Measures to Promote E-Vehicles

Why in news?

Union Budget 2019 has announced a bold move to make a transition to electric vehicles, and offered a tax incentive for the early adopters.

What is Union government's plan on E-vehicles?

- 2019 Union budget stated vision to leapfrog into an era of electric mobility and domestic vehicle manufacturing, led by public transport and commercial vehicles, is forward-looking.
- It is also inevitable because poor air quality and noise pollution have sharply affected the quality of life, and pose a serious public health challenge.
- An additional income tax deduction of Rs.1.5 lakh is now offered on interest paid on loans to purchase electric vehicles.
- The GST Council has also been moved to cut the tax on e-vehicles to 5% from 12%.
- There is a significant outlay under the second iteration of the Faster Adoption and Manufacturing (of Hybrid and) Electric Vehicles (FAME) plan of Rs.10,000 crore.
- This is to give a fillip to commercial vehicles and to set up charging stations.
- With price competition, a speedy spread of electric two-wheelers can be expected, given that over 80% of conventional vehicles sold in India come under that category.

What innovative measures are needed?

- The budgetary measures will have an immediate impact on the pricing of electric vehicles and bring in more models.
- However, it will take a sustained effort by the Centre, in partnership with State governments, to enable a fast rollout of charging infrastructure.
- The Ministry of Power issued guidelines and standards for this in December last year, setting technical parameters for public charging stations that can enable normal and fast charging.
- Affordable charging will make these vehicles and commercial three-

wheelers attractive because operating costs are a fraction of petrol and diesel equivalents.

- Yet, longer range travel will require more than a charge-at-home facility.
- This would have to be in the form of fast charging at parking lots, retrofitted fuel outlets, new public charging stations, hotels, offices and so on.
- Swapping the battery at convenient locations with one that is pre-charged, especially for commercial vehicles that run longer and need a quick turnaround, is worth considering.
- A longer-term policy priority has to be the setting up of lithium battery production and solar charging infrastructure of a scale that matches the ambition.

Source: The Hindu

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