

Tamil Nadu unveils new electric vehicle policy

MULTIPRONGED STRATEGY. Addresses supply- and demand-side issues; shares vision on charging infrastructure, overall ecosystem and implementation

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The Tamil Nadu government has introduced a new electric vehicle (EV) policy addressing two key aspects - registration of commercial EVs and a possible revision of demand and energy tariffs for public charging stations - among other things to ensure the development of a robust EV ecosystem in the State.

Unveiled by the Chief Minister MK Stalin on Tuesday, the 'Tamil Nadu Electric Vehicles Policy 2023' comes with a four-pronged objective. The policy's investment and job creation goals are the same as 'Tamil Nadu Electric Vehicle Policy 2019': To attract ₹50,000 crore of investments in EV manufacturing and generate 1.5 lakh new jobs during the policy period.



CHARGING AHEAD. Chief Minister MK Stalin releasing the electric vehicle policy on Tuesday

However, the new policy seeks to transform TN into a preferred destination for EV manufacturing in South-East Asia, accelerate EV adoption, enhance the development of the ecosystem in the State, and develop EV cities in Tamil Nadu.

On a broader level, the policy has announced sup-

ply-side and demand-side measures, setting up of charging infrastructure, development of an ecosystem, and putting in place a policy implementation mechanism.

COMMERCIAL SEGMENT Tamil Nadu has been lagging many States in the registration of commercial EVs.

While other States have allowed commercial operators such as e-commerce and vehicle aggregators to use electric vehicles, Tamil Nadu has not. So far, the registration of EVs has been limited to private vehicles in the state.

Now, the State will undertake measures to electrify

shared transport vehicles in stages beginning from the EV cities. E-commerce and other e-aggregator companies shall be encouraged to transition their vehicles to EVs. The Home (Transport) Department will issue guidelines and undertake capacity building of RTOs to enable registration of commercial EVs, including EV-2 wheelers for commercial use, the policy document said.

Also, the policy has announced incentives (valid till December 31, 2025) to drive EV adoption in the commercial segment. Electric 2Ws, 3Ws, 4Ws, and buses will be provided maximum incentives in the range of ₹30,000 to ₹10 lakh. It will extend incentives to 6,000 electric 2Ws, 15,000 electric 3Ws, 3,000 electric cars, and 300 e-buses in the commercial segment every year.

The government is also in the process of issuing

guidelines for exempting permits for e-Autos. The list of approved e-autos will be notified by the Home (Transport) Department.

POWER TARIFF

The new EV policy promises to revise demand and energy tariffs for public charging stations, with due approval from the regulator. The proposed changes include a reduction of existing charges by 75 per cent for the first two years and 50 per cent for the subsequent two years and a reduction in energy charges by 50 per cent between 8 am and 4 pm to incentivise charging during non-peak hours to promote usage of renewable energy for EV charging.

Companies that seek to set up public charging stations will be eligible for a 25 per cent subsidy of the cost involved in the purchase of equipment and machinery.

The same subsidy will be extended to the first 50 fast charging stations set up in the State.

To support Battery-as-a-Service (Baas), a business model that is seeing considerable off take owing to reduced upfront costs, the first 200 public battery swapping stations set up in Tamil Nadu will be eligible for a capital subsidy of 25 per cent on the cost involved in the purchase of equipment and machinery limited to ₹2 lakh per station.

"Prima facie, the policy seems to be a good one. If it's implemented in letter and spirit, it will be one of the most comprehensive and all-encompassing EV policies in the country. More importantly, the policy has given the right focus on electrification of the commercial fleet," said KP Karthikeyan, CEO and Co-founder, Zeon Electric Pvt Ltd, an EV charging facility operator.