San Francisco's Peak Oil Task Force Report: Excellent, But Lacking

Contributed by Jan Lundberg, oil-industry analyst
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The San Francisco Peak Oil Preparedness Task Force's Final Report: Compelling Excellence, But Lacking in Some Frankness and Vision

Two years ago I was honored to be selected in the first round of the San Francisco Board of Supervisors' votes for filling the slots for the Peak Oil Preparedness Task Force. I felt that as we were the first city in the Western Hemisphere to ban or place a fee on petroleum-plastic shopping bags, San Francisco was worthy of my devoted service.
Perhaps I was being recognized for my help in the bag ban. I especially admired, and still admire, Supervisor Ross Mirkarimi (Green Party) who always got the whole picture: war for oil, climate change, etc.

Now the Task Force's final Report, completed last March, is being formally considered by the Supervisors on Thursday, Sept. 24, at 1 pm in the Legislative Chamber in City Hall. In this critique I point to positive, progressive initiatives in the Report, some weak areas in it, and above all the essence of understanding peak oil and its implications -- significantly lacking in San Francisco and beyond.

I was on the Task Force from its inception in late 2007 until June 2008. My reason for leaving was simple: I could not afford to live in San Francisco or the Bay Area any longer. I had been able to afford to live in the City for almost two years only because I bartered my skills as a caregiver and I contributed to the community with my activism. But our warehouse studio was gentrified, so San Francisco lost some more artists and independent entrepreneurs.

Before joining the San Francisco Peak Oil Preparedness Task Force, I read the report of the nation's first such task force, for Portland, Ore. In it I noted mistaken expectations of the oil industry regarding peak and post-peak extraction. In my brief presentation to the San Francisco Supervisors when applying for the Task Force, I did not get a chance to go into the dynamics of the oil market during and after major supply interruption. It turned out that I never did get my view understood or adopted on the Task Force. I am still trying to get across my oil message effectively to the public. (See the new primer, "Our Post-Peak Oil Future" that has my detailed oil industry scenario as part of Bay Localize's Community Resilience Toolkit; links at bottom.)

I long to walk through the Task Force's envisioned City of fruit and nut trees all around, with the sound of oink-oink and cockadoodledoo too –- all these are called for in the Report. It'll happen, but getting there will prove to be a mix of too-slow implementation of changes, coping with obstacles, putting off a hard but necessary transformation, and the severity of petrocollapse that will take down the house of cards. This outcome can be imminent, and leave just a few reshuffled cards on the table to play. The Task Force was "not playing with a full deck," and I understand the reasons. Hopefully this friendly analysis can help people evaluate peak oil a bit more realistically, through the eyes of this oil-industry-analyst-turned-environmental-activist.

Is Peak Oil Really Understood?

The concept of peak oil in most people's minds conjures up the image of a bell-shaped curve featuring a mirror-image down-slope. This leads most people, including well-known peak-oil specialists, to believe there is still substantial oil to be had after the peak -- knowing that the peak has probably arrived, and the greater difficulty of post-peak extracted lower quality crude oil is taken into account. The San Francisco Peak Oil Preparedness Task Force in its final Report to the Supervisors makes the common mistake of implying the future can use much of these estimated oil "supplies." The Report states,

There is about as much petroleum in the ground as has been pumped out and used up to date - which means we are roughly at the halfway point, or the peak, of global supplies. Much of the remaining half is more difficult and expensive to extract than what has already been pumped.

The Task Force as a whole refused to recognize and avoid that mistake, as they hoped petrocollapse is only an opinion of one member (myself) and a few supporters. We all acknowledged that an unexpected supply crunch could hit, but the lessons of the 1970s (the "run on the energy bank" that petroleum investment banker Matt Simmons warns of) were missed by the Task Force. As world peak is a level of magnitude far beyond 1970s' conditions, the impact of a crippling supply crunch could flatten the global economy with an avalanche effect. One way the Task Force could believe otherwise was to create a list of scenarios that excluded complete collapse, as, the majority reasoned, "there would be no point" to the exercise or hope for the City to deal with the crisis if "all hell broke loose."

So, despite my efforts and the support of a minority on the Task Force, and despite my sole background as an oil-industry analyst, no consideration was given to sudden, massive collapse of oil supplies of a permanent, devastating nature. This is the glaring omission and weakness of the final Report of the Task Force.

