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January 24, 2022

VIA E-Mail to shareholderproposals@sec.gov

United States Securities and Exchange Commission
Division of Corporation Finance
100 F Street, N.E.
Washington, D.C. 20549-7010

RE: Stockholder Proposal Submitted by Sumtris ehf

Ladies and Gentlemen:

Tesla, Inc. (the "Company") is submitting this letter to notify the staff of the Division of Corporation Finance (the "Staff") of the Securities and Exchange Commission (the "Commission") of the Company's intention to exclude a shareholder proposal (the "Proposal") from its proxy statement and proxy to be filed and distributed in connection with its 2022 annual meeting of shareholders (the "Proxy Materials"). Sumtris ehf, a limited liability corporation domiciled in Iceland (the "Proponent"), submitted the Proposal. A copy of the Proposal is attached hereto as Exhibit A.

The Company respectfully requests that the Staff advise the Company that it will not recommend any enforcement action to the Commission if the Company excludes the Proposal from its Proxy Materials for the reasons discussed below. Pursuant to Rule 14a-8(j) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Staff Legal Bulletin No. 14D (November 7, 2008) ("SLB 14D"), the Company is submitting this letter electronically no later than eighty calendar days before the Company intends to file its definitive Proxy Materials with the Commission. The Company is concurrently sending a copy of this letter to the Proponent.

The Proposal sets forth the following resolution:

> "RESOLVED, Tesla, Inc. ("Tesla" or "Company") shareholders request that the company adopt a policy of immediate (within five business days) liquidation of newly-acquired cryptocurrency assets, and fully divest from existing cryptocurrency assets (including mining hardware) within one year. If the company continues to accept payments of high-impact cryptocurrencies (eg., with a per-transaction energy or e-waste footprint more than 10x of Visa's), it should minimize their environmental impact (such as Level 2 processing)."

The Company intends to omit the Proposal from the Proxy Materials on the following basis:

Rule 14a(8)(i)(7) – Relates to Ordinary Business Operations

Rule 14a-8(i)(7) allows the omission of a shareholder proposal from a registrant's proxy statement if such proposal "deals with a matter relating to the company's ordinary business operations." As set out in Securities Exchange Act Release No 34-40018 (May 21, 1998) (the "1998 Release"), there are two "central considerations" underlying the ordinary business exclusion. One is that certain tasks are so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight. The other relates to the degree that a proposal seeks to "micro-manage" the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment. As discussed in Staff Legal Bulletin No. 14L (November 3, 2021), whether or not a proposal seeks to "micro-manage" depends to a significant degree on the level of granularity set forth in the proposal and whether and to what extent the proposal inappropriately limits discretion of the board or management.

In seeking to dictate the manner and timing of the liquidation of certain of the Company's assets, the Proposal implicates both of the central considerations identified in the 1998 Release. Determining where, how and when a company makes investments is fundamental to management's ability to oversee a company's financial condition. These decisions involve a wide array of business considerations, both on a micro- and macro-level. To choose just one example: in the supporting statement to the Proposal, the Proponent notes the stable inflation rate. However, since the Company's receipt of the Proposal, inflation reached 7% in the U.S., the highest level in 39 years. The ability of management to react to changing market conditions, such as inflation, through the diversification of its currency portfolio is fundamental to its ability to run the Company on a day-to-day basis and is not appropriate for direct shareholder oversight. Further, the management of investments is complex and involves the consideration of many factors. Shareholders cannot possibly make an informed judgment about these factors, given that they are not involved in the day-to-day management of the Company. In addition, a requirement to sell investments according to a fixed schedule hampers the flexibility needed by management to align its investment and cash management strategy with then-current market conditions. The pre-determined, granular schedule imposed by the Proposal, including the requirement to liquidate certain assets of the Company within five business days, is an inappropriate limitation on the discretion of the board of directors and management of the Company in managing the financial condition of the Company.

