



## Awareness is changing

Posted by [Heading Out](#) on April 2, 2005 - 2:54pm

In the recent past where there were spikes in the price of gas there were periods of public protest, and for one reason or another prices fell again. Unfortunately when you start to run out of spare capacity a lot of those ways to reduce prices are no longer there. OPEC, for example, is now very limited in what it can do, since there is very limited available additional oil that can be produced, relative to current growth in demand. National surplus and reserve supplies can only be used one time, and then they are gone. We also become more vulnerable to refinery problems which transiently reduce supply.

We have not yet seen much public protest, and oil above \$50 has not slowed demand. Since the supply:demand ratio is only getting worse, one has to therefore expect that prices will continue to go up. At some point whether it is \$2.50, or \$3 per gallon gas the public will start to be more vocal. (There were some rumblings of this in [USA Today](#) this week, as it starts to have impact on cab drivers and truckers). However this continued growth in demand, unfortunately, means that we are increasingly unlikely to see oil below \$50 again and soon \$2 gas may also become a historic value. (The lowest price across I-40 was \$1.99 in Oklahoma City, according to USA Today with the top price being \$2.49 in Barstow, CA).

One can reduce demand somewhat by imposing speed limits (remember Jimmy Carter?) but many of the other changes in energy efficiency have already been made, and this time we won't have the North Sea and the North Slope coming to the rescue - in fact since they are both in significant decline they are adding to the problem.

The experts who so very recently were saying that oil would be down to \$30 and less this year seem to have fallen remarkably silent. Commuters moving to public transport offer only a very limited change since there is not a lot of spare carrying capacity in those systems, so perhaps as commuters start to complain to their Representatives we might start to see the politics of this start to heat up. Then things might get a bit messy.

Just as with the Summer of 1914 this may be the last of the Carefree Summers (and yes I know it is all relative). Enjoy!

Technorati tags: [peak oil](#),



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](#).