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Tank Leasing Explained

Term, spot, throughput or dedicated? How storage capacity is actually contracted — and how each structure allocates risk.

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"Renting a tank" sounds simple until you try to write the contract. Who bears the risk of an empty tank? Who profits if throughput doubles? What happens when product overstays? Tank leasing is the set of commercial structures the storage industry has evolved to answer those questions. This guide walks through the four you will actually encounter.

1. Term lease: capacity as a reservation

Under a term lease, a customer contracts defined capacity — specific tanks or a volume entitlement — for a fixed period, typically six months to several years, paying whether or not the space is full. The customer buys certainty and control: the option to store at will across the tenor. The terminal receives predictable revenue and in exchange gives up the upside of re-letting that capacity.

Term is the natural structure for traders positioning around market structure, refiners securing buffer capacity, and anyone whose strategy depends on capacity *being there* on short notice.

2. Spot storage: one parcel, one window

Spot storage covers a single parcel for a short period, subject to availability. It is priced accordingly — the terminal is selling perishable space it might otherwise re-let. Spot suits cargo timing mismatches, distressed parcels and first transactions between counterparties who may later grow into term relationships.

3. Throughput agreement: paying for motion, not time

A throughput agreement prices the service per unit moved through the terminal — per cubic meter or ton received and redelivered — often with a minimum annual commitment. It fits programmatic, repetitive flows: a distributor moving product monthly, a refiner evacuating production. Risk shifts subtly: the customer commits to volume rather than time, and the terminal's revenue tracks activity.

4. Dedicated tankage: exclusivity by design

Where specification, branding or additive packages demand it, a customer contracts specific named tanks for exclusive use — no commingling, service changes only on the customer's instruction. This is common for jet fuel programs, branded fuels and proprietary blends.

Comparing the structures

Structure	You pay for	Best when	Key risk you hold
Term lease	Capacity over time	Strategy needs guaranteed space	Paying for unused space
Spot	One parcel, short window	Timing mismatch, single cargo	Availability & price at the moment of need
Throughput	Volume moved	Programmatic repeat flows	Minimum-volume commitment
Dedicated	Named tanks, exclusivity	Spec/brand control is critical	Premium over shared capacity

The clauses that matter more than the rate



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- **Measurement basis** — whose figures govern, under what standard, with what surveyor rights.
- **Loss allowance** — the tolerance within which gains/losses are accepted, and the investigation duty beyond it.
- **Berthing and scheduling priority** — how your vessels and trucks rank when the terminal is busy.
- **Holdover terms** — the pre-agreed consequence of product remaining after expiry.
- **Release protocol** — who can instruct redelivery of your product, and how instructions are authenticated.
- **Assignment** — whether capacity can follow a sale of the underlying business or book.

A credible operator will discuss all six without discomfort. Treat reluctance on measurement or release protocols as a red flag — those clauses are where storage relationships succeed or fail.

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