



LAX

*Los Angeles
World Airports*

Zero & Near-Zero Emission Heavy-Duty Vehicle Incentive Program

**Funding Opportunity Announcement &
Application Preparation Package**

January 17, 2019

SECTION 1 – INTRODUCTION

Air pollutant emissions from heavy-duty vehicle exhaust are the largest contributor to smog and unhealthy air quality in the greater Los Angeles region. On-Road heavy-duty trucks and buses emit the greatest overall quantity of oxides of nitrogen (NO_x), the primary air pollutant that creates ozone (smog), as well as fine particulate matter, a toxic substance known to cause cancer. According to the South Coast Air Quality Management District (SCAQMD), this region exceeds federal health-based standards for both ozone and particulate matter, and suffers from the worst air pollution in the nation.

Since 2007, Los Angeles World Airports (LAWA) has implemented an Alternative Fuel Vehicle Requirement Program. This Program applies to all airport contractors who regularly do business at LAX and utilize medium and/or on-road heavy-duty vehicles. In 2017, the LAX Alternative Fuel Requirement Program¹ underwent revisions that add compliance flexibility for airport contractors while accelerating the attainment of necessary medium and heavy-duty emission reductions. By April 30, 2019, one hundred percent of the medium and/or on-road heavy-duty applicable vehicles must be in compliance with the LAX Alternative Fuel Requirement Program.

Given the air quality challenge facing our region, and the high level of scrutiny LAWA is under to further reduce air pollution emissions associated with airport operations, LAWA is implementing a voluntary heavy-duty vehicle replacement incentive program. The **LAX Zero & Near-Zero Heavy-Duty Vehicle Incentive Program** has the following goals:

1. To achieve vehicle emission reductions “above and beyond” those realized by the current LAX Alternative Fuel Vehicle Requirement;
2. To encourage LAX contractors who are covered by the Alternative Fuel Vehicle Requirement to transition their heavy-duty on-road vehicles to “zero” or “near-zero” emission vehicles;
3. To educate LAX vehicle operators regarding other heavy-duty vehicle incentive funds available in California, and incentivize operators to leverage these available funds with LAX incentive funds.

The following Sections describe the eligibility requirements to participate in the LAX Zero & Near-Zero Emission Heavy-Duty Vehicle Incentive Program (Zero & Near-Zero Incentive Program), limits on the amount of LAX incentive funding available to Program participants, and guidelines for application preparation. LAWA staff members are

¹ LAX Alternative Fuel Requirement Program - <https://www.lawa.org/en/lawa-environment/lax/lax-alternative-fuel-vehicle-requirement-program>

available to answer questions and provide technical and programmatic guidance as appropriate - please refer to Section 7 of this document for a list of LAWA Staff contacts.

1.1 Available Funding - LAWA has allocated a total of \$500,000 for the LAX Zero & Near-Zero Incentive Program. In the event eligible funding requests are received in excess of \$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.

1.2 Leveraging Other Available Incentive Funding – Given the limited total funding currently available under the LAX Zero & Near-Zero Incentive Program, and the necessity of limiting per vehicle incentive amounts, LAWA strongly recommends that applicants take advantage of other existing incentive funding available in California. Specifically, LAWA encourages all applicants under this program to also pursue funding under the **California HVIP Program**. HVIP provides substantial point-of-sale discounts to vehicle purchasers. When combined, an LAX incentive and HVIP incentive can defray all or most of the incremental cost associated with purchasing a zero or near-zero heavy-duty vehicle compared to a conventional heavy-duty vehicle. The California HVIP website is <https://www.californiahvip.org>.

Additionally, LAX contractors who operate fleets of ten (10) or fewer heavy-duty vehicles may be eligible to participate in the SCAQMD's On-Road Heavy-Duty **Voucher Incentive Program** (VIP). This local program, which is separate and distinct from the California HVIP Program, assists smaller fleets in replacing 2009 and older engine model year vehicles with newer, cleaner heavy-duty vehicles. Information on the SCAQMD VIP can be found at www.aqmd.gov/VIP.

