



Grant Funding Options for Rail Shippers

Switcher Locomotive Modernization

Glen Rees
Rail Business Development

PNWARS Fall Meeting

October 10, 2023

Introduction and Agenda



Glen Rees
*Director, Rail Business
Development*

ABOUT GLEN REES


- 36 years in off-highway equipment industry
- 23 years with Cummins
- 15 years dedicated to the Rail industry
- Today, focusing on available grants for switcher modernization

AGENDA

- Federal Grant Programs
- Switcher Locomotives
- Resources

Grant Programs for Rail Shippers:

EST. TIMING	GRANT NAME	SOURCE / APPLICATION	ELIGIBILITY	FY GRANT AMOUNT
DEC 2023	CRISI – Consolidated Rail Infrastructure & Safety Improvements <i>Federal Share up to 80%</i>	FRA / Direct or Non-Railroads can apply with state chartered public agency	Short Lines (CLII/III) Freight Rail Carriers & Intercity Passenger	FY23/24 est. \$3.1B
NOW!	DERA – Diesel Emission Reduction Act <i>Federal Share up to 40% to 75%</i>	EPA / State/Tribal via public agency or direct Federal	Railroads, Shippers, Lessors, 3PLs, Ports	FY23 est. \$115M
Q1 2024	PIDP – Port Infrastructure Develop Prog. <i>Federal Share up to 80%</i>	US DOT / direct via port authority or public agency	Port & Terminal Rail near or on waterways	FY24 est. \$660M
Q4 2024	INFRA –infrastructure programs for surface transportation capital project <i>Federal Share up to 40%</i>	US DOT / direct via public agency	Short Lines (CLII/III) Freight Rail Carriers & Intercity Passenger	FY23/24 est. \$3.1B
Q4 2024	RAISE – Rebuilding American Infrastructure Sustainability & Equity <i>Federal Share up to 80%</i>	US DOT / direct via public agency	Railroads, Shippers, Ports & Terminals	FY24 est. \$1.5B
TBD	EDA EAA – Economic Adjustment Assist Incl Rail Related Equipment <i>Federal Share up to 80%</i>	US DOC / direct via public agency	Railroads, Shippers, Ports & Terminals	FY23 est. \$220M
Q1 2024	Clean Ports Program – new grant for Zero Emission port equipment	EPA / direct via port authority or public agency	Railroads, Shippers Ports & Terminals	\$3B thru 2027



Grant Purpose: To fund projects that improve the safety, efficiency, and/or reliability of intercity passenger and freight rail systems.

CRISI – PROGRAM OVERVIEW

DEPARTMENT GOALS

- Safety
- Equitable economic strength and improving core assets
- Equity and barriers to opportunity
- Climate change and sustainability
- Transformation of our nation's transportation infrastructure

FY22 CRISI GRANT

- The total funding available for awards under 2022 NOFO was \$1.4B
- Future NOFOs may vary between \$1-2B
- 50% min. up to 80% federal match

FY2023/ FY2024 NOFO

- Anticipate it will be very similar to 2022
- Will be a combined two-year NOFO of ~\$3.1B

ELIGIBLE APPLICANTS

- Amtrak or other intercity rail carrier
- Class II or III railroads and associations that represent a Class II or III railroad
- Any rail carrier or equipment manufacturer in partnership with at least one state entity, public agency, and/or local government

ELIGIBLE PROJECT CRITERIA

Rehab or procurement of locomotives provided that such activities result in a significant reduction of emissions

1. A Non-Tiered, Tier 0, or Tier 1 locomotive to at least the Tier 2 level;
2. A Tier 2 locomotive to at least a Tier 4 level;
3. Or any locomotive to an all-electric, renewable diesel, battery-powered, or other renewable energy locomotive.



