Feedback Form

2025 Hydrogen Innovation Fund Engagement– October 1, 2025

Feedback Provided by:

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Date: 14/10/2025

To promote transparency, feedback submitted will be posted on the Hydrogen Innovation Fund (HIF) engagement page unless otherwise requested by the sender.

☐ **Yes – there is confidential information, do not post**

X **No – comfortable to publish to the IESO web page**

Following the 2025 Hydrogen Innovation Fund Engagement on October 1, 2025, engagement webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the items discussed. The presentation and recording can be accessed from the Hydrogen Innovation Fund (HIF).

Note: The IESO will accept additional materials where it may be required to support your rationale provided below. When sending additional materials please indicate if they are confidential.

Please submit feedback to engagement@ieso.ca **by October 15, 2025.**

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Topic: Draft Application Guidelines (Stream 1 and Stream 2)

Question: Are the KPIs, and project categories practical and easy to apply?

- Please provide clarity on defining ‘low carbon hydrogen’, and any associated verification process.
- “Projects directly or indirectly enabling broader applications” need to be more specifically defined / if it is, please indicate where the definition/specifics can be found
- Please provide more clarity on research/feasibility projects
- The development of hydrogen hubs may mean that defined projects are not currently in place (ie. with known GHG emissions & job outcomes). Are the KPI’s flexible in accepting that some “hub” concepts may be based in the theoretical (i.e. seek to attract a certain amount of capital investment, GHG emissions, or jobs).

Form Design

- It would be helpful if the application forms could be shared ahead of the program launch as well.
- These types of projects need to be developed in collaboration between multiple parties. The application process should allow multiple writers to be able to access the forms, create drafts, review cycles and then submit. These features are readily available on Microsoft sharepoint sites for example.

Topic: Overview and Project Evaluation Criteria

Question: Are the Stream 1 and Stream 2 objectives and evaluation criteria clear and appropriate?

Yes, generally clear and appropriate with the following exceptions:

- It is not clear whether Stream 2 also qualifies for an additional 5 points in the stage 3 evaluation, i.e., similar to Stream 1
- Consider broadening the definition of partners to include affiliates. In the 2023 application, part A template, partners needed to indicate cash and in-kind contributions. As soon as funds (cash or in kind) are involved, project partnerships become much more complicated. Conversely, an affiliate could be an entity such as a customer who is contributing to the project in a less formal manner. They could be supporting a project through internal analysis and stakeholder management to build support for the project internally. These affiliates could demonstrate their participation through a letter of

support. Asking these potential customers to become a formal ‘partner’ to the project would likely trigger complicated internal approvals. Projects with these types of customers should be able to demonstrate the breadth of project reach through something other than a formal partner – thereby passing the eligibility screening.

- It would be important that the scope of funding not only apply to heavy duty transportation projects as this is narrow and doesn’t support long-term planning for a robust hydrogen ecosystem. It is significantly less expensive to incorporate the capability to do light duty filling or even 350 bar bus filling at the same time infrastructure is being built for heavy duty 700 bar filling than trying to build new infrastructure or modify existing infrastructure in the future. Consideration should be given to companies that incorporate all applications, and this should be specified in the outline of the evaluation criteria.
- It would be beneficial to create funding streams that are specific to specific types of projects – for example feasibility studies/validation of portfolio tends to be personnel cost based, which is hard to propose with cash funding. Similarly, projects that include a technology partner from overseas and/or open up significant export opportunities should get some attention as well.
- Some funding programs that only work on a reimbursement model may not work for this call, due to significant outlay required for equipment. A flowthrough purchasing model may be a better option.
- Consider a “Buy Canadian” benefit in alignment with federal guidelines (not yet released)

Topic: Proposed Application Timelines

Question: Do you see any risks or challenges with the proposed schedule?

- Consider allowing eligible expenses to start from January 1, 2026 so projects that are advancing get credit for the cash and in-kind contributions being made in advance of securing a grant. This will incentivize projects to start investing – otherwise, applicants may hold off on starting any investments until much later in the year.
- Allow for the project duration to be shorter, so 12 to 36 months – shorter projects are generally more optimized in terms of budget.
- Please clarify the funding payment schedule (one cannot find it easily on IESO site)

Topic: General

Question: Is there anything important that may have been missing in the proposed design?

- Electrolyzer projects that support the decarbonization of industry and transportation, appear to be best suited for Stream 2 but also meet certain objectives in Stream 1; For example, if an industrial customer builds a green hydrogen production facility and is able to shift most of that load to off-peak hours, e.g. through storage, then there is benefit to the grid under Stream 1A and 1B as well as 2A. Similarly for a transportation application then there are benefits that fall under 1A, 1B and 2B. It would be beneficial to capture these co-benefits of multi-faceted projects through some small point allocation (e.g. 5 points).

- Blending projects should also be considered since those are a great steppingstone to full hydrogen vehicles and can help ramp up production and supply in the short term.

Eligibility of hydrogen hubs

- Please provide clarity on your definition of a "hub" - our definition would consider the following verbiage: A project that starts and/or continues to grow an established group of like-minded companies, facilities, organizations, research and academia to create the supportive and sustainable climate and ecosystem to recruit, secure, and implement hydrogen projects.

- Please consider attributing funding to assist groups, e.g. hubs to realize projects in the future or to showcase the applicability and sustainability of the hydrogen sector as a tool to drive new development, investment, innovation, decarbonization, and jobs

- The success of hydrogen hubs in some forms will be reliant on the progress of provincial and/or federal regulation that provides the necessary environment to accommodate certain types of hydrogen investment i.e. the attraction of at-scale hydrogen investment which may be reliant on geological CO2 sequestration legislation, CO2 policy, etc.

General Comments/Feedback

- It would be desirable for the fund to further target specific sectors/applications (8 subcategories in Stream 2 including road, marine, aerospace etc.)
- In Stream 2, SMEs are identified as a primary target for the HIF. SMEs often manage tight cashflows. So, it will be a challenge for many SMEs to carry project expenditures until milestones are met and claims for reimbursement are submitted. Even then, there is no way to know how long it will take for claims to be reviewed, approved and paid. Conceivably, first payments from the fund may not be received by a project proponent for five to six months following project launch. To mitigate financial stresses during the initial period, please consider providing partial funding upfront for planned capital expenditures under the project.
- The requirement for audited financial statements is onerous for SMEs that are not publicly traded. Please accept review engagements (NTR Financial Statements).

- If the number of good, viable projects exceeds the $30 Mio funding envelope, the Ontario government should consider allocating additional funding to the program.