

McKinsey&Company

# **Investing to Increase the Energy and Carbon Productivity of the U.S. Economy**

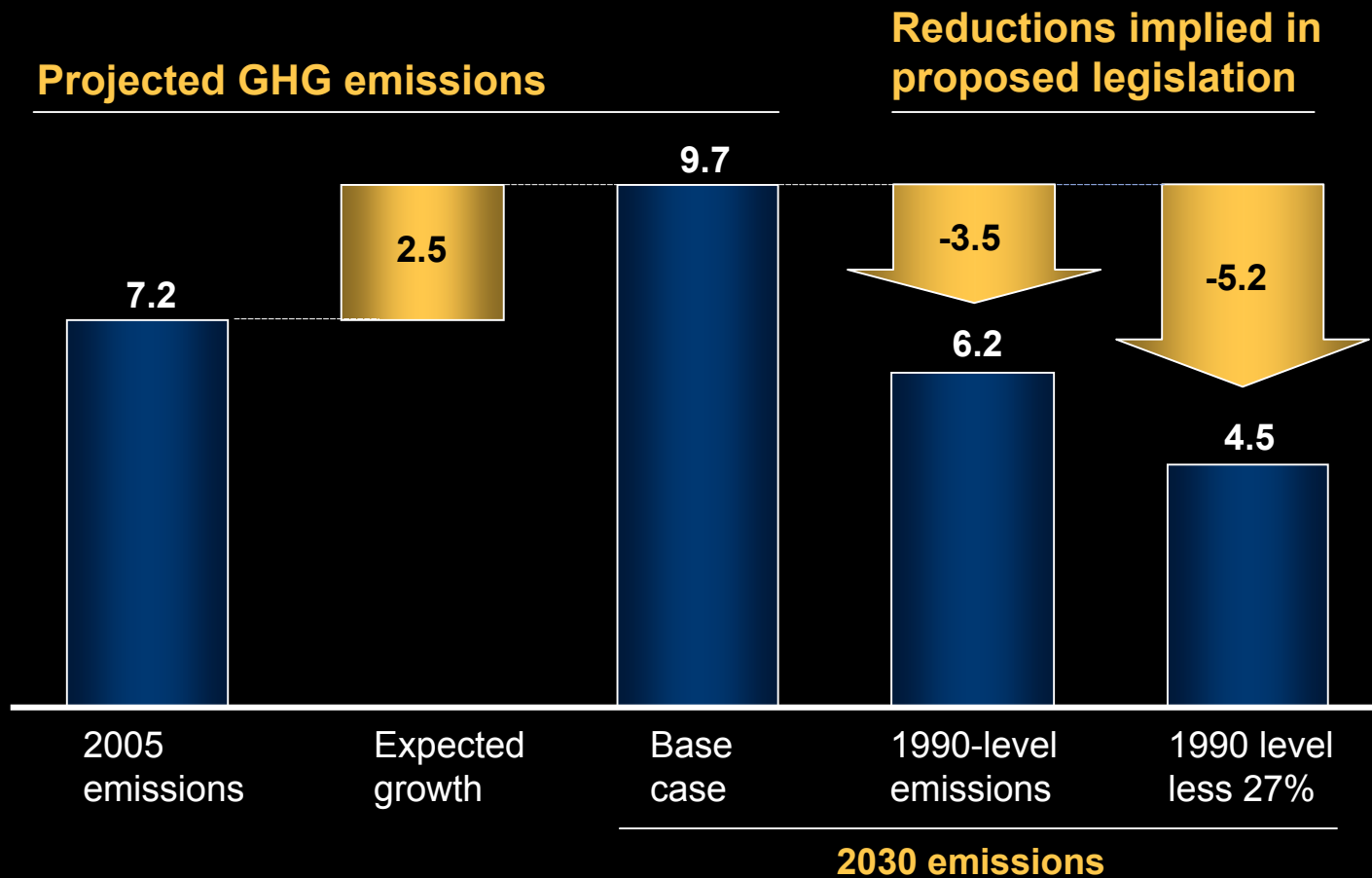
*Green Business-Clean Tech Conference*

**Jon Creyts, Principal**

**September 