Los Angeles World Airports

March 17, 2022

Trade, Travel, and Tourism Committee
Los Angeles City Council
200 N. Spring Street
Los Angeles, California 90012

Honorable Committee Members:

On November 3, 2021, the City Council approved the motion on Council File 21-1136 by Councilmembers Bonin and Krekorian related to decarbonizing and electrifying Los Angeles International Airport (LAX). This letter provides a response to the questions raised in that motion. Los Angeles World Airports (LAWA) adopted a Sustainability Action Plan (SAP) in 2019 based on comprehensive research into best industry practices and available technology. The SAP commits LAWA to take action on many issues raised in the motion. Moreover, LAWA committed to provide additional measures pertaining to sustainability and air quality, beyond those in the SAP, in conjunction with its agreement with SEIU USWW. As a result, LAWA is pleased to report significant progress in achieving our sustainability goals and looks forward to further discussions with your Committee on this progress.

Renewable Power Generation and Storage

The motion requested information on opportunities to generate power via renewable sources across the properties it owns at LAX, Van Nuys Airport (VNY), and Palmdale.

LAWA has committed to generating 15% of its power onsite at LAX using renewable resources by 2035, and the approach to accomplishing this objective was developed by a 2017 consultant study. The new LAX Airport Police Facility opened in 2021 has a solar energy system that yields 75 kilowatts. The LAX Consolidated Rent-a-Car facility will have a system design solar capacity of 4.7 megawatt (MW) installed and is expected be online in 2023. Also, the Automated People Mover Maintenance and Storage Facility will have solar capacity of 1 MW when completed.

Van Nuys is one of California's leading general aviation airports for solar energy production and has additional projects planned in the future. Four tenant solar projects were completed in 2020, totaling 4.4 MW capacity. VNY also has one 2.8 MW project currently in progress, and two new solar projects already planned, totaling 1.0 MW, for completion later this year. LAWA currently is developing a Request for Proposals, which will provide an opportunity for a developer to implement solar solutions at up to 13 LAWA owned properties at VNY.

In the Antelope Valley, LAWA owns land in unincorporated areas adjacent to the U.S. Air Force Plant 42 and the City of Palmdale. Options for renewable power generation have been discussed but not been specially identified as other uses are also being proposed. Further evaluations would require discussions with the Air Force, Los Angeles County, and the City of Palmdale.

Opportunities for battery storage have not specifically been identified, but will be incorporated into LAWA's planning efforts to help address reliability and quality issues in buildings and terminals, and to help reduce peak demand charges.

Sustainable Aviation Fuel

The motion asked LAWA to report on recommendations to increase the use of sustainable aviation fuels (SAF) at LAX, including needed regulatory reforms statewide or nationally. SAF has the potential to reduce carbon emissions from the aviation sector, but faces capacity issues based on an overall lack of production capacity, higher prices relative to conventional jet fuel, and limited capacity to produce renewable diesel fuel. Widespread use of SAF will require overcoming all of these obstacles. California added SAF to the Low-Carbon Fuel Standard (LCFS) in 2019. Under the LCFS, fuel producers receive carbon credits for low-carbon fuels that effectively reduce the incremental cost difference between conventional fuel and the low-carbon fuel. Nevertheless, SAF remains significantly more expensive than petroleum-origin jet fuel.

Neste, the world's largest SAF producer, and World Energy of Paramount have both indicated their desire to supply SAF at LAX. World Energy has entered into agreements with specific airlines, and has been providing SAF on a limited basis to commercial aircraft at LAX. In 2022, Neste plans to provide increased supply to California, including LAX.

LAWA is neither a producer nor a consumer of jet fuel, and thus has no direct ability to speed a transition from petroleum-origin fuels to SAF. Nonetheless, LAWA is committed to supporting SAF producers and airlines in efforts to bring SAF to LAX and has been a leading advocate for SAF in Sacramento and Washington DC. LAWA is active in a coalition of SAF producers, airlines, and airports to advocate for AB 1322 in Sacramento, which would require the California Air Resources Board (CARB) to develop a plan by 2024 to incentivize SAF use, to produce no less than 1.5 billion gallons a year of SAF by 2030 and achieve net-zero carbon emissions by 2045. LAWA is supporting HR 741 and SAF provisions in the Build Back Better Act to provide other incentives, including an important blenders tax credit, to spur SAF production and use.

