

UK pia

United Kingdom Petroleum Industry Association

Newsletter

WINTER 2013



Assuring Safety

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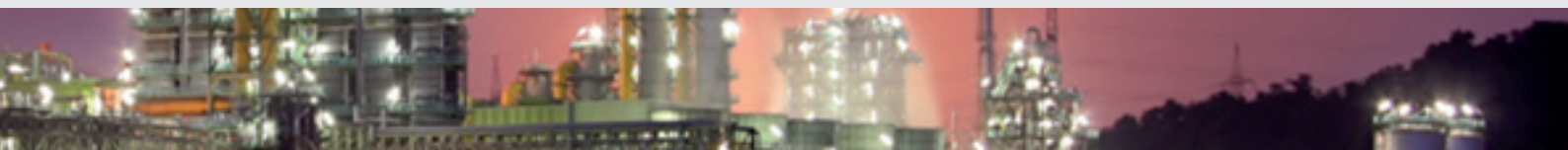
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UKPIA's Assuring Safety Initiative: Leadership in Process Safety

The explosions and fires at the Buncefield oil storage depot near Hemel Hempstead in the early hours of Sunday 11th December 2005 highlighted a new area of potential risk that had previously not been thought probable. The incident triggered a fundamental review, by the oil industry and regulators, of large-scale gasoline storage. In January 2006, work began by the Buncefield Major Incident Investigation Board (MIIB) to determine the causes of the Buncefield incident. The MIIB developed a series of recommendations for industry and the Competent Authority (CA – Health and Safety Executive, Environment Agency, Natural Resources Wales and Scottish Environmental Protection Agency), which, once implemented, would greatly reduce the risk of a similar incident in the future.

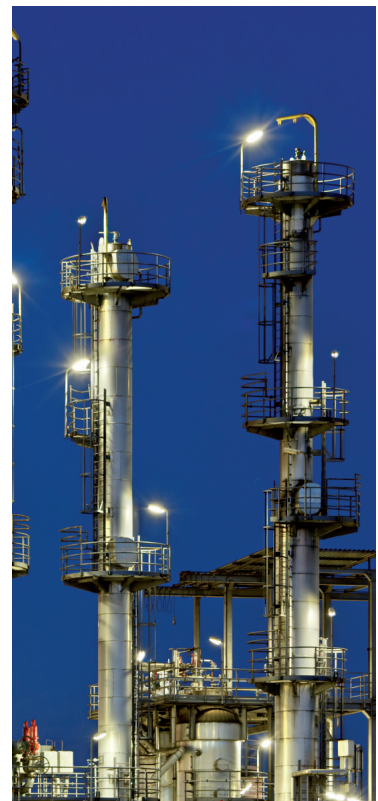
In spring 2006, the MIIB published three progress reports on the Buncefield investigation describing the probable causes of the incident. Rather than wait for the MIIB to develop and complete its recommendations, industry and the CA worked in parallel with the MIIB to produce a speedier response and earlier implementation of key recommendations. Industry and the CA formed the Buncefield Standards Task Group (BSTG) in summer 2006 to complete this work, producing a final report in summer 2007. Meanwhile, the MIIB produced a report, *'Recommendations on the Design and Operations of Fuel Storage Sites'*, in spring 2007.

The MIIB set a challenge to industry in two key areas:

- Operating with high integrity organisations, and
- Delivering high performance through culture and leadership

To address these challenges, UKPIA signed a *'Commitment to Process Safety'* in 2008, which, through seven key objectives, cemented the industry's high commitment to the health and safety of its workforce and the public. The Commitment recognises that a robust process safety performance is key to protecting people and the environment and that a spirit of cooperation amongst members, through UKPIA's Council, is pivotal in the pursuit of process safety excellence. The Process Safety Leadership Group (PSLG), responsible for addressing the recommendations from the MIIB report, also published the *'Principles of Process Safety Leadership'* in 2009. These principles align closely with those of UKPIA's Commitment, recognising that industry leaders have a critical role to play in process safety management and improvement.

