# MEGHALAYA

# ELECTRIC VEHICLE POLICY – 2021

## TRANSPORT DEPARTMENT
## GOVERNMENT OF MEGHALAYA

## 2021

## PREAMBLE

Meghalaya, meaning the "abode of clouds", with a forest cover of about 17217 sq km (76.44% of its geographical area) ranks 4th in the country in terms of percentage of Forest cover amongst States. (*source: Statistical Year Book India 2018).* Forest cover contributes to better air quality of the state.

However, increasing pollution levels due to steep rise of conventional internal combustion engine (ICE) vehicles in the State is a major concern for the Transport Department, Government of Meghalaya.

As on 31st October, 2020, **18776** vehicles have already been registered in Meghalaya during 2020. *(Source: https://parivahan.gov.in)*

As on 31st October, 2020, Meghalaya has only **6 registered Electric Vehicles**. *(Source: www.fame-india.gov.in).*

The burden of Internal Combustion Engine (ICE) vehicles is huge for the country. There is a need to reduce dependency on a fossil-fuel based economy. India's **crude oil imports** for **2019-20** was about **102 billion dollars**.

As per a study by World health Organization (WHO), India is home to 14 out of 20 most polluted cities in the world.

The gradual shift to EVs is essential towards an energy secure future and a clean environment. It will also contribute towards the Sustainable Development Goals (SDG) on Climate Action.

As per International Energy Agency (IEA), the number of electric cars globally on the road is expected to reach almost **10 million in 2020**, as sales grow this year despite the Covid-19 pandemic. It is believed that the Covid-19 pandemic will affect global vehicle markets, and how governments respond to the pandemic will influence the pace of the transition to electric vehicles.

Global electric vehicle deliveries in 2019 reached **2.26 million** units, **9%** higher than for 2018. Over 30 new and improved EV models were introduced in 2019. EVs secured their highest ever share of **2.6%** of the global car market in 2019.

As per **www.fame-india.gov.in**, as on 31st October, 2020, **280988** EVs sold in India have resulted in **saving of 73.8 million litres of fuel,** which is a saving of about **52,794 litres of fuel per day.** Further, it has resulted in reduction of Carbon Dioxide by **183.58 million kilograms (Kg)**, which is about **130835 Kgs** per day.

For **Meghalaya**, as on 31st October 2020, presently having only **6 EVs**, it has been estimated to have already resulted in saving of **1568 litres of fuel**, and reduction of **3901 Kg Carbon Dioxide**. The Government is committed to provide requisite impetus towards adoption of at least **15%** EVs in 5 Years in Meghalaya, by providing **incentives to a limited number of early electric vehicles adopters**.

Thus, Government of **Meghalaya** aims at facilitating adoption of about **20,000** EVs during the Policy Period, which will save about **50 lakh litres of fuel,** resulting in reduction of **about 10,000 Kg** of **$CO_2$** per day, which will lead to reduction of more than **36.5 lakh Kg of $CO_2$ per year**.

In view of the above, the Government of Meghalaya is committed to do its part by contributing towards **clean and green environment** and **an energy secure** India. Towards achieving this objective, requisite thrust will be provided for **increased and faster adoption of Electric Vehicles for a clean and green environment in the State through** the Meghalaya Electric Vehicle Policy 2021.

## 1. SHORT TITLE, EXTENT AND COMMENCEMENT

(i) The Policy may be called the "Meghalaya Electric Vehicle Policy, 2021."

(ii) The Policy shall come into effect from the date of its notification in the official Gazette.

(iii) It shall extend to the whole State of Meghalaya.

## 2. POLICY PERIOD

The Meghalaya Electric Vehicle Policy, 2021 will remain in operation and valid for a period of five years from the date of its notification or till such time the Government may deem fit and proper.

