



*LAX Electric Ground Support Equipment
Incentive Program*

June 2023

SECTION 1 – INTRODUCTION

Los Angeles World Airports (LAWA) has approved \$500,000 to implement an incentive program that will accelerate the deployment of zero-emission electric GSE (eGSE) to achieve further emissions reductions at LAX. The purpose of the incentive program is to assist operators accelerate the replacement of older conventionally fueled GSE (also known as ground service equipment or GSE) with new eGSE.

As of June, 2023, there were more than 3,000 pieces of motorized off-road airport GSE registered to 52 operators at LAX, including airlines, ground service provider companies, cargo transporters and parcel handlers. Exhaust emissions from off-road engines, especially diesel engines, contribute to smog formation within the greater Los Angeles region. Newer diesel powered GSE engines meet more stringent exhaust emission standards and typically have a long lifespan, meaning that older, higher-polluting GSE will continue to operate for several more years at LAX before they are replaced. This incentive program will accelerate the deployment of eGSE to achieve further emissions reductions at LAX.

LAWA has allocated a total of \$500,000 for the LAX eGSE Incentive Program. In the event eligible funding requests are received totaling more than \$500,000, LAWA reserves the right to establish a backup list of qualified applications that would be funded in rank order in the event additional future funding becomes available. Additionally, should LAWA receive applications with total requests less than \$500,000, or if applications are deemed non-meritorious, LAWA reserves the right to reduce the total funding available. LAWA also reserves the right to not fund any of the applications received, irrespective of the merits of the applications submitted. LAWA will allow applicants to combine this incentive with other state and local incentives to encourage the purchase of eGSE. However, the LAWA incentive may be modified if the total of all incentives exceeds the overall cost of the new eGSE equipment.

The following sections describe the Program participation eligibility requirements, incentive funding and guidelines for application preparation.

SECTION 2 – ELIGIBILITY REQUIREMENTS

Participation in the LAX eGSE Incentive Program is subject to the following eligibility requirements:

2.1 Eligible Applicants– Owners of existing conventionally fueled GSE operating at LAX are eligible to apply under this incentive program. This may include, but is not limited to, airlines, ground support service providers, cargo transporters, parcel handlers, etc. Third parties may prepare an application on behalf of GSE owner(s) for consideration by LAWA; however, the funding agreement signatory for any award made under this Program must be the owner of the GSE being replaced. Please note that LAWA does not enter into three-party agreements.

2.2 Eligible Airport GSE Types – the following types of conventionally fueled GSE are eligible for retirement and replacement with zero-emission electric GSE:

- Baggage. Cargo
- Belt Loaders
- Cargo/ Deck Loaders
- Lavatory Service Carts
- Lifts
- Sweepers
- Forklifts
- Aircraft Tractors
- Passenger Stand/Stair Unit
- Ground Power Units
- Air Conditioner Units

2.3 Existing Conventionally Fueled GSE – Applicants seeking participation in the LAX eGSE Incentive Program must have owned and operated the conventionally-fueled GSE proposed for replacement for at least six (6) months prior to the release date of this Program announcement. *For the purpose of this incentive program, “conventional fuels” are defined as diesel, gasoline, and liquefied petroleum gas (LPG).*

2.4 GSE in Working Condition – Airport GSE proposed for replacement under this Program must be in a working condition at LAX at the time the application is submitted. “Working condition” is defined as: “the GSE is able to perform its intended use in a safe manner”. High emitting and/or smoke-emitting GSE *are eligible* for participation under this Program.

2.5 GSE Replacement Requirement – Applicants seeking incentives for the purchase of new eGSE must replace the older conventionally fueled GSE. For the purpose of this Program, “replace” is defined as any of the following:

- **Scrap** – the older heavy-duty vehicle is rendered permanently inoperable by an automotive dismantler and sold as scrap.
- **Relocated** – the older heavy-duty vehicle is permanently removed from not only operation at LAX, but also operation in California. To reiterate, for the purpose of this funding opportunity, “relocation” means the vehicle is relocated to an owner/operator facility outside of the State of California.

The preference of LAWA is that the older GSE be scrapped.

2.6 Electric-GSE (eGSE) Requirements – LAWA will provide a monetary incentive towards the purchase of an electric ground support equipment asset in accordance with the following requirements and guidelines:

- **“One for One”** – Each piece of existing fueled GSE replaced will receive one (1) incentive towards the purchase of a new electric eGSE, i.e., replacements and incentives are one for one.
- **Qualifying eGSE** – the eGSE proposed for purchase must satisfy the following requirements:

- **100% Zero-Emission** – the eGSE that replaces the conventionally fueled GSE must be zero emission electric. This includes battery-electric and potentially hydrogen fuel cell electric¹. GSE equipped with an internal combustion engine (ICE), including alternative fuel ICEs and ICE- equipped hybrid electric GSE are not an eligible replacement GSE.
- **Similar Type & Size** –eGSE receiving an LAWA incentive must be of a similar type and rated capacity to the GSE being replaced.
- **New eGSE** – the replacement eGSE must be new equipment. For the purpose of this Program, “new” equipment is eGSE that has not been previously sold or leased.
- **eGSE Retention Requirement** – Electric GSE that receives an incentive under this program must remain at LAX for a period of no less than eight (8) years from the date the eGSE is placed into service. Verification of the vehicles at LAX will be documented by submitting annual reports using LAWA’s LAX Ground Support Equipment (GSE) Emissions Reduction Program Portal² and by audit if deemed necessary.

