

## DRAFT

### AMENDMENT TO BIHAR INDUSTRIAL INVESTMENT PROMOTION POLICY- 2016 *for inclusion of EV sector under high priority* (as per 14.1 of First Schedule to Rules of Executive Business, 1979)

#### 1. INTRODUCTION

Electric Vehicles especially electric rickshaws have become increasingly popular in the state in recent times because of lower acquisition cost, lower operating cost, eco-friendliness etc. Dept. of Heavy Industries. Government of India has been supporting electric mobility efforts in the country through National Mission on Electric Mobility and has now notified Phase – II (Faster Adaptation and Manufacturing of Electric Vehicles) on 08.03.2019. **Para -11 of FAME- II requires state government to supplement support being provided by the Central Government by notifying bouquet of fiscal and non-fiscal incentives.**

Incentives for Industries in Bihar are governed through Bihar Industrial Investment Promotion Policy-2016. It recognizes ten priority / high priority sectors and as such EV Manufacturing and Allied Activities (EV sector) are non-priority sector in Bihar. Although Bihar is amongst one of the fastest growing markets for e-rickshaw, it has not been able to leverage its market strength for development of manufacturing eco-system of e-Vehicles in the state. Currently Maharashtra, Gujrat and Karnataka are leading in this sector and have separate EV Policies. It is therefore proposed to include EV Sector as high priority sector in the Bihar Industrial Investment Promotion Policy-2016 by suitable amendment to the said Policy.

#### 2. VISION, MISSION & STRATEGY

Vision of the Bihar Electric Vehicle Incentive Policy 2019 is to establish Bihar as the most preferred investment destination by leveraging its market strength and maximize employment opportunities in this sector in the state. It also envisions creation of manufacturing eco- system for e-vehicles in the state and fulfill Sustainable Development Goals in the transport system.

Mission of the state Policy, inter alia, is to

- Supplement the Gol in its mission to bring 100% e-mobility by 2030 by doing its bit,
- End manual pedaling of rickshaws in the state and upgrade them into 100% electric mobility by 2022,
- Create normal/fast charging/swapping stations at every 25 Km on state highways/national highways in the state and every 3 km in the city,
- Make Bodh Gaya and Rajgir 100% EV city/no emission zone,
- Attract on- ground investments of Rs. 1500 crore (Rs. 300 cr p.a), and
- Create direct empowerment opportunities for 50,000 persons (10,000 p.a.) in the state.

The above is proposed to be achieved through a bouquet of fiscal and non- fiscal incentives as detailed in para 4. Dovetailing of incentives with the Central Government schemes would be allowed subject to conditions laid out in para 6.3 of Bihar Industrial Investment Promotion Policy, 2016.

**3. DEFINITIONS:**

- a. EV - For the purpose of this Policy EV shall have the same meaning as “Battery Operated Vehicle” under Rule no. 2 (u) of Central Vehicle Rule 1989.
- b. EV Component - shall include motor controller, electric engine, regenerative braking, drive system and related parts.
- c. EV Battery - battery used to power battery electric vehicles.
- d. EV Battery component - mechanical and electrical component which perform the required functions of the battery pack.
- e. EV Charging station and equipment - an infrastructure or device that supplies electric energy for charging of EVs.
- f. EV charging infrastructure-There could be four types of charging infra, viz., domestic, public charging, commercial and common facility for users of the property.

**4. DEMAND INCENTIVES:**

**e-mobility incentives through Transport Department:**

- I. In terms of para 14 of FAME II dated 8.3.2019, demand incentive to give impetus to manufacturing in Bihar shall be available for consumers (buyers/end users) in the form of an upfront reduced purchase price of hybrid and electric vehicles
- II. Following categories of vehicles shall be eligible for demand incentives:
  - a) Electric buses
  - b) Four wheelers (EV), Plug in hybrid (PHEV) and Strong Hybrid (SHEV)
  - c) Three Wheeler (Electric)
  - d) Two Wheelers (Electric)
 Definition of these shall be as notified by the nodal department in Govt. of India for implementation of FAME II, i.e., DHI

The state shall offer incentive for the first 100,000 vehicles manufactured within the state of Bihar. Vehicle segment wise incentive and no. of vehicles to be supported shall be as under:

Sr. No	Vehicle Segment	Max vehicle to be supported	Approx. battery size	Approx incentive @10,000 per kwh
1	e-2 wheeler	24,000	2 kwh	20,000/-
2	2-3 wheeler	70,000	5 kwh	50,000/-
3	e-4 wheeler	4000	15 kwh	150,000/-
4	4 wheeler (SHEV)	1000	1.3 kwh	13,000/-
5	e-bus	1000	250 kwh	25,00,000/-

All categories of buyers, i.e, private transporter and individual buyer shall get end user subsidy over policy period. In order to qualify for these incentives, all such vehicles must be accompanied by 3-year comprehensive warranty including that of battery from manufacturer.

