



## Zero-Emission Heavy-Duty Vehicle Incentive Program

**April 2025**

## SECTION 1 – INTRODUCTION

Los Angeles World Airports (LAWA) has approved \$175,000 to implement an incentive program that will accelerate the deployment of zero-emission (ZE), heavy-duty vehicles at Los Angeles International Airport (LAX).

As of January 2025, there were more than 400 diesel-fueled, on-road, heavy-duty vehicles registered to over 50 operators at LAX, including food-and-beverage delivery trucks, airline-catering trucks, parcel-delivery trucks, refuse trucks, and construction trucks. Exhaust emissions from diesel-fueled engines contribute to smog formation within the greater Los Angeles region. This incentive program aims to help operators accelerate the retirement of older, diesel-powered, heavy-duty vehicles and replace them with new vehicles that have zero tailpipe emissions.

The following Sections describe the program eligibility requirements, incentive funding amounts, and guidelines for application preparation.

## SECTION 2 – INTRODUCTION

Los Angeles World Airports (LAWA) has approved \$175,000 to implement an incentive program that will accelerate the deployment of zero-emission (ZE), heavy-duty vehicles at LAX.

Participation in the LAX Zero-Emission Incentive Program is subject to the following eligibility requirements:

**2.1 Eligible Applicants** – Owners of existing on-road, diesel-fueled, heavy-duty vehicles operating at LAX are eligible to apply under this incentive program. This may include, but is not limited to, delivery-vehicle owners, maintenance providers, and airline caterers. 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.

**2.2 Eligible 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 diesel vehicles with new 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 (GVWR) of 14,001 pounds or greater.
- **Zero-Emission Vehicle**– Vehicle certified by the California Air Resources Board (CARB) as having zero tailpipe emissions.

**2.3 Existing Heavy-Duty Vehicle to be Replaced** – Applicants seeking participation in the LAX ZE Incentive Program must have a diesel-fueled, heavy-duty vehicle, reported on the most recent LAX Alternative Fuel Vehicle Report. The report deadline is typically January 31st of each year, and the vehicle must still be operational at LAX. For this reporting year, the deadline for reporting was March 31<sup>st</sup>.

**2.4 Existing Heavy-Duty Vehicle in Working Condition** – Heavy-duty vehicles proposed for replacement under this program must be in working condition at LAX at the time the application is submitted. “Working condition” is defined as: “the heavy-duty vehicle is able to perform its intended use in a safe manner”. High-emitting and/or smoke-emitting, heavy-duty, diesel-fueled vehicles are eligible for participation under this Program.

**2.5 Replacement Requirement** – Applicants seeking incentives for the purchase of new zero-emission, heavy-duty 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.

**The preference of LAWA is that the older heavy-duty vehicle be scrapped.**

**2.6 Zero Emission Vehicle Requirements** – LAWA will provide a monetary incentive towards the purchase of a zero-emission, heavy-duty vehicle, in accordance with the following requirements:

- **“One-for-One”** – Each diesel-fueled, heavy-duty vehicle replaced will receive one (1) incentive towards the purchase of a new zero-emission, heavy-duty vehicle, i.e., replacements and incentives are “one-for-one”.
- **Qualifying Zero-Emission Vehicles** – The vehicle that replaces the diesel-fueled,

heavy-duty vehicle must be a zero-emission electric vehicle. This includes battery-electric and hydrogen fuel cell electric.

- **Similar Type & Size** – Zero-emission, heavy-duty vehicle receiving a LAWA incentive must be of a similar type and rated capacity to the heavy-duty, diesel-fueled vehicle being replaced.
- **New Vehicles Only** – The replacement zero-emission, heavy-duty vehicle must be a new vehicle. For the purpose of this program, “new” vehicles are zero-emission vehicles that have not been previously sold or leased.
- **Zero Emission Vehicle Retention Requirement** – A zero-emission, heavy-duty vehicle that receives an incentive under this program must remain at LAX until December 31, 2032, from the date it is placed into service. Verification of the vehicles at LAX will be documented by submitting annual reports using LAWA’s LAX Alternative Fuel Vehicle Reporting Portal 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 eligible applicants:

**3.1 Maximum Funding Limits** – To ensure broad-based participation, the highest award for any individual grant recipient will be limited to either three (3) vehicles per applicant or a total of \$100,000, whichever is lower. 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 zero-emission incentive award.

