# Fuel Oil News

NOVEMBER 2020


## THE ADAPTATION ISSUE

### IRISH ENERGY STRATEGY UPDATE

### BP ENERGY TRANSITION – WILL IT SUCCEED?

# SUPPLYING FUEL ADDITIVES TO KEEP YOU GOING WHATEVER THE WEATHER (OR CIRCUMSTANCES)...

## Think you've had a bad day?

From missed opportunities to outright mistakes, some of the world's largest businesses have fielded some embarrassingly avoidable catastrophes.

It is an all too common experience that, regardless of the good that may have been done, the success achieved or the positive impacts made, an individual or corporate entity may only be remembered in the future for the one time they got it wrong – and, sometimes, massively wrong.

In 1962, record label Decca were looking to sign an up-and-coming band. They auditioned two, deciding to sign the Tremeloes. The one they rejected? A four-piece outfit from Liverpool known as The Beatles.

More recently, 12 publishers rejected J.K. Rowling's Harry Potter before the 8-year-old daughter of an editor at Bloomsbury demanded to read the rest of the book and Bloomsbury finally agreed to publish it… but also advised Rowling to "get a day job" as 'there was little chance of making any money with children's books'.

An experience as familiar to sporting greats, blue-chip companies and individuals, the inability to see the direction of travel and seize the opportunity has become known as 'a Kodak moment'- that moment when companies fail to realise how consumers are changing and how markets will ultimately evolve in new directions without them. A giant in the photography sector, Kodak had the first digital camera back in 1977 but, since it made so much money selling film, didn't introduce the technology at the time instead continuing its focus on traditional film cameras. Finally entering the digital market, Kodak was selling at a loss and couldn't catch up with those who had been producing digital cameras for years.

Whenever the landscape of an industry changes, there are those that adapt and thrive and others that continue doing the same old thing until it is too late. In this issue we report how our industry has clearly acknowledged the direction of travel and is working hard to adapt throughout the supply chain. This evolution suggests that history will look kindly on our industry as one continuing to be at the front-end, driving what is happening, rather than one sitting on the side-line watching as it happens.


# Fuel Oil News

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




## On the cover

A stunning image captured by Lee Westwell, a driver for Craggs Energy Group, when he was on the road in Rathmell, North Yorkshire.

To read how Craggs, and others in the industry, are adapting to overcome the challenges of both Covid-19 and decarbonisation see our 'Industry Focus' on pages 11 to 13.

## In this issue

We talk with refiners and logistics providers to find out how the industry is preparing for the future of fuels in 'Industry Analysis' on pages 15 to 17, while the challenges presented by remote working and digitalisation are considered in 'Industry Knowledge' on pages 24 & 25 and 27.


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# The Prax Group acquires Total oil terminal

**The Prax Group has worked closely with Total Belgium over the last few months to ensure the smooth acquisition of the Total Zeebrugge Depot in Belgium. The facility will be re-branded as Prax Terminals Belgium, with Harvest Energy Marine managing all bunkering and commercial operations performed at the terminal.**

With a 20,000 cubic metre capacity, the Prax Group will use the terminal for the storage of marine bunker fuels. Its strategic location in the outer port of Zeebrugge means the company can cater for many customers throughout North West Europe, including car carriers, cruise ships, container lines and RORO vessels, offering ship owners and operators a minimum turnaround time in one of the world's busiest ports.

Sanjeev Kumar, CEO Prax Group, said;

"I am delighted to announce the acquisition of the terminal in the port of Zeebrugge, which reflects our strategic objective to move into a new stage of accelerated investment, growth and development.

"It is the natural evolution in our progression towards making Harvest Energy Marine a leading player in the global marine market."

Geert Boden, general manager of Harvest Energy Marine, said;

"The acquisition of the terminal in Zeebrugge means that Harvest Energy Marine is readily able to adapt to the changes in the current bunkering market. We are in a great place to respond to the requirements of our customers, both new and existing, in order to continue to deliver innovative solutions to reduce refuelling times, whilst providing customers with their most important resource."

# Merger completes for Jason Group and Total Synthesis

**Following the break-up last year of the Caldo Oils / Total Synthesis partnership, and the tragic passing of Caldo MD Mike Scott, the pandemic then took centre-stage. Behind the scenes though, during lockdown, work was underway for the purchase of the Jason Group by Total Synthesis.**

The challenges of Covid-19 slowed the process considerably with the business going into limited production for 6 weeks due to difficulties in getting raw materials and keeping staff safe. Despite this, Bill Stout, group managing director, was delighted to announce recently the successful merger of the operations, following the acquisition of the Jason Group by Total Synthesis Ltd, which was completed in July.

Bill comments;

"Bizarrely, after the first weeks of lockdown, a lot of our markets came back stronger than before. Exports increased and orders for both our personal care and bicycle product ranges increased dramatically. So, we responded. We took on another factory unit, installed a new server, rejigged the website, and at the end of our financial year in August, we were 15% up on our previous year. Given the utter madness of the times we are living in, that's quite an achievement!

"We are concentrating on products manufactured in-house, where we have a significant competitive edge. The range of aerosols is huge, and the fuel additives and vehicle service products continue as always. In the coming weeks, we'll be installing an additional filling line for the additives and service chemicals and looking to increase our market share in those areas."

The new website is: www.thejasongroup.com

# Barton Petroleum fits Microlise in fleet upgrade

**The Microlise Fleet Performance solution has been deployed by Barton Petroleum to improve safety and driver performance and deliver increased efficiencies across its fleet.**

The tracking and utilisation solution will improve the fleet's real-time visibility and routing efficiency, enhance driver and customer communication and support better driving performance and safer, more compliant practices.

Howard Marriott, group transport manager at Barton Petroleum Ltd explains;

"By partnering with Microlise and utilising this integrated solution we are ensuring that we equip our fleet with a best-in-class safety, compliance and fleet management solution that will deliver a quantifiable ROI.

"We are confident that our investment will introduce an enhanced level of operating performance and efficiency while protecting and supporting our drivers."

Nadeem Raza, Microlise chief executive officer, added;

"Every customer we work with requires a fit-for-purpose solution, and we are delighted to support Barton Petroleum to increase its organisational capability and sustainability."

# EG Group frontrunner to take over Asda

**The brothers behind the international fuel and convenience empire, Euro Garages Group (EG Group), Mohsin and Zuber Issa, have been selected by Walmart as the prime candidates to acquire Asda.**

The possibility of expanding the supermarket business in their petrol station network is a key part of the operation that has put the Issa brothers and TDR, the London-based private equity backer of EG Group, in pole position. Previously, it was private equity firm Apollo Global Management that was reported

to be the leading option.

In the last three years, EG Group has acquired thousands of stations and convenience stores from Esso, in Italy and Germany, Kroger, Certified Oil, Travel Centers of America and Woolworths in Australia and Cumberland Farms in the U.S – a far cry from the single garage in Bury that the brothers bought for £150,000 in 2001.

The £6.5 billion acquisition of Asda would mean a huge challenge for the brothers from Blackburn, as they enter the supermarket industry.

Acquiring the British supermarket business will mean the 600 stores in the UK will return to British hands for the first time in over 20 years.

# Tuffa provides tank for LCFC

**Tuffa has been tasked with manufacturing a petrol tank for Leicester City Football Clubs' new £103m state-of-the-art training ground. The tank will have the all-important task of fuelling the fleet of maintenance vehicles required to look after the LCFC grounds which are being designed by construction and development giants, McLaren Group.**

LCFC has provided the groundskeepers with the best equipment money can buy. This includes a fleet of around 30 John Deere maintenance vehicles consisting of gators and ride-on mowers. With so many maintenance vehicles requiring between 40 and 50 litres of fuel to fill, McLaren knew that the grounds required a petrol tank onsite.

With Tuffa already known to the club for reliability and high-quality workmanship, the company was asked to manufacture a tank for LCFC. Additionally, McLaren chose to upgrade the tank with a Hytek Alpha FC10 forecourt-style dispenser and fuel management system with passcodes to activate the pump and a

purpose-built plinth for the tower.

McLaren construction's design manager, Spish Buja, said;

"The communication and service levels from Tuffa have been excellent throughout the entire process. The 975 litre petrol tank fits our requirements exactly, the delivery was tiptop and the installation was straightforward."

# Logistics UK responds to heavy vehicle scrappage scheme

**Denise Beedell, policy manager for vans and urban, Logistics UK, comments;**

"Logistics UK welcomed the introduction of the heavy vehicle scrappage scheme in September 2020 as it would help businesses prepare their fleets for the tightening of the London Low Emission Zone in March 2021. The fact that allocated funding for the scheme has run out so soon after its launch due to high demand demonstrates the real determination from logistics businesses to transition to cleaner vehicles and upgrade their fleets in time. We hope that government will support Transport for London with additional funding to extend the scheme or consider alternative options to help those due to be hit hardest by the air quality scheme, including businesses based within the London-wide Low Emission Zone area and operators of specialist vehicles."

# Essar Oil UK extends Asda supply deal

**Essar Oil UK, which owns and operates the Stanlow Refinery, has announced a new agreement with Asda for the supply of petrol and diesel in the Midlands.**

Asda has an existing contract to lift road transport fuels direct from the Road Terminal at Stanlow. The new agreement, however, is the first time that the retail giant will source products from Essar's Kingsbury Terminal, close to Birmingham.

Mark Amor, head of marketing and logistics at Essar, commented;


"We are delighted to strengthen further our relationship with a company as large as Asda. Over the past few years, we have worked closely with them to service their customer needs by supplying high quality products from our Stanlow Refinery.

"We have now signed an agreement to provide part of their retail mix from our facilities at Kingsbury to support their business in the region.

"The strategic 2019 acquisition of Midlands-based distribution assets from BP, which included the Kingsbury and Northampton Terminals, expanded our logistics infrastructure network. This has enabled us to capture additional opportunities, such as this new deal with Asda, and will underpin our further commercial and marketing growth in the UK."

# Gleaner chooses calendar contest winners

**Thirteen photographs and photographers have been announced by Gleaner as the winning entries for this year's contest and will now feature in the company's 2021 calendar.**

After receiving over 200 entries, Gleaner showcased the 13 winning photographs on the company's Facebook page and a spokesperson said;

"A big thank you once again to everyone who took the time to enter our calendar photograph contest.

"Congratulations to Owen Cochrane, Tanya Ritchie, Adrian Beard, Iain MacDiarmid, William Holmes, Gordon Doherty, Simon Wilderspin, Ali Hay, Lydia Newlands, Lynda Simpson, David England, Isobel Wood and Gibby Marr.

"The standard of photographs entered was really high, making it a really tough decision to choose the final 13 images."

The stunning 2021 calendars will be available to pick up from local delivery depots later this year.

# Johnston Oils showcases new tanker design


**Having run its popular annual competition once again, Johnston Oils has now revealed this year's winning design, to be showcased on the company's oil tanker for one year.**

A spokesperson from the company said;

"The winning design from our 'Can you Design our Tanker?' competition has just been delivered to our Aberdeen depot and will be out on the road doing deliveries soon."

Abbie's design was voted the winner by Johnston Oils' Facebook followers.

"Thanks again to Abbie for entering and to our Aberdeen driver George for the great picture.