Participation in the California HVIP, SCAQMD VIP, or any other vehicle incentive program is not a requirement for obtaining a funding award under the LAX Zero/Near-Zero Incentive Program. However, as LAX incentive funds are limited, the “per vehicle” funding award in most cases will be less than the actual incremental cost of the zero/near-zero heavy-duty vehicle.

SECTION 2 – ELIGIBILITY REQUIREMENTS

Participation in the LAX Zero & Near-Zero Incentive Program is subject to the following Eligibility Requirements:

2.1 Eligible Applicants – LAX contractors, licensees, or lessees that own and operate qualifying heavy-duty vehicles at LAX are eligible to submit an application under this Incentive Program. Third parties may prepare an application on behalf of eligible applicants for consideration by LAWA; however, the funding agreement signatory for any award made under this funding opportunity must be the owner of the vehicle being replaced. Please note that LAWA does not enter into three-party agreements. Additionally, LAWA-owned vehicle fleets subject to the Alternative Fuel Vehicle Requirement Program are not eligible for funding under this grant solicitation.

2.2 Eligible Zero-Emission & Near-Zero Emission Heavy-Duty Vehicles – the intent of this program is to provide financial assistance to heavy-duty vehicle owners subject to the LAX Alternative Fuel Vehicle Requirement Program to replace existing, older heavy-duty vehicles with new zero-emission or near zero-emission heavy-duty vehicles. For the purpose of this funding opportunity, the following definitions apply:

- **On-Road Vehicle** – a vehicle that meets California Department of Motor Vehicle (DMV) requirements for use on a public roadway;
- **Heavy-duty Vehicle** – a vehicle with a Gross Vehicle Weight Rating of 14,001 pounds or greater;
- **Zero-Emission Vehicle** - vehicle certified by the California Air Resources Board (CARB) as having zero tailpipe emissions;
- **Near-Zero Emission Vehicle** – a vehicle equipped with a heavy-duty engine certified by CARB as meeting an Oxides of Nitrogen (NOx) emission standard of 0.02 grams per brake horsepower-hour (g/bhp-hr). This emission level is 90% lower than the current EPA heavy-duty engine NOx standard.

Vehicles eligible to receive an incentive under this Program must be on-road heavy-duty zero or near-zero emission vehicles.

2.3 Existing Heavy-Duty Vehicle to be Replaced – For each vehicle purchase incentive received under the LAX Zero & Near-Zero Incentive Program, the applicant must replace an existing diesel-fueled heavy-duty vehicle currently operating at LAX. Vehicle replacements and incentives are “one for one”. The vehicles to be replaced must have been included in the contractor’s April 6, 2018 LAX Alternative Fuel Vehicle Report and currently in use at LAX.

2.4 Replacement Requirement – Applicants who receive an incentive for the purchase of new heavy-duty zero or near-zero emission vehicle(s) must replace an existing diesel-fueled heavy-duty vehicle. 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.

2.5 Zero/Near-Zero Vehicle Retention Requirement – Zero and/or near-zero emission vehicle(s) that receives an incentive under this program must remain at LAX campus for a period of no less than five (5) years from the date the vehicle receiving an incentive is placed into service.

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 total 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. The 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 Incentive Funding award.

3.2 Eligible Uses of LAX Incentive Funds – LAWA incentive funds may only be used to offset the direct costs of purchasing a qualifying heavy-duty vehicle. LAWA incentive funds may not be used for administrative costs, labor, or other direct or indirect costs associated with a vehicle purchase. LAWA funds are intended to lower the purchase cost of the zero or near-zero emission heavy-duty vehicle. Note that electric vehicle charging equipment (EVSE) is not an eligible use of LAX Incentive Funds.

