

PM E-DRIVE SCHEME

Posted at: 17/09/2024

Context:

Under the PM Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-DRIVE) Scheme, fiscal incentives have been extended to electric two- and three-wheelers, buses, trucks, and even ambulances. However, unlike its predecessor, the FAME-2 scheme, the latest subsidy makes a significant omission—electric cars.

Background:

Electric cars have been excluded from the new scheme after Minister of Road Transport and Highways, Nitin Gadkari, stated that the EV sector no longer needs subsidies. He cited falling lithium-ion battery costs and economies of scale, predicting that EV prices will match petrol and diesel vehicles within two years.

About PM Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-DRIVE):

1. The PM Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-DRIVE) Scheme is a significant initiative by the Indian government to promote electric mobility across the country.
2. The PM E-DRIVE scheme replaces the Faster Adoption and Manufacturing of (Hybrid and) Electric Vehicles in India (FAME India) scheme, which was in operation from April 1, 2015, till March 31, 2024, in two phases.
3. Launch Date: September 2024
4. Duration: Two years
5. Budget: ₹10,900 crore
6. The scheme aims to:
7. Promote the adoption of electric vehicles (EVs) to reduce pollution and dependence on fossil fuels.
8. Enhance the infrastructure for EVs, including charging stations.
9. Support the development and deployment of various types of EVs, including two-wheelers, three-wheelers, buses, trucks, and ambulances.

Key Components:

Subsidies and Incentives:

Subsidies/Demand incentives worth Rs.3,679 crore have been provided to incentivize e-2Ws, e-3Ws, e-ambulances, e-trucks and other emerging EVs. The scheme will support 24.79 lakh e-2Ws, 3.16 lakh e-3Ws, and 14,028 e-buses.

E-Vouchers:

Process: At the time of purchase, an Aadhaar-authenticated e-voucher is generated for the buyer.

This voucher is used to avail demand incentives and is essential for Original Equipment Manufacturers (OEMs) to claim reimbursement.

Infrastructure Development:

Charging Stations: Installation of 88,500 electric vehicle charging stations across major cities and highways.

Testing Facilities: ₹780 crore allocated for enhancing vehicle testing infrastructure.

Special Initiatives:

E-Ambulances: ₹500 crore allocated for the deployment of electric ambulances to promote greener healthcare solutions.

E-Buses: ₹4,391 crore for the procurement of electric buses by state transport undertakings and public transport agencies.



AKKA IAS ACADEMY
www.akkaias.com