

## The Last ASPO Conference

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On the evening of the first day of the 10<sup>th</sup> conference of the Association for the Study of Peak Oil & Gas (ASPO), in Vienna, Rembrandt asked me if I'd write the usual summary again. My immediate answer was "no". Lack of time and motivation left me far from wanting such an undertaking. Hours later a title popped up in my mind; the dead time at airports and on airplanes provided the necessary space for the content.

The title "last conference" can be interpreted in various ways. It can refer simply to the latest, it can also allude to this being the last ever, or even the last I'll ever attend. I haven't quite decided which it is. Below the fold is a short account of my feelings about ASPO 10 - may it shed some light on the title.



Straight on, the first session was presented by Dennis Meadows and Nebojsa Nakicenovic; the latter being the man behind the fossil fuel reserves estimates and production forecasts produced by IIASA and used by the IEA and the IPCC. He played a decisive role in the creation of ASPO in 2000 when he chose to ignore a report delivered by Jean Laherrère at IIASA. These days IIASA is considering CO<sub>2</sub> emission scenarios in line with the many forecasts produced by ASPO associates after a decade of failed infinite growth forecasts. But these case studies always assume voluntary actions to reduce fossil fuel consumption in order to keep atmospheric concentrations of CO<sub>2</sub> below 450 ppm. This is the threshold, according to the IPCC, that guarantees with some confidence a global temperature rise below 2 °C of what it is today. Essentially, IIASA is still using the same reserves figures they were using 12 years ago, Nakicenovic claiming these are the numbers found in peer reviewed literature. Back in 2008, when I tried to replicate Nakicenovic's scenarios I found reserve estimates several times higher than those published by the industry, let alone those assessed by ASPO associates.

On the second day of the conference, one of the speakers claimed that with  $\rm CO_2$  emissions,mankind is transforming Earth into something like Venus. Climatologists are one group that ASPO has so far failed to sensitise to Peak Oil. These researchers seem totally unaware of the ongoing fossil fuel consumption shift from the OECD to emerging economies, where consumption per capita is much lower. They also seem miles away from acknowledging the potential economic consequences of further declines in oil production.

In more than one presentation, the figure of 100 Mb/d for oil production in 2020 was put forth. The same old discourse drives these forecasts: technological development is unlocking new

reserves and as long as the capital and the investment are there, production can continue growing, or at least remain at present levels. This provided, of course, the incentive from high oil prices continues.

Strikingly, this is the same rhetoric underlying the renewable energy optimistic thinking: as long as oil prices remain high and the capital is there, the infrastructure can expand to cover the gap left by declining fossil fuel production. Maybe even to support further economic growth. This is all supposed to happen within the current economic framework, in just a few years and without feedin tariffs.

Conveniently, both industries completely ignore Net Energy, an issue that was only referenced by one of the speakers throughout the entire conference. Little attention is also paid to the specificities of the transport sector, where according to Robert Hirsch, 100 T\$ of infrastructure presently run petrol and diesel, not on electricity or light crudes from tight reservoirs.

And finally the politicians: we had the presence of another European parliament member, this time Yves Cochet, former Environment Minister of the French government. Many were the reasons discussed to justify the lack of acknowledgement, and in many cases action, from governments. But the most important words on this subject were proffered by Reiner Kummel: politicians end up doing what we demand from them - the problem is not the politicians, it's us!

Don't get me wrong. While I feel this conference was disappointing in general, the organisers are not to blame. They did their best and produced the programme that had to be, with ASPO opening itself to the wider society. But after 10 years of activity ASPO's message has failed to pass. Policy makers, climatologists, the energy industry, by and large are all yet to fully acknowledge the problem and its implications.

Nevertheless I had the opportunity to listen to some very good addresses. In no particular order I'd highlight Euans Mearns, Arthur Berman, Reiner Kummel, Werner Zittel, Nate Hagens, James Buckee; sadly, all well established luminaries of the Peak Oil cause. Since we had again parallel sessions I missed a good deal of presentations; you should always stop by at the <u>conference website</u> and browse the videos, which should be posted there in the next few weeks.

