

EXHIBIT A



LAX

*Los Angeles
World Airports*

LAX Electric Ground Support Equipment Incentive Program

**Funding Opportunity Announcement &
Application Preparation Package**

August 2019

SECTION 1 – INTRODUCTION

Exhaust emissions from off-road engines, especially diesel engines, contribute disproportionately to both smog formation and air toxicity within the greater Los Angeles region. While newer off-road engines are required to meet more stringent exhaust emission standards, off-road equipment typically has long lifespans. As a result, there is a “legacy fleet” of older, higher-polluting off-road equipment that will continue to operate for several more years before its planned replacement.

At LAX, there are currently more than 2,700 pieces of off-road airport ground support equipment (GSE) registered to 27 operators, including eight airlines, a number of ground service provider companies, cargo transporters, and parcel handlers. Of the total GSE, more than 600 pieces—or approximately a quarter—are diesel-powered. Baggage tugs, belt loaders, forklifts, and aircraft tractors compose more than half of the GSE.

To help address the air quality challenges presented by the off-road equipment legacy fleet and assist GSE owners operating at LAX in transitioning to zero-emission technologies, Los Angeles World Airports (LAWA) has established a funding opportunity whose goal is to remove older GSE at LAX. Specifically, this program opportunity seeks to partner with owner-operators of airport GSE to replace older diesel or other fossil-fueled aircraft GSE with new, zero-emission electric GSE (eGSE).

The LAX eGSE Incentive Program (Program) is a commitment of the LAX Master Plan Program’s Community Benefits Agreement (CBA). Funding is currently set at \$500,000 total, with individual grant amounts based on an “incremental cost” of eGSE as compared to conventionally-fueled GSE, as discussed below.

The following sections describe the Program participation eligibility requirements, incentive funding and guidelines for application preparation. It is important to recognize that LAWA must ensure that the incentive funds result in measurable air quality benefits in accordance with the CBA. To this end, specific eligibility requirements must be met in order to qualify for a funding award.

LAWA staff members are 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 eGSE Incentive Program. In the event eligible funding requests are received totaling greater 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.

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 necessarily 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 Tugs
- Belt Loaders
- Motorized Lavatory Service Carts
- Lifts
- Hydrant Carts
- Sweepers
- Forklifts
- Cargo Tractors
- Cargo Loaders
- Aircraft Tractors
- Passenger Stands

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, i.e., propane).*** In addition, the existing GSE must have been operated at LAX for at least six (6) months prior to the release date of this Program announcement.

2.4 GSE in Working Condition – Airport GSE proposed for replacement under this Program must be in a working condition at the time the application is submitted. For the purpose of this Program Announcement, “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**. **LAWA offers higher eGSE purchase incentives in cases where the existing GSE is scrapped.**

2.6 Electric-GSE 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 conventionally fueled GSE replaced will receive one (1) incentive towards the purchase of an electric GSE, 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 electric. 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 have not been previously sold or leased.

2.7 eGSE Retention Requirement – Electric GSE that receives an incentive under this program must remain at LAX for a period of no less than five (5) years from the date the eGSE is placed into service. Verification the vehicles are at LAX will be documented through submitting annual reports to LAWA in accordance GSE Reporting

Forms and Emission Factor Model User Guide¹ and periodic audits as 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 p 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. Thus, the maximum total funding award for any single LAX service provider is currently set at \$100,000. 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 an LAX eGSE Incentive funding award.

3.2 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.*

3.3 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.

3.4 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.

¹ https://www.lawa.org/-/media/lawa-web/environment/files/lax_gse_reporting_forms_and_emission_factor_model_user_guide_december2015.ashx?la=en&hash=27296583B8F8B8F7A86CB718E1995C51579933D7

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 – eGSE INCENTIVE MATRIX

An eGSE incentive under this Program varies as a function of the specific type of airport GSE and whether or not the conventionally fueled GSE is scrapped or retired/relocated. LAWA offers a higher incentive towards a new eGSE purchase when a qualified GSE is scrapped. Proof of GSE scrapping 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

eGSE Category	Per eGSE Incentive Amount	
	Existing GSE Scrapped	Existing GSE Relocated
Aircraft Tractor (Narrow Body)	\$2,000	\$0
Aircraft Tractor (Wide Body)	\$31,500	\$28,500
Baggage Tug	\$9,500	\$8,500
Belt Loader	\$5,500	\$5,000
Cargo Loader (15,000 lb.)	\$26,500	\$24,000
Cargo Loader (60,000 lb.)	\$52,500	\$47,500
Cargo Tractor (Medium)	\$9,500	\$8,500
Cart	\$5,000	\$4,000
Forklift (3,000-6,000 lb.)	\$11,500	\$10,000