4, 2008**

# U.S. GHG emissions increasing at a time when reductions targeted

Gigatons CO<sub>2</sub>e



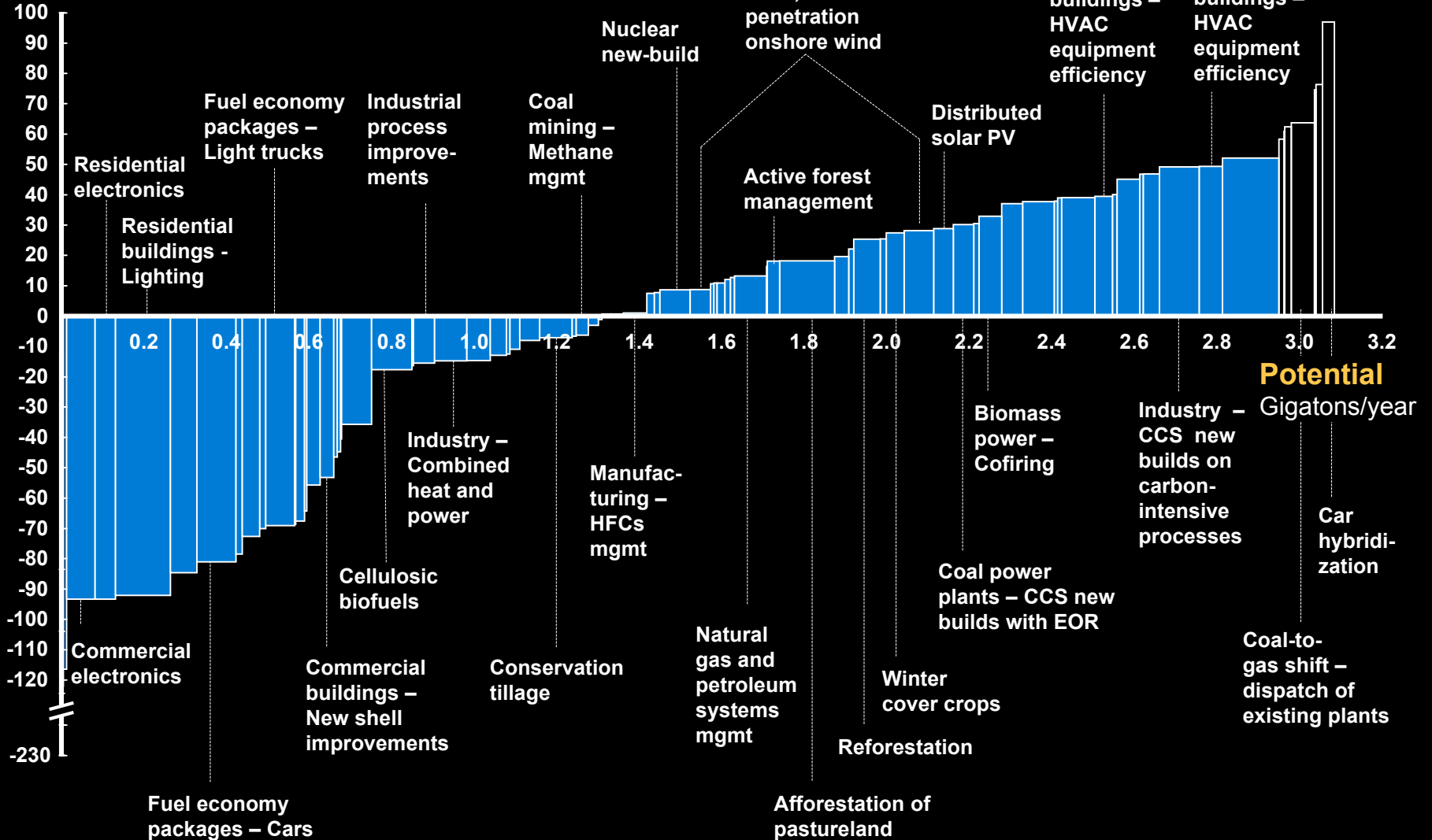
# 3.0 to 4.5 gigatons of GHG reduction possible with concerted action