## 3. ELECTRIC VEHICLES IN THE WORLD AND INDIA

(i) Electric mobility is expanding at a rapid pace. In 2018, the global electric car fleet exceeded 5.1 million, up 2 million from the previous year and almost doubling the number of new electric car sales. The People's Republic of China remains the world's largest electric car market, followed by Europe and the United States. Norway is the global leader in terms of electric car market share. Electric Vehicles contribute towards reducing the local concentration of pollutants in cities.

(ii) As per the NITI Aayog's 'Zero Emission Vehicles (ZEVs): Towards a Policy Framework' document, accelerating the availability of necessary electricity network infrastructure as well as domestically produced technologically superior EVs, chargers and components will bring down costs and increase the options available for transportation electrification in India. This could bring total cost of ownership (TCO) of EVs at par with ICEs by as early as 2025. Therefore, policy support is being extended by the Government of India to address the strategic importance of the battery technology value chain.

(iii) In 2013, the Government of India launched the **National Electric Mobility Mission Plan 2020**. Under this mission plan, the scheme for Faster Adoption and Manufacturing of (Hybrid) Electric Vehicles in India (FAME India) was launched in March, 2015 for two years as Phase-I, which was subsequently extended up to 31 March, 2019.

(iv) The Government of India in its Automotive Mission Plan 2016 had laid down a vision of "Safe, Comfortable and Efficient mobility" with the aim on environmental protection and affordability. After reviewing of FAME India Phase-I, the Government of India came up with **FAME India Phase-II (FAME II),** which will be for a period of three years from 1 April 2019 composing of verticals such as Demand Incentives, Establishment of Network of Charging Stations and Administration of the Scheme.

(v) **FAME II** aims to boost electric mobility and increase the number of electric vehicles in commercial fleets with an outlay of Rs 10,000 crore (Rs 100 billion) for three years till **2022**. The Government of India offers incentives for electric buses, three-wheelers and four wheelers to be used for commercial purposes. Plug-in hybrid vehicles and vehicles with a sizeable lithium-ion battery and electric motor will also be included in the scheme. Fiscal support is being offered based on the size of the battery in FAME II.

## 4. VEHICLE POPULATION IN MEGHALAYA

Sustained economic development and expanding road networks have led to rapid increase in the number of motorized vehicles in Meghalaya.

As of October 2020, Meghalaya accounts for only **0.002%** of the electric vehicles sold in India and the total EVs in the State account for only **0.001% of the total vehicles registered in the State**.

Therefore, it is imperative to accelerate early adoption of EVs in the State of Meghalaya by providing adequate impetus and support for adoption of Battery EVs and setting up of related charging infrastructures.

## 5. DEFINITIONS

(i) 'Governor' means the Governor of Meghalaya

(ii) 'Government' means the Government of Meghalaya, unless specified otherwise

(iii) 'State' means the State of Meghalaya

(iv) 'Policy' means the Meghalaya Electric Vehicle Policy, 2021

(v) 'RTO' means the Regional Transport Office

(vi) 'ICE' means Internal Combustion Engine

(vii) Electric Vehicle (EV) or Battery Electric Vehicle (BEV) means a vehicle which is powered exclusively by an electric motor; whose traction energy is supplied exclusively by traction battery installed in the vehicle; and has an 'Electric Regenerative Braking System'. This includes all types of Hybrid electric vehicles as defined by Department of Heavy Industries.

(viii) 'Electric Regenerative Braking System' means an integrated vehicle braking system which provides for the conversion of vehicle kinetic energy into electrical energy during braking.

(ix) 'Advanced Battery' means the new generation batteries as defined and notified by Department of Heavy Industries, including for FAME-II.

(x) Engine 'Stop-Start' arrangement means a system by which the engine is started or stopped in a hybrid electric vehicle by vehicle control unit at operating conditions depending upon traction power required for the propulsion of the vehicle.

(xi) Off Vehicle Charging (OVC) means the Rechargeable Energy Storage System (ReESS) in the vehicle has a provision for external charging.

