

Sinking Gas Prices Send Vibrations Through America

by ROBERT MACK



MAX JONES

In most California cities, gas prices have fallen below \$3 per gallon.

Shockwaves have been felt by the energy industry after months of plunging oil prices, but there are implications for Chadwick as well.

In July, oil cost \$105 per barrel, and that has decreased to \$45 today. Accounting for this are the fundamental economic laws of supply and demand.

“The demand side has accounted for, roughly speaking, 30% to 40% of the decrease. This is particularly coming from a few regions of the world,” Chadwick economic teacher Patrick Wallace said.

Those countries are known for importing and consuming massive amounts of oil.

“China’s growth is the slowest it has been in about 10 to 15 years,” Wallace said. As their economy stumbles, their usually high demand for oil decreases.

In addition, Europe has been seeing a general decrease in prices.

“When prices fall, it causes people to have an incentive not to spend because what you purchase today will be cheaper tomorrow,” Wallace said.

Hence, the demand for oil in

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**Patrick Wallace
Economics Teacher**

Europe has also shrunk. The same is also true for Japan, India and Australia, among others.

On the supply side, the United States ranks just below Saudi Arabia in world oil production.

“We don’t technically need to import oil,” Wallace said.

Wallace said that as demand for oil has been decreasing in the United States due to increased energy efficiency, growth on the supply side has catalyzed.

“In the last 8 to 12 months, we’ve increased oil production by about 3.3m barrels per day. That’s the equivalent of another Kuwait being added into the world,” Wallace said.

Kuwait is one of the world’s largest producers of oil. While acknowledging the benefits for the highly diversified American economy as a whole, the energy industry has suffered as a result. Wallace expects oil prices not to stay low.

Sources of oil come largely from fracking and shell, both of which are expensive.

“It ranges in parts of the country from \$35 to \$70 a barrel to produce, and the current market price for oil is at \$45 per barrel,” Wallace said. As a result, the companies are

engendered and supply side might decrease.

But the demand side would have to contribute to the rising of oil prices as well.

Wallace pointed out that in past price drops, Saudi Arabia would have cut production, decreasing supply and raising prices for its oil.

“But today, if they cut that production and prices gradually go up, that market share will be filled by the U.S.,” Wallace said.

If the EU, Japan and others continue to take steps to increase

economic growth, “that growth translates to additional demand for oil,” Wallace said. Hence, prices would increase.

But for now, according to Wallace, Chadwick families may feel the impact of a drop in oil prices.

“Due to the lower prices of oil and gas recently, I have a higher interest in driving to school because gas does not cost as much,” said sophomore Jeremy Cole, who commutes from Manhattan Beach.

Considering the strong U.S. dollar, “the opportunity to do travel, or going abroad, or shopping, those activities, should all be near hikes,” Wallace said. Those activities figure to be particularly inexpensive.

“If the Chadwick student is dependent on paying for their own gas, which is probably one of their only expenses, then for a student who is probably having additional savings in gas purchases, they might now be able to go buy a new pair of Uggs,” Wallace said.

“It makes it easier to get to places,” said Noelle Anaya, a Chad-

wick sophomore who lives in Cerritos.

“We couldn’t really take driving trips. We were supposed to go to San Francisco, but we couldn’t because the gas prices were too high,” Anaya said

Senior Elizabeth Haile, who drives herself to school, has experienced “no change recently” in options provided by the price drop.

Wallace acknowledged the increased responsibility that the situation might put on a Chadwick student.

“Any time you have income, you have two options,” he said. “One option is to spend it...it can also be spent on personal investment. Americans generally do not like to save.

“More or less we are a consumer nation, we are a debtor nation, individuals and the national whole.

“Our government and our people like to consume and like to run debts,” Wallace said.

“The most important thing is to be aware of your actions.”



JESSICA AIL

Expect to see fewer shocked faces now that oil prices have decreased.

A sunny future for Chadwick: Campus will go solar by 2017

by LINDSEY WALLER

Chadwick is going solar.

Tori Fay, the faculty member in charge of the project, said that the goal is to implement solar energy within the next two years.

In addition to Fay, students are contributing to the effort to bring Chadwick greener energy. Sophomores Caroline Smith, Amanda Elliott and Brandon Winner lead a committee of students.

Smith focuses on communicating with the student body about the project, as well as getting students involved with the project. Elliott works to incorporate the solar project into the curriculum, while Winner works on the financial elements of the project. The committee meets every week in hopes of achieving substantial progress toward the larger goal.

According to Smith, Elliott, Winner and Fay, the first step toward bringing solar energy to Chadwick is to perform an efficiency study of the campus.

The efficiency study will determine how much energy Chadwick uses, and whether Chadwick’s energy use can be made more efficient.

After the study, the committee can move forward with determining the more practical considerations, such as how many solar panels will be needed and where

they will be placed.

The committee has begun initial negotiations for the efficiency study with the San Francisco-based company, Carbon Lighthouse. The study should be completed before this summer, according to Fay. After Carbon Lighthouse completes the study, Chadwick will solicit bids from leaders in the solar industry.

Chadwick’s board has expressed interest in making a financial commitment to fund the project.

Additionally, the Chadwick Parents Assn. has expressed potential interest in helping to fund the project. Winner, his committee, and Fay are working to make sure that the project is economically efficient for Chadwick.

In order to educate the student body about solar energy technologies, the committee plans to attend department meetings to discuss initial plans to incorporate solar energy into Chadwick’s curriculum.

A few classes, including AP Environmental Science, already include solar energy in the curriculum, as solar is one of the class areas of expertise. Elliott and her committee are seeking to expand the teaching of solar energy technology to more science and math classes.

The curriculum changes will



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help the solar project become a community project, but the committee also hopes to have the students help with the actual maintenance of the project. A section of the solar array will be completely maintained by students.

The solar energy will come from photovoltaic solar panels; however the scale of the project has yet to be determined, said Fay. The number of solar panels will depend on the results of the efficiency study.

Moreover, the committee is unsure whether the solar panels will be limited to rooftops or if

standing solar arrays will cover parking lots.

Some local schools including Rolling Hills Prep, have recently conducted similar solar projects. Athenian School in the Bay Area is a national leader in green energy, said Fay.

The school receives more than 70% of its energy needs from its solar array. Chadwick’s solar committee continues to learn and improve the project using the experiences of schools that have already made the transition. C

Chadwick has become part of a larger trend moving toward clean

energy.

As the effects of climate change become more severe, institutions around the globe have exhibited a dedication to deterring severe climate change through green technology.

Chadwick acts as a leader in this movement because even though green energy—like solar energy—has come into wider use in recent years, in order to significantly diminish the effects of climate change, the movement needs to grow significantly.

Chadwick has taken the first step and is poised to take more.