But my sour feelings don't come just from a frustrating conference. My country has had its Peak Oil moment and is now undergoing a <u>self destruction process</u>. Energy consumption is declining to levels of 15 or 20 years ago, with most mechanisms put in place for the energy transition being rolled back one after the other. As founding member of ASPO-Portugal, I can only take this as failure. It was precisely to avoid this kind of scenario that I started working on Peak Oil in 2005. But here we are; the efforts of the handful of people backing up our association are now largely irrelevant. The media and the politicians who once showed interest on the subject are gone, and so are we; sadly I'm not the only <u>exiled member</u> of ASPO-Portugal. Long gone seem the days when the Depletion Protocol was <u>discussed and recommended by Parliament</u>. Looking back, I can only acknowledge that I was delusional in thinking I could change anything.

My friends from ASPO-Spain tell a similar story - a 10-year regression in energy consumption, with the deliberate slow-down of economic activity. Unfortunately, the role oil, coal and food prices had (and still have) in the economic crisis is not acknowledged by everyone, not even within ASPO. This is a terrible mistake, for this is exactly what Peak Oil looks like. Getting ourselves intertwined in the debt or peak demand discourse is a self defeating path that will veer policy makers away from addressing the structural weaknesses of our economies. It is never too much to remember that the states today cut off from the European sovereign debt market are precisely those that were most dependent on oil before the crisis.

Many of us question what future ASPO can have in the present setting. It can either remain a

loose scientific organisation or can pursue a more political structure to lobby on the institutions that have the means to act. I don't think ASPO should take the latter path, but more than that, it seems unable to do so at present. Is there a place for ASPO after the peak? This is the question many of us are facing.

Notwithstanding, national ASPO organisations still have relevant things to accomplish. It was quite good to see Olivier Rech now with ASPO-France, a man with great analytical skills and particular insight into the subject. Indeed, someone capable of following the path of excellence trailed by Jean Laherrère. It was also fortunate to have Pierre-René Basquis back to the ASPO conferences, with his irreverent but rational optimism. Nuclear power became an unpopular energy source at the worst of times in France; a careful path must be drawn for the country to abandon this technology and still survive Peak Oil.

New faces also in the <u>ASPO-Germany</u> roster. The fast growing renewable electricity sector in Germany is bringing up very important questions. With a relatively small penetration in installed capacity, it is already large enough to bring spot prices to negative territory, day in and day out, whenever the sun shines. How can the renewable energy sector generate revenues in this market setting? Especially now with feed-in tariffs on track to be suspended? And how can the traditional thermal power generation utilities survive with negative prices? These are all questions to which ASPO-Germany can have an important contribution.

Here a parenthesis: Jeremy Leggett is presently working on the development of new financial instruments for investment on renewable energies. I sincerely hope he succeeds, for this will be a crucial problem, with government after government haplessly suspending feed-in tariffs.

Another national organisation that may succeed in the future is <u>ASPO-USA</u>. The shale rush is heading for a predictable crash, with large consequences for the financial sector. When it comes, the thorough analysis by our American colleagues shall grant them a great deal of credit and public exposure. May they be able to seize the opportunity. By the way, thanks to Arthur for getting up so early.

But there is more. Kjell Aleklett seems to be well ahead in preparing the continuation of <u>ASPO-Sweden</u>, around the research group he built at Uppsala University, and from which he should retire later this year. It was also pleasant to meet new blood from <u>ASPO-Italy</u> or <u>ASPO-South Africa</u>. And for the first time I can remember we had a delegation from Poland. Though not yet formally linked to ASPO, things seem moving in the land of coal and unfulfilled shale dreams.

There will be an ASPO conference in 2013, with the work for its realisation already under way. And I will probably be there too. But not as an avid information seeker, dreaming of saving the world. I'll be there just to see old friends and make new ones. After all, that was always the best thing about ASPO conferences.

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