"We'd like to thank all the entrants in this year's competition. We're always grateful for everyone taking part and sharing their fantastic designs."

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# Nolan Oils chooses Arteel in employee recognition drive

**In a new partnership, Nolan Oils will utilise a recognition platform, developed by Arteel UK Ltd, to enhance employee engagement and improve business performance.**

"We had been looking for something creative when it came to recognising our people for their day to day efforts and when we saw what Arteel had to offer we knew we had found something very special. Our 'Nolan Oils' recognition platform enables our people to give peer-to-peer recognition and will enhance our team spirit and togetherness," says Mark Nolan, managing director at Nolan Oils. "I really want our team to know how valued they are and never take for granted all the good work they do."

Ian Feaver, managing director at Arteel UK Ltd, added;

"We have a clear objective for Nolan Oils to help them recognise the amazing day-to-day efforts and work that happens. This will ensure people feel appreciated and valued, which in turn will create higher employee engagement and when this happens, it has a positive knock on effect for the entire business."

The recognition platform will be branded for Nolan Oils and will enable peer-to-peer recognition to take place. The main focus for

the platform will be Nolan Oils core company values, so that employees can give, and receive, recognition for the behaviours that align with these values. Frequent recognition will not only help the team feel more valued and engaged, but it will encourage the right behaviours that lead to better business outcomes.

# UKIFDA urges UK Government to reconsider red diesel entitlement deadline

**A Government consultation which closed on 1 October, called for views on whether its intended removal of the entitlement to use red diesel from April 2022 except in agriculture, rail and non-commercial heating, has overlooked any exceptional reasons why other sectors should be allowed to continue to use red diesel after this date.**

Tony Brown, UKIFDA technical manager, comments;

"As always, we support tackling climate change and finding ways to meet the UK's net zero targets.

"The proposal to remove the entitlement to use red diesel from all but a select few sectors in less than two years could have adverse impact on business, the economy and, ultimately, the consumer – after all, new technology may not be fully operational in that time frame."

UKIFDA believes the changes to the legislation of red diesel could impact not only consumers and fuel distribution suppliers but also primary users with those affected including the construction industry, pleasure craft industry, refrigeration transport and users of back-up generators such as hospitals, data centres and schools.

"Curbing the use of red diesel in such a short amount of time would impose immediate additional tax of significant value for many industries – and in industries that are already operating on reduced margins due to Covid-19 restrictions and competition in the markets," adds Tony.

"This would likely result in businesses having to pass the extra costs onto consumers. There would also be cashflow issues for fuel distributors and additional unnecessary and burdensome administration for fuel distributors if the proposals in this consultation come to fruition.

When it comes to the sectors excluded from the proposed removal of entitlement to use red diesel from April 2022, UKIFDA is largely in agreement.

UKIFDA chief executive Guy Pulham comments;

"We lobbied the government ahead of the Budget 2020 and are pleased agriculture will maintain the current entitlement. We are, however, happy to sit with government, the NFU and other interested parties, and plan a transition towards low carbon fuel in a time frame that meets net zero and maintains food production too.

"With regard to non-commercial heating being excluded, red diesel has a very limited use for domestic heating and the main fuel used in the UK is kerosene.

"We are, however, against abolishing the tax rebates on heating oil, currently being considered by government, as any increase in fuel bills will hit the most vulnerable homeowners the hardest. Penalising households with higher energy bills won't incentivise them to change either.

"Instead, UKIFDA is keen for the government to consider liquid biofuels as a low carbon alternative to heating oil and urges investment in the UK biofuels sector.

"Whilst we are pleased certain sectors have been excluded, especially agriculture, we urge the government to consider the impact its proposed changes will have on other sectors. For example, hospitals and schools may well have taken advantage of the recent cheaper fuel prices and bought large stocks of red diesel – stocks that could last far beyond the April 2022 deadline and the loss of which would adversely impact those organisations.

"April 2022 is a tight deadline given that the high cost is a barrier to switching to non-diesel vehicles and machinery."

Tony Brown concludes;

"We urge the government to reconsider its proposed deadline for removing the entitlement to use red diesel except in agriculture, rail and for non-commercial heating.

"We fully support the need to improve air quality and cut carbon emissions but believe the attainment of net zero targets needs a phased approach – one that considers the needs of all sectors as well as consumers.

"We want to work with government to devise a plan that both removes the entitlement to use red diesel and enables industries to switch to a low carbon alternative as soon as possible – and in a way that supports business."

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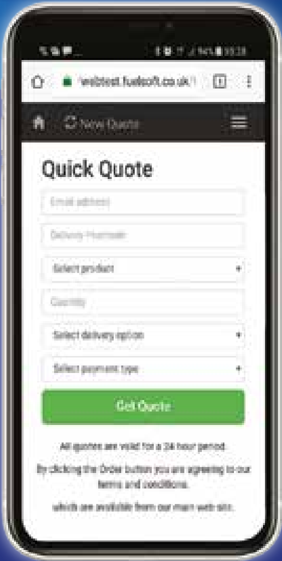


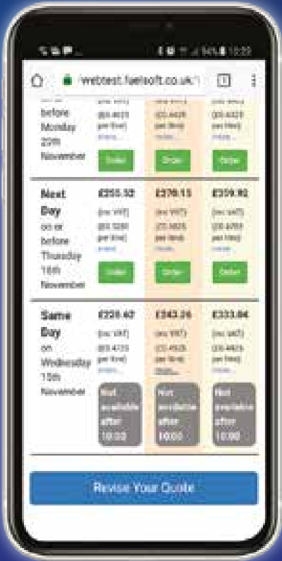


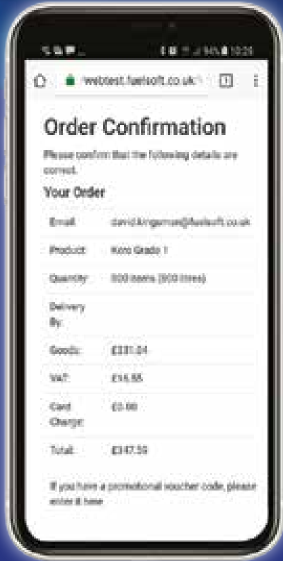



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# Spill associations agree merger

**Having partnered to deliver the Accreditation of MCA Marine Oil Spill Response Organisations in 2018, the UK Spill Association Ltd and International Spill Accreditation Association have been working closely together since to deliver accreditation services to their members.**

Consequently, the opportunity to merge was agreed by members of both Associations and a merger agreement, signed by both boards at the end of September, enabled the merger to be completed on 30 September 2020.

UK Spill Ltd has renamed as UK and Ireland Spill Association Ltd and becomes the trade association representing the interests of all corporate, accredited and individual members.

International Spill Accreditation Association Ltd has renamed as International Spill Accreditation Scheme Ltd to deliver all accreditation and training activities on behalf of the trade association.

Each organisation is independent of the other which fulfils regulatory requirements that accreditation is not controlled by contractors.

Each has its own board, which will meet soon. The chair of UK and Ireland Spill Association will remain Lee Barber of Oil Spill Response Ltd, and the chair of International Spill Accreditation Scheme Ltd is Stewart Ower of Compass Environmental Consultancy Ltd.

# Valero Energy teams roll out 'Texaco Support for Sport'

**Valero Energy (Ireland) Ltd has announced the setting up of the 'Texaco Support for Sport', initiative for which EUR 130,000 has been set aside. The funds will be distributed to sports clubs on a county-by-county basis, with the successful applicants from each of the 26 counties receiving EUR 5,000 each.**

Open to clubs across the counties – irrespective of their sporting discipline, size, membership, age, cultural appeal or gender – the initiative recognises the important contribution that clubs make both to communities and to Irish society as a whole, and comes at a time when many may be experiencing financial strain.

Open for entries until end-December, the winners will be announced early next year.

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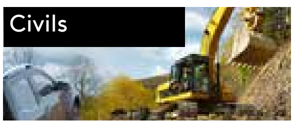


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# Adapting to the combined challenges of carbon reduction and Covid-19

IN THE JULY ISSUE OF FUEL OIL NEWS, WE LOOKED AT THE FUEL DISTRIBUTION INDUSTRY'S RESPONSE TO COVID-19 AND REPORTED ON THE MEASURES THAT HAD BEEN QUICKLY PUT IN PLACE TO ENSURE THAT THE UK KEPT ON MOVING, WITH THE HELP OF THE INDUSTRY, AS KEY-WORKERS CONTINUED TO FUEL HOMES, BUSINESSES AND VEHICLES. WITH THE WINTER MONTHS AND YEAR-END FAST APPROACHING, FRESH CHALLENGES CONTINUE TO PRESENT THEMSELVES.

With the passing of each month, we move closer to the deadline for delivery of the UK Government's net zero target. Here, we focus on the ways in which the industry has adapted its operations, communications, systems and services in order to address the challenges of both Covid-19 and carbon reduction head on.

### Empty highstreets, fuller houses

The devastating effects of the pandemic should not and will not be understated, but a UK-wide lockdown has certainly complemented the net zero target. With much of the population staying at home, the Carbon Trust reported that a cut in spending on plane tickets, road fuels and commuting wiped a total of 4.76m tonnes of $CO_2$ emissions from the UK contribution.

With more people staying put and working from home, the operational adaptations necessary to assist remote-working have been plentiful.

Craggs Energy Group report how the past seven months have seen dramatic changes to the ways in which their companies operate. The safety of their staff and customers has always been their main priority which meant several policies and changes were put in place before the full lockdown on Monday 16th March.

Richard Wallace, managing director of Craggs Energy Group explains;

"All office-based staff were provided with a brand-new laptop and headset. A significant part of this was setting up a remote desktop, installing all the required software,

implementing a new phone system and undertaking several tests to ensure we could still operate successfully at home.

"For our on-site staff such as drivers, technicians and engineers we ensured they had all the essential PPE required like face covers, gloves, shields and hand sanitiser. Across the Craggs Energy Group of companies, we follow the specific, and sometimes challenging, guidelines set by each of our customers which include several public and private businesses who store and purchase large quantities of fuel. "

This sudden shift to remote working also had an instant impact on software suppliers, who had to rapidly respond to many of their customers needing remote software access.

## Communication is key

Fortunately for software developers Fuelsoft, infrastructure to enable its own team to work from home was already in place.

"As we have built our own Cloud SaaS Platform and have expertise using, and supporting, Microsoft 365 services, we have always had the infrastructure in place to be able to effortlessly switch to fulfil our Business Continuity Plan and move everybody to remote working when required, so the switch for us was pretty simple." commented Neil Smith, operations director at Fuelsoft.

"We saw a major uptake on the ancillary products that we are able to provide to our customers including things such as Office 365 and drive software. " Neil continued. "As efficient and effective communication has become even more critical to businesses with a dispersed workforce, several of our customers have seen the benefits that Office 365 and the included software such as Microsoft Teams, could bring to them, since Microsoft Teams provides a solid platform for interaction between all members of the organisation.

"In order to get these companies operating remotely, our technical services and infrastructure team had to put in some huge efforts in a short space of time to assist those companies in switching their operations to be securely accessed remotely."

