



NEWS RELEASE

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Air District settles air quality violations with Tesla, Inc.

Company to pay \$1 million penalty, install solar roof project and implement comprehensive environmental management system

SAN FRANCISCO – The Bay Area Air Quality Management District announced today that Tesla, Inc., has agreed to pay a \$1 million penalty and install a solar roof project to settle air quality violations at its manufacturing plant in Fremont.

The settlement covers 33 notices of violation that the Air District issued to Tesla. The notices of violation cover a range of violations including emissions exceeding Tesla’s permit limits, installing or modifying equipment without proper permits, failure to conduct required emissions testing, failure to maintain records and failure to report information to the Air District in a timely manner.

“This settlement requires Tesla’s compliance with Air District regulations at its Fremont facility and demonstrates the Air District’s continuing efforts to ensure strict compliance with air pollution regulations while seeking mutually beneficial solutions for the community,” said Jack Broadbent, executive officer of the Air District. “As part of this settlement, Tesla has agreed to implement a community microgrid project, which leverages the company’s technological expertise in developing next generation power here in the Bay Area.”

The community microgrid project will consist of the installation of a solar electric system of approximately 160 kilowatts, paired with a two-powerpack storage system. Tesla will fund the implementation of this solar microgrid system in a community prioritized under the Air District’s Community Health Protection Program, which focuses on improving air quality and public health in the Bay Area’s most heavily impacted areas. The goal of this project is to reduce electricity costs as well as localized air pollution emissions within the community. The project will provide emissions-free electric power and also provide reliability in the event that grid power is unavailable due to Public Safety Power Shutoffs or other reasons.

The settlement agreement also commits Tesla to implementing a comprehensive environmental management system, which will track all applicable environmental requirements and ensure that the company’s managers are trained on what is needed to comply with them. This environmental management system is designed to ensure that Tesla remains in full compliance going forward. Tesla has already begun implementing such a system, but today’s settlement agreement will make this a legally binding and enforceable commitment.

All the violations which led to this settlement have been corrected and are back in compliance. The Air District will use all penalty funds received for its programs to improve air quality in the Bay Area.

The [Bay Area Air Quality Management District](#) is the regional agency responsible for protecting air quality in the nine-county Bay Area. Connect with the Air District via [Twitter](#), [Facebook](#) and [YouTube](#).

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