

Government of Odisha
Commerce and Transport (Transport) Department

No. TRN-LC-RT-0003-2017/ 1360 /T.,

R E S O L U T I O N

dated the 11.02.2021

Sub:- Odisha Electric Vehicle Policy, 2021

Whereas climate change has become a global concern over the last few decades and the road transport sector contributes a major role for rapid increase in the global temperature and therefore, there is need for reduction in the use of fossil fuel and associated emissions.

Whereas the NITI AYOJ have urged upon all States/ Union Territories to adopt a well defined Electric Vehicle Policy for the State.

Now therefore, Government of Odisha have framed a draft "Odisha Electric Vehicle Policy, 2021" to build Odisha a model State in promotion of EVs through adoption, adaptation , research & development apart from facilitating growth in employment for circulation among the stake holders and general public.

Any suggestion for inclusion or omission in the draft policy may be brought to the notice of the undersigned within fifteen days from the date of publication in the Odisha Gazette either in person, post or e-mail, ctsec.or@nic.in.

Draft ODISHA ELECTRIC VEHICLE POLICY

1. BACKGROUND

Climate change has become a global concern over last few decades and rapid global temperature increase has created the need for reduction in the use of fossil fuels and the associated emissions.

Due to rapid urbanization, transport infrastructure has gone up leading to congestion and pollution. Electric Vehicle can improve the above scenario by reducing local concentrations of pollutants in the world. Many countries have included EVs as an element of their transportation policy. Their responses vary according to their stage of economic development, energy resources, technological capabilities and above all political prioritization of their response to the climate change.

India is also operating in the same global context as other countries who have adopted an EV policy. But India has a unique mobility pattern and the growth rate of vehicles as well as the ownership growth is rapid in India which is the key difference between India and other countries. Further, a large variety of motorized transport on roads and its auto segments are quite different from most of the developed countries.

Government of India have therefore adopted a National Electric Mobility Plan and have committed to cutting its emission intensity by 35% below levels by 2030 and requested all the States and Union Territories to frame their own EV policy.

Based on the last 4 years sales data, the different categories of vehicles in the State registered as under:

| Sl. No. | Vehicle Type | No. of vehicles registered | % of Vehicles |
|---------|---------------|----------------------------|---------------|
| 1 | BUS | 5179 | 0.19 % |
| 2 | GOODS VEHICLE | 75,085 | 2.86 % |
| 3 | LMV | 1,84,684 | 7 % |
| 4 | THREE WHEELER | 80, 480 | 3.06 % |
| 5 | TWO WHEELER | 21,45 239 | 82 % |
| 6 | TRACTOR | 59, 786 | 2.28 % |
| 7 | TRAILER | 46, 736 | 1.78 % |
| 8 | OTHERS | 24,909 | 0.94 % |
| | TOTAL | 26,22,089 | 100 % |

From the above table, it is found that two wheelers constitute nearly **82%** of the total vehicle population of the State. Among the rest, Light Motor Vehicles constitute 7%, 3 wheelers 3.06%, Goods vehicles 2.86%, Tractors 2.28%, Trailers 1.78%, Others 0.94% and lastly Buses only 0.19%.

Basing on the techno-economic development in the EV sector, there is need to formulate a policy for promotion of Electric vehicles in Odisha to keep pace with other states of India, Government of Odisha envisages to build Odisha a model State in promotion of EVs through adoption, adaptation, research & development apart from facilitating growth in employment.

2. OBJECTIVE

The primary aim of the Odisha Electric Vehicle policy, 2020 is to accelerate the pace of adoption of electric vehicles in the vehicle segments especially in the category of two wheelers, three wheelers and LMVs .The policy shall focus to drive rapid adoption of Battery Electric Vehicles to contribute a substantial percentage of all new vehicles in the years to come and bring about improvement in the air quality in Odisha in general and all major cities in particular. The key objectives of the policy are, as under:

1. Promote use of Electric Vehicles across vehicle segments among public in the State by facilitating appropriate ecosystem. The aim is to achieve adoption of 20% Battery Electric Vehicles in all vehicle registrations by 2025.
2. Promote manufacture of Electric Vehicles & its components including Battery in the State.
3. Promote Innovation and facilitate Research & Development in the areas relating to Electric Vehicles & Battery.
4. Put in measures to support the creation of jobs in driving, selling, financing, servicing, manufacturing and charging of Electric Vehicles.

