

# Nod to green hydrogen policy paves way for massive investment

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**LUCKNOW:** The Uttar Pradesh cabinet, at its meeting chaired by chief minister Yogi Adityanath here on Tuesday, approved the long-awaited Green Hydrogen Policy, 2024, setting a target of one million metric tonnes per annum production of green hydrogen by 2028.

The policy, it is believed, will unlock more than Rs 1.95 lakh crore investment that has already been proposed by investors for 19 projects related to production of green hydrogen and ammonia in the state, during the Global Investors' Summit in February last year.

Green hydrogen is called so because the entire process to produce it is powered by renewable energy. It is used for purposes like petroleum refinery, manufacturing of ammonia, heavy duty mobility etc.

The policy that is valid for 5 years is expected to create 1.20 lakh jobs by 2028. The Uttar Pradesh New and Renewable Energy Development Agency (UPNEDA) would be the nodal agency for the implementation of the policy. Green Hydrogen projects will be provided capital subsidy of 10% to 30% depending on the geographical area of investment. The categorization of the subsidy would depend on the scale of the investment of the project. At the same time, during the policy period, the first 5 investments (excluding Meerut division) in green hydrogen projects will be provided capital



## THE DETAILS

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subsidy to the tune of 40% of the total investment amount with a ceiling of Rs 225 crore per project per year. Also, government/revenue land will be provided on lease at Re 1 per acre per year for government PSUs for setting up green hydrogen projects. For investors from the private sector, the lease rate is Rs 15,000 per acre per year.

Village/government land will be provided on lease for a period of 30 years. Land purchased or taken on lease for green hydrogen projects would be 100% exempted from stamp duty charges.

If solar energy units are established to provide renewable energy for green hydrogen projects, then the maximum land which can be allotted is 5 acre

per MW with a maximum capacity of 20 MW per kilotonne per year.

The policy also allows 100% exemption on electricity duty for first 10 years of the project or life of the project, whichever is earlier, besides 100% exemption on intra-state wheeling/transmission/cross subsidy surcharges for the first 10 years of the project or life of the project, whichever is earlier.

Industrial tariff will be applicable on green hydrogen/ammonia projects receiving power from local discoms.

Renewable energy consumed for the production of green hydrogen would be considered as a part of renewable purchase obligation for the project developer and renewable energy produced more than the RPO obligation for green hydrogen would be utilized by the discoms for meeting their RPO obligations.

Establishment of two centres of excellence is also proposed in the policy under which government educational institutions or institutions with national importance will be provided 100% financial assistance up to Rs 50 crore for setting up the centre of excellence.

Startups and Incubators will be promoted for green hydrogen/green ammonia production. Each startup will be provided maximum financial assistance of Rs 25 Lakh per year for a period of 5 years.

Green hydrogen projects would be provided a white category status for environmental clearance.