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To: Jenna Kay; Amy Koski; Ben Duncan; Sylvia Ciborowski; Dana Hellman; tlunsford@parametrix.com; Nicole Metildi; Harrison Husting
Subject: Origins of Energy Blindness & policy recommendations

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Steve Keen: "On the Origins of Energy Blindness" | The Great Simplification
<https://youtu.be/lrMWSkzrMYg?si=xMFRTctbgKCtfBSw>

Summary of Steve Keen on Origins of Energy Blindness:

- The classical economists like Adam Smith focused on labor as the source of value, rather than the role of energy and the "free gifts of nature" as the Physiocrats had emphasized.
- This shift away from the Physiocrats' understanding of the central role of energy led to the development of neoclassical economics, which further marginalized the importance of energy in production.
- Economists like Cobb and Douglas developed production functions that severely underestimated the contribution of energy, while overemphasizing the roles of labor and capital.
- This "energy blindness" has persisted in mainstream economics, leading to a misunderstanding of the fundamental drivers of economic productivity and growth, as well as the centrality of energy to economic activity.

Policy Ideas:

- Recognize the primacy of energy in economic activity and productivity. Ensure the growth management plan accounts for the availability, costs, and environmental impacts of different energy sources.
- Incentivize energy efficiency and the use of renewable energy sources in new development. Require buildings to meet high energy efficiency standards and promote on-site renewable energy generation.
- Prioritize land use and transportation planning that reduces energy use and emissions, such as transit-oriented development, walkable neighborhoods, and electric vehicle infrastructure.
- Incorporate lifecycle energy and emissions analysis into cost-benefit evaluations of development projects, rather than just focusing on upfront construction costs.
- Invest in research, development, and deployment of advanced energy technologies that can support sustainable economic growth.
- Educate policymakers, planners, and the public about the fundamental role of energy in the economy, to foster more informed decision-making.
- Consider energy constraints and environmental impacts as key factors in determining the appropriate pace and scale of economic and population growth in the region.

The overarching goal should be to align Vancouver's growth management policies with the physical and energetic realities that underpin economic activity, in order to foster a more sustainable and resilient local economy.