3. STRATEGY.

- 3.1. Validity: The Odisha Electric Vehicle Policy, 2020 shall remain valid for a period of five years from the date of notification of this policy.
- 3.2. The fiscal incentives being offered under the policy would be in addition to the demand incentives available in the FAME India Phase-II Scheme of Government of India.
- 3.3. The policy is proposed to be implemented through following verticals:
 - (a) Institutional Mechanism for administration of policy through State Level Task Force and Steering Committee apart from establishing an EV Cell and developing a public outreach program focused on creating awareness about benefits of EVs and key element of the policy.
 - (b) Financial Incentives: - Purchase incentives, Scrapping incentives, Interest subvention in loans.
 - (c) Waiver of Road tax & Registration fees
 - (d) Establishment of a wide network of Charging Stations and swappable battery stations.
 - (e) Setting of Skill Centers with provision for training related to jobs in EV ecosystem.

- (f) Setting up of Recycling ecosystem for Batteries
- (g) All the incentives available for manufacturing industries under IPR, 2015 and MSME Policy, 2016 shall be made available to EV manufacturers.
- (h) Creation of an Umbrella non-lapsable “State EV Fund” to be funded through Additional taxes, cess, fees etc on polluting vehicles.

3.4. INSTITUTIONAL MECHANISM

3.4.1. STATE LEVEL TASK- FORCE

A State Level Task Force has proposed to be formed as follows:

1. Chief Secretary.....Chairman
2. Additional Chief Secretary, Planning & Convergence.....Member
3. Principal Secretary, Commerce & TransportMember-Convener
4. Principal Secretary, Industries.....Member
5. Principal Secretary, Finance.....Member
6. Principal Secretary, Housing & Urban Development.....Member
7. Commissioner-cum-Secretary,
Skill Development & Technical Education.....Member
8. Principal Secretary, Energy.....Member
9. A.C.S/Principal Secretary, F &E.....Member

3.4.2. FUNCTIONS OF STATE LEVEL TASK FORCE

- i. Monitor and ensure timely release of relevant Orders/Government Resolutions/Government Notifications and amendments required.
- ii. Approve the framework/modalities of implementation proposed by the Committee in a time-bound manner.
- iii. Bring about inter-departmental coordination in respect of matters related to this Policy.

- iv. Review the best practices across India and take steps to try them out in Odisha
- v. Review the work of the Steering Committee in implementation and effectiveness of the policy every six months and take corrective measures/changes/amendments, if required.

3.4.3. STEERING COMMITTEE

For implementation of the decisions of the State Level Task Force to streamline the EV adoption in the State, a Steering Committee is proposed to be formed as under:

1. Principal Secretary, Commerce & Transport Dept.....Chairman
2. CMD, OSRTCMember
3. CMD, IDCOMember
4. CEO, CESU.....Member
5. EIC, ElectricityMember
6. Member Secretary, State Pollution Control Board.....Member
7. FA-cum-Additional Secretary, C & T Deptt.Member
8. Additional Secretary (T), C & T Deptt.Member
9. Transport Commissioner, STA.....Member-Convener
10. Additional Secretary, H & U.D. Deptt.Member
11. Additional Secretary, SD & TE Department.....Member
12. Joint Secretary, Finance Department.....Member
13. A Representative from SLBC.....Member

3.4.4. FUNCTIONS OF THE STEERING COMMITTEE

It is the Executing Committee for State Level Task-Force.

- i. The Committee will anchor EV promotion by ensuring that the incentives approved in the policy reach to the end-users.

- ii. The Committee by utilizing a network of expertise across different working groups will aim to shape the future course of e-mobility in Odisha.
- iii. The scope of the Committee would be to recommend action on the strategies to promote EVs in Odisha.
- iv. To review the functioning of the EV Cell.

