Delhi Government’s Draft Policy on E-Vehicles

Why in news?

\n\n

The Delhi government recently released the draft of Delhi Electric Vehicle Policy 2018.

\n\n

What is the objective?

\n\n

\n
- About 30% of particulate pollution in winter in Delhi is caused by vehicles.
\n
- Rapid adoption of zero-emission electric vehicles is therefore of great importance to Delhi.
\n
- The policy thus recognises that a new approach is required to kick-start EV adoption in the national capital.
\n
- It seeks to put in place several measures that address the key hurdles to EV adoption.
\n

\n\n

What are the key features?

\n\n

\n
- The policy sets a target that 25% of all new vehicle registrations to be electric by the year 2023.
\n
- **Incentives** - The Delhi government plans to create a significant corpus of funds to incentivise every vehicle segment.
\n
- It proposes to offer a subsidy of Rs 22,000 on the purchase of an e-two-wheeler to ensure that its cost is equal or less than the petrol variants.
\n

- All incentives are in addition to the incentive offered by the Government of India under the FAME scheme.
\n
- Additional fees on non-electric vehicles will fund the bulk of corpus created to incentivise the adoption of electric vehicles.
\n
- FAME is the Scheme for Faster Adoption and Manufacturing of (Hybrid and) Electric Vehicles, notified in 2015.
\n
- The FAME programme incentivises manufacturers, whereas the Delhi government's scheme incentivises consumers.
\n
- **Infrastructure** - The policy has also committed to strengthen the infrastructure for battery charging and swapping.
\n
- This is to ensure provision of access within 3 km range from anywhere in Delhi.
\n
- The policy will also seek to promote large-scale job creation in driving, selling, financing, servicing and charging of e-vehicles.
\n
- **Public transport** - The policy focuses on enhancing the quality of public transport rather than on private vehicle ownership.
\n
- E.g. e-two-wheelers will also be permitted to provide last-mile connectivity
\n
- They will additionally be offered a "scrapping incentive" of up to Rs 15,000 on older two-wheelers.
\n

\n\n

\n
- For e-auto owners, the state proposes a payment subsidy of Rs 20,000 plus an interest subvention of 5%.
\n

\n\n

\n
- For e-cabs, it plans to offer a full waiver on registration fees, road tax and the one-time parking fees.
\n
- Passengers who use e-cabs will enjoy a cash-back of up to Rs 10 per trip.
\n
- Delhi government also plans to ensure that e-buses will comprise half the fleet of new buses (1,000 of these to be inducted in 2019).

\n
- E-carriers, too, will be offered subsidies as well as exemption on restrictions on plying times and parking for light goods e-vehicles.
\n

\n\n

What is the challenge ahead?

\n\n

\n
- Financing the subsidies would be a major challenge for the government.
\n
- The underwhelming experience with CNG (Compressed Natural Gas) vehicles is principally because of the relative dearth of refilling points.
\n
- So for e-vehicles, the success depends on the efficiency of the infrastructure i.e. the existence of charging stations.
\n
- Power distribution companies have welcomed the plan, on the assumption that they will be able to charge full rates at charging stations.
\n
- But the real challenge here is to ensure that Delhi's discoms have the wherewithal to lay parallel lines for charging stations.
\n
- This requires a significant upgrade of capabilities and network management and maintenance.
\n
- The discoms say they cannot do so, and demand at least a one-time grant to bolster their networks.
\n
- Without this, they will be forced to pass on the costs to consumers, which will disincentivise the use of e-vehicles.
\n
- So the state government will have to work closely with the discoms first.
\n
- It should ensure that the buyers' incentive it is building into its e-vehicles has a solid supporting foundation.
\n

\n\n

\n\n

Source: Business Standard

\n



SHANKAR
IAS PARLIAMENT
Information is Empowering