Sukh Koner, infrastructure manager at Fuelsoft added;

"For organisations who have a server onsite to access Fuelsoft, our infrastructure team and service desk team had to spend a lot more time setting up VPN connections, remote desktop set-ups (including up-to-date remote desktop clients, making sure security patches were applied), working with 3rd party infrastructure teams to allow users to connect


through the firewall."

Richard explains how Craggs Energy Group kept connected;

"We regularly communicated with our customers via email, social media, telephone and text messages to inform them of the steps we put in place to protect them and ourselves. These included limiting contact with customers when delivering fuel, no longer requiring customers to sign for their deliveries or accepting payment via cheque or cash and we also extended our CWP scheme to include those who were self-isolating."

Communication has also always been key at Staffordshire-based Halso Fuels as director Emma Osborne-Wilkes explains;

"Prior to Covid we had an open-door policy here and this is still the case, however due to Covid restrictions and social distancing we maintain communication through Whatsapp groups, e-mails and Microsoft Teams. Where possible all meetings are done virtually. We keep our customers in the loop via telephone, e-mails and social media too."

## Meeting customer demands

Despite the difficulties that the Covid-19 pandemic has caused, Fuelsoft worked hard to continue to meet customer requirements and implement new systems wherever possible, while also ensuring that they were carried out under the strict Covid safety guidelines.

"One of the implementations that probably sticks out as the most complex was Petroleum Distribution Jersey Ltd (PDJ), as its location wasn't part of the UK mainland. This introduced the added complexity of abiding by the Jersey travel restrictions of having to take a Covid-19 test and provide the results to the Jersey government 48 hours before your arrival. However, all of the hardwork and planning that we carried out prior to the implementation helped to ensure a seamless transmission for our new customer."

This was verified by the comments received from Nick Cunningham, general manager at PDJ;

"Covid-19 has presented numerous challenges in 2020. Despite travel restrictions, testing and periods of isolation Fuelsoft delivered a smooth and almost imperceptible transfer from our previous distribution and operations software package. The implementation team provided essential support and expert guidance through the delivery phase."

Ensuring that households have enough in their tanks for increased occupancy is also at the top of the priority list for Carrie Marsh, managing director of Marsh Fuels, Newbury;

"We have reached out to all our regular customers to ask if their situation has now changed with regard to working from home due to Covid-19 and students who would be at Uni now studying from home etc, so they do not run out of fuel due to sticking to their usual ordering pattern this year."

Commenting on the demand changes experienced by Halso Fuels, Emma shared how, in normal circumstances, they would be fuelling festivals during this time. With large events being cancelled however, the company has been busy supplying utility companies and providing fuel for backup generators for some of the Nightingale hospitals, reflecting how customer demand drastically affected 'usual' operations this year.

Changing requirements also saw significant adaptations to operations for Craggs Energy Group as Richard shares;

"We produced and distributed over 1,200 free face covers to staff, customers, and partners like the Calderdale Young Farmers Club, Ribble FM, schools and local charities which include Overgate Hospice and Lancashire Women's Centre,"

### Community co-operation & CO2 reduction

From the start of the pandemic, as rainbows appeared in nearly every window, you only had to take a short stroll in the UK to see signs of the community coming together, and this was similarly evident in the industry.

Bathgate-based Johnston Oils took to social media recently to share how they are helping communities save money when buying fuel by coordinating local oil clubs, thus reducing the amount of delivery journeys, and therefore emissions, on our roads. A spokesperson for the company said;

"By bringing communities together and coordinating them to order in bulk, we have helped thousands of households save money on their fuel costs. In addition to saving customers money, it also helps reduce traffic on rural roads."

Rob Maynard, CFO, BoilerJuice also shared some of the ways in which the company is helping its customers offset the carbon footprint of their heating through UK-based approved forestry schemes;

"So far this year we've funded 6 hectares of new forest that will deal with around 3,000 tonnes of CO2 emissions as they grow."

When asked about the current proposals for renewable home heating alternatives, Rob commented;

"At current oil prices, even with government grants, alternative heating systems like air-source heat pumps are not a good deal for the vast majority of oil households but there are plenty out there trying to convince people anyway.

"We are trying to provide impartial advice to guide our customers to the right solution for them, whether it's biofuels, heat pumps or some new alternative that isn't even designed yet. Our hope is that government and the industry find a way to support the transition to lower-carbon solutions that work for oil households – allowing them to stay warm without increased expense or inconvenience."

### Digtial solutions

With so many working from home, suppliers providing remote access services have been the 'go to' to keep the industry moving.

Oil tank telemetry provider Kingspan, has recently consolidated its position at the cutting-edge of the smart energy revolution. Its Watchman SENSiT, now available free with all Kingspan tanks, monitors fuel levels and transmits this information via Kingspan's secure Connect Sensor platform through to distributors and their customers. This gives the potential for remote access to individual oil tank data.

This level of connectivity has delivered major operational benefits by improving route planning and reducing delivery frequency. It has also allowed distributors to lower carbon emissions, achieve their emissions scope targets and improve customer retention.

"We are focussing on equipping FODs with intelligent, next generation, fuel storage solutions to allow them to harness their data and make it work for them" says Nick Hawkins, Kingspan's commercial director UK & Ireland.

"Our distributor partners tell us that the only time they make money is when they are pumping. Kingspan smart monitoring gives them full visibility and control of customer fuel usage, allowing them to optimise their journey planning and thereby lower their operational costs. Meanwhile Kingspan SENSiT technology adds another layer of security for customers, safeguarding their supplies by sending push notifications alerting them to sudden drops in oil levels, as a result of a leak or theft.

"Their customers no longer need to be concerned about monitoring stocks or even remembering to order replenishments – the technology means it's all done for them. It's a win, win situation."

Similarly, Fuelsoft saw a big increase in the uptake for its web ordering platform since the pandemic took hold. Neil commented;

"I think the switch to online sales is being driven from both the fuel companies themselves, due to the reduced number of members of staff available to take calls and the importance of having the capacity to take orders, but also from the customers, as online shopping is now becoming the norm for the majority of purchases.

"We have also seen an uptake in the use of our Application Programmers Interface (API), as through the use of the API, our customers can form their own unique selling points by offering something that is specific and custom to them, making them that bit different to the competition."

As we move towards winter, and ever closer to the net zero deadline, we look forward to keeping our finger on the pulse of this continually adapting industry.


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# How is the industry preparing for the future of fuel?

WITH BP'S RECENT ANNOUNCEMENT THAT PEAK OIL MAY HAVE ALREADY BEEN REACHED IN 2019, AND THAT THE INDUSTRY MAY HAVE ENTERED A PERIOD OF PRECIPITOUS DECLINE, WE TAKE A LOOK AT THE STEPS THAT PRODUCERS, REFINERS AND LOGISTICS PROVIDERS HAVE ALREADY TAKEN TO SECURE A FUTURE FOR FUELS AND HOW THIS IS AFFECTING THE BUYING HABITS OF THEIR CUSTOMERS AND END USERS.

## Big shift in the way big oil thinks about renewable energy

With the already intense pressure to decarbonise ramping up further this year, it is no surprise to see the big players evolving to ensure their place in the future of fuel.

Seemingly daily statements see oil companies repositioning themselves as energy players, as they increase their investment in low-carbon activities and reassure investors that their future lies in being part of the solution rather than the problem.

In one such recent development, both BP and Shell have formed a partnership with Microsoft, which sees them supplying renewable energy and receiving digitalisation solutions in return.

Lux Research analyst, Harshit Sharma commented on the partnership, highlighting that this displays a big shift in the way big oil thinks about renewable energy;

"Microsoft has partnered with both BP and Shell to help achieve its goal of using 100% renewable energy by 2025. As part of the agreement with BP, Microsoft will facilitate BP's digital transformation and set up co-innovation efforts in smart cities and IIoT, while BP will supply Microsoft with renewable energy.

"In the partnership with Shell, the energy major will supply Microsoft with renewable energy, while the duo will work on AI solutions to drive worker/on-site safety and higher efficiencies to reduce Shell's emissions. Clients should view these partnerships as a sign of things to come from oil companies.

"As the energy transition solidifies, more oil companies will transition to energy players, ramping up their low-carbon businesses."

## Energy providers, not just oil refiners

Reflecting the reinvention of BP and Shell as energy players, refiners are also transitioning from oil refiners to energy providers in a journey that, for many, began a long time ago.

Valero, for example, is well known as the


largest global independent refiner with 15 petroleum refineries in the UK, Canada and U.S., but it is also the world's second largest renewable diesel and corn ethanol producer.

Across the pond, Valero's renewable diesel segment includes the operations of Diamond Green Diesel Holdings LLC (DGD) with an approximately 18,000-barrel-per-day plant next to the Valero St. Charles Refinery at Norco, Louisiana, that produces renewable diesel fuel from recycled animal fats, used cooking oil and inedible corn oil. The company is America's largest renewable fuels producer, strengthening the company's image as more than just a manufacturer and marketer of petroleum products.

Also in the States, Chevron recently announced a joint venture with Brightmark LLC to own projects across the U.S. to produce and market the renewable natural gas (RNG) dairy biomethane.

Andy Walz, president of Americas products for Chevron, commented;

"Chevron is committed to improving how affordable, reliable, ever-cleaner energy is developed and delivered, investing in companies addressing GHG emissions and progressing lower-carbon technologies… this investment builds on our other RNG initiatives, such as our joint venture with California Bioenergy and our Adopt-a-Port initiative with Clean Energy Fuels."

In August, Phillips 66 became the latest in a string of U.S. refiners to announce the conversion of an oil refinery in California into a biofuel plant. Its 120,000 barrel-a-day Rodeo refinery near San Francisco will become the world's biggest plant making renewable diesel, as well as gasoline and jet fuel, out of used cooking oil, fats, greases and soybean oils.

The announcement came about a week after fuel giant Marathon Petroleum Corp. said that it may convert two refineries into renewable diesel plants and, in June, HollyFrontier Corp. said it would turn its Cheyenne, Wyoming, refinery into a renewable diesel plant by 2022.

It's often been said that where America leads, the world follows, and the changes being seen, particularly on the West coast, have a certain resonance for Europe where there is a significant surplus of refinery capacity, which isn't going away and will probably increase. Conversion to a bio-refinery offers an alternative option to closure and substantial asset write-down but at a price. Total's conversion of its Grandpuits, France refinery to a zero-crude platform is anticipated to cost more than 500 million euros.

Given the considerable financial implication, it is unsurprising that none of the UK refineries has yet declared plans to go down a full bio-refinery conversion route but it is an area to watch, especially given recently announced changes of ownership and other developments.

Taking a step in that direction, in our October issue we reported on the significant investment made by Phillips 66 in expanding its biofuels capacity, with Darren Cunningham, Humber refinery manager commenting;

"This investment further highlights the refinery's commitment and investment to further expand our production of biofuels and reinforces our reputation as the 'refinery of the future'."

Humber can produce 1,000 b/d of renewable diesel, after starting production around a year ago, and will reach 4,000 b/d next year. Asked whether this expansion is part of a broader strategic objective to move further into renewable fuel production Darren confirmed;

"As the Humber Refinery continues to position itself as the Refinery of the Future, we are currently reviewing a number of new renewable low carbon processing capabilities."

