



Cash in on the Growing Demand for Clean Energy With Brookfield Renewable Energy Partners L.P.

Description

Greenhouse warming and global climate change have brought considerable pressure to bear on the traditional energy and electric utilities sectors. Governments are now implementing aggressive targets to slash carbon emissions. Alberta's new government is in the process of implementing carbon taxes and carbon emission requirements, while the U.S. is targeting to reduce its 2025 carbon footprint by 28% from 2005 levels. Even the world's largest emerging economy, China, is focused on reducing its carbon footprint; Beijing mandated that 20% of its total energy is to come from renewable sources.

This has created a global boom for the renewable energy industry, and one way that investors can cash in on this rapidly growing trend is with **Brookfield Renewable Energy Partners L.P.** ([TSX:BEP.UN](#))([NYSE:BEP](#)).

Let me explain why.

Now what?

Brookfield Renewable Energy is one of the largest pure-play publicly traded renewable power platforms globally, giving investors access to a dynamic and rapidly growing industry. It provides renewable energy solutions across three continents and has 7,300 megawatts of capacity across six countries, with 80% of that provided by hydroelectric power generations. The partnership's core presence is in North America, which has 46% of its total electricity-generating capacity, with the remainder in the U.K., Ireland, Brazil and Portugal.

Importantly, with over 100 years' experience in power generation, Brookfield Renewable Energy has expertise in renewable power generation that has seen it target some of the fastest-growing and most profitable markets.

However, more importantly is that Brookfield Renewable Energy has a wide multifaceted economic moat that protects its competitive advantage. This moat arises because it operates in an industry that is heavily regulated with steep barriers to entry, just like the non-renewable electric utilities industry.

Any competitor contemplating entering the industry would need to make a considerable capital investment to acquire and develop the required assets and infrastructure to commence operations.

Furthermore, many of the markets in which it operates are regulated and this, in conjunction with electricity being a key input for modern economic activity, virtually guarantees its earnings. Brookfield Renewable Energy is also focused on making accretive acquisitions in addition to its existing portfolio, giving it organic-growth potential of 2,000 megawatts.

These characteristics endow Brookfield Renewable Energy with a solid ability to continue growing earnings over the long term.

So what?

Like its Brookfield stable mate **Brookfield Infrastructure Partners L.P.**, it won't "shoot out the lights," but it is a solid defensive play with decent long-term growth prospects. This is because it is well positioned to benefit from a growing global macro-economic trend: the move to renewable and sustainable energy sources.

In fact, with its diversified portfolio of high-quality renewable energy assets spread across three continents, it is well positioned to fill the gap left as dirtier non-renewable sources of power, such as coal, falls into further disfavour. While investors wait for this to translate into a higher share price they will continue to be rewarded by regular and sustainable distributions with a juicy 5.5% yield.

CATEGORY

1. Energy Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. TSX:BEP.UN (Brookfield Renewable Partners L.P.)

Category

1. Energy Stocks
2. Investing

Date

2025/07/06

Date Created

2015/06/30

Author

mattdsmith

default watermark