

A large, modern commercial office building interior with multiple levels, glass railings, and wooden paneling. The space is bright and open, with a central atrium area.

# Commercial Facility

## Energy System Analysis

468,000 sqft | Ontario, Canada

## Overview

Commercial office buildings make up the bulk of the downtown core or financial districts in many cities across Canada. Often only fully occupied during working hours Monday to Friday, peak thermal demand typically coincides with the warmest and coldest weather seasonally.

Thermal loads are mainly comprised of space heating and cooling needs, as well as server cooling for tenant IT systems. There is minimal need for domestic hot water in this facility type, meaning heating loads are only present during cold times of the year and heat is often turned off completely for summer months.

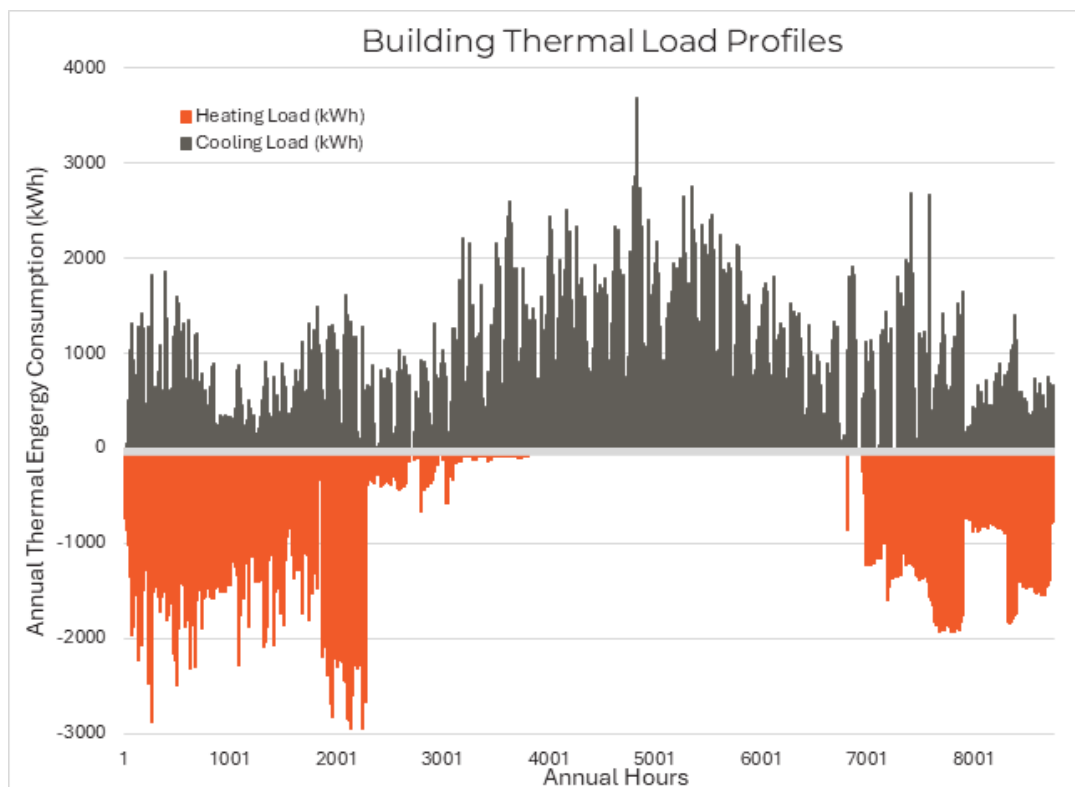
This analysis is modeled with real hourly data from a representative commercial building in Ontario.

|                |               |
|----------------|---------------|
| Annual Heating | 5,065,853 kWh |
| Annual Cooling | 4,326,895 kWh |
| Peak Heating   | 2958 kW       |
| Peak Cooling   | 3690 kW       |

An analysis of four energy systems was performed to create a base model for commercial facilities, looking at feasibility and financial cases for each and to evaluate a decarbonized alternative to building heating systems. A traditional systems including natural gas fired boilers for heating, and electric chillers for cooling, was compared to three distinct alternatives; a full compliment of air source heat pumps, a widely accepted underground Geoexchange system to provide a balanced amount of annual heating and cooling with peaking boilers to meet the additional heating loads, and advanced borefield thermal energy storage.

