

Hydrogen Innovation Fund (HIF) 2025 Frequently Asked Questions (FAQ)

Table of Contents

Partners, Funding & Contribution	3
Project Location and Canadian Status	7
Required Documentation	8
Ministry Evaluation Criteria – Stream 2	9
Eligible Project Types	10
General	10

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Summary of Document Updates			
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Partners, Funding & Contribution

1.1: How should partial vendor payments (e.g., down payments and remaining balances) be handled in terms of eligibility and timing within the constraints of project timelines and funding agreements?

Project timelines may not always align with those of the 2025 HIF. However, it is strongly recommended that applicants await formal approval of their proposal prior to initiating any project activities. Initiating a project prior to the approval of an application may result in a reduced contribution amount, as funding eligibility is based on the total approved project value. Costs incurred before the execution of the contribution agreement or after the completion of the project are not eligible for reimbursement. Down payments are permitted only if they occur within the approved project timeline and are directly associated with approved project milestones.

Eligible expenses include capital purchases, professional services, and installation costs incurred within the approved project timeline. Funding is disbursed on a milestone basis, and the application must clearly outline the number, timing, and budget for each milestone. The final milestone must represent at least 25% of the total IESO contribution as outlined in the guidelines for Stream 1 and Stream 2 in section 3.2. All expenses using IESO funds are subject to audit and must be fully documented.

1.2: What is the maximum and minimum funding amount that can be received from the HIF 2025 call?

The IESO may contribute up to 50% of the total eligible project value, subject to a maximum of \$4.5 million per project, with a minimum funding threshold of \$1 million.

1.3: What are the minimum project partner requirements and contribution obligations under Stream 1 and Stream 2?

Stream 1

(See Stream 1 Application Guideline – Section 2.1.2 & 2.1.3)

Minimum Requirement: At least one project partner is required.

Contribution Requirement: The combined contribution (cash or in-kind) from the applicant and project partner(s) must be at least 30% of the total project value.

Stream 2

(See Stream 2 Application Guideline – Section 2.1.2 & 2.1.3)

Minimum Requirement: At least two project partners are required.

Contribution Requirement: The combined contribution (cash or in-kind) from the applicant and project partner(s) must be at least 30% of the total project value.

Affiliates: May count toward the minimum partner requirement, provided that the minimum funding requirements are met (e.g. applicant and their partner(s) must provide cash or inkind contribution that totals 30% of the total project value)

Please note that additional partners are encouraged to strengthen the project and will be considered in the evaluation.

1.4 How are Project Partners and Affiliates defined?

Project Partner

An external organization that contributes measurable cash or in-kind support such as engineering services, hardware or software to help achieve the project's objectives may be recognized as a project partner.

Affiliate

An external organization that supports the project by signing a letter of support to confirm its participation but does not provide quantified cash or in-kind contributions. Support from affiliates does not count toward the minimum 30% contribution requirement from the applicant and project partners.

1.5 How are In-Kind Contributions defined?

In-kind contributions are defined as eligible non-monetary resources that can be provided by the project applicant or partners. These are assets and services that are essential to the project that would have otherwise been purchased by the applicant and may include capital items that partners donate to the project, professional services and training.

1.6 What are some examples of In-Kind support?

Past examples of In-Kind support include but are not limited to:

- Use Case Validation and Data Reporting
- Hardware–Software Systems Integration
- Engineering Design and Development
- Project Planning and Execution
- System Installation and Support

1.7 Under Stream 2, can two Affiliates be used to satisfy the project partner requirement?

Meeting the full 30% contribution requirement does not remove the obligation for at least one project partner to contribute either cash or in-kind resources. Two Affiliates alone do not satisfy the project partner requirements.

1.8 Illustrative Funding Examples – IESO Contribution

Example 1:

Project Timeline: August 2026 - August 2029

Project Value: **\$5M**

Maximum HIF Contribution: **\$2.5M**

Minimum HIF Contribution: \$1M

Example 2:

Project Timeline: January 2026 - August 2030

Project Value: \$5M

Approved Timeline for Eligible Costs: August 2026 – August 2029

Costs incurred during approved timeline: \$3M

Maximum HIF Contribution: **\$1.5M*** (50% of eligible costs)

Minimum HIF Contribution: \$1M

*IESO would consider this to be the total project value. Costs incurred before signing contribution agreement or after project completion are ineligible.

1.9 Illustrative Funding Examples – Applicant Eligibility

The following examples illustrate contribution mixes that satisfy the HIF 2025 eligibility criteria. These examples are provided solely for reference and do not represent an exhaustive list of compliant configurations. Numerous other combinations may also meet the stated requirements.

Example 1 – Stream 2 Eligibility

Contribution Type	Applicant Contribution	Partner 1 Contribution	Partner 2 Contribution	Total Applicant + Partner Contribution	IESO Contribution
Cash	\$2.4M			\$2.4M	\$4M (50% of Project Value, max funding)
In-Kind	\$0.6M	\$1M		\$1.6M	
Total	\$3M	\$1M	Affiliate – no cash or in-kind contribution, only provided a Letter of Support	\$4M	\$4M

Total Project Value: \$8M

Requirements (Stream 2)	Compliance
Minimum 15% of total project value must be cash from the applicant	Calculation: \$2.4M ÷ \$8M = 30% Result: Requirement met (30% > 15%)
Minimum 30% of total project value must be cash from applicant and partners combined.	Calculation: \$2.4M ÷ \$8M = 30% Result: Requirement met (30% = 30%)
At least two project partners	One Contributing Partner and One Affiliate Result: Requirement Met

