

Tesla cites fake performance reviews as it fires SolarCity employees, though workers say reviews never took place

- Mass firings at Tesla included SolarCity offices across the U.S.
- Ex-SolarCity employees said planned performance reviews never happened, but Tesla cited performance problems as reasons for their dismissals.
- The company was already in the midst of laying off 205 employees from SolarCity's Roseville, California, office.

[Lora Kolodny](#) | [@lorakolodny](#)

CNBC.com



[Tesla's mass firings spread to SolarCity](#)

Employee [dismissals at Tesla](#) are continuing at its SolarCity subsidiary, according to six former and current employees, and are affecting SolarCity offices across the U.S.

Echoing reports from earlier this month, these SolarCity employees say they were surprised to be told they were fired for performance reasons, claiming [Tesla](#) had not conducted performance reviews since acquiring the solar energy business. Earlier this month, Tesla began [firing hundreds of employees](#) after it announced a recall of 11,000 Model X SUVs.

All the people spoke under condition of anonymity, citing fears of retaliation from Tesla.

Tesla had [already announced plans](#) to lay off 205 SolarCity employees at its Roseville, California, office by the end of October this year. However, SolarCity employees across the country have been fired in the last two weeks — not just in California, but also in Nevada, Arizona, Utah and beyond, according to these employees.

Two former employees told CNBC that the Roseville office was being completely shut down. A Tesla spokesperson said the office will remain open with about 50 full-time employees. In March 2015, [SolarCity said](#) it employed 450 people at that location and was planning to add 300 more. It is not known whether those new people were ever added.

The total number of dismissals could not be determined. However, former employees estimate around 1,200 people have been fired in the company's wave of dismissals at Tesla including SolarCity. That figure does not include previously announced layoffs.

A spokesperson for Tesla declined to confirm that number or offer an alternative, and pointed back to a previous statement about the companywide dismissals:

"Like all companies, Tesla conducts an annual performance review during which a manager and employee discuss the results that were achieved, as well as how those results were achieved, during the performance period. This includes both constructive feedback and recognition of top performers with additional compensation and equity awards, as well as promotions in many cases. As with any company, especially one of over 33,000 employees, performance reviews also occasionally result in employee departures. Tesla is continuing to grow and hire new employees around the world."

SolarCity, which sells solar energy systems to consumers, was founded by [Elon Musk's](#) cousins Lyndon and Peter Rive in 2006. Musk was its chairman and largest shareholder from its early days. When Musk first proposed that Tesla buy SolarCity in 2016, [critics said](#) it would distract Tesla from making great cars.

Critics also raised corporate governance concerns because of the close relationships between the companies. Now, it operates as a subsidiary of Tesla.

Problematic 'conduct with peers'

Recently dismissed SolarCity employees — including from the company's sales, field energy and customer relations teams across four states — said usually Tesla HR managers fired them in person. Some of the firings came in big group employee meetings.

SolarCity employees (like other Tesla employees) then received separation agreements via email. The documents cited "failure to meet performance expectations" as the reason for their terminations, according to excerpts of the documents shared with CNBC by multiple parties.

The former SolarCity employees all said performance reviews had not been conducted since Tesla acquired the clean energy business for \$2.6 billion in November 2016.

Three recently fired SolarCity employees (who worked in disparate city offices, and were contacted separately by CNBC) said they asked HR at Tesla for a copy of their performance reviews. But those never materialized.

In some cases, HR never acknowledged their requests but went ahead and sent them separation agreements. These agreements force ex-employees of Tesla into arbitration if they want severance pay. In other words, they have to sign away the rights to sue the company for two weeks' worth of salary.

Sources said that HR department representatives told staff in one office they were being let go due to problematic "conduct with peers." When questioned, an ex-employee said, HR declined to specify any details about the alleged poor conduct, which had never been previously discussed.

Tesla Fires SolarCity Employees Across The U.S.

According to a report from CNBC, Tesla has fired SolarCity employees at offices in Nevada, Arizona, and Utah. The firings are part of a company-wide

Volkswagen Group CEO calls out Tesla for low volume, consistent losses

- [ARTICLE](#)
- [PHOTOS](#)





by [Scott Collie](#)

Volkswagen Group CEO, **Matthias Müller**, has used a panel discussion to take aim at **Tesla**.

Speaking at a forum about the future of the automotive industry, Müller didn't mince words when talking about the low volumes, regular losses and reported layoffs plaguing [Tesla](#).

"Now I really need to say a few words about Tesla: with all respect, there are some world champions of big announcements in this world – I don't want to name names," Müller said, in response to a question from the panel moderator. His response has been translated by [Daily Kanban](#).

