

# COVA

National Stockpiling Agency

The Netherlands

Crude vs Products

Technical Issues LT storage

Petroleum Stockpiling-21<sup>st</sup> Century

Houston 30-11-2004

Cees Klopper - MD

# The Netherlands - some facts and figures

- **Total Domestic oil consumption: 60 m t/a \***
- **Total Oil production: 3 m t/a \***
- **Major producer of natural gas: 80 billion m<sup>3</sup> /a**

## Net importing country

- **Excellent infrastructure: Gate-Way to Europe**
- **Export Refining center, 30% nWEU capacity (60 m t/a)**
- **Important petrochemical complex**
- **Port of Rotterdam: World Port no. 1 (320 m t/a)**
- **Rotterdam largest storage capacity EU: > 30 m m<sup>3</sup>**

\* Oil figures based on national statistics bureau ( CBS :energy-oil balance jan-jun 2004)

# Legal Framework of COVA by Petroleum Stockpiling Act 2001

- COVA –as frm 1978-is independent stockholding agency under Dutch law characterized as a non-profit foundation exempted from corporate tax
- COVA' mission to maintain legally imposed compulsory stocks of crude and petroleum products at lowest possible cost, whilst meeting the required security of supply

# Dutch Stockholding Law 2001

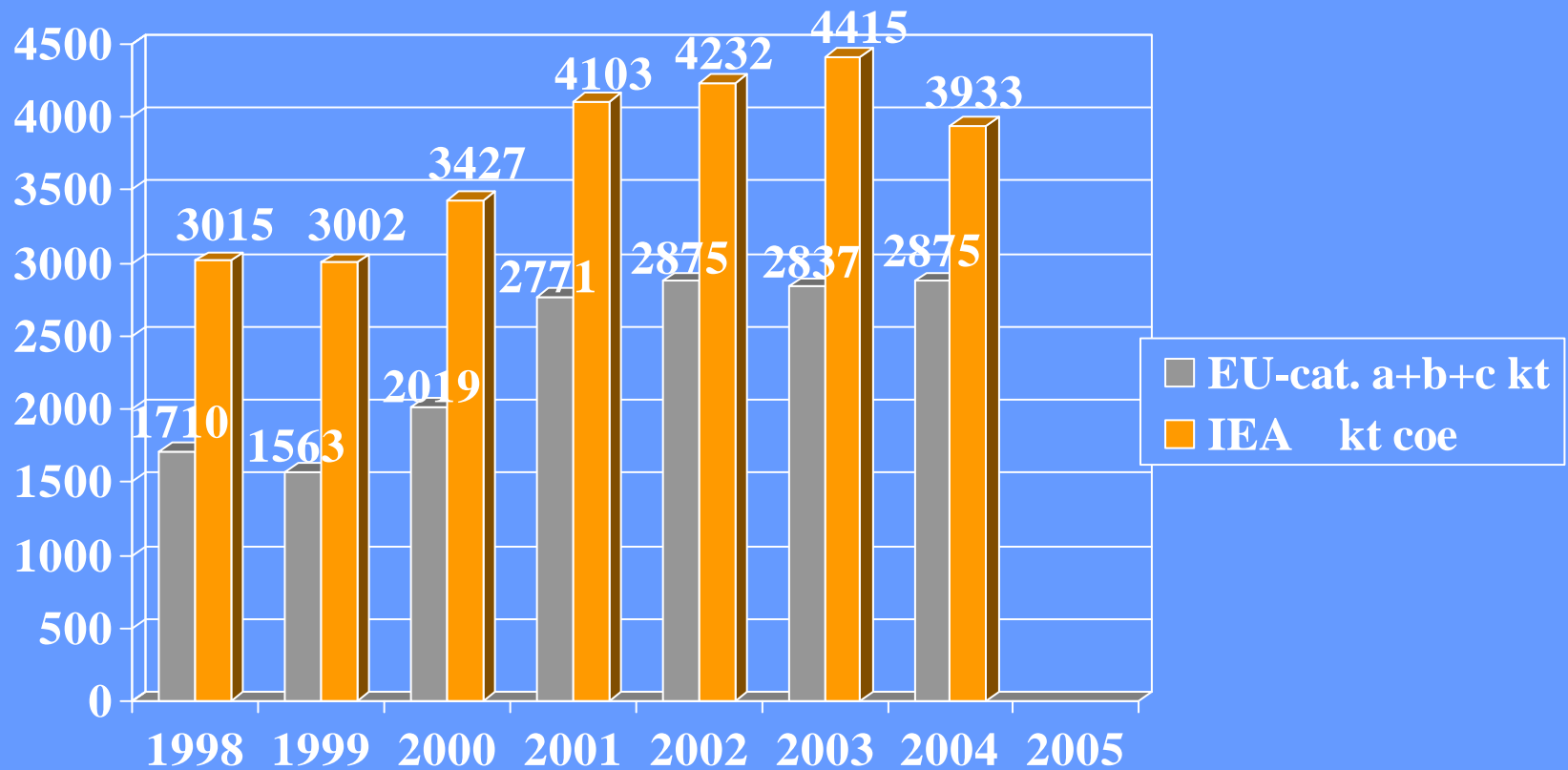
## International Obligations

- The IEA Obligation:
  - 90 days net imports mton crude oil equivalent past year and 10% extra for ‘unavailables’
- The EU Obligations mton re category A, B, & C
  - 90 days consumption product category past year

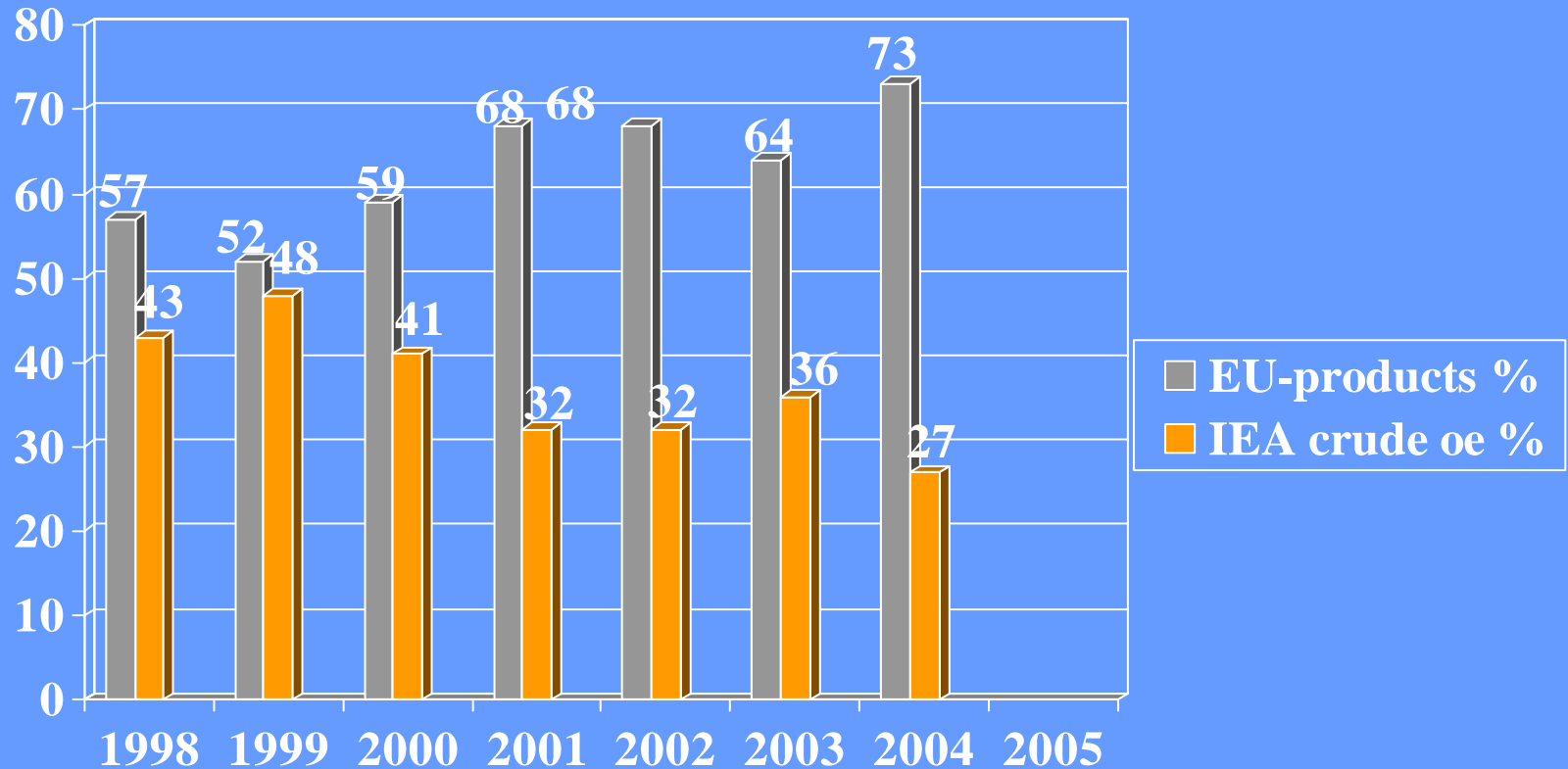
# Coverage of Dutch Stockholding Obligation on April 1<sup>st</sup>, 2003

