Reconnoitre Energies

ENERGY MATTERS

Energy matters – Fast and furious

By Chris Sladen

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The Fast and Furious movies are high octane fast moving. They feature powerful cars, furious street racing, heists, spying and family relationships, great scenery and include excellent versions of hip-hop, R&B, rap, and pop tracks. Often the music is more memorable than the rev-head movie. A total of 13 films are planned. It is a marketing and advertising dream ticket for product placement with leading brands of cars & trucks, vehicle parts & equipment, as well as lubricants. Each movie generates upwards of US$100 million in product placement fees. And the cars never seem to need to stop at a gas station!

Here are my answers to some energy questions that readers sent in using the style of fast and furious:

What do you think the oil price will be a year from today?

As a rule of thumb, similar to what it is today, US$75–90 per barrel; this assumes no additional major wars or conflicts that disrupt supply routes. The price range could change after the US Presidential election.

What major COP29 decisions do you expect this year?

None. It's unlikely there will be binding agreements.

Who are today's big emitters?

The USA is the world's largest producer, and largest consumer, of both oil and natural gas; global coal consumption is falling faster than expected, even so, China and India each build a new coal-fired power station every 1–2 weeks, some of which replace old ones. Monitoring global methane emissions is advancing rapidly.

Does the world have enough geoscientists?

No. (I use the term geoscientists loosely to include all varieties of geologists, geophysicists, oceanographers, and climatologists). Their average age is increasing; attracting, educating & training young talent, and developing leaders is a really serious issue impacting the energy transition.

Is offshore wind commercially viable?

Many projects need a commercial reset; supply chain challenges, lack of standardised technology and inflation have been driving up costs and slowing rollout. Meanwhile, oil companies are offering record shareholder returns.

Who will be the next US President?

Either a Republican or a Democrat. The national vote is largely irrelevant; the outcome depends on a few hundred thousand voters in the swing states, as usual.

Where will the next supergiant oil & gas discovery be made?

Most likely in offshore deepwater or ultra-deepwater. The Atlantic margins such as Namibia, Suriname, Brazil, and Uruguay are possibles.

Do energy regulators need to be independent?

Definitely. Government interference creates confusion and uncertainty; safety regulators with an ability to access global expertise are crucial because the industry is inherently dangerous.

Why is the UK carbon price at an all-time low?

There is an oversupply of new certificates combined with low demand due to an underwhelming economy & manufacturing. Meanwhile, rising insurance premiums are acting as a form of UK carbon tax due to increasing numbers of extreme weather events.

What do you consider the biggest impediments to the energy transition?

Insufficient grid infrastructure, which is often poorly designed for adding new intermittent power supplies. Also, lack of funding – it needs trillions, not billions of US$; slow project & planning approvals don't help.

Which is growing faster, wind or solar power?

In 2023, the single largest contribution was solar (~1.1 GW) driven by small-scale roof top installations, next offshore wind (~0.9 GW), then onshore wind (~0.8 GW). During the year, China built more solar than the USA has in its entire history. Solar generation over the last decade consistently grew faster than expected.

Will Mexico's next President change the way the energy sector operates?

Probably. The landscape has changed; gone are the fluctuating demand and prices during Covid times, the Russia–Ukraine conflict has changed oil & gas trading forever, debt is expensive, the Energy Transition is upon us, attracting investment for hydrocarbons is more complex, AI has arrived, US near-shoring requires lots of power, and there are enlarged trading blocs built upon an ideological new world order.

Is geothermal heat & power the best route to decarbonisation?

By extending the Ground Source Heat Pump concept and drilling slightly deeper wells and having closed loop technology, it can access higher temperatures and be a real game changer for decarbonising heat for buildings, homes, and agriculture. We need to pursue all forms of clean low carbon heat and power.

When will the next Fast & Furious movie be released?

Rumour has it the next instalment, F&F11, is due April 2025. Possibly it will feature electric vehicle lovers (aka shocknuts), not just petrolheads…

About the Author

Chris writes an occasional series of topical articles on energy for ANZMEX. Between 2019 and 2024 he authored a series of 50 widely read ANZMEX 'Energy Matters' op-eds that tackled big energy issues using real-life personal experiences, and extensive research. Chris runs an award-winning advisory service, Reconnoitre Energies, offering insights to inform, shape a decision, policy & regulation, and guide the next steps for energy ventures; he is also a non-resident fellow at the Institute of Americas. Chris has worked in over 40 countries and published extensively over five decades.

Chris has an energy career of over 40 years, living in Mexico (2001–2018), Russia, Vietnam, Mongolia, China & UK. His contributions to the energy and education sectors have been recognised by the UK Government with both an MBE and CBE, and also the Aztec Eagle from the Mexican Government — the first foreigner in the energy sector to achieve this award. Chris' articles for ANZMEX reflect his experience and enthusiasm and are often also later published to a global audience in the USA, UK and Singapore. They are not paid for in any way.

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