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Union Minister Prakash Javadekar announces Cabinet approval of National Programme on Advanced Chemistry Cell Battery Storage

- Cabinet approves Rs 18,100 crore Production Linked Incentive scheme for Advanced Chemistry Cell (ACC) Battery manufacturing in India.
- Setup 50 GWh annual production capacity ACC manufacturing facilities in India under the Programme and Facilitate demand creation for battery storage & EVs in India.
- Net savings of Indian Rs. 2,00,000 crores to Rs.2,50,000 crore on account of oil import bill reduction during the period of this Programme due to EV adoption as ACCs manufactured under the Programme is expected to accelerate EV adoption.
- IESA set a mission in 2016 to make India a Global Hub for research, manufacturing, and adoption of advanced energy storage and e-mobility technologies by 2022.

Delhi, India: India Energy Storage Alliance (IESA), India's leading alliance on energy storage & e-mobility and its member companies welcomes the Cabinet's approval on the proposal by Department of Heavy Industry for implementation of the Production Linked Incentive (PLI) Scheme on Advanced Chemistry Cell (ACC) Battery Storage' for achieving manufacturing capacity of 50 GWh of ACC and 5 GWh of "Niche" ACC with an outlay of Rs.18,100 crore.

ACCs are the new generation of advanced storage technologies that can store electric energy either as electrochemical or as chemical energy and convert it back to electric energy as and when required. The consumer electronics, electric vehicles, advanced electricity grids, solar rooftop etc. which are major battery consuming sectors are expected to achieve robust growth in the coming years. It is expected that the dominant battery technologies will control some of the world's largest growth sectors.

Chairing the Cabinet briefing, **Union Minister of Heavy Industries & Public Enterprises, Shri Prakash Javadekar** said *"The Union Cabinet has taken a big decision to make the dream of Make in India. Everyone knows how much battery storage is important. Today, many things are stuck due to a lack of battery storage. India imports Rs. 20,000 crore of battery equipment from outside. In such a situation, the government has now announced Production Linked Incentive (PLI), due to which the import will be reduced. ACC battery storage will be manufactured in India. To promote the 'Make in India' initiative, National Programme on Advanced Chemistry Cell (ACC) Battery Storage is expected to attract investment of Rs 45,000 crore. This will give a boost to electrical vehicles, electrical mobility in the country. Long-lasting batteries and fast charging batteries are the need of the hour."*

Welcoming the approval, Dr. Rahul Walawalkar, President, India Energy Storage Alliance (IESA) expresses, *"On behalf of India Energy Storage Alliance and its member companies I would like to thank NITI Aayog team, Department of Heavy Industries (DHI), Prime Minister Narendra Modi, Union Minister Prakash Javadekar, Government officials and the energy storage community for launching this programme. This is a dream come true for IESA team, who has been working hard since 2016 for bringing focus to advanced manufacturing capabilities and believes that India has a potential to become a R&D & manufacturing hub of advanced energy storage technologies. The approval of ACC programme will enable Indian conglomerate to take the 1st step to become part of the global advanced battery manufacturing*

ecosystem and attract global technology leaders and investors to invest in India. ACC batteries will be crucial for India's energy security in coming decade given its role in enabling renewable integration and e-mobility transition. This is high time to make India Aatmanirbhar and reduce dependence on other countries."

Last month, IESA wrote a letter to the PMO requesting to expedite the launch of the Advanced Chemistry Cell - Gigafactory Manufacturing Plan and requesting steps for demand creation. To understand more details about the ACC program, IESA had organized a webinar in Nov'2020 where in Niti Aayog has joined along with Industry experts and government representatives and discussed the details about the program, application procedure, eligibility criteria and incentive details.

IESA along with the support of our 120+ members & other stakeholders are working closely with various government bodies to support the industry to make India as a global hub for manufacturing and adoption of energy storage & electric mobility technologies. IESA has planned a series of activities for next 3 months to support awareness creation about the ACC Battery Manufacturing opportunity and will also host a 5-day Masterclass on ACC Battery Manufacturing in June. IESA is also partnering with many trade promotion agencies for exploring bilateral collaborations to attract investments to support the Atma Nirbhar Bharat mission during May-June.

