

# Feedback Form - Public

## Interruptible Rate Pilot: November 23, 2022

### Feedback Provided by:

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Date: November 28, 2022

Following the November 23 engagement webinar on the Interruptible Rate Pilot, the IESO is seeking feedback from participants on the proposed rate design and criteria.

**Please provide feedback by November 28, 2022 to [engagement@ieso.ca](mailto:engagement@ieso.ca).** Please use subject header: *Interruptible Rate Pilot*. To promote transparency, this feedback, if provided in an AODA-compliant format (e.g. using this form) will be posted on the [Interruptible Rate Pilot webpage](#), unless otherwise requested by the sender.

The IESO will work to consider feedback and incorporate comments as appropriate and post responses on the engagement webpage.

## Rate Design Proposal

Topic	Feedback
Do you have any feedback on the rate design proposal (please see slide 10 of the webinar presentation deck)?	<p>StormFisher Hydrogen Ltd. (StormFisher) has the following feedback on the rate design proposal presented on November 23rd. We believe that the rate is not feasible for new hydrogen projects. The following points offer feedback from the perspective of a hydrogen producer.</p> <ol style="list-style-type: none"><li>1. The rate is too high relative to the status quo. Given that electrolyzers can be turned down to minimize current global adjustment charges, it would not make sense for an electrolysis operation to participate in the interruptible rate as proposed.</li><li>2. The level of interruption is relatively low. Electrolysis operations can handle much more than 60 interruption hours and 15 events. For comparison, a similar rate design (Tacoma Power’s Electofuels Rate) for hydrogen producers in Tacoma, Washington included 1,318 hours per year or (15% curtailment).</li><li>3. Medium- and long-term price certainty is low. Given that the rate includes HOEP and a ‘floating’ demand charge, it will be challenging to predict the interruptible rate in the medium- and long-term. Since electricity makes up the majority of hydrogen cost, this price uncertainty will extend to the product hydrogen. This makes it challenging to finance a new hydrogen project, which requires a 10+ year business plan.</li></ol> <p>Given the points listed above, StormFisher encourages the IESO to consider a separate interruptible rate design for hydrogen producers. We have provided detailed comments about this rate design for hydrogen producers in the general comments section below.</p>

## General Comments

StormFisher encourages the IESO to consider a separate interruptible rate design for hydrogen producers. Hydrogen producers are significantly different from other prospective users of the interruptible rate pilot. In nearly all cases, hydrogen producers are looking to develop and build new electrolysis facilities, which require significant capital investment. They will need more price certainty to make these investments in Ontario. When built, these electrolysis facilities can offer substantial value to the electricity system in Ontario, including more interruption time with less advanced notice.

StormFisher encourages the IESO to use Tacoma Power's Electofuels Rate as a starting point for an interruptible rate for hydrogen producers. Such a rate would include the following items:

1. A fixed electricity rate at a competitive value
  - a. For comparison, the Tacoma rate is \$0.033147 per kWh
2. A maximum of roughly 1,318 curtailment hours
3. Advance notice of 10 minutes
4. A term of 10 years

Here is a link to Tacoma Power's Electofuels Rate: [https://www.mytpu.org/wp-content/uploads/EF\\_2022.pdf](https://www.mytpu.org/wp-content/uploads/EF_2022.pdf)