# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**Washington, D.C. 20549**

# FORM 10-K

**(Mark One)**

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended December 31, 2016**

**OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from _____ to _____**

**Commission File Number: 001-34756**

# Tesla, Inc.

**(Exact name of registrant as specified in its charter)**

| **Delaware** | **91-2197729** |
|---|---|
| **(State or other jurisdiction of incorporation or organization)** | **(I.R.S. Employer Identification No.)** |
| **3500 Deer Creek Road Palo Alto, California** | **94304** |
| **(Address of principal executive offices)** | **(Zip Code)** |

**(650) 681-5000**

**(Registrant's telephone number, including area code)**

**Securities registered pursuant to Section 12(b) of the Act:**

| **Title of each class** | **Name of each exchange on which registered** |
|---|---|
| Common Stock, $0.001 par value | The NASDAQ Stock Market LLC |

**Securities registered pursuant to Section 12(g) of the Act:**

**None**

Indicate by check mark whether the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 ("Exchange Act") during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

| | | | |
|---|---|---|---|
| Large accelerated filer | ☒ | Accelerated filer | ☐ |
| Non-accelerated filer | ☐ (Do not check if a smaller reporting company) | Smaller reporting company | ☐ |

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of voting stock held by non-affiliates of the registrant, as of June 30, 2016, the last day of registrant's most recently completed second fiscal quarter, was $24,663,024,104 (based on the closing price for shares of the registrant's Common Stock as reported by the NASDAQ Global Select Market on June 30, 2016). Shares of Common Stock held by each executive officer, director, and holder of 5% or more of the outstanding Common Stock have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of January 31, 2017, there were 161,670,428 shares of the registrant's Common Stock outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the registrant's Proxy Statement for the 2017 Annual Meeting of Stockholders are incorporated herein by reference in Part III of this Annual Report on Form 10-K to the extent stated herein. Such proxy statement will be filed with the Securities and Exchange Commission within 120 days of the registrant's fiscal year ended December 31, 2016.

**TESLA, INC.**

**ANNUAL REPORT ON FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 2016**

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**Forward-Looking Statements**

***The discussions in this Annual Report on Form 10-K contain forward-looking statements reflecting our current expectations that involve risks and uncertainties. These forward-looking statements include, but are not limited to, statements concerning our strategy, future operations, future financial position, future revenues, projected costs, profitability, expected cost reductions, capital adequacy, expectations regarding demand and acceptance for our technologies, growth opportunities and trends in the market in which we operate, prospects and plans and objectives of management. The words "anticipates", "believes", "could," "estimates", "expects", "intends", "may", "plans", "projects", "will", "would" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements that we make. These forward-looking statements involve risks and uncertainties that could cause our actual results to differ materially from those in the forward-looking statements, including, without limitation, the risks set forth in Part I, Item 1A, "Risk Factors" in this Annual Report on Form 10-K and in our other filings with the Securities and Exchange Commission. We do not assume any obligation to update any forward-looking statements.***

## PART I

### ITEM 1. BUSINESS

**Overview**

We design, develop, manufacture and sell high-performance fully electric vehicles, and energy storage systems, as well as install, operate and maintain solar and energy storage products. We are the world's only vertically integrated energy company, offering end-to-end clean energy products, including generation, storage and consumption. We have established a global network of vehicle stores, service centers and Supercharger stations to accelerate the widespread adoption of our products. Our vehicles, engineering expertise across multiple products and systems, intense focus to accelerate the world's transition to sustainable transport, and business model differentiates us from other manufacturers.

We currently produce and sell two fully electric vehicles, the Model S sedan and the Model X sport utility vehicle (SUV). Both vehicles offer exceptional performance, functionality and attractive styling. We commenced deliveries of Model S in June 2012 and have continued to improve Model S by introducing performance, all-wheel drive dual motor, and autopilot options, as well as free over-the-air software updates.

We commenced deliveries of Model X in the third quarter of 2015. Model X offers exceptional safety, seating for up to seven people, all-wheel drive, and our autopilot functionality. We are currently ramping production and deliveries of Model X in the United States, Europe and Asia.

Our next vehicle introduction is the Model 3, a lower priced sedan designed for the mass market. We intend to begin volume production and deliveries of Model 3 in the second half of 2017. We also intend to bring additional vehicles to market in the future. The production of fully electric vehicles that meets consumers' range and performance expectations requires substantial design, engineering, and integration work on almost every system of our vehicles. Our design and vehicle engineering capabilities, combined with the technical advancements of our powertrain system, have enabled us to design and develop electric vehicles that we believe overcome the design, styling, and performance issues that have historically limited broad consumer adoption of electric vehicles. As a result, our customers enjoy several benefits, including:

- *Long Range and Recharging Flexibility.* Our vehicles offer ranges that significantly exceed those of any other commercially available electric vehicle. In addition, our vehicles incorporate our proprietary on-board charging system, permitting recharging from almost any available electrical outlet, and also offer fast charging capability from our Supercharger network.
- *High-Performance Without Compromised Design or Functionality.* Our vehicles deliver unparalleled driving experiences with instantaneous and sustained acceleration, an advanced autopilot system with active safety and convenience features, and over-the-air software updates.
- *Energy Efficiency and Cost of Ownership.* Our vehicles offer an attractive cost of ownership when compared to similar internal combustion engine or hybrid electric vehicles. Using only an electric powertrain enables us to create more energy efficient vehicles that are mechanically simpler than currently available hybrid or internal combustion engine vehicles. The cost to fuel our vehicles is less compared to internal combustion vehicles. We also expect our electric vehicles will have lower relative maintenance costs than other vehicles due to fewer moving parts and the absence of certain components, including oil, oil filters, spark plugs and engine valves.

We sell our vehicles through our own sales and service network which we are continuing to grow globally. The benefits we receive from distribution ownership enable us to improve the overall customer experience, the speed of product development and the capital efficiency of our business. We are also continuing to build our network of Superchargers and destination chargers in North America, Europe and Asia to provide both fast charging that enables convenient long-distance travel as well as other convenient charging options.

