

POLICY

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Peak Oil

The painful end of the fossil fuel economy

Oil Junkies

We are all oil addicts. And our drug of choice is soon going to be hard to get hold of.

The modern economy is addicted to cheap oil.

Our lifestyles are addicted to oil. We use oil as a fuel for transport and heating, and as a feedstock for solvents, plastics, asphalt, pharmaceuticals and packaging. Oil is also vital for today's industrial agriculture, providing chemical fertilisers, herbicides, fungicides, pesticides, fuelling machinery, processing and food delivery. Today in 2006, the world is consuming 83 million barrels of oil everyday and this is just matched by all the world's oil producers. The International Energy Agency predicts that oil demand will increase by half again by 2030 to 125 million barrels per day.

A growing economy always demands more energy, energy which is mainly provided by oil, coal and natural gas. In living memory, there has always been

more energy supply available than ever required by demand. Until now.

What is Peak oil?

Everyone knows that we do not make oil, we drill holes in the ground and if we strike lucky, oil comes out. It is also accepted that therefore, some day, the oil will completely run out. However, our problems do not start on the day we run out, which will be many years from now, they start today.

This is because although our appetite for oil continually grows, the global rate of oil production is about to reach a maximum, stay constant for a number of years, and then gradually decline. Oil production will fail to meet the ever growing demand for energy.

This peak and decline in oil production has already happened on a national scale in many countries, including the USA (1971) and in the UK (1999). Some experts think that the peak in oil production for the whole world peak is already upon us, but we will only know for certain when it has already happened. The majority of

predictions fall between 2003 – 2015. The Association for the Study of Peak Oil and Gas predicts a global peak in 2007.

For the first time in modern history, the demand for oil will be greater than the available supply and the price of oil will rise rapidly. Our economy will endure a series of supply-side shocks.

The quality of oil will also push the price up. We have extracted the cheap, easy and high quality oil first. From now on, oil is going to be dirtier, harder to extract and more expensive to refine.

A similar fate awaits natural gas. The peak in production is expected to be later than for oil, but the decline will be much faster when it occurs.

Supplies of recoverable coal are much larger and could last for the next 300 years.

What will happen after Peak oil?

Addicts will do anything for the next fix, even when they know its harming their health.

Our oil addiction is already killing our future. Carbon emissions from burning fossil fuels are threatening climate change in our lifetime, with devastating consequences to the environment and our future prospects for prosperity and survival. Emissions globally are continuing to rise, accelerating the process. If we

are to prevent our own extinction, we need to stop our long term oil, coal and gas habit.

If the price of the drug increases, the addict becomes more desperate, doing whatever it takes, however despicable, to pay for the next fix.

In an oil-addicted economy, high price oil makes it expensive to do business, to trade, to travel, to heat our homes, to buy food, to do just about anything. Our oil economies will inevitably contract in size to accommodate the reduction in available oil energy. The things we take for granted and that make us feel prosperous will become unaffordable for most. High inflation, high unemployment, stagnation and instability will be some of the economic symptoms of peak oil as our economy shrinks. Nations will become desperate and a likelihood of warfare over strategic oil and gas supplies will increase.

This has all happened before. Recession and the 3-day week occurred during the temporary oil crises of the 1970s. And in September 2000 the fuel duty protestors brought the UK to a halt within a week, with panic buying and mile-long tailbacks at petrol stations. The strategic importance of the Middle East is totally dependent on the fact that two thirds of all the world's oil reserves lie in the region.

What can we do?

Any addiction is not a sustainable way of life. The best solution to addiction is to break the habit, before the habit breaks us.

The Green Party wants the UK to kick its oil addiction and build a sustainable society based on renewable energy. If we used renewable energy, our economy would be less affected by the global oil peak.

There are various techniques to kicking an addiction, such as 'cold turkey' shock treatment, drug substitution or gradually cutting down and then giving up over a period of time.

We fear that society may not survive the pain of 'cold turkey', and so a war plan to wean our world from oil must be implemented without delay.

Sweden is planning to phase out fossil fuel for energy and transport by 2020. So should we.

The Green Party supports the following:

- State investment in renewable energy
- State investment in energy conservation
- State investment in energy storage technologies
- Penalties and taxes on carbon emission
- Personal carbon allowances and trading
- Improved building regulations to include renewable energy technology as standard
- Research and development of oil-free

transport

- Appropriate taxation on aviation
- State investment in the expansion of affordable public transport
- Expansion of local services and local food production
- Increase public awareness on the cost and quantity of their energy use

1. If it is so important how come I have not heard about peak oil until now?

It is a combination of complacency, misunderstanding and denial. We have always had plenty of oil in our lifetimes and so we cannot imagine a world without it. People mistakenly believe the problem will occur way in the future when the last oil well runs dry. In fact the problems start when there is just not quite enough to go around. The consequences of the economic shock of peak oil are also too bad to contemplate.

2. Surely energy is just like any other commodity. Won't market forces sort this energy problem out?

No. There is no competitive alternative for oil in the marketplace today and therefore market forces do not apply. If there was, we would already be using it. Even when expensive oil damages the economy, the alternatives will still not be available quickly and cheaply enough to avoid major economic disruption and hardship unless there is state intervention to promote alternative energy technology and reduce current consumption.

3. Won't nuclear power help?

No. As well as being very expensive,

generating radioactive waste and posing a security risk, there is only enough uranium ore for one more generation of reactors. Nuclear power also depends on oil for ore processing, construction, operation and security. The situation in Iran demonstrates how domestic nuclear power encourages military nuclear proliferation. Finally, nuclear power cannot replace oil directly as it generates electricity only. Transport and feedstock problems would also need to be addressed.

4. There is still plenty of coal available and coal can be converted to oil, so doesn't that solve the peak oil problem?

No. Converting (or cracking) coal into oil is possible. However it takes large amounts of energy to convert coal into oil, and this has always made it very expensive to do. By the time cracking coal into oil becomes economically viable, the economic damage caused by peak oil will already be underway. The cracking process also emits huge amounts of carbon into the atmosphere, which will make climate change worse. Carbon capture and storage is still experimental and has not been tested on a large scale.

5. Gas can also be converted to oil. Won't this address the peak oil problem?

You would in effect be robbing Peter to pay Paul. Natural gas prices are already rising

dramatically as a knock-on effect of the rising oil price. Substituting gas for oil will only bring the gas peak nearer.

6. If oil supply is declining after the peak, doesn't that mean less oil is consumed, cutting carbon emissions and therefore preventing climate change?

No. The negative economic effects of peak oil will not prevent the consumption of oil and climate change will take hold well before global oil reserves are depleted. Coal will also become more competitive, which is even more polluting.

7. Is it practical to have a fossil fuel free economy?

Our grandchildren will have no choice. We could easily have a good standard of living on half the energy we consume today. We should start building a sustainable economy based on renewable energy and energy efficiency while we still have the time and money.

8. Will life be worth living after peak oil or without oil at all?

It will be, but we have to start managing the change now. Our lifestyles will not be exactly the same. Travel will be less casual. There will be less consumption and less waste. Our diet will be more locally based. However, it won't be the end of the world. On the other hand, if we do nothing, it will be.

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