the National Institute of Transport (NIT) in Dar es Salaam, Tanzania.

Road deaths are the third biggest killer following HIV/AIDS and malaria in sub-Saharan Africa with official statistics from the World Health Organisation claiming a staggering 24.7 people per 100,000 head of population are losing their lives in road traffic crashes.

There has been a particularly high demand for dangerous goods training since an incident involving a tanker crash, and subsequent explosion, killed more than 100 people in Morogoro, Tanzania.

During his 10 days of training, Chris Hill provided dangerous goods training for 15 trainers, with a mix of theory and practical work.

Senior driver trainer, Chris Hill who provided 10 days of dangerous goods training, says his trips to Africa have been inspiring

"I have found my five previous trips to work with instructors on HGV training inspiring," said Chris.

"I go with the aim of ensuring the team I work with are then able to pass on high-quality training to other drivers, to ensure that Transaid is continually increasing the number of qualified drivers on the road."

Visiting in 2018, Chris said he noticed a significant increase in traffic on Tanzania's roads since his first trip in 2014.

"The dense traffic we experienced on the roads also brought to life how many hazards there are, and the potentially serious consequences if conditions are not taken into account. Blindspots are an issue for HGV drivers no matter where you are in the world so it's something I always focus on."

"We are grateful to HOYER for seconding Chris Hill to us over the past nine years," said Florence Bearman, head of fundraising for Transaid.

"Over this time his training of trainers will have resulted in the training of over 500 HGV drivers and impacted the training of over 2,000 PSV drivers and the measure of his contribution to road safety in these countries cannot be underestimated."

"Safety is at the very core of our work and we are committed to achieving the highest standards of safety and continue to invest in equipment and in the training needed to uphold this commitment," added Allan Davison, HOYER Petrolog operations director.

"Helping Transaid to deliver this same high-quality dangerous goods training in Africa is very much in step with this ethos and we are proud of the superb work that Chris Hill has done in contributing to improving road safety and saving lives."

Helping to prevent fuel discrepancies

When the Kenya Port Authority (KPA) was facing a real issue with fuel discrepancy, they invested in MechTronic's VisiLevel gauging system to prevent pilfering.

"Siphoning by drivers at KPA is chronic, affecting transporters and construction companies," said KPA.

For instance, nearly 40% of fuel is lost; this technology is expected to help address this problem."

"The system has been in place just a couple of months, but we've already seen a reduction in fuel discrepancy; the impact on

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the port has been significant and discussions are now underway to expand the fleet!" reported Joe Kigara, CEO at Simplytrak (Kenya) who commissioned the tender.

An ATEX and IECEx approved level gauging system, VisiLevel uses patented and proven technology to identify a tanker's fuel content, by measuring the volume, temperature, density and colour.

This unique gauging system ensures that the date, time and location is recorded when the fuel tanker makes its delivery. When linked to MechTronic's bespoke cloud-based tracking system, actual loaded product information is automatically uploaded to the tracking system, and using the metered delivery information, the product left onboard the tanker at the end of the day is reconciled. An end-of-shift report can be easily created to identify any stock variations, guaranteeing the security of both the onboard product and tanker.

Since VisiLevel's successful launch into Kenya, Côte d'Ivoire-based Global Services, a distributor of fuel management systems within Africa, has purchased VisiLevel.

"We wanted a solution that would enable our customer to monitor, track and ensure that their customers are receiving an untampered product," said Global Services.

"With drivers travelling some two to three thousand kilometres over a period of several weeks, unfortunately fuel discrepancies and tampering can happen.

"However, with VisiLevel's introduction and its tailor-made audit tracking capabilities, we can ensure our individual customers' requirements are met, with the software automatically issuing text and email alerts when fuel levels drop by a specific level.

"Since installation, our customers have been able to track exactly where fuel is leaving the tanker or when the fuel is being tampered with – providing operators with a tool to end fuel discrepancies and save valuable product and money."

MechTronic has seen repeat orders for Kenya with significant orders due for the Ivory Coast and South Africa.

What are the supermajors doing to prepare for the energy transition?

The fossil fuels era, which has enabled economic growth and development of an unparalleled kind, now faces an entirely new and different set of challenges. This month Inside Out takes a look at how the supermajors are adapting to the energy transition.

At last year's IP Week, the Energy Institute was instrumental in leading the challenge with a focus on the key role and measures needed to be adopted by the oil & gas industry to achieve a low carbon future.

Two distinct and clear strands of attention/focus are being pursued by the companies below.

Pursuit of efficient, safe and environmentally friendly/compliant operations, US companies **CHEVRON** and **EXXONMOBIL** are particularly mindful of sustainability considerations, and technological solutions to address decarbonisation.

Actively embracing electricity as a key energy source, particularly the electrification of mobility/transport, European companies **BP**, **SHELL** and **TOTAL** are into power supply and the provision of electric vehicle charging points.