(xii) Hybrid Electric Vehicle (HEV) means a vehicle that for the purpose of mechanical propulsion draws energy from consumable fuel and Rechargeable Energy Storage System (ReESS)

(xiii) Strong Hybrid Electric Vehicle (SHEV) means a 'Hybrid Electric Vehicle (HEV)', which has an engine 'Stop-Start' arrangement, 'Electric Regenerative Braking System' and a 'Motor Drive' (motor alone is capable to propel/drive the vehicle from a stationary condition).

(xiv) Plug-in HEV (PHEV)/ Range Extended Electric Vehicle (REEV) means A 'Strong Hybrid Electric Vehicle (SHEV)' which has a provision for 'Off Vehicle Charging' (OVC) of 'Rechargeable Energy Storage System (ReESS)'.

(xv) 'Industrial Parks' means Industrial Estates or Industrial Areas or Export Promotion Industrial Park or Industrial Growth Centre

## 6. OBJECTIVES OF MEGHALAYA ELECTRIC VEHICLE POLICY 2021

(i) To facilitate adoption of at least 15 % EVs in the State by 2025.

(ii) To provide support towards adoption of EVs by providing purchase incentives for early adoption of EVs based on the energy capacity in kWh of battery.

(iii) To support the setting up of robust infrastructure for EVs including adequate power supply, network of charging points with favourable power tariff and adequate service centres.

(iv) To promote innovation in EVs for automotive and shared mobility by providing the requisite ecosystem and infrastructure.

(v) To create an enabling environment to provide charging infrastructure for EVs in the State.

(vi) To create a pool of skilled workforce for the EVs industry in collaboration with technical institutions available in the State, encourage entrepreneurship and create new jobs in the EVs industry.

(vii) To mandate adoption of EVs in the Government and its Boards, Corporations, Government undertakings, Development Authorities, Municipalities in a phased manner.

(viii) To replace the Meghalaya Transport Corporation buses with battery electric vehicles in a phased manner.

(ix) To provide a clean and green environment at tourist spots.

(x) To facilitate in creating an ecosystem for recycling and reuse batteries and disposal of rejected batteries in an environment friendly manner to avoid environmental pollution.

(xi) To align with the latest guidelines, standards and rules governing Battery EVs in India issued, inter alia by the Ministry of Road Transport & Highways (MoRTH), Ministry of Environment, Forest and Climate Change, Ministry of Power, Ministry of New and Renewable Energy (MNRE) and the National Institution for Transforming India (NITI) Aayog.

## 7. ADOPTION SUPPORT AND INCENTIVES

### 7.1 Purchase Incentives for Early Adopters (Summary placed at Annexure-I)

#### 7.1.1 Incentives for Electric Two Wheelers

(i) The Government shall offer a purchase subsidy **@ Rs 10,000/- per KWH** for the first **3500 electric** two wheelers purchased and registered in the State during the Policy period.

(ii) The maximum ex-factory price to avail incentive is Rs 1.5 lakhs for electric two wheeler vehicles.

#### 7.1.2 Incentives for Electric Three Wheelers

(i) The Government shall offer a purchase subsidy **@ Rs 4,000/-** per **KWH** for the first **200** electric three wheelers purchased and registered in the State during the Policy period.

(ii) The maximum ex-factory price to avail incentive is Rs 5 lakhs for electric three wheeler vehicles.

#### 7.1.3 Incentives for Electric Four Wheeler Cars

(i) The Government shall offer a purchase subsidy **@ Rs 4000/- per KWH** for the first **2500** four-wheeler EVs purchased and registered in the State during the Policy period.

(ii) The maximum ex-factory price to avail incentive is Rs 15 lakhs for electric four wheeler vehicles.

#### 7.1.4 Incentives for Electric Strong Hybrid Four Wheelers

(i) The Government shall offer a purchase subsidy **@ Rs 4000/- per KWH** for the first **30** strong hybrid 4 wheeler EVs purchased and registered in the State during the Policy period.

