# U.S. Peak Oil Conference Conflicted Amidst The Oil Recession

Contributed by Jan Lundberg
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Upon the first global recession influenced by the peaking of oil extraction and record high prices, the question for "peak oilers" arises: does peak oil and energy decline mean great profits for modernizing industry, or is peak oil the beginning of huge changes in lifestyle toward sustainability after societal collapse?

Those were the two main concerns at play at the fifth annual meeting of the U.S. chapter of the Association for the Study of Peak Oil and Gas (ASPO-USA), in Denver, Oct. 11-13.
Culture Change and other ecologically oriented nonprofits that were present are aware that the above concerns are somewhat present in society at large, in a different fashion. Widespread perception by the average person is that high gasoline prices and financial corruption at the top have caused the recession and made life very difficult. Society at large has minimal awareness of peak oil, as well as the need to change our way of life.

To demonstrate this, paid protesters in Chicken Little suits besieged the conference- entrance of the downtown Denver Sheraton Hotel without a break. They passed out a New York Times op-ed denying the reality of peak oil. They also missed a great conference and a chance to learn some tough truths.

There is no single message on peak oil, so the movement is a mixed bag. Most of the technocratic optimists and industry players assume a continuation of the global economy, yet expect the global peak to change business substantially. The opposing viewpoint in the movement is that much deeper changes can and should come about, such as the disappearance of most global trade and even of centralized authority. However, all adherents of this position may not voice it so strongly, in order to avoid controversy. Instead, their emphasis is on changing the world for the better via permaculture, for example, which is also in contrast with peak-oil opportunists in energy and finance.

The four hundred conference attendees were at times shocked by the blind optimism of certain speakers. A Brazilian official claimed there are massive oil reserves in the tropics. Similarly, hopes for great success in U.S. natural gas extraction from shale were aired, but severely discounted by others. Retired BP geologist Jerry Gilbert explained that exploration geologists are salesmen and story-tellers for their corporate bosses and the public, convincing them that projects have great promise. The validity of any claim that a major field has been discovered is subject to 20-30 years' passing in order to evaluate with any precision the amount of oil to be extracted according to expectations.

The daily Denver Post heralded the ASPO-USA meeting with an article titled "'Peak oil'" theorists: World running out". This irritated the conference organizers, not just over the idea that their findings are just "theory," but over the idea that peak oil means running out of oil reserves. Peak oil "theory" points out that the big fields have been discovered and are starting to decline, while replacement fields are small though numerous, offering generally heavier, more toxic crude oil. Mature fields are declining in output by 6.7% on average annually. Nevertheless, some conference speakers and attendees hold out for the possibility of a peak oil arrival of 2020, for example.

Findings presented at the conference, such as by Matthew Simmons (petroleum investment banker), showed that world oil extraction peaked in 2005. He showed that counter-claims of a 2008 peak depend on Saudi Arabian production being over a million barrels a day higher than what he believes occurred. Simmons has warned of a panic-driven "run on the energy bank" by the public seeking fuel in tight supply and rapidly escalating in price. This would cause major social disruption such as severe food shortage, he warns.

Generally absent from the conference and many peak oilers' thinking is much analysis of the role of the oil market in a severe shortage. Culture Change warns of the likelihood of an historic societal disruption stemming from oil dependence: petrocollapse. This may reshape society enough to eliminate oil as a common commodity; in effect "running out" of oil. This scenario falls into the category of "doom and gloom," despite possible positive outcomes of collapse such as the nonviolent end of the present industrialized, corporate, centralized system.

The ASPO-USA conference seemed to ignore a commonly recommended change in diet affecting energy use, when non-animal meals were not an option for the conferees. Additionally, permaculture ought to be a featured topic as a key tool for post-petroleum survival. On the other hand, some speakers calling for major cultural change were able to get their message across regarding agriculture, low-consumption living, and slashing energy use. Pat Murphy of Community Solutions, Jason Bradford of Vital Farmland LC, and David Wann of the book/movie Affluenza all envisioned with clarity the kinds of changes U.S. society can embrace painlessly for greater efficiency in building residences, growing local organic food, and nurturing community connection.

This trio of speakers at one of the sessions of the conference were criticized for not addressing the "C" word: collapse. Nor did they go into the population issue, as Albert Bartlett, the dean of exponential-growth bubble-bursting, criticized. As for collapse, brought up by questioner Andre Angelantoni, the response he got from the panel was a dodge, he felt. A negative, unpleasant depiction of peak oil's effects (as well as the effects of climate change and financial meltdown) are best unmentioned, according to such speakers as well as the ASPO-USA leadership. Murphy says that discussing collapse "keeps us from taking action." And speaker Wann, like others, went further by denying collapse can or will happen. Unexplored are the effects of the "run on the energy bank" and a crash in food supplies. Likewise, the beneficial aspects of collapse -- closer community, local economics as the rule, the end of corporate dominance -- are not part of a thorough sharing of ideas.

Culture Change was able to display, thanks to Post Carbon Institute's ASPO-USA sponsorship, the new Community Resilience Toolkit created by Bay Localize, a San Francisco-area group. A portion of the toolkit is "Our Post-Peak Oil Future," a primer that compares collapse scenarios, on hand in quantity. To further the discussion of collapse in a more advocacy-stance was the flyer announcing my book, Petrocollapse: the Basis of Crash and Culture Change, which was ordered in advance by some attendees. If not as a speaker or sponsor some day at an ASPO-USA conference, I hope my book will make clear that after we fall off "Hubbert's Cliff" after peak, a "new" sustainable and just culture is in store.

