

## **COMMENTS from CHFCA Hydrogen Ontario regarding proposed IESO Interruptible rate pilot.**

As discussed during our virtual consultation with the IESO the Hydrogen Ontario (CHFCA affiliate) here are our submitted comments:

We at Hydrogen Ontario are still basically a 'startup' industry association focused on Ontario-based hydrogen solutions on behalf our members, stakeholders and the need for clean energy writ large. We see hydrogen as one key element of the drive to de-carbonize the energy sector, industries dependent on energy and on the transportation sector. We do not have the immense resources often fielded by large companies in Ontario that see a role in the development of the hydrogen industry here in this province. Accordingly we cannot support our comments with study results, polls or white papers - yet. However we are in constant contact with local industries, potential suppliers of hydrogen, equipment suppliers and potential end users in industry and in transportation. In consideration of our sector knowledge we would like to provide key messages to the IESO:

Other provinces in Canada have committed major financial support to the hydrogen sector via supportive policies, mandates and co-funding of early pilot projects. BC, Alberta and Quebec have all allocated significant de-risking funds to kick-start their local industries and end users. Here in Ontario the government has tasked the IESO with this job through the \$15 million Hydrogen Innovation Fund and via the future deployment of an interruptible electricity rate pilot for the specific production of electrolytic hydrogen. We at the Hydrogen Ontario understand that there are limits to the scope and breadth of what the IESO can do. Your efforts will be focused on grid impacts, benefits to grid resiliency and also to ensuring that any rate structure for hydrogen production will not add to the cost of power for all users. This approach while totally understandable will not capture all the other benefits of hydrogen adoption which we will identify in our bulleted comments below:

- We at Hydrogen Ontario are highly supportive of developing a special electricity price for hydrogen production (interruptible or otherwise). We see this as a very valuable supporting measure for the application of clean hydrogen solutions in Ontario. If well-crafted this pilot will allow early movers to commit to investing in projects once they can predict their energy costs more accurately. Many are frankly waiting on such pricing signals before they commit. A well-crafted plan will also benefit the grid on many levels, and will help to de-carbonize emissions and support the creation of an industrial- based hydrogen economy.
- Carbon dioxide emissions in Ontario are dominated by the transportation sector followed by natural gas heating. Industrial emissions (and electricity production) while significant are not in the lead. Within the transportation sector trucking is a dominant emitter. CO<sub>2</sub> from diesel trucks surpasses emissions from light vehicles because trucks are on the road moving for many hours a week (often more than 100) whereas cars spend most of their time stationary. The 401 highway is one of the most (if not the most) heavily truck-trafficked corridors in North America. Accordingly if the 401 can be identified as 'low hanging fruit' to decarbonize heavy transportation via fuel cell powered

