



Canada's Marz Homes Will Power All Its New Homes With Renewable Energy

By John Caulfield

March 17, 2010

This year, the Canadian builder Marz Homes expects to close between 100 and 125 homes in five suburban Ontario communities, and all of them will be 100% powered by renewable energy.

Stoney Creek, Ont.-based Marz claims it is the first builder in Canada to make clean energy a standard feature in its new homes, thanks to a strategic alliance with Bullfrog Power, a Toronto-based electricity supplier that buys and distributes energy from renewable sources. In Ontario, Bullfrog draws power exclusively from wind and hydro facilities that have been certified as low impact by Environment Canada under its EcoLogo program.



For all of the houses Marz sells in 2010, homeowners will pay for the cost of conventional electricity, and the builder will cover the premium for their using renewable energy. Dan Gabriele, Marz's vice

president, estimates that his company's costs would average about one Canadian dollar per house per day. "That's probably a lot less than some of the other [sales] incentives Marz has offered in the past," says Anthony Santilli, Bullfrog's vice president of sales and marketing.

Marz is also powering its offices and job sites with renewable energy. All told, the builder expects to reduce its annual energy consumption by 1,395 megawatt hours, and lessen its environmental footprint by 297.1 tons of carbon dioxide, 916 kilograms of sulfur dioxide, and 377 kilograms of nitric oxide.

"We wanted to differentiate ourselves and go down a new path," says Gabriele.

Offering clean energy could provide a marketing edge in the Canadian housing market, where harsher weather conditions already dictate higher performance standards for residential construction compared to the United States. "We got on this train in 1984," notes John Kenward, COO of the Canadian Home Builders Association (CHBA) in Ottawa. The trade group's new president, Victor Fiume of Durham Homes, has long been an Energy Star builder. (In Canada, Energy Star is at least as rigorous as LEED. The Canadian government's R-2000 certification program is

the country's gold standard when it comes to energy efficiency).

David Foster, CHBA's director of environmental affairs, notes that Ontario's utility companies are in the final stages of retrofitting all of the province's residential and commercial buildings with "smart meters" as a prelude to moving towards time-of-use electricity rates.



A Stiffer Breeze. Wind towers only generate about 1% of Canada's electricity, but are projected to contribute more than 20% by 2025.

Credit: Greening Marketing

In 2012, new building codes scheduled to go into effect in Ontario will make Energy Star "more of the norm" for residential construction, says Ken Eelsey, president of the Canadian Energy Efficiency Alliance. The provinces of Manitoba, British Columbia, and Quebec are also gravitating towards stricter codes. But for the time being, Eelsey estimates that only around 20% of the houses built in Ontario meet existing Energy Star standards.

"While I applaud Marz for calling attention to Bullfrog, they're wasting their money if

they aren't building their house envelopes to Energy Star or R-2000," Eelsey says.

While Marz does not automatically build its homes to Energy Star or R-2000 specs, the company is a registered Energy Star builder, has built homes to those specifications, and offers Energy Star as an option to all of its home buyers. (Its homes range from 1,400-square-foot condos selling for C\$250,000, to 4,000-square-foot estates selling for more than C\$1 million.)

Gabriele says his company views its arrangement with Bullfrog Power as a "value added" feature for its customers. And while he's not sure how many new homeowners will continue using Bullfrog as their energy provider after the contract expires, he points to the cable packages that virtually all builders in Ontario offer. "It's up to the cable provider to sign up owners" after the first year, and the vast majority of owners stay with the provider. "We're using that as the basic premise for our energy program."

Santilli says Bullfrog sees its agreement with Marz Homes as a springboard to get more builders to incorporate renewable energy into their marketing. Right now, Bullfrog provides renewable power to about 8,000 homes in six provinces. (Those homes draw power from their regional electricity grids, into which Bullfrog replaces what its customers consume with energy from renewable sources.)

Clean energy is widely accessible in Canada, which generates more than three-quarters of its electricity needs from sources—primarily hydro and nuclear—which don't emit greenhouse gases. Quebec, Manitoba, and British Columbia draw as much as 80% of their electricity from hydro facilities alone. Ontario plans to close its four

coal-fired plants by 2014, and coal accounted for only 7% of the province's energy last year, the lowest level in 45 years, according to the *Toronto Sun*. Wind, which right now accounts for only 1% of the country's electricity output, is projected to generate more than 20% of the Canada's energy needs by 2025, according to the Canadian Wind Energy Association.

But the Canadian government's goal to boost renewable energy to 90% of its total generation by 2020 is encountering funding challenges and even internal skepticism. "It's doable, but it's going to take some will to achieve," admits Santilli.