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(Original Signature of Member)

119TH CONGRESS
1ST SESSION

H. R. _____

To provide financial assistance to States and Indian Tribes for the development, implementation, improvement, or expansion of a flex-tech energy program to enhance manufacturing competitiveness, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. TONKO introduced the following bill; which was referred to the Committee
on _____

A BILL

To provide financial assistance to States and Indian Tribes for the development, implementation, improvement, or expansion of a flex-tech energy program to enhance manufacturing competitiveness, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “State Industrial Com-
5 petitiveness Act of 2025”.

1 **SEC. 2. STATE FLEX-TECH ENERGY PROGRAM.**

2 (a) IN GENERAL.—Part D of title III of the Energy
3 Policy and Conservation Act (42 U.S.C. 6321 et seq.) is
4 amended by adding at the end the following:

5 **“SEC. 367. FLEX-TECH ENERGY PROGRAM TO ENHANCE**
6 **MANUFACTURING COMPETITIVENESS.**

7 “(a) FINANCIAL ASSISTANCE.—Subject to the avail-
8 ability of appropriations, upon request from the State en-
9 ergy agency of a State that has in effect an approved State
10 energy conservation plan under this part, or an Indian
11 Tribe, the Secretary shall provide financial assistance to
12 such State energy agency or Indian Tribe to be used for
13 the development, implementation, improvement, or expan-
14 sion of a flex-tech energy program described in subsection
15 (b) to enhance manufacturing competitiveness.

16 “(b) FLEX-TECH ENERGY PROGRAM ELEMENTS.—

17 “(1) IN GENERAL.—A flex-tech energy program
18 may include—

19 “(A) provision of technical and administra-
20 tive assistance to manufacturers through quali-
21 fied engineering firms, as determined by the
22 State energy agency or Indian Tribe;

23 “(B) provision of financial assistance to
24 manufacturers—

1 “(i) for energy studies of manufac-
2 turing facilities that are conducted by
3 qualified engineering firms; and

4 “(ii) to support the implementation of
5 the measures and recommendations identi-
6 fied in energy studies conducted pursuant
7 to clause (i), including the design, acquisi-
8 tion, installation, testing, operation, main-
9 tenance, and repair of energy- and water-
10 using systems, resiliency-related measures,
11 emissions reduction-related measures, util-
12 ity cost savings measures, and measures
13 related to advanced manufacturing tech-
14 nologies and artificial intelligence; and

15 “(C) reporting on monitoring, tracking,
16 and success metrics of the program.

17 “(2) STUDIES.—An energy study of a manufac-
18 turing facility conducted pursuant to paragraph
19 (1)(B) may include—

20 “(A) an evaluation of the energy-using sys-
21 tems of the facility, including evaluation of the
22 performance of such systems relative to design
23 intent, operational needs of the facility and its
24 occupants, and operation and maintenance pro-
25 cedures;

1 “(B) an evaluation of emissions related to
2 the facility, including greenhouse gas emissions,
3 and recommendations on sustainability planning
4 and practices;

5 “(C) an evaluation of potential energy effi-
6 ciency, water efficiency, greenhouse gas emis-
7 sions mitigation, and load reduction measures
8 for the facility;

9 “(D) an evaluation of potential on-site en-
10 ergy measures, including grid-interactive effi-
11 ciency systems, combined heat and power, in-
12 dustrial heat pumps, efficient compressed air
13 systems, energy storage, energy management
14 systems, renewable thermal systems, and elec-
15 trification or other forms of fuel switching;

16 “(E) recommendations on the use of new
17 technologies by the applicable manufacturer;
18 and

19 “(F) detailed estimates of potential imple-
20 mentation costs, operating cost savings, energy
21 savings, emissions reductions, and simple pay-
22 back periods, for measures and recommenda-
23 tions identified in such study.

24 “(3) QUALIFIED ENGINEERING FIRMS.—A
25 State energy agency or Indian Tribe administering

1 a flex-tech energy program shall maintain and regu-
2 larly update a publicly available list of qualified engi-
3 neering firms that are approved by the State energy
4 agency or Indian Tribe to provide assistance to man-
5 ufacturers pursuant to this section.

6 “(c) FUNDING.—

7 “(1) ALLOCATION.—Except as provided in
8 paragraph (2), to the extent practicable, the Sec-
9 retary shall allocate funding made available to carry
10 out this section in accordance with the formula used
11 for distribution of Federal financial assistance pro-
12 vided pursuant to this part to States that have in ef-
13 fect an approved State energy conservation plan
14 under this part.