### Sustainable logistics

For the energy transition to succeed it will require sustainability at every stage of the supply chain. There is little point opting for a more sustainable alternative fuel if the transportation of that fuel cancels out the decarbonisation benefit. This is where logistics providers come in.

When asked about measures already taken to reduce harmful emissions in transport, Nigel Gilhooley, commercial manager, Suttons Tankers, said;

"By utilising and frequently replacing the fleet with the latest premier standard vehicles we ensure emissions have the lowest impact on the environment. We will soon be supporting a customer of ours with the latest Euro 6 vehicle technology, materially reducing NoX emissions by up to 65%. Our driving style management programme drives continual improvement to fuel consumption, reducing carbon emissions, and improving the safe driving behaviours of our employees."

Suttons conducts an annual audit on the availability and suitability of alternative fuel solutions in order to reduce its carbon footprint. The company has piloted LNG Dual Fuel solutions, substituting diesel with bio natural gas, and are now in consultation with vehicle manufacturers on the use of hydrogen as an alternative solution. Suttons will shortly commence a contract to supply transport for London with hydrogen for a fleet of hydrogen fuelled public buses, with similar technology on trial for heavy goods vehicles.

Nigel continued;

"We have an excellent relationship with our customers and engage with them frequently to avoid empty mileage and reduce wasted trips. Our investment in new payload equipment and business systems improves planning efficiency and reduces avoidable journey miles. Suttons' driver training team also use vehicle telematics to further drive efficiency and improve safe driver characteristics."

### Technology plays a big part

When asked about vehicle adaptations already in place to increase fuel efficiency and safety, and decrease emissions, Marcos Hart, group operations director, Wincanton, commented;

"The evolution of engine technology from Euro 5 to Euro 6 represented a significant step forward and we expect a similar step change each time engine technology advances. The greatest single impact we have experienced, which has improved safety for our drivers and the public, has come from the use of telematics, vehicle cameras and driver training. Every driver is able to access their driving performance dashboard after each driving shift and see where they have the opportunity to improve. This encourages smoother acceleration and braking as well as enhanced road situation monitoring which creates safer and smoother driving styles. The by-product of a safer driver is better fuel-efficiency and lower carbon emissions.

"Wincanton's digital transport systems dynamically route plan and also, via driver debriefs, enable consistent feedback into our planning system which captures changes in traffic flows and roadwork impacts. This

enables our planning to continually adapt and optimise the routing of our vehicles to meet customer demand."

With Wincanton being a long-term partner for its customers, the company aims to make the improvements, adjustments and breakthrough investments that customers need to achieve their own net-zero targets in whatever timeframes they have committed to. The other services developed by Wincanton to achieve this are discussed in greater depth in 'Diversification Corner' on page 19.

Greenergy Flexigrid has also recently invested in a state-of-the-art scheduling system


to improve fleet utilisation and real time reporting. Adam Franklin, Flexigrid CEO said;

"Launched earlier this year, this system has further optimised our haulage schedules, and allowed us to better serve our customers by providing up-to-date delivery information, supported by an in-house 24/7 customer care team."

Linking directly to customer tank gauging where possible, the system has driven clear improvements in average payload, route efficiency and vehicle utilisation. Adam added;

"As well as an improved customer service performance – an area we pride ourselves on – these improvements have reduced average vehicle mileages and delivery numbers – perhaps the most impactful means of improving our carbon footprint with the current technologies available."

Some manufacturers remain adamant that the role of petrol and diesel remains vital, until affordable alternatives are widely adopted. Greenergy, for example, believes that the most effective way to reduce carbon emissions for existing transport fuels comes from the blending of biofuels in petrol and diesel. Greenergy has invested heavily in renewable fuel and is Europe's largest manufacturer of waste-based biofuels, allowing it to meet growing demand for biodiesel.

## Fuels of the future

Regardless of the extent to which alternative fuels have, so far, been adopted, there are clear signs that the energy transition journey is being embraced across the industry. Kevin McPartlan, CEO, Fuels for Ireland commented;

"This year we rebranded the 'Irish Petroleum Industry Association' as 'Fuels for Ireland'. This reflects our recognition that fossil fuels cannot be the basis of Ireland's future energy plans, or of our members' business strategies. Liquid fuels will continue to fuel Irish motoring, heating, agriculture, aviation, industry and shipping during our transition to carbon neutrality and beyond, but the fuels themselves will change. We have made commitments that not only will our businesses be carbon neutral by 2050 but so too will the fuels we bring to the market, so our use of advanced, synthetic and biofuels will continue to increase. Ultimately, they will replace fossil fuels.

"We have made clear our position that government should mandate the introduction of E10 in 2021 and Fuels for Ireland members are already bringing diesel with up to 20% biofuel to the market. We will soon publish a report on the emission savings which could be achieved by increased energy efficiency and zero-carbon fuels being introduced into the home-heating sector and are committed to trials of such fuels in the next 12 months."

This is clearly an industry willing to adapt to the challenges of the times and the needs of its customers. With a major shift of position from the producers through output conversion at refinery level to distributors offering alternative fuels, such as biodiesel and HVO, and the willingness of logistics companies to consider electrification, hydrogen, natural gas and biofuels to keep them moving, the industry has already made excellent progress in preparing for the future of fuel, with, or without, oil.

We wonder if the not too distant future will see our own publication similarly adapting to the changing face of the industry – will we be reporting on the latest sector developments in a rebranded 'Fuel News' magazine?

We are keen to hear your thoughts on the increase in renewable offerings from refiners and suppliers. Has this influenced your purchasing decisions?

# Northern Ireland Energy Strategy – An Update

WE CATCH UP WITH **DAVID BLEVINGS**, OF THE NORTHERN IRELAND OIL FEDERATION, FOR AN UPDATE ON THE LATEST DEVELOPMENTS IN ENERGY STRATEGY FOR NORTHERN IRELAND..

"As a devolved matter, our local politicians will be deciding on a future Energy Strategy for Northern Ireland in early 2021. To my mind this is a good thing." David explains.

"Locally elected MLAs making decisions that will affect local people. OK, so they have not always got it right in the past but, given the difference in our fuel mix compared to GB (over 60% of homes here use a liquid fuel) and the 'rural' nature of our homes, it is likely that we will see a different policy compared to GB."

David feels that the liquid fuel sector is ably represented as OFTEC has a seat on the NI Heat Strategy Group. This was set up by the Department of Economy to advise the Minister on the proposed new strategy. This group brings together the major fuel groups, consumer interest groups, scholars, and energy specialists.

"Talks continue and, to date, we have developed positive discussion around the potential inclusion of biofuels in the future strategy." David continues. "Most participants agree that, due to the relatively low thermal efficiency of our housing stock and the rural nature of our dwellings, heat pumps are not the panacea to our carbon reduction dilemma. (70% of bungalows, 44% of terraces, 50% of SDV and 53% of detached houses in Northern Ireland are SAP band D-F and in OFTEC's opinion, not readily suitable for air source heat pumps without significant cost and disruption)."

### A multi-faceted solution

The group's view is that a 'range' of fuels will make up the new strategy and promotion of a technology-neutral approach is starting to develop with different 'options' for on-grid (heat pump and biogas) and off-grid (biofuels and heat pumps where feasible) appearing.

"The group has discussed, and will recommend, not setting a date for phasing out fossil fuels and is concentrating on delivering cost-effective solutions at lowest cost to the consumer." David says.

Explaining the potential solutions David elaborates;

"We have advised local government that current oil consumers can reduce their carbon emissions from their home-heating by up to 91% by using hydro-treated vegetable oil (HVO) whilst retaining existing equipment. This is great news and means consumers can reduce their carbon-footprint significantly and with no capital cost compared to the large sums of money required to retro-fit a house to make it suitable for an air source heat pump.

# Glen Fuel Services talks net zero for Ireland

In an issue where we are looking at the changes made by an industry challenged to reinvent itself to meet future energy demands, content editor Stephanie Samuel caught up with Alan Keyes, managing director of Glen Fuel Services Ltd, on the adaptations the company has itself made to help drive the energy transition in Ireland.

Alan began by taking us back to the start with the company's decision to get involved in the renewable energy market four years ago;

"In conjunction with a few experienced renewable energy experts, we set up a sister company – Glenergy. We offer renewable energy solutions to the residential, commercial, industrial and agricultural sectors. These products and services would include CHP, hot water heat pumps, PV, heat pumps, EV and design amongst others."

When asked about his exeperince of the increase in renewable offerings from refiners, Alan replied;

"The bio content in fuels over the last few years has obviously been increased substantially. We are aware of product testing by the likes of Neste, but a commercially viable bio heating oil would appear to be some time away. "

### A series of stepping stones

Focusing more on home turf, Alan shares his outlook for achieving net zero in Ireland, and the contribution from Glen Fuel Services to help reach this aim;

"There will be a series of stepping stones, both in Ireland and globally, for the ambition of zero carbon energy to be achieved. The stated aim to have 1m EVs in Ireland by 2030 will not happen, similarly with converting 700k OFCH houses to heat pumps over a similar short period of time will not happen. There are many issues that have to be resolved for this to happen least of all the big question as to where all of the power will come from to charge those EVs and heat those houses.

"There are concerns in Ireland though about using condensing boilers as part of a solution presumably as it locks in the use of fossil fuels. This then opens the door for gas as it has the potential to be totally renewable using hydrogen.

"We will be concentrating our efforts on "greening" our customer base with a combination of condensing boilers, hot water heat pumps and PV. This offering will result in an immediate reduction in carbon emissions of 50% at a fraction of the cost of the current retrofitting / heat pump scheme

"While some are sceptical of biofuels, the reality is that we now have HVO in NI and being burnt by local boiler manufacturers. We are also in discussions with the NI Housing Executive about a trial in public sector homes.

"The future for biofuels as a viable and realistic option for decarbonising the liquid fuel and gathering pace."

For further information contact David Blevings at; david@nioil.com or dblevings@oftec.org

which has clearly not worked (only 500 houses in Ireland have been retrofitted under this scheme thus far). That leaves 50% of emissions to contend with. This can then be addressed in the future with the new renewable fuels mentioned previously. So, we could massively reduce emissions whilst maintaining an oil distribution business as well as growing the renewable side of our business."

## Looking ahead

Alan concludes;

"We would initially like to run trials at scale with the above solution with full monitoring and verification to prove that this concept not only works but can form part of an overall solution to the current emissions debate.

"We sincerely hope that liquid fuels will be given a fair hearing and that the industry as a whole is included in any decision-making process."

DIVERSIFICATION CORNER

# Wincanton diversifies to deliver a menu of decarbonisation strategies

With the UK committed to net zero carbon by 2050, we talk with Marcos Hart, group operations director for Wincanton, about the way the company is adapting to make the improvements, adjustments and breakthrough investments that customers need to achieve their own net zero targets in whatever timeframes they have committed to.

Commenting on the focus of customers to achieve their net zero targets, Marcos says;

"We need to remain flexible and maintain expertise and commercial relationships that allow us to deliver net zero emissions in everything from a light-commercial vehicle operation, perhaps through electrification, to a heavier truck operation where biofuels might be a better immediate solution."