In addition to manufacturing and selling our own vehicles, we leverage our technology expertise in batteries, power electronics, and integrated systems to manufacture and sell energy storage products. We recently announced the latest generation of our energy storage products, the14 kilowatt hour (kWh) Powerwall 2 with an integrated inverter for residential applications and the infinitely scalable 200 kWh Powerpack 2. In addition, we also announced an accompanying bi-directional inverter for commercial, industrial and utility applications. We began production and deliveries of these second generation products in the fourth quarter of 2016. Similar to our electric vehicles, our energy storage products have been developed to receive over-the-air firmware and software updates that enable additional features over time.

Also, through our acquisition of SolarCity Corporation, which closed on November 21, 2016, we sell renewable energy to our customers typically at prices below utility rates and are focused on reducing the cost of solar energy for our customers. Since 2006, SolarCity has installed solar energy systems for over 325,000 customers. Our long-term agreements with our customers generate recurring payments and create a portfolio of high-quality receivables that we leverage to further reduce the cost of making the switch to solar energy. The electricity produced by our solar installations represents a very small fraction of total U.S. electricity generation. With over tens of millions of single-family homes in our primary service territories, and many more in other locations, we have a large opportunity to expand and grow this business.

We manufacture our vehicle products primarily at our facilities in Fremont, California, Lathrop, California, Tilburg, Netherlands and at our Gigafactory 1 near Reno, Nevada. We are currently using battery packs manufactured at Gigafactory 1 for our energy storage products, and will build Model 3 battery packs and drive units at Gigafactory 1. We manufacture our solar products at our factories in Fremont, California and Buffalo, New York (Gigafactory 2).

## Our Products and Services

### Vehicles

#### *Model S*

Model S is a fully electric, four-door, five-adult passenger sedan that offers compelling range and performance with zero tailpipe emissions. We offer performance and all-wheel drive dual motor system options. Model S 100D is the longest range all-electric production sedan in the world, and the performance version with the Ludicrous speed upgrade is the quickest accelerating production vehicle ever.

Model S offers a unique combination of functionality, convenience, safety and styling without compromising performance and energy efficiency. Model S also includes premium luxury features, including a 17 inch touch screen driver interface, our advanced autopilot hardware to enable both active safety and convenience features, and over-the-air software updates. We believe the combination of performance, safety, styling, convenience and energy efficiency of Model S positions it as a compelling alternative to other vehicles in the luxury and performance segments.

#### *Model X*

Model X is the longest range all-electric production sport utility vehicle in the world, and offers exceptional functionality with high performance features such as our fully electric, all-wheel drive dual motor system and our autopilot system. . Model X can seat up to seven adults and incorporates a unique falcon wing door system for superior access to the second and third seating rows. Although the National Highway Traffic Safety Administration has not yet conducted crash testing on Model X, based on our internal testing, we are confident that Model X will receive the highest safety rating. We began customer deliveries of Model X in the third quarter of 2015 in the United States. Model X is sold in all the markets where Model S is available, including in Asia and Europe.

#### *Model 3*

We are developing a third generation electric vehicle, Model 3, which we unveiled in March 2016 and will be produced at the Tesla Factory. We intend to offer this vehicle at a lower price point and expect to produce it at far higher volumes than our Model S or Model X. Gigafactory 1 construction and Model 3 development both remain on plan to support volume Model 3 production and deliveries in the second half of 2017.

#### *Future Consumer and Commercial EVs*

Following the introduction of Model 3, we are also planning to introduce additional vehicles to address a broader cross-section of the consumer vehicle market, as well as introduce commercial EVs in the coming years.

### Energy Storage

Using the energy management technologies and manufacturing processes developed for our vehicle powertrain systems, we developed energy storage products for use in homes, commercial facilities and utility sites. The applications for these battery systems include the provision of backup power, grid independence, peak demand reduction, demand response, reducing intermittency of renewable generation and wholesale electric market services. We began selling our residential systems in 2013 and our commercial and utility systems in 2014, and have recently commenced production of the second generation of these systems.

Our energy product portfolio includes systems with a wide range of applications, from use in homes to use in large grid-scale projects. Powerwall 2 is a 14 kWh rechargeable lithium-ion battery designed to store energy at a home or small commercial facility and can be used for reducing demand, self-consumption of solar power generation and as backup power. In addition, we offer a 200 kWh Powerpack system which can be used by commercial and industrial customers for peak shaving, load shifting, self-consumption of solar generation and demand response. The Powerpack system is a fully integrated energy storage solution that can be used by utilities to smooth and firm the output of renewable power generation sources, provide dynamic energy capacity to the grid, defer or eliminate the need to upgrade transmission infrastructure and also provide for a variety of grid services for utilities. For grid-scale applications, 200 kWh battery blocks can be grouped together to offer MWh and GWh installations. We began production of the second generation of energy storage products at Gigafactory 1 in the fourth quarter of 2016.

Along with designing and manufacturing energy storage products, we continue to develop and advance our software capabilities for the control and optimal dispatch of energy storage systems across a wide range of markets and applications.

**Solar Energy Systems**

The major components of our solar energy systems include solar panels that convert sunlight into electrical current, inverters that convert the electrical output from the panels to a usable current compatible with the electric grid, racking that attaches the solar panels to the roof or ground, electrical hardware that connects the solar energy system to the electric grid and our monitoring device. We purchase the majority of system components from vendors, maintaining multiple sources for each major component to ensure competitive pricing and an adequate supply of materials. We also design and manufacture other system components.

Our SolarLease and SolarPPA customer agreements have fueled our growth by allowing our customers to pay little or no upfront costs to switch to distributed solar energy. Over the terms of both agreements, we own and operate the solar energy system and guarantee its performance. Our current standard SolarLeases and SolarPPAs have 20-year terms, and we typically offer the opportunity to renew our agreements. Additionally, our Solar Loan offers third-party financing alternatives to allow customers to take direct advantage of federal tax credits to reduce their electricity costs.

In October 2016, we revealed the solar roof, integrating solar energy production with aesthetically pleasing and durable glass roofing tiles, designed to complement and power customer homes and commercial buildings. We currently expect to commence production in the summer of 2017 at our Gigafactory 2 in Buffalo, New York, and begin customer installations of the solar roof later in 2017.

