Twitter Thread by Jeb Kinnison

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1/ As $tsla melts down, a response to the bulls who accuse all critics of “not caring for the planet,” working for big oil, or not supporting EVs. I bought a Prius in 2006, and drove it for ten years. I replace it with a new 2016 Prius...

2/ Toyota knew the charging time issue would derail widespread use of EVs. Plug-in hybrids are the best solution for the next decade, since there’s no range issue and a single car for commuting (entirely battery) and ad hoc trips cross country (with easy and fast refill.)

3/ Most early adapters I know bought Tesla Model S as a second car to be the coolest on the block. They are moving on to shiny new models at the higher price point. Question some and they will admit they’re tired of the downsides of EVs.

4/ For those it was never about “saving the planet,” but about having the shiny new status object. Those may migrate to new ICE SUVs at even higher price points. $tsla parlayed one hit into enough funding to try for a second and third.

5/ But while there’s always room for niche products, going mass market is very dangerous for a niche brand. The Mod3 is soiling the service image and quality issues are reducing interest in Teslas in general.

6/ The “zoom factor” (high acceleration) was unique to Tesla because no other EV maker was willing to compromise other qualities to provide it. But sports makers will enter with models that compete on that. Carrying around larger motors and bigger batteries costs a lot.

7/ The typical greenish commuter will be much happier with a reliable plug-in hybrid which charges in the garage for daily commutes but gets 60 mpg on gas, like the Prius Prime. The multi chapter narrative $tsla hyped (EV car, house battery, solar roof) is collapsing.

8/ Promising the moon and then failing to deliver catches up with a brand. $tsla isn’t Apple with the iPhone, it’s Palm/Handspring with the Treo, the first smartphone-tablet. Great product, proof-of-concept which attracted bigger players who crushed the undercapitalized Palm.

9/ Add in the carnie barker / non-founding, not-really-an-engineer Elon Musk, who took over the company he didn’t found and drove out the real engineers, and you have a disaster, hyped based on work done by others, all of whom have left.

10/ I have no idea what DoJ, SEC, FTC, NHTSA, etc are doing, but the regulators have been roused to act. The $scty and other debts can’t be paid from cash flow since the Model3 is declining in sales, with overheads TBD but liabilities looming.

11/ Green subsidy regimes around the world are being rolled back. Without them, growth prospects for home solar, batteries, and EVs evaporate and return to market-driven growth at a much lower penetration rate. /end