



PELAGIA™

Pelagia save €960.000 with active portfolio management from Kinect

INDUSTRY

Fishing

LOCATION

Norway, Denmark,
and UK

CHALLENGE

Pelagia AS produce fish based products across twenty seven sites in four countries, and needed an energy procurement, risk and pricing strategy that was tailored to be both flexible and keep them in control. Kinect were tasked to cost effectively secure electricity supplies of 110GWh for Pelagia's portfolio in Norway and later on also in the Shetlands, taking advantage of pricing techniques that gave Pelagia the best market prices and kept costs predictable over time.

OVERVIEW

Pelagia AS is a leading producer of pelagic fish, a fish type that hunts in the open water in big shoals and is caught in very large quantities by trawlers. Pelagic fish also supply essential ingredients for all kinds of fish and animal feed such as protein concentrate, fishmeal, and fish oil. Pelagia AS are the leading global producer of concentrated marine-based omega-3 fatty acids for dietary supplement and pharmaceutical preparations.



'In our industry we have to be flexible and dynamic as we are reliant on nature and that can change rapidly. This in turn affects our ability to produce products, as we may have to reduce or increase our energy requirements very quickly to take advantage of our stock position. Kinect understand our business and provide us with a reliable and cost effective solution consistently, exactly what we need.'

Egil Magne Haugstad,
CEO Pelagia AS

OVERVIEW (CONT)

Operating in Norway, the United Kingdom, and Denmark, Pelagia need a reliable energy management program that can cope with the changing landscape of their business. A producer that relies on nature for production has to be flexible and dynamic to maintain profits. Kinect Energy have a wealth of experience in working with customers in the fisheries industry and have developed processes and contracts to match Pelagia's specific requirements.



SOLUTION

Kinect Energy provided Pelagia with a risk management strategy for both electricity and fuel that satisfied their need for low yet predictable prices. Kinect-Online, the web based portal that provides cost, carbon and consumption information will be used going forward to give Pelagia an up to date and transparent means of reporting. It also gives Pelagia the opportunity to benchmark market prices with their own contracts, to ensure they are making savings compared to the market spot price.



SUMMARY

Pelagia have been a client of the Kinect team in Norway since 1999. Kinect have a good understanding of the fisheries industry in general, as well as Pelagia's organization in particular, and have therefore become an extension of the Pelagia team. Nineteen years after the two companies first started working together, Kinect are still consistently providing Pelagia with energy savings. In 11 months in 2018 Pelagia saved €960,000 versus the spot market and this makes a significant difference in reducing their operating costs and protecting their energy budget.