

Director
Production Tax Incentives Unit
Corporate and International Tax Division
The Treasury
Langton Crescent
PARKES ACT 2600

We express our gratitude to the Australian Government Treasury for developing the Hydrogen Production Tax Incentive (HPTI) which we believe will have a profound impact on the development of a large scale green hydrogen industry in Australia, we support the initiative and believe that the impact will benefit both the environment, Australian residents and industry.

Lion Energy is an ASX listed company at the forefront of developing hydrogen infrastructure, our flagship project is currently in an advanced stage of development having obtained Development Approval from the Qld Govt and the Port of Brisbane. Located at the Port of Brisbane, we are building a hydrogen refuelling station, specifically for busses and lorries. Considering the Port is anticipating almost 15 million truck movements per year through the port by 2040, we are surprised that our facility is the only such publicly available infrastructure to supply green fuel, the only other option currently available is Diesel.

While we are able to produce green hydrogen at close to the cost parity to diesel, our engagement with industry is finding that most fleet operators cannot justify the additional cost of hydrogen electric vehicles, which currently are a premium over diesel trucks.

As one of the largest hard to abate sectors, we believe that some minor amendments to the proposed details will lead to an accelerated decarbonisation of the heavy transport sector.

Specifically, we believe that reducing the electrolyser capacity threshold from 10MW to 1MW should be considered for the following reasons:

- The mobility sector in Australia is dependent on imported Diesel
- The uptake in the mobility sector requires starting with small scale infrastructure that grows overtime
- The business case for small scale hydrogen production facilities is currently marginal
- Most large scale projects are focused on export opportunities, but not local businesses
- These small scale projects are pioneering and developing new technologies, leading the way for large projects
- The actual share of Tax Incentives towards the small scale systems will be very small, but the impact will be significant.

We strongly urge the Director to reconsider the sizing threshold to ensure that maximum value is extracted from this initiative.

Should you require any clarifications on this submission, do not hesitate to email or call me.

Sincerely

Thomas Soulsby
Executive Chairman



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