## Technology

**Vehicles**

Our core competencies are powertrain engineering, vehicle engineering, innovative manufacturing and energy storage. Our core intellectual property resides not only within our electric powertrain, but also within our ability to design a vehicle that utilizes the unique advantages of an electric powertrain and the latest advancements in consumer technologies. Our powertrain consists of our battery pack, power electronics, motor, gearbox and control software. We offer several powertrain variants for the Model S and Model X that incorporate years of research and development. In addition, we have designed our vehicles to incorporate the latest advances in consumer technologies, such as mobile computing, sensing, displays, and connectivity. Further evolution of our technology continues for Model 3 and future vehicles. In addition, advancements in battery architecture, thermal management and power electronics that were originally commercialized in our vehicles, are now being leveraged in our energy storage products.

***Battery Pack***

We design our battery packs to achieve high energy density at a low cost while also maintaining safety, reliability and long life. Our proprietary technology includes systems for high density energy storage, cooling, safety, charge balancing, structural durability, and electronics management. We have also pioneered advanced manufacturing techniques to manufacture large volumes of battery packs with high quality and low costs.

We have significant expertise in the safety and management systems needed to use lithium-ion cells in the automotive environment, and have actively worked with lithium-ion cell suppliers to further optimize cell designs to increase overall performance. These advancements have enabled us to improve cost and performance of our batteries over time. For example, we recently upgraded the battery of our highest range Model S to 100 kWh.

Our engineering and manufacturing efforts have been performed with a longer-term goal of building a foundation for further development. For instance, we have designed our battery pack to permit flexibility with respect to battery cell chemistry and form factor. In so doing, we can leverage the substantial investments and advancements being made globally by battery cell manufacturers to continue to improve cost. We maintain extensive testing and R&D capabilities at the individual cell level, the full battery-pack level, and other critical battery pack systems. As a result, we have built an expansive body of knowledge on lithium-ion cell vendors, chemistry types, and performance characteristics. We believe that the flexibility of our designs, combined with our research and real-world performance data, will enable us to continue to evaluate new battery cells as they become commercially viable, and thereby optimize battery pack system performance and cost for our current and future vehicles.

***Power Electronics***

The power electronics in our electric vehicle powertrain govern the flow of high voltage electrical current throughout the vehicle. The power electronics have two primary functions, powering our electric motor to generate torque while driving and delivering energy into the battery pack while charging.

The first function is accomplished through the drive inverter, which converts direct current (DC) from the battery pack into alternating current (AC) to drive our induction motors. The drive inverter also provides "regenerative braking" functionality, which captures energy from the wheels to charge the battery pack. Tesla has developed a family of drive inverter designs that are customized to our proprietary motor designs to most efficiently meet the demands of each of our vehicles. The primary technological advantages to our designs include the ability to drive large amounts of current in a small physical package.

The second function, charging the battery pack, is accomplished by the charger, which converts alternating current (usually from a wall outlet or other electricity source) into direct current that can be accepted by the battery. Tesla vehicles can recharge on a wide variety of electricity sources due to the design of this charger, from a common household outlet to high power circuits meant for more industrial uses. Tesla vehicles come with a Universal Mobile Connector that allows for multiple different charging services to be used. We also offer a Tesla Wall Connector that can be set up to provide higher power charging than the Universal Mobile Connectors.

On the road, customers can also charge using our Supercharger network or at a variety of destinations that have deployed our charging equipment. In addition, our vehicles can charge at a variety of public charging stations around the world, either natively or through a suite of adapters. This flexibility in charging provides customers with additional mobility, while also allowing them to conveniently charge the vehicle overnight at home.

***Dual Motor Powertrain***

In October 2014, we launched the initial version of our dual motor powertrain, which uses two electric motors to provide greater efficiency, performance, and range in an all-wheel drive configuration. Conventional all-wheel drive vehicles distribute power to the wheels from a single engine driving a complex mechanical transmission system. By contrast, Tesla's dual motor powertrain digitally and independently controls torque to the front and rear wheels. The almost instantaneous response of the motors, combined with low centers of gravity, provides drivers with controlled performance and increased traction control.

***Vehicle Control and Infotainment Software***

The performance and safety systems of our vehicles and their battery packs require sophisticated control software. There are numerous processors in our vehicles to control these functions, and we write custom firmware for many of these processors. The flow of electricity between the battery pack and the motor must be tightly controlled in order to deliver the performance and behavior expected in an automobile. For example, software algorithms enable the vehicle to mimic the "creep" feeling which drivers expect from an internal combustion engine vehicle without having to apply pressure on the accelerator. Similar algorithms control traction, vehicle stability and the sustained acceleration and regenerative braking of the vehicle. Software also is used extensively to monitor the charge state of each of the cells of the battery pack and to manage all of its safety systems. Drivers use the information and control systems in our vehicles to optimize performance, customize vehicle behavior, manage charging modes and times and control all infotainment functions. We develop almost all of this software, including most of the user interfaces, internally.

***Autopilot Systems***

We have developed an expertise in vehicle autopilot systems, including auto-steering, traffic aware cruise control, lane changing, automated parking and Summon and driver warning systems. In October 2014, we began equipping all Model S vehicles with hardware to allow for the incremental introduction of autopilot technology. In October 2016, we began equipping all Tesla vehicles with hardware needed for full self-driving capability, including cameras that provide 360 degree visibility, updated ultrasonic sensors for object detection, a forward-facing radar with enhanced processing, and a powerful new onboard computer. Our autopilot systems relieve our drivers of the most tedious and potentially dangerous aspects of road travel. Although, at present, the driver is ultimately responsible for controlling the vehicle, our system provides safety and convenience functionality that allows our customers to rely on it much like the system that airplane pilots use when conditions permit. This hardware suite, along with over-the-air firmware updates and field data feedback loops from the onboard camera, radar, ultrasonics, and GPS, enables the system to continually learn and improve its performance.

