

Budget 2019

India Energy Storage Alliance (IESA) congratulates Smt. Nirmala Sitharaman, Minister of Finance on presenting budget 2019-2020 on 5th July 2019 and is excited with the clear focus that Indian Government has brought to the growing field of energy storage and EVs through the range of incentives in the budget 2019-20. These incentives can help us achieve the goal of making India a global hub for R&D and manufacturing of advanced energy storage and EVs by 2022. Speaking on the budget, Dr Rahul Walawalkar, President, IESA.

Electric Vehicle

- Given the need for accelerating the adoption of EVs, the GST reduction from 12% to 5% is a welcome move. The income tax deduction up to Rs 2.5 lakh (~\$3500) on the interest of the loan to purchase EV will speed up the EV revolution. Govt has set an objective to make India a global hub for manufacturing of EVs including solar electric charging infrastructure
- Exemption from custom duties for EV components such as e-drive, onboard chargers, etc. will help reduce the cost of EVs on road, at the same time, the Phased Manufacturing Plan announced by DHI will also incentivize manufacturers to invest in domestic localization of EVs over next 3 years.
- Allocation of Rs 10,000 Cr for FAME II incentives to reduce the upfront cost of EVs will have an immediate impact on boosting the sales of 2W, 3W, Cars, and Buses with advanced batteries in India.

Mega investment in Sunrise and Advanced Technology areas

- It's a welcome step by GoI to facilitate the setting up of mega manufacturing plants of Li-ion batteries and solar chargers. This is a very important step to ensure energy security for India to avoid over-reliance on imports of key components of EVs. We expect that setting up of these Giga factories will also help us in expanding the market for stationary energy storage projects for supporting renewable integration and reducing the usage of diesel for backup power generation. At the same time, IESA urges the government to expand the incentives to other advanced energy storage technologies including thermal storage, flow batteries, metal-air batteries, fuel cells, supercapacitors and mechanical storage technologies such as gravity storage.
- We are happy that the government has identified key raw material supply issues and have reduced custom duties on Cobalt mattes, a key ingredient for advanced Li-ion batteries from 5% to 2.5%.
- The new announcement on section 35 AD of income tax act can help in developing of cutting edge energy storage technologies in India. This should create opportunities for exporting Made in India advanced energy storage technologies.

Start-ups

- The government's announcement on the continued push for start-ups can give a huge impetus on the startup ecosystem and MSME's to diversify into EV & storage ecosystems. This is a welcome step and sufficient budget allocation should be provided to them. The focus should also be in removing bureaucratic hurdles that can help entrepreneurs to focus on bringing innovative solutions to market.

A Scheme for Promotion of Innovation, Rural industry, and Entrepreneurship (ASPIRE)

- Support for technology incubators under the ASPIRE scheme will create opportunities for domestic innovators as well as help attract the return of Indian entrepreneurs from around the globe. IESA is



working with DST for creating a focused innovation system for industry and academic collaborations around EV and energy storage. Also setting up of National Research Foundation & various incubators can help in commercialization of indigenous technologies.

Swachh Bharat Mission

- We urge the government for expanding the focus of Swachh Bharat Mission to include ewaste management and also focus on recycling of Li-ion batteries. This will further help in securing the raw material supply chain for the manufacturing of Li-ion batteries in India.

UJALA Yojana

- Govt' s intention to promote the use of solar stove & battery chargers will create a huge demand for advanced batteries and support the push for getting Giga Factories in India. At the same time, this initiative will help to promote sustainable energy for all. IESA is working with various government agencies to ensure that these proposed products can be designed to ensure that such solar stove and batteries can also help improving power quality and reliability in rural areas.

About India Energy Storage Alliance (IESA):

The India Energy Storage Alliance (IESA) was launched in 2012 to assess the market potential of Energy Storage Technologies in India, through an active dialogue and subsequent analysis among the various stakeholders to make the Indian industry and power sector aware of the tremendous need for Energy Storage in the very near future. IESA aims to make India a Global Hub for research and manufacturing of advanced energy storage technologies by 2020. During past years IESA membership has grown from 5 to 70+ and covers verticals from Energy Storage Manufacturers, Research institutes & universities, Renewable Energy companies and Power electronics companies. IESA website: www.indiaesa.info

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About Customized Energy Solutions (CES):

Established in 1998, Customized Energy Solutions is an energy advisory and service company that works closely with Clients to navigate the wholesale and retail electricity markets across the United States and globally, including India, Japan, Canada and Mexico. CES offers software solutions, back office operational support, and advisory and consulting services focused on asset optimization and energy market participation efficiency. CES is also a third-party asset manager of approximately 10,000MWs of renewable and conventional generation resources across all ISOs in the United States and Ontario, Canada. CES empowers clients to achieve their goals by helping them navigate the evolving energy markets, complex market rules, and new energy technologies entering the markets.

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