

Boosting EV battery component manufacturing: Govt's new incentive scheme

The Indian government is expected to increase capital expenditure for solar, wind, green hydrogen, and battery storage infrastructure



by **Staff Writer** | January 11, 2025 SHARE



The 2025 Budget is expected to focus on renewable energy and green infrastructure. The government may expand the production linked incentive (PLI) scheme for solar value chains and increase funding for the PM Suryaghar Muft Bijlee Yojana. Additionally, significant investments are expected in power distribution and transmission infrastructure. The emphasis on renewable energy reflects the government's commitment to a sustainable future.

The Indian government is expected to increase capital expenditure for solar, wind, green hydrogen, and battery storage infrastructure in response to industry demands and recommendations from the Ministry of Power and Renewable Energy. This comes after the success of the PM Suryaghar scheme, which saw 600,000 installations in just nine months. Further allocation of funds to expand household coverage under this scheme is also anticipated.

Viability Gap Funding (VGF) for offshore wind projects and measures to address grid and transmission challenges are also expected. Industry experts emphasise accelerating the green energy transition with priorities like advancing battery energy storage systems (BESS), improving grid stability, and expanding digital solutions such as AI and smart meters.

Streamlining rooftop solar projects, removing state-wise caps on net-metering for industrial establishments, and incentivising battery adoption over diesel generators are additional industry expectations. The Budget may also allocate resources to strengthen climate-resilient infrastructure, particularly in high-demand urban areas, as peak power demand rises by eight to nine percent annually.