



DRAFT PROPOSED RESOLUTION

Resolution acknowledging the challenge of Peak Oil and the need for San Francisco to prepare a plan of response and preparation.

WHEREAS, World oil production is nearing its point of maximum production (“Peak Oil”) and will enter a prolonged period of irreversible decline leading to ever-increasing prices;

WHEREAS, the United States has only 2 percent of the world's oil reserves, produces 8 percent of the world's oil and consumes 25 percent of the world's oil, of which nearly 60 percent is imported from foreign countries;

WHEREAS, the decline in global oil production threatens to increase resource competition, geopolitical instability, and lead to greater impoverishment;

WHEREAS, national oil companies own 72% of remaining oil reserves and 55% of remaining gas reserves¹, and resource nationalism is increasingly dominating decisions of oil and gas development and trade relationships;

WHEREAS, The availability of affordable petroleum is critical to the functioning of our transportation system, the production of our food and of petrochemical-based consumer goods; the paving of roads, the lubrication of all machinery, and myriad other parts of the economy;

WHEREAS, San Francisco is entirely dependent on external supplies of petroleum, including the crude oil processed in Bay Area refineries;

WHEREAS: Price signals of petroleum scarcity are likely to come too late to trigger effective mitigation efforts in the private sector, and governmental intervention at all levels of government will be required to avert social and economic chaos;

WHEREAS, the Department of Energy-sponsored study² on mitigation of Peak Oil demonstrated that a 20-year lead time is required for effective mitigation, while current measures supported by the federal government will replace only 3-weeks worth of gasoline consumption by 2012;³

¹ “The Role of the National Oil Companies in a Changing World: Economic and Energy Relations”, OPEC, 2004, at <http://www.saudinf.com/main/y7480.htm>

² Robert L. Hirsch, R. Bezdek, R. Wendling, *Peaking Of World Oil Production: Impacts, Mitigation, & Risk Management*, February 2005, online at http://www.mnforsustain.org/oil_peaking_of_world_oil_production_study_hirsch.htm

³ <http://www.eia.doe.gov/neic/brochure/renew05/renewable.html>



WHEREAS, alternative sources of transport fuels from coal and natural gas both require high energy inputs and increase total carbon emissions, and biomass-based fuels compete with soil fertility, impacting agricultural sustainability⁴;

WHEREAS, substitution of petroleum with other fossil fuels threatens even greater damage to water, air, soil, and species diversity through their extraction and combustion;

WHEREAS, North American production of natural gas has already peaked, and 46% of California's electricity supply is generated from natural gas; and

WHEREAS, San Francisco has demonstrated leadership in confronting challenges of environmental quality and energy security, promoting environmental and economic equity, and has a rich diversity of citizens committed to maintaining San Francisco's long-term viability;

RESOLVED, The Commission on the Environment acknowledges the unprecedented challenges of Peak Oil; and further

RESOLVED, The Commission supports the adoption of a global Oil Depletion Protocol to provide transparency in oil markets, control price swings, address issues of equity in access to remaining oil resources and provide a framework of predictability within which municipal governments can adjust to increasing oil scarcity; and further

RESOLVED, The Commission supports the undertaking of a city-wide assessment study in order to inventory city activities and their corollary resource requirements, evaluating the impact in each area to a decline in petroleum availability and to higher prices, with the aim of developing a comprehensive city plan of action and response to Peak Oil, and further

RESOLVED, The Commission urges the Mayor to provide funding and direction to city departments for the development of a response plan.

⁴ L. Reijnders, "Conditions for the sustainability of biomass based fuel use", *Energy Policy* 34 (2006) 863–876