

# Petrol PLAZA

## **SPT: “The Scandinavian goal is to reduce fossil fuel in heavy-duty transport”**

**Niklas Nagorny, Sales Director Nordic at Elaflex and Vice-General Secretary of the SPT association, discusses the Scandinavian market, the future of liquid fuels and the Scandinavian Petroleum Technic Association (SPT) is doing to improve the forecourt industry.**



Niklas Nagorny at SPT themed day event in Stockholm

**You represent both a leading supplier in the region, Elaflex, as well as a regional association. Let's start with Elaflex. What targets do you have for the Nordic and Baltic region?**

Like we show at UNITI expo, Elaflex wants to be present from terminal to nozzle. We would like to be part of the whole value chain in the Nordic and Baltics, which means refineries, depots, tank trucks, petrol stations, aviation and chemical industry. In addition, following the latest development in regards to biofuels, we are adapting and expanding our equipment to the current and future needs of the market. That is a challenge. We have good position in these markets but change occurs very fast, like with introduction of the biofuel HVO. There are discussions about LNG, CNG, Methanol, DME, Hydrogen and other niche fuels like ED95.

Another development, which can be a help in this fast change, is our product app to enhance the traceability of parts. The digitization of products and traceability enables the industry to identify and track equipment as well as planning of regular inspections and preventive maintenance, if necessary.

**The Scandinavian Petroleum Technic Association (SPT) had its event in Stockholm last November. You have other events planned. Could you discuss the growth of the association?**

We are strengthening the Danish and Norwegian arms of SPT. Several years ago we took the decision to found SPT Norway. With all their local success by offering different training courses and themed days, it became apparent we had to have a Norwegian branch. Now we also have an SPT branch in Denmark since the beginning of this year. We are strengthening our local representation in all the Nordic countries and giving our members value by taking local needs into consideration. In Sweden, we do a lot of work with local authorities, training programs and are organizing bigger themed days.

SPT in Denmark offers a training program around safety at petrol stations. They plan one themed day per year. Both associations will become stronger with more themed-day events.

We plan to have one theme day in Sweden in November and other theme days in Norway and Denmark in October.

Outside of Scandinavia, SPT follows European trends and interacts with other European organizations like APEA actively by visiting the UNITI expo trade fair in Stuttgart. We try to bring together all members and Nordic oil companies to the SPT Hospitality at UNITI expo to discuss new trends and explore the latest product news in a relaxed atmosphere.

**With your experience and contact in these countries, what would you say are some of the similarities and differences between the markets?**

In Norway, there is a political willingness to support, with incentives and other mechanisms, electric vehicles. In Sweden, we have another system that requires the introduction of renewables at petrol stations. This is done through tax exemptions. Denmark has now put E10 at petrol stations. On the political side, all three states are saying we need to do something about the environment and we have a fossil free common goal. The question of how to reach that goal is quite different. Sweden and Norway, I would say, are the more aggressive players in this transition. A lot of this has to do with political positions, the next elections, the regulatory speed of the European Union, etc. Norway is not part of EU but they still look at the resolutions by EU and try to follow them.



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The challenge in all three countries is how to reduce the fossil fuel implication in heavy-duty transport and aviation. There is still no single solution available. Even in Norway you cannot find a large electrical truck fleet. The strength of the three markets is that we are not very populated, we have the political willingness to invest in things, and we want to be market leaders for change into a new *Bio economy*. We have also become test markets for new methods, products and services mainly by players from our region.

**That's one of the key questions. What is the future of liquid fuels in countries that have such an aggressive strategy to reduce fossil fuels?**

For example, in Sweden you have the oil and refining company Preem, which is willing to invest in HVO production – a product sourced from the residues of the paper industry or slaughterhouse waste. They are also looking into processes where lignin from trees can be used to make renewable petrol. Sweden can make these fuels by themselves out of existing raw material. Also the Finish oil company Neste invests heavily in the development of biofuels like HVO and renewable fuels. These companies are involved in political lobbying with the European Union with regards to what raw materials are suitable. The investment in the local production of biofuels also needs political willingness and long-term regulations because these investments are expensive.

Regarding the HVO blend, which is a brilliant idea – if other European countries would also pursue it, then there will not be enough for the local Swedish market. We are taking a large portion of HVO from the world market just to satisfy the needs of Sweden.

**Scandinavia has become a leader in alternative fuels and many countries look at you for inspiration. But what do you feel Scandinavia could learn from other markets?**

Well, it is hard to say. There is a lack of debate right now in Sweden regarding the hype for electric vehicles. In order to reach the fossil free goals there needs to be a mix of many different fuels in the market. The Swedish Petroleum and Biofuel Fuel Institute (SPBI) recently presented and pointed out this in a road map for the petroleum and biofuel industry in order to become climate neutral until 2045.

For example, in some cases a EURO 6 diesel car filled with HVO100 has the same carbon footprint as an EV but it doesn't get any tax benefits. Perhaps this is a discussion that we are not having here. How can we reach our ambitious climate goals together?

SPT has since last year a cooperation with the UK-based APEA organization, where we are discussing about trends, experiences, regulations, technology transfer and training courses from the UK and Scandinavian markets. The UK trainings on safety at petrol stations are fantastic and we feel that there is a lot of additional things we can implement in our own trainings in the future. We hope that we can find more cooperation with other associations within Europe in order to broaden our knowledge even more. We will also be present in the association's corner of UNITI expo 2020. We will present our online training platform there.

Similarly, in Sweden we have many single-wall tanks. The Swedish Environmental Agency is working on a legislation for water protected areas. The legislation, currently under revision, states that stations should have double-wall tanks in water protected areas. They also want to implement leak detection and overfill protection. This is a key topic for the Swedish market. In Norway, they have glass fibre tanks while Denmark mostly have double-wall tanks. The challenge for all three is if the existing infrastructure will withstand biofuels in the future. We hope that we can learn more about this from other markets.