



Although forecasting the timing of peak oil has been less predictable than the phenomenon itself, allowing business as usual in the energy sector may undermine any capacity for a rational and successful transition to a low/no carbon, renewable-energy-based economy. If so, the sectoral market dysfunction (the scarcity-investment-production dynamic to wring out the last drop of oil from the earth's crust while not orchestrating a workable investment path to renewable energy) could take down the economy with even graver consequences and lower recovery possibility than the Great "shell-game" Recession of 2008-9. See the [World Watch Institute Climate/Energy Blog](#) for the full story behind this excerpt.

Granted, peak oil has been somewhat delayed by a handy twist in "proved reserves" accounting (now understood as the volume of total extractable resources, and no longer the sole reserves in production), and a scarcity-investment-production dynamic, but most experts (among them many retired industry executives) still believe the peak of conventional and unconventional production alike will happen, at the latest, by the end of this decade. If anything, the current boom on unconventional fuels, and in particular the frenetic push for new exploitation, can be interpreted as a way to make up for the intrinsically low returns on investment. In the end, striving to keep up with the investors' expectations might just accelerate the ultimate decline in production.

Even from an environmental perspective, however, this is not necessarily good news. Sudden and unforeseen "peak oil" would probably mean a coal and natural gas rush, not to mention a prolonged economic collapse that would likely dry up investment in renewable energy and energy efficiency efforts. Short-sightedness could end up doing even more harm to the world's climate than greed. Not so long ago, a handful of financial institutions led the global economy into near-collapse by failing to address obvious flaws in their "unconventional" activities, and thus setting the stage for a devastating bubble. I have very few reasons to believe that mankind is currently acting more wisely with its fossil fuels reserves

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