

U.P. issues draft policy to promote green hydrogen production

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LUCKNOW: The Uttar Pradesh government has issued the draft Green Hydrogen Policy-2022 while inviting public comments and suggestions for the same.

The move is a precursor to rollout of the final policy that would aim to make Uttar Pradesh a 100% green hydrogen/ammonia consuming state by 2035. Turning the state into a leading green hydrogen/ammonia producer is another objective.

The policy would also promote green hydrogen/ammonia market creation and demand aggregation.

(Green hydrogen (GH₂ or GH₂) is hydrogen generated by renewable energy or from low-carbon power. It has lower carbon emissions.)

“The state envisions to promote green hydrogen/ammonia as the foundational pillar for the green energy transition in UP and make the state ready for a

THE POLICY WILL FOCUS PRIMARILY ON TWO MAJOR HYDROGEN/AMMONIA DEMAND CENTRES IN U.P. – NITROGENOUS (N) FERTILISERS AND REFINERIES.

net-zero economy in the future,” says the draft policy that was put in the public domain by the Uttar Pradesh New and Renewable Energy Development Agency (UPNEDA).

The policy will focus primarily on two major hydrogen/ammonia demand centres in Uttar Pradesh – nitrogenous fertilisers and refineries. It will also cover other emerging industries and applications of green hydrogen in the future.

“In the policy period of five years, the Uttar Pradesh Green Hydrogen Policy 2022 envisions reducing green hydrogen cost to

2.0 USD/Kg and make efforts to decline it further to 1 USD/Kg in long-term, achieving 20% green hydrogen blending in total hydrogen consumption of the state by 2028 for existing fertiliser and refinery units, reaching 100 percent by 2035,” the draft policy says.

The current hydrogen demand in the state, according to the draft policy, stands at around 0.9 million tonnes per annum (MTPA), primarily used in the nitrogenous fertilisers, with some demand in the refinery sector. Future demand for hydrogen, it adds, is subject to the expected growth in the hydrogen consuming sectors.

Incentives provided in the “Industrial Investment and Employment Promotion Policy 2017”, such as exemption of stamp duty, tax reimbursement, capital interest subsidy, infrastructure interest subsidy, electricity duty will be applicable to new green hydrogen/ammonia investments and expansion of existing fertiliser units in the state.