SECTION 3 - PARTICIPATION GUIDELINES, CONDITIONS & RESTRICTIONS

The following guidelines, requirements, and conditions have been established and apply to all Applicants:

3.1 Maximum Funding Limits – To ensure broad-based participation, the maximum funding award to any eligible LAX applicant shall not exceed \$100,000 of the total available funding. The total available funding currently allocated by LAWA for this Program is \$500,000. This maximum funding limit can be waived by LAWA in the event LAWA does not receive meritorious applications from other applicants that meet or exceed the total available funds, or if LAWA allocates additional funds to the Program. LAWA reserves the right to determine which projects, if any, are deemed meritorious and warrant a LAX eGSE Incentive funding award.

3.2 Targeted GSE to be Replaced – LAWA is looking to replace the GSE that emit the highest amount of nitrogen oxides (NOx) at LAX. Applications received will be prioritized based on scrapping or relocation of the largest NOx emitting GSE for eGSE.

¹ Exception, Air Conditioner Unit is a mobile electric GSE and plugged into grid power.

² <https://www.lawa.org/lawa-environment/lax/lax-gse-emissions-reduction-program>

3.3 Eligible Uses of LAX eGSE Incentive Funds – LAWA incentive funds may only be used to offset the direct costs of airport eGSE. LAWA incentive funds may not be used for administrative costs, labor, or other indirect costs associated with eGSE purchase. LAWA funds are intended to lower the purchase cost of the eGSE only. Electric vehicle charging equipment (EVSE), or landside electrical infrastructure is not an eligible use of LAX eGSE incentive funds.

3.4 Program Co-Funding Requirements – eGSE purchase costs above the LAWA incentive award must be borne by the eGSE purchaser. Other grant funds or awards from other agencies may be used as co-funding.

3.5 LAWA eGSE Funds Remitted on a Reimbursement Basis – LAWA eGSE incentive funds will be distributed on a reimbursement basis only upon completion of approved project milestones and submission of all required documentation and invoices. LAWA's Chief Executive Officer will award the incentives, based on the selection criteria in this incentive program, no greater than \$100,000 dollars per application.

3.6 LAWA Retains Rights to Any Emissions Reduction Credits – LAWA shall have the legal right to use or take credit for all emissions reductions, emissions credits or environmental attributes associated with vehicle replacements receiving incentives under this program. "Environmental attributes" means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to vehicle replacements receiving incentives under this program, including (a) any avoided emissions of pollutants to the air, soil or water such as NO_x, volatile organic compounds ("VOC"), particulate matter ("PM"), carbon monoxide (CO) and other pollutants; (b) any avoided emissions of carbon dioxide (CO₂), methane (CH₄), nitrous oxide and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere; and (c) the reporting rights related to these avoided emissions.

SECTION 4 – eGSE INCENTIVE MATRIX

An eGSE incentive under this Program varies per the specific type of airport GSE. Proof of GSE scrapping or relocation outside of California will be required prior to eGSE incentive fund disbursement by LAWA.

The following matrix illustrates LAWA Incentives available under this Program:

Table 4 -1 – Incentive Levels for the Replacement of Existing GSE with eGSE

<i>eGSE Category</i>	<i>Per GSE Incentive Amount</i>
<i>Aircraft Tractor (Narrow Body)</i>	\$30,000
<i>Aircraft Tractor (Wide Body)</i>	\$35,000
<i>Air Conditioning Unit</i>	\$25,000 ³
<i>Baggage/Cargo Tractor</i>	\$10,000
<i>Belt Loader</i>	\$15,000
<i>Cargo/Deck Loader (15,000 lb.)</i>	\$30,000
<i>Cargo/Deck Loader (60,000 lb.)</i>	\$35,000
<i>Forklift (>10,000 lb.)</i>	\$10,000
<i>Ground Power Unit</i>	65,000
<i>Lavatory Service Cart</i>	\$5,000
<i>Lift</i>	\$15,000
<i>Passenger Stand/Stair Unit</i>	\$15,000
<i>Sweeper</i>	\$10,000

Please note that awards will be made pursuant to the funding constraints discussed in Section 3, above. In the event this Program is oversubscribed, qualifying funding requests above the maximum award amounts described in Section 3 will be placed on a “backup list” for future potential funding by LAWA. Please note that additional funding above the current \$500,000 funding allocation is based on the availability of additional incentive funds and is at the sole discretion of LAWA.

SECTION 5 – LAX eGSE INCENTIVE PROGRAM TIMETABLE

The Program is expected to begin on July 1, 2023 and applications and submittal instructions will be released at that time. Award announcements are expected to be made in Quarter 4 of 2023.

SECTION 6 - APPLICATION PREPARATION & SUBMITTAL INSTRUCTIONS

LAWA Environmental Programs Group will send out applications and submittal instructions.

³ Air Conditioning Unit refers to a portable electric unit that is plugged into utility power.