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The Staff has consistently concurred with the exclusion under Rule 14a-8(i)(7) of shareholder proposals that seek to micro-manage a company's ordinary business operations, including when proposals concern the management of a company's investment and fiscal policies. College Retirement Equities Fund, SEC No-Action Letter (May 10, 2013) (concurring in the exclusion of a shareholder proposal that the company end investments in companies that substantially contribute to or enable egregious violations of human rights); General Electric Company, SEC No-Action Letter (Dec. 15, 1989) (concurring in the exclusion, pursuant to Rule 14a-8(i)(7), of a shareholder proposal that the company discontinue "Program Trading" under existing rules); Integrated Circuits, Inc., SEC No-Action Letter (Dec. 27, 1988) (concurring in the exclusion, pursuant to Rule 14a-8(i)(7), of a shareholder proposal to get a third-party evaluation and recommendation of how the company might maximize shareholder value); California Real Estate Investment Trust, SEC No-Action Letter (July 6, 1988) (concurring in the exclusion, pursuant to Rule 14a-8(i)(7), of a shareholder proposal involving the determination of investment strategies); Newmont Mining Corporation, SEC No-Action Letter (Mar. 20, 1990) (concurring in the exclusion, pursuant to Rule 14a-8(i)(7), of a shareholder proposal that the company complete a restructuring begun two years previously by consolidating two entities). See, also, Pinnacle West Capital Corp., SEC No-Action Letter (Mar. 10, 1989) (concurring in the exclusion, pursuant to Rule 14a-8(i)(7), of a shareholder proposal that the company divest from all non-utility subsidiaries); General Motors Corporation, SEC No-Action Letter (Mar. 31, 1988) (concurring in the exclusion, pursuant to Rule 14a-8(i)(7), of a shareholder proposal that the company re-deploy the assets of the company into more profitable business lines); Sears Roebuck and Co., SEC No-Action Letter (Mar. 10, 1987) (concurring in the exclusion, pursuant to Rule 14a-8(i)(7), of a shareholder proposal that the company divest from all unprofitable operating units); Duke Energy Corporation, SEC No-Action Letter (Feb. 16, 2001) (concurring in the exclusion, pursuant to Rule 14a-8(i)(7), of a shareholder proposal that the company reduce NOx emissions at coal-fired power plants and boilers); and Marriott International, Inc., SEC No-Action Letter (Mar. 17, 2010) (concurring in the exclusion, pursuant to Rule 14a-8(i)(7), of a shareholder proposal that the company install low-flow showerheads in several test properties and report on the results).

The Company understands that in cases in which shareholder proposals raise significant social policy issues the ordinary business exclusion of Rule 14a-8(i)(7) may be found not to apply. The Company respectfully submits, however, that the Proposal does not focus on a significant social policy issue. The Proposal and its supporting statements allude to the carbon footprint of cryptocurrency, as well as the volatility of the value of cryptocurrency, as the reasons for the immediate divestiture of the Company's cryptocurrency assets. While the Proponent attempts to address the environmental impact of cryptocurrencies by forcing the Company to sell its holdings, doing so would only consume more energy and cause more emissions, thereby exacerbating the issue. As such, the Proposal does not transcend the day-to-day business matters addressed by the Proposal. Further, the Company respectfully submits that the Proposal is not of the sort upon which the stockholders can properly express their social policy judgments. Instead, the Proposal concerns the technical issues regarding the Company's fiscal and investment strategies, as well as the prescribed manner and timing of the liquidation of certain of the Company's assets. The Company believes that the specific strategies of fiscal and investment policies are properly within the purview of management, which has the necessary capability and knowledge to evaluate the particular facts and circumstances of its business operations and take appropriate action. As an example, because the Company's Chief Executive Officer has been very vocal about reducing the GHG footprint of cryptocurrencies, the Company ceased accepting Bitcoin and has decided to accept Doge because of its lower GHG impact. Based on the subject matter of the Proposal as discussed above, the Company believes that the exclusion provided under Rule 14a-8(i)(7) is appliable to the Proposal.

Conclusion

The Company respectfully requests that the Staff concur that it will take no action if the Company excludes the Proposal from the Proxy Materials. If the Staff has any questions with respect to the foregoing, or if for any reason the Staff does not agree that the Company may exclude the Proposal from its Proxy Materials, please do not hesitate to contact me at xuehzhang@tesla.com or (510) 946-6441. In addition, should the Proponent choose to submit any response or other correspondence to the Commission, we request that the Proponent concurrently submit that response or other correspondence to the Company, as required pursuant to Rule 14a-8(k) and SLB 14D, and copy the undersigned.

