

Feedback Form - Public

Interruptible Rate Pilot: November 23, 2022

Feedback Provided by:

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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. 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>The lower minimum fixed price bid for hydrogen projects is a good provision as the hydrogen projects will likely be pilot-scale and not in a position to compete with large incumbent customers for participation in the pilot.</p> <p>The 100kW minimum project size for hydrogen projects is higher than the 50kW size posited in the proposed regulation ERO 019-5381 - Accelerating Growth in Hydrogen Energy Through Electricity Rate Options. We would suggest that the minimum project size for the hydrogen stream be 50kW given that the short timeframe of the pilot will only be suitable for smaller-scale, lower-investment hydrogen projects.</p>

General Comments

The draft rate pilot is designed to set electricity prices higher than anticipated average Class A rates for both the main and hydrogen streams. Unfortunately, this feature ensures that the interruptible rate will have limited effect on the development of a significant hydrogen sector in Ontario. The pilot hydrogen stream allows for connection to distribution systems and for smaller load profiles than the current ICI program. These provisions could support some small-scale hydrogen pilot projects in the province. However, the draft rate design does not meet the larger goals of Ontario's Low Carbon Hydrogen strategy – to grow the customer base for off peak electricity and to establish a significant hydrogen sector in the province.

These goals require a pricing structure that values the full benefits that large-scale electrolysis can bring to the grid and the emission reduction it enables. Rather than being a sub-stream of the an interruptible rate focused primarily on avoiding system peaks, a dedicated hydrogen rate should be designed to fully develop the potential of the hydrogen sector. We would suggest that such a rate should have the following features:

- 1) Encourage building of new hydrogen production projects in Ontario by providing off-peak electricity price predictability, preferably for a term of 20 years or more.
- 2) Pricing should be offered below rates being paid currently by conventional transmission-connected loads recognizing the flexible load and decarbonization attributes of hydrogen production.