Example 2 – Stream 2 Eligibility

Contribution Type	Applicant Contribution	Partner 1 Contribution	Partner 2 Contribution	Total Applicant + Partner	IESO Contribution
				Contribution	
Cash	\$1.5M	\$1M	\$1.5M	\$4M	\$4.5M (Maximum funding under HIF)
In-Kind	\$0.5M	\$0.5M	\$0.5M	\$1.5M	
Total	\$2M	\$1.5M	\$2M	\$5.5M	\$4.5M
Total Project Value: \$10M					

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Requirements (Stream 2)	Compliance
Minimum 15% of total project value must be cash from the applicant	Calculation: $$1.5M \div $10M = 15\%$ Result: Requirement met $(15\% = 15\%)$
Minimum 30% of total project value must be cash from applicant and partners combined.	Calculation: \$4M ÷ \$10M = 40% Result: Requirement met (40% > 30%)
At least two project partners	Two Contributing Partners Result: Requirement Met

Project Location and Canadian Status

2.1 Are extra points awarded for the procurement of Canadian technology providers?

Canadian status is assessed solely for the primary applicant. The procurement of Canadian technology providers does not contribute to the evaluation score. Projects that meet the defined Canadian status criteria are eligible to receive evaluation points—specifically, five points under Stream 1, and consideration as part of the Ministry's evaluation under Stream 2.

2.2 Are non-Canadian companies eligible to apply?

The Canadian status of the applicant is not part of eligibility criteria. However, Canadian Status is included as an evaluation criterion in both Stream 1 and Stream 2. Please note that the project must be located in Ontario, and although the main applicant does not have to be located in Ontario, it must be the main beneficiary of the project. Applicants who meet the Canadian status criteria when applying for Stream 1 will be awarded 5 points and in Stream 2 will be part of qualitative evaluation, as this factor contributes to the overall assessment of proposals.

2.3 Does the project have to be located in Ontario?

All projects funded under the 2025 Hydrogen Innovation Fund must be physically located within the province of Ontario. In addition, each project must demonstrate measurable benefits to Ontario's electricity grid (Stream 1) or to the province's industrial sector (Stream 2).

2.4 Are points awarded for being an Ontario based company?

There are no mandatory requirements regarding Ontario-based ownership or operational presence for applicants. However, preference is given to applicants that meet the Canadian Status Evaluation Criteria. This consideration does not extend to project partners, subcontractors, or technology providers.

2.5: Are partnerships or collaborations with organizations located outside Ontario permitted?

Collaborations with organizations located outside the province of Ontario are permitted. However, applicants must clearly demonstrate how such partnerships will contribute to the successful execution of the project within Ontario.

Required Documentation

3.1 What kind of financial statements are required for submission?

Applicants must provide audited or reviewed financial statements at submission to demonstrate financial capacity to meet obligations, as outlined in the guidelines for Stream 1 in Appendix D and for Stream 2, guidelines in appendix E.

Ministry Evaluation Criteria – Stream 2

4.1 What is the structure and scoring of the Ministry's evaluation?

The Ministry evaluates projects on broader policy objectives after technical screening. Categories include:

- 1. Decarbonizing hard-to-abate industries
- 2. Job creation and upskilling
- 1. Hydrogen infrastructure development
- 2. Enabling sustained domestic demand
- 3. Supporting Ontario SMEs
- 4. Canadian Status
- 5. Regional representation

There is no numeric weight disclosed, but projects are ranked based on cumulative alignment with these criteria.

4.2 Do applicants need to meet all Ministry evaluation criteria to be considered eligible?

Projects must meet all Stage 1 eligibility criteria to proceed — there is no partial eligibility. If any requirement is not met, the application is disqualified.

For Projects applying for Stream 2, that achieve a technical score of 70 points or higher are then ranked according to Ministry criteria until the \$15 million budget is fully allocated. Submissions are evaluated based on how well they address the Ministry's outlined policy points. While not all criteria are mandatory, addressing more of them strengthens the overall evaluation.

It is important to note that meeting all requirements does not guarantee maximum funding. Final allocation depends on a combination of ranking, the strength of the submission, and the amount of funding requested.

4.3 What is the consideration of projects located in the Greater Toronto Area under Regional Representation?

Regional representation points are awarded to projects located outside the Greater Toronto Area (GTA) in support of regional economic development objectives. Projects based within the GTA remain eligible for funding but do not receive points under this evaluation category.

4.4 "How is the 'fewer than 500 employees with operations in Ontario' threshold applied in the evaluation of Stream 2 projects?"

The criterion for Small and Medium Businesses applies for project in Stream 2, under Stage 3: Ministry Evaluation Criteria for supporting Ontario-based small and medium businesses. The applicant must have fewer than 500 employees and operations in Ontario to qualify for points in this category. It does not affect eligibility but influences scoring for economic development objectives.

Eligible Project Types

5.1 Are agricultural projects eligible under stream 2?

Agricultural projects are eligible to apply for HIF funding under stream 2.

5.2 What kinds of transportation projects are eligible under stream 2?

As outlined in Section 1.3 of the Stream 2 application guidelines, eligible transportation sector projects may include:

- Demonstrations involving the development of fuel cell vehicles or innovative solutions that replace diesel-powered engines with low-carbon hydrogen. This includes applications such as transit buses, school buses, delivery trucks, garbage trucks, heavy-duty trucks, rail, and airport or port handling equipment.
- Demonstrations of hydrogen fueling station integration to support hydrogen adoption in Ontario's heavy-duty transportation sector.

General

6.1 How many applications are permitted per applicant?

Organizations are permitted to submit multiple applications under the HIF 2025 call. There are no restrictions on the number of projects an applicant may submit, regardless of stream. Each project may only be submitted once, to the stream that most appropriately aligns with its objectives.

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