UKPIA has many initiatives in place to address the recommendations of its Process Safety Commitment and those of the PSLG's Principles of Process Safety Leadership: together, these form UKPIA's **Assuring Safety - Sector Level Process Safety Strategy**.



UKPIA signed a **'Commitment to Process Safety'** cementing the industry's commitment to the health and safety of its workforce and the public

UKPIA has many initiatives in place to address the recommendations of its Process Safety Commitment and those of the PSLG's Principles of Process Safety

A Strategy for Sector Level Process Safety

Enhancing process safety throughout the industry and achieving excellence is at the forefront of UKPIA's operations. Process safety is managed by individual companies in order to meet their responsibilities under the Control of Major Accident Hazards (COMAH) regulations in the UK, which represent a condition to operate. On the other hand, sector level process safety is a framework by which individual companies can enhance and improve what they do at site level by engaging more effectively with, for instance, the Regulator and other industry sectors.

Assuring Safety comprises of three key principles: **Working Together, Encouraging Excellence and Sharing & Learning.**



Assuring Safety comprises of three key principles: **Working Together, Encouraging Excellence,** and **Sharing and Learning.** Each of these principles is delivered through a network of initiatives, committees and fora. These forming elements are highly integrated and, together, they play an important role in collecting, analysing and sharing process safety information which, in turn, is brought together to identify and drive improvement through the development of guidance, tools and training standards



Using available resources to identify potential areas of concern and develop strategies to address these.



Advancing dialogues on process safety practices by communicating with other relevant industry sectors. As appropriate, sharing lessons from relevant high level incidents and near misses.



Analysing industry's performance and targeting specific areas of process safety by commissioning the development of tools and technical guidance.

UKPIA's Assuring Safety initiative cements the industry's unyielding commitment to enhance process safety and delineates the importance of effective means in place to improve performance throughout the industry by working together, sharing and learning and encouraging excellence.

To this end, UKPIA has developed a sector level strategy that fosters cooperation within the industry.

An effective sector level strategy must be based on:

- A mechanism by which all relevant stakeholders can work collaboratively - identifying common priorities and goals and using available resources to close skills and knowledge gaps.
- A mechanism by which we can look beyond good practice – identifying now what could go wrong in the future and proactively encouraging excellence in process safety performance.
- A mechanism by which we can look outside of our own industry sectors, gaining information on potential hazards that could affect us, by sharing key information.
- A mechanism by which we can measure our success as a sector, along with the success of the initiatives we have in place.
- Assuring Safety encompasses all of these mechanisms and provides a clear reference point for other sectors wishing to develop a similar strategy.

For more information about Assuring Safety please visit www.ukpia.com/process-safety.aspx or write to info@ukpia.com

Energy and Climate Change Select Committee's Report: "...UK needs to maintain the health of its oil refining industry"

Following the Energy and Climate Change Select Committee (ECC) inquiry and evidence sessions into the UK oil refining industry, the Committee published a report on 26th July 2013 highlighting the need for the UK to maintain the health of the industry.

Sir Robert Smith, acting Chair of the ECC, commented: *"The aim of our inquiry was to gather evidence and make recommendations ahead of DECC's review of UK oil refining which is expected to be published toward the end of this year. In particular, we examined the pressures on industry and the implications for security of supply."*

"Since 2009, two refineries have closed and the UK currently has seven refineries in total. Domestic production cannot keep pace with rising demand, especially for diesel products. We heard that the UK is reliant on imports for 56% of its jet kerosene. Such reliance on imports could have significant implications for energy security and resilience. It is also worrying for the estimated 26,000 jobs connected to the oil refining industry in the UK. We heard that UK industry was struggling to compete under the burden of UK and EU regulations and legislative requirements. Some of the evidence we received painted a picture of an industry in decline, struggling with a burden of regulation which was felt to disadvantage UK refineries against their European and global competitors. Some suggested that capital expenditure and costs relating to legislation threatened to eliminate profit margins. It is clear that a level playing field must be established for all operators if UK oil refining industry is to continue growing. Witnesses highlighted that the transportation duty regime could disadvantage UK refiners. Such disparities should be remedied wherever possible. The proposed EU "fitness checks" should help determine the suitability of current regulations and introduce mitigation measures where necessary."