- A. National stockholding obligation  
IEA basis: 5.084.000 ton c.o.e. ~ 100 days
- B1. Stockholding obligation Refiners and traders:  
IEA/EU basis: 669.000 ton c.o.e.~13 days
- B2. Stockholding obligation COVA,  
equals the difference between A and B1  
IEA/EU basis: 4.415.000 ton c.o.e.~87 days

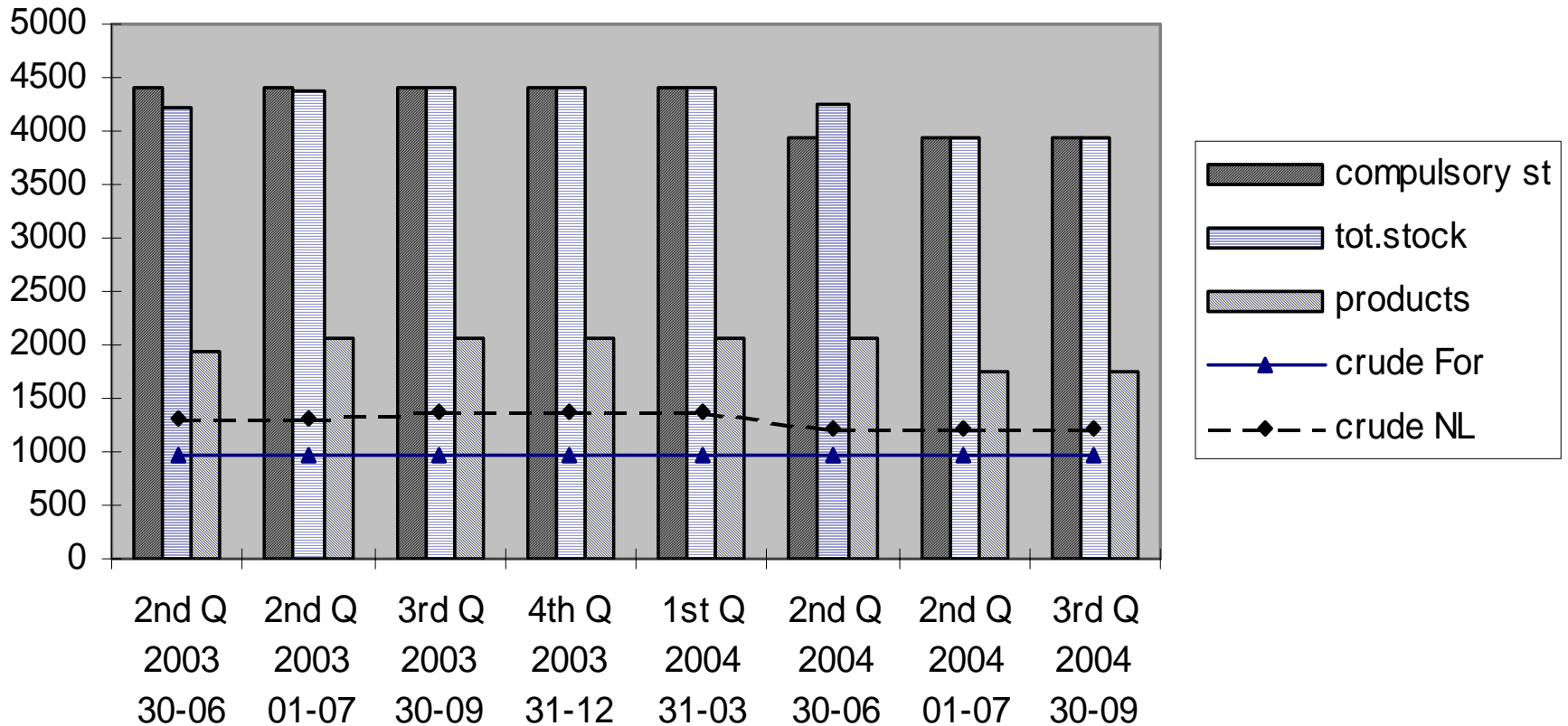
# Development COVA stock obligation



# Development COVA stock obligation in %



# Cova Stock Coverage 2004-Q3 kMt coe

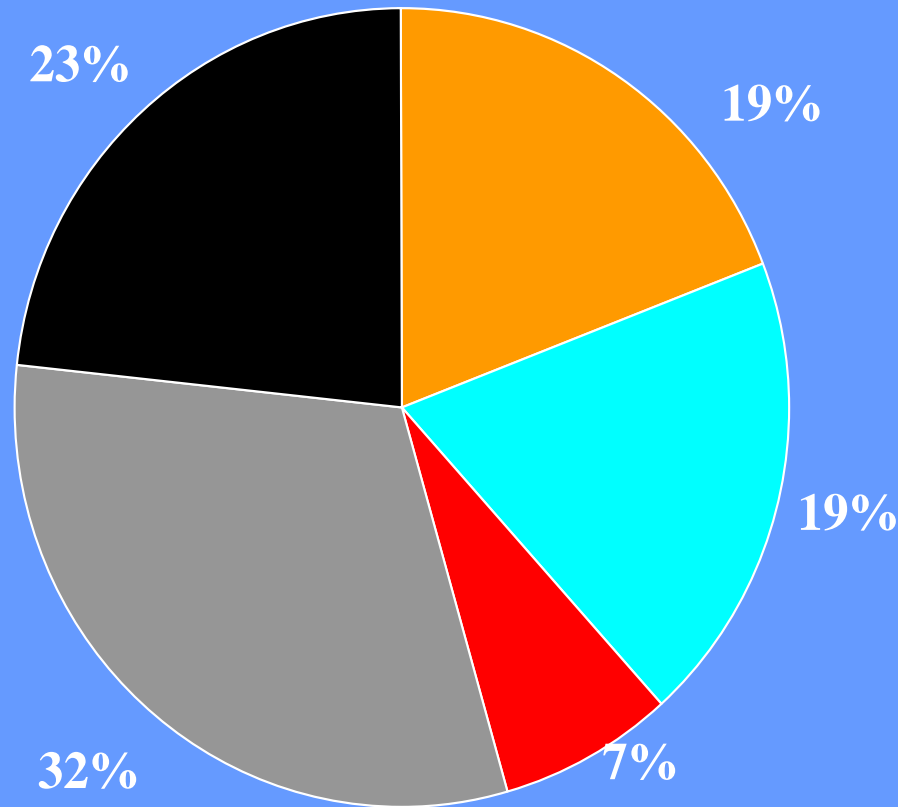


# Composition COVA coverage 2002

m tons

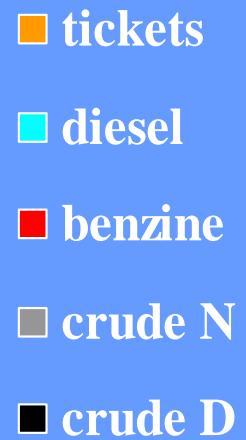
**Crude  
Total**

**55 %**

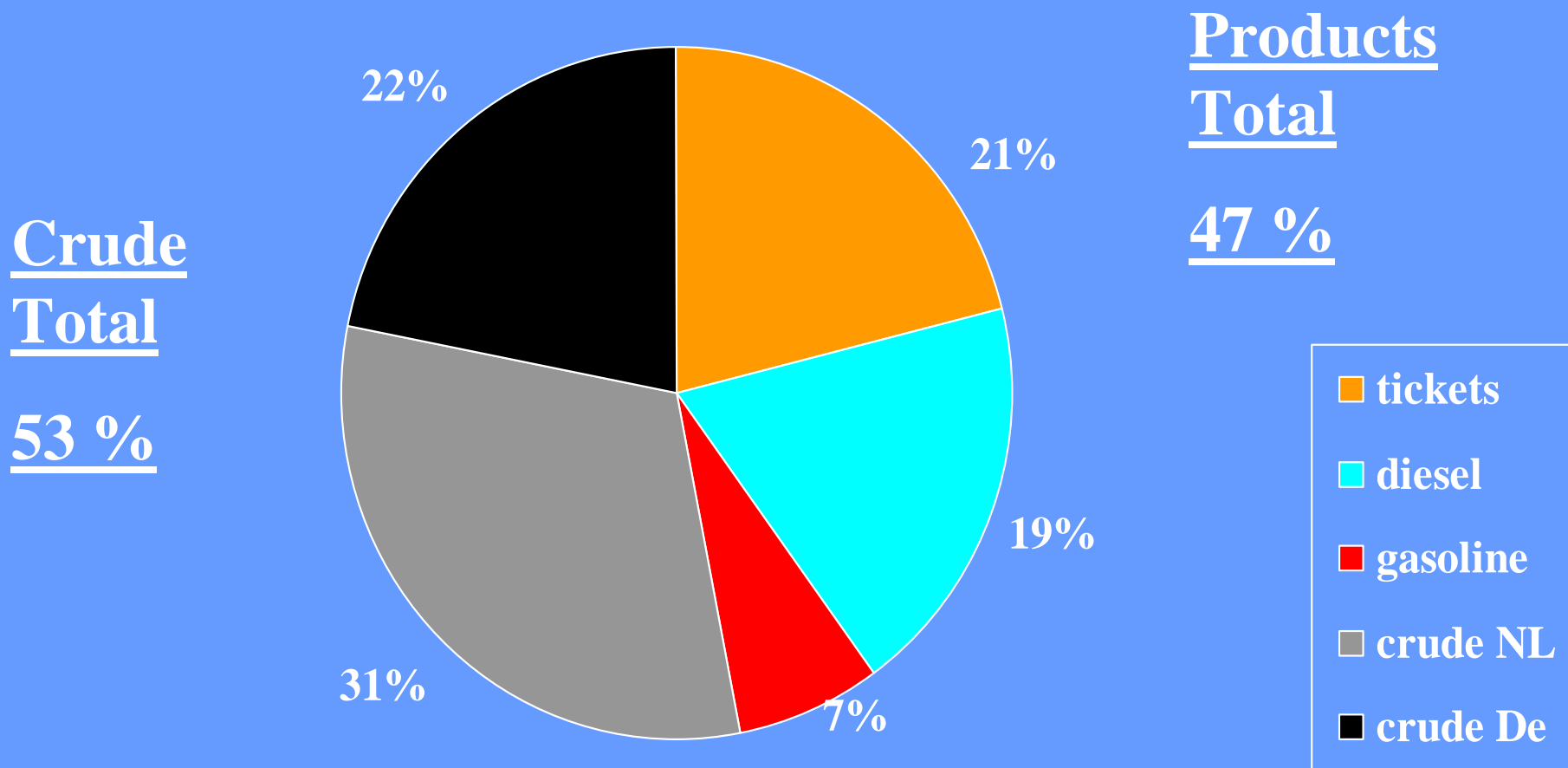


**Products  
Total**