Experiencing more and more customers expressing a preference for sustainable supply chain solutions and setting net zero carbon targets that are much sooner than 2050, Marcos explains;

"Ultimately, the momentum is building, and we anticipate bigger investments in alternative fuels, particularly if the UK Government can balance the commercial landscape towards them.

"We have a menu of decarbonisation strategies that can be applied to the customer's circumstances and timescales and allows us to deliver sustainable supply chain solutions within the commercial constraints and net zero aspirations set by the customer. This menu includes vision enabled telematics; enhanced aerodynamics; "green" tyres; predictive power train control; trailer telematics; and a modern Euro VI fleet which helps us deliver the fuel efficiency benefits that the vehicle OEMs are going to be introducing in the short and medium term against mandatory European targets.

"We already have electric vehicles on our commercial fleet and in our company car fleet where we expect to be saving money by going electric," Marcos adds. "We have been operating and trialling liquid natural gas vehicles for over 5 years on a retrofit basis and latterly with vehicles supplied by OEMs directly."

## Making the net zero carbon journey together

Whether or not distributors are choosing to stock alternative fuels currently, Wincanton are determined to ensure that deliveries are as carbon neutral as possible, with optimistic plans for the near future;

"We plan on utilising HVO, which, as a drop-in fuel, is an excellent decarbonisation solution if we can source it on a commercially acceptable basis from a sustainable source. We are engaging with hydrogen pioneers with a view to forming long term partnerships and innovation platforms to help us accelerate the development of the technology and take it to scale at the earliest opportunity. We believe that hydrogen is the fuel most likely to get us to zero carbon but that we may need to embrace other fuels during the transition."

Marcos concludes;

"The faster we can get to net zero carbon and stay under a 1.5°C climate trajectory, the better for the planet so we can't just stick with diesel until someone else develops the hydrogen/electric economy. We plan to be an innovator and trusted long-term partner for our customers and make the net zero carbon journey with them."

# Can BP succeed at moving beyond petroleum?

BERNARD LOONEY HAS HAD A LIVELY FIRST TEN MONTHS AS THE NEW CEO OF BP. JUST TWO MONTHS AFTER TAKING THE HELM OF THE WORLD'S FIFTH LARGEST OIL MAJOR, AN INTERNATIONAL PRICE WAR WAS OVERSHADOWED BY A GLOBAL PANDEMIC, SENDING THE PRICE PER BARREL OF OIL INTO NEGATIVE NUMBERS FOR THE FIRST TIME EVER.

Before all that, Looney had been gearing up to take on the issue everyone presumed would dominate his first few years: climate change. The challenge the issue presents to an oil major is balancing the clear need to act on climate change with continuing to pay shareholders the dividends they expect. The pandemic has made it that much harder to balance the two, yet Looney talks even more persuasively of leading the world's transition to cleaner energy as his primary goal.

With the focus of this issue being the adaptation and transition of the industry Margaret Major, managing editor of Fuel Oil News, talks with Boris Ivanov, founder of GPB Global Resources BV, to hear his thoughts on the likelihood of BP achieving this goal

### Do you think oil companies like BP are well poised at this time to transition to clean resources?

"An oil major moving into greener sources is a mammoth task – this kind of huge transition really has no precedent and is nearly impossible to predict. The success of such a significant strategic change will largely come down to leadership, cultural change and learning from mistakes that others made before them. Oil supermajors such as BP have some of the best engineering and risk management expertise in the world and are very much used to dealing with regulatory affairs and changing public opinion. These are exactly the skills needed for successful decarbonisation but, up until now, it has never been a priority for shareholders.


Boris Ivanov

Now, in a world increasingly committed to going green, there is pressure from all sides to move away from oil and the pandemic has only strengthened commitments to a shrinking carbon footprint. Shareholders are demanding a shift, so BP and other supermajors now have tangible motivations to dedicate the resources and budget necessary to progress their decarbonisation strategies."

### How much of this do you think comes down to investor pressure?

"I believe that ultimately, investor pressure is the only factor that matters. Outside of petroleum at petrol stations, everyday consumers are not all aware of the complexities, products and processes it is involved in such as production of fertilizer, plastics, construction materials, and even medication, such as aspirin, for example. So, as long as those activities make a profit for investors, they have the discretion to decide whether such profit models are viable for the long term and whether they should be also considered against wider issues, such as protecting the environment.

"Earlier this year, BP CEO Bernard Looney commented that investors pushing and questioning the purpose of the firm had begun to weigh on BPs financial performance. It's hard to know whether investors truly want to remove energy stocks from their portfolios, or whether this pressure is actually coming from their clients – it's probably a mixture. Wherever its originating from, the pressure is there, and it is growing, so BP has had no choice but to respond. BP's green energy plans could prove to be expensive and financially risky, as the outlook for the oil industry continues to look uncertain. This was reflected in investor sentiment as BP's share price tumbled to a 25-year-low when the company's ambitious transformation plans collided with fears for the future of the global oil market (14 Oct 2020). While successful core business transformations have occurred, not every large corporation has survived changing market environments. We do not have to look any further than the fate of Nokia and Eriksson in the cellular communications segment."

### This isn't the first time BP has tried to position itself as being 'beyond petroleum' – is there any reason to believe things will be different this time?

"It's true BP promised to move 'beyond petroleum' in the 90s, but that was, as far as I know, only a marketing slogan for BP's gas stations. You can hardly find anything in BP's statements, financials or other publicly available company materials from the 1990's to substantiate a strategy of giving up on oil. It is important nevertheless, as it shows that the company noticed changing consumer opinions.


In 2008 oil prices rocketed up again making oil production extremely lucrative once more. So, sceptics say when crude and natural gas prices rise back up after the pandemic, it's possible the firm might go back to its roots, regardless of growing shareholder pressure to go green. Yet over a decade on, things are different, so I don't believe we would see a direct u-turn in business strategy.

"There is a huge sense of urgency now and pressure from governments, investors, campaigners and consumers to drive change from the status quo. Environmental groups worry that companies may be "greenwashing," or giving a false impression of their oil and gas business. Energy companies like BP will have to demonstrate that their green plan is credible, clear and comprehensive with actions at a scale that can live up to its green commitments. Clear benchmarks and evidence of their emissions reductions will have to be provided. It all comes down to consumer sentiment, since the shift to electrical transportation is real this time and sales at the pump may suffer directly."

### What can BP do to accomplish these reforms? Where are the pitfalls?

"A major pitfall, in my opinion, would be to only go after solar and wind energy, which are the areas that are familiar to them, rather than the truly innovative solutions which we see emerging in the present day. The major challenge of giving up oil is that neither of the alternatives taken alone substitute all chemical fuel needs and applications. Green hydrogen, renewable natural gas and geothermal energy are all areas which could be advanced through BPs expertise and knowledge. And we all know that BP has massive research and development capabilities, which it can harness for the task. Having the right kind of leadership to make such dramatic reforms is also crucial for such large organizations. With a new CEO at the helm, BP is likely better placed than most."

### Taking all this into account, do you think BP has a chance of succeeding?

"There is always a chance of success in every available course of action. The real question is how high the probability of success is. If we look at some analogies in other sectors – the hundred-year-old car industry has a noticeable problem switching to making electric cars. And it is not just the technology itself, many business processes, procedures, activities and professional personnel crucial to producing internal combustion vehicles are simply redundant for an electric car maker. Oil companies, including BP, transitioning to other areas of business are guaranteed to face similar challenges. BP declared a goal to be 'net zero' in carbon emissions by 2050 and to drop its daily oil and gas output by over 1 million barrels by 2030. It is hugely ambitious and represents a 40 per cent drop in the company's upstream oil and gas production over the next decade. The question is whether renewables will be able to fill the hole left by the million missing barrels.

"BP said it expects returns of about 8% to 10% from its low-carbon investments, whilst

traditional oil and gas projects typically yield a return of around 15%, so, until clean resources become more profitable, BP may need to take on more debt to improve this imbalance. In terms of investors, critics say oil majors will likely lose out to established players in the renewables sector. However, companies like BP have some huge advantages over these smaller players, namely, their big balance sheets, which allow them to invest more, and faster, than their smaller competitors. This, in addition to their decades of experience, leaves them well placed to work towards these ambitious targets. Again, the success of significant strategic changes will largely come down to motivation, commitment and purposeful long-term thinking. This isn't about just adding a few windmills here and there! BP has the tools and, with a detailed roadmap outlined by their CEO, this marks a big step in a company transforming itself in the face of the energy transition. It is a calculated move designed to address the different energy demands of the future."

### Will other oil majors follow?

"Yes – it's a pattern which has already started. In the weeks following BP's announcement, competitors in Europe rushed to do the same – Royal Dutch Shell, Italy's ENI, and France's Total all announced goals for net-zero carbon emissions by 2050. The Spanish oil company Repsol and Norway's Equinor had made similar pronouncements earlier, promising to boost investments in renewables and increase energy efficiency in oil production. By contrast, U.S. energy companies such as Exxon Mobil and Chevron have resisted efforts to set emissions targets. No oil major wants to be seen as being blasé about climate change so, with BP taking the lead, others will be watching closely to see whether their actions are ones worth following.

"There is more than one strategy option for established players in the oil industry. They include the 'last man standing' choice, since someone would still need to produce and sell oil products and derivatives 50 years from now. Once most majors switch out of the market (successfully or not) it will be a lucrative, if disappearing, area of business. The comparison is coal – no longer the prime source of energy in the developed world since it stopped being one at least 60-100 years ago – yet if you look at countries like India or even the US, the role of coal in the energy mix is not negligible and still offers business opportunities."

Whether BP and other oil majors can be as profitable in renewables and investors comfortable with lower dividends and potentially higher debts, remains to be seen.

# PORTLAND MARKET REPORT

**OCTOBER IN VIEW**

A LOOK AT ALL THINGS PIPELINE, PARCELS AND SQUEALING PIGS

Last month we looked at the movement of petroleum products by rail, one of three types of "primary" transportation that exist in the oil industry. Next month we'll look at barges, but today our focus will be pipelines, so fasten your seatbelts and get ready to learn about 12" lines, 50 mile "parcels" and why squealing pigs play a key role in keeping the oil flowing…

Long distance oil pipelines were virtually non-existent prior to 1945, with truck, rail and barge transportation being the preferred methods of bulk movement over long distances. The experiences of the Second World War highlighted the risks of transporting fuel above ground (targets for bombing raids) and, as a result, the 1950's and 60's saw the rapid development of an intricate oil pipeline network across Europe, that linked refining hubs to the major conurbations of the continent.

> "A HUGELY POSITIVE EFFECT ON BOTH CO2 EMISSIONS AND LOCAL AIR QUALITY"

In the UK we currently have almost 5,000 km of operating oil pipelines, transporting over 30m tonnes per annum (circa 36bn litres), a figure almost 3.5 times the volume that is carried by UK rail. In Scotland, the Finnart line from Grangemouth Refinery travels to the hidden Ocean Terminal in Loch Long (surely the most picturesque oil facility on earth!), from where sea tankers are loaded to supply over 80% of Northern Ireland's oil demand. South of the border, the UKOP line (United Kingdom Oil Pipeline) makes up the mainstay of pipeline activity and this 12" diameter pipeline follows the route of the M25 – M1 and M6, to link the Thames and Mersey estuaries to London and Birmingham.

