



VeryOne®

Leading the way
in Cetane Improver

A Division of EURENCO

Issue n°3 - September 2015

The **VeryOne Newsletter** has a main objective: informing our partners about the world of fuels. We gather information on diesel and crude oils and share it with you. We use our dedicated VeryOne team to bring added value to the information we provide to our customers on **Cetane use**.

VeryOne Newsletter Issue n°3 at a glance:

- Use of Cetane Improver During the Winter Period
- EURENCO New Member of ATC
- Rise of Diesel Fuel Consumption in the USA
- Heavy Oil Outlook
- Feedback on the 4th LARTC Conference in Miami (USA)

HIGHLIGHT

USE OF CETANE IMPROVER DURING THE WINTER PERIOD

Winter is coming, it is time to use Cetane Improver.

Most people don't know it, but the fuel they put in their tank changes along with the seasons. Their expectations? **Getting the same performances throughout the year.** They don't care whether it is cold or not, they want their engine to start within a fraction of seconds. But do they realize that fuel has to be adapted to perform equally?

Fuel additives are made to help refiners comply with these characteristics.

Diesel fuel, because of its paraffinic composition, has the (bad) property of waxing and gelling in cold weather. Because of it, the **countries' legislations are different in the summer and the winter period** (as can be seen for some countries in the table below).



		Austria	Belgium	Denmark	Finland	France	Germany	Norway	Russia	Spain	UK
CFPP value	Winter Diesel	-20 °C	-15 °C	-20 °C	-26 °C	-15 °C	-20 °C	-24 °C	-35 °C	-10 °C	-15 °C
	Summer diesel			-10 °C	-5 °C	0 °C	0 °C		-5 °C	0 °C	
	Transition period	-15 °C		-15 °C			-10 °C	-11 °C			
	Arctic				-44 °C			-32 °C	-50 °C		

Example of Cold Filter Plugging Point differences throughout the year in different countries

In order to meet the winter requirements, **lighter and shorter molecules (from the kerosene slate) are added to the diesel blend** in a proportion reaching 50% in some cases. Unfortunately, using kerosene also has some drawbacks: one of them being its lower Cetane content compared with diesel fuel, thus leading to longer warm-ups and heavy white smoke.

To counteract these effects and get back all the properties leading to performance, **Cetane Improver additives are the easiest solution.** It allows refiners to obtain a Diesel-Kerosene blend with a Cetane Number compliant with the

EURENCO NEWS

EURENCO NEW MEMBER OF ATC

EURENCO has recently joined the European Technical Committee of Petroleum Additive Manufacturers (ATC).

Affiliated to the CEFIC (European Chemical Industry Council), this group, divided in subcommittees, gathers together the various stakeholders in the world of Fuel Additives, Lubricants, Service Fluids and other Petroleum Products.

It strives to discuss developments of a Technical or Regulatory nature, but also to develop, agree and publish industry positions, ensure communication with other industry stakeholder groups and participate actively in industry test development and maintenance work.



Read their publication on "Fuel Additives: Use and Benefits".