MID-RANGE CASE – 2030

Abatement costs <\$50/ton

## Cost

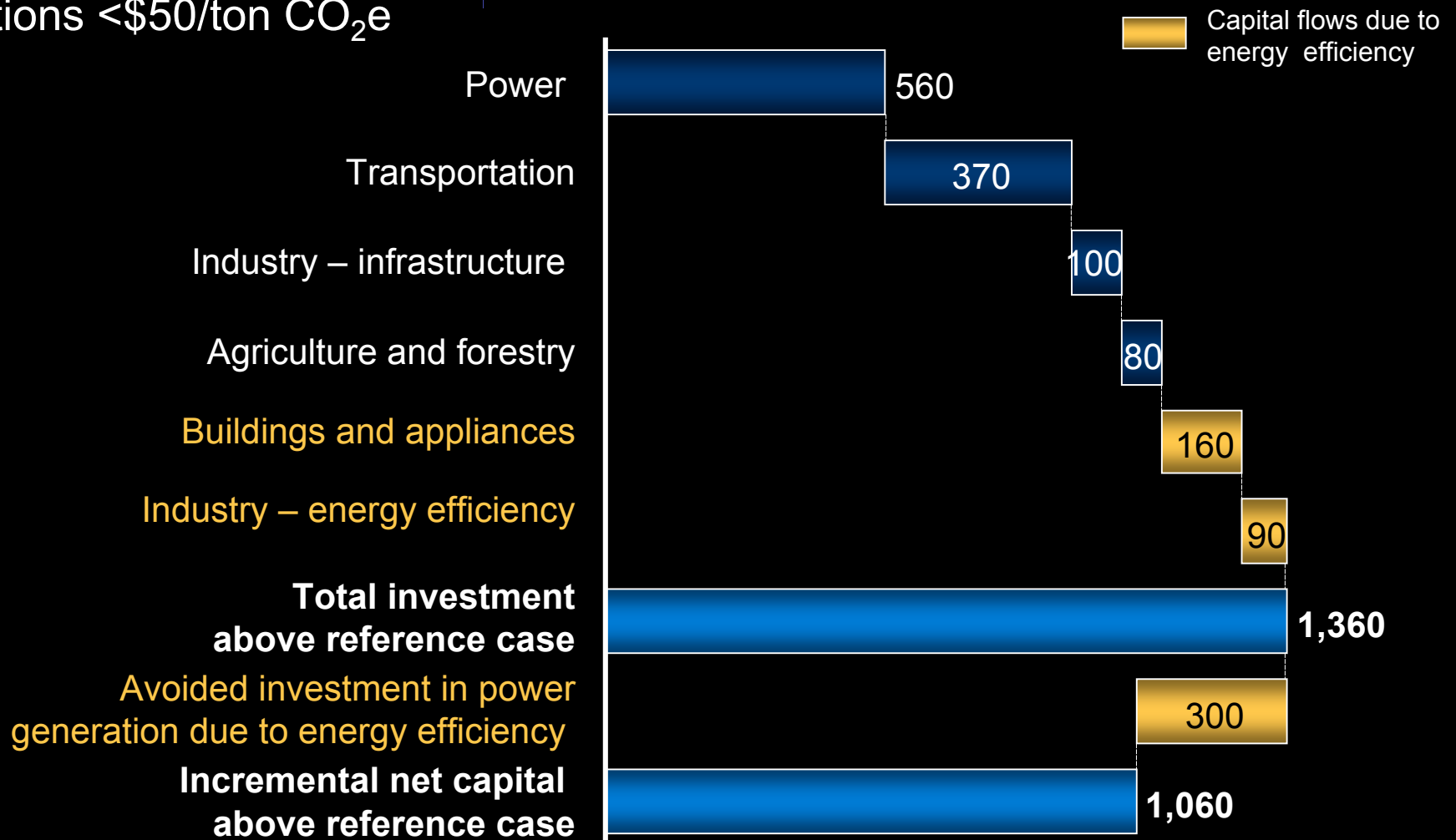
Real 2005 dollars per ton CO<sub>2</sub>e



# Incremental capital investment required to unlock opportunities

Real 2005 \$ billions, cumulative through 2030;  
options <\$50/ton CO<sub>2</sub>e