From the south, (Thames import locations), the UKOP line runs up to Kingsbury (near Birmingham) via Hemel Hempstead (Buncefield = North-West London), whilst in the North-West (Mersey refinery), the line travels south also to Kingsbury and then on to Hemel Hempstead. Between Kingsbury and Hemel Hempstead, the northbound (ex-Thames) line and southbound (ex-Mersey) travel parallel to each other – one northbound, one southbound – so that Birmingham and North-West London can be supplied by both the Thames and Mersey oil facilities. So next time you are driving one way or t'other on the M1 or M6, take comfort in the knowledge that somewhere, very nearby, is a pipeline slowly pumping its 5 or 6m litre "parcel" of diesel or petrol to its destination. And such is the geometric nature of a 12" diameter tube, the parcel of fuel in question will be taking up approximately 50 miles of pipeline!

Post-war pipeline construction was, unsurprisingly, not only confined to British shores, with all the major European nations constructing huge and complex pipeline networks. The mighty Dutch-German Rhein-Main-Rohrleitungstransportgesellschaft (RMR for short, but spelt out in full, simply for the wonderment of how many letters the German language can agglomerate to make one single word) pumps a whopping 40m litres per day into the highly populated North-Rhine Westphalia and Hesse regions. Total German oil pipeline volume is over 100m tonnes (120bn litres) per annum, over 3 times that of the UK, although much of this volume is crude oil supplying inland German refineries. In France, the largest capacity line is the Le Havre – Paris ring (32m litres per day), which transports oil from France's biggest refinery to strategically located terminals that encircle the capital. In the south, the Pipeline Mediterranee / Rhone (30m litres per day) does the same for the Southern French city of Lyon (plus Geneva), whilst the cross-border, 5,600km CEPS line (Central European Pipeline System) interconnects oil terminals in France, Luxembourg, Belgium, Holland and Germany.

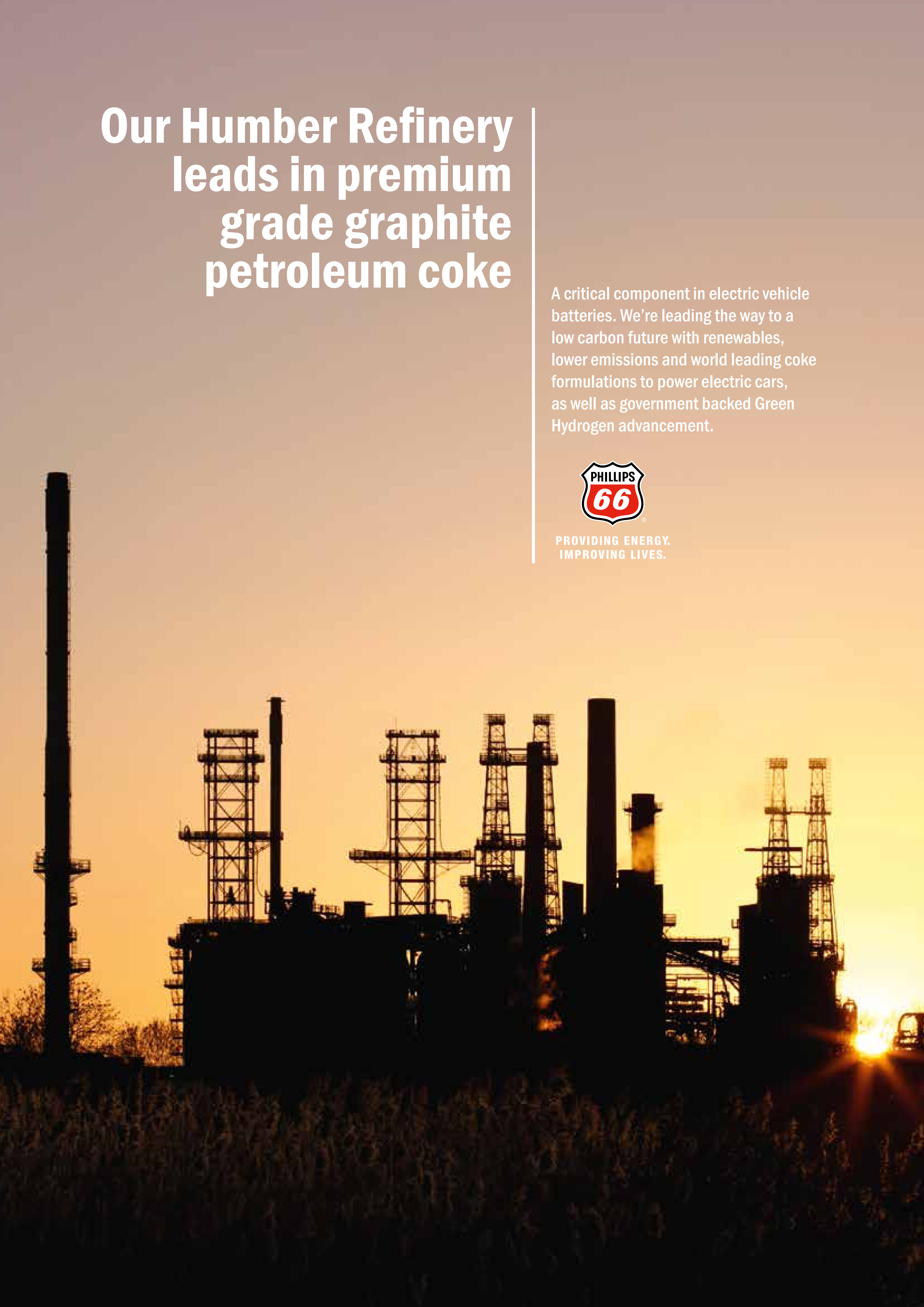
The benefits of pipeline transportation are myriad and put the other forms of primary transportation into the shade when it comes to environmental and cost benefits. In the UK, oil pipelines transport the equivalent of 1m road journeys per annum, therefore having a hugely positive effect on both CO2 emissions and local air quality. Furthermore, the energy required to pump fuel in pipelines is limited, as the capillary action of liquids means momentum is maintained with minimal energy inputs. This, in turn, positively affects the cost, which is a fraction of that associated with other forms of transport. UK pipeline freight comes in at less than £1 per tonne versus £6 per tonne for rail and £10 per tonne for road transport. The rub, of course, is that pipelines cost a lot to build in the first place, but once built – like the proverbial Duracell battery – they just go and go and go. Finally, product spillages on long distance European pipelines are virtually unheard of and because they reside underground, pipelines present few aesthetic objections and, in fact, allow for plentiful vegetation and arboreal cover.

> "THE NOISE WAS REMINISCENT OF THAT OF A SQUEALING PIG"

But what about those squealing pigs? How do they fit into all this? Well, in order to clean the inside of a pipeline and to clear it of rust and product residue, a cylindrical creation coated on the outside with metal brushes (and with a diameter that is fractionally smaller than the diameter of the pipe) is stuffed up the line and sent all the way along from start to finish, moving with the product flow and cleaning as it goes. Officially, this piece of kit is called a "Pipeline Inspection Gauge" (PIG) – but Portland knows better because a Texas oil-man, who went simply by the name of "Big Stan", let him into the secret many years ago. The reason pipeline pigs were called pigs was obvious to anyone who was present when the instrument was stuffed up the line; the noise the metal bristles made on the inside of the pipe was reminiscent of that of a squealing pig…

For more pricing information, see page 30

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


Our Humber Refinery leads in premium grade graphite petroleum coke
A critical component in electric vehicle batteries. We're leading the way to a low carbon future with renewables, lower emissions and world leading coke formulations to power electric cars, as well as government backed Green Hydrogen advancement.
PHILLIPS 66
PROVIDING ENERGY. IMPROVING LIVES.

# Is your business fit for the age of remote working?

THE COVID-19 PANDEMIC AND LOCKDOWN HAS LED TO AN INCREASE IN REMOTE AND HYBRID WORKING, AND THE TREND IS EXPECTED TO STICK. BUT BUSINESSES NEED TO PREPARE FOR POTENTIAL NETWORK RESILIENCE AND SECURITY ISSUES DUE TO HOME-WORKING, AS WELL AS INCREASED DEMAND ON DATA ACCESS.

AS WE MOVE FORWARD INTO AN ERA OF A NEW WAY OF WORKING WE HEAR FROM **DAVID GREENWOOD**, CEO AT ISN SOLUTIONS AND EXPERT IN NETWORK RESILIENCE AND SECURITY, AS HE HIGHLIGHTS FOUR KEY AREAS TO CONSIDER TO REALISE GROWTH, EXPAND PRODUCTIVITY AND GUARD AGAINST THREATS TO BUSINESS DURING THIS TIME OF RAPID CHANGE.

## Home working may increase vulnerability to breaches

A recent report from cybersecurity firm Malwarebytes claims that 19.8 percent of businesses surveyed have faced a breach, since lockdown was introduced, due to an action from a remote worker and that nearly a quarter of those businesses (23.8 percent) faced unexpected expense as a result.

Costly and business-compromising attacks could result from the hacking of even one unsecured device in a single employee's home. With both personal and company devices sharing the same home network, the risk of planted malware, ransomware and banking Trojan software transferring from an employee's personal device over to a company machine and going on to infect the entire company network is high, especially if the employee has not been trained in good security practice. It's also extremely difficult to discover, intercept or monitor any threats from personal devices that may have transferred over home networks.

For this reason, it's likely that an increasing number of businesses will implement zero-trust security architecture (where the system is assumed to be compromised, and staff access to data is severely restricted on a need-to-have basis). However, the draw-back of this approach is that poor planning can slow speed, productivity and collaboration.

An IT managed service provider (MSP) can advise on and deploy the most appropriate security architecture to meet current business need and, in many cases, the solutions to these issues are more cost-effective and affordable than may be assumed. In fact, companies may already have licenses that have unused tools or features that can assist. Most solutions in today's world are cloud-based and 'as-a-service', which incur monthly OPEX fees, rather


David Greenwood

than one-off capital investments on software and hardware.

These flexible, as-a-service packages also provide assurance that the solution is always maintained by the provider, with the latest security updates and patches, allowing those running the business to focus on growth without having to worry about the risk of company data and operations being compromised.

With the additional demands of remote working, It's now critical that businesses examine their systems architecture to assess whether it needs to change to cope, especially since the UK government guidelines have recently reverted to the recommendation for employees to work from home if possible and this disruption to businesses and short-notice alterations to government guidelines look set to continue for many more months.

## Phishing scams should be top priority

Criminals are using the climate of uncertainty, confusion and fear to increase the effectiveness of phishing scams. By the end of February this year, phishing emails had spiked by more than 600 percent, with the majority using COVID-19 related topics to lure users.

Training staff in how to recognise phishing scams can save businesses from a potentially costly experience down the line. In addition, any discovered threat should be dealt with immediately to halt or minimise potential damage. In these turbulent and busy times, one option is to consider outsourcing IT support to a MSP to benefit from around the clock support with neutralising security threats. Criminals don't only work office hours, and with particularly dangerous malicious software, such as ransomware, immediate action can make the difference between the breach being a small issue or a company-wide disaster.

