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Study Details How U.S. Could Cut 28% of Greenhouse Gases

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The United States could shave as much as 28 percent off the amount of greenhouse gases it emits at fairly modest cost and with only small technology innovations, according to a new report.

A large share of the reductions could come from steps that would more than pay for themselves in lower energy bills for industries and individual consumers, the report said, adding that people should take those steps out of good sense regardless of how worried they might be about [climate change](#). But that is unlikely to happen under present circumstances, said the authors, who are energy experts at McKinsey & Company, the consulting firm.

The report said the country was brimming with “negative cost opportunities” — potential changes in the lighting, heating and cooling of buildings, for example, that would reduce carbon dioxide emissions from the burning of fossil fuels even as they save money. “These types of savings have been around for 20 years,” said Jack Stephenson, a director of the study. But he said they still face tremendous barriers.

Among them is that equipment is often paid for by a landlord or a builder and chosen for its low initial cost. The cost of electricity or other fuels to operate the equipment is borne by a tenant or home buyer. That means the landlord or builder has no incentive to spend more upfront for efficient equipment, even though doing so would save a lot of money in the long run.

Another problem, the report said, is that consumers often pay no attention to energy use in choosing gear. Computers, for instance, can be manufactured to use less power, but with most users oblivious to energy efficiency when they are shopping for a computer, manufacturers perceive no competitive edge in spending the extra money on efficiency.

“What the report calls out is the fact that the potential is so substantial for energy efficiency,” said Ken Ostrowski, a leader of the report team. “Not that we will do it, but the potential is just staggering here in the U.S. There is a lot of inertia, and a lot of barriers.”

The country can do the job with “tested approaches and high-potential emerging technologies,” the study found, but doing the work “will require strong, coordinated, economywide action that begins in the near future.”

The report focused on describing the problem, rather than on advocating fixes. But it did mention some possible solutions. Rules for utilities could be rewritten so they make as much money in promoting conservation as in selling electricity, the study said.

The task might also require emissions limits and other government mandates, as well as incentives like tax

breaks to promote efficient buildings, cars and appliances, the study said. The McKinsey report said “lifestyle changes” by Americans could play a role in improved efficiency, even though they were not a major factor in the potential gains the report cited.

“A broad public education program around wasteful energy consumption could be mounted,” the report said. Modeled on the “Keep America Beautiful” campaign of the 1960s, it could promote reduction in “carbon littering” by increasing people’s awareness of the problem.

In contrast to improved efficiency, measures like capturing carbon dioxide from coal power plants and storing it would be relatively costly, and they account for less than 10 percent of the potential to cut emissions, the study said. The potential contributions from new nuclear plants and renewable energy supplies from wind or solar sources are also relatively modest, the report said.

The study, released yesterday in Washington, was conducted by McKinsey & Company for [DTE Energy](#) (the parent company of Detroit Edison), Environmental Defense, [Honeywell](#), National Grid, the [Natural Resources Defense Council](#), [Pacific Gas & Electric](#) and Shell.

Its release comes a week before a [United Nations](#) climate conference is to convene in Bali, and as Congress approaches a vote on proposals to limit emissions of greenhouse gases.

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