As I explained to my fellow members, and as I have written and spoken for almost two decades, peak oil is much more serious than people realize: a big enough supply crunch at a time of falling extraction and high demand has massive and immediate effects that modern society is not ready for. The first significant shortage to trip up the normal distribution of petroleum products—10%, like the 1979 Oil Shock -- will trigger a crisis from which there will be no standard recovery. Oil industry activity will largely come to an end as the oil market goes "berserk" and then all but evaporates. The rapid economic damage and disintegration of a society hit with work stoppage (though lack of fuel for commuting and deliveries) and petroleum-dependence related hunger and general confusion will not wait for a theoretical or hoped for calm resumption of oil distribution at a desired rate of reduced oil industry activity. A destroyed economy is not going to require or enable the extraction, refining and distribution of oil -- difficult and expensive to obtain or not -- on a scale large enough or long enough to maintain a consumer economy. Since oil is the lifeblood of modern civilization, and substitutes are not ready on the scale needed, culture change will be the only active, broad, immediate response to peak oil that will also shape the future long-term.

Mental baggage extending beyond oil

The reason some can publicly downplay, in effect, a massive, obvious crisis – climate chaos or peak oil – by advocating an inadequate, piecemeal response, is that passionately describing the apparent problem gives people confidence in the describer's intentions. If we look back at the 1930s Great Depression and the subsequent threat of Nazi Germany and Japan, those who warned that capitalist corporate power (along with racism and intolerance) was the number-one inherent problem at the root of those crises, were ignored. The easier alternative position for masses of people to take was to fall into line for slick nationalists (who did not oppose corporate capitalism) who gained credibility by repeatedly

describing the obvious threats of invasion without going to the root. Assurances of a return to normalcy were a comfort, while the forces of union-busting and exploitation were protected, biding their time for the immediate crises to subside.

In the case of those deliberately misunderstanding peak oil and denying the real possibility of petrocollapse, a false unity is fomented by those who pander to the almost universal "worship" of technology. This provides the prime "solution," and is connected to the temptation to believe in “good ol’ American ingenuity” and the idea that as a people we inevitably “rise to the occasion and solve a crisis.” If that characteristic existed in former times, it had to do with practical skills once common that are now lost for the great majority of hapless consumers.

The San Francisco Peak Oil Preparedness Task Force members were caring and aware individuals, but the extent of their critique of society was mostly reformism. As they would admit, the time for reforming the petroleum infrastructure to avoid the biggest effects of peak oil was a few decades ago – as shown by Robert Hirsch, et al, in their peak oil report to the U.S. Dept. of Energy in early 2005. However, the most “severe economic repercussions” for failing to plan for peak oil were not explored in detail in Hirsch's report, such as social upheaval. The Task Force too, similarly, avoided focusing on the full implications of peak oil. Rather, concerns over Muni buses and trains operating with less fossil energy and reduced public funds – causing social stress – were the kinds of impacts explored for the Supervisors to contemplate. The Report’s bigger picture described for San Francisco goes against the Hirsch principle, when the Task Force wrote “As production of oil and natural gas eventually begin to decline, San Francisco will face a painful adjustment -- unless it prepares in advance.” It’s not necessarily kind to anyone to claim that substantial pain can be avoided when it cannot. Likewise it is irresponsible to only look at the dark side of painful adjustment.

“Quality of life” is assumed by the Task Force as being rather good at present, but this is not true for many who are suffering the regime of overpopulation, pollution, capitalism’s greed and the widespread ill health from a poor health care system -- both worldwide and in San Francisco. Nor does the idea of good “quality of life” at present allow for imagining a better quality of life once the entire present socioeconomic system passes into history. Vast change will be very painful, but survivors in a sustainable culture will find benefits such as closer community – something utterly lacking today for most modern consumers. The Task Force Report said

Petroleum and natural gas have become essential to existence as we know it; their scarcities threaten to severely disrupt our quality of life.

To many mainstream consumers, plastic is a wonderful thing. Fortunately, it is becoming known as toxic and non-biodegradable, so San Francisco should build on the momentum it generated with legislation against bags and certain chemicals in plastic such as phthalates and bisphenol-A. The Task Force Report should have recommended extending bans on plastics as a great way to raise issues on petroleum in general.

Specifics: impacts and strategies in the face of peak oil

The following impacts the Task Force noted or predicted are in my expectation temporary or not characteristic of post oil-shock society. Many assume there will be a sustainable decline in energy, social services, etc. But petrocollapse is not slowed by any human desires, and it’s forever.

- Violent fluctuations in energy prices.

- Rising food prices; possible food shortages.

- Damage to the overall national and local economy.

- Spreading poverty, as the economy contracts.

- Loss of confidence in the future.

- Increasing cost of travel and freight, especially by air; declining air traffic.

- Increasing pressure on public transit.

- Exacerbation of other problems such as climate change and credit contractions.

- Increasing gentrification as the affluent move to the City from the suburbs, displacing those who cannot afford to stay.

- Declining city government revenue, due to generally lower level of economic activity

- fewer conventioneers and tourists

- lower revenue-sharing from state and federal governments.