## The threat of the insider

In August, it was reported that a hacker had attempted to bribe a Tesla employee to plant malware in the company's network. In that case, the employee was trustworthy, but it follows a disturbing growth of attempts to bribe or trick employees into sabotage or releasing private and sensitive company information. Recently, a hacker group successfully stole business data in six countries by posing as companies' HR departments in an attack that preyed on employees' trust of their employer. As companies grow more knowledgeable about good security hygiene and practices and seek to secure systems, hackers have increasingly turned to exploiting a company's people, who may lack knowledge of good security practices and how to recognise a scam.

Unfortunately, home working introduces more risk of opportune 'insider' attacks, particularly in shared housing accommodations. A housemate could potentially discover an employee's passwords to company equipment, and if the home workspace is shared, it's possible to simply look over a person's shoulder as they log in, without a busy employee noticing.

Multi-factor authentication (MFA) may help to reduce the risk of insider attacks from people in the immediate vicinity, as combining authentication factors can make a machine less vulnerable to opportune break-in attempts. An IT MSP can deploy robust security measures, including MFA and firewalls, and back-up systems to ensure yours and your customers' critical data is always protected.

### Maintaining productivity, customer retention and business reputation

This is a tough time for businesses all across the country. Many still have staff on furlough, and some have even had to make redundancies. Staff that remain need to be empowered to be able to perform to a high level, not only for the purpose of staff wellbeing, but also for the positive impact on customer retention and business reputation. As the disruption due to the pandemic continues, business leaders may want to consider investing in technologies to upscale productivity and efficiency.

Many tools exist to facilitate automation of repetitive administration, freeing up staff time to focus on tasks that increase business value. Additionally, new technologies such as

artificial intelligence (AI) are playing an ever-increasing role in upscaling business operations, particularly in the use of chatbots in customer service and providing insights to augment digital sales.

However, it's important not to rush into decisions and to continue to assess the efficacy and potential security risks of software and applications before committing to use. The term 'Zoom-bombing', in which malicious individuals listen in or interfere with private meetings, has become well-known due to the number of incidents during the pandemic, as companies were forced to turn to virtual conferencing software at short notice.

Business owners have enough to worry about during these turbulent times, without fear that the introduction of new collaborative software designed to help remote teams could lead to a crisis. Leading MSPs use the best technologies and equipment on the market, so that software and applications used are safe and reliable.

An outdated IT system not only runs the risk of becoming obsolete and hampering productivity; it can present a serious security threat to business operations, finances and people, should a costly scam damage business reputation and hamper growth. Businesses absolutely need to be prepared to cope with the 'new normal' and an onslaught of new security and financial threats, particularly while many companies are still vulnerable whilst recovering from the fall out of the lockdown period.

On an optimistic note, the pandemic has highlighted many little-known system weaknesses and security threats posed by remote working. This knowledge should serve to strengthen the security of IT systems nationwide and make it harder for criminals to target businesses.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# How digitalisation can help to future proof downstream oil

COVID-19 IS DISRUPTING DOWNSTREAM OIL, WITH AN UNPRECEDENTED DROP IN DEMAND, A SUPPLY GLUT AND PRICE REDUCTIONS. WITH UNCERTAINTY PREVAILING, THE SECTOR IS FINDING WAYS TO ADAPT TO THE 'NEW NORMAL' RATHER THAN LET INERTIA TAKE OVER. HERE **KEITH TILLEY**, CEO OF INTOWARE, A COMPANY THAT SPECIALISES IN WORKFLOW AUTOMATION IN THE INDUSTRY, DISCUSSES HOW DIGITALISATION IS HELPING TO FUTURE PROOF THE DOWNSTREAM VALUE-CHAIN.

The global pandemic caught the oil industry unprepared for a new landscape where planes remained grounded and cars stayed parked as demand for transportation fuels fell by half. It was the sharpest shock the industry has ever seen – which means the need to speed up digitalisation efforts to support increasingly slim margins has never been greater.

### A connected workforce

Digital transformation provides the opportunity for oil refiners, storage depots and secondary distributors to streamline business processes by providing easy access to real-time data that flows across the operation thereby reducing unplanned downtime to maximise performance and profits.

When these digital processes are then integrated with wearables, IOT and AI technologies, it can enhance communication between supervisors and workers; helping workers to prioritise and manage daily tasks and audits while also encouraging greater collaboration and problem solving.

Yet, despite the proven benefits of digitalisation, industry inertia persists due to the complexity of downstream operations and cost. This meant there was no immediate incentive for change, but with on-going disruption from Covid-19 many downstream operators are now looking to digitise to help deliver greater efficiencies or risk being left behind.

Downstream operators need to re-imagine key business processes to make this possible. This means digitising those functions that deliver maximum value, emphasising operations and maintenance excellence to drive efficiency and productivity and ultimately connecting the entire value chain digitally from raw material to end customer.

### Digitalisation – prioritising your efforts

According to PWC research, 'companies that successfully digitalise can cut operating costs by up to 20%, increase plant efficiency by as much as 12% and reduce the number of unplanned shutdowns.'

The research also highlights that a business first, not technology led approach is essential when considering which operations to digitalise: 'But many businesses still lack a clear strategy to harness the benefits of digitalisation. It helps to identify specific business problems to apply digitalisation to otherwise they may risk wasting time and money. They need to prioritise their digitalisation efforts by linking them to the processes that deliver maximum value'.

In any business not just downstream, there is always a huge pressure to reduce costs and improve efficiencies – this is the major driver for digitalisation. We have already seen advancements in the supply chain that have been made with AI performing automated checks and machine learning for example, but there is still much to be done as there is a huge amount of inefficiency, usually from using paper – from audits to changeovers and machinery reporting that is impossible to analyse with any accuracy.

Downstream operators can use digitalisation to help achieve these goals with automated workflow platforms integrated with mobile and wearables to more advanced solutions, such as "digital twins" that deliver 3D visualisations of a physical facility or process to aid remote monitoring and predict potential equipment failures.

Asked how digital transformation specialists, such as Intoware, are assisting in the achievement of these goals Keith explains;

"Prior to the pandemic, Intoware developed its automation platform, WorkfloPlus, using mobile and augmented reality (AR) technologies. The aim was to help digitalise workflows, audit and compliance processes required in downstream operations.

"By switching to digital work instructions, downstream operators not only get measured productivity improvements (over 200% in some cases) they build a huge bank of data for audits and also use the same information to predict when equipment failures may occur. Done digitally however, anybody from the worker, to the supervisor or auditor can see the characteristics of a check in real time, the impact it has and provide digital evidence, such as images or data, to know it is done correctly – all in a fraction of the time."

Emphasising these advantages Keith continues;

"One client was asked, in a recent audit, 'how many times was filter 'X' changed last year?'. Historically, this would have taken a day to find the information and prove the claim. Today, it takes the team three clicks and less than 10 seconds. It is the capture, analysis and use of this data that is the real 'game-changer', delivering new insights."

### Real-time data visibility

Digitalisation can deliver more than improved equipment maintenance strategies; ultimately it can help operators to become more competitive by improving visibility beyond an individual plant or depot further along the value-chain itself as data is no longer siloed but is visible in real-time. Doing so can generate cost savings as operators can quickly react to fluctuating oil demand, plant shutdowns and even plan 'what if' scenarios as situations quickly change.

Without digitalisation, the ability to make the most out of slim margins will remain a challenge. The real question for the industry is how best to tackle inertia and embrace change to make the transition from known methods to innovative technologies that offer the potential to future proof.

Keith Tilley

# BP – 2020 Outlook for Energy to 2050

### Full Circle

Back in 1952, a company, then known as the Anglo Iranian Oil Company, published an 'Oil Industry Statistical Review'. Two years later the company changed its name to British Petroleum or BP, as it has become familiarly known. At that time world oil demand was just over 11 million BD, of which the USA alone accounted for 62% of the total. Fast forward to 2019 and the demand had grown to 100 million BD, with the US share at just over 19%, the EU at 15% and China at 14% with the latter being the main 'engine' of growth, accounting for one third of the growth seen in the current millennium.

The 1950s/60s/early 70s were the halcyon years for the increasing use of oil as the principal energy source for transport, heating, industry/commerce, etc. and also as a feedstock for the chemicals industry. As such, it was the 'key enabler' in the growth of global prosperity, initially in the developed economies and, later on, in the developing ones.

This year, the impact of the Covid-19 pandemic has seen an unprecedented event – a year-on-year decline in global oil demand, projected to be of the order of 8-9%. The other main fossil fuel, gas, which has experienced sharply rising consumption in recent years, has not been exempt from the same adverse impact and is expected to show a 4% demand reduction. This raises the tantalising possibility that global oil consumption may have come 'full circle' and peaked in 2019

Against this backdrop, and the increasing attention being paid to the importance of the 'energy transition' in addressing the challenges of climate change, BP produced its latest 'Outlook for Energy' during 'BP Week' in mid-September. In a change from previous practice, projections have been extended from 2040 to 2050 to reflect, and align with, the company's commitment to net carbon neutrality by the latter date, a commitment made earlier this year under the stewardship of the new CEO, Bernard Looney.

### Backdrop:

This year's 'Outlook' focuses on three alternative scenarios encompassing a wide range of possible outcomes. Informing these are a number of common features representing a fundamental view as to how energy demand is expected to change up to 2050.

> "THE ENERGY MIX WILL BECOME MORE DIVERSE, DRIVEN INCREASINGLY BY CUSTOMER CHOICE RATHER THAN RESOURCE AVAILABILITY."

These being that:

- Renewable energy will play an increasingly important role in meeting the world's growing energy needs.
- Customers will continue to redefine mobility and convenience, underpinned by the mobility revolution that is already underway with the combination of electric vehicles, shared mobility and autonomy.
- Oil and gas, while still needed for decades, will be increasingly challenged as society shifts away from its reliance on fossil fuels.

In turn, these generate three additional features defining how the 'Outlook' sees the energy system changing:

- The energy mix will become more diverse, driven increasingly by customer choice rather than resource availability.
- Markets will need more integration to accommodate this more diverse supply and will become more localised as the world electrifies and the role of hydrogen expands.
- Countries, cities and industries will increasingly want their decarbonised energy and mobility needs met with bespoke solutions, shifting the centre of gravity of energy markets towards consumers and away from traditional upstream producers.

### The three scenarios:

These should not be viewed as forecasts of what is expected to happen but rather seek to illustrate the range of outcomes possible over the next thirty years. The uncertainty is substantial and the scenarios do not provide a comprehensive description of all possible outcomes. The three considered are:

- **The Rapid Transition Scenario (Rapid)** posts a series of policy measures, led by a significant increase in carbon prices and supported by more targeted, sector-specific measures, which cause carbon emissions from energy use to fall by around 70% by 2050. This fall in emissions is in line with scenarios consistent with limiting the rise in global temperatures by 2100 to well below 2-degrees Celsius above pre-industrial levels.
- **The Net Zero Scenario (Net Zero)** assumes that the policy measures embodied in Rapid are both added to and reinforced by significant shifts in societal behaviour and preferences, which further accelerate the reduction in carbon emissions. Global carbon emissions from energy use fall by over 95% by 2050, broadly in line with a range of scenarios which are consistent with limiting

temperature rises to 1.5-degrees Celsius.