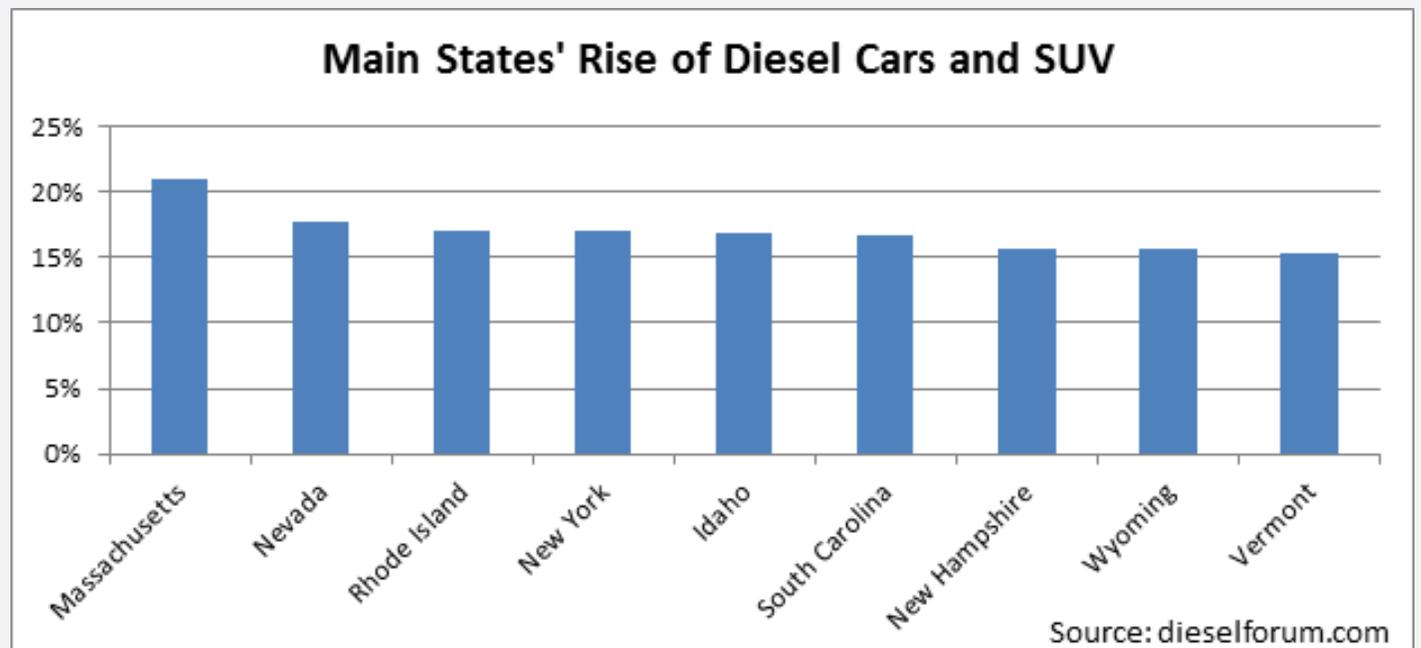
BUSINESS NEWS DIESEL

RISE OF DIESEL FUEL CONSUMPTION IN THE USA

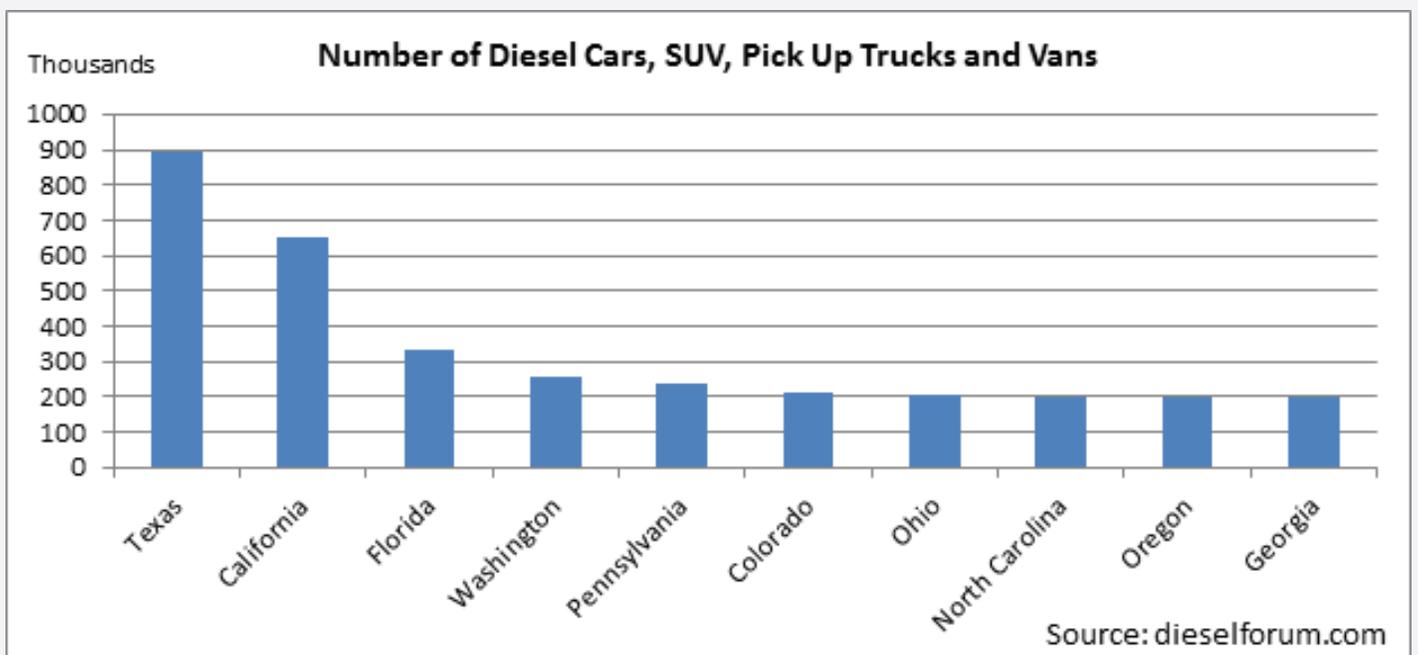
In 2014, diesel cars and SUV in operation increased by 14% in the USA.