**3.2 Targeted Diesel-Fueled, Heavy-Duty Vehicles to be Replaced** – LAWA is looking to replace diesel-fueled, heavy-duty vehicles that emit the highest levels of oxides of nitrogen (NOx) emissions at LAX. Applications received will be prioritized based on scrapping or relocation of the largest NOx-emitting, diesel-fueled heavy-duty vehicles for zero-emission, heavy-duty vehicles.

**3.3 Eligible Uses of LAX Zero-Emission, Heavy-Duty Incentive Funds** – LAWA incentive funds may only be used to offset the direct purchase costs of airport vehicles. LAWA incentive funds may not be used for administrative costs, labor, or other indirect costs associated with zero-emission heavy-duty vehicle purchases. LAWA funds are intended to lower the purchase cost of the zero-emission heavy-duty vehicles only. Electric vehicle charging equipment (EVSE) or landside electrical infrastructure is not an eligible use of LAX zero-emission heavy-duty vehicle incentive funds.

**3.4 Program Co-Funding** – 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.

While LAX ZE Incentive Program funding is limited, applicants can significantly reduce vehicle purchase costs by exploring additional funding sources. LAWA strongly recommends combining this program with the California HVIP Program (<https://californiahvip.org>). HVIP offers substantial point-of-sale discounts that, when combined with our LAX incentive, can potentially cover the entire incremental cost of a zero-emission, heavy-duty vehicle compared to a conventional fuel option.

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 2017 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](http://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-Emission 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-emission heavy-duty vehicle.

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.

**3.5 LAWA Funds Remitted on a Reimbursement Basis** – LAWA Zero-Emission Heavy-duty 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, limited to either three (3) vehicles per applicant or a total of \$100,000, whichever is lower.

**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 nitrogen oxides (NO<sub>x</sub>), volatile organic compounds (VOC), particulate matter (PM), carbon monoxide (CO), and other pollutants; (b) any avoided emissions of carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), 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. LAWA agrees not to object to Grantee reporting emission reductions from the replacement of their existing vehicles with reduced emission vehicles to the extent such reporting does not impair LAWA's ownership or use of LAWA Emission Reduction Credits.

Grant recipient can use emissions data from the grant funded zero-emission, heavy-duty vehicles(s) to report its annual Scope 1,2, and 3 greenhouse gas emissions, as well for its Environmental Social Governance report. Additionally, recipients may report future emissions avoided due to zero-emission heavy-duty vehicle(s) at either a fleet-wide or individual level.

#### **SECTION 4 – ZERO-EMISSION VEHICLE INCENTIVE MATRIX**

The maximum per vehicle incentive varies as a function of the gross vehicle weight rating. Proof of replacement vehicle scrappage or relocation outside of California will be required prior to incentive funds disbursement by LAWA.

The following matrix illustrates LAWA Incentives available under this Program:

Table 4.1 – Incentive Levels for the Purchase of On-Road Zero Emission Heavy-Duty Vehicles

<b>Replacement Vehicle Gross Vehicle Weight Rating (GVWR)</b>	<b>Per Vehicle Incentive Amount</b>
14,001 - 19,500 GVWR	\$15,000
19,501 – 26,000 GVWR	\$20,000
26,001 – 33,000 GVWR	\$25,000
Greater than 33,001 GVWR	\$50,000

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 \$175,000 funding allocation is based on the availability of additional incentive funds and is at the sole discretion of LAWA.

#### **SECTION 5 – ZERO EMISSION INCENTIVE PROGRAM TIMETABLE**

The program is expected to begin on May 1, 2025, and application submittal instructions will be released at that time. Award announcements are expected to be made in the Spring of 2025.

#### **SECTION 6 – APPLICATION PREPARATION & SUBMITTAL INSTRUCTIONS**

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