

Blendstar talks about why it focuses on biofuel distribution rather than production

Answering the call

US-based Blendstar entered the biofuels terminaling market at a time of need in 2007. Ethanol and biodiesel usage in some parts of the US was in its infancy, and future changes were unforeseeable.

Splash blending facilities had begun to pop up in a few locations across the US, but for the most part they were viewed as provisional. Many skeptics expected a better solution than splash blending to provide efficient and economical access to biofuels.

As the biofuels industry grew, it needed terminaling and blending solutions to grow with it.

‘Many markets did not have efficient or cost-effective access to biofuels,’ explains Matt Griswold, president of Blendstar. ‘And the few that did were using disorganised and unreliable fly-by-night operations that did not fully comply with federal and state regulations in the handling of product. These sites and operators threatened the integrity of the entire industry, and some still do today.’

To answer the need for efficient and reliable transload terminal solutions, Blendstar focused on constructing biofuel distribution hubs in middle market regions of the central and southern US.

The company offers product safeguards with the same quality controls, safety, security and back-office functionality of a major petroleum terminal. Similar to the BQ9000 programme for biodiesel, Blendstar certifies the quality construction and operational excellence of its terminals.

Each facility is required



Oklahoma city terminal – completed June 2008



Collins terminal – completed December 2009

to meet various criteria for certification, including permitting, environmental safeguards, fire prevention, product quality assurance, inventory control, and data management.

According to Griswold, one of the major challenges facing producers and refiners is finding biofuel transloading options that are efficient and profitable.

‘Top priorities in profitability for transloading include inventory management, product and personnel

safety and compliance,’ says Griswold. ‘So, we strive to construct facilities that exceed the typical expectations for biofuel transloading.’

Blendstar now has nine terminals in various locations and continues to develop new markets nationally. Its facilities provide throughput services for the largest ethanol producers and marketers to support delivery to the major refiners and other users in several key markets. Locations include Collins, Mississippi, Bossier City/Shreveport,

Louisiana, Oklahoma City, Oklahoma, Tulsa, Oklahoma, Birmingham, Alabama, Little Rock, Arkansas, Nashville, Tennessee, Knoxville, Tennessee, and Louisville, Kentucky.

An eye for the future

Current regulations, such as the adoption and allowance of higher ethanol blends, including E15, stand to create substantial growth for the biofuel industry. In addition, the expanded Renewable Fuels Standard (RFS2) requirements will require almost three times more biofuels to be blended into the fuel supply by 2022 than what is produced today. This presents the industry with some significant challenges on how to efficiently deliver and blend these products using the existing petroleum infrastructure.

With significant industry growth in mind, Blendstar has focused its expansion efforts on identifying underserved markets and constructing and operating facilities for the safe transportation of any and all commodities related to the biofuel industry. Each site is constructed to support various types of renewable fuels with marginal or no modifications.

‘The growth of the biofuels industry opens ample opportunities for the services we provide,’ Griswold explains. ‘Many of the major biofuel producers, marketers and oil refiners are looking for an outsourced terminaling solution to help them conduct profitable, high-volume business that meets new and upcoming regulations.’ ●