3.3 Program Co-Funding Requirements – Vehicle purchase costs above the LAWA incentive must be borne by the purchaser. Other grant funds or awards from other agencies may be used as co-funding – see Section 1.2, above.

3.4 LAWA Funds Remitted on a Reimbursement Basis – LAWA incentive funds will be distributed on a reimbursement basis only upon completion of vehicle acquisition and submission of all required documentation and invoices.

3.5 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 nitrogen oxides (NOx), 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 – ZERO & NEAR-ZERO EMISSION VEHICLE INCENTIVE MATRIX

The maximum per vehicle incentive varies as a function of the gross vehicle weight rating and whether or not the replacement vehicle is certified as zero emission or equipped with a qualifying near-zero emission engine. LAWA offers a higher incentive towards the purchase of a zero-emission vehicle.

Note that this program is intended to augment other state and local zero and near-zero emission vehicle incentive programs. In no case may the LAWA incentive, when added to other available incentives, result in a total vehicle incentive that is greater than the actual purchase price of the vehicle. A recipient of a LAWA vehicle purchase incentive is required to disclose any and all other incentives applied to that vehicle purchase.

The following matrix illustrates LAWA Incentives available under this Program:

Table 4 -1 – Incentive Levels for the Purchase of On-Road Zero & Near-Zero Heavy-Duty Vehicles

Replacement Vehicle Gross Vehicle Weight Rating (GVWR)	Per Vehicle Incentive Amount
14,001 – 19,500 GVWR	\$15,000
19,501 – 26,000 GVWR	\$17,500
26,001 – 33,000 GVWR	\$20,000
Greater than 33,001 GVWR	\$50,000

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 ZERO/NEAR-ZERO INCENTIVE PROGRAM TIMETABLE

The Zero/Near-Zero Incentive Program will be conducted in accordance with the timeline shown in Table 5-1, below. Project applications may be submitted at any time during the period commencing January 1, 2019 and ending February 28, 2019. *Please note that applications must be received no later than 11:59 pm on February 28, 2019. All applications must be submitted via email. Late applications will not be evaluated and will not be eligible for LAWA funding.*

Table 5-1 - Key Dates for the Zero/Near-Zero Incentive Program

Program Event	Date
Program Announcement Release	January 15, 2019
Application Submittal Period	January – February 2019
Latest Date/Time for Application Submittal	February 28, 2019 @ 11:59 PM

SECTION 6 - APPLICATION PREPARATION & SUBMITTAL INSTRUCTIONS

An Application must be completed and submitted for funding consideration under this Program. Applications must be prepared and submitted in accordance with the instructions outlined below.

1. **Application Preparation** – The following information must be included in applications seeking LAX Zero & Near-Zero Emissions Heavy-Duty Vehicle incentive funding:
 - a) **Attachments A-C** - Applications must include the following completed Attachments, including all required supporting documentation as requested. Application Templates and Instructions are included in Section 9 of this Program Announcement:
 - Attachment A: Applicant Information
 - Attachment B: Diesel Vehicle & Replacement Vehicle Descriptions
 - Attachment C: Project Implementation Schedule
2. **Application Submittal Process** – LAX Zero/Near-Zero Incentive Program applications should be submitted via email as an attachment in PDF format. It is recommended that Attachments A-C be compiled into a single PDF document. Applications should be emailed to:

Amylou Canonizado: acanonizado@lawa.org

All LAX Zero/Near-Zero Vehicle applications must be received no later than 11:59 pm on February 28, 2019!

SECTION 7 – APPLICANT WORKSHOP & TECHNICAL ASSISTANCE

An applicant workshop will be convened on January 24, 2019 and February 7, 2019. The purpose of the workshop is to answer questions related to the Zero & Near-Zero Incentive Program as well as provide one-on-one assistance. Attendance is voluntary.