IESA being actively working in the space of Energy Storage & Electric Vehicle, has put lot of efforts over the past three years in generating interest amongst Technology Companies & Investors after the launch of National Energy Storage Mission and National Mission on Transformative Mobility and Battery Storage. Some of the leading IESA member companies' expresses their views on the ACC programme.

Amara Raja Group is the technology leader and one of the largest manufacturers of lead-acid batteries for both industrial and automotive applications in the Indian storage battery industry. **Mr. Vijayanand Samudrala, CEO, Amara Raja Group** comments *"India is at crucial time and space in the transformative journey to E-Mobility eco-system. Establishing domestic manufacturing capability in the EV battery value chain is a critical and essential enabler towards accelerated adoption of Electric Vehicle mobility in the country. In this context, the PLI scheme for Advanced Chemistry Cells approved by the Union Cabinet for building Giga factories is a welcome step by the Central Government. While this scheme is certain to spur the investments in this sector, there are other challenges to be resolved such as choosing right mix of technology for addressing the unique mobility needs of the country and securing the critical raw material supplies. As a country we are behind the curve on EV battery supply capabilities and with the launch of ACC PLI scheme, Government is signaling a stable policy framework to help industry players make investment decisions with certainty. I congratulate the IESA team lead by Dr Walawalkar for playing a pivotal role in bringing together all stake holders and advocating a balanced framework for the ACC PLI scheme."*

Mr. Anant Nahata, MD, Exicom Tele-systems, a leading EV charging infrastructure and Li-ion battery maker of the country said- *"The PLI initiative is definitely a step in the right direction for the Battery manufacturing industry. This initiative will augment Li-ion cell manufacturing in India, leading to reduced dependence on cell imports and hence reduced costs. It will help us attain economies of scale while producing globally competent, hi-tech batteries. While the success is heavily dependent on the implementation, this scheme has strong potential to boost production and aid exports while simultaneously providing the right push to EV adoption in India."*



Nexcharge is the leading provider of energy storage solutions and a joint venture between Exide India and Leclanle, Switzerland. **Mr. Stefan Louis, Chief Executive Officer, Nexcharge** says *“In order to localize battery manufacturing, the industry needs significant support from the government which has been made possible through schemes such as PLI for ACC battery manufacturing. The PLI scheme is a welcome move, and we congratulate Mr. Prime Minister for the approval. We believe this will boost the battery manufacturing ecosystem in India. Nexcharge fully supports the Indian Government's Atmanirbhar Bharat (self-sufficient India) initiative, and we hope this move will help in creating a self-reliant advanced cell chemistries manufacturing ecosystem in the country. There is a significant opportunity for the private sector to participate and accumulate benefits under the PLI scheme and at the same time, contribute to India's large and unique battery manufacturing story. While efficient implementation will determine the overall success, the scheme is well-positioned to provide a boost in production, competitiveness, and exports of manufacturing companies. We are waiting for the Final RFP to be released by the Govt. of India to make a well-informed decision on cell manufacturing.”*

The National Programme on Advanced Chemistry Cell (ACC) Battery Storage will reduce import dependence. It will also support the Atmanirbhar Bharat initiative. ACC battery Storage manufacturers will be selected through a transparent competitive bidding process. The manufacturing facility would have to be commissioned within a period of two years. The incentive will be disbursed thereafter over a period of five years.

About India Energy Storage Alliance (IESA):

India Energy Storage Alliance (IESA) is a premiere industry alliance focused on advancing energy storage and e-mobility in India. The alliance was founded in 2012 by Customized Energy Solutions (CES). IESA's aim is to make India a global hub for research, manufacturing and adoption of advanced energy storage and e-mobility technologies by 2022. In the last nine years, IESA's member circle has grown from 5 to 100+ members and covers verticals from Energy Storage & EV Manufacturers, Charging Infrastructure, Research institutes & universities, Renewable Energy companies, and Power electronics companies.

IESA website: www.indiaesa.info

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