



CERA and the Facts

Posted by [Prof. Goose](#) on November 26, 2006 - 2:40pm

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This is a guest post from Hans Noeldner, a trustee in the village of [Oregon, Wisconsin](#), a rapidly growing bedroom community of about 8,300 near Madison, Wisconsin. Hans' first piece on the rules of downtown revitalization can be found [here](#) and his Declaration of Dependence can be found [here](#). Today's post, "CERA and the Facts" can be found under the fold.

Now that CERA has ridiculed peak oil fears and tantalized the world with its \$1000-per-copy report, some peak oil believers have quickly launched vociferous counterattacks. But rather than responding in knee-jerk fashion, we would be wise to address some fundamental questions first. I pose them as a "layman" rather than an expert; it is my hope that these questions will stimulate a fruitful discussion on the Oil Drum and elicit insightful responses from the numerous more knowledgeable folks who read and post here. Here is my "baker's dozen":

(1) What is the primary mission of CERA? To fully and accurately report the facts to its clients? To act as a public propaganda arm for them? Some combination?

(2) If CERA's primary mission is to provide factual information, which is likely to be more profitable - to make that information available to the public at large (i.e. by selling it to anyone willing to shell out \$1000), or to withhold the most crucial information from all but its most important clients?

(3) If CERA's primary mission is to discredit peak oil arguments even though CERA knows better, what will happen to CERA's credibility over time? Would it be better for CERA to mount a full-scale assault right now against the notion of an imminent peak and cash in before the peak unmistakably manifests itself, or to carefully spin its message, allay fears, and thus be able to bill its clients over a longer period of time?

(4) What is known about CERA's major clients? Which is better for CERA - that the full list be known to the public, or that the names of some clients remain confidential? Logically, who would number among them?

(5) Does CERA offer different levels of information and services to its clients? If so, what is publicly known about these levels? Given what is known and presumed about CERA's clients, what might characterize the various flavors of CERA's products?

(6) What are the credentials of CERA experts? Are there good reasons to believe that all of its experts are known to the public?

(7) If CERA has close links with exporters, is it possible that CERA actually DOES have solid data to back its claims that a peak is far in the future?

(8) Might CERA have more accurate information about reserves and production potential than is generally known to agencies like the EIA, USGS, etc? What about oil giants like Exxon and BP?

(9) Are there good reasons to believe oil exporters are withholding specific information about economically recoverable oil reserves in order to establish and maintain high prices?

(10) Are there good reasons to believe oil producers are withholding specific information about economically viable new technologies that will boost yields from existing reserves in order to maintain higher prices?

(11) If oil exporters and producers actually can deliver significantly more oil than they let on, how would they go about maximizing prices? Over time, how would they balance price-boosting fears of scarcity and depletion with demand-boosting assurances of adequate supply?

(12) Given the relatively unpromising EROEIs for oil alternatives like ethanol, biodiesel, and shale; given the improbability that any combination of them will substitute for conventional oil barrel-for-barrel; is it reasonable to believe that oil exporters and producers would nonetheless try to discredit and quash alternatives?

(13) Suppose for a moment that CERA really does hold key, non-publicized information about recoverable oil and new developments in technology. Why advertise it? Won't their clients already know where to go for the inside dope? And won't their clients be willing to pay REAL money for it rather than a mere \$1000? If so, why publicize the \$1000 report? Could it be a teaser? A ruse?

My fellow TOD readers/posters, your thoughts please!

DISCLAIMER: Although I am a Trustee for the Village of Oregon, Wisconsin, I do not claim that the views herein represent those of the Village Board.



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