**45 %**

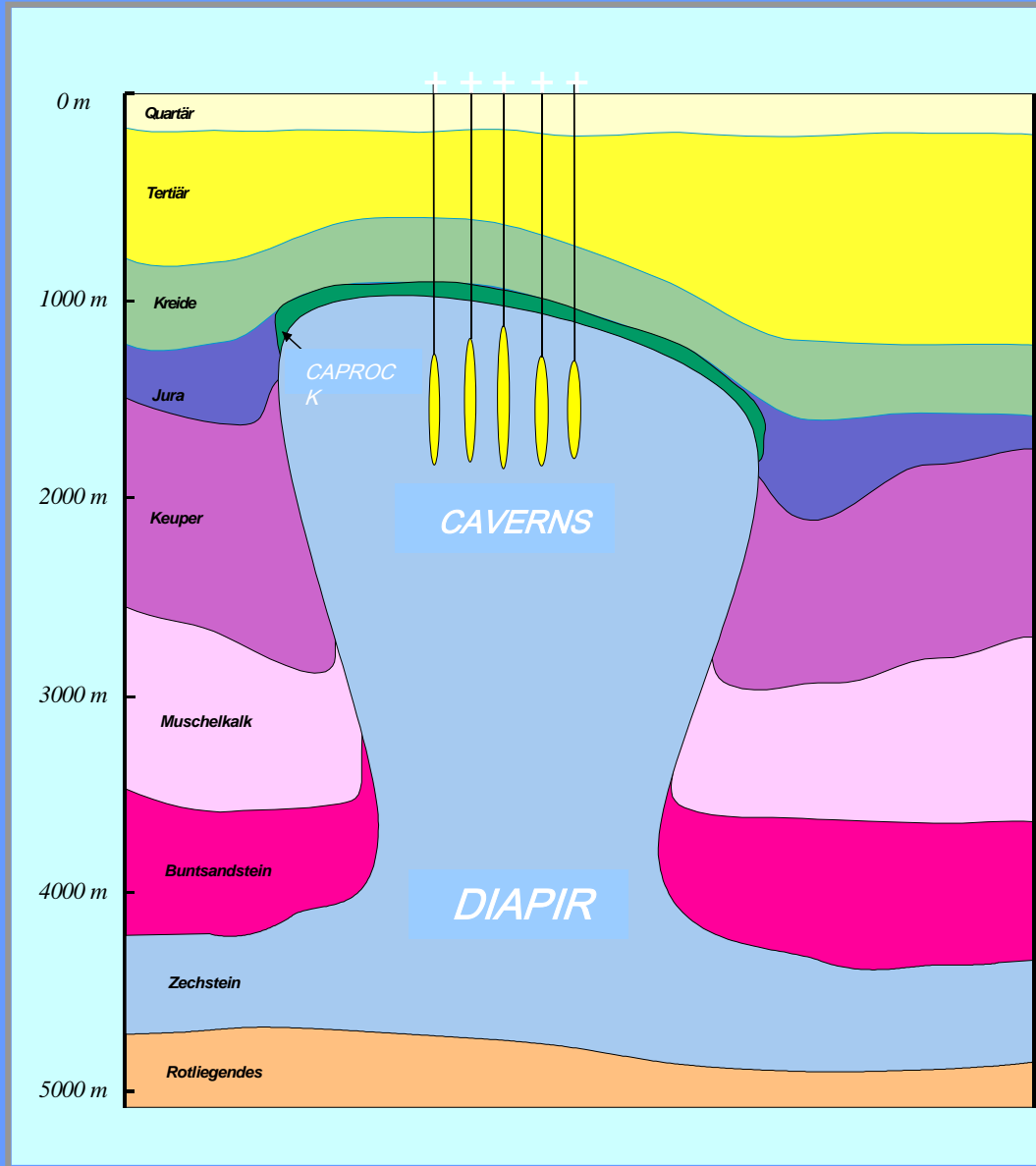


# Composition COVA coverage 2003 m tons





MOT -storage capacity 4.1 million m<sup>3</sup>



Schematic Sketch of a  
**Diapir**  
with Storage Caverns

# Questions & Answers ( general )

- Q -What proportions are in crude vs refined products
- A -2004: 56 % crude vs 44 % products
  
- Q -What influences decision re refined products
- A -EU requirements, instant availability, logistics, tickets
  
- Q -How many different products
- A -2 grades: unleaded gasoline and low sulphur diesel
  
- Q -Are products in segregated storage
- A -Yes
  
- Q -How did you determine type of storage facilities
- A -cost, availability, safety, cost & safety equally important
