# Tesla to pay $750k fine and build solar microgrid system to settle California air quality violations

Tesla has agreed to pay a $750,000 fine and install a solar roof project to settle air quality violations at its Fremont, California plant, officials announced Friday.

The Bay Area Air Quality Management District, which regulates air pollution in nine San Francisco Bay Area counties, said the settlement covers 33 notices of violations dating back to 2015, including “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.”

The violations have since been corrected and Tesla is back in compliance, according to the air district’s statement.

Both sides had agreed that the fine should be $1 million, but a spokesperson told the *Mercury News* that Tesla will pay $750,000 directly to the air district’s general operating fund. Tesla will then receive a $250,000 credit once it completes the installation of a community microgrid system, which will include rooftop solar panels, as part of the air district’s Community Health Protection Program. That program “focuses on improving air quality and public health in the Bay Area’s most heavily impacted areas,” the statement reads. “The goal of this project is to reduce electricity costs as well as localized air pollution emissions within the community.”

Where the microgrid will be installed has yet to be determined. The settlement with the air quality district also "commits Tesla to implementing a comprehensive environmental management system," to ensure the company remains in full compliance of environmental requirements moving forward. The air quality agency's statement did not provide information about a deadline for when Tesla has to complete the microgrid project.

Tesla has battled with public officials in Fremont over the past year, defying local pandemic shutdown requirements. CEO Elon Musk threatened to move Tesla's headquarters out of California, but earlier this year the company filed permits to expand its Fremont plant, suggesting the move was off.

Last month, Tesla reported a record profit of $438 million for the first quarter of 2021, with sales of $10.4 billion.

https://www.theverge.com/2021/5/8/22426190/tesla-fine-build-microgrid-system-settle-california-air-quality-violations