(ii) The maximum ex-factory price to avail incentive is Rs 15 lakhs for Strong hybrid electric four wheeler vehicles.

### 7.1.5 Incentives for Electric Buses

(i) The Government shall offer a purchase subsidy **@ Rs 4000/- per KWH** for the first **30** EV Buses purchased and registered in the State during the Policy period.

(ii) The maximum ex-factory price to avail incentive is Rs 2 crores for EV Buses.

(iii) The Government will encourage setting up of charging stations for EV buses on Public Private Partnership (PPP) mode.

## 7.2 Support for Charging Stations

(i) Availability of charging stations is key for adoption of EVs. To further facilitate in the setting up of EVs charging stations, the Government will encourage investments in setting up both slow and fast charging networks in Government buildings and other public places through active participation of public and private players.

(ii) In order to boost EVs charging station ecosystem, the Government will undertake appropriate steps including identification of land and encouraging private investments at key locations.

(iii) The State will facilitate setting up charging stations at several key locations such as Meghalaya Transport Corporation's depots, Inter State Bus Terminus, Deputy Commissioner's offices, Secretariat, State Central Library, Urban Affairs Department's parking lots, other State Government facilities, and commercial buildings such as hotels, shopping malls, cinema halls and apartments.

(iv) The State will endeavor to provide attractive electricity tariff including fixed demand charges for the EVCS.

(v) The State will facilitate to provide priority electricity connections to EVCS.

(vi) The State Government will endeavor to provide Government land, wherever available, free of cost, to any Government agency (both State and Central) including Public Sector Undertakings (PSUs) or any private agency on Public Private Partnership (PPP) basis, for the first five years in order to make the EVCS economically viable. Thereafter, the EVCS may be operated on a revenue sharing basis.

### 7.3 Support for Start-ups

(i) The skilling and mentoring support shall be provided to EV related start-ups for encouraging the EV eco-system in the State.

(ii) The incentives for start-ups shall be as applicable under the Meghalaya Start-up Policy, 2018.

### 7.4 Reserving areas exclusively for EVs in Tourism sector

The Government through the Tourism Department, shall endeavour to identify certain tourist spots where tourists shall avail transport services in an environmental-friendly manner by exclusively using EVs. The details of such tourist spots and the modality for operation including charging infrastructure support shall be worked out by the Department of Tourism along with relevant stakeholders.

### 7.5 EVs at Industrial estates, Export Promotion Parks and Technology Park

The Government will promote plying of EVs in Industrial estates, Export Promotion Parks and Technology Park. Support will be extended for setting up of EV Charging Stations (EVCS) at such locations as per requirement.

### 7.6 Other Benefits

(i) Priority registration will be provided to EVs over ICE vehicles by the respective RTOs in the State.

(ii) In case the Government decides to implement Odd-Even system for plying of vehicles in order to curb pollution, the EVs shall be exempted from such arrangement.

(iii) In order to support the EV ecosystem, the Government will undertake appropriate steps to reserve parking slots for EVs at key locations.

(iv) Registration fees and road tax shall be waived for all types of electric vehicles purchased during policy period.

## 7.7 Towards Funding of Incentives

(i) As per the report entitled "India Leaps Ahead: Transformative Mobility Solutions For All" prepared by National Institution for Transforming India (NITI) Aayog) in collaboration with US-based Rocky Mountain Institute, a "feebate" applied to the purchase of new vehicles in India would help jumpstart both the manufacturing and consumer adoption of efficient vehicles, including EVs. The feebate concept is based on the "polluter pays" principle, and the concept works by levying a fee or penalty on polluting vehicles and offering a rebate or a reward on the lesser polluting ones. Accordingly, the Nodal Agency will endeavor to implement a "feebate" concept, wherein inefficient polluting vehicles will incur a surcharge ('fee-') while the efficient vehicles will receive a rebate ('-bate').