January Workshop

Date: **January 24, 2019**
Time: **4:30 PM- 6:30 PM**
Location: **Clifton A. Moore Administration Building,
Samuel Greenberg Board Room**

February Workshop

Date: **February 7, 2019**
Time: **9:30 AM- 11:30 AM**
Location: **Clifton A. Moore Administration Building,
Samuel Greenberg Board Room**

In addition, LAWA staff members are available to answer questions during the Application acceptance period. Please direct all inquiries to, Amylou Canonizado, at acanonizado@lawa.org.

SECTION 8 - APPLICATION EVALUATION AND APPROVAL PROCESS

Applications will be reviewed by LAWA in order of receipt. Applications will be recommended for funding in accordance with the program requirements and the maximum funding limits stipulated in Section 3 of this Program Announcement. Please note that all funding allocated to this Program could be fully expended prior to the close of the application submittal period, **February 28, 2019**.

The criteria used to assess the completeness and eligibility of a proposed LAX Zero/Near-Zero Vehicle Incentive application include the following:

1. Diesel-fueled vehicle proposed for scrapping, retirement, or relocation complies with the eligibility requirements outlined in Sections 2.1 – 2.4;
2. Zero/Near-Zero Vehicle proposed for purchase complies with eligibility requirements outlined in Sections 2.5 and 2.6;
3. Project funding requests conforms to Zero/Near-Zero Vehicle Incentive Matrix (Table 4-1)

SECTION 9 – Zero/Near-Zero Incentive Program APPLICATION ATTACHMENTS

ATTACHMENT A: APPLICANT CONTACT INFORMATION

A. Please provide the following applicant information in the space provided:

Business Name	
Division of:	
Subsidiary of:	
Website Address	
Type of Business <i>Check One:</i>	<input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> DBA, Name _____, County Filed in _____ <input type="checkbox"/> Corporation, ID No. _____ <input type="checkbox"/> LLC/LLP, ID No. _____ <input type="checkbox"/> Other _____

Address			
City			
State		Zip	
Phone	() - Ext	Fax	() -
Contact Name		Title	
E-mail Address			
Payment Name if Different			

B. Funding Request Summary:

Total LAX Zero/Near-Zero Vehicle Incentive Funding Requested:

\$ _____

Disposition of Existing Vehicle (e.g. scrap or relocate): _____
(Note that proof will be required prior to incentive payment.)

A valid quote for the proposed vehicle purchase is attached: YES NO (circle one)

ATTACHMENT B: EXISTING AND REPLACEMENT VEHICLE DESCRIPTIONS

Existing Vehicle Information

Company name/ Organization name/ Individual name:	
Equipment Identifier (Company ID or Unit #):	
Vehicle Type: _____	
Vehicle Make:	Vehicle GVWR:
Vehicle Model:	Vehicle Model Year:
Vehicle Model Year:	Registered Owner:
Department of Transportation Number (if interstate):	
California Highway Patrol CA Number (if applicable):	
Total Annual Miles Traveled: _____ or Gallons of Fuel Used: _____	

New Vehicle Information

ARB Certification Executive Order (EO) Number: _____ NOTE: The proposed engine for the project must be consistent with the <u>Intended Service Class</u> per the EO (MHD Intended Service Class engines cannot be used for projects which have the HHD vehicle classifications). Applicant must ATTACH a copy of the referenced Executive Order with the application. Download the EO at: http://www.arb.ca.gov/msprog/onroad/cert/cert.php

Propulsion System Engine Make: _____	Propulsion System Engine Model Year: _____
Propulsion System Engine Model: _____	Fuel Type (Fuel Cell, Battery, etc.) : _____
Engine Family: _____	

ATTACHMENT C: APPLICANT CONTACT INFORMATION

Please provide a schedule including the following estimated dates for each Zero & Near-Zero Heavy Duty Vehicle:

- Estimated date Vehicle will be ordered;
- Anticipated delivery date;
- Anticipated in-service date (if different from delivery date);
- Anticipated date existing Vehicles will be scrapped or removed from California