



## Brookfield Renewable Energy Partners LP Benefits From the World's Need for Clean Energy

### Description

According to the vast majority of scientists, the earth is heating up faster than it should due to burning fossil fuels. Major governments around the world signed the Paris climate change agreement, which stipulated that global warming will have to be limited by two degrees Celsius. The agreement goes into effect in 2020.

So how can an investor benefit from this global push towards renewable energy? Easy ... buy **Brookfield Renewable Energy Partners LP** ([TSX:BEP.UN](#))([NYSE:BEP](#)).

Most people have heard about **Brookfield Asset Management Inc.** The Brookfield Renewable Energy component was a basket of assets the parent company had built over time. When it reached a certain size, it pushed those assets public into a new entity.

Right now Brookfield Energy owns about 250 assets. All told, its operations generate over 10,000 MW and provides electricity to over four million homes per year. While most of this power is hydroelectric, Brookfield Energy does have over 30 wind farms, a few biomass facilities, and two natural gas-fired plants.

What I'm excited about is the amount of growth that Brookfield Energy is has coming. It has 127 megawatts of hydroelectric and biomass projects under development in Brazil. In Ireland, it has an additional 14 megawatts of wind power in development. I expect to see these projects start generating revenue for the company between 2016 and 2018.

On top of that, the company made a strong push into Colombia. It purchased 57% of **Isagen S.A.** from the Colombian government for US\$2.2 billion, which is one of the largest hydroelectric companies in Colombia.

Specifically, this will add an additional 3,032 megawatts of capacity to the company's network. This is derived from six hydroelectric plants. What's important to understand is that this acquisition gives the company access to 20% of the total annual electricity production in Colombia. To top it off, Colombia is

one of the fastest-growing economies in South America, so I expect demand for electricity to increase, thus allowing Brookfield Energy to generate even more revenue.

What's even more fantastic is that this company pays a 6.25% yield to its investors. Every quarter it distributes \$0.60. I believe this dividend is safe for two reasons. First, the company is well capitalized. Second, I expect Brookfield Energy to generate more income over the coming years because the entire world is demanding more renewable energy.

A rising tide raises all ships. In this case, the tide is the need for renewable energy and the ship is Brookfield Energy.

At the end of the day, investing in this company is about investing in a trend. If you believe the trend is towards renewable energy, this is a smart buy. And while we wait for more assets to come online, this will kick off lucrative income to its long-term investors.

## 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.)

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