

# EV infra: Budget pushes for battery swapping and 'battery as a service'

TNN | Feb 1, 2022, 07.24 PM IST



NEW DELHI: To strengthen the movement towards higher adoption of green vehicles and de-carbonise India's economy, the Budget announced a battery swapping policy with inter-operability at its core as key measures to pave the way for a fast-charging infrastructure.

FM Nirmala Sitharaman said that 'battery as a service' will be developed as a new business model as efforts to increase the charging networks would gain pace, especially in urban areas.

"Considering the constraint of space in urban areas for setting up charging stations at scale, a battery swapping policy will be brought out and inter-operability standards will be formulated. The private sector will be encouraged to develop sustainable and innovative business models for 'Battery or Energy as a Service'. This will improve efficiency in the EV

ecosystem," Sitharaman said in the Budget speech.

The battery swapping model, which will help riders exchange a worn-out battery with a fully-charged one at designated points for a fee, will ensure that charging becomes effortless and almost instantaneous. It is expected to be a game-changer for two-wheelers and small commercial vehicles, even as carmakers are also studying the model.

"We will promote a shift to the use of public transport in urban areas. This will be complemented by clean tech and governance solutions, especial mobility zones with zero fossil-fuel policy, and EVs (electric vehicles)," Sitharaman said.

A clear policy framework in the area of charging will encourage investments from EV manufacturers and companies such as Reliance BP Mobility and Hero MotoCorp that have plans to roll out battery swapping networks.

Rajesh Jejurikar, Director at Mahindra and Mahindra said the measures will bolster the adoption of electric mobility. "Battery swapping can offer a practical alternative to increase adoption of electric vehicles. As part of our last-mile mobility, we look forward to working with the government, policymakers and our partners to formulate and implement the battery swapping policy."

Kenichi Ayukawa, MD & CEO of Maruti Suzuki who also heads auto industry body Siam, said the association will work with the government in the area of special mobility zones and battery swapping policy.

Akshay Singhal of EV battery-tech company Log9 Materials, said the push to encourage battery-as-a-service business models will provide further thrust to emerging homegrown startups in these areas. Financial decoupling of batteries, irrespective of swapping, has the potential to enable faster adoption.

Vishnu P Sudarsan, partner at JSA, said battery swapping is a much-awaited policy announcement in a sector which has been slow in picking up. "India has a target of strong vehicles electrification by 2030, and one of the key factors to achieving the same will be a comprehensive and cohesive policy framework."

Sohinder Gill, DG of Society of Manufacturers of Electric Vehicles, said that recognizing battery as a service will help develop EV infrastructure and create new avenues for companies to venture into battery swapping.