(ii) With the objective of making the Meghalaya Electric Vehicle Policy 2021 financially self-sustainable, the Nodal Agency will set up a non-lapsable Meghalaya Electric Vehicle Adoption Fund (**MEVAF**) in consultation with the State Finance Department. The funding for the various incentives being offered under the Meghalaya EV Policy shall be obtained from the following sources and aggregated under the umbrella of non-lapsable MEVAF:

a. **Pollution cess**: From the date of notification by the State Government, the applicable Pollution Cess collected from sale of Diesel and Petrol shall be transferred to the MEVAF. Based on the fuel consumption data of Petroleum Planning & Analysis Cell, under Ministry of Petroleum & Natural Gas, Government of India, it is estimated that by introducing an additional cess @ 10 paise per litre of diesel and petrol in Meghalaya, the expected average additional revenue may be about Rs 5 crores yearly. The State Government shall appropriately strive to levy and increase Pollution Cess on all Internal Combustion Engine (ICE) vehicles to discourage polluting vehicles and fund for the incentives for the adoption of EVs in the State.

b. **Other sources**: Any gap left after funding from the MEVAF is exhausted, shall be filled through allocations including Budgetary, as may be decided and deemed appropriate by the Government from time to time.

## 8. RECYCLING SUPPORT

(i) The Government will encourage the re-use of EV batteries that have reached the end of life by facilitating in the setting up of recycling units in collaboration with battery and EV manufacturers that focus on "Urban Mining" of rare materials within the battery for re-use by battery manufacturers.

(ii) Charging Station operators will be encouraged to operate as end-of-life battery recycling agencies where Electric Vehicle owners can deposit their vehicle batteries that have reached their end of life.

(iii) The Government will facilitate in inviting battery recycling business to establish their presence in the State.

(iv) Appropriate protocols and investment subsidies for setting up such units shall be notified by the Government in consultation with stakeholders. Original Equipment Manufacturers (OEMs) shall also be held responsible for recycling of old batteries and their components.

## 9. CAPACITY BUILDING

(i) The State shall facilitate in introducing short-term (viz. 4-6 months) courses, related to Electric Vehicles (EV), EV Charging Stations, and other EV system related courses in collaboration with academia including Polytechnics & Engineering Colleges.

(ii) These courses shall be designed and reviewed in consultation with EV Industry and shall include short internship module at partnering Original Equipment Manufacturers (OEMs).

(iii) The Government shall endeavour to focus on skill development in light and precision assemblies, electrical powertrains and mechatronics which shall contribute towards improving the entrepreneurship ecosystem in the State. The skilling will provide man-power pool to cater to Service centres, Retrofitting and Recycling of used Batteries.

(iv) The State will consider a certification mechanism for the relevant courses through appropriate agencies.

## 10. NODAL AGENCY

(i) The Commissionerate of Transport will be the Nodal Agency for implementation of the provisions of this Policy.

(ii) Detailed scheme along with operational guidelines shall be put in place by the Nodal Agency for administering the programmes under this Policy and the same shall be reviewed periodically.

(iii) The Nodal Agency may notify separate Registration and Road tax post the policy period for the electric vehicles.

(iv) The Nodal Agency shall disburse the incentives / subsidies under this Policy on the basis of the recommendation of State Level Committee.

## 11. APPROVAL OF INCENTIVES

(i) State Level Committee shall be constituted under the chair of the senior-most Secretary incharge of Transport Department and consisting of representative of the State Finance Department, State Planning Department and State Directorate of Commerce & Industries, to go into the claim details and to decide for the grant of subsidy / incentives.

(ii) The purchase incentives for electric vehicles shall be channeled through the registered Dealers of Electric Vehicles.

