

THE MISSISSAUGA NEWS**Business saves costs using geothermal heat****Radhika Panjwani**

Jan 27, 2007

Eric Lange has a rather intimate relationship with the earth.

When Lange, president of Malton based Lange Transportation and Storage Ltd., purchased a 30-year-old 70,000 square feet warehouse last year, he realized he had a monster of a building that was a "glutton" for energy use. His fears soon turned facts after the warehouse consumed \$3,800 worth energy in the first month - this was before his staff could even move into the new offices.

That amount motivated him into suffusing the building with power from renewable energy and turning it "green."

Four months later, Lange Transportation and Storage Ltd., became the first Canadian company to be totally retrofitted with geothermal heating (geothermal energy is the energy derived from the heat in the interior of the earth) and air-conditioning. The savings he accrues are enormous.

"It means I am part of the environmental solution," Lange said. "When I saw an immediate \$5,631 savings in one month and realized I'm not part of the energy problem, but the solution, I was convinced that a smart businessperson can also be an environmentalist."

But it wasn't easy. When Lange decided on geothermal energy, he became frustrated at the lack of information that was available on the subject. And it didn't help that the government offered absolutely no incentives to businesses that were willing to embrace renewable energy.

"There are no government programs out there (Ottawa recently announced a \$5,000 program for home owners), but there's nothing like that for industries," he said.

The Ontario government does not charge PST on the geothermal equipment, but Lange's problem was that the equipment was the lowest part of his cost. It was the cost of drilling the holes in the ground that took most of the \$540,000 he invested in the project. "Imagine trying to explain to your bank manager that you would like to secure a loan on 28 holes drilled 360 feet into the earth," Lange said. "Fortunately, since I have been in business for 20 years, my bank manager understood that they were not financing the equipment, but my business. It would be fairly frustrating, if I were a new business trying to do the right thing."

The expected pay back on his investment is eight years, six months based on today's energy costs.

Select Power, a Guelph based company, received the contract. It took the company two months to bore 28 holes, 6 inches for the project, but two months into the project, Select Power went belly up, fortunately for Lange, the company promised it would complete his project.

But the high point of Lange's green initiative was when he received a full credit of \$5,631 for the month of November last year from the gas company and asked the officials to take their meter back.