4. INCENTIVES (USER RELATED)

In order to achieve large scale adoption of Electric Vehicles in the State and to maximize reduction of vehicular pollution, the Policy focuses attention on incentivizing the purchase and use of Electric Vehicles particularly in the segment of two wheelers, public/shared vehicles and goods carriers.

4.1. Two wheelers/ Three wheelers/ private cars(LMVs):-

Nearly 82% of all new vehicles registered in the State comprise two wheelers. It is the most popular segment of vehicles which contribute a major part in air pollution. Similarly, three wheelers numbers 3.06% and Cars (LMVs) 7.04% of total registered vehicles. It is therefore necessary to offer good incentives to create demand generation among public for these vehicles.

It is proposed to give the following incentives:

4.1.1. Purchase incentive at the following rates shall be made available:

| Sl. No. | Category of vehicle | % Of subsidy | Maximum amount of subsidy |
|----------------|----------------------------|---------------------|----------------------------------|
| 1. | Two wheelers | 15% | Rs. 5000/- |
| 2. | Three wheelers | 15% | Rs.12,000/- |
| 3. | Four Wheelers | 15% | Rs. 1,00,000/- |

4.1.2. There shall be open permit for autos (three wheelers).

- 4.1.3. 100% interest free loans would be made available to State Government employees for purchase of Electric Vehicles.
- 4.1.4. Interest subvention to public for purchasing personal EVs.
- 4.1.5. Government Departments/Offices, Public Sector Undertakings will give preference to hire EVs for Official use and the above purchase incentives will be applicable for the private Owners to purchase these vehicles. Government Department/ Offices/ Public Sector Undertakings will purchase EVs when such purchase is necessary and is allowed.
- 4.1.6. Public parking: Municipal authorities will provide subsidized parking for all personal EVs. Individual Towns/Cities will prepare city parking plan to encourage provisions for on- street parking places for EVs with subsidized fees and EV charging stations.
- 4.1.7. Original Equipment Manufactures (OEMs) shall have to register their e-vehicle model including swappable battery models meeting eligibility criterion with Transport Department.

In order to avail the above incentive, the electric two wheelers have to fulfill the performance and efficiency eligibility criteria as in FAME India Phase-II as under:

| Sl. No. | Criteria | Threshold Value |
|----------------|----------------------------------|---|
| 1. | Min. top speed | 40km/hour |
| 2. | Min. acceleration | 0.65m/s ² |
| 3. | Max. electric energy consumption | Not exceeding 7kWh/100km |
| 4. | Warranty | At least 3 years comprehensive warranty including that of battery from the manufacturer |

All the above regulations are applicable only for Fuel Cell EVs and Battery EVs using advanced battery technology with energy power density similar to or more than that of Lithium-Ion battery.

4.2. Buses:

Government of Odisha will provide appropriate incentives and other support to ensure that pure electric buses constitute at least 50% of all new stage carriages procured for the city buses in next five years.

- 4.2.1. A subsidy of 10% (maximum limit of Rs. 20 lakhs per vehicle) shall be extended to the buyers for passenger buses registered in the State.
- 4.2.2. 100% SGST on the sale of electric buses sold and registered in the State will be reimbursed during policy period.
- 4.2.3. 100% exemption on road tax & registration fees for the first four years will be made available.
- 4.2.4. Interest subvention of 5% on loans for purchase of Electric Buses would be made available

4.3. Goods Carriages:

- 4.3.1. The policy recognizes the importance of light commercial goods carriages and committed to extend incentives for USE OF EVs of this category.
- 4.3.2. Individual and fleet Owners shall be given purchase incentive of Rs.30,000/- to the first 5000 electric goods carriers to be registered in the State.
- 4.3.3. Interest subvention of 5% on loans for purchase of electric goods carriers in the policy period.

- 4.3.4. 100% SGST on the sale of electric goods carriages sold and registered in the State will be reimbursed for the policy period.
- 4.3.5. 100% exemption on road tax & registration fees for the policy period will be made available.
- 4.3.6. Electric goods carriages in the above category shall be exempted from prohibition on plying and idle parking on identified roads of the State during specified timings as notified by the local authorities from time to time.
- 4.3.7. Scrapping incentive shall also be extended for old ICE goods carriages registered in the State as per the scrapping Policy announced by GoI.
- 4.3.8. A good financing mechanism would be evolved by Finance Dept. for purchase of EVs.