Although diesel cars currently represent a little less than 3% of the market (or 5 million diesel cars and trucks), the consensus among car manufacturers is that it will rise to 7% by 2020 to reach a little more than 10 million diesel cars and trucks on the road.

The graph below features the **US states with the most important growth**:



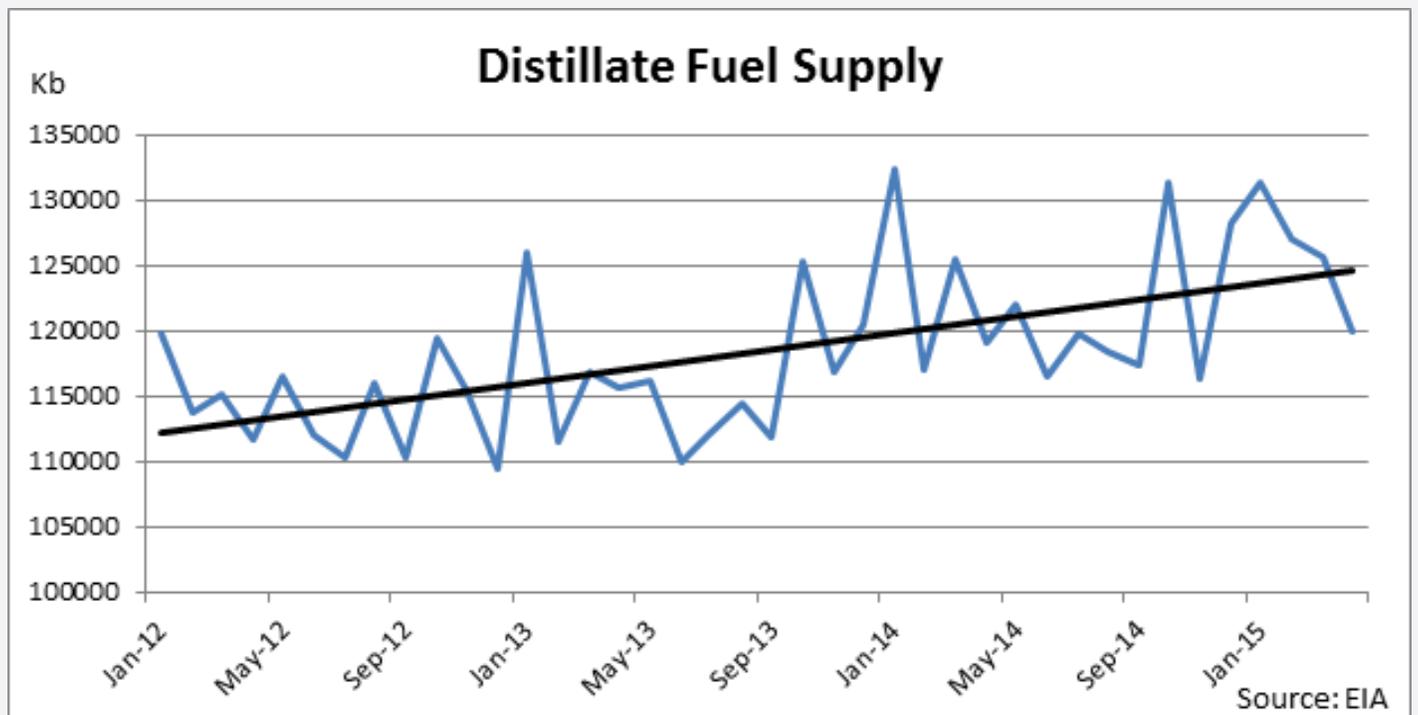
However, as it can be expected, this increase is not evenly distributed among the states. While those 10 states witnessed the biggest rise in diesel cars and SUV in 2014, the **states actually hosting the most diesel cars** are not exactly the same:



One can notice that these two tables do not share any state in common. Moreover, while the states with the most diesel cars (in percentage) are Wyoming, Montana and Idaho, none of them are listed above. It seems that the **current market in the US is transitioning into a more diesel-friendly state of mind**, and that it is rather a general momentum towards this than some isolated cases across the country.

