

Feedback Form - Public

Hydrogen Interruptible Rate Pilot – July, 2023

Feedback Provided by:

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Following the focused consultation sessions with potential pilot participants, the IESO is seeking feedback on a number of questions related to initial design elements of the Hydrogen Interruptible Rate Pilot.

Please provide feedback by July 26, 2023 to engagement@ieso.ca. Please use subject header: *Hydrogen Interruptible Rate Pilot*.

To promote transparency, your responses in this public feedback form will be posted on the [Hydrogen Interruptible Rate Pilot webpage](#), unless otherwise requested by the sender. If you would like to submit feedback confidentially, please use the additional feedback form labeled as 'Confidential'.

The IESO will consider and work to incorporate comments, as appropriate, and provide responses at a follow-up session with potential pilot participants in August 2023. Thank you for your valuable contribution to the consultation process.

Public Feedback: Specific Questions

Please note: Responses in this section will be posted on the Hydrogen Interruptible Rate Pilot engagement webpage.

| Topic | Feedback |
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| How likely are you to participate in an H2 IRP and why? | <p>Atura Power is very interested in participating in an H2 IRP. Our mandate to advance the hydrogen economy in Ontario requires exploring all options that reduce the cost of bringing low-carbon hydrogen to market at scale. The advantages in terms of input electricity cost through GA payments, simplifying requirements relative to ICI, and access to CECs and RET information make participation in the H2 IRP very likely.</p> |
| Topic | Feedback |
| Which design features on slide 6 are most likely to impact your decision to participate? Do the options provided make sense for H2 producers? | <p>The features most likely to impact participation are:</p> <ol style="list-style-type: none"> 1. Duration; 2. New build eligibility; and 3. Maximum size eligibility <p>Duration is important to secure electricity input cost that provides certainty to project economics. Up to 10 years is much more ideal than 3 years outlined in the general IRP, and expanding to 20 years would provide greater value for participation in the program.</p> <p>New build projects being eligible is key to participation in the H2 IRP due to the limited number of operational projects in Ontario, especially at scale for grid connection. Atura Power is working towards construction of our first project in Niagara Falls, and new build eligibility is required for future projects to participate.</p> <p>Maximum size eligibility is very important considering the challenges in hydrogen production facilities participating on a partial basis. Since the entire facility will need to participate, 100 MW as a maximum eligible project size could be too small to include many projects coming online over the next 2-4 year timeframe, and especially considering projects planned to be online before the phase-out of Federal investment tax credits in 2034. Maximum size should be increased up to 400 MW to allow all possible projects to consider participation.</p> |

| Topic | Feedback |
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| <p>With respect to the other support options on slide 7:</p> <p>a) Which of the other presented support options (e.g., CECs, RET), if any, would be valuable to include in/alongside an H2 IRP and why?</p> <p>b) Are there particular approaches to the deployment of these options that would make the pilot more beneficial for participants and other ratepayers?</p> | <p>a) CECs would be valuable to include as a method of reducing the calculated carbon intensity (CI) of the hydrogen produced. The CI of electricity input is an important factor in calculating the lifecycle CI of the hydrogen produced for methods that allow for more granular information than average annual grid CI.</p> <p>RET information is also valuable for the purposes of potentially reducing the calculated lifecycle CI of the hydrogen produced. Having reliable information regarding grid emissions that can be attributed to hydrogen production will facilitate the evaluation of hydrogen CI for offtakers and programs that require this information.</p> <p>b) Approaches to the deployment of CECs could include transactions in the M-RETS system. RET information could be published openly on the IESO website, or specific usage reports available to participants via email.</p> |

| Topic | Feedback |
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| <p>Are there any other design options the IESO should consider and why?</p> | <p>N/A</p> |

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| <p>Please provide any comments you may have on the potential activities and timelines on slide 10. Are the timelines realistic and achievable?</p> | <p>Timelines provided are within a reasonable range. Having projects operational in 2027 will be challenging due to procurement timeframes for long lead critical project equipment, therefore having IESO remain on 2028 in-service timeframes is a better option for the H2 IRP.</p> |

| Topic | Feedback |
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| Do you have any further feedback for consideration in the development of an H2 IRP? | N/A |

General Comments/Feedback

Atura Power applauds the efforts of IESO staff to incorporate hydrogen production into electricity system planning. This pilot will demonstrate benefits that hydrogen production can offer the grid in terms of demand response capacity and assist hydrogen production developers in mitigating project risk and providing cost certainty for project operations. Atura Power looks forward to the developed H2 IRP guidelines, and participating in this program.