

# It's a Difficult Race, So Why Do We Always Bet on the Hare?

## Presenter

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## Abstract

“The Tortoise and the Hare”, one of Aesop’s Fables, is a well-known story. Like many great stories, it can help us see today’s world of energy projects in a different way. This fable pits a Tortoise against a Hare in a foot race. Most would assume the quick and crafty Hare would win every race against the Tortoise, but the Hare’s overconfidence and lack of discipline is overcome by the Tortoise’s determination and steady progress. What can we learn from this fable today as it pertains to large energy projects?

Project development is always a race to a virtual finish line and many projects compete to finish the race ahead of their competitors. All the investment in pre-FID work is akin to the training (and endless promotion) often seen in the sports world. When a single competitor seems faster than the field, many place their bets on them and ignore the rest of the field; but what do the bettors really know about these competitors other than what you can superficially see – are the athletes who appear to be fast the ones who actually win the race? Have they prepared and invested for the race properly? What do we not see?

As we transition from established energy industries like LNG to that of alternative fuels and renewables, is the Hare always going to win the EPC race? What have we learned from history that should remind us of the value in “slow and steady” definition versus marketing hype, misunderstood risk, and unrealistic schedules? Will an obsession with first mover advantage and speed to market make us boastful, lazy, or result in us “running out of gas” when it comes to completing the race as we intended? Will overconfidence in lump sum estimating, assessing performance risk, and defining a reliable execution strategy put racers in jeopardy of not finishing the race at all? Why do we often ignore the racers who quietly put in the hard work and focus on the fundamentals?

Now is not the time for a “great reset” in project development, throwing out everything we have learned running these races for decades. Project risks do not go away with a change in the product slate from LNG to alternative fuels and renewables. Only realistic projects, with sound economics, solid bases, reliable execution plans, achievable performance guarantees, and proportional risk allocation will live to tell the tale of who wins the race and stand atop the podium as winners.

So why do we always bet on the Hare?