Sir Robert Smith added: **"The UK needs to maintain the health of its refining industry. A mix of domestically refined products and imports is an important ingredient of energy security and the UK refining industry is a welcome provider of jobs and tax revenue for the economy. We agree with witnesses who called for Government to set a long term framework for the industry to help secure its future. A clear Government message and policy can provide oil companies with the confidence and incentive to continue operating refineries in the UK, and to continue investing to maintain a viable UK refining industry in the future. While the regulation of the industry for environmental and health and safety reasons is clearly essential, Government has a responsibility to ensure that it is also rational, coordinated, and designed to minimise the cost implications for industry."**

For more information on the report, visit <http://www.publications.parliament.uk/pa/cm201314/cmselect/cmenergy/340/34002.htm>

On 11th October, the Energy and Climate Change Select Committee published its Sixth Special Report of Session 2013-14: UK oil refining - Government Response to the Committee's Third Report of Session 2013-14.

To read the Government's response to the Committee, click here <http://www.publications.parliament.uk/pa/cm201314/cmselect/cmenergy/718/718.pdf>

Petroleum Driver Passport (PDP) Initiative

The Petroleum Driver Passport (PDP) is an industry initiative, backed by Government, to ensure that all petroleum tanker drivers in the UK are trained and assessed to a consistent, high standard. The PDP has been created by the Downstream Oil Distribution Forum: a partnership of employers, industry bodies and trade unions. The UK Petroleum Industry Association is part of the Forum and supports this voluntary scheme. Training courses for drivers will be available from the 1st January 2014, with enforcement at terminals from the 1st January 2015.

For more information on the Petroleum Driver Passport, visit pdpassport.com or write to pdpassport@sqa.org.uk



Petroleum Driver Passport

Training courses for drivers will be available from the 1st January 2014, with enforcement at terminals from the 1st January 2015.

UKPIA Associate

The UK Petroleum Industry Association and its members are firmly committed to enhancing process safety and recognise the importance of ensuring that an effective strategy is in place to improve performance by working together, sharing and learning and encouraging excellence. For this reason, along with the 'Assuring Safety' initiative launched in summer 2013, UKPIA will be introducing an 'Associate' participation scheme to further pan-industry cooperation and dialogue in the area of Process Safety.

In January 2014, UKPIA will be launching three 'Associate' schemes: Process Safety Associate, Transport Associate and Full Associate.

The Associate schemes will enable participants to benefit from:

Knowledge Sharing and Information Resources

- Share and learn with others in your sector
- Access a range of resources, including targeted reports, technical materials, high-level analysis as well as comprehensive resources designed to underpin continuing knowledge developments in the sector
- Keep up to date with developments across a range of topics
- Receive news and development updates via electronic bulletins containing information about legislation, sector initiatives, new publications and forthcoming events
- Receive information and seek advice from UKPIA

Collaboration and Support

- Participate in initiatives, including Committees and Working Groups
- Influence and participate in the development of guidance and tools
- Connect with others in your sector through key meetings and events
- Collectively contribute to joint action and research
- Gain access to a consistent, coherent and consolidate sector-wide approach

To find out more about becoming a UKPIA Associate, call 020 7269 7600 or send an e-mail to info@ukpia.com

The UK's Oil Refining Industry: a Vital Asset

On 25th October 2013, UKPIA welcomed the news that the Grangemouth oil refinery in Scotland, owned by Petroineos, was to immediately restart full operations and that the INEOS petrochemical business was to reopen with immediate effect. The announcement followed Unite's acceptance of the company's Survival Plan.

The oil refining industry in the UK remains under huge pressure from a combination of factors - commercial, legislative and structural - that threaten its future. For this reason, UKPIA sponsored an independent report by IHS Purvin and Gertz to inform the Department for Energy & Climate Change (DECC) review into the Refining Sector in the UK. The report, published in May 2013, highlights the serious threat to the survival of UK oil refining which has serious implications for the economy nationally and regionally and potential impacts upon energy security of supply.

