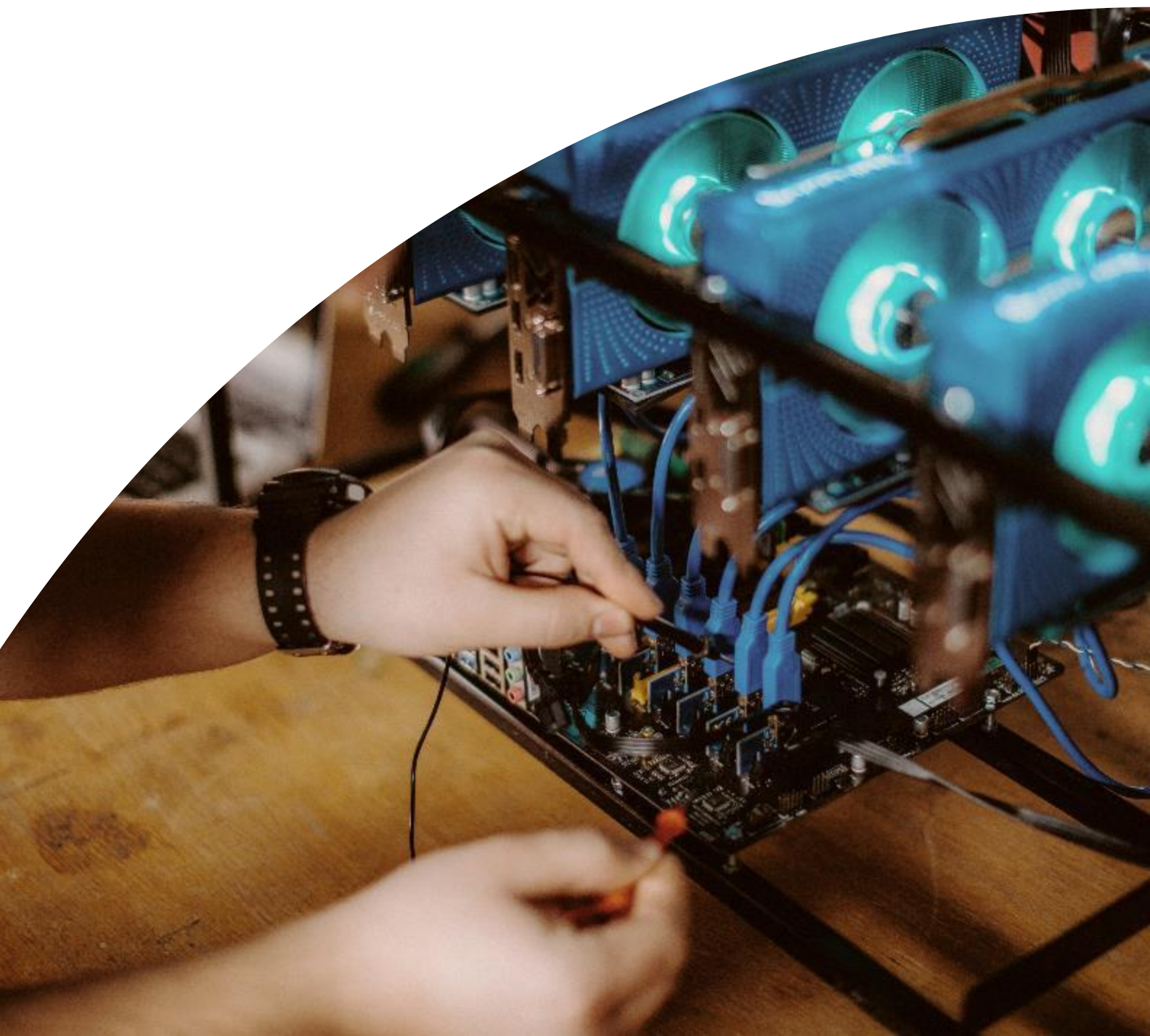


PLI scheme: Bridging the gap in ACC battery storage production



Sector overview

About ACC

Advance Chemistry Cells (ACCs) are the new generation advance storage technologies that store electric energy either as electrochemical or as chemical energy and convert it to electric energy as and when required. The consumer electronics, electric vehicles, advanced electricity grids, solar rooftop etc., are the major ACC battery consuming sectors expected to achieve robust growth in the coming years. Globally, manufacturers are investing in these new generation technologies commercially to bridge the expected boom in battery demand through 2030.

Current scenario in India

India meets its demands for ACCs through imports. Several companies have already started investing in battery packs, one of the components of ACC battery storage, albeit in small capacities when compared with the global trend.

Given the emphasis on transition to a clean energy economy, Government of India launched the National Mission on Transformative Mobility & Battery Storage, under the Chairmanship of the CEO, NITI Aayog, in March 2019. The mission, apart from notifying various policy interventions to promote electric vehicle penetration in India, has proposed the Production Linked Incentive Scheme (PLI) on manufacturing of ACC battery storage to support 50 Giga Watt hours (GWh) of domestic ACC manufacturing.

This scheme will drive Indian manufacturers to invest in ACC battery storage, boost the capability of ACC manufacturing industry and compete with its global counterparts.





PLI scheme for ACC battery storage

Objectives

- Setup cumulative 50 GWh of ACC manufacturing facilities
- Import substitution of around INR 20,000 crore every year
- Facilitate demand for electric vehicles and battery consuming sectors

The scheme would largely promote

- Demand creation for battery storage in India
- Newer and niche cell technologies
- Research and development to achieve higher specific energy density and cycles

Key highlights



Each selected manufacturer would:

- Commit to set up ACC manufacturing facility of minimum 5 GWh capacity
- Incur mandatory investment INR 225 crore per GWh within two years (at the mother unit level)
- Achieve a domestic value addition of at least 25% within two years and raise it to 60% within next five years
- Incentive amount will increase with increased specific energy density and cycles as well as increased local value addition

Scheme applicable for
manufacturing
in India

Total incentive of
INR 18,100 crore

Manufacturing facility to be
commissioned within
two years

Incentive to be disbursed over a
five-year period

Note: Detailed operational guidelines outlining the criteria and procedure are awaited

How we can help?



Evaluate eligibility

Evaluation of criteria based on:

- Minimum capacity
- Investments made
- Minimum percentage growth in sales



Prepare application

Review and collate requisite documents/information/simulations/projections to prepare application



File application

Assist in filing application before the Department of Heavy Industries



Replies to queries raised by the government/nodal agency

- Preparation of additional replies & queries
- Representation before government/nodal agency



Follow-up with government authorities and nodal agency

- Follow-up post filing of application
- Conduct meeting



Periodic review

Assist in review of eligibility conditions under the scheme after filing application



Fund disbursement

Assist in obtaining the claim on the best effort basis



Our experts

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