The year of data chosen for the model had the most volatile weather resulting in the largest amount of heating and cooling degree days

for the location. This ensures that the systems are sized to support the more extreme needs of the building, not just for an average year. Simultaneous load requirements present in commercial facilities during parts of the year help to reduce the size of borefield required for thermal energy storage as this load does not need to be stored. The simultaneous needs are met by heat pumps that move the heat from cooling systems where it is not needed, to heating systems where it is needed throughout the building. This process is assumed to run at a higher efficiency for all systems using heat pumps.



- Seasonal heating requirements
- Year-round cooling loads
- Heating load is 17% greater than cooling
- Simultaneous loading during parts of the year

# Advanced Geostorage

Smaller Field | Longterm Storage | Adjustable Sizing | Direct Supply

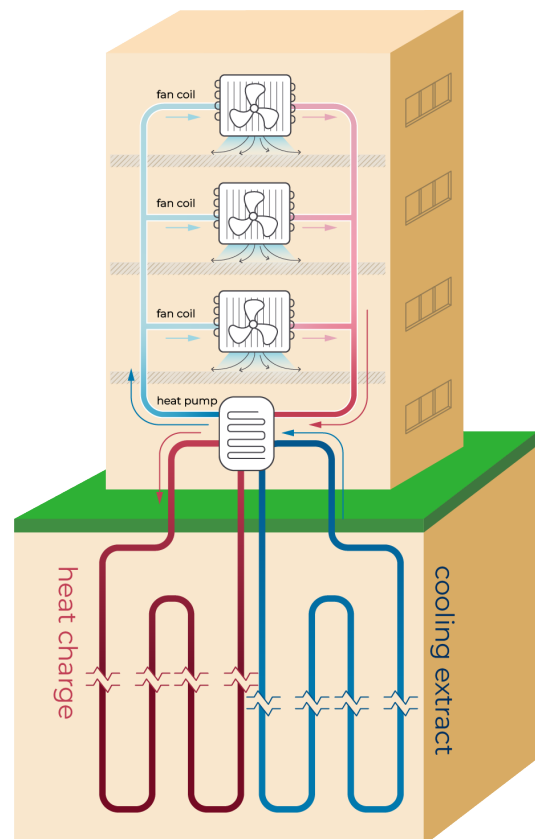
THERMAcity's Advanced Geostorage system uses the earth under a building as a thermal battery for longer term heat storage. The borefield is split into two separate heating and cooling fields with boreholes arranged in concentric circles. The Geostorage boreholes are designed to be much closer together than in traditional geothermal, reducing the footprint and allowing higher temperature storage. The size of each field can be easily mismatched to meet the building's specific heating and cooling needs. During warm summer months the hot borefield is charged from warm ambient conditions with a high efficiency air source heat pump. This heating energy is stored over the summer and fall until the heat is needed during the winter months. The outer rings work as insulators for the inner most boreholes allowing the rock to hold high temperatures that can directly supply the building needs when heating the building. The same process exists for cold storage where cold ambient conditions are leveraged to lower the temperature of the cold borefield during winter months, and energy stored through the winter and spring, until it is needed for air conditioning through the summer months.

## Optimized Charging Algorithm

- Avoid expensive global adjustment charges
- Lower electricity cost with off-peak hour charging
- Reduce CO2 emissions using off-peak or renewable grid electricity
- Improve heat pump efficiency taking advantage of ambient temperature
- Opportunity to add solar thermal roof mount panels to generate renewable electricity behind the meter

For this model charging occurs when electricity price is below \$0.025/kWh. The heating borefield is charging when temperatures are above 4.5°C, while the cooling field charges when temperatures are below -1.1°C to optimize production.