5. INCENTIVES (MANUFACTURING RELATED)

In order to develop sustainable EV manufacturing industries, the Government of Odisha will take the following measures:

- 5.1. SGST reimbursement for manufacturing of EVs in the State during the policy period.
- 5.2. All the incentives will be extended under the IPR, 2015 and MSME Policy, 2016 as amended from time to time to the manufactures.
- 5.3. The Small and Micro EV Battery manufacturing Units will be facilitated with the following incentives as MSME Policy, 2016:

| Sl. No. | Category of Enterprise | Quantum of Assistance |
|----------------|--|--|
| 1. | New Micro & Small Enterprise | 25% of Capital Investment made in plant & machinery subject to an upper limit of Rs.1 crore |
| 2. | New Micro & Small Enterprise owned by SC/ST/Differently abled/Women/ Technical (Degree/ Diploma) Entrepreneur | 30% of Capital Investment made in plant & machinery subject to an upper limit of Rs.1.25 crore |
| 3. | New Micro & Small Enterprise set up in industrially backward districts including KBK districts | Additional Capital investment subsidy @ 5% investment made in plant & machinery with an prescribed at Sl. No.1 & 2 above |

- 5.4. For extension of incentives to Battery Assembling Units, necessary provisions shall be made in the IPR/ MSME Policy by way of amendment
- 5.5. Government of Odisha will explore possibilities of entering into MoU with Lithium Cell Manufactures to start battery assembly plant in Odisha.
- 5.6. Capital subsidy, tax, and tariff incentives and other policy support will be provided to attract private investment in dedicated areas/ zones for manufacturing of Lithium Ion Batteries in the long run.

6. INCENTIVES (FOR CHARGING INFRASTRUCTURE)

Availability of Charging Infrastructure is the key element for adoption of Electric Vehicles. Government of Odisha aims to provide environment to enable for establishing private as well as public charging infrastructure as detailed below:

6.1. Private Charging Points:

6.1.1. The existing residential and non-residential building Owners shall be encouraged to install private charging points within their premises which will provide shared access for charging of EVs of residents of group housing societies and multistory apartments. Setting up of Charging Infrastructure shall be mandated in the Housing Policy by H& UD Department.

Government will provide grant for purchase of charging equipments up to Rs.5000/- for the first 20,000 such points. Grants shall be available those points which will comply all the electrical norms specified by the Electricity Distribution Companies operating in the State.

6.1.2. The customers under all the Electricity distribution Companies in the State shall purchase Private Charging points with the grant supplied by Govt. and request the Discoms to install the same in their premises. The installation charge as approved by Government may be collected through electricity bills.

6.1.3. Building bye-laws shall be made for all new home and workplace to make it EV friendly with additional power load equivalent to the

power required for all charging points with all safety factors adhering to the guidelines and standards as issued by Ministry of Power, Govt. of India from time to time.

6.2. Public Charging Infrastructure:

- 6.2.1. Energy Operators shall be invited to set up charging and battery swapping stations across all the cities and along the NH & SH in phases by porting and providing locations at bare minimum rental lease. A list of such locations shall be rolled out by the Steering Committee within a reasonable period. Such Stations can also be setup outside the locations as approved by the Steering Committee depending on the demand and suitable public access.
- 6.2.2. Government shall provide capital subsidy of 25 % to the selected Energy Operators for the charger installation expenses. Such subsidy will be available within one year of allocation of locations.
- 6.2.3. Special subsidy shall be allowed for first 500 Charging Stations.
- 6.2.4. Government will also provide 100% SGST reimbursement to the Energy Operators for purchase of batteries to be used in swapping stations.
- 6.2.5. Provision of mobile charging vans to provide on-road assistance for EV users who run out of charge shall be explored so that they can reach the nearest charging station with minimum travel.
- 6.2.6. Govt. will explore the charging facility at bus stands/ stops for e-buses to reduce the battery size.
- 6.2.7. Highway re-fueling stations will be encouraged to set up fast charging stations for top up charging.

