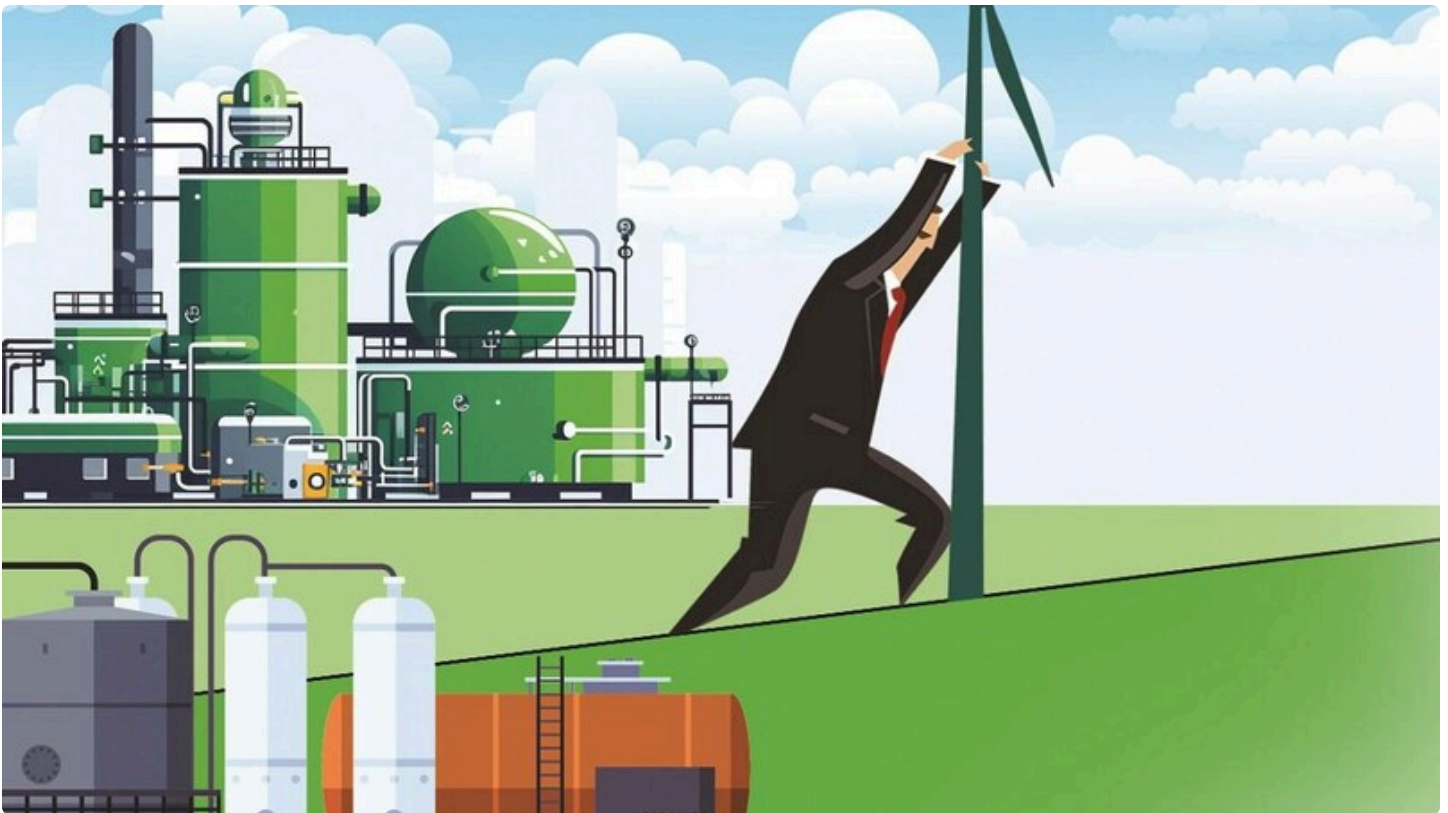


Business Standard

Rs 5K cr set aside for green hydrogen production in Uttar Pradesh

The policy, recently approved by the Yogi Adityanath Cabinet, will support startups dedicated to green hydrogen research and production

Virendra Singh Rawat | Lucknow



The Uttar Pradesh (UP) government has earmarked an incentive and financial support package of Rs 5,000 crore to catalyse the production of green hydrogen for industrial, petrochemical, and transportation sectors.

In its UP Green Hydrogen Policy 2024, the state is aiming to produce 1 million tonne (mt) of green hydrogen annually, which would create about 120,000 job opportunities by 2028.

The policy, recently approved by the Yogi Adityanath Cabinet, will support startups dedicated to green hydrogen research and production.

“Under the new policy, the state will provide a financial aid of Rs 25 lakh per startup annually for five years,” a UP government official said. The policy is aimed at minimising carbon emission and contributing towards achieving India’s ‘net-zero’ commitment by 2070.

Currently, the state fertiliser and petrochemical industry uses grey hydrogen, produced with natural gas or methane, which is carbon-emitting. The state decided to promote green hydrogen as a cleaner alternative.

After inaugurating a compressed biogas (CBG) plant of Indian Oil in Gorakhpur on March 8, Union Petroleum and Natural Gas Minister Hardeep Singh Puri had lauded the UP government’s policy for its potential to attract investment in the green hydrogen projects.

In UP, the current hydrogen demand is estimated at 900,000 tonnes per annum in the fertiliser and refinery sectors.

Green hydrogen is produced by breaking down water in an electrolyser using renewable energy, so there is no carbon emission. Hydrogen can be combined with nitrogen to make ‘green’ ammonia, thus avoiding planet-warming hydrocarbons. Green ammonia is used to store energy and make fertilisers.

At the UP Global Investors Summit (GIS) 2023, the state netted nearly Rs 2.70 trillion green hydrogen investment proposals from about 20 companies.

Meanwhile, the state is offering government lands on a 30-year lease period for green hydrogen projects. The lease rate for public sector entities will be Rs 1 per acre per year. For private investors, it will be Rs 15,000 per acre per year.

The green hydrogen projects will be categorised under the ‘white category’ for environmental clearance.

The global green hydrogen market, valued at \$1.83 billion in 2021, is estimated to be at \$90 billion by 2030, growing at a compound annual growth rate of 54 per cent during 2021-30. The Asia-Pacific region is expected to top the green hydrogen growth chart.

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