## 12. OTHER TERMS AND CONDITIONS

(i) The incentives under the Policy will be applicable only to those electric vehicle and hybrid electric vehicles, which conform to the latest notification, including for FAME-II, by the Department of Heavy Industries, Ministry of Heavy Industries and Public Enterprises, Government of India. The registered Dealers of EVs shall ensure conformity to the latest scheme and technology specifications of the Government of India, for the EVs eligible for incentives under this Policy.

(ii) The amount of incentives in this Policy mentioned in per KWH, however, are subject to review as per the reduction in battery costs & thereby reduction in vehicle cost and would be notified accordingly from time to time by the Nodal Agency with the approval of the State Level Committee.

(iii) The subsidies and incentives provided under this Policy shall be fungible with the approval of the State Level Committee.

(iv) No Battery EVs registered in Meghalaya, having benefitted under this Policy, shall be issued No-Objection Certificate (NOC) for transfer to another State / UT until the expiry of 5 years from the date of registration of a new electric vehicle. However, in exceptional cases, if an EV is required to be shifted out of Meghalaya, then the matter will be referred to and decided by the State Level Committee.

(v) All electric vehicles registered in Meghalaya shall be issued a green number plate in accordance with the latest notification of the Ministry of Road Transport and Highways, Government of India.

(vi) All electric vehicles availing any kind of incentive / fee waiver under this Policy should appropriately display a sticker indicating that it has been purchased under this Policy / scheme. The format of the sticker shall be provided by the Nodal Agency.

(vii) Doubts relating to interpretation of any term or dispute relating to the operation of any provision under this policy shall have to be referred to the Nodal Agency for clarification/resolution and the decision of the Nodal Agency in this regard shall be final and binding on all concerned.

(viii) No right or claim for any incentive under this Policy shall be deemed to have been conferred merely on the ground of provision in this policy. Implementation of various provisions covering the incentives, concessions etc. will be subject to the issue of detailed scheme/guidelines/statutory notifications wherever necessary in respect of each item by the concerned Nodal Agency / Administrative Department.

(ix) If the Government is satisfied that the subsidy(s) has been obtained by misrepresentation as to an essential fact or furnishing of false information, the Nodal Agency / Administrative Department Government may ask the concerned Dealer(s) / beneficiary(s) to refund the grant of incentive / subsidy after giving an opportunity to the Dealer(s) / beneficiary(s) of being heard.

(x) The fiscal incentives being offered under this Policy shall be in addition to the demand incentives available in the FAME India Phase-II or latest scheme of the Government of India.

(xi) The Government reserves the right to modify any part of this Policy in public interest.

**ANNEXURE-I**

Summary of vehicle segment-wise Incentives, Maximum Number of vehicles to be supported and other details.

| A | B | C | D | E | F=D*E | G=C*F | Remarks |
|---|---|---|---|---|---|---|---|
| Sr | Type of Electric Vehicle | Nos. in 5 yrs | Approx capacity (in KWH) | Incentive per KWH in Rs | Incentive per vehicle in Rs | Total Incentive in 5 Years (in Rs Crores) | Maximum ex-factory price to avail incentive (Rs) |
| 1 | 2 wheelers | 3500 | 2 | 10,000 | 20,000 | 7 Cr | 1.5 Lakhs |
| 2 | 3 wheelers | 200 | 5 | 4,000 | 20,000 | 0.40 Cr | 5 Lakhs |
| 3 | 4 wheelers | 2500 | 15 | 4,000 | 60,000 | 15.00 Cr | 15 Lakhs |
| 4 | Strong Hybrid 4 wheelers | 30 | 1.3 | 4,000 | 5,200 | 0.02 Cr | 15 Lakhs |
| 5 | Buses | 30 | 250 | 4,000 | 10,00,000 | 3.00 Cr | 2 Crores |
| | | | | | TOTAL | Rs 25.42 Crores | |

Note: The subsidies and incentives provided under this Policy shall be fungible with the approval of the State Level Committee.

**Sd/-**
(M.R. Synrem, IAS)
Commissioner & Secretary, to the Government of Meghalaya,
Transport Department.