**Energy Storage**

We are leveraging many of the component level technologies from our vehicles to advance our energy storage products, including high density energy storage, cooling, safety, charge balancing, structural durability, and electronics management. By taking a modular approach to the design of battery systems, we are able to maximize manufacturing capacity to produce both Powerwall and Powerpack products. Additionally, we are making significant strides in the area of bi-directional, grid-tied power electronics that enable us to interconnect our battery systems seamlessly with global electricity grids while providing fast-acting systems for power injection and absorption.

**Solar Energy Systems**

We are continually innovating and developing new technologies to facilitate the growth of our solar energy systems business. For example, the solar roof is being designed to work seamlessly with Tesla Powerwall 2 and we have developed proprietary software to reduce system design and installation timelines and costs.

**Design and Engineering**

**Vehicles**

In addition to the design, development and production of the powertrain, we have created significant in-house capabilities in the design and engineering of electric vehicles and their components and systems. We design and engineer bodies, chassis, interiors, heating and cooling and low voltage electrical systems in house and to a lesser extent in conjunction with our suppliers. Our team has core competencies in computer aided design and crash test simulations which reduces the product development time of new models.

Additionally, our team has expertise in lightweight materials, a very important characteristic for electric vehicles given the impact of mass on range. Model S and Model X are built with a lightweight aluminum body and chassis which incorporates a variety of materials and production methods that help optimize the weight of the vehicle.

**Energy Storage**

We have an in-house engineering team that both designs our energy storage products themselves, and works with our residential, commercial and utility customers to design bespoke systems incorporating our products. Our team's expertise in electrical, mechanical, civil and software engineering enables us to create integrated energy storage solutions that meet the particular needs of all customer types.

**Solar Energy Systems**

We also have an in-house engineering team that designs a customized solar energy system for each of our customers, and which works closely with our energy storage engineering teams to integrate an energy storage system when requested by the customer. We have developed software that simplifies and expedites the design process and optimizes the design to maximize the energy production of each system. Our engineers complete a structural analysis of each building and produce a full set of structural design and electrical blueprints that contain the specifications for all system components. Additionally, we design complementary mounting and grounding hardware.

## Sales and Marketing

### Vehicles

#### *Company-Owned Stores and Galleries*

We market and sell our vehicles directly to consumers through an international network of company-owned stores and galleries which we believe enables us to better control costs of inventory, manage warranty service and pricing, maintain and strengthen the Tesla brand, and obtain rapid customer feedback. Our Tesla stores and galleries are highly visible, premium outlets in major metropolitan markets, some of which combine retail sales and service. We have also found that opening a service center in a new geographic area can increase demand. As a result, we have complemented our store strategy with sales facilities and personnel in service centers to more rapidly expand our retail footprint. We refer to these as "Service Plus" locations. Including all of our stores, galleries, Service Plus and service facilities, we operated 265 locations around the world as of December 31, 2016.

#### *Tesla Supercharger Network*

We continue to build a network of fast chargers, each called a Tesla Supercharger, throughout North America, Europe, Asia and other markets to enable convenient, long-distance travel. Our Supercharger network is a strategic corporate initiative designed to provide fast charging to enable long-distance travel and remove a barrier to the broader adoption of electric vehicles caused by the perception of limited vehicle range. The Tesla Supercharger is an industrial grade, high speed charger designed to recharge a Tesla vehicle significantly more quickly than other charging options. To satisfy growing demand, Supercharger stations typically have between four and fourteen Superchargers and are strategically placed along well-travelled routes to allow Tesla vehicle owners the ability to enjoy long distance travel with convenient, minimal stops. Use of the Supercharger network is either free or requires a small fee to Supercharge. As of December 31, 2016, we had 790 Supercharger stations open worldwide and plan to continue expanding the Supercharger network.

#### *Destination Charging*

We are working with a wide variety of hospitality locations, including hotels, resorts and shopping centers, to offer an additional charging option for our customers. These destination charging partners deploy our wall connectors and provide charging to Tesla vehicle owners that patronize their businesses. As of December 31, 2016, over 4,140 locations around the world had more than 7,110 Tesla wall connectors installed.

#### *Orders and Reservations*

We typically carry a small inventory of our vehicles at our Tesla stores which are available for immediate sale. The majority of our customers, however, customize their vehicle by placing an order with us via the Internet. To begin production or make a reservation, we require an initial payment which is collected once the customer has selected the vehicle specifications and has entered into a purchase agreement. We require all remaining payment of the vehicle purchase price upon vehicle delivery to the customer.

#### *Marketing*

Historically, we have been able to generate significant media coverage of our company and our vehicles, and we believe we will continue to do so. To date, for vehicle sales, media coverage and word of mouth have been the primary drivers of our sales leads and have helped us achieve sales without traditional advertising and at relatively low marketing costs.

### Energy Storage

We market and sell our energy storage products to individuals, commercial and industrial customers and utilities through a variety of channels. Powerwall 2 appears in many of our stores and galleries worldwide, which generates interest in the product. In the U.S., we also use our national sales organization, channel partner network and customer referral program to market and sell Powerwall 2. Outside of the U.S., we use our international sales organization and a network of channel partners to market and sell Powerwall 2. We also sell Powerwall 2 directly to utilities who act as a channel to their end-customers. We sell Powerpack systems to utility and commercial customers through our international sales organization, which consists of experienced power industry professionals in all of our target markets, as well as a channel partner network.

### Solar Energy Systems

We sell our solar products and services through a national sales organization that includes specialized internal call centers, outside sales force, a channel partner network and a robust customer referral program. In the first quarter of 2017, we also began offering our solar products and services in select Tesla stores.

## Service and Warranty

### Vehicles

#### *Service*

We provide service for our electric vehicles at our company-owned service centers, at our Service Plus locations or, in certain areas for an additional charge, through Tesla Ranger mobile technicians who provide services that do not require a vehicle lift. We owned and operated 135 service locations as of December 31, 2016.

Our vehicles are designed with the capability to wirelessly upload data to us via an on-board system with cellular connectivity, allowing us to diagnose and remedy many problems before ever looking at the vehicle. When maintenance or service is required, a customer can schedule service by contacting one of our Tesla service centers. Our Tesla Rangers can also perform an array of services from the convenience of a customer's home or other remote location.

Our company-owned service centers enable our technicians to work closely with our engineers and research and development teams in Silicon Valley to identify problems, find solutions, and incorporate improvements faster than incumbent automobile manufacturers.