As to the strategies recommended by the Task Force to mitigate peak oil, they reflect many principles that I have stood for, along with and many other activists, that have been promoted for years. The number one example is probably the emphasizing of local economics as a major, necessary feature of a sustainable society. The Report's strategies are most reasonable and effective if taken up many years ago. As Task Force members we were aware of parking lot construction in San Francisco approved by City agencies that we knew was folly, but I had an impossible time getting the Task Force to formally advise other City departments that they should question or cease any project-planning that flew in the face of the City's Peak Oil Resolution adopted in 2006. There is an inkling of anti-paving in the Task Force Report. However:

What San Francisco could do now is something that would gain much global attention and start a trend: declare a car-free city by a certain date (2012 perhaps) whereby most personal automobile ownership would be banned. This is what would really prepare the City and its people for peak oil's effects. Instead, the Task Force was just able to recommend "Avoid infrastructure investments which are predicated on increased auto use." This represents great progress -- circa 1980 if implemented around then. Since such reasonable action after two Oil Shocks was lacking, the harder choices lay ahead. They are still now subject to the same economic corruption that will prevent a car-free policy soon -- until petrocollapse suddenly ends most car use.

Depaving is not part of the recommended agenda the Task Force offered the City, except for “Discourage the construction of new parking spaces anywhere in the city” and removing concrete on sidewalks to make room for fruit trees. The word “asphalt” is not in the Report. Here is something downright timid by the Task Force: “Where feasible, convert some prime auto parking spaces into motorcycle/scooter parking.”

As there is a tenant-protection law in San Francisco, making it hard for landlords to arbitrarily jack up rents or evict, the City’s Peak Oil Resolution could be used to protect tenants from landlords or property managers when tenants create guerilla food gardens. So, depaving and rooftop gardens could happen without risk of losing one’s home. I talked this up during my days in San Francisco, and would have loved to see the idea in the Task Force’s “Recommendations – Built Environment” section, or in the Food Security section.

In the “Recommendations – Economy” section, the Mayor’s cherished goal of city-wide wifi surfaced: “Resume development of a project to make high-speed internet available to all residents throughout the city.” This is equated with job generation and cutting commutes for telecommuting. However, the computer industry is about maximizing plastic and other uses of petroleum and petrochemicals, and encourages the unhealthful sedentary lifestyle.

If one wants to buy into the basic viewpoint of the Task Force, and one doubts the fallibility of the Task Force, look at this language in the Introduction/Chapter 2: "The future of oil is a classic case of too much demand chasing too little supply. Except during the oil embargoes
of the 1970s and their lingering effects, from the 1880s until 2005 enough oil was produced to keep the price of oil..." -- the two Oil Shocks of the 1970s were not "embargoes," as the second one was the result of the Iranian Revolution in 1978 that exacerbated massive in-place U.S. domestic regulation that made oil and refined product distribution harder in March 1979 onward. To call the First Oil Shock an "embargo" is like calling a war an act of aggression instead. The "1880s" should read "1980s." This report has been sitting and available for several months with these obvious errors.

Conclusion

Not to throw the baby out with the bathwater: if San Francisco implemented some of the recommendations in the Peak OIl Preparedness Task Force Report quickly and thoroughly, a great example could be set for the world’s cities in the area of food security, for example. With some of the recommended steps taken, there would still have to be vast importation of food onto the peninsula, in no small part by sailboats some day soon. This is a transport mode ignored in the Report despite my recommendations and known affiliation with the fledgling Sail Transport Network.

The Report does have a lot of valuable information, and is worth reading with the above caveats. Knowing the flaws of the Report and the dominant thinking, I lacked enthusiasm for even reading it, despite my having been a member of the Task Force and caring about a City that has in the past shown courage for innovation and protection of the public. I was also turned off to the Task Force in 2008 when my replacement who was wanted by many, Alice Friedemann, was not approved. Some of us believed she was rejected because she did not subscribe to the usual happy talk of many peak oilists and technofixers. Nevertheless, don’t do as I did in hesitating to read the Report for months; do as I say and read it now. But also read CultureChange.org or get my upcoming book Petrocollapse.

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A new primer, “Our Post-Peak Oil Future” containing Jan Lundberg’s oil industry scenario contrasted with the slow-collapse theory, is part of Bay Localize’s new Community Resilience Toolkit: baylocalize.org

See the San Francisco Peak Oil Preparedness Task Force’s Final Report online at: sfenvironment.org

After twice being postponed, the SF Peak Oil Preparedness Task Force Report is being presented to the GAO Committee of the Board of Supervisors this Thursday, September 24, at 1:00 in the Board Legislative Chamber at City Hall. It is the only item on the agenda, so there is plenty of time for discussion.
You can also watch the presentation, either live or archived on sfgovtv.org

Robert Hirsch, et al, "Peaking of World Oil Production: Impacts, Mitigation and Risk Management" for the U.S. Dept. of Energy, early 2005: energybulletin.net

San Francisco’s Peak Oil Resolution: energybulletin.net

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