

Feedback Form

Hydrogen Innovation Fund: Draft Application Guideline (Program Rules) and Materials Webinar—February 22, 2023

Feedback Provided by:

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Following the February 22, 2023 engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the items discussed during the webinar. The webinar presentation and recording can be accessed from the [engagement web page](#). For more details on the Hydrogen Innovation Fund, please see the [Low-Carbon Hydrogen Strategy engagement page](#).

Please submit feedback to engagement@ieso.ca by March 8, 2023. If you wish to provide confidential feedback, please submit as a separate document, marked "Confidential". Otherwise, to promote transparency, feedback that is not marked "Confidential" will be posted on the engagement webpage.

Funding Requirements

Topic	Feedback
Do you have any general feedback on the funding requirements?	Regarding the requirement that demonstration projects at new facilities shall commence by June 30, 2025 (as stated on page 3 in section 2.1 of the Proposal Guideline): This timeframe must accommodate a lead time that covers ordering and delivery of equipment, as well as its installation, testing and approval before operations can commence. Currently, lead times for hydrogen equipment is approaching 18 to 24 months. In the case of some large electrolysis plants, the June 30, 2025 deadline may constitute insufficient lead time. Recommendation: The IESO may wish to consider changing the commencement date of demonstration of project operation to June 30, 2026. This is expected to provide adequate time for equipment orders to be fulfilled and facilities to be commissioned, given the long lead times that are characteristic of current global supply chains.

Evaluation Criteria

Topic	Feedback
Are the evaluation criteria clear and complete?	Regarding Category A- Hydrogen production from electricity (as described on page 3, section 2.2 of the Proposal Guideline): The sale of hydrogen to off-takers is a key factor in the economic viability and decarbonization potential of many hydrogen projects. However, the scope of the Hydrogen Innovation Fund seems to consider financial performance and GHG emissions reductions of a proposed hydrogen project exclusively within the context of its direct effect on the electricity system. The use of produced hydrogen to displace diesel in downstream applications, for example, would contribute to decarbonization in Ontario, yet the relevance of this activity under the evaluation criteria is unclear. Recommendation: The IESO should provide further clarification on the system boundaries considered in the evaluation of proposals.

General Comments/Feedback

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