CRISI – PROGRAM OVERVIEW

continued

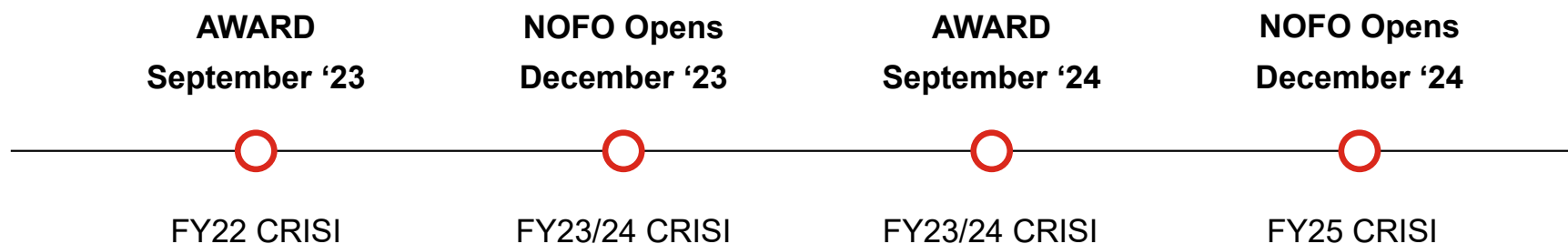
Fiscal year 2022 awards summary

- 70 total FY22 CRISI GRANT Awards
- 14 projects receiving grants related to locomotive emission reduction (20% of total); that is a large %.
- 11 of 14 are directly related to modernizing locomotives to emit lower emissions (79% emission related awards)
- Total Qty of locomotives being modernized: 33 units
- Even split between Diesel and Electric Awards

Key Takeaways:

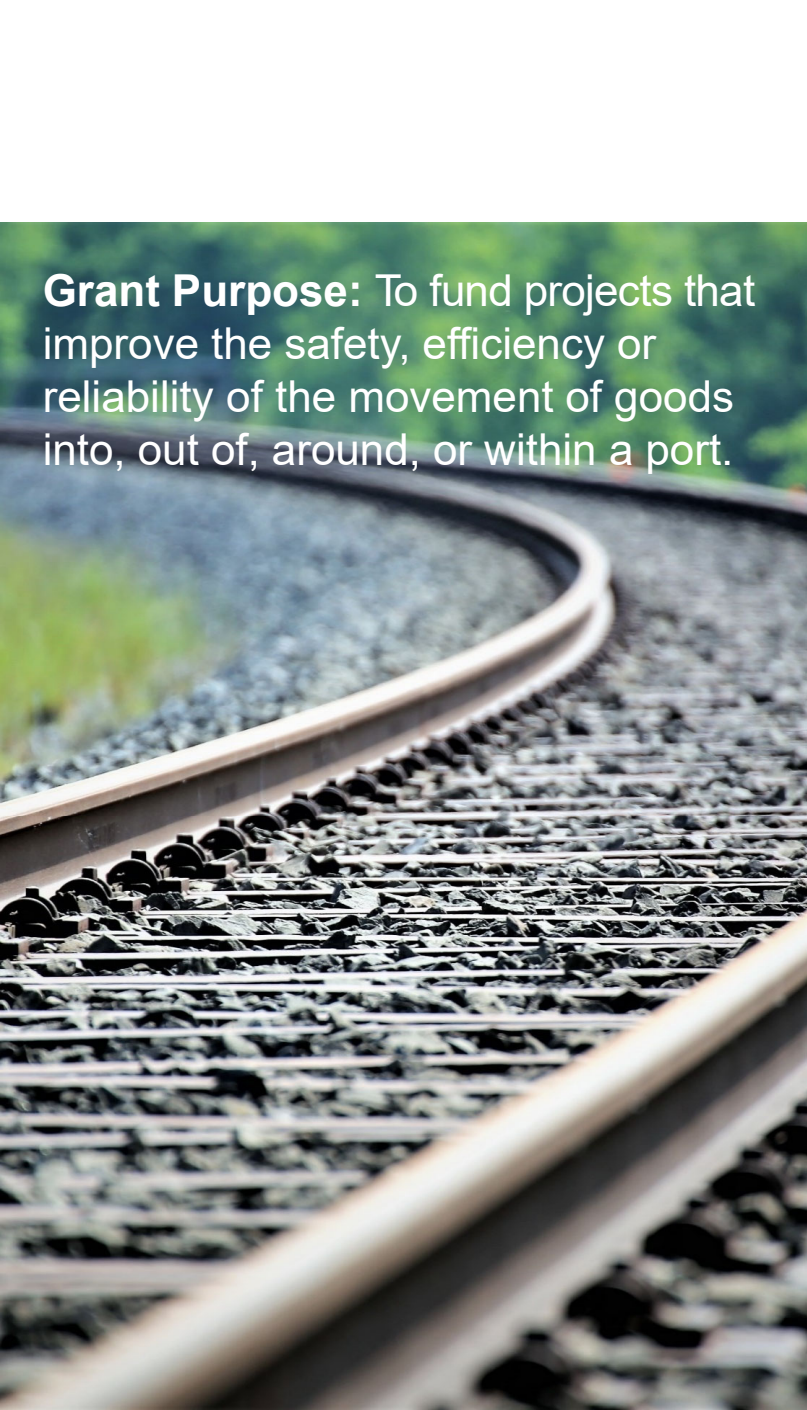
- The FRA is serious about awarding applicants with locomotive emission reductions in mind (~20% of all awards)
- Cummins has easy drop-in power modules to match this funding opportunity & a team dedicated to helping you secure funding

CRISI Timing & Next Steps



- **NOFOs open in December for 90-days with awards announced following September**
- **Start thinking about projects now**
- **Pre-Register at SAM.GOV and GRANTS.GOV**
- **Begin the preparatory process by reaching out to your public agency partner, grant writer or Cummins**





Grant Purpose: To fund projects that improve the safety, efficiency or reliability of the movement of goods into, out of, around, or within a port.

