

There is only one option for oil and that is rationing

Published: January 15, 2026, 9:28 am

I noticed the [Guardian](#) reporting that:

The boss of Shell has said a huge tree-planting project the size of the Amazon rainforest would be needed to meet a tougher global warming target, as he argued more renewable energy alone would not be enough.

Ben van Beurden said it would be a major challenge to limit temperature rises to 1.5C (equivalent to a rise of 2.7F), which a landmark report from the UN's climate science panel has said will be necessary to avoid dangerous warming.

What the IPCC delivered on Monday was the most massive warning. We have twelve years to save the planet from global warming. And Shell's response is to avoid discussion of oil and instead suggest we plant trees without providing the slightest indication of where, who would fund it and why countries will be persuaded that they should do this when deforestation has been the trend throughout human history.

What he did not do is discuss the only obvious solution to this crisis. That is to leave oil in the ground. Of course, he can't do that. His company is valued on the basis that it can burn all the oil reserves that it claims to have. The only slight problem with that plan is that it burns the planet as well. It is simply not possible for him to admit that controlling climate change and the continued existence of his oil company in anything like its current form are incompatible goals.

But there is a solution to this issue. It comes in three parts.

The first part is to ration oil. It can be done directly, or it can be done indirectly, but either way it needs to be done. So, we can ration flights. And car usage. We could even ration some food stuffs - like meat, in particular. We have, of course, done such things before, and I'm well aware that the immediate response will be that there will be a black market. And I agree, there will be. Which is precisely why each person's ration could be traded. The person who wants to fly a lot could buy the ration of the person who does not want to fly at all. The person who does not have a car should be able to

sell their right to have one. And so on. A meat ration might be tradeable as well. The goal is achieved, and virtue would be rewarded. Indeed, the whole policy could be progressive: the sale of rations could redistribute income to those less well off. Externalities could literally be priced.

The second point to note is that rationing would also increase the price of oil: that is what happens when a product is in short supply, which would have to be the case if fixed quotas for production were imposed, as would have to be the case. In other words, oil company values need not be imperilled by this. But they would be required to invest in clearing up their own past messes.

And third, government revenues need not be imperilled. If the oil price increases, so might government revenue.

It is then possible for Shell to survive for some time to come as an oil company even as its market is forcibly taken from it. But there is no choice but impose that change on it. There are no other ways to get to zero emissions.

Hat tip: some ideas here were developed with Peter Dawe, who also paid for the beer as I recall.