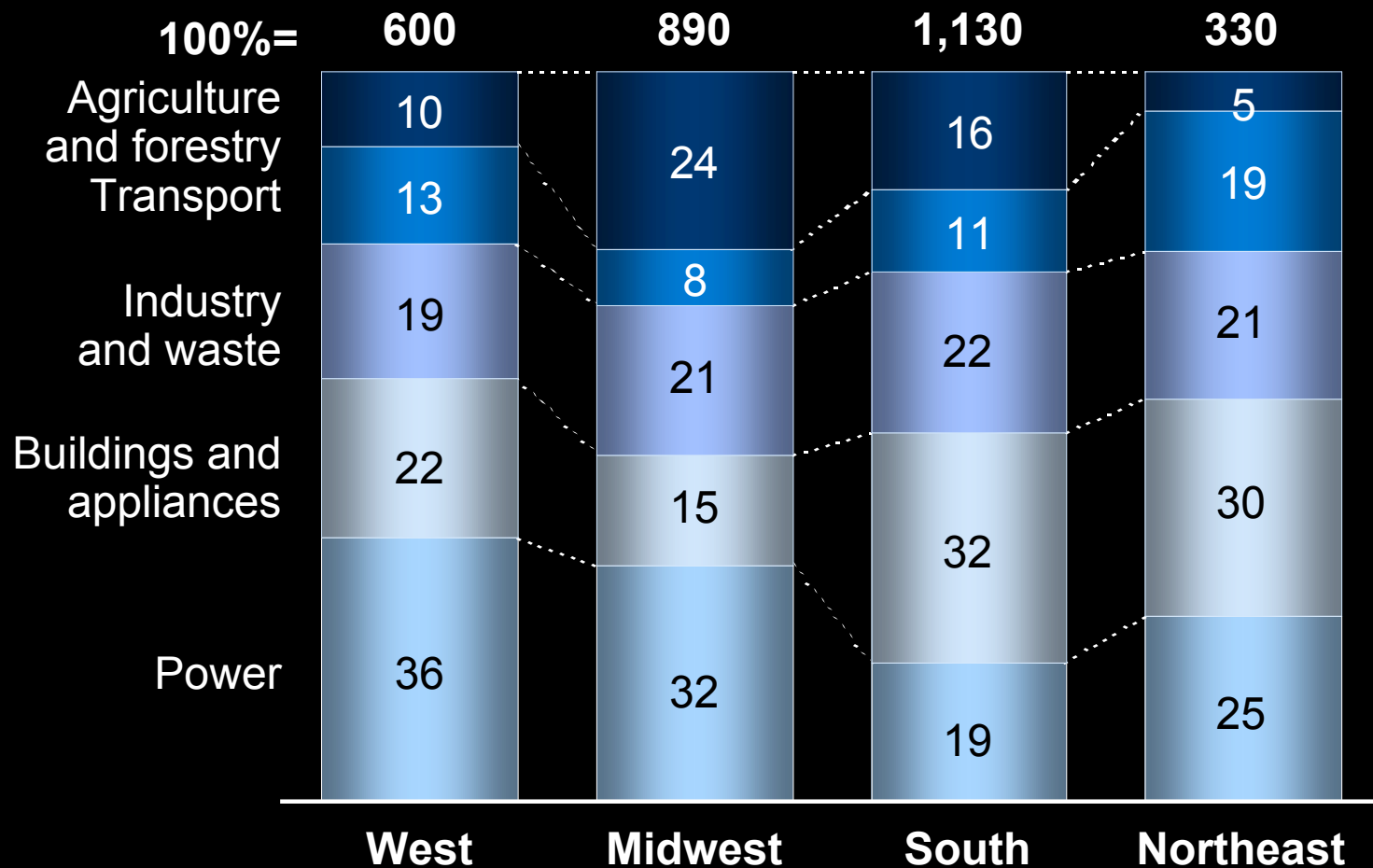
MID-RANGE  
CASE – 2030



# Geographic differences in abatement potential by sector

MID-RANGE  
CASE – 2030

Percent, Megatons CO<sub>2</sub>e/year



# **Summary Conclusions (and Challenges)**

- 1. Stimulate action through a portfolio of strong, coordinated policies to capture GHG reductions efficiently across industry sectors and geographies**
- 2. Pursue energy efficiency and negative-cost options quickly**
- 3. Accelerate development and deployment of a low-carbon energy infrastructure**
  - Encourage research and development of promising technologies and stimulate deployment**
  - Streamline approval and permitting procedures**

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