Tesla Cuts Prices for Entry-Level Model 3 and Model Y

It’s determined to keep sales going strong.

February 19, 2021 2 min read

This story originally appeared on Engadget

Tesla is determined to keep its sales strong, and it’s using the time-honored tactic of price cuts to make sure that happens. As *Reuters* reports, Tesla has slashed the prices of entry-level Model 3 and Model Y electric cars. A Standard Range Plus Model 3 now starts at $36,990 (down from $37,990), while the Standard Range Model Y has dropped more sharply to $39,990 (previously $41,990). The company just made the Model Y more accessible by introducing the Standard Range in January, so a price cut this soon comes as something of a surprise.

It’s not all good news. Tesla has raised the prices of Performance variants for both cars. The speedier Model 3 now costs $55,990 (up from $54,990), while the Model Y gets a similar price hike to $60,990 (an increase from $59,990).

Related: 61 Books Elon Musk Thinks You Should Read

The automaker hasn’t explained its strategy and isn’t expected to comment when it effectively dissolved its PR team. However, the strategy is fairly easy to see — Tesla wants deliveries to keep growing, and lowering the base prices of its most affordable cars could further that goal. It helps that Tesla fell just short of its 500,000-car delivery target for the last quarter of 2020, and likely doesn’t want to disappoint as 2021 begins.

Tesla might get some additional help. *InsideEVs* notes that the Biden administration's GREEN Act (Growing Renewable Energy and Efficiency Now) could bring back federal incentives as high as $7,000 for a limited number of sales. It might be relatively trivial to own a Tesla, at least so long as the EV charging infrastructure is robust where you live.

https://www.entrepreneur.com/article/365750