



## Investors: Don't Miss Out on This \$2.4 Trillion Annual Investment Opportunity

### Description

In late 2018, United Nations' scientists met and issued a new report on climate change.

The recommendations weren't pretty. The scientists agreed that unless humans made a massive investment in renewable energy, the planet would be irreparably damaged. The report suggested that we invest some US\$2.4 trillion into renewable energy *each and every year* until 2035, as well as cutting coal-fired power production to zero by 2050.

Some climate change skeptics may have issue with report, especially with the scope of the investment. They might be onto something, but that doesn't change the trend. The world will invest a lot of money into renewable energy over the next few decades, which makes the sector one of the best long-term growth stories out there.

There are a couple ways I'd recommend investors take advantage of this trend. Let's take a closer look.

### Algonquin

**Algonquin Power and Utilities Corp** ([TSX:AQN](#))([NYSE:AQN](#)) has two interesting growth paths, each with nice long-term potential. It owns various power, natural gas, and water utilities, which collectively have approximately 750,000 customers. It has announced various acquisitions to expand these businesses, including most recently spending US\$365 million to [acquire a Bermuda-based power operator](#).

A key part of this new acquisition will be helping the island nation become greener by using its renewable energy expertise to replace existing power sources with environmentally friendlier alternatives.

The other part of Algonquin's growth potential lies in its power generation business. Algonquin owns an impressive array of renewable energy power plants, which primarily use wind energy to generate energy. It's also in the process of constructing seven major new plants, an investment worth some US\$1.7 billion.

When adding up the utility and power generation businesses, Algonquin has some US\$6 billion in growth projects planned.

And while you wait, Algonquin pays investors one of the best dividends out there. The company just announced a 10% raise in the payout, up to US\$0.141 per quarter. That's the tenth consecutive dividend increase, and the stock currently yields 4.7%.

## Brookfield Renewable

**Brookfield Renewable Partners LP** ([TSX:BEP.UN](#))([NYSE:BEP](#)) is one of the world's largest generators of renewable power, owning assets across North America, South America, Europe, and Asia. In total, the behemoth has operations in 10 nations, owning some 18,000 MW of installed capacity. 76% of its assets are invested in hydroelectric dams.

Perhaps the main reason to buy Brookfield Renewable shares is the company's commitment to strict value investing principles. Management simply won't put investor cash to work unless the opportunity is compelling, leading to a company that might not grow as fast as investors would like, but will ultimately deliver better returns. Brookfield Renewable has a long-term return target of 12-15%.

Brookfield's long-term growth plan goes something like this. It acquires renewable power operators with existing growth plans in place, then it executes on these plans. Recent deals include a U.K.-based wind power generator and Isagen, the third-largest power producer in Colombia. Both these companies had ambitious growth pipelines, which Brookfield Renewables will execute going forward.

Similar to Algonquin, Brookfield Renewables pays a great dividend right now with loads of dividend growth potential in the future. The current yield is 6.2%, and the company has increased the payout each year since its 2011 IPO. Management is targeting annual dividend increases of between 5-9%, a target I believe is quite achievable over the long term.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:BEP (Brookfield Renewable Partners L.P.)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:BEP.UN (Brookfield Renewable Partners L.P.)

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nelsonpsmith

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