



Oronite

For a commitment to safe  
and reliable operations

# Lube Report

---

## Another U.S. Rerefinery Planned

BY GEORGE GILL (/SDM/GEORGE-GILL-3.HTML) • JANUARY 22, 2014

Alabama Green Lubricants completed debt financing for its Alabama rerefining project, expected to be operational in mid-2015 with 32 million gallons per year of used oil processing capacity.

The refinery will have an estimated 22 million to 23 million gallons base oil production capacity, Alabama Green Lubricants CEO and Founder Ramki Srinivasan told Lube Report.

The company selected Childersburg, Ala., as the site for its first rerefinery. "Childersburg Industrial park is served by both CSX and Norfolk Southern railways, is on a four-lane state highway and well connected to interstate highways for delivery of feedstock from neighboring states, and all utilities and infrastructure are in place, as there is a big paper plant on the southern boundary of the industrial park," Srinivasan said.

Alabama Green Lubricants is looking to partner with existing used oil collectors throughout the mid-South for its supply of used oil. "We will source used oil from a 250 to 300 mile radius," he said. "This would include collectors in the states of Alabama, Tennessee, Mississippi, Florida, Georgia, and South Carolina."

Irvine, Calif.-based Chemical Engineering Partners will provide the used oil rerefining process and technology for the project. "With its proven track record of providing rerefining technology for 10 operating plants across a range of geographies, including the U.S., Europe and South America, CEP showed us that they have the expertise required to provide AGL with the technology necessary to compete in a global industry," Srinivasan said in a news release.

He further noted to Lube Report that, "the technology is also tested for scale, as a recent implementation of CEP's technology in Brazil is for a plant larger in capacity than what we are planning in Alabama."

CEP provided the catalyst technology for the Evergreen Oil rerefinery in Newark, Calif., which has 1,150 barrels per day of API Group II re-refined base oil capacity. Clean Harbors, which acquired Safety-Kleen and its two rerefineries for \$1.3 billion in Dec. 2012, acquired Evergreen Oil out of bankruptcy for \$60 million in cash in Sept. 2013.

The southeastern region of the United States has become an attractive location for rerefineries in recent years. Universal Environmental Services (Avista Oil USA) in 2013 opened a base oil rerefinery in Peachtree City, Ga., expected to eventually have 1,250 b/d of Group II capacity. In late 2013, NexLube Tampa suspended construction for an estimated 90-120 days on its base oil rerefinery in Florida – expected to process 24 million gallons of used oil annually and produce about 20 million gallons per year of Group II base oil – because costs exceeded its budget.