#### *New Vehicle Limited Warranty, Maintenance and Extended Service Plans*

We provide a four year or 50,000 mile New Vehicle Limited Warranty with every new vehicle, subject to separate limited warranties for the supplemental restraint system and battery and drive unit. For the battery and drive unit on our current new vehicles, we offer an eight year, infinite mile warranty, although the battery's charging capacity is not covered.

In addition to the New Vehicle Limited Warranty, we offer a comprehensive maintenance program for every new vehicle, which includes plans covering prepaid maintenance for up to four years or up to 50,000 miles and an Extended Service plan. The maintenance plans cover annual inspections and the replacement of wear and tear parts, excluding tires and the battery. The Extended Service plan covers the repair or replacement of vehicle parts for up to an additional four years or up to an additional 50,000 miles after the New Vehicle Limited Warranty.

Our New Vehicle Limited Warranty and Extended Service plans are subject to certain limitations, exclusions or separate warranties, including on certain wear items, such as tires, brake pads, paint and general appearance, and battery performance, and are intended to cover parts and labor to repair defects in material or workmanship in the body, chassis, suspension, interior, electronic systems, battery, powertrain and brake system. In addition, all prepaid maintenance and Extended Service plans must be purchased within a specified period of time after vehicle purchase or warranty expiration.

### Energy Storage

We generally provide a ten year "no defect" and "energy retention" warranty with every Powerwall 2 and Powerpack 2. For Powerwall 2, the energy retention warranty involves us guaranteeing that the energy capacity of the product will be 70% or 80% (depending on the region of installation) of its nameplate capacity after 10 years of use. For Powerpack 2, the energy retention warranty involves us guaranteeing a minimum energy capacity in each of its first 10 years of use, subject to specified throughput caps. In addition, we offer certain extended warranties, which customers are able to purchase from us at the time they purchase an energy storage system, including a 20 year extended protection plan for Powerwall 2 and a 10 or 20 year "capacity maintenance agreement" for Powerpack 2. We agree to repair or replace our energy storage products in the event of a valid warranty claim. In circumstances where we install a Powerwall 2 or Powerpack 2 system, we also provide warranties, generally ranging from one to four years, on our installation workmanship. All of the warranties for our energy storage systems are subject to customary limitations and exclusions.

### Solar Energy Systems

We generally provide warranties of between ten to 30 years on the generating and non-generating parts of the solar energy systems we sell, together with a pass-through of the inverter and module manufacturers' warranties that generally range from five to 30 years. Where we sell the electricity generated by a solar energy system, we compensate customers if their system produces less energy over a specified performance period than our guarantee. We also provide ongoing service and repair during the entire term of the customer relationship.

## Financial Services

### Vehicles

We offer loans and leases for our vehicles in North America, Europe and Asia primarily through various financial institutions. We also offer financing arrangements directly through our local subsidiaries in certain areas of the United States, Germany, Canada and the UK. We intend to broaden our financial services offerings during the next few years.

Certain of our current financing programs outside of North America provide customers with a resale value guarantee under which those customers have the option of selling their vehicle back to us at a preset future date, generally during the period of 36 to 39 months following delivery for a pre-determined resale value. In certain markets, we also offer resale value guarantees to financial institutions which may obligate us to repurchase the vehicles for a pre-determined price.

**Energy Storage**

Through our acquisition of SolarCity, we are able to use available financial instruments in the U.S. to offer a loan product for energy storage systems to end-customers, particularly when combined with a new solar installation to take advantage of available tax credits and incentives to reduce the cost to customer.

**Solar Energy Systems**

We are an industry leader in offering innovative financing alternatives that allow our customers to make the switch to solar energy with little to no upfront costs under our SolarLease and Solar PPA, or to take direct advantage of available tax credits and incentives to reduce the cost of owning a solar energy system through a SolarLoan. Our SolarLease, offers customers a fixed monthly fee at rates that typically translate into lower monthly utility bills with an electricity production guarantee. Our SolarPPA charges customers a fee per kWh based on the amount of electricity produced by our solar energy systems at rates typically lower than their local utility rate. Both our SolarLease and SolarPPA create high-quality, recurring customer payments that we monetize through financing funds we have formed with fund investors and by leveraging the value of our interests. In addition, our Solar Loan offers third-party financing directly to a qualified customer to enable the customer to purchase and own a solar energy system installed by us. We are not a party to the loan agreement between the customer and the third-party lender, and the third-party lender has no recourse against us with respect to the loan.

## Manufacturing

**Vehicles**

We conduct vehicle manufacturing and assembly operations at our facilities in Fremont, California; Lathrop, California; and Tilburg, Netherlands. We are also building a cell and battery manufacturing facility, Gigafactory 1, outside of Reno, Nevada.

***The Tesla Factory in Fremont, CA and Manufacturing Facility in Lathrop, CA***

We manufacture the Model S and Model X, and certain components that are critical to our intellectual property and quality standards, at the Tesla Factory. We will also manufacture Model 3 at the Tesla Factory. The Tesla Factory contains several manufacturing operations, including stamping, machining, casting, plastics, body assembly, paint operations, drive unit production, final vehicle assembly and end-of-line testing. In addition, we manufacture lithium-ion battery packs, electric motors, gearboxes and components for our vehicles at the Tesla Factory. Some major vehicle component systems are purchased from suppliers; however we have a high level of vertical integration in our manufacturing processes at the Tesla Factory. We machine various aluminum components at our facility in Lathrop, California and are nearing completion of a site expansion to include an aluminum castings operation.

In some areas of the Tesla Factory, we have designed our investments with flexibility to accommodate multiple products. For example, our new high volume paint shop and new stamping lines can support Model S, Model X and Model 3. Our final vehicle assembly line is producing both Model S and Model X. We also continue to make significant additional investments at the Tesla Factory to be able to start production and deliveries of Model 3, in the second half of 2017. These investments include a new body assembly shop and Model 3 final vehicle assembly.

