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COMMERCE & TRANSPORT (TRANSPORT) DEPARTMENT
RESOLUTION

The 1st September, 2021

Subject: Odisha Electric Vehicle Policy, 2021

Whereas, climate change has become a global concern over the last few decades and the road transport sector by pollution plays a major role for rapid increase in the global temperature and therefore, there is need for reduction in the use of fossil fuel to reduce pollution due to emission.

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

And, Whereas, Government of Odisha have framed a draft "Odisha Electric Vehicle Policy, 2021" vide Notification No.1360 dated the 11th February, 2021 which was notified in the Extraordinary Gazette No. 268 dated the 12th February, 2021 inviting suggestion for any inclusion or omission in the final Policy.

And, Now, therefore after considering the suggestions received within the stipulated time, Government have been pleased announce the following Policy, namely, 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.

ODISHA ELECTRIC VEHICLE POLICY, 2021

DEFINITION

- (i) **Charging point** means a place with equipment for putting electricity into batteries of electric vehicles.
- (ii) **Charging Infrastructure** is one that is installed in a private area but can be accessed by multiple users.
- (iii) **Congestion fees** refer to money that a motorist has to pay in order to drive vehicle other than e-vehicle in a city.
- (iv) **E- vehicle** means a vehicle that uses one or more electric motors or traction motors for propulsion.
- (v) **EV user** means any individual or organization using electric vehicle.
- (vi) **Electric tariff** means the amount of money to be paid to the supplier for supply of electricity/electrical energy for charging points/ stations.
- (vii) **Manufacturer of e-vehicles** means any company / firm that manufactures electric vehicles or components of electric vehicles, batteries etc.
- (viii) **Net SGST** means SGST paid after adjustment of total input tax credit against total output tax liability.

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 to reduce pollution caused by emissions. Due to rapid urbanization, the number of automobiles has gone up manifold leading to increased 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 developed 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 2005 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 vehicle 2.86%, Tractor 2.28%, Trailer 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 all major cities and across Odisha. The 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**, prototyping, venture formation 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, 2021 shall remain valid for a period of four 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 a State Level Task Force and a 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; MSME Policy, 2016 and Odisha Startup 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 been proposed to be formed as follows:

1. Chief Secretary.....Chairman
2. A.P.C.....Vice-Chairman

3. Development Commissioner-*cum*-Additional Chief Secretary,
Planning & Convergence Dept.....Member
4. Principal Secretary, Commerce & Transport Dept.....Member-Convener
5. Principal Secretary, Industries Department.....Member
6. Principal Secretary, Finance Department.....Member
7. Principal Secretary, Housing & Urban DevelopmentMember
8. Commissioner-*cum*-Secretary,
Skill Development & Technical Education.....Member
9. Principal Secretary, Energy DepartmentMember
10. A.C.S/Principal Secretary, F&E and Climate Change DepartmentMember

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 effective implementation of the policy every six months and take corrective measures or make 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 Department.....Chairman
2. CMD, OSRTC.....Member
3. CMD, IDCO.....Member
4. CEO, CESU.....Member
5. EIC, ElectricityMember
6. Member Secretary, State Pollution Control BoardMember
7. FA-*cum*-Additional Secretary, C & T Department.....Member
8. Additional Secretary (T), C & T Department.....Member
9. Transport Commissioner, STAMember-Convener

10. Additional Secretary, H & U.D. Department.....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 generate demand 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	Percentage of cost of vehicle as subsidy	Maximum amount of subsidy
1	Two wheelers	15%	Rs. 5,000/-
2	Three wheelers	15%	Rs.10,000/-
3	Four Wheelers	15%	Rs. 50,000/-

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 @ 5% in the policy period of 4 years will be provided to public for purchase personal EVs.
- 4.1.5. Government Departments/Offices, Public Sector Undertakings will give preference to hire EVs “(four wheelers)” 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 give preference to 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 Manufacturers (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	40 km/hour
2	Min. acceleration	0.65 m/s²
3	Max. electric energy consumption	Not exceeding 7 kWh/ 100 km
4	Warranty	At least 3 years comprehensive warranty including that of battery from the manufacturer

All the above regulations are applicable 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% of the cost of vehicle limited to Rs. 4 lakhs would be given. The limit of subsidy amount would be Rs. 2 lakhs for non-A/C, Rs.3 lakhs for A/C and Rs. 4 lakhs for A/C Deluxe buses per vehicle shall be extended to the buyers for passenger buses registered in the State during the policy period of 4 years.
- 4.2.2. 100% exemption on road tax & registration fees for the first four years will be made available.
- 4.2.3. Interest subvention of 5% on loans for purchase of Electric Buses would be made available

4.3. Goods Carriers:

- 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% exemption on road tax & registration fees for the policy period will be made available.
- 4.3.5. Electric goods carriers 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.
- 4.3.6. Scrapping incentive shall also be extended for old ICE goods carriers registered in the State as per the scrapping Policy announced by Government of India.
- 4.3.7. A good financing mechanism would be evolved by Finance Dept. for purchase of EVs. Special provision on Retail financing would be available for customers/ buyers of EV manufactured by Startups.

