

Protocol.

5.2. Karl Rabago (Rocky Mountain Institute)

Karl Rabago suggested that recent trends in the business sector point in a different direction than the current energy policy of “drill, dig, dam and glow,” articulated by the Bush administration.

If the U.S. energy policy continues on its current track, the U.S. will soon lose its global leadership and may drag other countries, including Canada, along.

The major trends and drivers in the business sector include:

- increasing liberalisation/market forces (through privatisation and deregulation)
- increasing unit scale and concentration of energy/emergence of right sized energy resources (the bigger the better principle is on the retreat)
- increasing de-carbonisation of energy fuels/emergence of carbon free energy resources
- growing role of civil society/low cost industrial development (increasing the pressure for low-cost solutions and low environmental costs)
- declining governmental structural protectionism/growth of industrial adaptability or flexibility
- downstream shift in economic focus from supply to end use/emergence of a business model based on service value (i.e. customer value choice may be wind-power or other “friendly” energy).

There have been three major surprises:

- Negawatts
 - big savings can cost less than small ones
 - huge overhang may be bought
- Hyper-cars
 - the biggest industry-changer since chips
 - a mega-OPEC: ~9 million bbl/d in North America
 - soon a major distributed power generator
 - key to a rapid hydrogen transition
- Distributed energy resources
 - microturbines, renewables, now fuel cells
 - distributed benefits

Rabago outlined four main principles for a new business model labelled “Natural Capitalism,” they are:⁴

- **Radically increased resource productivity.** Through fundamental changes in production design and technology, leading organizations are making natural resources stretch 5, 10, even 100 times further than before. The resulting savings in operational costs, capital, and time quickly pay for themselves, and in many cases initial capital investments actually decrease.
- **Ecological redesign (biomimicry: closed loops, no waste, no toxicity).** Natural

⁴For more information on Natural Capitalism, see the Rocky Mountain Institute website: <http://www.rmi.org/sitepages/pid268.php>