From what we see, one can expect the diesel market to quit being a niche market in the US in the next few years.

The analysis of the diesel consumption emphasizes this rise. **Between 2012 and today, distillate fuel supply shows a rise of 9%, for only 3% in gasoline.**



HEAVY OIL OUTLOOK

Heavy crude oil contains every crude oil with an **API degree of less than 23°**. Its density is often related to the presence of aromatics and naphthenes.

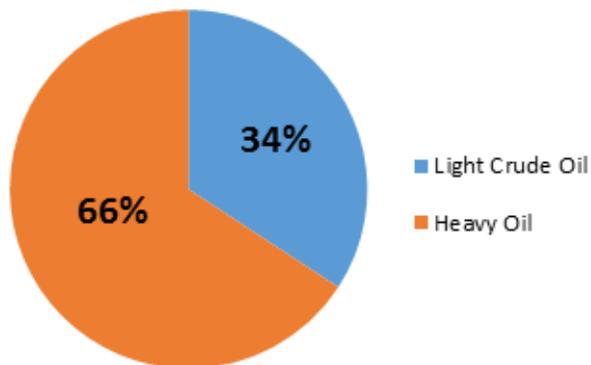
Although the production of heavy crude oil represents only 19% of the global production in 2015, **heavy crude oil constitutes 66% of the world's oil reserves**. This can be explained by the rise of production of shale oil in the US. However, things will inevitably change in years to come.

Today, unconventional heavy crude oil (crude oil with an API degree of less than 10°) represents 18% of the global heavy crude oil production. However, it is expected to reach 50% by 2025, and 70% by 2040.

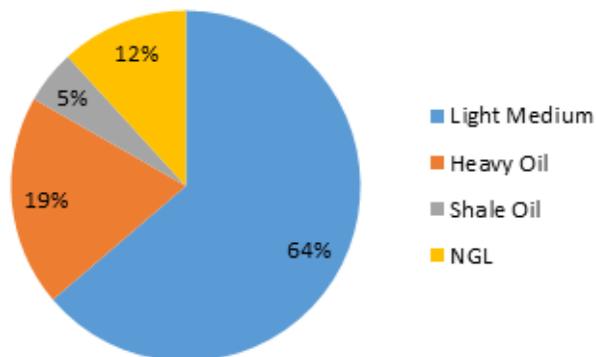
Main producers of heavy crude oil and bitumen are **Canada, Mexico, Saudi Arabia and Venezuela**, with production averaging 1.6 million barrels per day, and growing. Canada and Venezuela are expected to be the producers with to most potential, with an increase of production of 150% and 80%, respectively.

However, **heavy crude oil is also more expensive to process**. It requires special equipment to pump, such as steam injection facilities, high powered electric pumps, and often equipment and additives in order to be transformed into usable fuel.

