

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Industries & Commerce Department – “Electric Mobility Policy 2018-23” – Orders - Issued.

INDUSTRIES AND COMMERCE (P&I) DEPARTMENT

G.O.MS.No. 74

Dated: 08-06-2018

ORDER

1. Electric Vehicles also known as EVs, driven by high-density batteries or fuel cells, are becoming economical, fueled by falling prices of Lithium-ion batteries, increased research into fuel cells and cheaper renewable energy.
2. In this context, the Government of Andhra Pradesh has set for itself an ambitious target to be one amongst the three best States in India by 2022, the best State by 2029 and a leading global investment destination by 2050. Accordingly, the Government of Andhra Pradesh has identified Electric Mobility space to be robust growth driver in the years to come. It aims to be a frontrunner in building a sustainable transportation infrastructure by promoting Electric Mobility Ecosystem in Andhra Pradesh.
3. Government with a view to make Andhra Pradesh one of the major hubs for electric mobility, hereby introduces “Electric Mobility Policy 2018-23” after extensive consultations with stakeholders, Industrial Associations and Industrial experts. This Policy aims to support every aspect of Electric Mobility and accelerating adoption of Electric Vehicles that eventually lead to healthier climate. The detailed policy document is appended at Annexure-I.
4. Under the Electric Mobility Policy, Government approved the following benefits covering the areas of (1) Manufacturing (2) Charging Infrastructure (3) Demand Creation (4) Research and Development in order to make projects under these areas viable.
 - 4.1. **Financial Support to Manufacturing Firms**
 - 4.1.1. **Large Project** is defined as a project, with capital investment over the threshold of a Medium industry and upto INR 200 Crores or creating an employment for over 1000 people.
 - 4.1.2. **Mega Project** is defined as a project with capital investment more than INR 200 Crores or creating an employment for over 2000 people.
 - 4.1.3. **Mega Integrated Automobile Project:** The Mega Integrated Automobile Project will mean automobile projects that will have EV powertrain assembly, press shop, body shop, EV battery assembly or Fuel cell assembly, assembly line, paint shop etc. either on its own or in consortium or joint venture mode in the same location with investments over and above 1000 crore which will bring ancillary units of a minimum of INR 200 crore investment within 3 years.
 - 4.1.4. **Ultra-Mega Battery Plant (UMBP):** A lithium Ion battery (or other advanced battery) plant setup for manufacturing batteries with an annual output of 1 GWh or above with a minimum investment of INR 1,000 Cr.

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4.1.5. **Capital subsidy:**

- (i) 25% of Fixed Capital Investment (FCI) up to a maximum of INR 15 lakhs for Micro industries.
- (ii) 20% of Fixed Capital Investment (FCI) up to a maximum of INR 40 lakhs for Small and INR 50 lakhs for Medium Industries.
- (iii) 10% of Fixed Capital Investment (FCI) up to a maximum of INR 10 Crores for first two units, under Large industries, in each segment of Electric Vehicle (2 wheelers, 3 wheelers, 4 wheelers, buses), battery and charging equipment, hydrogen storage and fueling equipment manufacturing.
- (iv) 10% of Fixed Capital Investment (FCI) up to a maximum of INR 20 Crores for first two units, under Mega category, in each segment of Electric Vehicle (2 wheelers, 3 wheelers, 4 wheelers, buses), battery and charging equipment, hydrogen storage and fueling equipment manufacturing.
- (v) For specific clean production measures, as certified by Andhra Pradesh Pollution Control Board (APPCB), 35% subsidy on cost of plant & machinery for Micro, Small & Medium Enterprises (MSME) upto a maximum of INR 35 lakhs and 10% subsidy on cost of plant & machinery for Large projects upto a maximum of INR 35 lakhs.
- (vi) 25% subsidy, for Micro Small and Medium Enterprises (MSMEs) and Large projects, for sustainable green measures on total Fixed Capital Investment (FCI) of the project (excluding cost of land, land development, preliminary and pre-operative expenses and consultancy fees) with a ceiling of INR 50 crore.
- (vii) Special incentives will be given according to their need for Mega, Mega Integrated Automobile Projects and Ultra-Mega Battery Manufacturing Plants on a case to case basis.