- tickets

Thank You for your Attention

COVA

The Netherlands

# Questions & Answers ( specific)

- 1Q    -Crude experience?
- A        -no crude degradation,  
          -sludge accumulations only once with Fulmar (North Sea )
- 2Q    -Product experience?
- A        -only once in 25 years some problems  
          -due to specs changes frequent rotations ( avg 5- yrs)
- Q        -How many different products
- A        -2 grades: unleaded gasoline and low sulphur diesel (tickets!)
- Q        -Specific products in favour
- A        -No
- Q        -specific storage type
- A        -no, floating roof re gasoline-environmental/economic reasons
- Q        -How did you determine type of storage facilities
- A        -cost, availability, safety (cost & safety equally important )

# Questions & Answers ( specific)

-4Q -Quality monitoring Program?

-A -by out-side surveyors 2 times a year all tanks  
-contracts with 4-5 well-known surveyors

-5Q -Product deterioration?

-A -yes once in 25 years we had some problems

-Q -Microbial growth?

-A -No

-Q -Elimination of water–oil interface?

-A -very regular draining the water/automatic systems /inspections

-6Q -Specific lessons learned?

-A -no, keeping alert re developments,  
-lot of experinece in oil and storage industry  
-interesting and challenging activities!  
-always prepared to exchange practices / experiences!