

The fallacy of an instant transition by Kay Rieck

Transition is a process that takes time. It's a journey. It's not an instant change from one thing to another! Kay Rieck

STUTT GART, BADEN WÜRT EM BERG, GERMANY, December 20, 2022

/EINPresswire.com/ -- Transition is a process that takes time. It's a journey. It's not an instant change from one thing to another, it's a gradual process of moving from one thing to another. Given how deeply embedded the oil and gas is into the global economy, anyone that expects an instant transition from hydrocarbons to whichever alternative ends up winning out is likely to find themselves having to quickly reassess their beliefs, suggests [Kay Rieck](#), an experienced market observer and investor.



Kay Rieck on a oil field

“

What could emerge is a hodgepodge of different systems implemented in slightly different ways all across the globe.”

Kay Rieck

This is not to say that we shouldn't aspire to move towards a lower carbon economy as quickly as possible, but the reality is that it is going to cost trillions of dollars to move from where we are today to where we want to be in the future.

But it's not just a question of the cold hard cash. There are several issues that face the world as it contemplates completely changing the fuel that powers the economy. One of the largest of these issues is simply, to what? If we want to remove oil and gas from the global economic

equation, what are we going to replace it with?

Because at the moment there are any number of potentially bright ideas being discussed, but very few people, companies or countries have actually committed to them. There are

conversations about nuclear, about solar, about hydrogen, tidal, the list goes on. Each of these approaches has strengths and weaknesses and all of them will take a lot of investment to deliver.

What could emerge is a hodgepodge of different systems implemented in slightly different ways all across the globe. While there are arguments between countries about whether to call it gas, petrol or benzine, the product is basically the same and delivered in broadly the same way. Moving from a global to a local energy mix is likely to be a complicated process.

There are a myriad of different technologies that offer an array of promises, but little clear indication which one is going to emerge as the market leader. And when it comes to things like the development, delivery and implementation of hardware, this really matters.

A snapshot of aviation

Take the example of the aviation industry. The current generation of aircraft are broadly built on the same platform that emerged in the 1940s. It's been refined, become more efficient and made the most of things like composite materials, but if you put a pilot from the 1950's in front of a new aircraft, they would be able to name the parts and explain what was doing why even if bells and whistles had changed.

But right now we don't know how the industry is going to evolve. Is there going to be the breakthrough in battery technology that will extend a battery powered aircraft's viable journey distance beyond 300 miles? Batteries remain exceptionally heavy so the entire aircraft platform would need to be radically redesigned from the ground up, a process that could take two decades to deliver.

What if hydrogen emerges as the fuel of choice in the meantime though? It holds a lot of promise, offering a better potential thrust than current aviation fuels, but there are massive downsides. It is odourless and when it catches fire its flames are transparent, which significantly changes the dynamic then having discussions with safety experts or insurers. It is also more corrosive than the current generation of aviation fuels, so the benefit of the superior thrust could be negated by the need to add weight to the aircraft by bolstering the thickness of the fuel tanks. And again, it would require a radical redesign of the aircraft itself.

And it's not just the aircraft themselves that need to be adapted. Airports have evolved to support the current system with fuel storage facilities, but these would need to be changed and potentially moved further away from passenger terminals if they were to be deemed safe.

And all this comes with a price tag, particularly during the period where several fuel systems are running in parallel.

There are always solutions

All this said, there are some awfully clever people out there that are working towards fixing these problems. The challenge is that while these people are being creative and developing solutions to problems that we are not yet fully aware that we have, industry needs to keep investing so that we can keep people flying, driving and contributing economically.

It seems unlikely that there will ever be an end point to the development of energy, but for now, we need to keep producing oil and gas because significant issues are likely to arise as we move from where we are today to where we need to be in the future.

Oil and gas may be in the process of seeing its importance to the global economy diminish, but while the transition takes place, the industry needs to keep delivering fuel as efficiently as possible.

About the author

Kay Rieck has been active on the investment side of the oil and gas sector for more than two decades. Starting his career as a financial adviser and stockbroker on the New York Stock Exchange, he quickly developed an interest in natural resources and associated assets building his expertise with investment banking and asset management roles at the New York Board of Trade and the Chicago Board of Trade. Utilising his exceptional network of global contacts, he started his first exploration and production company in the US in 2008, selecting investments across the Haynesville Shale, Permian basin, Eagle Ford shale, Dimmit county and elsewhere that offered exceptional prospective returns.

Kay Rieck

Alecto Limited

+1 484-589-5853

[email us here](#)

Visit us on social media:

[Twitter](#)

[LinkedIn](#)

This press release can be viewed online at: <https://www.einpresswire.com/article/607327010>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2024 Newsmatics Inc. All Right Reserved.