

Underwriting the Energy Transition

AUSTIN, TEXAS, UNITED STATES, July 8, 2024 /EINPresswire.com/ -- David [Goodnight](#) of [Austin](#), Texas, is the Founder of The Goodnight Group and [Comnet](#) International. David Goodnight highlights the challenges within the energy transition, including the high production costs, environmental greenwashing, and logistical challenges of hydrogen and electric vehicles. David emphasizes the need to support technological advancements via innovative financial instruments and specialty insurance to commercialize new technologies.



Energy Transition

By 1880, there were 150,000 horses in New York. It was predicted that by 1930 horse manure would reach Manhattan's third-story windows. At the time, the unknown solution was an advancement in technology by a little outfit now known as the Ford Motor Company. The combustion engine and Henry Ford revolutionized the world. By 1912, cars in New York outnumbered horses. The hydrogen, EV, wind, and solar manufactured today are not our savior, but advancements in technology processes will be, just as Mr. Ford's ingenuity took New York out of the horse (manure) and buggy era.

The world is in a similar predicament with the green-ish energy transition. Hydrogen is costly to produce and consumes massive volumes of clean water and fossil derived power. Hydrogen cannot be distributed through existing fossil infrastructure, such as pipelines, marine vessels, and gas-stations. The investment to make hydrogen conveniently available is unfathomable, at this time. Electric vehicles are just as challenged with rare earth mineral mining and power arriving from fossil sources. The world is progressing with wind and solar. However, these sources are far from "green" with expired solar modules and non-recyclable turbine blades retiring in landfills, daily. The carbon impact of the EV supply chain is hidden from customers. New technologies are viewed with skepticism by regulators, investors, and lenders. The truest supporting bridge to the energy transition will derive from the underwriting of technology performance policies.

It's virtually unknown to inventors and developers that there are insurance firms that employ thousands of engineers and scientists. These professionals are now open to evaluate new technologies in hopes of providing specialty coverage that will comfort lenders and investors in taking the first step in proving commercial viability of new technologies. A more efficient process to generate and transport hydrogen or a zero rare earth mineral battery likely already exist in a humble workshop.

These insurance policies will guarantee 100% of the debt and up to 70% of equity risk. In simpler terms, if the nerds validate the new technology, a project can secure 94% project finance coverage that lenders will support. A project owner will still need capital from friends and family, grants, angel investors, or equity crowdfunding. Equity crowdfunding is not to be confused with pre-purchasing an artsy product; it will become a treasured solution to complete the capital stack, especially in emerging markets. If a project owner intends to seek out private equity for a multi-million-dollar check, they should prepare to become an employee of their company. Whereas, raising funds from thousands of individuals will carry the opposite outcome. Platform investors will believe in the founder, technology, and company mission over shareholder pressure and controlling interest. Collectively, all forms of crowdfunding generate \$17+ Billion in North America every year and the industry is projected to exceed \$300+ Billion by 2030.

David Goodnight of Austin, Texas, is the Founder and Managing Partner of The Goodnight Group and Comnet International. The Goodnight Group is an investor-developer and Comnet International is a project finance and trade advisor. Both companies have separate interests in pushing the world forward with new technologies and financing solutions.

David Goodnight

Goodnight Group

[email us here](#)

Visit us on social media:

[X](#)

[LinkedIn](#)

This press release can be viewed online at: <https://www.einpresswire.com/article/725606577>

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.