

# Our Green Future

## Eco-friendly business is booming

BY JAN DEAN

"There's no economic downturn on the green side," says Stan Marco, co-founder and CEO of Cambridge-based GeoSmart Energy.

He does sympathize with the automotive and related industries that are tanking, but Marco's business continues to experience what he terms "staggering growth".

Put it this way: GeoSmart's target is a 40 per cent increase in business this year, and Marco isn't worried.

GeoSmart is all about geothermal energy – the kind of energy that results when you drill into the earth and tap into the heat well below the surface. It's not a new technology – Marco has been in the geothermal business for 30 years, but it works better today than ever before.

Every few years there's a media buzz about geothermal when news outlets seem to 'rediscover' it. Marco is more than happy to see his company benefit from that buzz.

He delightedly explains that in Alberta it's retired oil field people who have been most enthusiastic about installing geothermal systems in their homes.

GeoSmart focuses on marketing to ordinary people because Marco believes that that is where the differences are made. While the company doesn't actively market its products in the commercial sector, he says that there's a strong spill-over.

After all, the residential clients are business people and when they see geothermal working so well in their homes, they talk about it, and promote the technology for their businesses. It's all about word-of-mouth and Marco says when you've got a product like geothermal that works and saves people money on energy – there's a real pay-off there.

After all, Guelph Hydro, in the business of selling energy, chose to install a GeoSmart unit when it renovated its head office.

Marco also points to Lang Transport in Mississauga where the owner hired GeoSmart to install a geothermal system in his 70,000 sq ft, 40-year old building. He expected payback in five years, but the system paid for itself in three years.

In Cambridge, Challenger Transport chose to go geothermal when it built its new facility a few years ago.

The cost of the system depends on land space. The most common GeoSmart unit which would serve a 2,500 sq ft home in Ontario, a 2,000 sq ft home in the prairies, or a 3,000 sq ft home in Vancouver varies in cost depending on the site. For a rural home the installation cost would be approximately

\$26,000 to \$27,000 because the loop, which represents approximately one third of the cost, could be installed horizontally under the 'lawn'. A city house installation which would require drilling of a vertical loop because of less space, would work out to an installation cost of \$37,000 to \$38,000.

It works the same way commercially. In the case of Guelph Hydro, the loop is part horizontal, part vertical. For Challenger Transport the loop is horizontal under the parking lot. For Lang Transport, it was a vertical loop.

Marco started out as an independent geothermal contractor in Winnipeg and became one of the largest in the company. Then he was hired as a special project co-ordinator by Water Furnace Canada, the geothermal unit supplier where he was a trouble-shooter and managed demanding projects. Eventually he was president of the company.

He went on to form a distribution company with a partner, before founding GeoSmart with three partners including his wife and son.

Now GeoSmart is Canada's largest supplier of geothermal units and offers training programs as well to installers, training about 700 per year.

"We're not installers per se," explains Marco, "we supply the equipment and the training, as well as a 24/7, 365 day tech service support system."

He says that geothermal is like solar panels – if they're not used in the right format, money and energy savings are reduced. "You only get savings when equipment works."

GeoSmart supplies systems built by WFI industries, a Canadian company that manufactures in Fort Wayne, Indiana. At one time Marco was president of WFI.

"It's the number one rated product in the world according to ARI," explains Marco. ARI is the American Refrigeration Institute which rates everything to do with heating and cooling.

"Green is a phenomenon," says Marco. People using geothermal and green technologies are doing the right thing he says. "Geothermal has overtaken heating oil in North America, and there's a huge potential for growth."

GeoSmart's "staggering" growth since its inception four years ago is the reason the company has moved from a 6,000 sq ft facility to one that gives them more than 40,000 sq ft.

"Geothermal is such a small part of HVAC (Heating, Ventilating and Air Conditioning) industry," says Marco. We have a single digit



GeoSmart Energy CEO and co-founder Stan Marco in front of the GeoSmart "furnace" test station. Marco is holding a section of PC100, Canada's first geothermal conductor pipe which draws heat from the earth.

Photo by Peter McCusker

share of the market now – that's the tip of the iceberg, and we're growing because we sell a system that works."

Marco admits that some green businesses have suffered but because geothermal works on demand the market is only going to grow. After all, in Canada and North America we're "energy pigs". We want to use all our technology; we're not prepared to reduce our lifestyle. And that means tapping into energy sources that allow us to do that affordably.

Marco says the CGG – the Canadian Geothermal Coalition is the industry organization, and it is working to get geothermal introduced into college programs. The idea is that eventually people will be able to take a college course in geothermal and follow it up with an apprenticeship program

– that program is already in the works.

GeoSmart's growth has caused a problem for Marco that many business owners would envy – how to cope with phenomenal growth without expanding the workforce too quickly. "We're understaffed with over-achievers," says Marco. "We attract the best people so we're doing fine."

In the last six months GeoSmart has started expanding in the U.S. market but they're not neglecting the Canadian market.

They've supplied the systems for three subdivisions in a community just south of Ottawa and they've signed an agreement with Alliance Homes to supply geothermal units for a 1500 home subdivision in Port Dover.

Marco is confident that he's in a company and industry where the sky truly is the limit.

## Green is profitable



(Left): Organic Meadow at the Living Green Show in Toronto. Based in Guelph the cooperative of local farms throughout Ontario provides organic dairy, eggs and frozen vegetables available at all major retailers. Michelle Vander Voet of their sales department was demonstrating product.

(Above): Mark McNally and Jennifer Fortin of Guelph-based Green and Clean Energy Ltd. stand in front of a wind turbine for generating electricity. The company also builds solar trash compactors, solar hot water systems and LED lighting.

Photos by Peter McCusker