- III. Additional incentive of Rs. 7,000/- per kWh shall be given on electric rickshaw and e-2 wheelers using Lithium ion battery instead of conventional lead acid battery.
- IV. Interest subvention of 10% to buyer of light electric freight vehicle or e-bus
- V. Special grant of Rs. 10,000/- per kWh to manual pedal rickshaw puller for conversion/upgradation to 100% electric mobility. For pedal rickshaw fleet owner interest subvention of 10% on loan taken for conversion/upgradation to 100% electric mobility.
- VI. Top up subsidy of Rs. 8000/- on ex-showroom price if the end user is below poverty line or belong to MBC or S.C./S.T.
- VII. In order to qualify for these incentives, all such vehicles must be accompanied by 3-year comprehensive warranty including that of battery from manufacturer
- VIII. 100% Exemption from road tax and registration fees for Electric, 50% exemption for Strong Hybrid Vehicles and 25% exemption for CNG vehicles.
- IX. The government shall encourage tie up with mobility service providers for introducing leasing models for e-rickshaws in the state.
- X. Green plate registration for EV for both private and commercial vehicles
- XI. Exemption from toll charges and public parking lots.
- XII. All government departments to buy EVs as a strategy to promote EV
- XIII. Interest subvention of 10% to buyers on EVs manufactured in Bihar.
- XIV. Tailor made incentives for EVs for schools/hospitals by transport department in consultation with SIPB.
- XV. A suitable Information, Education and Communication (IEC) Program shall be undertaken by the Transport Dept. for creating consumer awareness and promotion of e-mobility.

## **5. SUPPLY INCENTIVES:**

### **5.1 Incentives for manufacturers of Electric Vehicles (EVs) and its components:**

- I. All incentives as mentioned in Chapter 6 of Bihar Industrial Investment Promotion Policy, 2016.
- II. The Bihar government shall incentivize the manufacturing and assembly of–
  - a. Electric vehicles (EV);
  - b. Components;
  - c. Cells for EVs
  - d. Batteries for EVs;
- III. An EV manufacturing cluster shall be created including common facilities, R&D Centre and vehicle testing track.
- IV. Additional seed fund of Rs. 10 lakh to first fifty start ups operating in the EV domain.

## **5.2 Incentives for manufacturers of EV chargers and service providers:**

- I. All incentive as mentioned in Chapter 6 of Bihar Industrial Investment Promotion Policy, 2016.
- II. Commercial public EV charging stations will be eligible for 25% capital subsidy on equipment/machinery (limited to Rs. 5 lacs per station) for first 500 commercial public EV charging stations.
- III. Across the state, the rate of Electrical power required for EV charging shall be industrial rate of electricity.

## **5.3 e-mobility incentives through Transport Department**

- IV. The Government of Bihar will identify and allot suitable land across the state on lease basis based on traffic movement and population distribution, for setting up of charging/swapping stations.
- V. The government will encourage PPP for setting up of charging/swapping stations.
- VI. All charging infra shall be established as per Ministry of Power notification vide no. 12/2/2018-EV dated 14.12.2018 on the subject "Charging infra for EV- Guidelines and standards".
- VII. Bihar Government shall support EV charging service providers with electricity connections, extension of supply and any other connectivity issues.
- VIII. Common charging points in residential areas, societies, bus depots, public parking areas, railway stations and fuel pumps etc. will be allowed. Development Control Rules (DCR) of all local self- Government & special Planning Authorities will be suitably modified to allow for setting up of common public charging facilities in parking areas of malls, residential properties & parking areas etc.
- IX. Petrol pumps will be allowed to setup charging/swapping station freely subject to charging station areas qualifying fire & safety standard norms of relevant authorities under relevant acts/rules.
- X. The application received for setting up a charging/swapping point shall get the benefit of single window system under the Bihar Industrial Investment Promotion Act, 2016
- XI. As per requirement facility of Robotic Battery Swapping Arm shall be created at public bus stations by the Transport Dept.
- XII. Fast charging infrastructure (normal and fast) shall be created at all major govt. offices by the Transport Dept.
- XIII. Charging infrastructure (normal and fast) shall be created by the Transport Dept. at all "Rain Baseras" for rickshaw pullers and shall be charged at concessional rate to be announced from time to time by Energy Department.
- XIV. Captive power production and open access for all charging station entities shall be allowed.
- XV. 100KW load connection for charging outlets shall be provided at each location.
- XVI. Charging/swapping station at all municipal parking stands with 100 locations being identified within 6 months of notification of the policy.

**6. RESEARCH AND DEVELOPMENT**

- I. In order to promote e-mobility research and development in the state, the government will issue a request for proposal (RFP) for companies interested in establishing their R&D units.
- II. State will offer R&D funding, as decided by SIPB, to companies that have set up a plant in Bihar with minimum investment of Rs. 200 Cr and generating employment of 200 persons.

**7. POLICY VALIDITY:**

The Bihar Industrial Investment Promotion Policy, 2016 shall be amended to this extent. These amendments to the Policy shall come into effect from the date of notification and will remain effective during the entire policy period or notification of new policy in this regard. In view of rapidly changing techno-commercial scenario in EV sector, review of the policy may be done annually by SIPB.

**8. Overview for policy implementation:**

SIPB shall monitor the implementation of this policy, develop further procedure and modalities where required and shall be final authority on interpretation of the policy.