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Demand for lower sulphur fuels will escalate with the introduction of the 0.50% global sulphur cap in 2020. With long experience of supplying diesel to the road sector in the UK, Greenergy believes the time is now right to build a position in the marine fuel supply chain

Greenergy, which has been the UK's largest – and its only national – supplier of road fuel for many years, recently announced its entrance into the marine fuel sector. Although the company had been supplying marine fuels on a relatively small scale since 2017, its appointment of Varun Chhabria as Group Head of Marine Fuels last October signified its commitment to a move into the bunker market.

Whilst the changes to global sulphur regulations in 2020 have been known for some time, few in the shipping industry have yet committed to how they will satisfy them. Some in the industry are considering the adoption of alternatives to marine gasoil, such as installing

onboard exhaust scrubbers so that they can continue to use high sulphur fuel oil after 2020, or switching to liquefied natural gas (LNG). Both of these alternatives require capital investment to ships and take time to implement.

With the sulphur content in marine fuel mandated to fall from its current global limit of 3.50% m/m to 0.50% m/m, the demand for marine gasoil with its low sulphur content will increase, and will require marine suppliers to demonstrate their supply resilience as refineries adapt to this change.

Although not a refinery, Greenergy is a significant importer of fuel products into the UK and it has demonstrated its ability to adapt to changing customer demands and

regulations. Established over 25 years ago, the company has quickly expanded its supply capability in the UK market and over time has built up a strong infrastructure, allowing it to import, store and supply its own fuel products across the country. In recent years, it has also expanded into Ireland, Canada and Brazil and now receives more than 600 shipments of fuel products each year, and supplies from more than 20 locations across the UK and Ireland.

As Caroline Lombard, UK Trading Director at Greenergy, noted: 'Our customers for road fuels include the biggest fuel retailers in the country, and our mission is to earn their long-term loyalty. We understand the importance of quality fuels and customer



Varun Chhabria

'We already have tankage capacity at key import locations in the UK, and we have the capability to switch that tankage from storing diesel or other products, to storing marine fuels'



service, and our priority is to ensure safe operations and to deliver supply resilience for customers. The best way to achieve all these is to have control of the supply chain.'

Since acquiring Inver Energy's operations in the UK and Ireland in 2017, Greenergy has been supplying marine fuels out of Cardiff and the company's scale and capability now makes a stronger entrance into the marine fuels market a logical move.

Varun Chhabria, Group Head of Marine Fuels at Greenergy, explained that: 'We already have tankage capacity at key import locations in the UK, and we have the capability to switch that tankage from storing diesel or other products, to storing marine fuels.'

'Greenergy also has highly skilled teams and developed processes across its business to provide the best service – from the operations team that manage ship movements, to the Treasury and duty teams that understand the specific requirements and implications for the marine sector.'

'Those teams are already supporting our marine fuels division, adding strength and breadth to our operations and ensuring business control and efficiency.'

In accordance with its ISO 9001-certified quality processes, Greenergy tests product for quality both before the ship is loaded and at discharge.

'We absolutely understand the importance of getting fuel quality right,' said Varun.

'In our marine fuels operations we're applying the same structured approach to quality assurance that we do for road fuels'

'That's why in our marine fuels operations we're applying the same structured approach to quality assurance that we do for road fuels.'

The recent revision of ISO 8217 has allowed a higher Fatty Acid Methyl Ester (FAME) content in bunker fuel. As well as being a major road fuel supplier, Greenergy is also Europe's largest manufacturer of biodiesel from waste oils. *Bunkerspot* asked Greenergy about the inclusion of biodiesel in gasoil, and whether it would be logical for the company to want to start blending biodiesel into its marine fuel.

Varun commented: 'Definitely not. At the moment, our marine gasoil is completely FAME free, and it will stay that way while that remains our customers' preference. We recognise the complications that can arise when water comes into contact with FAME, and we take every precaution

to ensure that biodiesel doesn't get into our marine fuel, even in the smallest amounts.'

The market is watching Greenergy's move closely. Grant Foulger, Director of Oceanconnect Marine UK, said: 'The entry of Greenergy into the marine fuels sector has certainly got our attention. Their track record for supplying quality road fuels and their commitment to customer service is well known. If they can replicate their road fuel success in the marine fuels sector, they will become a significant supplier to this market.'

Despite only announcing its entrance to the market last October, Greenergy is currently storing and supplying marine gasoil from Cardiff and Navigator Thames terminals, and plans to expand to further locations in the UK over the coming months. Its aim is to have its own physical oil wherever possible.

The company is already importing its own marine gasoil from the Amsterdam-Rotterdam-Antwerp (ARA) region and beyond, and believes it is well equipped to meet the increasing demand for marine gasoil.

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