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State of Minnesota

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HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. 995

February 15, 2007

Authored by Hilty, Hornstein, Bly, Knuth, Brynaert and others

The bill was read for the first time and referred to the Energy Finance and Policy Division

April 1, 2008

Committee Recommendation and Adoption of Report:

To Pass

Read Second Time

April 30, 2008

Calendar For The Day, Amended

Read Third Time as Amended

Passed by the House as Amended and transmitted to the Senate to include Floor Amendments

- 1.1 A resolution
- 1.2 memorializing the Governor to take action to prepare a plan of response and
- 1.3 preparation to meet the challenges of Peak Oil.

- 1.4 WHEREAS, world oil production is nearing its point of maximum production (Peak Oil)
- 1.5 and within a few years thereafter will enter a prolonged period of irreversible decline leading to
- 1.6 ever-increasing prices; and

- 1.7 WHEREAS, the United States has only two percent of the world's oil reserves, produces
- 1.8 eight percent of the world's oil, and consumes 24 percent of the world's oil, of which nearly 70
- 1.9 percent is imported from foreign countries; and

- 1.10 WHEREAS, the decline in global oil production threatens to increase resource competition
- 1.11 and geopolitical instability, and lead to greater impoverishment and global economic crisis; and

- 1.12 WHEREAS, national oil companies own approximately 80 percent of remaining oil
- 1.13 reserves and 55 percent of remaining gas reserves, and resource nationalism is increasingly
- 1.14 dominating decisions of oil and gas development and trade relationships; and

- 1.15 WHEREAS, the availability of affordable petroleum is critical to the functioning of our
- 1.16 transportation system, the production of our food and of petrochemical-based consumer goods,
- 1.17 the paving of roads, the lubrication of all machinery, and myriad other parts of the economy; and

- 1.18 WHEREAS, Minnesota is entirely dependent on external supplies of petroleum, including
- 1.19 the crude oil processed in refineries within the state; and

2.1 WHEREAS, price signals of petroleum scarcity are likely to come too late to trigger
2.2 effective mitigation efforts in the private sector, and governmental intervention at all levels of
2.3 government will likely be required to avert social and economic adversity; and

2.4 WHEREAS, the Department of Energy-sponsored study (the Hirsch Report) on mitigation
2.5 of Peak Oil demonstrated that a 20-year lead time is required for effective mitigation; and

2.6 WHEREAS, alternative sources of transport fuels from coal and natural gas both require
2.7 high-energy inputs and increase total carbon emissions, and biomass-based fuels are incapable of
2.8 being produced in sufficient quantity to offset the anticipated decline in petroleum production; and

2.9 WHEREAS, substitution of petroleum with other fossil fuels threatens even greater damage
2.10 to water, air, soil, and species diversity through their extraction and combustion; and

2.11 WHEREAS, North American production of natural gas most likely peaked in 2002, and an
2.12 increasing percentage of Minnesota's electricity supply is generated from natural gas; and

2.13 WHEREAS, Minnesota has demonstrated leadership in confronting challenges of
2.14 environmental quality and energy security, promoting environmental and economic equity, and
2.15 has a rich diversity of citizens committed to maintaining the state's long-term viability; NOW,
2.16 THEREFORE,

2.17 BE IT RESOLVED that the Legislature of the State of Minnesota acknowledges the
2.18 unprecedented challenges of Peak Oil; and

2.19 BE IT FURTHER RESOLVED that the Legislature supports the adoption of a global Oil
2.20 Depletion Protocol to provide transparency in oil markets, control price swings, address issues
2.21 of equity in access to remaining oil resources, and provide a framework of predictability within
2.22 which governments can adjust to increasing oil scarcity; and

2.23 BE IT FURTHER RESOLVED that the Legislature supports the undertaking of a statewide
2.24 assessment study in order to inventory state activities and their corollary resource requirements,
2.25 evaluating the impact in each area to a decline in petroleum availability and to higher prices, with
2.26 the aim of developing a comprehensive state plan of action and response to Peak Oil; and

2.27 BE IT FURTHER RESOLVED that the governor should recommend funding and should
2.28 give direction to state departments for the development of a response plan as soon as possible; and

2.29 BE IT FURTHER RESOLVED that the Secretary of State of the State of Minnesota is
2.30 directed to prepare an enrolled copy of this memorial and transmit it to the Governor of the
2.31 State of Minnesota.