Global Adjustment charges have significant financial implications for large customers like commercial buildings with demands reaching upwards of \$300,000 for facilities of this size each year. Reducing overall electricity usage with more efficient heat pumps can lower the charges applied to the facility. While using mainly off-peak electricity further decreases the amount charged for Global Adjustment since this expense is based off of electricity use during the top 5 peak hours of the year. The small amount of electricity during the day to pump the cooling from the ground reduces the global adjustment fees by well over 300%.



## Advanced Geostorage Comparison

This innovative thermal energy storage system is able to support up to 100% of the facility's heating and cooling needs. Capital costs are higher than alternative, more traditional HVAC systems due to the construction and installation of the hot and cold borefields underneath the building, however, the heat pumps required to charge the fields can be significantly smaller than alternative designs. Working at a high efficiency during off-peak hours the Geostorage system operating costs are much lower than the other three systems. The small amount of electricity required to pump heating or cooling supply water to the building systems is the only electricity use expected during peak operation on design days. Over a 20-year lifetime the operational savings outweigh the capital costs of the system.

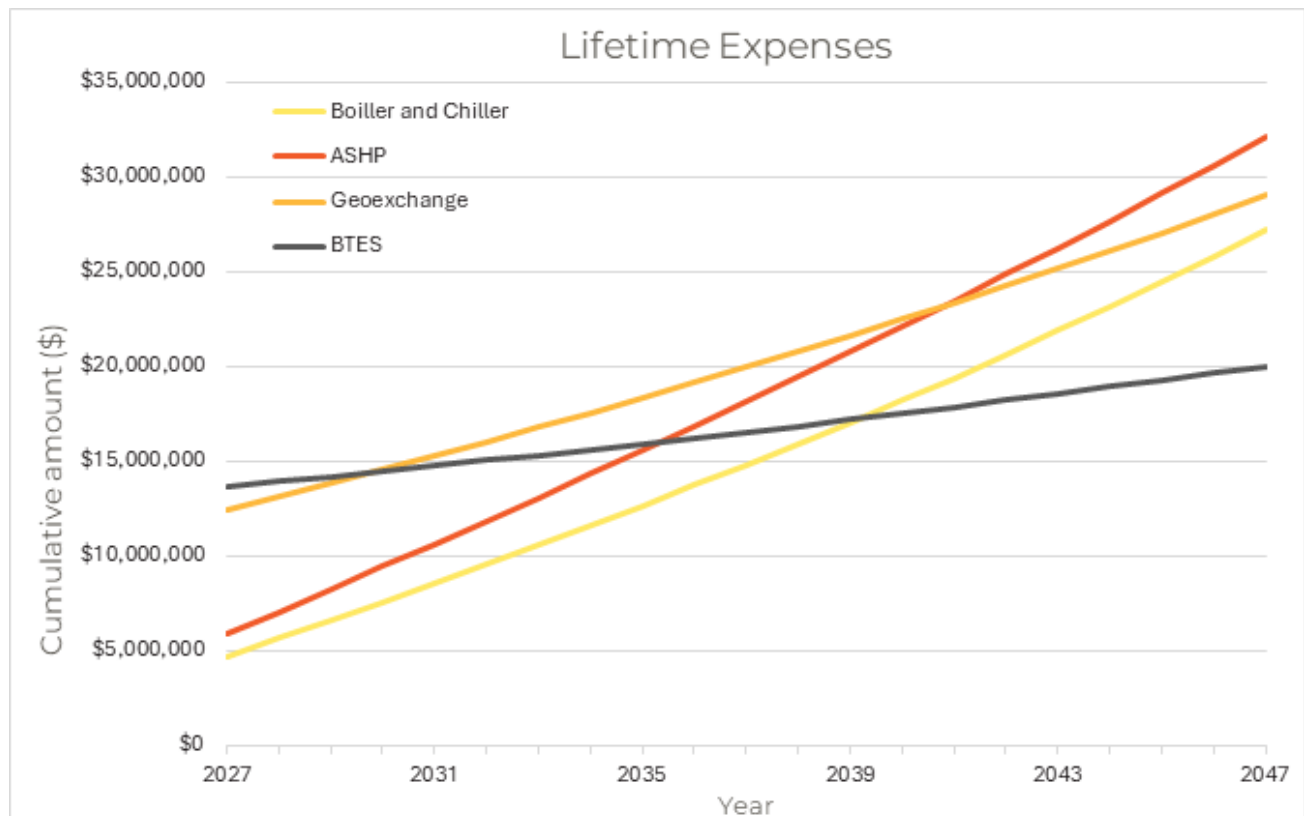
## Boiler and Chiller

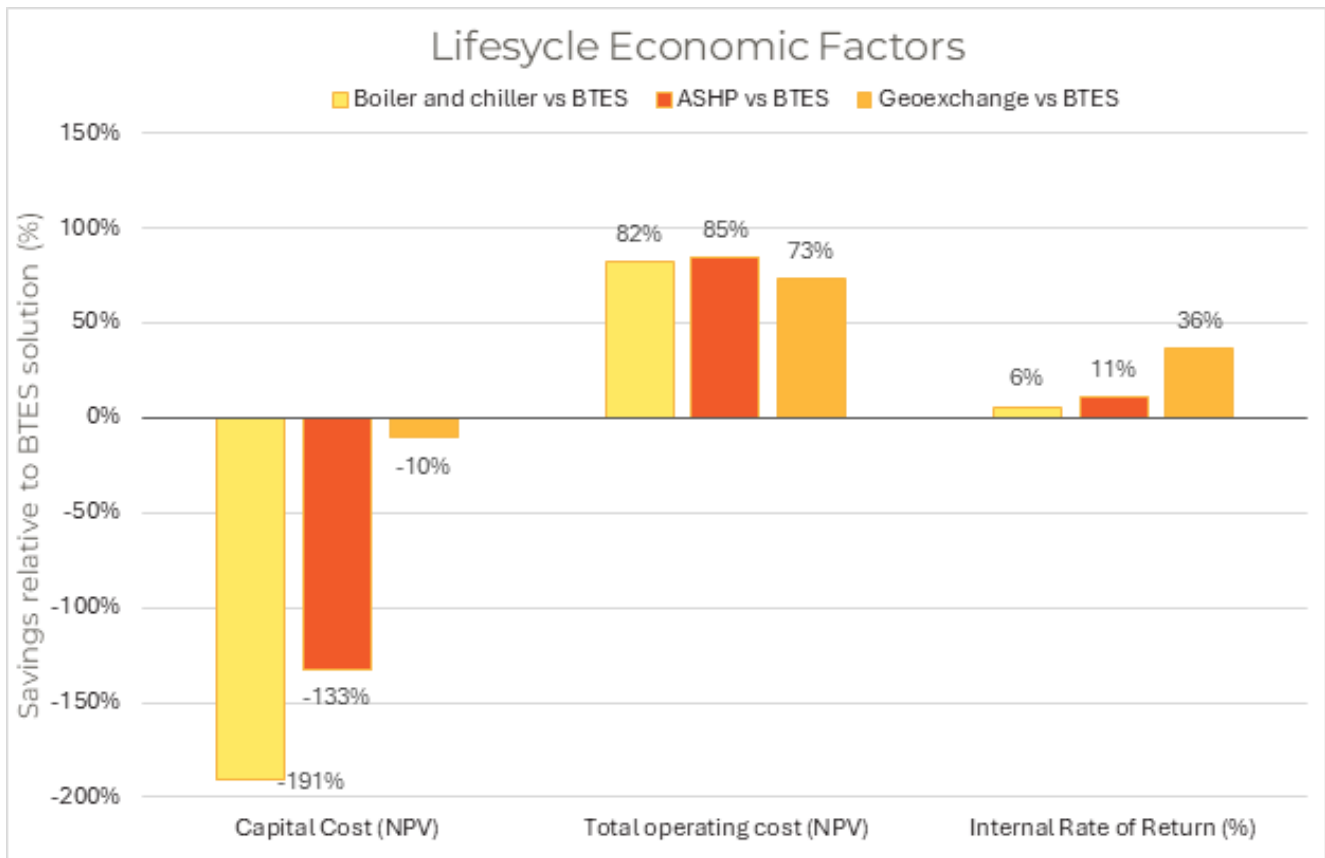
Minimal upfront cost. This system relies on electricity for the chiller and natural gas for the

