

Fuel efficiency proposal signals an EV future for India

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NEW DELHI: In a move that underscores India's push towards zero-emissions, the country's energy efficiency agency has proposed stringent targets to cut automotive emissions, while emphasising battery electric vehicles as key to its clean mobility drive.

Indicating a clear intent to support low- and zero-emission technologies, the Bureau of Energy Efficiency (BEE) has proposed incentives for car-makers to produce more battery EVs to avail higher fuel efficiency credits, even as EV sales volumes are stagnating.

On the other hand, BEE has proposed changes to the corporate average fuel economy (CAFE-III) standards to relax the timeline for reducing carbon dioxide emissions, reflecting an ongoing dialogue between regulators and the auto industry.

CAFE III standards, earlier proposed from 2027-2030, would now be in effect till 2032, as per BEE's latest proposal circulated among testing agencies, original equipment manufacturers, and the ministries of roads, heavy industries, and power.

Mint has reviewed a copy of the proposal.

Mint reported earlier this month that BEE had taken a

hard line about imposing stringent, Europe-like CO2 emission targets on automakers.

"The proposed extension of CAFE-III standards until 2032, instead of 2030 as was discussed earlier, provides the industry with much-needed breathing room to adapt to these ambitious targets," said a senior executive with a leading passenger vehicle manufacturer, speaking on condition of anonymity as discussions on the matter are ongoing.

The initial proposal to end CAFE III standards by 2030 was met with significant resistance from the auto industry, which argued that the strict CO2 emission-reduction targets were overly ambitious.