June 20, 2024

Mathew Peltier

Energy Supply Policy Division

Ministry of Energy

7th Floor, 77 Grenville Street  
Toronto, ON  
M7A 2C1

**Re: ERO-019-8666: Proposed regulatory Amendments Related to the Treatment of Corporate Power Purchase Agreements**

StormFisher Hydrogen Ltd. (StormFisher) is pleased to provide feedback on the proposed regulatory amendments aiming to support the growth of new clean generation in the province by allowing Industrial Conservation Initiative (ICI) market participants to offset their facility's demand in the top five peak hours of a base period for settlement purposes through behind the meter power purchase agreements (PPAs). The amendments released by the Ministry of Energy on May 7 2024, are largely welcomed by StormFisher.

We believe that the proposed amendments to PPA’s are a step in the right direction towards achieving the 2030 emission reduction objectives and the Powering Ontario Growth plan. However, StormFisher does not anticipate these amendments to be sufficient in supporting non-emitting electricity procurement for alternative clean energy resources such as green hydrogen and its derivative efuels. The approach of reducing Global Adjustment (GA) charges, while positive, is unlikely to boost competitiveness of the industry on a global scale.

Our responses to the proposed amendments are provided below:

**Responses to proposed amendments**

StormFisher understands that the amendments made to Section 11 are intended to enable the customer’s peak demand factor to be offset such that the Global Adjustment charge incurred by the customer is reduced. StormFisher supports these changes and expects them to have a positive impact on project economics for hydrogen based efuels production facilities due to electricity procurement and pricing being a major cost driver. These facilities provide a pathway to realizing non-emitting energy for industries which are difficult to effectively electrify and are anticipated to be a key stepping stone in realizing Ontario’s 2030 emission reduction objectives.

However, StormFisher believes that the proposed amendments will not create an electricity pricing structure that supports cost competitive green hydrogen or efuel production facilities in Ontario. As a result, StormFisher expects few of these production facilities to be built and developed. Competing pricing structures in the USA offer significant subsidies that drastically alter project economics- making the business case for developing green hydrogen and efuel production facilities materially more attractive.

StormFisher strongly encourages the Ministry of Energy and Electrification to pursue more a more aggressive dedicated hydrogen rate to reduce electricity costs for green hydrogen and efuel production facilities. Doing so would bolster the business case for Ontario-based facilities enabling operators to provide significant value back to the power system in terms of flexibility, interruptions and alignment with achieving Ontario’s 2030 emission reduction objectives.

**Closing Comments**

StormFisher values the chance to share its comments and is prepared to collaborate with the Ministry of Energy and Electrification to advance future proposals and amendments targeted at achieving the 2030 emission reduction objectives and Powering Ontario growth plan.

Please do not hesitate to contact us if you have any questions about the information contained herein.

Yours truly,

**Ryan Van Hoesel**

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