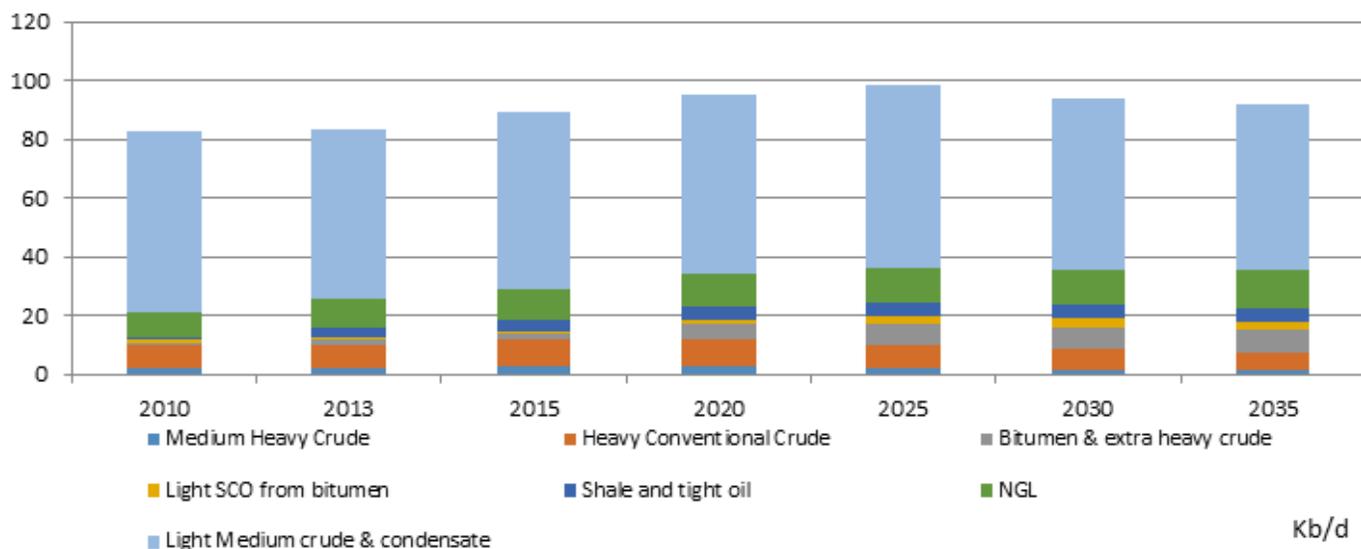
World Oil Reserves



2015 World Oil Production



World Oil Production Outlook



Sources: Hart Energy & Stratras Advisors, EIA

EVENTS

4TH LATIN AMERICAN REFINING TECHNOLOGIES CONFERENCE (MIAMI, JUNE 10-11)

On June 10th and 11th, 2015, Marcos Perello (EURENCO Inc. CEO), Pierre Elmerich (EURENCO Sales & Marketing Director) and Martin Torrez (North-America Market Development) have attended the 4th edition of the [Latin American Refining Technologies Conference \(LARTC\)](#) in Miami (USA).

The LARTC has fast become the leading event for refining and petrochemical professionals from across the Latin American downstream sector. This year, the major subject was the [opening of the Mexican Oil & Gas market](#) to private companies. More generally, the conference have covered 3 decisive dimensions, namely [macroeconomic overviews](#), [management](#) to optimize production and [new technologies](#) mostly related to FCC catalyst.



The VeryOne team found a good value in attending the conference that presented [very positive outlooks for the Cetane Improver market](#). Among the subject that have attracted the most our attention:

- Mexico is gradually opening its Oil and Gas Market

Two new agencies have been created for the transition: the Comisión Nacional de Hidrocarburos (CNH) for upstream, and the Comisión Reguladora de Energía (CRE) for the midstream, downstream and electricity.

The first moves have begun first quarter of 2015 with the first biddings in the exploration and production activity. They are now aiming for the **liberalization of the price for finished products - like gasoline and diesel - within 3 years**.

Production-wise, Pemex refineries will operate a shift that will directly increase the production of diesel by 23 bbl/d. We assume that diesel will need Cetane Improver, as an increase of the FCC (Fluid Catalytic Cracking) to get more valuable gasoline is also scheduled, and the latter has a negative impact on diesel quality. **The rise in diesel production (not only triggered by the shift of production) would reach 645 bbl/d by 2027**. And as Brent-price related sales are more attractive, Pemex is now willing to sell to Europe, where diesel specifications are the most demanding.

- **Production of clean diesel in Uruguay**

The Administración Nacional de Combustibles, Alcoholes y Portland (ANCAP) has **reshaped its Grassroot refinery into a low-sulfur diesel plant**. They presented the highlights of design work: from robustness and flexibility of the process layout and control, through selection criteria for material and equipment, down to the choice of instrumentation and trip groups.

The desulfurization process of the diesel as a negative impact on the cetane number. In other words, **the choice to get their fuel cleaner brings them to use more and more Cetane Improver**.

The reshaping comes from the will of Uruguay to **increase their diesel fuel standards to reach Euro IV**. The latter has a cetane number specification of 51, versus 45 currently.

Diesel represents now 45% of the fuel market in Uruguay, accounting for Latin America becoming a growth target for EURENCO.

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