- 6.2.8. Corporate Offices/ Educational Institutes/ULBs/OSRTC/ Housing Societies/ Government Buildings will be encouraged to set up charging infrastructure in their premises to meet the social responsibility and necessary incentives shall be extended to them.
- 6.2.9. Electricity tariff as applicable for charging stations shall be notified by the OERC. All the public charging station operators shall be encouraged to use low cost and renewable sources of power through OERC.
- 6.2.10. Electricity tariff applicable for all Public and Captive charging stations for commercial use (i.e., charging facilities used by fleet owners) shall be as notified by OERC. Government shall endeavour to work out special tariff for EV charging.
- 6.2.11. The Energy Distribution Companies may take lead role in setting up charging points/ stations than other private parties. The number of charging points to be established will be maintained by the Energy Distribution Companies.
- 6.2.12. E.I.C., Electricity will be the Nodal Agency for setting up & monitoring of charging stations.

7. RECYCLING ECO SYSTEM

Electric Vehicles batteries need to be replaced once they have degraded to operating at 70-80% of their capacities. EVs are therefore going to outlive the batteries powering them with a vehicle requiring at least two batteries in a 10 year life span. Batteries that have reached their end of life shall have to be either reused or recycled. Lack of such facilities shall have a high environmental cost. The EV batteries carry a risk of extracting toxic gases if damaged during disposal. But the core materials such as lithium and cobalt are finite and very expensive to extract.

The policy shall encourage the reuse of EV batteries that have reached the end of life and setting up of recycling business in collaboration with battery manufactures.

- 7.1. The Government of Odisha therefore will take the following measures. Batteries currently installed in the EVs will be clearly labelled with the specific battery chemistry.
- 7.2. EV Battery Manufacturers will set up schemes for the collection of waste batteries and shall not charge end users for collection.
- 7.3. Synergies with existing e-waste management agencies shall be explored.
- 7.4. Bench mark labels of materials to be recycled from batteries will be set up to encourage better recycling technique.
- 7.5. A well defined Policy for encouraging Recyclers shall be notified by Industries Department in consultation with Forest & Environment Department and State Pollution Control Board.

8. AWARENESS

Government of Odisha will facilitate the following initiatives in the State to promote awareness, in association with corporate, non-governmental organizations (NGOs), manufacturers and aggregators:

- 8.1. Deploy EVs in Government Departments to create visibility. This would directly increase their use and provide prospective owners with increased exposure to the vehicles.
- 8.2. Encourage stakeholders to gain a comprehensive understanding of the behaviour and attitude of potential EV users for better planning of communication.
- 8.3. Conduct campaigns, provide funds and facilitate pilots to make consumers cognizant about EVs. Racing events, trial runs, and test

drives can also be organized in collaboration with manufacturers and operators.

- 8.4. Communicate with the general audience through alternative channels such as films and TV; the inclusion of EVs and charging as a part of a new “Model” of life in popular entertainment productions to spread the message of adoption effectively.
- 8.5. Regularly disseminate information on Central and State Government schemes, to promote EVs to the relevant stakeholders.

9. FUNDING

The Government will set up a dedicated Fund to provide incentives under the policy and the said Fund will be financed from such cesses/levies as the Government may decide and budgetary support as may be decided.

10. CREATING JOBS AND VOCATIONAL TRAINING

On implementation of the policy, a large number of new jobs can be created by way of increasing EV adoption i.e. e-Auto, e-Cab Drivers, Charging Station Operators and EV Service Mechanics. Government shall endeavor for provision of training related to jobs in the EV Eco System. Vocational Courses shall be designed to train EV drivers, mechanics and charging station staff with Auto OEMs and Energy Operators. These courses shall be delivered through world class skill centres set up with the support of Government of Odisha.

- 10.1. The private sector partners i.e. Auto OEMs and Energy Operators shall be allowed to conduct their own captive staff training in the above Skill Centres.
- 10.2. The Skill Centres shall offer short training courses for ICE Mechanics who want to be trained in repairing and servicing of e-Vehicles.