4.1.6. **Stamp Duty**

- (i) 100% of stamp duty and transfer duty paid by the industry on purchase or lease of land meant for industrial use will be reimbursed.
- (ii) 100% of stamp duty for lease of land/shed/buildings, mortgages and hypothecations will be reimbursed.

4.1.7. **External Infrastructure Subsidy**

All external infrastructure such as power supply, water supply, roads will be provided at the doorstep of the industrial unit, charging & battery swapping stations at 50% of the cost of the infrastructure with an overall limit of INR 2 crores per project.

4.1.8. **Land**

In case of Mega Integrated Projects, Government will offer land to dependent ancillary units at the same rates as offered to respective Original Equipment Manufacturer (OEM) (wherever Government allocates land to OEM) up to a maximum of 50% of the land allocated to OEM.

4.1.9. **Power**

- (i) Government of Andhra Pradesh will provide fixed power cost reimbursement @ Rs. 1.00 per unit for a period of five (5) years from the date of commencement of commercial production.

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- (ii) The electricity duty will be reimbursed for a period of five (5) years.
- (iii) A dedicated line along with special discount for night time/non-peak time usage will be offered for testing of BEV batteries based on requirements.

4.1.10. Water

- (i) Water Supply will be made at 50% of the price of existing industrial supply tariff for the initial three (3) years from the date of commencement of commercial production.
- (ii) The Government of Andhra Pradesh will provide water supply and also facilitate/support setup of water treatment plants in/around major auto hubs in order to meet this requirement wherever necessary.
- (iii) In order to provide quality water, the Government of Andhra Pradesh will reimburse 25% of the cost of water treatment plant wherever necessary, with a limit of INR 2 crores on this subsidy.

4.1.11. Tax Incentives

100% net SGST accrued to the State will be reimbursed for a period of five (5) years for micro and small, seven (7) years for medium, ten (10) years for large industries. This reimbursement will be limited to 100% of capex or for the period Stated, whichever is earlier.

4.1.12. Skill Development Incentives

Stipend of INR 10,000 per employee per year to a maximum of first 50 employees for a single company for Micro, Small, Medium and Large firms.

4.1.13. Marketing Incentives

50% of cost of participation with a maximum amount of INR 5 lakhs to be reimbursed to a maximum of 10 MSME units per year for participating in International Trade Fairs.

4.1.14. Industrial Parks & Clusters

- (i) The Government of Andhra Pradesh will allocate 500 to 1,000 acres of land for developing EV Parks with plug and play internal infrastructure, common facilities and necessary external infrastructure.
- (ii) Developers of Auto Clusters and Automotive Suppliers Manufacturing Centers (ASMC) specific to Electric Vehicles shall be provided financial assistance of 50% of fixed capital investments in building and common infrastructure, up to a maximum of INR 20 crore.

4.1.15. Recycling

Battery recycling plants will be incentivized to mine for compounds from used batteries.

4.2. Financial Incentives for Private Charging Stations & Hydrogen generation & refueling infrastructure

- (i) Direct-Current (DC) Chargers (100V and above): Capital Subsidy of 25% of the value of the charging station equipment/machinery for first 100 stations upto a maximum subsidy of INR 10,00,000

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- (ii) Direct-Current (DC)Chargers (Below 100V): Capital Subsidy of 25% of the value of the charging station equipment/machinery for first 300 charging stations upto a maximum subsidy of INR 30,000
- (iii) Capital subsidy of 25% of Fixed Capital Investment (for eligible assets excluding cost of battery inventory) up to a maximum subsidy of INR 10 lakhs for swapping stations for the first 50 stations
- (iv) 100% net State Goods and Services Tax (SGST), accrued to the State, as reimbursement for purchase of fast chargers (DC chargers of capacity 100V and above).
- (v) 100% net State Goods and Services Tax (SGST), accrued to the State, as reimbursement for purchase of advanced batteries for BATTERY ELECTRIC VEHICLES swapping
- (vi) Capital subsidy of 25% of the Fixed Capital Investment (FCI), for hydrogen generation and fueling plants, with a maximum subsidy of INR 10 Crore/unit for the first 10 units.