PIDP – PROGRAM OVERVIEW

FY '24 PIDP GRANT

- Est. \$660M in FY 24
- Minimum grant award is \$1M
- Small ports projects <\$11.25M
- Up to 80% Match

FY2024 NOFO

- Likely Q1 in '24
- Awaiting FY '23 Awards

ELIGIBLE APPLICANTS

- Port authority
- State or political subdivision
- Industry with lead entity from above

ELIGIBLE PROJECT CRITERIA

- Loading and unloading of goods at the port
- Movement of goods into, out of, around, or within (includes highway, rail, intermodal, freight transportation systems and digital infrastructure systems)
- Operational improvements
- Environmental and emissions mitigation measures
 - Electrification
 - Replacements & Retrofits
 - Purchase of new equipment
 - Training
 - Infrastructure

Cummins Grant Funding Support



OUR TEAM

Our purpose:

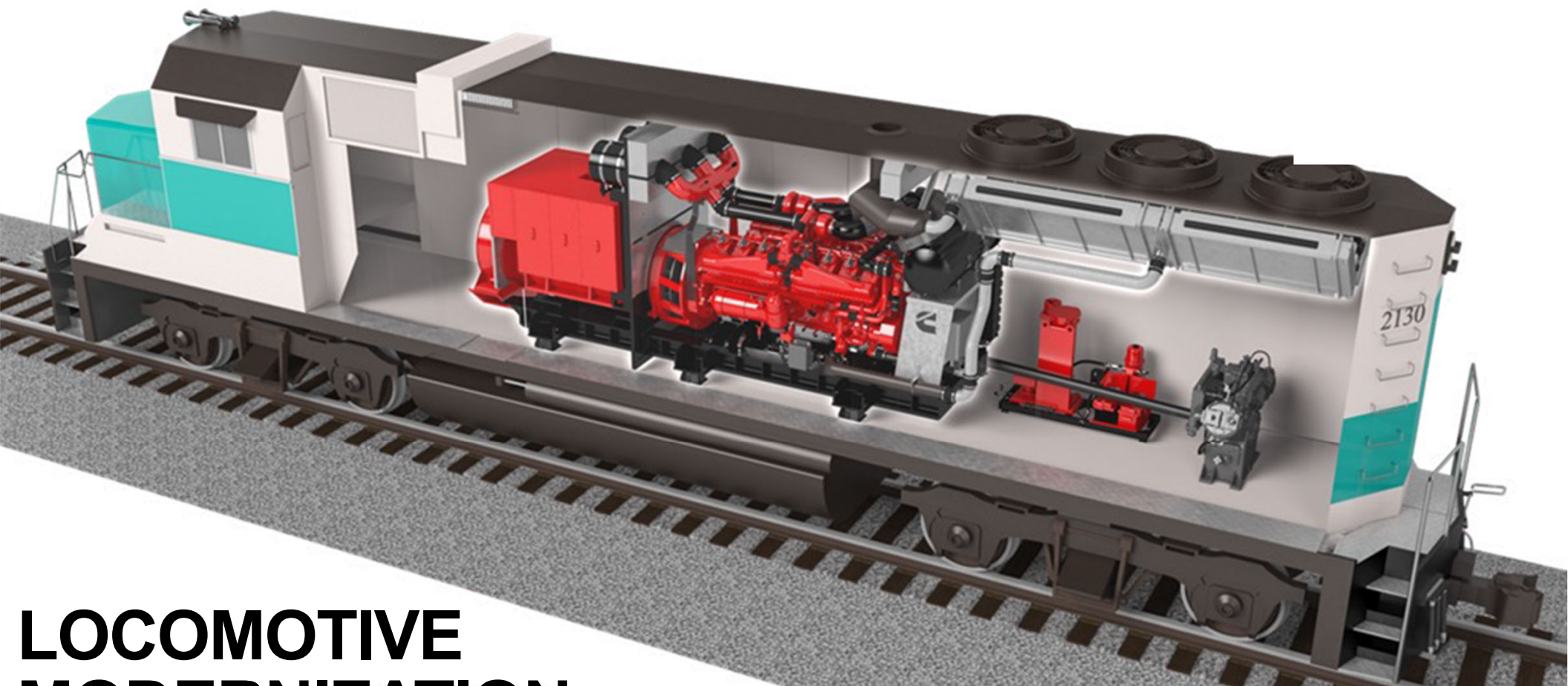
- Help you navigate and pursue governmental funding and incentive opportunities.
- We will work with you to understand what opportunities exist to transition your equipment and fleets.