LAWA also supports efforts of key U. S. agencies – notably the Departments of Energy, Transportation, and Agriculture – to develop a comprehensive strategy for new technologies to produce SAF on a commercial scale. The Administration has established a goal of 3 billion gallons of SAF per year for 2030, and a goal of supplying sufficient SAF to meet 100% of aviation fuel demand by 2050.

The Administration expects SAF to achieve a minimum of a 50% reduction in life cycle greenhouse gas emissions compared to conventional fuel.

At Van Nuys Airport (VNY), LAWA tenants received 906,041 gallons of SAF in 2021. LAWA has also established the VNY Safety, Security and Sustainability Committee comprised of VNY tenants and LAWA staff, which meets quarterly to discuss SAF, air quality and other sustainability issues.

Electrification of Ground-Based Activities

LAWA has made substantial progress transitioning its own vehicle fleet to cleaner fuels. LAWA has committed to adopting an Electric Vehicle Purchasing Policy that will require 100% of light duty sedan purchases be electric vehicles by 2031 and a zero emission-first policy for other light duty vehicles. LAWA also has committed to developing a plan by 2024 to convert its medium- and heavy-duty fleets to the cleanest available technology. As of March 2021, LAWA's fleet at LAX is 18.8% electric (224 of 1189), and alternative fuel vehicles are 60.6% of the total fleet. The VNY fleet is also 18.8% electric (9 of 48), and alternative fuel vehicles are 47.9% of the fleet. LAWA has also committed to 100% electric bus fleet for LAWA owned buses by 2030.

Private airport shuttle bus operators are subject to California Air Resources Board regulation that requires conversion to zero-emission buses over time, with 100% compliance required in 2035.

Transitioning Ground Service Equipment (GSE) to electric GSE (eGSE) is a goal of LAWA's in the near future. Currently there is no universal charging infrastructure for eGSE and no government or industry standard for electric charging. As a result, LAX currently has at least five different eGSE charging types and eGSE technologically is not currently commercially available for all types of vehicles. LAWA has committed to developing an electric infrastructure plan by 2025 that will support the further electrification of eGSE.

LAWA has committed $500,000 in incentives to retire diesel-powered GSE and transition to eGSE starting in FY 2023. LAWA also will develop policies that will further reduce GSE emissions. LAWA will target emissions reductions that correspond to having 70% electric or zero emission GSE equipment by 2031 and 100% by 2035, where technically feasible and commercially available.

LAWA previously offered incentive programs for its operators to replace medium- and heavy-duty diesel-fueled vehicles. LAWA's 2019 Alt Fuel Incentive program is fully subscribed and will replace 23 medium- or heavy-duty diesel fueled vehicles with zero-emission or near-zero emission vehicles. LAWA will be distributing almost $500,000 to aid in this replacement.

Incentivizing Electric Vehicle Parking

As part of its multi-year, $300M+ SMART Parking contract, LAWA installed over 265 new EV charging stations in 2021 in the LAX Central Terminal Area (CTA). SMART Parking helps reduce idling, which reduces emissions as cars can more efficiently identify open parking spaces and circulate less in the parking lots trying to find an open space.

In 2022, LAWA plans to activate 500 EV spaces in its new Economy Parking Facility and an additional 400 EV chargers in the CTA parking structures. By 2023, 10% of LAWA-owned public parking at LAX will be electrified.

LAWA appreciates the opportunity to share these accomplishments with the Committee and looks forward to implementing these initiatives that will benefit our workers, our airport partners and the community in the months and years ahead.

Sincerely,

Justin Erbacci (Mar 16, 2022 15:31 EDT)

Justin Erbacci
Chief Executive Officer