Tesla Model 3 delays persist, reportedly due to Gigafactory problems

Already beset by production problems, the production ramp-up of the Tesla Model 3 could be further held up from reaching goals because the Gigafactory battery plant is still not up to speed. Furthermore, there could be a looming quality problem in the batteries that have already shipped.

While Tesla CEO Elon Musk already blamed production hurdles at the Gigafactory near Reno, Nevada for delays in getting significant quantities of the Model 3 sedan shipped on schedule, issues at the factory persist and may be worse than the automaker initially led on, CNBC reported Thursday. Sources told the outlet on the condition of anonymity that as late as last month, batteries were still being built, "partly by hand," and workers from partner Panasonic were brought in last year on a temporary basis to help with demand.

However, the complicated process of putting seven cooling tubes between the rows of lithium-ion cells for every battery by hand could be responsible for defects in batteries built last year, according to CNBC's sources.

> *But bandoliers are tough to put together by hand. Cells can be pushed a bit too high or low, or otherwise drop out of alignment, as they're squeezed against the glue on a cooling tube and packed into modules.*
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> *A current Gigafactory engineer recalled that in December, factory workers were manually "slapping bandoliers together as fast as they possibly could," generating a lot of scrap in the process.*

Further worsening matters, many of the quality control inspectors at the plant were hired from a temp agency by Tesla, and the Gigafactory workers are not performing the same "stress tests" as other battery manufacturers using similar technology. Yet Tesla denies its cars have been equipped with defective or dangerous batteries.

"This is an extremely misinformed and misleading article," a Tesla spokesperson told *The Verge* in an email, regarding the CNBC report.

Tesla announced on January 3rd that 1,550 Model 3s were delivered to customers in 2017, and it built more than 2,400 of them along with more than 101,000 Model S and X vehicles. It also scaled back the prediction that it would build 5,000 Model 3s per week until the second quarter of 2018, with a new goal of 2,500 per week by the end of the first quarter. This follows another adjustment last year that saw the ultimate goal of 10,000 cars per week abandoned.

We'll know more about Tesla's health on February 7th when the company releases its 2017 financial report. There will also be more details about its hopes for 2018, and likely more news about Model 3s landing into the hands of reservation holders. But for now, eyes are turned toward the Gigafactory to see whether it really is the culprit of the Model 3's slow start.

***Update 4:54 p.m. ET**: Added comment from Tesla.*

https://www.theverge.com/2018/1/25/16933802/tesla-model-3-battery-gigafactory-production-delays