CHEVRON is actively involved in two very large Carbon Capture, Utilisation and Storage (CCUS) projects, investing $1 billion+ in the Gorgon (Australia) gas field CO2 injection project and in Quest in Canada with Shell. Chevron is also a stakeholder in Carbon Engineering, a start-up company in British Columbia, which is trialling a new process called direct air capture which sucks carbon dioxide from the atmosphere by using chemicals and fans. The CO2 extracted can then be used to produce synthetic fuels to substitute for petrol, Jet A-1 or diesel.

Chevron has 'a commitment to understanding and evaluating opportunities across a range of alternative and renewable energy sources, including wind, solar and biofuels, as well as energy efficiency technologies.' Its Technology Ventures arm promotes innovation, commercialisation and adoption of emerging technologies in water management, production enhancement, power systems and emerging materials.

Also heavily involved in CCUS, **EXXONMOBIL** is seeking to make the technology both scalable and more affordable. An agreement worth up to $60 million with FuelCell Energy, is providing clean, efficient and affordable fuel cell solutions configured for the supply, recovery and storage of energy.

Carbonate fuel cells can then efficiently capture and concentrate carbon dioxide streams from large industrial sources; its modular design is capable of deployment at a wide range of locations and has potential for a more cost-efficient pathway for large scale CCUS adoption.

For several years ExxonMobil has been researching advanced biofuels, with particular focus on algae's potential. Its properties enable the manufacture of biofuels with similar composition to existing fossil fuels used in transportation.

BP acquired Chargemaster, the UK's largest electric vehicle charging company, in 2018 with its Polar network comprising 7,000 publicly available charging points. Installation of 150KW ultra-fast charging points at BP's UK sites is currently under way, with 400 in place by the end of 2021. The units have an assessed capacity to deliver a 10-minute charge with a 100-mile range. BP's ambition is to have the UK's largest ultra-fast public charging network.

In 2010 the company set up Lightsource for the development, acquisition and long-term management of international large-scale solar projects and smart energy solutions. This now manages 2GW of solar capacity, through a £2.6 billion investment and a team of 300+ people. BP is currently developing five UK solar farm projects, capable of supplying 63,000 homes and saving an estimated 79,000 mt/year of carbon emissions.

In 2017 **SHELL** acquired Dutch company, NewMotion, provider of circa 30,000 residential and business charging points and 50,000 public sites. Shell, which is installing charging points at networks in Norway, Netherlands, Philippines and the UK, is converting an existing filling station in Fulham, London to all-electric with the site opening in 2020.

Acquired in 2017, independent energy supplier, First Utility has a portfolio of around 800,000 residential customers receiving renewable electricity. Now rebranded as Shell Energy, customers benefit from the Shell Go+ loyalty rewards programme and smart home offers including smart thermostats, with discounts on home electric vehicle chargers and fast broadband. By 2030, this could be the world's largest power company, with electricity projected to account for 30% of its business by the mid-2030s.

From renewable generation to battery storage to vehicle charging and domestic power, **TOTAL** has been acquiring electricity supply chain companies.

In 2016 the long-established French battery manufacturer Saft Group was acquired, with G2Mobility, a French provider of electric vehicle charging solutions, acquired in 2018. The latter having almost 10,000 points managed by its web services platform, supporting both municipal governments and private businesses.

Lampiris, third largest supplier of natural gas and renewable power to the Belgian residential sector, was acquired in 2016. Bringing circa one million customers, this now called Total Spring. Paris-based power supplier, Direct Energie was acquired in 2018 giving Total around four million customers. Total's aim is to expand the network to 6 million by 2022 thus becoming a major challenger to EDF which currently supplies 80% of the market, and Engie.

BP, **SHELL** and **TOTAL** are members of the **HYDROGEN COUNCIL**, launched at the January 2017 Davos meeting, as a global initiative to frame a unified vision to promote hydrogen as 'one of the key solutions of the energy transition'.

A combination of increasing public and political pressure and shareholder activism, is clearly playing a key role in shaping energy transition strategies.

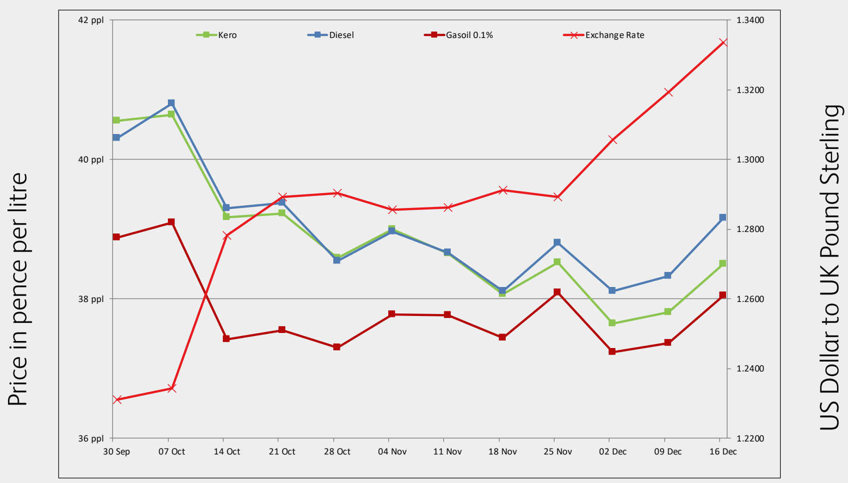
The EU is seeing immediate pressure towards electrification rising from more stringent CO2 emissions reductions targets. Fleet-wide emissions for new passenger cars will be phased in during 2020 and effective in 2021. This will require an average of 95gm/km down from the 2015 target of 130gm/km and 2018 average of 120 gm/km.

