

Tesla close to completing first phase of Gigafactory construction

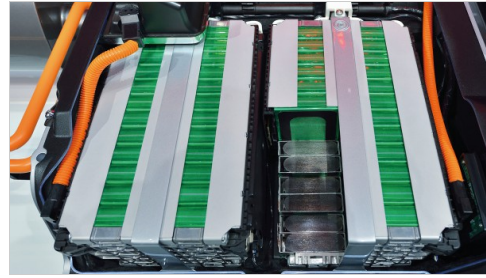
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Start of battery pack production scheduled for 2016

Tesla is close to completing the first phase of construction of its battery plant, called Gigafactory, in Nevada, United States, with a 900,000-square-foot building almost finished, reports Hybrid Cars. The next step is to install manufacturing equipment in the plant.



The development has been revealed by Steve Hill, director of the governor's office of economic development, while speaking with Nevada's Legislative Commission late last month. "They built the building," Hill said. "They will be starting to move machinery into that building in order to make batteries relatively soon." Although Tesla has not released any official statement on this, the company hinted in February this year that schedules "remain on plan to begin equipment installation later this year and for the start of battery pack production in 2016." In a separate development, *Inside EVs* reported that Tesla expects to start deliveries of the right-hand drive version of the Model S P85D soon in Hong Kong. According to the report, some buyers received an email last week from the automaker stating the same. The earliest batch of deliveries is targeted for late August according to an individual buyer's Tesla account; however, some buyers noticed that the date is replaced with the month that they had specified as preferred while placing the order.

Significance: Tesla is required to issue quarterly reports to the Legislative Commission, complying with the agreement with Nevada, on the progress of the building. The progress report revealed that the automaker has invested USD143 million in building the Gigafactory, of which USD80 million was spent during the first quarter of 2015. Hill highlighted that the construction of the Gigafactory is moving at a faster pace than estimated. The agreement with Nevada also includes a USD1.3-billion tax incentives package for Tesla. The current development of 900,000 square feet looks massive; however, it is a far from its final size, which is estimated to be around 10 million square feet.

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