

## Author Predicts Energy Crisis

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The founder of a Vancouver-based energy think tank has claimed that North America is on the verge of "a full-blown natural-gas crisis". Julian Darley, author of the recently published *High Noon for Natural Gas: The New Energy Crisis* (Chelsea Green Publishing Company, US\$18), told the *Georgia Straight* that the looming energy shortfall could be even worse in Canada than in the U.S. because 80 percent of homes here are heated with natural gas.

Darley, director of the Post Carbon Institute ([www.postcarbon.org/](http://www.postcarbon.org/)), also predicted that Vancouver's relatively mild climate will attract a huge wave of migrants from other parts of Canada. He said that every politician should regard energy--by that he also means food--as the most important issue. "We'll be in an energy crisis beyond belief by 2010, and so will the Chinese by 2008, by the way," Darley said.

His solutions include planning for Canada's withdrawal from the North American Free Trade Agreement and cancelling the 2010 Winter Games. "There is a potential for a speculation disaster--huge amounts of corruption--because every last parcel of land that doesn't fall below 2 Celsius in the winter is going to be a favoured location to build more and more of these wretched high-rises, which don't work very well, by the way, without electricity," Darley claimed. "And I say this has got all the conditions for a bubble of horrifying proportions."

David Molinski, assistant deputy minister in charge of the oil-and-gas division of the B.C. Ministry of Energy and Mines, told the *Straight* that the province has "significant conventional and unconventional gas opportunities". He claimed that B.C. increased its natural-gas reserves by 123 percent last year.

Molinski also said that B.C.'s portion of the Western Canadian Sedimentary Basin is an "extremely underexplored jurisdiction". He acknowledged that shallow zones have been developed near Fort Nelson, Fort St. John, and Dawson Creek, but that deeper zones remain "almost completely unexplored".

"The geological models tell us that there are significant resources that are still likely available in those deeper zones," Molinski said.

Darley, however, painted a bleak picture, particularly when it concerns North America. He claimed that natural-gas production in the Western Canadian Sedimentary Basin, the source of 80 percent of Canada's natural-gas supply, has already peaked. The U.S., which imports 50 percent of B.C.'s natural gas, has forecast a 50-percent increase in demand between 2000 and 2020.

"It looks like British Columbian gas is in decline," Darley said. "And, of course, British Columbian conventional oil is in decline."

Molinski, on the other hand, claimed that B.C. is just beginning to develop a "sustainable" oil-and-gas industry. He said that the province has conventional natural-gas reserves of approximately 53 trillion cubic feet. (This is just over two years of total U.S. demand.)

In addition, Molinski, an economist, noted that there are opportunities to develop coal-bed methane and the so-called tight-sands and gas-shale sources, which could total hundreds of trillions of cubic feet of gas. "There are a lot of different ideas amongst geologists about what an accurate number is," Molinski said.

Last year, Calgary-based petroleum geologist Dave Russum told the *Straight* that Canadian natural-gas production peaked in 2001. He claimed that his data suggested that the situation was unsustainable as long as Canada continued exporting 50 percent of its production to the United States.

The chairman of the U.S. Federal Reserve Board, Alan Greenspan, warned last year that a shortage of natural gas could impair the U.S. economy. Darley predicted an even worse outcome.

"We should all be terrified by the collapse of the Soviet Union because I think North America is much closer to that model than anyone will believe," he said.

Last month, a report by the David Suzuki Foundation and Canadian Centre for Policy Alternatives stated that the province's energy-security needs must be placed ahead of energy exports. The author, Dale Marshall, noted that B.C.'s oil-and-gas revenues have risen to \$1.5 billion from \$361 million over the past four years. Unlike governments in Alaska and Norway, the B.C. government hasn't created a permanent fund to reinvest this windfall when supplies eventually diminish.

"BC now has fewer than 12 years of natural gas reserves, its lowest point ever," Marshall wrote.

Molinski said that B.C.'s Minister of Energy and Mines, Richard Neufeld, has described the establishment of a permanent reserve fund as "an interesting idea" but has not made any commitment. Darley suggested that B.C. would be better off leaving most of its natural gas in the ground, where it would increase in value.