***The Netherlands***

Our European headquarters and manufacturing facilities are located in Amsterdam and Tilburg. The entities through which these facilities are operated hold the rights to manufacture and distribute all Tesla products to customers in all markets outside of the United States and provide corporate oversight functions for European sales, service, and administrative functions. Our operations in Tilburg include final assembly, testing and quality control for vehicles delivered within the European Union, a parts distribution warehouse for service centers throughout Europe, a center for remanufacturing work and a customer service center.

*Gigafactory 1 outside of Reno, Nevada*

We are developing Gigafactory 1 as a facility where we work together with our suppliers to integrate battery material, cell, module and battery pack production in one location. We plan to use the battery packs manufactured at Gigafactory 1 for our vehicles, including Model 3 and energy storage products. We broke ground on Gigafactory 1 in June 2014, began assembling our energy storage products in the fourth quarter of 2015, and began production of lithium-ion battery cells for our energy storage products in the first quarter of 2017. We also intend to manufacture Model 3 drive units at Gigafactory 1.

Gigafactory 1 is being built in phases so that Tesla, Panasonic, and other partners can begin manufacturing immediately inside the finished sections and continue to expand thereafter. Gigafactory 1 is currently expected to attain full production capacity by 2020, which is anticipated to be sufficient for the production of approximately 500,000 vehicles annually as well as for the production of our energy storage products.

We believe that Gigafactory 1 will allow us to achieve a significant reduction in the cost of our battery packs once we are in volume production with Model 3. We have committed to invest heavily on capital expenditures for Gigafactory 1. Panasonic has agreed to partner with us on Gigafactory 1 with investments in production equipment that it will use to manufacture and supply us with battery cells. We have agreed to prepare and provide the land, buildings and utilities, to invest in production equipment for battery module and pack production and to be responsible for the overall management of Gigafactory 1.

***Supply Chain***

Our vehicles use thousands of purchased parts which we source globally from hundreds of suppliers. We have developed close relationships with several key suppliers particularly in the procurement of cells and certain other key system parts. While we obtain components from multiple sources in some cases, similar to other automobile manufacturers, many of the components used in our vehicles are purchased by us from a single source. In addition, while several sources of the battery cell we have selected for our battery packs are available, we have currently fully qualified only one cell supplier for the battery packs we use in our production vehicles. We are working to fully qualify additional cells from other manufacturers.

We use various raw materials in our business including aluminum, steel, cobalt, lithium, nickel and copper. The prices for these raw materials fluctuate depending on market conditions and global demand for these materials. We believe that we have adequate supplies or sources of availability of the raw materials necessary to meet our manufacturing and supply requirements.

**Energy Storage**

Our energy storage products are manufactured at Gigafactory 1. We leverage the same supply chain process and infrastructure as we use for our vehicles. The battery architecture and many of the components used in our energy storage products are the same or similar to those used in our vehicles' battery pack, enabling us to take advantage of manufacturing efficiencies and supply chain economies of scale. The power electronics and grid-tie inverter for the Powerwall and Powerpack systems are also manufactured at Gigafactory 1, allowing us to ship deployment-ready systems directly from Gigafactory 1.

**Solar Energy Systems**

We currently purchase major components such as solar panels and inverters directly from multiple manufacturers. We typically purchase solar panels and inverters on an as-needed basis from our suppliers at then-prevailing prices pursuant to purchase orders issued under our master contractual arrangements. In December 2016, we entered into a long-term agreement with Panasonic to manufacture photovoltaic (PV) cells at our Gigafactory 2 in Buffalo, New York, with negotiated pricing provisions and the intent to manufacture 1 gigawatt of solar panels annually.

**Governmental Programs, Incentives and Regulations**

**Vehicles**

***California Alternative Energy and Advanced Transportation Financing Authority Tax Incentives***

We have entered into multiple agreements over the past few years with the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) that provide multi-year sales tax exclusions on purchases of manufacturing equipment that will be used for specific purposes including the expansion and ongoing development of Model S, Model X, Model 3 and future electric vehicles and expansion of electric vehicle powertrain production in California. We estimate the combined tax savings under these agreements will be approximately $198 million, of which $100 million has been realized as of December 31, 2016.

***Nevada Tax Incentives***

In connection with the construction of Gigafactory 1 in Nevada, we have entered into agreements with the State of Nevada and Storey County in Nevada that will provide abatements for sales and use taxes, real and personal property taxes, and employer excise taxes, discounts to the base tariff energy rates, and transferable tax credits. These incentives are available for the applicable periods ending on June 30, 2034, subject to capital investments by Tesla and its partners for Gigafactory 1 of at least $3.5 billion in the aggregate on or before June 30, 2024, and certain other conditions specified in the agreements. If we do not satisfy one or more conditions under the agreements, Tesla will be required to repay to the respective taxing authorities the amounts of the tax incentives incurred, plus interest.

***Tesla Regulatory Credits***

In connection with the production, delivery and placement into service of our zero emission vehicles, charging infrastructure and solar systems in global markets, we have earned and will continue to earn various tradable regulatory credits. We have sold these credits, and will continue to sell future credits, to automotive companies and regulated entities. For example, under California's Zero-Emission Vehicle Regulation and those of states that have adopted California's standard, vehicle manufacturers are required to earn or purchase credits for compliance with their annual regulatory requirements. These laws provide that automakers may bank excess credits, referred to as ZEV credits, if they earn more credits than the minimum quantity required by those laws. Manufacturers with a surplus of credits may sell their credits to other regulated parties. Pursuant to the U.S. Environmental Protection Agency's (EPA) national greenhouse gas (GHG) emission standards and similar standards adopted by the Canadian government, car and truck manufacturers are required to meet fleet-wide average carbon dioxide emissions standards. Manufacturers may sell excess credits to other manufacturers, who can use the credits to comply with these regulatory requirements. Many U.S. states have also adopted procurement requirements for renewable energy production. These requirements enable companies deploying solar energy to earn tradable credits known as Solar Renewable Energy Certificates (SRECs).

***Regulation—Vehicle Safety and Testing***

Our vehicles are subject to, and comply with or are otherwise exempt from, numerous regulatory requirements established by NHTSA, including all applicable United States Federal Motor Vehicle Safety Standards (FMVSS). Model S and Model X fully comply with all FMVSSs without the need for any exemptions, and we expect future Tesla vehicles to also fully comply.

