

UP to be sustainable aviation fuel hub soon

A Five-Year Policy In The Pipeline

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DECARBONISING AVIATION

to support research, innovation, and technology partnerships in SAF feedstock processing and fuel conversion. It seeks to create rural and urban green employment opportunities through feedstock supply chains and processing facilities, contribute to national climate goals and India's SAF blending targets, while enhancing energy security, among others.

To achieve the goals, the state govt would roll out several fiscal and non-fiscal benefits to willing investors. For this, the draft policy first describes large and mega SAF units based on minimum capital investment. While those with a minimum investment of Rs 50 crore and up to Rs 199 crore will be called large, those with an investment of Rs 200 crore or more would be called mega.

The incentive framework spells out eligibility criteria to elaborate on the fiscal benefits the state govt would extend. The list includes a front-end land subsidy of 50% to units that come up in Gautam Budh Nagar and Ghaziabad

and 75% in the rest of western UP and central UP districts. For districts in the eastern UP and Bundelkhand region, the incentive would be 80%.

The list also includes stamp duty exemptions, waiver for land use conversion, exemption from developmental charges, capital subsidy, state GST reimbursement, interest subsidy, skill development subsidy, and reimbursement of patent registration fees, among others.

The non-fiscal benefits include the development of aggregated feedstock procurement platforms to ensure a steady and quality supply of biomass, used cooking oil, and municipal waste. It will facilitate linkages with farmers, waste management bodies, and industries for feedstock supply contracts, and the development of dedicated SAF storage, blending, and distribution infrastructure at airports and fuel depots at strategic locations having high biowaste production in proximity to aviation zones.

Companies like Indian Oil Corporation (IOC), Bharat Petroleum, and Hindustan Petroleum are actively exploring partnerships and pilot projects to commercialise SAF technologies. Moreover, global players like Boeing and Airbus have entered collaborations with Indian institutions to develop indigenous SAF solutions.

Lucknow: Finding potential in the evolving Sustainable Aviation Fuel (SAF) sector, which is emerging as a key solution in the global effort to decarbonise aviation, the Uttar Pradesh govt is set to come up with a SAF manufacturing policy.

A draft version of the policy, which will be effective for a period of five years from the date of promulgation, is now up for comments and suggestions.

"The policy aims to position UP as a leading hub for SAF manufacturing in India, enhance energy security, support decarbonisation of the aviation sector, and generate green employment opportunities through innovation, investment, and public-private partnership," said a senior officer in the state govt.

The officer informed that Invest UP will be the nodal agency for sanction and disbursement of fiscal incentives to SAF units that come up under the policy. As per the draft, in addition to the primary goals, the policy also aims