15 “(2) INDIAN TRIBES.—The Secretary shall set
16 aside and distribute not less than 5 percent of
17 amounts made available for each fiscal year to carry
18 out this section to provide financial assistance—

19 “(A) to Indian Tribes; or

20 “(B) directly to manufacturers located in
21 Indian Country or, in the case of Alaska, an
22 Alaska Native Village Statistical Area, as iden-
23 tified by the U.S. Census Bureau, for energy
24 studies and implementation of the measures

1 and recommendations identified in such energy
2 studies, as described in subsection (b)(1)(B).

3 “(3) USE OF FUNDS.—

4 “(A) ENERGY STUDIES; ADMINISTRATIVE
5 EXPENSES.—A State energy agency or Indian
6 Tribe that receives financial assistance pursu-
7 ant to this section for a fiscal year may not—

8 “(i) use more than 50 percent of such
9 financial assistance for energy studies;

10 “(ii) use more than 50 percent of such
11 financial assistance to support the imple-
12 mentation of recommendations from such
13 energy studies; and

14 “(iii) use more than 10 percent of
15 such financial assistance for administrative
16 expenses, including for outreach and tech-
17 nical assistance.

18 “(B) INDIVIDUAL MANUFACTURING FACIL-
19 ITY.—A State energy agency that receives fi-
20 nancial assistance pursuant to this section for
21 a fiscal year may not use more than the greater
22 of \$100,000 or 5 percent of such financial as-
23 sistance with respect to an individual manufac-
24 turing facility.

1 “(4) SUPPLEMENT.—Financial assistance pro-
2 vided to a State energy agency or Indian Tribe pur-
3 suant to this section shall be used to supplement,
4 not supplant, any Federal, State, or other funds oth-
5 erwise made available to such State under this part.

6 “(5) FINANCING.—To the extent practicable, a
7 State energy agency or Indian Tribe shall implement
8 a flex-tech energy program described in subsection
9 (b) using funding provided under this Act, public fi-
10 nancing, private financing, or any other sources of
11 funds.

12 “(d) TECHNICAL ASSISTANCE.—

13 “(1) IN GENERAL.—Upon request of a State
14 energy agency or Indian Tribe, the Secretary shall
15 provide information and technical assistance in the
16 development, implementation, improvement, or ex-
17 pansion of a flex-tech energy program described in
18 subsection (b).

19 “(2) INCLUSIONS.—Technical assistance pro-
20 vided pursuant to paragraph (1) may include pro-
21 gram design options to, with respect to manufactur-
22 ers that employ fewer than 500 full-time equivalent
23 employees at a manufacturing facility—

24 “(A) meet the needs of such manufactur-
25 ers; and

1 “(B) encourage the use of advanced manu-
2 facturing processes by such manufacturers, in-
3 cluding use of additive manufacturing, ad-
4 vanced sensors and controls, techniques to re-
5 duce embedded emissions, and advanced com-
6 posite materials.

7 “(e) DEFINITIONS.—In this section:

8 “(1) INDIAN COUNTRY.—The term ‘Indian
9 Country’ means—

10 “(A) all land within the limits of any In-
11 dian reservation under the jurisdiction of the
12 United States Government, notwithstanding the
13 issuance of any patent, and, including rights-of-
14 way running through the reservation;

15 “(B) all dependent Indian communities
16 within the borders of the United States whether
17 within the original or subsequently acquired ter-
18 ritory thereof, and whether within or without
19 the limits of a State; and

20 “(C) all Indian allotments, the Indian ti-
21 tles to which have not been extinguished, in-
22 cluding rights-of-way running through the
23 same.

24 “(2) INDIAN TRIBE.—The term ‘Indian Tribe’
25 has the meaning given the term in section 4 of the

1 Indian Self-Determination and Education Assistance
2 Act (25 U.S.C. 5304).

3 “(3) STATE ENERGY AGENCY.—The term ‘State
4 energy agency’ has the meaning given such term in
5 section 391(10).”.

6 (b) CONFORMING AMENDMENT.—The table of con-
7 tents for the Energy Policy and Conservation Act is
8 amended by adding after the item related to section 366
9 the following:

“Sec. 367. Flex-tech energy program to enhance manufacturing competitive-
ness.”.

10 (c) AUTHORIZATION OF APPROPRIATIONS.—Section
11 365(f) of the Energy Policy and Conservation Act (42
12 U.S.C. 6325(f)) is amended by adding at the end the fol-
13 lowing:

14 “(3) FLEX-TECH ENERGY PROGRAM.—In addi-
15 tion to the authorization of appropriations under
16 paragraph (1), for the purposes of carrying out sec-
17 tion 367, there are authorized to be appropriated
18 \$100,000,000 for each of fiscal years 2026 through
19 2030.”.