

The Oil Drum: Campfire

Discussions about Energy and Our Future

What Price Pelican?

Posted by [Nate Hagens](#) on June 6, 2010 - 7:22am in [The Oil Drum: Campfire](#)

Topic: [Environment/Sustainability](#)

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Our energy subsidy from the stored sunlight in fossil fuels is gigantic. The chemical and kinetic energy embodied in the thick gooey condensed organic matter from past eons is, for all human intents and purposes, indistinguishable from magic. Once in a while, like now, we see the downsides to our dependency on this elixir, in this case the ecological degradation of increasing areas of the Gulf of Mexico ecosystems, and collateral damage to other species.

These negative 'externalities' to oils procurement remain outside of our market system, and although they tug at our emotions, are not formally part of our institutional decision-making framework. This brief Campfire post is about how we value things that are priceless, in a system that forces us to put prices on most everything.

First, 2 assumptions:

1) WE ALL AGREE WHAT IS HAPPENING IS BAD

Everyone agrees that what is happening is bad. I.e. there is no one (or at least very few) out there thinking that the ecological damage occurring now, and what is yet to come, is funny or enjoyable. Even the staunchest conservative knows at some level that nature is important, and that soiling

our nest is not advisable. Said differently, we are all on the same team that is rooting for a quick end to the oil leak and a as little as possible ecosystem impact in the months/years to come.

2)WE, NOT BP, ARE RESPONSIBLE

Yes, some human greed and error within British Petroleum played a role in this disaster. But from the vantage point of why we are getting our fuel from 20,000 feet below the oceans surface in the first place, BP, Transocean, Cameron etc. play very small roles. Everyone in the developed world is partially responsible for whats happening in the Gulf because of our insatiable demand for more (energy, stuff, experiences, growth). It is the fault of a society so dependent on liquid yeyo that we now have to dig deeper, farther and in more environmentally sensitive areas with each passing year.

The oil industry, just like the computer industry or the food industry, has the best and the brightest turning natural resources into products that people buy and in doing so turn a profit. The fact that the product that BP (and others) procures is equivalent to societal pixie dust, with one barrel of oil having 5,700,000 BTU (the amount of energy/work it would take me several years to generate) is *not their fault*. They are providing a service that we want. The problem is that we have taken this service, all that in entails, and the power that it offers, for granted. The Beverly Hillbilly-just-under-the-surface [yeyo](#) is gone and it may require some ecological shock and awe to alert us to this fact.

If you are a vegetarian, off the gridder who walks everywhere and doesn't buy anything via corporations, then YOU have the ability/right to complain about your share of the commons that is being impacted by this tragedy. Everyone else, and some more than others, bears responsibility for this situation and as such shouldn't only be casting stones at BP. *And the United States, who uses 1 of every 4 barrels of oil produced worldwide, is more responsible than anyone else.* Yes BP screwed up. But I think our society should understand that as the fossil energy frontier continues to close, environmental complications are going to increase from the search for the lower quality fossil fuel crumbs. The most unacknowledged point in our debt-laden, over-consumptive culture of entitlement is that our consumption relative to what is sustainable is too high not by 10 or 15% but by a factor of 4 or 5.

On the other hand, one could argue that the trajectory that brought us to this moment, given our fossil fuel jackpot and ambition and drive as a species was largely unavoidable, and as such is none of our faults. Our blame begins when we first understand the situation we are in and continue to choose convenience and fun over sacrifice and sustainability. The problem here is there exists no easy path to go down once the wide boundary understanding of our predicament dawns....



WHAT PRICE PELICAN?

In the field of ecological economics, scientists attempt to put a price-tag on the ecosystem service flows that mother nature provides. A recent, rough estimate of global ecosystem services is around \$50 trillion per year - in the neighborhood of Global GDP. (Heres is a new RFF pdf [Lost Ecosystem Goods and Services as a Measure of Marine Oil Pollution](#).) Acknowledging and integrating ecology into a market system is necessary and important. But there are obvious problems. What happens in a currency crisis where abstract wealth disappears - what are our ecosystems 'worth' then? Or, in a system of cost-benefit tradeoffs, what happens if we increase our financial wealth by 20% and lose 19% of our ecosystem services in the process - is this a good trade? How much is a sea turtle's suffering worth? A sea turtles life? The sea turtle species? Etc.

In my opinion, stopping the oil flowing should be paramount at any (financial) cost. Rockman and other level heads from industry on this website seem to be coming down in favor of 3+ relief wells being drilled, as each additional relief well improves the odds somewhat of stopping the flow. Is something with 10% marginal odds of stopping the oil flow worth it? 1% .001%? Our economic system can't really do such multi-currency calculus. We have to do it ourselves. By definition, these decisions will not be financial in origin, but based on intuiting probabilities between 'bad disaster' and 'terrible disaster' as defined by our built in neural algorithms. That some people are thinking along these holistic lines is itself hopeful, because such thoughts make sense only when we entertain non-market impacts which is where we are headed sooner or later. Is a few billion or a few hundred billion \$\$ to bail out superfluous banks more or less important than bailing out an ecosystem that will translate the suns flows into benefits for us, our children's children, and countless other species into the future? Ultimately, we have to look to ourselves to find out our value systems.

The situation in the Gulf is a signpost of our moment in history. 30% of our oil production, and a

higher percentage in the future, comes from offshore - so the stakes of our decisions here are non-trivial. Envisioning a system that uses less, and a gameplan that gets us there without breaking the system itself is a tall order. Any such vision will compete with a cultural mythology that American abundance is due to some special combination of hard work, creativity and divine decree instead of privileged access to concentrated once-and-done resources. Whether we drill or not, oil is depleting globally and its scale won't be replaced by flow-based energy sources. Thus to me, what's happening in the Gulf is a clarion call to our societal value systems more than any words or analysis could ever be. If we don't look at our own consumption and its wide boundary environmental impacts and instead continue to translate the problems of the Gulf into cost/benefit terms denominated in \$, we will have lost this opportunity for change.

CAMPFIRE QUESTIONS

- 1) Would you be willing to give up 1%?, 10%?, 20%?, 50%? of your oil consumption, both that you use directly and use indirectly in the products you buy to assure ecosystem health? Why or why not?
- 2) Can we put a \$ value on aspects of our lives outside the market system? If so how?
- 3) If the main real reason not to add more relief wells is cost, is two the optimum number? That is, what would the prudent number of relief wells/rigs be if money was de-emphasized as a factor?

** Pelican picture from this [series of images](#) from AP photographer Charles Riedel. Whale painting '*Breach*' by Vladimir Kush



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