



PODCASTS



DEPARTMENTS

- After Hours
- Awards
- Business Digest
- Corrections
- Editorial Cartoon
- Events
- ExecStyle
- Leads / Public Records
- Letters to Editor
- Nonprofit Network
- On the Job
- Product Update
- Stepping Out
- Special Publications
- Stocks

CALENDAR

« Sept. 2011 »

S	M	T	W	T	F	S
28	29	30	31	1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	1

Submit an event
 Register for an BCBR Event

WEATHER

Boulder, CO
 79°F
 Fair



BCBR Poll

Based on what you currently know, what is your stance on the city of Boulder's exploration of discontinuing its relationship with power supplier Xcel Energy Inc. and becoming its

own municipal utility?

- I'm for it.
- I'm against it
- I'm on the fence
-

BCBR ARTICLE

MARKETPLACE

Efficiency key to recycOil's future

By Jeff Thomas
 Share |

September 2, 2011 --

There are times when it is just not that easy being green.

"Sometimes, when you embark on an adventure like this, you don't really know exactly where you are heading," said Aaron Perry, CEO and cofounder of Boulder-based recycOil LLC.



(Photo by Jonathan Castner) Boulder-based recycOil LLC transforms used cooking oil into biofuels, using a variety of refineries and distributors. CEO Aaron Perry says that hard decisions and technology have helped create a sustainable business operation.

Not that recycOil, which recycles used cooking oil into biofuels, has deviated that much from the original business plan it put into effect about six years back. But hard decisions that make for lean business machines may also help construct the most economically sustainable green industries, Perry has found.

The company has more than 1,700 clients, mostly restaurants and chains but also big venues such as the University of Colorado and Sports Authority Field at Mile High, using its services to pick up used vegetable cooking oils. It's a green business model in which the company tries hard to close the loop, returning different blends of biodiesel fuels to Colorado via various refineries and distributors.

But things went south on the company in 2008, with the crash of commodity prices. The crash included used cooking oil, or grease collections, which actually have very established markets in the creation

I need more
information
[Submit poll](#)

[Results](#) | [More polls](#)

SPECIAL PUBLICATIONS

[Blueprints](#)
[Book of Lists](#)
[Boulder Valley MD](#)
[Distinctive Homes](#)
[Event Planning Guide](#)
[Giving Guide](#)
[How-To Guide](#)
[Law Directory](#)
[Rocky Mountain Tech](#)

SERVICES

[About BCBR](#)
[Advertising Info](#)
[Contact Us](#)
[About BCBR Daily](#)
[Editorial Calendar](#)
[FAQ](#)
[BCBR Store](#)
[Reprints](#)
[Site Map](#)
[Privacy Policy](#)
[Terms and Conditions](#)

follow us on



collections, which actually have very established markets in the creation of livestock feed, pet food and cosmetics.

"In June or July (of 2008) we saw some historic highs of about 46 cents per pound, but by the time we hit early December, we were down to 10 cents per pound, or less," Perry said. "That was about an 80 percent decline in the price of feedstock (for biofuels). We had to lay off half of our work force."

Realizing that efficiency is very much a part of sustainability, however, the managing partners - Perry and his father, De Wayne - started focusing on their collection operations. It was probably a natural thing to do, with Aaron's background in accounting and sustainable business and De Wayne's extensive experience as an economist in the banking industry, and in the end, they ended up building a proprietary software platform.

"We were capturing and analyzing a whole lot of different information on different data points, to use GPS and GIS routing automation," Aaron Perry said. "It allowed us to make our collection operations as efficient and optimized as possible."

And as it turns out, regulators of recycling operations are hoping that more operators can supply exactly that information. Perry said he hopes to sell or lease the software to other segments of the recycling industry, such as the cardboard and tire sectors, and even make it available to farmers selling produce to local outlets and restaurants.

Any company involved in recycling, with razor-thin margins, would have to be concerned with transportation costs. For RecycOil, that goes for both sides of its business.

"In the fuel-supply chains, the margins are also really thin, and every penny per gallon counts," he said.

A number of the company's clients are naturally concerned with meeting all the local, state and federal regulations that apply to the industry, such as Whole Foods. Not surprisingly, recycOil is extremely concerned about environmental compliance and was a big contributor to the new state regulations concerning grease collections that was signed into law last year.

From the outside, making a fuel out of used cooking oil might seem like a natural, given its concentrated energy state, as compared with other inexpensive biofuel stocks. However, grease collection is a competitive business, and according to Perry, subject to collections that do not comply with regulations, grossly overstated claims about what will be paid, and, believe it or not, outright thefts.

So recycOil's grease collections are free, as is the standard barrel that RecycOil provides all clients. Purchase of the more advanced collection and containment systems the company makes available are subject to negotiation, he said. The company has also begun paying dividends in areas where the customer density makes collections more profitable, and that includes Boulder County.

The company's service area is extensive, including Laramie and Cheyenne in southern Wyoming, all of the metro corridor in Colorado down to Pueblo and most of the Interstate 70 corridor, including most of the mountain resorts, west to Grand Junction. The company is also willing to pick up in some outlying business centers, such as Estes Park.

The company's plant in Berthoud primarily uses heat and gravity to separate the oil from food waste, and further cleans it by filtering and decanting. Colorado doesn't have a commercial-grade biofuel refinery, so recycOil ships the cleaned oil out of state, lots of it to Iowa, returning the a number of different grades, or mixtures of bio-diesel with tradition

diesel fuel.

Here, too, the market is competitive, and a great deal of the bio-diesel refined in the country uses virgin soybean oil, though Perry said the product has a better price and is also a better environmental choice.

And for these guys, it's all about closing the loop, and they are willing to do it both in terms of public education and commercial viability. The fuel component of their business recently gassed buses for Willie Nelson's concert tour, but perhaps more importantly signed up Fort Lupton-based Gray Oil Co. Inc. for distribution of 4.5 million gallons of biodiesel a year for three years, with estimated revenue of \$45 million.

The company has declined a number of grants, though it is still hoping to find the right set of partners to bring a commercially viable refining plant to Colorado. In the meantime, it keeps a pretty tight ship of about 20 employees and revenues in the \$1 million to \$5 million range, continuing to bootstrap its own growth.

"We are in a moderate, organic growth range - we're not a flash in the pan," Perry said. "We come at it with a real passion for regional sustainability."

The company's biodiesel products are available at a number of metro outlets, including Bartkus Oil Co. of Boulder.

[email](#)

[comments \(0\)](#) | [print](#)

EFFICIENCY KEY TO RECYCOIL'S FUTURE


[submit a comment](#)

* denotes a required field

Your Name

Your Email

Your Location

 **comment text** (maximum 1000 characters)

©2011 Boulder County Business Report. All Rights Reserved. | Powered By FLEX360

This Service Is Provided On BCBR's Standard [Terms & Conditions](#).

Read Our [Privacy Policy](#).