boiler heat production. Boilers generating heat by burning fuel run at an efficiency of around 80% leading to a high usage of natural gas. Chiller cooling coincidence with top 5 peaks is expected at 100%. Over the 20-year period operating costs for this system are very high once utility escalations for natural gas and electricity are taken into account.

## Air Source Heat Pump

This system eliminates the need for natural gas and its subsequent carbon emissions. Pulling heat from the air during the coldest days of the year when heating demands are the highest is inefficient for a large building. Coincidence with the top 5 demand peaks is expected at 90% with very high electricity usage during those hours. The electricity costs to operate this system over 20 years add up quickly, and depending on the design day heating ambient temperatures, supplemental boilers may be required for hours of the year when the heat pump output can not meet the buildings heating needs.



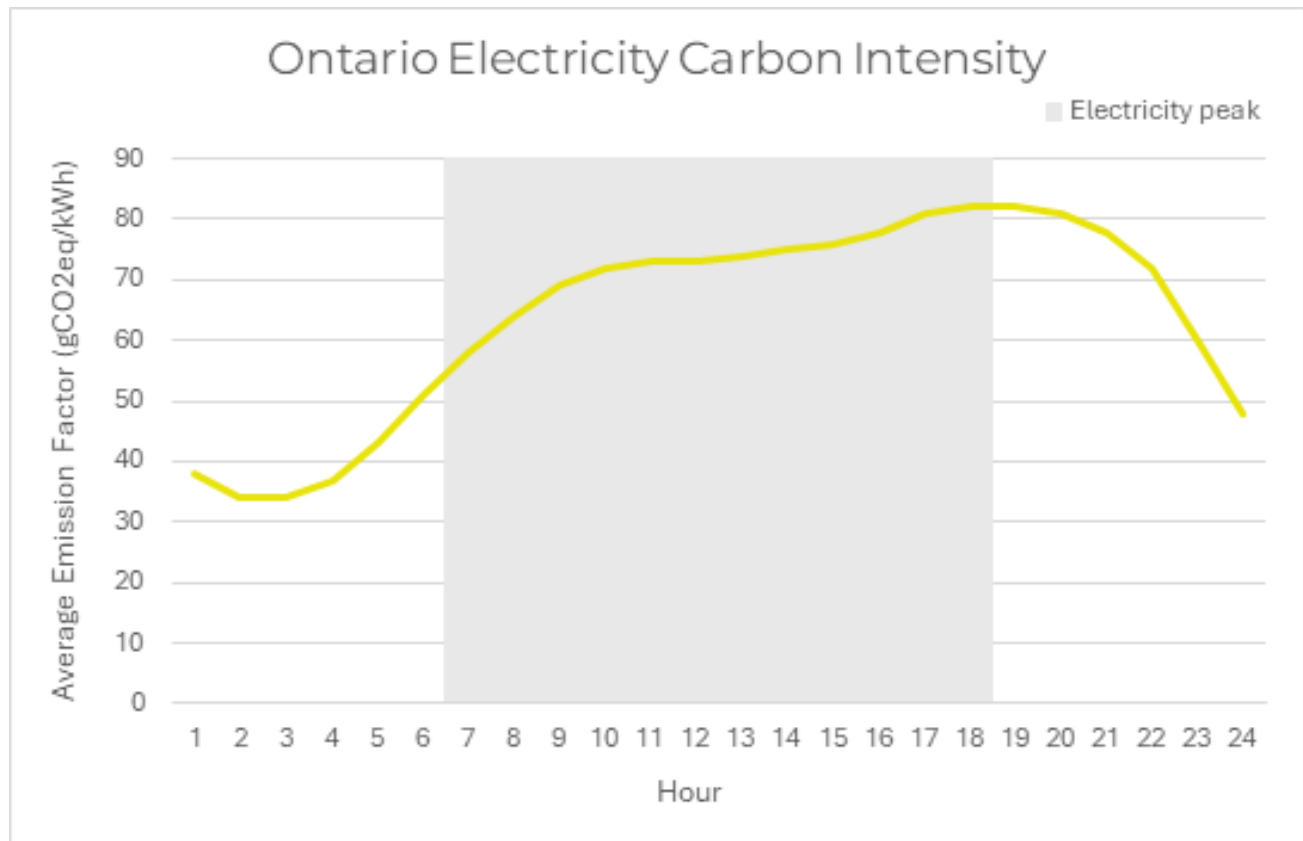


## Georexchange

Higher capital costs to build the borefield. The system requires seasonal balancing and is unable to support the complete loads without supplemental boilers, reintroducing gas emissions and costs associated. Operating costs are lower than air source heat pumps because the ground source pumps used run more efficiently due to the steady ground temperature. Coincidence with the top 5 peaks expected to be 80% but with lower electricity usage during the hours.

