

# UP to promote generation of 1 mn tons of green hydrogen

## Cabinet OKs Policy, Sets Aside ₹5K Cr

TIMES NEWS NETWORK

**Lucknow:** The Uttar Pradesh cabinet on Tuesday gave a go-ahead to the state's green hydrogen policy, as part of the central govt's Green Hydrogen Mission. As per the policy, the govt will promote generation of 1 million tons of green hydrogen per year for the next four years and has set aside Rs 5,054 crore as subsidy for companies which enter the sector, to be provided to offset capital expenditure etc.

Power minister AK Sharma said that till now, grey hydrogen was being used in the state which is itself produced from power and therefore, indirectly from coal. Now, an effort was being made to shift to green hydrogen which would be used by sectors like fertilisers, steel, refineries etc. During the 2023 Global Investors Summit, the

### KEY DECISIONS

- Cabinet clears Matru Bhumi Yojana for investment by NRIs. Govt to bear 40% of the cost of project
- Corn production to be increased by 11 lakh tons
- Incubation centres to be set up in four agriculture universities and one agriculture training institute
- Expansion of multi-modal hub transport Aqua Line
- Ordinance on SCR formation
- Transfer of land free of cost to dept of medical education for medical college in Pilibhit
- VVIP guest house in Prayagraj
- Nazul land can only be given to govt and not to private entity. Previous allotments to private entities to be cancelled

state govt had received 19 investment proposals worth Rs 1,95,782 crore for green hydrogen.

Currently, the cost of manufacturing green hydrogen is more than that for grey hydrogen because of which there is a need to incentivise it. UP-NEDA would be the nodal agency for the implementation of the policy. Under this, a capital subsidy of 10-30% would be provided to an investor, depending on the geographical area of investment. The first 10 investors will be provided a capital subsidy of 40%.

In addition to this, govt land will be provided on lease of Re 1 per acre per year for Govt PSUs for setting up green hydrogen projects. For private investors, the lease rate is Rs 15,000 per acre per year. Land will be non-transferable and if work is not started within three years from the date of allotment of land, then lease will stand cancelled. There will also be exception from stamp duty, 100% exemption on electricity duty for the first 10 years of the project and 100% exemption on intra-state transmission.

Two centres of excellence

will also be set up for which the govt will provide 100% financial assistance up to Rs 50 crore. Each startup will be provided a maximum financial assistance of Rs 25 lakh per year for five years. Green hydrogen projects would be given white category status for the purpose of environmental clearances. "The move aims to boost the startup ecosystem in the state while creating around 1.2 lakh jobs in the next five years and at the same time push for environmental sustainability," said a govt spokesperson.

The cabinet also gave its approval to the construction of two 800 MW plants in Anpara, in collaboration with NTPC with whom the govt had signed an MoU during the 2023 Global Investors Summit. The total cost of this project is Rs 8,624 crore, of which 70% will be funded through loans and the remaining will be shared equally between the govt and NTPC. The cabinet also approved of an exception of Rs 181 crore through stamp duty and registration fee for the Ghatampur power plant.