



9 January 2025

Senate Standing Committees on Economics  
PO Box 6100  
Parliament House  
Canberra ACT 2600  
[economics.sen@aph.gov.au](mailto:economics.sen@aph.gov.au)

**RE: Inquiry into Future Made in Australia (Production Tax Credits and Other Measures) Bill 2024**

On behalf of Lion Energy, please accept our recommendation for an amendment to the provisions of *Future Made in Australia (Production Tax Credits and Other Measures) Bill 2024*.

**Recommendation**

Lion Energy supports a hydrogen production tax incentive (HPTI) provided by the Australian Government to promote the production and use of green hydrogen, but it has requested the nameplate capacity eligibility be reduced from 10 megawatts (MW) to 1MW.

This is acknowledged in page 133 of the Bill's Explanatory Memorandum where it stated that: *"The 10MW equivalent capacity and single site requirements preventing smaller scale and dispersed projects from claiming the support including those that could support the heavy mobility sector through re-fuelling stations"*

And on page 135, where it stated:

*"Several stakeholders suggested that the 10MW equivalent capacity requirement and requirement to be on a single site be removed. This would allow for smaller scale projects or dispersed projects such as refuelling highways to be eligible for the HPTI. The 10MW threshold was suggested to be too large given the current largest electrolyser in Australia is 1.25MW."* By reducing the nameplate capacity to 1MW and the HPTI is payable on green hydrogen produced based by facility based the nameplate capacity approved by final investment decision before 1 July 2030.

**Rationale for Lion Energy**

In 2024, Lion Energy announced it had entered into a definitive joint development agreement with DGA Energy Solutions Australia Pty Ltd, a wholly owned subsidiary of Mitsubishi Corporation, and Samsung C&T Corporation to jointly develop its green hydrogen hub at Port of Brisbane. The hub aims to capitalise on the rapidly evolving requirement for the heavy-mobility transportation industry to trend towards net-zero emissions. The PoB green hydrogen facility has



been designed with a focus on public bus fleets, and the application of fuel cells providing onsite off-grid power to the Queensland construction and mining sectors and to supply industrial users. Based on the at least 10MW capacity eligibility restriction, the HPTI will not be payable to any green hydrogen produced in the hub, despite the importance and difficulty of decarbonising transport sector.

As page 100 of the Bill Explanatory Note states:

*“Transport was responsible for 21 per cent of Australia’s emissions in 2023. The decarbonisation pathways are expected to vary across different segments of the industry. For example, battery electric vehicles have emerged as the leading means of decarbonising light and medium-sized road vehicles, but it is currently unclear if battery technologies will be suitable for long-distance, heavy payload transport applications.”*

## **Background**

Lion Energy is fully committed to leading Australia’s zero-emissions transition with an ambitious plan to establish multiple green hydrogen hubs and spokes across Eastern Australia. The rationale for venturing into green hydrogen is simple: it is emission free in production and consumption. The growing scale of renewable energy projects is expected to drive down costs and more than double the consumption of hydrogen by 2030, accelerating the commercialisation and adoption of green hydrogen.

Lion Energy’s efforts begin with its green hydrogen production and refuelling hub at the Port of Brisbane with a capacity exceeding 300 tonnes of green hydrogen per annum. This hub is designed to promote a new clean alternative for Brisbane-based businesses pursuing net-zero commitments. The strategic location allows Lion Energy to serve key industries across Queensland while showcasing the potential of green hydrogen as a practical clean energy solution. Considering that the transportation sector contributes around 21% of Australia’s total greenhouse gas emissions according to the Department of Climate Change, Energy, and Environment and Water (DCCEEW), Lion Energy is well positioned with its primary focus on the heavy mobility market. Hydrogen is a primary contributor for decarbonising the sector by providing a clean and efficient alternative to diesel, particularly for back-to-base operations. Policies from state governments promoting zero-emission vehicles, with some aiming for substantial adoption by 2025, further support this focus.

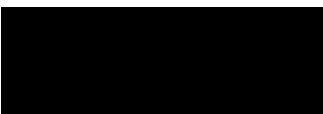
Beyond heavy mobility, Lion Energy also aims to support the power sector by collaborating with established equipment manufacturers to jointly offer hydrogen generator sets alongside a reliable green hydrogen supply. These generator sets are especially well-suited to remote construction, mining, and event sites, offering a more sustainable and efficient alternative where diesel generator sets remain the dominant option for backup power.



Lion Energy is also exploring opportunities to assist logistics companies with reducing emissions across their operations. By working together with hydrogen forklift manufacturers, Lion Energy aims to help these businesses achieve their sustainability objectives while improving operational efficiency.

With a clear focus on innovation and sustainability, Lion Energy is driving the zero-emissions transition by delivering practical solutions that enable businesses across multiple sectors to smoothly transition to a greener future.

If Lion Energy can provide further information or clarification on its submission to the Committee, please contact me at



Tom Soulsby  
CEO  
Lion H2 Energy Pty Ltd