## Financial Indicators

Advanced geostorage can have operating costs that are 73% lower than traditional Georexchange and over 80% lower than standard boiler/chiller and air source heat pump systems. This results in internal rates of return compared to boilers, heat pumps and Georexchange of 6%, 11%, and 36% respectively. Simple payback is expected in 5-13 years depending on the system. Total unadjusted expenses are over 25% less for the advanced geostorage system over a 20-year period.



## Carbon Emissions

Ontario's electricity grid is primarily supplied by nuclear and hydroelectric energy. Fossil fuel generation in the electricity grid increases during periods of high demand due to its ability to be ramped up quickly, leading to cleaner energy during lower demand hours. In 2024 the off-peak marginal emission factors in Ontario were less than half of the emission factors during peak hours.

The thermal energy storage solution eliminates all on site fossil fuel usage and emissions (scope 1) caused by building heating and cooling systems. It also significantly reduces grid electricity related emissions (scope 2). Taking advantage of off-peak times to charge the thermal storage borefield saves on operating costs and helps to

further reduce emissions associated with heating and cooling the building from grid electricity. Total emissions are reduced by 79% compared to electric air source heat pumps and 92% compared to boiler supplemented Geoexchange. Boiler and chiller systems have the highest emissions due to the burning of natural gas which can be reduced by 96% or stopping the emission of over 1 million kilograms of CO<sub>2</sub> each year.