UKPIA looks forward to the forthcoming Government's review into the UK oil refining industry, which should help inform not only the development of a future policy framework for the industry, but also an urgent analysis of legislative impacts in 2014 through the legislative 'Fitness Checks' being undertaken at the EU level via the Refining Forum, established by the European Commission.

For a copy of the IHS Purvin and Gertz report "The Role and Future of the UK Refining Sector", click here <http://www.ukpia.com/files/pdf/therolefutureoftheukrefiningsector.pdf>

UKPIA sponsors 'Magazine Writers' Award

On 5th September 2013, Disabled Motoring UK held its annual Awards evening at the Heritage Motor Centre in Gaydon. The ceremony celebrated 11 outstanding organisations and individuals, including Robert Dowlman from Heighington, Lincolnshire, who won the DMUK Magazine Writers' Award.

The DMUK Magazine Writers' Award, sponsored by UKPIA, recognises a Disabled Motoring UK member that has written an article for its monthly magazine that was particularly enjoyed by readers.

Rob Dowlman wrote a lovely article for the July issue of Disabled Motoring magazine telling readers about his hunt for the Northern Lights on a Norwegian Cruise. This category was particularly hard to judge, so all the runners up were also awarded 'Highly Commended' and presented with a certificate.

Helen Dolphin, Director of Policy & Campaigns/Editor at Disabled Motoring UK said: "We are very lucky to have so many members who write wonderful articles for our monthly membership magazine. Rob Dowlman's article was an excellent piece and we hope he will write more for us in the future".

Chris Hunt, Director General of the UK Petroleum Industry Association, presenting the Award said: "UKPIA is honoured to be presenting and sponsoring this prestigious award in recognition of Rob's excellent article for DMUK's Magazine. I am extremely delighted to be part of the ceremony tonight and to celebrate all winners and nominees for their remarkable work".

UKPIA would also like to extend its thanks to Pete George, UK and Ireland Marketing Managing Director, and the whole Phillips 66 team for sponsoring DMUK's 2013 Awards ceremony.



Chris Hunt, UKPIA's Director General, presents the DMUK Magazine Writers' Award to Rob Dowlman

Disabled Motoring UK is a national campaigning charity for disabled drivers, passengers and Blue Badge holders.

For more information, please visit <http://www.disabledmotoring.org/dmuk/home>

Events

Party Conferences

UKPIA attended all three national Party conferences in September and October. Party conferences represent an important forum for discussion of issues and important contributions of our downstream oil industry in the UK.

Conferences

UKPIA's Director General, Chris Hunt, chaired both the **Platts Refining Conference** (19-20 September, Brussels) and the **Next Generation Downstream Oil Summit** (14-16 October, Milan).

Chris also presented on the challenges facing the downstream oil industry in the UK and in the EU at the **Red Sea & Gulf Bunkering Conference (RESCON)** (23-25 September, Dubai).

UKPIA's Technical Director, Hugh Tucker spoke at the **Management of Air Emissions from Shipping Conference** (24 September, London) on IMO Marpol regulations.

Nick Vandervell, UKPIA's Communications Director, spoke at the **Central and Eastern European Refining Conference** (15-16 October, Warsaw).

Peter Davidson, UKPIA's Director, Safety, Commercial & Projects, spoke at several conferences and seminars on Process Safety and UKPIA's sector level process safety initiative 'Assuring Safety'. Amongst others, Peter spoke at the **Next Generation Downstream Oil Summit** (14-16 October, Milan) and at the **World Class Process Safety Management Conference** (22-23 October, London).

For more information on conferences and presentations, write to info@ukpia.com.

For information on upcoming events and conferences, visit www.ukpia.com/news_press.aspx



People

UKPIA welcomes our new Council member Tom McKinley of Murco and Jon Wetmore of ExxonMobil. They succeed the outgoing members and Brian Kelly (Murco) and John Blowers (ExxonMobil). The UKPIA team thanks the outgoing members for their support and valuable contribution to the work of UKPIA's Council.

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