Forklift (>10,000 lb.)	\$23,000	\$20,500
Hydrant Cart	\$5,000	\$4,500
Lavatory Cart	\$5,000	\$4,000
Lift (NB)	\$8,000	\$7,500
Lift (WB)	\$21,000	\$19,000
Passenger Stand	\$17,500	\$16,000
Sweeper	\$19,000	\$17,000

The incentive levels were developed based on the current incremental cost differential between a zero-emission eGSE and a diesel or conventionally fueled equivalent GSE. The goal is to provide funding to cover the higher costs of the zero-emission eGSE, so operators will have an incentive to choose the zero-emission eGSE over the diesel or conventionally fueled GSE because it is the same cost.

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 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 August 1, 2019 and ending September 30, 2019. *Please note that applications must be received no later than 11:59 pm on September 30, 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 eGSE Incentive Program

Program Event	Date
Program Announcement Release	August 2019
Application Submittal Period	August 1, 2019 – September 30, 2019
Latest Date/Time for Application Submittal	September 30, 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 eGSE 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: GSE Description
 - Attachment C: Project Implementation Schedule
2. **Application Submittal Process** – LAX eGSE 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 eGSE applications must be received no later than 11:59 pm on September 30, 2019!

SECTION 7 – APPLICANT WORKSHOP & TECHNICAL ASSISTANCE

An applicant workshop will be convened on TBD. The purpose of the workshop is to answer questions related to the eGSE Incentive Program as well as provide one-on-one assistance. Attendance is voluntary.

Date: Wednesday, August 14, 2019
Time: 10:00AM-11:00AM
Location: Los Angeles International Airport
1 World Way, Conference Room 211

In addition, LAWA staff members are available to answer questions during the application acceptance period. Please direct all inquiries to the eGSE Incentive Program coordinator, 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, TBD.

The criteria used to assess the completeness and eligibility of a proposed LAX eGSE Incentive application include the following:

1. Conventionally-fueled GSE proposed for scrapping, retirement, or relocation complies with the eligibility requirements outlined in Sections 2.1 – 2.4;
2. eGSE proposed for purchase complies with eligibility requirements outlined in Sections 2.5 and 2.6;
3. Project funding requests conforms to eGSE incentive matrix (Table 4-1)

SECTION 9 – eGSE 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 eGSE Incentive Funding Requested:
\$ _____

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

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

ATTACHMENT B: GSE DESCRIPTION

Existing Ground Support Equipment Description

Company name:	
Existing Equipment Unit #:	
What is the primary function of this equipment?	
Existing Equipment Type (e.g. baggage tug, belt loader, etc.):	
Existing Equipment Serial Number:	
Existing Equipment Make & Model: Make:	Model:
Existing Equipment Model Year:	

Existing Engine Information (Existing)

Engine Type: <input type="checkbox"/> Main (Front) -OR- <input type="checkbox"/> Auxiliary (Rear) # _____	
Fuel Type:	Existing Engine Make:
Existing Engine Model:	Existing Engine Year:
Engine Serial No.:	Existing Engine Horsepower:
Existing Engine Tier:	Existing Engine Family:
Annual activity in units of hour per year: _____ (hr/yr)	
If existing GSE has more than one engine, please provide information for 2 nd engine below:	
Engine Type: <input type="checkbox"/> Main (Front) -OR- <input type="checkbox"/> Auxiliary (Rear) # _____	
Fuel Type:	Existing Engine Make:
Existing Engine Model:	Existing Engine Year:
Engine Serial No.:	Existing Engine Horsepower:
Existing Engine Tier:	Existing Engine Family:
Annual activity in units of hour per year: _____ (hr/yr)	

New Electric-Power Ground Support Equipment Information

New Equipment Type (e.g. belt loader, etc.):
New Equipment Manufacturer:
New Equipment Model:
New Equipment Model Year:

eGSE Cost Information

You **MUST** attach a valid quote from the equipment vendor documenting the cost of the eGSE.

Applicant Grant Request Amount: \$
Applicant Co-Funding Amount (if any): \$
Provide information (program title, incentive amount) regarding any additional incentives received for this equipment, or programs that will be considered for additional funding for this equipment. In no case shall the total of all incentives exceed the overall cost of the new eGSE.

ATTACHMENT C: PROJECT IMPLEMENTATION SCHEDULE

Please provide a schedule including the following estimated dates for each piece of eGSE proposed:

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