

## AGENDA



Thursday, December 11, 2008

**Austin Energy  
RECOMMENDATION FOR COUNCIL ACTION****Item No. 5**

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**Subject:** Authorize negotiation and execution of a sponsorship agreement with McKinsey & Company, Inc., for a study entitled "Unlocking the Full Potential of Energy Efficiency in the United States" regarding the steps needed to accelerate the capture of energy efficiency opportunities on an economy-wide basis, in an amount not to exceed \$100,000.

**Amount and Source of Funding:** Funding is available in the Fiscal Year 2008-2009 Operating Budget of Austin Energy.

**Fiscal Note:** There is no unanticipated financial impact. A fiscal note is not required.

**For More Information:** Roger Duncan, General Manager, 322-6157.

**Boards and Commission Action:** Recommended by the Electric Utility Commission and the Resource Management Commission.

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In 2007, McKinsey & Company, Inc., together with seven leading institutions, undertook an initiative to map the potential to reduce greenhouse gases (GHG) in the US economy. This effort created a framework and fact base to describe how much reduction could be achieved, at what cost and over what timeframe. A key feature of the resulting analysis was the realization of the importance of energy efficiency opportunities to reduced GHG.

McKinsey is recruiting a balanced consortium of sponsors that include EPA, DOE, leading companies, institutions and other stakeholders that can contribute to the problem-solving process, provide targeted knowledge and expertise, and test the thinking and analysis.

Many historical barriers have prevented the U.S. from achieving significant capture of the available potential of energy efficiency. The combination of current energy market dynamics, new generation build costs, and greenhouse gas concerns have created a compelling reason to review the importance of energy efficiency. McKinsey's investigation will build a substantial body of public knowledge and pioneer market-based analysis on residential, commercial and industrial efficiency opportunities.

This research will be valuable in reaching all of the goals put forth in the Austin Climate Protection Homes and Buildings Plan.