

Peak Oil: Permanent Energy Crisis

We are living in an oil dependent world. People are gobbling up oil and other fossil fuels faster than ever. In 2003, the United States alone used 20 million barrels of oil a day of a total world production of 85-87 million barrels. By 2006, U.S. consumption went up to 20.7 million barrels a day. This is a 3.5% increase from 2003, at a time when prices doubled. The bulk (70%) of oil usage is currently for transportation needs including automotive, rail, air, and maritime. Oil is also used extensively in manufacturing as most plastics are derived from petroleum. Modern agriculture is extremely dependent on oil as it is used to run equipment and transport products. Most fertilizers, herbicides, pesticides, and other chemicals used in production are also derived from oil.

The United States and the rest of the world face a growing danger – a permanent energy crisis that imperils the health and well-being of every society on earth. There are many reasons to believe that, unlike the gas and electricity crises of the 70s, 80s, and 90s, the energy troubles we now face will last for decades. Civilization as we know it is facing unprecedented and enormous challenges from a phenomenon known as “Peak Oil.”

What is Peak Oil?

“Peak Oil” is the term used to describe the situation when the amount of oil that can be extracted from the earth in a given year begins to decline, because geological limitations are reached. Over time, extracting oil in any given field becomes more and more difficult; costs escalate and the amount and quality of oil produced begins to decline. The term “Peak Oil” was created by the oil research geologist M. K. Hubbert in 1956 and is applied to the production of oil on a national and worldwide level. U.S. oil production topped out in 1970 and has been in a steady decline ever since. Oil output from most oil producing countries around the world, including Mexico, Venezuela, Iran, and Kuwait has also seen continued declines in production. And there have not been any major new oil field discoveries in over 35 years.

When will Peak Oil occur?

The precise time when peak oil will occur will only be determined after the fact when production levels off then begins to fall. However, Hubbert’s model and other similar methods do allow us an approximate prediction for when the peak will occur. While some believe that world oil production reached its plateau in July 2007, others predict that it will occur between 2008 and 2020. The variability is based on estimated reserves (oil still in the ground) and projected energy consumption.

Once the decline gets underway, production will drop (conservatively) by 3% per year, every year. War, terrorism, extreme weather, and other “above ground” geopolitical factors will likely push the effective decline rate past 10% per year, thus cutting the total supply by 50% in seven years. If a 5% drop in oil production caused prices to triple in the 1970s, what do you think a 50% drop (or more) is going to do?

The Impact of Peak Oil

Peak oil implies that oil will become scarcer and because of the demand placed on its usage, oil will become much more expensive. This will directly impact us, as transportation, food, and the many products we rely on will also become more expensive or simply unavailable. Many economists and planners agree that fuel-rationing and increasing supply disruptions will become a reality in the years following Peak Oil. Most food and other supplies are currently shipped great distances and will also be more expensive and prone to shortages. The dramatic increase in oil prices and resultant rationing were the driving force behind the recent demonstrations and violent reactions in Myanmar (Burma). Lesser developed nations are already beginning to see the effect of Peak Oil as rising fuel costs price them out of the market.

Rampant use of oil and other fossil fuels has also lead to global warming and climate change. Building sustainable communities not dependent on oil and other fossil fuels will become critical in the post-peak years. Conservation will also play an increased role in our lives, as consuming less becomes a financial and practical need.

What is Being Done to Address this Energy Crisis?

In the Coulee Region, various groups have formed in our area that are addressing the energy crisis as well as global warming and climate change issues. The City of La Crosse was ranked as the 13th “best green place” in America by Country Home Magazine. The City of La Crosse has adopted “eco-municipality” resolutions indicating an intention to become an eco-municipality and endorsing the Natural Step sustainability principles and framework as a guide. At Couleecap, staff will be forming a Climate Change/Sustainability Team to address issues internally and externally.

At the State level, the Wisconsin Office of Energy Independence is focusing on facilitating the implementation of Governor Doyle’s energy independence initiatives. Governor Doyle has appointed a Global Warming Task Force comprised of 29 representatives from utilities, businesses, environmental organizations, unions, and academia. This task force is in the process of preparing recommendations on steps Wisconsin can take to mitigate the impact of global warming. One of the issues the task force is addressing is creating alternative energy sources and supportive industries within Wisconsin. The University of Wisconsin was the recent recipient of a \$125,000,000 grant to fund the Great Lakes Bioenergy Center, which is researching methods to produce alternative fuels.

Globally, some countries and their governments have created groups or committees to address this crisis. Some countries have started using alternative forms of energy. These alternative forms will help mitigate the problem, but at this point, they are costly and currently unable to fill the giant role oil plays in our energy and material needs.

While some work is being done to address this crisis, we are not doing enough. Individual actions can make a substantial difference in reducing global energy consumption. Here are some things that you can do:

- Educate yourself about the issue. Visit your local library or research websites on the Internet. Some good books and DVDs include Hubbert’s Peak: The Impending World Oil Shortage by Kenneth S. Deffeyes, Out of Gas: The End of the Age of Oil by David Goodstein, The Long Emergency: Surviving the Converging Catastrophes of the Twenty-First Century by James Howard Kunstler, A Crude Awakening – The Oil Crash (2007 DVD), and Energy Crossroads: A Burning Need to Change Course (2007 DVD). Some good websites are The Oil Drum (www.theoil drum.com) and Life After the Oil Crash (www.lifeaftertheoilcrash.net).
- Discuss this issue with family, neighbors, and coworkers to generate more ideas of ways to confront this issue.
- Join a local or regional group addressing this issue.
- Support efforts for alternative forms of energy production.
- Find ways to save energy by making your home and/or workplace more efficient, such as replacing incandescent light bulbs with compact fluorescent lamps; moderating heating and cooling (a couple of degrees can make a significant impact on energy consumption); turning off lights and electronic equipment when not in use – even in “standby” mode, electronics still consume energy; and buying high efficiency appliances.
- Walk, bike, use public transportation, or car pool whenever possible.
- Buy high efficiency cars and locally produced products.
- Help to establish resilient, locally based economies.

Couleecap, Inc. is a private non-profit 501(c)3 charitable organization created in 1966. Our mission is to fight poverty and promote self-sufficiency for people in the Coulee Region. Our four-county service area includes Crawford, La Crosse, Monroe, and Vernon counties in Wisconsin. For more than 42 years, we have been helping low-income people build on their strengths and become more self-sufficient. We currently operate over 40 programs in the areas of housing, family and youth services, and emergency services. Each year, Couleecap helps more than 10,000 people work towards self-sufficiency.

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