Advanced Chemistry Cell Production Linked Incentive (ACC-PLI) Scheme

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In News: Recent assessments indicate a **significant gap between intended targets and actual outcomes** under the **ACC-PLI Scheme**, particularly in terms of capacity creation and domestic value addition.

About ACC-PLI Scheme

1. **Launched:** October 2021
2. **Objective:** To promote **domestic manufacturing of Advanced Chemistry Cells (ACC)** used in:

- Electric Vehicles (EVs)
- Renewable energy storage
- Grid-scale batteries

1. **Target Capacity: 50 GWh** of battery cell manufacturing by **2026**
2. **Nodal Ministry: Ministry of Heavy Industries**
3. **Total Financial Outlay: ?18,100 crore**

Key Objectives

1. Reduce **import dependence**, especially on China-dominated battery supply chains
2. Develop a **full domestic battery ecosystem**:

- Cathodes
- Anodes
- Electrolytes
- Cell assembly

1. Mobilise **private investment** and attract **global technology partnerships**
2. Lower battery costs and accelerate:

- EV adoption
- Energy storage deployment

1. Generate **large-scale employment** (over **1 million jobs** projected)

Key Features of the Scheme

Incentive Structure

1. Incentives linked to **actual battery sales**
2. Maximum subsidy of about **?2,000 per kWh**
3. Performance-based and technology-neutral

Investment & Localization Conditions

1. **Minimum investment:** ?1,100 crore per selected firm
2. **Domestic Value Addition (DVA) targets:**

- **25%** within 2 years
- **60%** within 5 years

Challenges Observed (Current Affairs Angle)

1. Delays in capacity commissioning
2. Difficulty in achieving high **domestic value addition**, especially for cathodes and anodes
3. Continued reliance on **imported raw materials and technology**
4. Global supply chain disruptions and high capital costs

Significance for India

1. Critical for **energy transition** and **net-zero targets**
2. Supports **Atmanirbhar Bharat** and **Make in India**
3. Strategic importance due to batteries being a **core input for EVs and renewables**