Above: Tesla was in the firing line from Matthias Muller earlier this week

"There are companies that sell barely 80,000 cars a year. Then there are companies like [Volkswagen](#) that sell 11 million cars this year, and produce a profit of 13 or 14 billion euro."

"If I am correctly informed, Tesla each quarter destroys millions of dollars in the three digits, and it willy-nilly fires its workers. Social responsibility? Please."

"We should not get carried away and compare apples with oranges," he added.

Local fire officials: Electric cars pose unique challenges

Sentinel & Enterprise

Updated: 10/26/2017 06:33:55 AM EDT

By Elizabeth Dobbins

edobbins@sentinel [andenterprise.com](mailto:edobbins@sentinel.andenterprise.com)

Flames followed by billows of smoke rose out of a Tesla Model S on the side of the road in Austria in recent weeks.

If such a scene hasn't happened in the Twin Cities yet, the increasing popularity of alternative fuels and the new Tesla charging station at the Mall at Whitney Field mean an electric car fire in the region is all but inevitable, local fire officials say.

First-responders say they're prepared for the challenge these difficult-to-fight fires pose.

"We are aware of them and we have had some training," Fitchburg Fire Chief Kevin Roy said.

The response to fires in electric and nonelectric cars is, at its core, similar, according to Fitchburg Deputy Fire Chief Thomas Dateo.

Firefighters should first extinguish the fire, then cut the wiring to the car battery -- a small box in most cars, but a large high-voltage component in electric and hybrid vehicles.

"We have to find that battery to make it safer for our guys to put it out," Dateo said. "If we have a car accident involving an electric car, it's especially important to find that battery because of the high voltage. As we're cutting the car apart to free any trapped occupants, we don't want to come across the high voltage."

But while most gasoline-fueled cars have batteries in the engine, the location of the battery and connecting wires in electric cars varies, Dateo said.

The situation is most challenging when an electric car's battery catches on fire, igniting adjacent cells in the battery to cause a process called "thermal runaway," according to Andrew Klock, who oversees emerging technology safety at the National Fire Protection Association.

"These batteries, once they're going, are very hard to extinguish, because they reignite," he said. "It's kind of like a trick birthday candle."

The lithium-ion batteries in cars like the Tesla Model S and Nissan Leaf require firefighters to continuously pour water on the battery casing even after the fire appears to be extinguished.

In a 31-page manual put out by Tesla for emergency responders, the company says a battery fire may take up to 24 hours to fully extinguish. According to Klock, his office recommends that salvage yards monitor the vehicle for up to a week after a fire.

In online courses and classroom training, the NFPA advises first-responders use a thermal imaging camera to make sure the temperature of the battery is decreasing rather than increasing.

Though the makeup is slightly different, both electric cars and cars with combustion engines emit dangerous fumes when burning, according to Leominster Deputy Chief Scott Cordio.

"Everything in the world is in a car," he said. "It's all plastics, PVC, rubber. It's all kinds of chemicals."

In both Fitchburg and Leominster, responders are trained to wear self-contained breathing apparatus.

At this time, neither city has seen a car fire caused by a battery in an electric car, according to fire officials.

"We're talking a good 15 years of hybrid cars being around," Cordio said. "I don't know if I've ever had a car fire in one of them, believe it or not."

Klock said electric cars are not inherently more dangerous than cars with combustion engines, and that even when an electric car catches on fire, the battery doesn't always ignite.

"Electric vehicles are not more dangerous than internal-combustion engines," he said. "It's just that the fire service has had a hundred years to try to figure out how to put out an internal-combustion engine fire and electric vehicles are fairly new to the scene."

While Fitchburg has not dealt with the eventuality yet, Roy said other products with lithium-ion batteries, like chargers or hoverboards, have caused fires in the city.

The department tries to "train as much as possible," according to Dateo. However, he said department vehicles are not equipped with computers, meaning that checking the location of a battery in different makes and models or cars while on the scene could be challenging.

"If we had a computer database in every truck, it would be a lot easier to look up every vehicle and see what part the battery is located (in)," he said.

As a general rule, Klock said hybrid cars have batteries in the trunk or rear passenger-seat area. In electric cars, the battery is usually in the floorboard of the vehicle.

Jennifer Meith, the public-information officer for the Massachusetts Department of Fire Services, said disconnecting the battery prevents the unexpected deployment of airbags, which could injure responders or passengers.

In newer vehicles, piston oil in bumpers may also heat and cause injury.

Those and other changes illustrate the need for frequent updates to emergency-response guidelines, she said.

"Firefighters need to be aware of the technology," Meith said. "They will do different strategies and tactics to make sure they can safely approach a car fire."