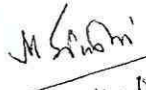
- 10.3. Government of Odisha shall conduct regular Recruitment Fairs at these Training Centres for private sector recruiters desires to hire trained persons.
- 10.4. A Centre of Excellence shall be set up at one of the State Universities within Odisha and shall be funded by Government. The Centre shall focus on the design and use of EVs, improving the usage and efficiencies of EVs and charging equipments.

11. POLICY IMPLEMENTATION

Government of Odisha shall take the following measures to ensure smooth implementation of various proposals in the Odisha EV Policy-2020.

- 11.1. The Transport Department shall be the Nodal Department for implementation of the Policy. A dedicated "EV Cell" shall be established in the Department for day-to-day effective implementation of the policy with relevant technical expertise. All relevant rules, provisions shall be made by the Department for compliances of the requisites made in the Policy.
- 11.2 Government will design and implement an intensive public outreach and communication campaign focused on driving awareness regarding benefits of EVs and key elements of the policy.
- 11.3 The EV Cell shall regularly review the performance of various Stakeholders under the policy and take additional measures as necessary for effective implementation of the policy to achieve the primary objective and to bring out material improvement in the air quality of Odisha by bringing down emissions from the transport sector.

By Order of the Governor


11-02-2020

Principal Secretary to Government

Memo No. 1361 /T., dated 11.02.2021

Copy along with its soft copy forwarded to the Gazette Cell, Commerce and Transport (Commerce) Department, Odisha with a request to kindly publish the Notification in an extra-ordinary issue of the Odisha Gazette and to supply 20 copies of this Notification to this Department.

[Signature]
11/02/2021

Joint Secretary to Government

Memo No. 1362 /T. dated 11.02.2021

Copy forwarded to the Joint Secretary to Government of India, Ministry of Road Transport & Highways (Transport Wing), New Delhi / All State Governments/ U.Ts (Department dealing with Road Transport) for kind information.

[Signature]
11/02/2021

Joint Secretary to Government

Memo No. 1363 /T. dated 11.02.2021

Copy forwarded to OSD to Chief Secretary/ PS to DC-cum-ACS, P&C Dept./ PS to Principal Secretary, C&T Dept./ PS to Principal Secretary, Finance Dept./ PS to Principal Secretary, Industries Dept./ PS to Principal Secretary, H&UD Dept./ PS to Commissioner-cum-Secretary, Skill Development & Technical Education Dept./ PS to Principal Secretary, Industries Dept./ PS to Principal Secretary, Energy Dept./ PS to ACS, Dept. of Forest & Environment for kind information of Chief Secretary/ DC-cum-ACS, P&C Dept./ Principal Secretary, C&T Dept./ Principal Secretary, Finance Dept./ Principal Secretary, Industries Dept./ Principal Secretary, H&UD Dept./ Commissioner-cum-Secretary, Skill Development & Technical Education Dept./ Principal Secretary, Industries Dept./ Principal Secretary, Energy Dept./ ACS, Dept. of Forest & Environment.

[Signature]
11/02/2021

Joint Secretary to Government

Memo No. 1364 /T. dated 11.02.2021

Copy forwarded to the Transport Commissioner, Odisha, Cuttack/ All Collectors/ CMD, OSRTC/ CMD, IDCO/ CEO, CESU/EIC, Electricity/ Member Secretary, SPCB/ FA-cum-Addl. Secy. to Govt., C&T Dept./ Joint Secretary to Govt., C&T(T) Dept./ Addl. Secy. to Govt., H&UD Dept./ Addl. Secy. to Govt., SD&TE Dept./ Joint Secy. to Govt., Finance Dept./ All RTOs for kind information and necessary action.

[Signature]
11/02/2021

Joint Secretary to Government

Memo No. 1365 /T., dated the 11.02.2021

Copy forwarded to All Officers/ All Sections of C & T (Transport) Department/ Guard file (10 spare copies) for information and necessary action.

[Signature]
11/02/2021

Joint Secretary to Government