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Electric Vehicles Policy 2020: Delhi

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Why in News

Recently, the Delhi government has notified the **Electric Vehicles (EV) Policy 2020**.

It lays the maximum emphasis on replacement of two-wheelers, public transport and shared vehicles and goods-carriers instead of private four-wheelers, with **Electric Vehicles** (EVs).

Key Points

- **Features:**

- It envisions the **replacement of the existing auto rickshaws and State-run buses with e-autos and e-buses** respectively. It will also ensure that **delivery-based services** operating in the city are powered by e-mobility.
- It talks about **increasing road tax for fuel-based vehicles**, at least in the luxury segment and imposing in certain parts of the city a congestion fee that EVs will be exempt from.
- It has a '**scrapping incentive**' for those people who want to make the switch, allowing them to exchange an old fuel-based vehicle while purchasing a new EV, further reducing its cost.
- The government will also **offer low-interest rate loans** to people interested in buying commercial EVs.
- The policy also offers **subsidies and road tax and registration fee waivers**, for EVs bought in the capital.
 - At present, road tax ranges from 4% to 10% of the cost of the vehicle, while the registration fee could cost up to Rs. 3,000.
 - In addition, a subsidy of Rs. 5,000 per kWh of the battery capacity up to Rs. 30,000 will be given on the purchase of each EV.
 - For the first 1,000 e-cars or electric four-wheelers, a subsidy of Rs. 10,000 per kWh will be given, capped at Rs. 1,50,000 per vehicle.
- These **grants will be in addition to the subsidies offered by the Union government** under its **FAME India Phase 2 scheme**, which offers similar incentives, especially on the purchase of electric two-wheelers and electric heavy passenger and goods vehicles.
- A **State EV** fund will be set up, encompassing all the expenditure of the EV Policy. A **State Electric Vehicle Board** will be constituted for effective implementation of the policy and managing the fund. Besides, a **dedicated EV Cell** will also be constituted.

- **Aims:**

- To **reduce air pollution** and to **kick-start the economy by spurring demand**.
 - Delhi experiences a public health emergency every winter due to the rise in air pollution, which has become a recurrent annual crisis.
 - During the **Covid-19** induced **lockdowns**, the capital witnessed a drastic **reduction in the PM10 and PM2.5 levels**.
- To address both **problems of the high cost of purchase** and the **lack of sufficient charging infrastructure**.
- To register **at least 5,00,000 EVs in Delhi** in the **next five years**.

- **Delivery-based and Ride-hailing Services:**
 - Ride-hailing service providers will be **allowed to operate electric two-wheeler taxis** subject to operating within the guidelines to be issued by the Transport Department.
 - It is expected that the incentives provided by the policy would **encourage delivery service providers** related to food delivery, **e-commerce** logistics providers and couriers to switch to using electric two-wheelers.
 - All delivery service providers shall be **expected to convert 50%** of their fleet operating in Delhi to electric **by 31st March 2023** and **100% by 31st March 2025**.
 - Delivery service providers who **commit to achieving these targets will be eligible for financing support** from the Delhi Finance Corporation.
- **Autorickshaws:**
 - **Incentives** will be provided related to the purchase (**Rs. 30,000 per vehicle**) and use of new electric autos.
 - An **open permit system** will be put in place to **provide permits on a first-come, first-served basis** to those with valid light motor vehicle driving licences and a Public Service Vehicle badge.
 - The open permit system for e-autos shall be subject to the cap on the maximum number of autos if the **Supreme Court** will direct so in future.
 - There will be **no cap on permits issued to e-autos in Delhi** since they are **zero-emission vehicles and can be very effective in ensuring clean, last-mile connectivity**.
 - Currently, there is a cap on the number of CNG-run auto rickshaws, allowed to ply in the city.
- **Buses:**
 - The policy envisions that **half of the State-run buses to be procured over the next three years will be pure electric buses**.
 - It will start doing so with the **induction of 1,000 pure electric buses by 2020**.

Central Government Initiatives on EVs

- Government has set a **target of EV making up 30% of new sales of cars and two-wheelers by 2030**.

- To build a sustainable EV ecosystem, initiatives like **National Electric Mobility Mission Plan** (NEMMP) and **Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India** (FAME India) have been launched.
 - **NEMMP** was launched in **2013** with an aim to **achieve national fuel security** by promoting hybrid and EVs in the country. There is an ambitious target to achieve 6-7 million sales of hybrid and EVs year on year from 2020 onwards.
 - **FAME India** was launched in **2015** with the objective to support hybrid/EV market development and manufacturing ecosystem. The scheme has 4 focus areas viz. technology development, demand creation, pilot projects and charging infrastructure.
- Organisations like **Bureau of Indian Standards** (BIS), Department of Heavy Industry, **Automotive Research Association of India** are devising design and manufacturing standards of EVs, Electric Vehicle Supply Equipment (EVSEs) and charging infrastructure to smoothen the advent of in-house production of EVs.

Way Forward

- **Affordable, accessible, inclusive and safe mobility solutions** are primary strategic levers for rapid economic development and improving **'Ease of Living'**.
- Establishing the right coordination among **three pillars of EV industry** viz. **urban planning, transportation and power sectors** will assist in systematic adoption of EVs.
- EVs are a **rapidly growing sunrise sector** which can give a push to 'Make in India'.

Source: TH