4.3. **Financial Incentives for Private Purchase and Use towards Demand Creation**

- (i) Reimbursement of registration charges and road tax on sale of Electric Vehicles until 2024.
- (ii) Reimbursement of the Net State Goods and Services Tax (SGST) for services rendered, accrued to the State, for firms involved in services such as leasing of fleet of Electric Vehicles, owning or operating EV fleets and providing charging/battery swapping/Hydrogen Stations for recharging/refueling Electric Vehicles, until 2024.

4.4. **R&D Grants**

A research grant of INR 500 Cr will fund the most innovative solutions in the mobility space. This fund will support Center for Advanced Automotive Research (Research Labs working on battery, EV, EV component research etc), Center for Advancement of Smart Mobility (incubators, startups, prototyping centers etc are covered under this), Research Scholars and testing and quality labs as needed.

5. Other Initiatives by the Government

5.1. **Targets of the Government**

- (i) Target to convert 100% of APSRTC bus fleet of over 11,000 buses into electric buses (Battery Electric Vehicles or Fuel Cell Electric Vehicles) by 2029, with the first phase of 100% conversion of bus fleet in top 4 cities by 2024.
- (ii) Phase out all fossil fuel based commercial fleets and logistics vehicles in top 4 cities by 2024 and all cities by 2030.
- (iii) All forms of Government vehicles, including vehicles under Government Corporations, Boards and Government Ambulances etc. will be converted to electric vehicles by 2024.

5.2. **Investment by the Government departments**

- (i) The State Power Distribution Companies (DISCOMs) will invest in setting up both slow and fast charging networks in Government buildings and other public places. These charging points will be accessible to both Government as well as private vehicles.
- (ii) DISCOMs will setup the charging infrastructure on its own or through third party operators using appropriate Public Private Partnership models. Such costs can be recovered as part of Aggregate Revenue Requirement (ARR).

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- (iii) Andhra Pradesh State Road Transport Corporation (APSRTC) depots, bus terminals and bus stops will have charging stations.
- (iv) Public parking spaces will be mandated to have charging stations.
- (v) Government buildings will set a roadmap to setup charging or swapping stations in all of its parking spaces.
- (vi) Charging infrastructure will be installed at least every 50 km on highways, other major roads etc.

5.3. Initiatives facilitating investments from private infrastructure developers

- (i) Land across major cities will be allocated for private developers for setting up charging or battery swapping stations in a form similar to a contemporary fuel station as per statutory clearances.
- (ii) Facilities will be provided to setup swapping stations in the form of a kiosk to service 2 and 3 wheelers.
- (iii) Existing private buildings such as malls and other commercial buildings will be incentivized to setup charging/battery swapping stations.
- (iv) All new permits for commercial complexes, housing societies and residential townships with a built-up area 5,000 sq.mt and above will mandate charging stations.
- (v) DISCOM shall release supply to charging/battery swapping stations within 48 hours of application.
- (vi) Municipalities shall issue provisional permissions online immediately to setup charging/battery swapping stations. Any verification shall only be post sanction of provisional permission.

5.4. City & Building codes

- (i) City codes will be modified for both public places and private buildings in order to make the infrastructural changes needed for charging/battery swapping infrastructure.
- (ii) Urban Local Bodies, Municipality rules/regulations will be modified to allow charging and battery swapping stations to be setup within its limits as and when required.

5.5. Energy sale

- (i) A separate EV tariff category will be created.
- (ii) Time of day sale of power to Battery Electric Vehicles will be considered to provide cheaper power during non-peak hours.
- (iii) Andhra Pradesh Electricity Regulatory Commission (APERC) will issue regulations, defining tariff and related terms & conditions, for vehicle to grid (V2G) sale of power to meet the requirements of real time and ancillary services for DISCOM. Sale of power from battery swapping stations to the grid will also be considered as V2G sale of power.
- (iv) Third party EV charging infrastructure providers will be allowed to procure power from DISCOM at regulator determined tariff and will be allowed to provide the charging service to Electric Vehicles.
- (v) Third party EV charging service providers will be allowed to procure power through open access route from renewable energy sources irrespective of the size of the demand. APERC will determine the appropriate process and charges related to open access.
- (vi) Third party EV charging service providers can also setup their own renewable energy generating stations at their premises for charging Electric Vehicles only.

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