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UP govt extends generator subsidy for industries in NCR districts to switch to clean fuels

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Synopsis

The state government is extending its generator subsidy for another five years for polluting industries in NCR districts. This aims to help them switch to cleaner fuel. The scheme provides a subsidy of up to 50% on the cost of generators using cleaner fuels like LPG and natural gas, to reduce winter pollution.



Representative image.

The Uttar Pradesh government has announced the extension of its [generator subsidy](#) for polluting industries in NCR districts for an additional five years starting from October, TOI reported. This measure aims to support industries in aligning with the Commission for Air Quality Management's (CAQM) winter action plan.

In 2019, a five-year subsidy was introduced to assist industry owners in switching to cleaner fuels due to the high costs of conversion affecting production.

Sreenath Paswan, deputy commissioner of industries in [Ghaziabad](#), said, "From Oct 1 this year, the scheme is being extended for another five years. Under this, a 50% subsidy or Rs 5 lakh (whichever is less) will be given to micro and small-scale industrial units to purchase or retrofit generators that will operate on [cleaner fuel](#) like LPG, natural gas, biogas, propane, and butane."

The subsidy is divided into categories. Those buying generators costing between Rs 10-40 lakh will receive a 40% subsidy or Rs 10 lakh, whichever is less. For generators costing over Rs 40 lakh, a 25% subsidy or Rs 20 lakh will be provided.

Ghaziabad has 296 industries that rely on biofuels such as wood pellets, molasses, husk, and coal, contributing to poor air quality in winter.

Factories have resisted switching to cleaner fuels due to high conversion costs. A factory owner expressed concerns, stating, "Using PNG will force us to hike the cost of a finished product. So, it becomes very difficult for small units to survive in the market. The cost of converting diesel generator sets to PNG is also very high. In addition, industries must pay a security deposit which, though refundable, is also high. A minimum deposit of Rs 1.2 lakh is needed for availing PNG services. The amount increases in keeping with the load."

Paswan emphasized that the subsidy aims to alleviate some of these costs. He encouraged industries to apply for the scheme, saying, "This scheme has been devised precisely for the benefit of industries. The subsidy is given to recover some of the costs that arise because of conversion."

However, environmentalists argue that many unregistered factories operate illegally on biofuels, undermining pollution

control efforts.

Environmentalist Sushil Raghav said, "There are thousands of industries across Ghaziabad — especially in Loni — that not only operate illegally but also use bad fuel to operate generators. These are far more polluting. The [pollution control board](#) has no data or clear-cut plan to deal with such illegally operating industries. So, a govt scheme like this will have no real effect on cutting down pollution levels in the city."

Despite these challenges, a pollution board official reported improvements in air quality over the years. "The annual average PM2.5 level since 2017-18 improved from 164.2 to 77.8 in 2023. In 2024, the same figures from April 1 to Sept 19 were recorded at 45.83. Likewise, PM10 also came down to 137.5 in 2024-2025 from 372 in 2017-18," the official said.

"The annual average AQI in 2017-18 was 272.5, which improved to 128.1 till Sept this year. All this was possible because of concerted efforts of all stakeholders over the years," he added.

(With TOI inputs)

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