Congress of the United States

Washington, DC 20510

June 14, 2022

The Honorable Charles Schumer Majority Leader U.S. Senate Washington, D.C. 20510

The Honorable Nancy Pelosi Speaker U.S. House of Representatives Washington, D.C. 20515 The Honorable Mitch McConnell Minority Leader U.S. Senate Washington, D.C. 20510

The Honorable Kevin McCarthy Minority Leader U.S. House of Representatives Washington, D.C. 20515

Dear Leader Schumer, Leader McConnell, Speaker Pelosi and Leader McCarthy:

As you negotiate a final compromise bill addressing American economic and technological competitiveness, we write to urge inclusion of three provisions in the House-passed America COMPETES Act. These three provisions—the State Flex-Tech Energy Program, CITA commercial deployment addition, and the First Three program—would strengthen our industrial base by increasing its energy efficiency and reducing greenhouse gas (GHG) emissions.

More than one-fourth of U.S. GHG emissions come from the industrial sector, such as steel, aluminum, and cement. These emissions are projected to increase if we do not invest significantly in the research, development, and deployment of commercial-scale decarbonization technologies. Rapidly scaling energy-efficient and emissions-reducing solutions is not only necessary to achieve our near- and long-term emissions goals, but to advancing U.S. global leadership and competitiveness in the fight against the climate crisis.

It is also essential that we promote innovation in clean, energy-efficient manufacturing and production to ensure we maintain a thriving domestic industrial sector. Workers in our power plants, steel mills, and other emission-heavy manufacturing sites provide the electricity and materials that power the American economy. Prioritizing investments in our industrial base will not only improve efficiency and reduce GHG emissions and co-pollutants, but drive growth in energy communities across the nation, protecting and creating high quality jobs and increasing the global competitiveness of American companies.

In order to further these goals, we ask that the final bill include:

1. The State Flex-Tech Energy Program (Sec. 20307). This program would enable states and tribes to invest in American manufacturers and industrial facilities to better manage energy and reduce costs and GHG emissions. This language is included in Senator Ossoff's Industrial Energy-Efficient Technology Act (S.3205) and in Representative Tonko's State Industrial Competitiveness Act of 2021 (H.R.4676).

- 2. A provision (Sec. 10644) amending the bipartisan Clean Industrial Technology Act (CITA), which was adopted in the Energy Act of 2020, to also include separate funding for the commercial deployment of innovative technologies that will help to improve efficiency and reduce emissions at high-emitting industrial facilities.
- 3. A provision (Sec. 20303) that provides grants or loan guarantees for the first three installations at production scale of new technologies selected for their ability to increase energy efficiency and reduce emissions in key industries. This provision is included in the First Three Act (S.3987/ H.R.5109), which was introduced by Senators Heinrich and Casey and Representative Castor.

Taken together, these three provisions will bolster the development of breakthrough technologies that reduce emissions in our nation's most energy-intensive, trade-exposed industries.

For these reasons, we urge you to keep the State Flex-Tech Energy Program, CITA commercial deployment addition, and the First Three program in the final bill so we can strengthen our industrial sector, the nation's clean energy economy, and address climate change.

Sincerely,

United States Senator

Sheldon Whitehouse United States Senator

Mike Doyle Member of Congress

Robert P. Casey, Jr. United States Senator

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Kathy Castor Member of Congress

Tina Smith United States Senator

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Amy Klobuchar United States Senator

Dianne Feinstein United States Senator

Sean Casten Member of Congress

cc: The Honorable Joe Manchin The Honorable John Barrasso The Honorable Frank Pallone, Jr. The Honorable Cathy McMorris Rodgers

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Elizabeth Warren United States Senator

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Abigail Davis Spanberger Member of Congress