As a manufacturer, we must self-certify that our vehicles meet all applicable FMVSS, as well as the NHTSA bumper standard, or otherwise are exempt, before the vehicles can be imported or sold in the United States. Numerous FMVSS apply to our vehicles, such as crash-worthiness requirements, crash avoidance requirements, and electric vehicle requirements. We are also required to comply with other federal laws administered by NHTSA, including the CAFE standards, Theft Prevention Act requirements, consumer information labeling requirements, Early Warning Reporting requirements regarding warranty claims, field reports, death and injury reports and foreign recalls, and owner's manual requirements.

The Automobile Information and Disclosure Act requires manufacturers of motor vehicles to disclose certain information regarding the manufacturer's suggested retail price, optional equipment and pricing. In addition, this law allows inclusion of city and highway fuel economy ratings, as determined by EPA, as well as crash test ratings as determined by NHTSA if such tests are conducted.

Our vehicles sold in outside of the U.S. are subject to foreign safety testing regulations. Many of those regulations are different from the federal motor vehicle safety standards applicable in the United States and may require redesign and/or retesting.

***Regulation—Battery Safety and Testing***

Our battery pack conforms to mandatory regulations that govern transport of "dangerous goods", defined to include lithium-ion batteries, which may present a risk in transportation. The regulations vary by mode of shipping transportation, such as by ocean vessel, rail, truck, or air. We have completed the applicable transportation tests for our battery packs, demonstrating our compliance with applicable regulations.

We use lithium metal oxide cells in our high voltage battery packs. The cells do not contain any lead, mercury, cadmium, other hazardous materials, heavy metals, or toxic materials. Our battery packs include certain packaging materials that contain trace amounts of hazardous chemicals whose use, storage, and disposal is regulated under federal law. We currently have an agreement with a third party battery recycling company to recycle our battery packs.

***Automobile Manufacturer and Dealer Regulation***

State laws regulate the manufacture, distribution, and sale of automobiles, and generally require motor vehicle manufacturers and dealers to be licensed in order to sell vehicles directly to consumers in the state. As we open additional Tesla stores and service centers, we secure dealer licenses (or their equivalent) and engage in sales activities to sell our vehicles directly to consumers. A few states, such as Michigan and Connecticut, do not permit automobile manufacturers to be licensed as dealers or to act in the capacity of a dealer, or otherwise restrict a manufacturer's ability to deliver or service vehicles. To sell vehicles to residents of states where we are not licensed as a dealer, we generally conduct the sale out of the state via the internet, phone or mail. In such states, we have opened "galleries" that serve an educational purpose and are not retail locations.

As we expand our retail footprint in the United States, some automobile dealer trade associations have both challenged the legality of our operations in court and used administrative and legislative processes to attempt to prohibit or limit our ability to operate existing stores or expand to new locations. We expect that the dealer associations will continue to mount challenges to our business model. In addition, we expect the dealer associations to actively lobby state licensing agencies and legislators to interpret existing laws or enact new laws in ways not favorable to Tesla's ownership and operation of its own retail and service locations, and we intend to actively fight any such efforts to limit our ability to sell our own vehicles.

While we have analyzed the principal laws in the U.S., EU, China, Japan, UK, and Australia relating to our distribution model and believe we comply with such laws, we have not performed a complete analysis of all jurisdictions in which we may sell vehicles. Accordingly, there may be laws in certain jurisdictions that may restrict our sales and service operations.

**Energy Storage**

The regulatory regime for energy storage projects is still under development. Nevertheless, there are various policies, incentives and financial mechanisms at the federal, state and local level that support the adoption of energy storage. For example, energy storage systems that are charged using solar energy are eligible for the 30% tax credit under Section 48(a)(3) of the Internal Revenue Code, or the IRC, as described below. In addition, California and a number of other states have adopted procurement targets for energy storage, and behind the meter energy storage systems qualify for funding under the California Self Generation Incentive Program.

The Federal Energy Regulatory Commission (FERC) has also taken steps to enable the participation of energy storage in wholesale energy markets. In 2011 and 2013, FERC removed many barriers for systems like energy storage to provide frequency regulation service, thus increasing the value these systems can obtain in wholesale energy markets. More recently, in late 2016, FERC released a Notice of Proposed Rulemaking that, if it becomes a final rule, would further break down barriers preventing energy storage from fully participating in wholesale energy markets. Finally, in January 2017, FERC issued a statement supporting the use of energy storage as both electric transmission and as electric generation concurrently, thus enabling energy storage systems to provide greater value to the electric grid.

**Solar Energy Systems**

***Government and Utility Programs and Incentives***

U.S. federal, state and local governments have established various policies, incentives and financial mechanisms to reduce the cost of solar energy and to accelerate the adoption of solar energy. These incentives include tax credits, cash grants, tax abatements and rebates.

The federal government currently provides an uncapped investment tax credit, or Federal ITC, under two sections of the IRC: Section 48 and Section 25D. Section 48(a)(3) of the IRC allows a taxpayer to claim a credit of 30% of qualified expenditures for a commercial solar energy system that commences construction by December 31, 2019. The credit then declines to 26% in 2020, 22% in 2021, and a permanent 10% thereafter. We claim the Section 48 commercial credit when available for both our residential and commercial projects, based on ownership of the solar energy system. The federal government also provides accelerated depreciation for eligible commercial solar energy systems. Section 25D of the IRC allows a homeowner-taxpayer to claim a credit of 30% of qualified expenditures for a residential solar energy system owned by the homeowner that is placed in service by December 31, 2019.The credit then declines to 26% in 2020 and 22% in 2021, and is scheduled to expire thereafter. Customers who purchase their solar energy systems for cash or through our Solar Loan are eligible to claim the Section 25D investment tax credit.

In addition to the Federal ITC, many U.S. states offer personal and corporate tax credits and incentive available for solar energy systems.

***Regulation –General***

We are not a "regulated utility" in the U.S. To operate our systems, we obtain interconnection agreements from the utilities. In almost all cases, interconnection agreements are standard form agreements that have been pre-approved by the public utility commission or other regulatory body.