Sincerely,

Xuehui Cassie Zhang
Managing Counsel, Securities

Enclosure

cc: Karen Róbertsdóttir

Exhibit A

RESOLVED, Tesla, Inc. ("Tesla" or "Company") shareholders request that the company adopt a policy of immediate (within five business days) liquidation of newly-acquired cryptocurrency assets, and fully divest from existing cryptocurrency assets (including mining hardware) within one year. If the company continues to accept payments of high-impact cryptocurrencies (eg., with a per-transaction energy or e-waste footprint more than 10x of Visa's), it should minimize their environmental impact (such as Level 2 processing).

Support: A single Bitcoin transaction has a current carbon footprint of 359.04kgCO2—equivalent to 795,752 Visa transactions, 59,840 hours of watching YouTube, or driving a Model 3 approximately 3500 miles in California. The majority of this electricity comes from coal, keeping stranded assets operating 24/7. It likewise subsidizes stranded oil and gas resources, allowing them to offset increasing pollution taxes. This is a massive step backwards for Tesla's mission of accelerating the world's transition to sustainable energy.

The minority of Bitcoin's massive energy demands generated from renewables are creating their own problems. For example, Bitcoin's rush on Iceland's renewable power has consumed its available capacity in many regions and is leading to new hydropower projects, causing public backlash—with Tesla's cryptocurrency advocacy specifically associated as a cause. If one wants to visually see the impact of even "renewable Bitcoin mining", they need only to do an image search for "Hvalárvirkjun" to see the sort of things being sacrificed.

Bitcoin ASICs become obsolete after ~1.5 years. A single transaction creates an E-waste volume greater than 20,000 Visa transactions. The network as a whole creates an E-waste volume similar to that of a small country, despite processing only ~7 transactions per second.

Tesla is not simply a participant in cryptocurrency markets, but a driver. Bitcoin prices surged specifically because of Tesla's involvement (alongside other companies' actions triggered in response to Tesla's). Bitcoin transaction fees—the primary driver of adding new hardware (and thus energy consumption and E-waste) to the network—spiked from $11.49 to $29.73 within days of Tesla's announcement, and in the subsequent months averaged approximately $20 per transaction.

Tesla's cryptocurrency investments also create extreme volatility risks to its balance sheet. BTC commonly fluctuates by ~20% in a normal month. In March 2020, it lost 2/5ths of its value in one day. For the year starting in mid-December 2017 it lost 4/5ths of its value. By contrast, since 2012 the USD inflation rate has not exceeded 3%; the highest rate in the past 25 years is under 6%; and the highest rate ever was under 20%. Each car sold for non-redeemed cryptocurrency puts at risk the profits on five cars sold for cash.

Investors were diluted to gain the "excess cash" for cryptocurrency purchases, which appeared on Tesla's balance sheets from a $5B December share offering. It is additionally debatable what can be considered "excess" when Tesla could be using money to acquire critical-path suppliers or key mineral resources, expanding service, or even merely completing Giga Nevada's much-postponed solar roof.

From:	Karen Róbertsdóttir
To:	ShareholderMail
Subject:	Shareholder resolution
Date:	Friday, October 22, 2021 2:11:03 AM
Attachments:	Tesla Shareholder Resolution (1).pdf MULTI_20210101_20211021.pdf

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To whom it may concern,

My name is Karen Rós Róbertsdóttir. I am filing this resolution on behalf of my wholly-owned and operated company, Sumtris ehf, a limited liability corporation domiciled in Iceland. I submit this resolution for inclusion in the proxy statement in accordance with Rule 14a-8 of the general rules and regulations of the Securities Exchange Act of 1934. A representative of the filers will attend the annual meeting to move the resolution as required by SEC rules. My institution is the beneficial owner of 1211 shares of Tesla Inc. common stock and has held the requisite amount of stock for over a year.

Attached is the default 'Realized Summary' report in the company's Interactive Brokers trading account demonstrating that (A) 1211 shares are held, and (B) almost all of this has been held for over one year as of the time of writing. Sumtris ehf intends to maintain ownership of the requisite amount of holdings through the annual meeting in 2022.

A physical copy of this has been mailed Tesla, Inc at 3500 Deer Creek Road, Palo Alto, CA 94304. Please follow up with confirmation that this resolution has been received and accepted for inclusion.

Sincerely,

Karen Rós Róbertsdóttir
Owner and CEO, Sumtris ehf
[redacted]
Vagnhöfði 8
110 Reykjavík
Iceland