Economic concerns are half of what the conference was about, if one is in business in energy or investments. A threshold of $70 per barrel or a little higher was identified as the minimum for oil industry profit and investment, while not breaking the back of consumers. Price and availability of oil, it was said, might be determined greatly by "emerging markets" bidding away the oil. China has "latent demand" that advanced economies won't be able to match, thus reducing oil consumption in the latter countries via price rationing.

Speakers such as conservative writer Kevin Phillips and The Oil Drum editor Nate Hagens were superb in driving home the role of debt and deficit spending in the U.S. over the decades. The behavior of the nation regarding spending and borrowing looms even larger than peak oil in contributing to the present financial crisis, Phillips and Hagens believe. Attendees are not of one mind regarding "recovery" and resumption of "growth."

As to unexpected crash, a Homeland Security official presented a scenario of just the power grid going down. He reported that the Dept. of Defense and the nation are considered by the government to be more vulnerable to grid disruption through easy sabotage than sudden, severe oil shortage. One problem is that spare transformers are few and massive, so as to present a logistics challenge. The official, Scott Pugh, was the first executive director of ASPO-USA, and before that he commanded a nuclear-attack submarine.

Tom Petrie, a major energy investment banker, claimed at a lunch speech: "If rules were different, we could overcome recent peak, but still, large increases of extraction are a pipe dream." He sees a national motor-fuel switch for many of the U.S.'s 235 million motor vehicles as a major mitigation for peak oil. Culture Change has for two decades pointed out that this flies in the face of society's financial health, realistic infrastructure expectations (for any vehicle fleet), appropriate land use, and ecological sensitivity. But as a major player endorsing peak oil, Petrie can propound views that either don't make sense or disappoint critics of the status quo. Chris Skrebowski from London is an oil analyst tracking peak oil, who found that cheap oil peaked in 2004. His similarity to Petrie and other technofixers is in expecting "key solutions" to oil depletion via electrification of vehicles and biofuels.

Culture Changers

A vastly different kind of investment advocate is Jason Bradford, known for the Willits, California localization project. He has graduated to forming an investment model for maximizing conversion of farms to organic, local orientation. His presentation showed the overwhelming consolidation of organic brands into very few entities, just as the petrochemical/genetically modified seed/pharmaceutical sector is dominated by three corporations. Pat Murphy, author of Plan C, wonderfully complemented Bradford, pointing out that a cultural change cannot be facilitated by the market or bailouts that do not generate jobs in the urgent sectors of food security. At least, Murphy maintains, some of us are "building up a cadre" of people with the skills and plans for post-oil living.

A middle-ground ASPO-USA spokesman is Randy Udall, of the famed political family. His balanced concerns over peak oil and climate were well received, except (for some of us) his view that developing countries will be taking their "rightful share" of oil after the industrialized nations' phase of oil maximization. The idea of "a right" to oil may imply that the petrolization of modern society was not a bad thing.

ASPO-USA craves mainstream corporate acceptance, made clear from most speakers and the policies for attendance. Large media outlets were welcome free of charge, while small publishers and free-lance reporters paid full registration cost which included three days of lunches. The conference proceedings and PowerPoints are on-line, but a thoroughly modern approach would have included Wi-Fi for Twittering by the audience during outrageous or exciting statements from the podium.

The final panel explored public and individual consciousness about peak oil and quality of life. Chris Martenson (of Crash Course fame), Ken Eklund (game fame for "World Without Oil"), and Robert Hirsch (peak oil mitigation-failure fame) discussed challenges in building one's awareness and modifying one's expectations posed by peak oil and economic stress. Martenson said "it's really about a change in culture." Eklund complemented Martenson's concerns about the extreme disparity in wealth today, by stating "Civilization without caring deserves a revolution."

Governor Bill Ritter addressed the crowd forcefully about the "new energy economy" in Colorado that he claims is leading the nation. Why? For the sake of climate protection, he repeatedly assured us. Afterward I introduced him to the concept of petrocollapse. He then found himself defending Colorado against the claims of another activist who accosted him regarding across-the-board road building being pursued despite the constraints of peak oil.

The conferees remained on hand for the final evening speaker of the third day: Nate Hagens of The Oil Drum. He regaled his many admirers with anthropological, biological and psychological observations that helped them understand their place in the world. His faith in policy-makers hinges upon their receiving models showing where we are headed. He also stands for the global system to stick together, via an energy-backed currency. His overall prescription for action is to educate people so that U.S. leadership can aid in the world's gradual energy descent. He received the only standing ovation of the conference.

A significant divide between attendees is regarding action: Endless analysis and discussion should end now, stated Connecticut's Terry Backer, a peak-oil advocate member of that state's legislature. His perspective on what the politicians need to be told about peak oil excludes discussing worst-case scenarios. Backer's message is that in government warnings about peak oil, the need for food security and heating for schools should be guaranteed.

Differences in the diverse peak oil movement are major, but our cause is a unifying force useful for a broad spectrum of society. Even so, the meaning of peak oil and energy dependence are constantly diluted for the public by "distractions"

such as financial meltdown, climate failure, and more war.  For today's limited peak oil movement, most of its adherents can visualize new conditions and innovations, such as Sail Transport Network (praised by Matt Simmons in concept). The final disagreements surrounding peak oil are about what kind of a life -- post die-off or economic shakeout -- the survivors will have.  The feeling almost all of us at the conference shared was that all will be made clear in the near future.

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ASPO-USA

Jan Lundberg's book flyer for Petrocollapse: the Basis for Crash and Culture Change

"Our Post-Peak Oil Future"

ASPO-USA's Peak Oil Review column by Jan Lundberg:
"Peak-oil activist approach for the coming change in culture"