



With Oil Prices Crashing, Here's 1 Clean Energy Stock You Must Buy

Description

As we witness what is the lowest valuation for oil we have seen in history, the [price of oil stocks is crashing](#). The coronavirus pandemic is also leading to decimated share prices across the stock market. When it comes to energy solutions, renewable energy has established a foothold, and it is taking over the world.

Oil and gas are limited resources that are leading to long-standing problems for the environment. With advancing technology and greater awareness, the world is making a shift towards adopting renewable energy.

Each year, the price of solar and wind energy keeps falling. Analysts believe that renewable energy projects are well on their way to becoming far more viable and efficient to meet the world's energy needs as opposed to traditional energy sources.

According to *Bloomberg*, the world has invested more than \$1.5 trillion in developing renewable energy projects in just the past five years. In the next five years, analysts expect that the collective investment in renewable energy will go up to as high as \$5 trillion.

As renewable energy sets up to become a booming industry in the coming decade, there is a way for you to capitalize on it and build a massive fortune. To this end, I am going to discuss **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)).

Renewable energy will become huge

Just a few years ago, the economics of wind and solar energy could not even come close to competing with low-cost gas facilities. In 2014, onshore wind energy would cost approximately \$100 per MWh, and solar power would cost \$120 per MWh. Natural gas-powered facilities could produce electricity at the cost of just \$70 per MWh.

It was not economically viable to rely on renewable energy in most parts of the world. Six years on, the situation has changed entirely. As of 2019, onshore renewable wind power production has become

20% cheaper in comparison to gas-powered facilities. Solar power is expected to become more efficient than gas by 2021.

There is an increasing movement for the adoption of renewable energy around the world. Governments are slowly planning to phase out fossil fuel energy for renewable energy. In the U.S., for instance, more than 90% of the latest electricity generation projects rely on renewable sources.

Potential long-term gains

While there is no doubt that the future of energy production will be dominated by renewable energy, it will take some time to come into full effect. The transition to renewable energy will not happen overnight. The current facilities producing electricity still need to complete their cycles. For instance, coal plants can operate for 50 years or more. Ongoing costs of the facilities might be lower than investing in new facilities.

When these existing facilities complete their cycles, however, they will be replaced with renewable energy sources. It might take several decades, but global energy grids will shift entirely to renewable energy. Investors who have bought shares of Brookfield Renewable will profit the most, as the transition takes place.

Brookfield is among the most significant entities in the renewable energy industry. It owns over \$50 billion in renewable energy assets across the world. Its portfolio of renewable energy projects consists of solar, hydroelectric, and wind energy facilities. The company's access to significant capital and its global presence puts it in an ideal position to lead the charge for renewable energy as the transition takes place.

Brookfield is already busy laying down the groundwork for the shift to renewable energy. It is leveraging its access to capital. Just last year, the company took over a renewable energy asset in Spain for an investment of \$1.2 billion.

Foolish takeaway

Renewable energy is the future, and Brookfield is among the first players in the market. The stock has substantial defensive characteristics, even [during the recession](#). At writing, it is trading for \$65.92 per share. Brookfield is up 11.26% from its share price at the start of 2020 — a luxury not many stocks trading on the TSX enjoy.

I think Brookfield is an excellent stock to consider for a long-term buy-and-hold strategy to make serious profits.

CATEGORY

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

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