Whitney Foughty
Program Leader - Rail and Partnerships

CONTACT INFORMATION

- Visit Cummins.com/Funding-Support
- Or Email us at FundingSupport@Cummins.com





LOCOMOTIVE MODERNIZATION Tier 3 or 4 REPOWER

Yard Switchers – Single-Engine, Drop-In Solutions

1



2

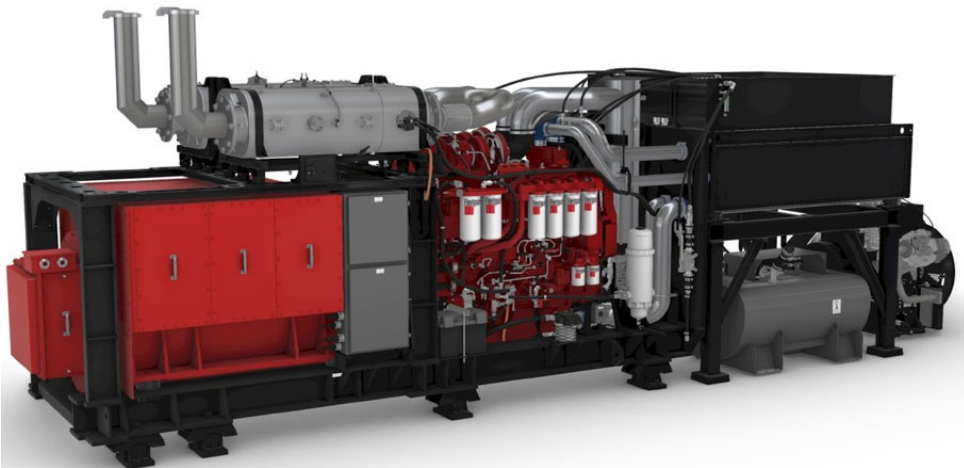


- Remove Hood
- Clear the Deck
- Grind, Repair, Sand Blast and Paint
- And Repower – Tier 3 or Tier 4

3



Yard Switchers



With this, you supply:

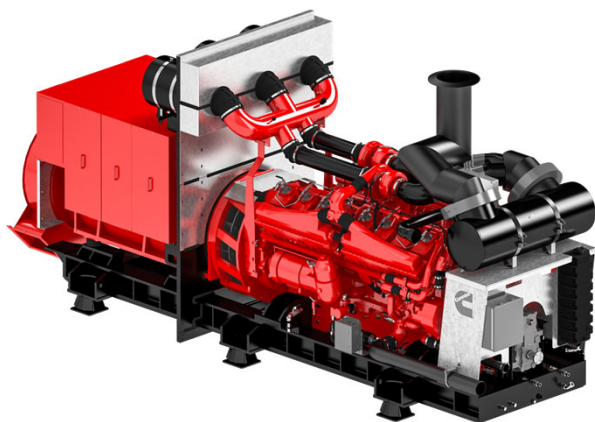
- Locomotive Hulk
- Air Compressor, Cooling Fan(s)
- Low & High Voltage Wiring
- And Final Installation

Cummins Locomotive Power Modules

- EPA Tier 3 and Tier 4 Certified
- 1000 HP to 2130 HP / **QST30 and QSK50**
- Skid Mounted Engine, Traction-Companion Alternator and Supporting Systems
- Cooling Module
- Installation Kits: *(optional)*
 - DEF Tank & Lines
 - PDI Fuel Dehydrator
 - Cold Weather Package
- Locomotive Control System *(optional)*

Designed to Fit any SW, MP or GP locomotive

Road Switcher – Single-Engine, Drop-In Solutions



New Offering beginning 2024

Tier 4 2400 HP Locomotive Power Module

- Skid with **QSK50** Engine, Alternator, etc.
- Cooling Module
- Similar Content & Options as our other switcher Power Modules



THANK YOU



NEXT STEPS:

- Which of your locomotives are coming up on complete rebuild cycle?
- Which grant would you qualify for?
- Talk to one of our Locomotive Refurbisher Partners!
- Ask questions, we are here to help with next steps!

Glen Rees
*Director, Rail Business
Development*

CONTACT INFORMATION

- Locomotive Repowers: Glen.e.Rees@cummins.com
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- Cummins Rail Sales: rail@cummins.com
- Cummins Rail Support: support.rail@cummins.com
- Cummins Rail Website: <https://www.cummins.com/industries/rail>

Q+A

Visit our vendor table