5. INCENTIVES (MANUFACTURING RELATED)

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

- 5.1. The reimbursement of 100% net SGST to the manufacturing units of EVs in the State of Odisha during the policy period of 4 years will be provided under the IPR, 2015 and MSME Policy, 2016 as amended from time to time.
- 5.2. The Small and Micro EV Battery manufacturing Units will be entitled for incentives as per MSME Policy, 2016 during the policy period of 4 years.
- 5.3. The Small and Micro EV Battery manufacturing Units will be facilitated with the following incentives as MSME Policy, 2016 & Odisha Startup Policy, 2016.
 - 5.3.1. New Micro & Small Enterprise/ Startups.
 - 5.3.2. New Micro & Small Enterprise/ Startups owned by SC/ST/ Differently abled / Women/ Technical (Degree/ Diploma) Entrepreneur.
 - 5.3.3. New Micro & Small Enterprise/ Startups set up in industrially backward Districts including KBK Districts.
- 5.4. Government of Odisha will explore possibilities of entering into MoU with Lithium Cell Manufactures to start battery assembly plant in Odisha.

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 equipment up to Rs. 5,000/- for first 20,000 such points. Grants shall be available to those points which comply to all the electrical norms specified by the Electricity Distribution Companies operating in the State **and guidelines issued by the Ministry of Power, Government of India.** "

- 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-law 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 and number of charging point provision in a building adhering to guidelines and standards as issued by **Ministry of Power** and **Ministry of Urban and Housing Development**, 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. 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.
- 6.2.3. Govt. will explore the charging facility at bus stands/ stops for e-buses to reduce the battery size.
- 6.2.4. Fuel stations located on Highways and major roads will be encouraged to set up fast charging stations for top-up charging.
- 6.2.5. 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.
- 6.2.6. 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.

- 6.2.7. 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 endeavor to work out special tariff for EV charging.
- 6.2.8 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.
- 6.2.9. E.I.C., Electricity will be the Nodal Agency for setting up & monitoring of charging stations through a Central Management System Platform and for adding EV users' access into Public Charging Infrastructure. All Public Charging Infrastructure need to host their Charging Points using the platform that will be provided by the O/O E.I.C, Electricity.

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 toxics 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.

The Government of Odisha, therefore, will take the following measures.

- 7.1. Batteries currently installed in the EVs will be clearly labeled 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 behavior 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:

Government of Odisha will establish a dedicated fund "State EV Fund" to extend different types of incentives proposed in the policy using feebate concept by adopting measures by which inefficient polluting vehicles will incur a surcharge as proposed below:

- 9.1. **Road Tax:** Additional road tax may be levied on diesel and petrol vehicles especially on luxurious cars. The additional tax shall be based on a sliding scale with high price diesel vehicles paying the highest additional road tax and the low price two wheelers incurring a small addition. Revised road tax in the above line would be notified by Transport Department and the amount thus collected shall be allocated to the above fund.
- 9.2. **Congestion Fee:** An appropriate congestion fee may be levied on all trips originating and terminating from different places in Odisha and also from the Car Aggregators. This tax shall be waived for e-vehicles. Such tax shall be allocated to the above fund.
- 9.3. **Other Sources:** Any gap left after funding from the above sources shall be filled through budgetary allocation by Finance Department.

10. VOCATIONAL TRAINING FOR TAKING UP EV JOBS:

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 to start training programs 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 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 research and development regarding 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-2021.

- 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 directed by Steering Committee for effective implementation of the policy to achieve the primary objectives of the Policy and to bring out material improvement in the air quality of Odisha by reduction in pollution from ICE vehicles.

11.4. An effective grievance redressal mechanism will be put in place for speedy implementation of the Policy and also for addressing post implementation issues.

11.5. The State Government may at any time amend any provision of this policy.

11.6. Doubts relating to interpretation of any term and/or dispute relating to operation of any provision under this policy shall be referred to Commerce & Transport (Transport) Department for clarification/resolution. The decision of Government in this regard shall be final and binding on all concerned.

By Order of the Governor
MADHU SUDAN PADHI
Principal Secretary to Government