Having successfully met numerous previous challenges, the supermajors have the resources, expertise and knowledge base to build resilience, and address the energy transition in their own, different ways.

Wholesale Price Movements:
19th November 2019 – 16th December 2019

	Kerosene	Diesel	Gasoil 0.1%
Average price	38.04	38.38	37.56
Average daily change	0.38	0.40	0.43
Current duty	0.00	57.95	11.14
Total	38.04	96.33	48.70

All prices in pence per litre



Week commencing

Kerosene

Highest price	Biggest up day
39.10 ppl	**+0.74 ppl**
Thu 24 Oct 19	Thu 31 Oct 19
Lowest price	**Biggest down day**
37.22 ppl	**-1.10 ppl**
Thu 17 Oct 19	Mon 18 Nov 19

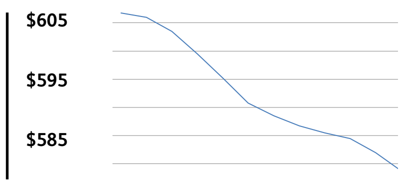
Diesel

Highest price	Biggest up day
39.95 ppl	**+0.81 ppl**
Thu 24 Oct 19	Thu 31 Oct 19
Lowest price	**Biggest down day**
37.64 ppl	**-1.06 ppl**
Thu 17 Oct 19	Thu 31 Oct 19

Gasoil 0.1%

Highest price	Biggest up day
38.74 ppl	**+0.76 ppl**
Fri 25 Oct 19	Thu 31 Oct 19
Lowest price	**Biggest down day**
36.77 ppl	**-1.24 ppl**
Thu 17 Oct 19	Mon 18 Nov 19

Gasoil forward price
in US$ per tonne



January 2020 – December 2020

The Fuel Oil News Price Totem

	Trade average buying prices			Average selling prices		
	Kerosene	Gasoil	ULSD	Kerosene	Gasoil	ULSD
Scotland	40.33	40.62	99.92	45.98	43.40	103.83
North East	39.28	39.25	99.00	47.09	41.81	101.87
North West	40.85	41.85	101.39	46.29	44.29	103.96
Midlands	39.35	39.78	99.46	44.63	42.31	102.58
South East	39.45	39.74	99.44	50.35	44.16	102.15
South West	39.80	39.58	99.28	46.84	42.10	101.75
Northern Ireland	39.91	40.95	n/a	45.12	44.09	n/a
Republic of Ireland	53.67	46.38	100.86	58.67	49.12	104.05
Portland	37.66	48.44	96.15			

The price totem figures are compiled from the results of a telephone survey of distributors carried out on 05/12/2019.
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 https://portland-fuel.co.uk/pricing.

Harvest Energy launches Axis Logistics

Harvest Energy, a member of the Prax Group of companies, is set to enhance its delivery infrastructure by bringing its road tanker logistics operations in-house. Operating under the name Axis Logistics, this new division of the company will be wholly owned by the Prax Group.

The service was previously performed by third party contracts, but Harvest Energy is now seeking to streamline all its logistics operations under one roof in order to provide an even greater service to its many and varied customers. This initiative is set to be implemented in January 2020. As one of the UK's largest independent fuel suppliers, Harvest Energy has a national infrastructure to support and supply customers of all sizes with premium quality fuels and it does not envisage any disruption to service or supply due to this change.

'Bringing our road tanker logistics operations in-house demonstrates our ongoing commitment to further strengthen the infrastructure behind our reliable supply chain,' said Sanjeev Kumar, CEO of the Prax Group

"As a dynamic and forward-thinking organisation, we consistently look for ways to keep our business innovative and to continue to meet the needs of our customers, whoever and wherever they may be," said Sanjeev Kumar, CEO of the Prax Group.

"Bringing our road tanker logistics operations in-house demonstrates our on-going commitment to further strengthen the infrastructure behind our reliable supply chain. It is the natural evolution in our progression towards making Harvest Energy a leading player in the global oil market. The decision reflects the Group's strategic objective to move into a new stage of accelerated investment, growth and development."

Products & Services Directory

Are you looking to promote your products and services through 2020?

Contact Margaret by email margaret@fueloilnews.co.uk or phone 01565 626760 to discuss the best way to achieve this.