Sales of electricity and non-sale equipment leases by third parties, such as our SolarLeases and SolarPPAs, face regulatory challenges in some states and jurisdictions.

***Regulation – Net Metering***

Forty-one states, Washington, D.C. and Puerto Rico have a regulatory policy known as net energy metering, or net metering, available to new solar customers. Net metering typically allows solar customers to interconnect their on-site solar energy systems to the utility grid and offset their utility electricity purchases by receiving a bill credit for excess energy generated by their solar energy system that is exported to the grid. Each of the states where we currently serve customers has adopted a net metering policy except for Texas, where certain individual utilities have adopted net metering or a policy similar to net metering. In certain jurisdictions, regulators or utilities have reduced or eliminated the benefit available under net metering, or have proposed to do so.

***Regulation – Mandated Renewable Capacity***

Many states also have adopted procurement requirements for renewable energy production, such as an enforceable renewable portfolio standard, or RPS, or other policies that require covered entities to procure a specified percentage of total electricity delivered to customers in the state from eligible renewable energy sources, such as solar energy systems. To prove compliance with such mandates, utilities typically must surrender renewable energy certificates. A solar renewable energy certificate, or SREC, is a tradable credit that represents all of the clean energy benefits of electricity generated from a solar energy system. Every time a solar energy system generates 1,000 kWh of electricity, one SREC is issued or minted by a government agency. The SREC can then be sold or traded separately from the energy produced, generally through brokers and dealers facilitating individually negotiated bilateral arrangements.

## Competition

### Vehicles

The worldwide automotive market, particularly for alternative fuel vehicles, is highly competitive today and we expect it will become even more so in the future as we introduce additional, lower priced vehicles such as our Model 3, and as we introduce other types of vehicles.

We believe the primary competitive factors in our markets include but are not limited to:

- technological innovation;
- product quality and safety;
- service options;
- product performance;
- design and styling;
- brand perception;
- product price; and
- manufacturing efficiency.

We believe that our vehicles compete in the market both based on their traditional segment classification as well as based on their propulsion technology. For example, Model S and Model X compete primarily in the extremely competitive premium sedan and premium SUV markets with internal combustion vehicles from more established automobile manufacturers, including Audi, BMW, Lexus and Mercedes, and Model 3 will compete with small to medium-sized sedans from manufacturers including Audi, BMW, Lexus, Mercedes, Honda and Toyota. Our vehicles also compete with vehicles propelled by alternative fuels, principally electricity.

Many established and new automobile manufacturers have entered or have announced plans to enter the alternative fuel vehicle market. Overall, we believe these announcements and vehicle introductions promote the development of the alternative fuel vehicle market by highlighting the attractiveness of alternative fuel vehicles, particularly those fueled by electricity, relative to the internal combustion vehicle. BMW, Daimler, Nissan, Fiat, Ford, General Motors and Mitsubishi, among others, have electric vehicles available today, and other current and prospective automobile manufacturers are also developing electric vehicles. Electric vehicles have also already been brought to market in China and other foreign countries and we expect a number of those manufacturers to enter the United States market as well. In addition, several manufacturers, including General Motors, Toyota, Ford, and Honda, are each selling hybrid vehicles, including plug-in versions of their hybrid vehicles.

**Energy Storage**

The market for energy storage products is also highly competitive. Established companies, such as AES Energy Storage, LG Chem and Samsung, as well as various emerging companies, have introduced products that are similar to our product portfolio. There are several companies providing individual components of energy storage systems (such as cells, battery modules, and power electronics) as well as others providing integrated systems. We compete with these companies on price, energy density and efficiency. We believe that the superior specifications of our products, our strong brand, and the modular, scalable nature of our Powerpack 2 product give us a competitive advantage when marketing our products.

**Solar Energy Systems**

The primary competitors to our solar energy business are the traditional local utility companies that supply energy to our potential customers. We compete with these traditional utility companies primarily based on price, predictability of price and the ease by which customers can switch to electricity generated by our solar energy systems rather than fossil fuel based alternatives. We also compete with solar energy companies that provide products and services in distinct segments of solar energy and energy-related products. Many solar energy companies only install solar energy systems, while others only provide financing for these installations. In the residential solar energy system installation market, our primary competitors include Vivint Solar Inc., Sunrun Inc., Trinity Solar, Sungevity, Inc., and many smaller local solar companies.

## Intellectual Property

As part of our business, we seek to protect our intellectual property rights such as with respect to patents, trademarks, copyrights, trade secrets, including through employee and third party nondisclosure agreements, and other contractual arrangements. Additionally, we previously announced a patent policy in which we irrevocably pledged that we will not initiate a lawsuit against any party for infringing our patents through activity relating to electric vehicles or related equipment for so long as such party is acting in good faith. We made this pledge in order to encourage the advancement of a common, rapidly-evolving platform for electric vehicles, thereby benefiting ourselves, other companies making electric vehicles, and the world.

## Segment Information

We operate as two reportable segments: automotive and energy generation and storage.

The automotive segment includes the design, development, manufacturing, and sales of electric vehicles. The energy generation and storage segment includes the design, manufacture, installation, and sale or lease of stationary energy storage products and solar energy systems to residential and commercial customers, or sale of electricity generated by our solar energy systems to customers.

## Employees

As of December 31, 2016, Tesla, Inc. had 17,782 full-time employees and SolarCity Corporation had 12,243 full-time employees. To date, we have not experienced any work stoppages, and we consider our relationship with our employees to be good.

## Available Information

We file or furnish periodic reports and amendments thereto, including our Annual Reports on Form 10-K, our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K; proxy statements and other information with the Securities and Exchange Commission (SEC). Such reports, amendments, proxy statements and other information may be obtained by visiting the Public Reference Room of the SEC at 100 F Street, NE, Washington, D.C. 20549. Information on the operation of the Public Reference Room can be obtained by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains a website (www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically. Our reports, amendments thereto, proxy statements and other information are also made available, free of charge, on our investor relations website at ir.tesla.com as soon as reasonably practicable after we electronically file or furnish such information with the SEC. The information posted on our website is not incorporated by reference into this Annual Report on Form 10-K.