

# FAME India scheme

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**Source:** PIB, Mint

The **FAME(Faster Adoption and Manufacture of (Hybrid and) Electric Vehicles)** was launched by the Ministry of Heavy Industries and Public Enterprises in 2015 to **incentivize the production and promotion of eco-friendly vehicles including electric vehicles and hybrid vehicles**

## Two phases of the scheme

- **Phase I:** started in 2015 and was completed on March 31st, 2019
- **Phase II:** started from April 1st, 2019, will be completed by March 31st, 2022

## Salient features of the scheme

- The scheme provides the incentive in the form of subsidies to manufacturers of electric vehicles and infrastructure providers of electric vehicles.
- It is a **part of the National Electric Mobility Plan**
- Encouraging electric vehicles by providing subsidies is the main thrust of the scheme.
- The vehicles such as two wheelers, three wheelers, electric and hybrid cars and electric buses obtained the subsidy benefit of the scheme. It also covers electric and Hybrid technologies like Mild Hybrid, Strong Hybrid, Plug in Hybrid & Battery Electric Vehicles
- **The focus areas under the FAME**
  1. Technology development
  2. Demand creation
  3. Pilot projects
  4. Charging infrastructure
- **Implementing agency:** Department of Heavy Industry,

## **FAME II**

This second phase of FAME is an expanded version of the first phase

### **Key Features**

- The Phase-II of the Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles (FAME-India) Scheme proposes to give a **push to electric vehicles (EVs) in public transport and seeks to encourage adoption of EVs by way of market creation and demand aggregation.**
- The scheme envisages the **holistic growth of EV industry, including providing for charging infrastructure, research and development** of EV technologies and push towards greater **indigenization.**
- The outlay of ₹10,000 crore has been made for three years till 2022 for FAME 2 scheme. There is also provision for setting up of **charging stations** for electric vehicles in India.
- Under the scheme the government will offer **incentives for electric buses, three-wheelers and four-wheelers to be used for commercial purposes.**
- It is mentioned that the **plug-in hybrid vehicles and those with a sizeable lithium-ion battery** and electric motor will also be included in the scheme and fiscal support offered depending on the size of the battery.
- FAME 2 will offer incentives to manufacturers, who invest in developing electric vehicles and its components, including lithium-ion batteries and electric motors.
- The centre has asked **states to frame their EV policy** and provide additional fiscal and non-fiscal incentives to manufacturers and buyers
- **Eligibility to get incentive : Only buses priced up to ₹2 crore, strong and plug-in hybrids under ₹15 lakh,**

**three-wheelers under ₹5 lakh and two-wheelers under ₹1.5 lakh will be eligible for incentives.**

- Incentive and a committee to review the incentives:
  1. The centre plans to roll out an incentive of ₹10,000 per kilowatt (kW) for two-, three- and four-wheelers, based on the size of their batteries.
  2. To encourage **state transport units (STUs)** to buy more electric buses, ₹20,000 per kW will be offered as an incentive.
  3. The incentives may further be subject to bidding by original equipment manufacturers.
  4. A **committee will review** the incentives after a certain period.
  5. Electric buses will be offered **incentives on the basis of the operational expenditure model adopted by STUs**

### **Significance of the FAME II with respect to charging infrastructure**

- Under the scheme the centre will invest in setting up charging stations, with the **active participation of public sector units and private players.**
- It has also been proposed to provide **one slow-charging unit for every electric bus and one fast-charging station for 10 electric buses.**
- Projects for charging infrastructure will include those needed to extend electrification for running vehicles such as **pantograph charging and flash charging.**
- FAME 2 will also **encourage interlinking of renewable energy sources with charging infrastructure**

### **About National Electric Mobility Mission Plan 2020**

- It is a National Mission document providing the vision and the roadmap for the faster adoption of electric vehicles and their manufacturing in the country.
- This plan has been designed to enhance national fuel security, to provide affordable and environmentally

friendly transportation and to enable the Indian automotive industry to achieve global manufacturing leadership.

- As part of the NEMMP 2020, Department of Heavy Industry formulated a Scheme viz. Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India (FAME India) Scheme in the year 2015 to promote manufacturing of electric and hybrid vehicle technology and to ensure sustainable growth of the same.
- Under the NEMMP 2020, there is an **ambitious target to achieve 6-7 million sales of hybrid and electric vehicles by the year 2020.**
- Based on the experience gained in the Phase-I of FAME India Scheme, it has been observed that sufficient number of charging infrastructure is required to achieve the expected outcome of the plan, which is being addressed presently in Phase-II of FAME Scheme