

# Sustainable aviation fuel policy approved

The UP cabinet has approved the Sustainable Aviation Fuel Manufacturing Promotion Policy 2026, aimed at attracting investment, promoting clean aviation fuel production and generating employment through the utilisation of agricultural waste and other locally available feedstock.

The policy seeks to establish UP as a major hub for SAF manufacturing while reducing carbon emissions from aviation and strengthening energy security. Under the policy, SAF manufacturing units have been divided into three categories based on investment. Units investing Rs 200 crore to Rs 500 crore will fall under the Bronze category, those investing Rs 500 crore to Rs 1,500 crore under Silver and investments exceeding Rs 1,500 crore under Gold.

Eligible units will receive incentives, including exemptions and reimbursements relating to stamp duty, land-use conversion charges, development charges and net SGST. The policy also provides interest subsidies, 100% electricity duty exemption for 10 years, skill development subsidies and reimbursement of patent registration fees.

The UP New and Renewable Energy Development Agency will serve as the nodal agency for approving and disbursing financial incentives. TNN