



National Programme on Advanced Chemistry Cell Battery Storage

Why in News

The Union Cabinet has approved a **Rs. 18,100-crore Production Linked Incentive (PLI) scheme** for manufacturers of **Advanced Chemistry Cell (ACC)** battery storage, to reduce imports.

- The scheme is called the **National Programme on Advanced Chemistry Cell Battery Storage (NPACC)**. It is under the **Ministry of Heavy Industries & Public Enterprises**.

Key Points

▪ PLI Scheme:

- It aims to **give companies incentives on incremental sales from products manufactured in domestic units**.
- It invites foreign companies to set units in India, however, it also aims to encourage local companies to set up or expand existing manufacturing units.
- The PLI Scheme **has also been approved for sectors** such as automobiles, pharmaceuticals, IT hardware including laptops, mobile phones & telecom equipment, white goods, chemical cells and textiles, etc.

▪ Advanced Chemistry Cell (ACC):

- 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.
- Such battery storages will **cater not only to electric vehicles but also to the consumer electronics** industry and electricity grids.

▪ About NPACC Scheme:

- The plan is **to set up 50 gigawatt hour (GWh) manufacturing capacity for ACC batteries** by attracting investments totaling Rs. 45,000 crore.
- Requires each selected ACC battery Storage manufacturer to set-up **an ACC manufacturing facility of minimum 5 GWh capacity**, achieve a **domestic value addition of at least 25%** and incur the mandatory **investment Rs.225 crore /GWh** within **2 Years**.
- Furthermore, the beneficiary firms need to ensure **a minimum 60% domestic value addition** at the Project level within **five years**.
- The **incentive** will be disbursed **over a period of five years**. It will be paid out **on the basis of sales, energy efficiency, battery life cycle, and localization levels**.

▪ Expected Benefits from NPACC Scheme:

- Facilitate **demand creation for battery storage** in India.
- Facilitate **Make-in-India** and **Atmanirbhar Bharat**.
- Facilitate demand for **Electric Vehicles (EVs)**, which are proven to be significantly less polluting.

- A key contributing factor to **reduce India's GreenHouse Gas (GHG) emissions.**
- **Import substitution** of around Rs. 20,000 crore every year.
- **Impetus to Research & Development** to achieve higher specific energy density and cycles in ACC.
- Promote **newer and niche cell technologies.**

Source: PIB

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