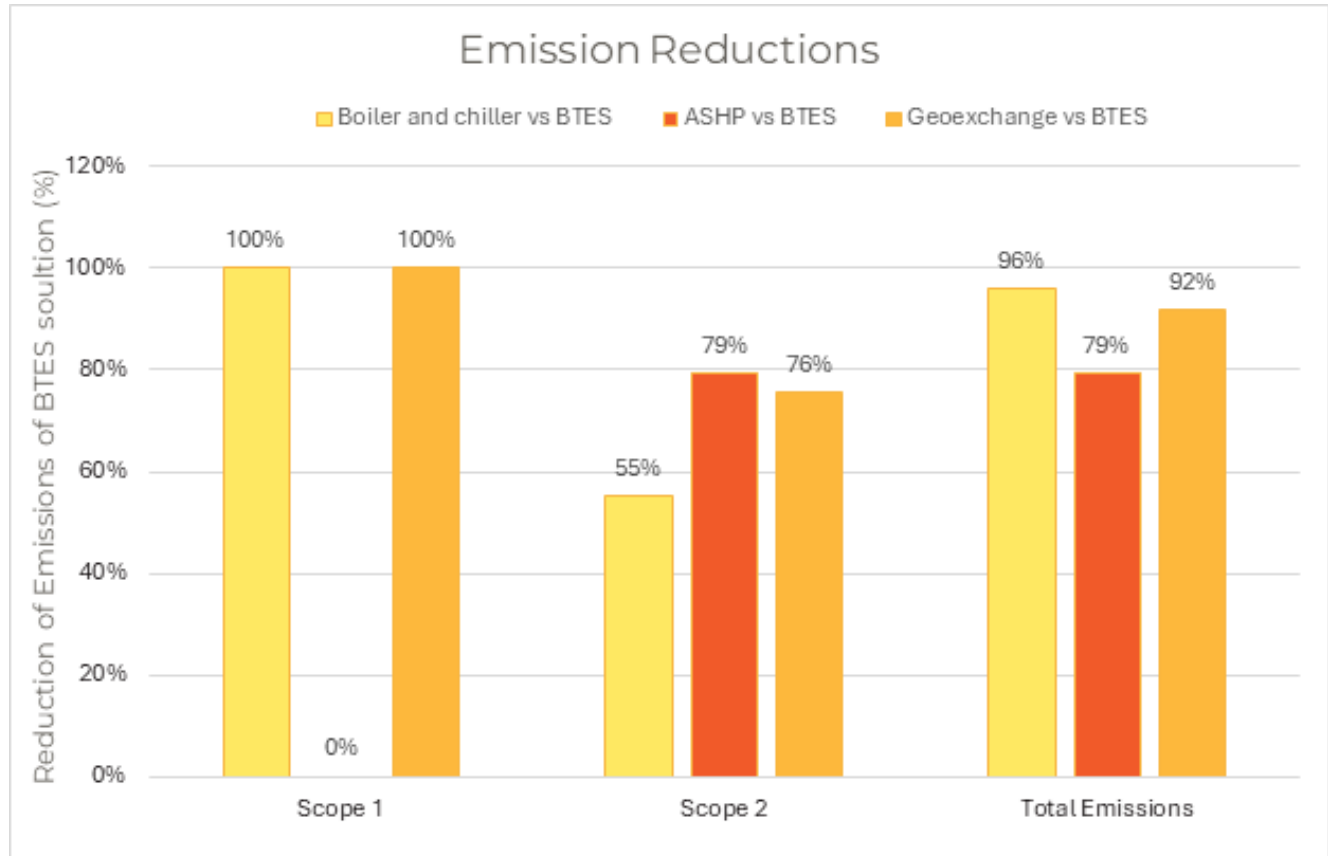
This system is modeled to limit emissions and electricity consumption. The effects of additions to the system such as solar thermal energy production on site, or water source heat pumps have not been included in the analysis however may help to further decrease energy use in the building.



## Retrofit

In a commercial facility where closures for construction a major inconvenience and loss of revenue for companies the borefield thermal energy storage solution offers the ability to be built in a parking garage underneath it with minimal impacts to building use. This

is done with oil and gas drilling technology miniaturized into a Patent Pending low clearance drilling system. Mud cleaning and geological gas separation technologies have been developed and implemented in association with environment Canada to ensure safe and clean conditions for occupants.



## Conclusion

Set up for success and a decarbonized future. Advanced Geostorage is the best solution to meet building decarbonisation targets and save on costs. Higher upfront costs lead way to 82% operating cost savings over boilers and chillers throughout the system lifetime. Completely

eliminate on site natural gas use, reduce all building associated emissions by 80-95% and work towards a net-zero future with potential for on site renewable power and thermal generation. Build or retrofit for a comfortable, low cost, and carbon free future.



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