- **The Business-as-usual Scenario** assumes that government policies, technologies and social preferences continue to evolve in a manner and speed seen over the recent past. A continuation of that progress, albeit relatively slow, means carbon emissions peak in the mid-2020s. Despite this peaking, little headway is made in terms of reducing carbon emissions from energy use, with emissions in 2050 less than 10% below 2018 levels.

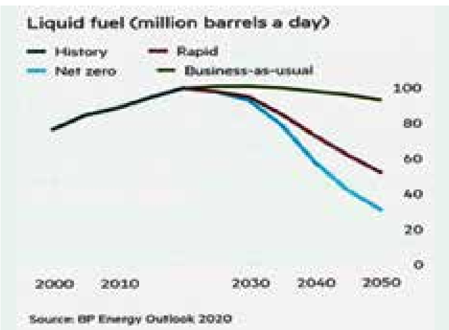
Primary energy demand is projected to rise by about 10% in both Rapid and Net Zero scenarios and by about 25% in Business-as-usual up to 2050.

The chart below illustrates the projected trajectory of oil demand under each of the three scenarios.

**Takeaways:**

There are a number of key messages to take away from the 'Outlook'. These are:

- Global energy demand will continue to grow, at least for a period, driven by increasing prosperity and living standards in the emerging world. Significant inequalities in energy consumption and access to energy persist.
- The structure of energy demand is likely to change over time: declining role of fossil fuels, offset by an increasing share of renewable energy and a growing role for




electricity. These changes underpin core beliefs about how the structure of energy demand may change.

- A transition to a lower carbon energy system will lead to fundamental restructuring of the global energy system, with a more diverse energy mix, greater consumer choice, more localised energy markets, and increasing levels of integration and competition. These changes underpin core beliefs about how the global energy system may restructure in a low-carbon transition.

"A TRANSITION TO A LOWER CARBON ENERGY SYSTEM WILL LEAD TO FUNDAMENTAL RESTRUCTURING OF THE GLOBAL ENERGY SYSTEM"

- Demand for oil will fall over the next 30 years. The scale and pace of this decline is driven by the increasing efficiency and electrification of road transportation.(A key change from the 2019 'Outlook' is that the 2020 Business-as-usual scenario projects oil demand peaking in the 2020's vs. the 2030's in the Evolving Transition scenario of the former).
- The outlook for natural gas will be more resilient than for oil, underpinned by the role of natural gas in supporting fast growing developing economies as they decarbonise and reduce their reliance on coal, and as a source of near-zero carbon energy when combined with carbon capture, use and storage (CCUS).
- Renewable energy, led by wind and solar power, will be the fastest growing source of energy over the next 30 years, supported by a significant increase in the development of – and investment in – new wind and solar capacity.
- The importance of electricity in final energy consumption will increase materially over the next 30 years. The carbon intensity of power generation falls markedly, driven by renewables gaining share relative to coal.
- The intermittency associated with the growing use of wind and solar power means a variety of different technologies and solutions will be needed to balance the energy system and ensure the availability of firm power.
- The use of hydrogen will increase as the energy system progressively decarbonises, carrying energy to activities which are difficult or costly to electrify. The production of hydrogen will be dominated by a mix of blue and green hydrogen.
- The importance of bioenergy – biofuels, biomethane and biomass – increases as consumption shifts away from fossil fuels.
- The world is on an unsustainable path. A rapid and sustained fall in carbon emissions is likely to require a series of policy measures, led by a significant increase in carbon prices. These policies may need to be reinforced by shifts in societal behaviours and preferences. Delaying these policies, measures and societal shifts may lead to significant economic costs and disruption.

The final point echoes one which is being articulated with increasing frequency and 'clamour', and raises yet again the critical role of a proper, global system of carbon pricing. Next year, in November, the UK will act as host of the 26th UN Climate Change Conference, COP26, to be held in Glasgow, and will, therefore, have the opportunity to help drive the initiatives and measures that need to be in place to achieve the targets set out in COP21 in Paris.

This will be no mean challenge!

# Wholesale Price Movements:
# 19th September 2020 – 18th October 2020

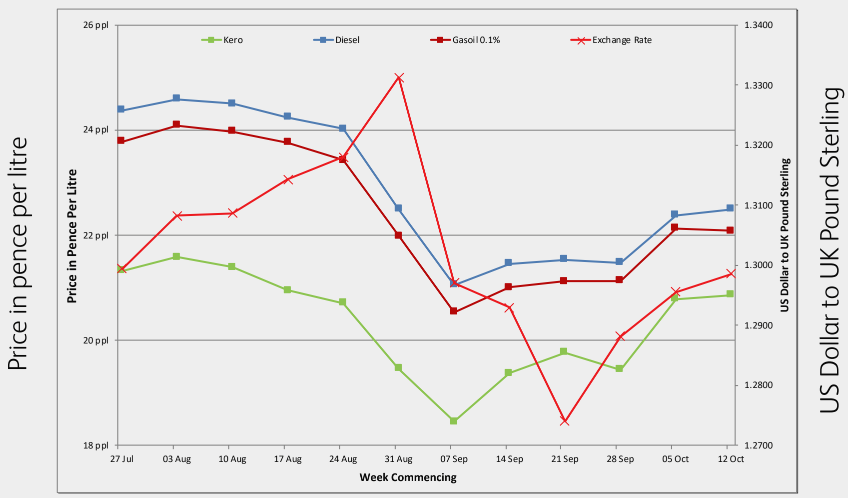
| | Kerosene | Diesel | Gasoil 0.1% |
|---|---|---|---|
| **Average price** | **20.22** | **21.98** | **21.62** |
| **Average daily change** | **0.41** | **0.41** | **0.38** |
| **Current duty** | **0.00** | **57.95** | **11.14** |
| **Total** | **20.22** | **79.93** | **32.76** |

All prices in pence per litre

| Highest price | Biggest up day |
|---|---|
| **21.21 ppl** | **+1.09 ppl** |
| Fri 16 Oct 20 | Mon 05 Oct 20 |
| **Kerosene** | |
| Lowest price | Biggest down day |
| **18.92 ppl** | **-0.85 ppl** |
| Thu 01 Oct 20 | Mon 21 Sep 20 |

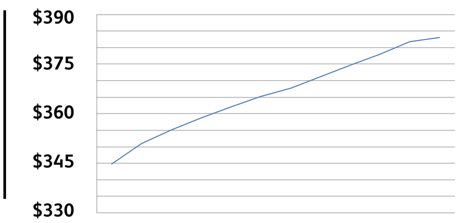
| Highest price | Biggest up day |
|---|---|
| **22.91 ppl** | **+0.92 ppl** |
| Fri 09 Oct 20 | Tue 06 Oct 20 |
| **Diesel** | |
| Lowest price | Biggest down day |
| **20.78 ppl** | **-0.83 ppl** |
| Fri 02 Oct 20 | Mon 12 Oct 20 |

| Highest price | Biggest up day |
|---|---|
| **23.79ppl** | **+0.89 ppl** |
| Fri 09 Oct 20 | Tue 06 Oct 20 |
| **Gasoil 0.1%** | |
| Lowest price | Biggest down day |
| **20.62 ppl** | **-0.86 ppl** |
| Fri 02 Oct 20 | Mon 12 Oct 20 |




Week commencing

Gasoil forward price
in US$ per tonne




**November 2020 – October 2021**

# The Fuel Oil News Price Totem

| | Trade average buying prices | | | Average selling prices | | |
|---|---|---|---|---|---|---|
| | Kerosene | Gasoil | ULSD | Kerosene | Gasoil | ULSD |
| **Scotland** | 23.84 | 36.79 | 84.28 | 27.18 | 39.31 | 87.58 |
| **North East** | 22.79 | 35.42 | 83.36 | 27.32 | 37.73 | 85.78 |
| **North West** | 24.36 | 38.02 | 85.75 | 27.60 | 40.24 | 87.93 |
| **Midlands** | 22.86 | 35.95 | 83.82 | 25.93 | 38.24 | 86.45 |
| **South East** | 22.96 | 35.91 | 83.80 | 29.30 | 39.90 | 86.08 |
| **South West** | 23.31 | 35.75 | 83.64 | 27.43 | 38.03 | 85.72 |
| **Northern Ireland** | 23.42 | 37.12 | n/a | 26.48 | 39.96 | n/a |
| **Republic of Ireland** | 37.18 | 42.55 | 85.22 | 40.64 | 45.07 | 87.92 |
| **Portland** | 21.17 | 33.47 | 80.51 | | | |

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 https://portland-fuel.co.uk/pricing.

WELCOME ONCE AGAIN TO 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.

HERE, WE SPEAK WITH OWNER AND MANAGING DIRECTOR OF NOLAN OILS, **MARK NOLAN**, AND FIND OUT ABOUT THE THINGS HE'D MOST LIKE TO RIDE AND DRIVE.


Mark standing proud with a Nolan Oils tanker

## "WORK HARD. PLAY HARD."

**MARK NOLAN**

**Give your career history in 25 words or less**
I started work for Ultramar Golden Eagle at the age of 18. I then moved to SGB Ltd scaffolding as management trainee and made the post of relief manager for the South of England by the age of 21. Then I obtained my HGV Class 1 and my CPC so started working for my Father at Markim Fuels.

**Describe yourself in 3 words**
Experienced, visionary, considerate.

**What were your childhood / early ambitions?**
To have a lawn big enough for a ride-on lawnmower! Drive a tanker. Earn money.

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

**What's the best business advice you've ever received?**
Work Hard. Play Hard

**Share your top tips for business success**
Always listen because if you are not listening you are not learning! Appreciate your staff because you are only as good as your staff! Always balance service with price – don't be afraid to charge for a superior service.
Don't burn your bridges.

**What's your most recent business achievement of note?**
Increasing volume.

**Tell us your greatest fear**
Losing the keys to the petty cash tin! More competition.

**Which is most important – ambition or talent?**
Ambition.

**What's the best thing about your job?**
Meeting or talking to customers.

**Which is the quality that you most admire?**
Common sense.


it's not often that we get to meet our sporting heroes! A great photo of Mark with Peter Hickman

No wonder Mark quickly knew what he'd take to a desert island, this certainly looks like paradise.

**What are you most likely to say?**
Don't give me excuses – give me results!

**What are you least likely to say?**
Expletives.

**Describe your perfect day**
Phones ringing with lots of orders coming in and routing the lorries! Keeping the customers happy!

**Do you have a favourite sports team?**
Peter Hickman Racing. A motorbike racing team.

**What's the biggest challenge of our time?**
Trying to believe the Government!

**Cheese or chocolate?**
Cheese.

**Share your greatest personal achievement**
Nolan Oils.

**What's your pet hate or biggest irritant?**
Stupid people.

**If you were elected to government what would be the first law you'd press for?**
Cut MP's expenses.

**If your 20-year-old self saw you now what would they think?**
He's put on weight!

**What is number 1 on your bucket list?**
For Nolan Oils to keep expanding.

**What 3 things would you take to a desert island?**
My wife Olga, food & water – bliss!!!

**Tell us something about you that people would be very surprised by**
I'm a nice bloke!

**Who would you most like to ask these questions of?**
My manager

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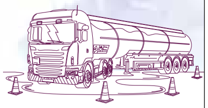

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