



2 Renewable Energy Stocks That Can Double Your Money

Description

Fossil fuel companies are a thing of the past. Once regarded as best in class, Exxon Mobile still trades at the same price as in 2000! That's two decades of lost growth. Clearly, renewable energy stocks are where you want to be.

As with the original fossil fuel boom, adoption of green energy will [mint](#) a large number of millionaires. Over the past five years, \$1.5 trillion was invested worldwide in renewable infrastructure. Over the next five years, investment should exceed \$5 trillion.

Want to profit from this once-in-a-lifetime [opportunity](#)? The two stock picks below are your best bets.

Bet with the best

Brookfield Renewable Partners LP ([TSX:BEP.UN](#))([NYSE:BEP](#)) has the best management team in the industry. The size and track record of this company is beyond reproach.

When Brookfield IPO'd two decades ago, few investors were betting on the rise of renewable energy. It was a stroke of genius to begin that early, when the risk-reward balance was heavily tilted in favour of early movers. Brookfield's management team set a goal of achieving annual equity returns of between 12% and 15%. Few thought they would succeed.

Looking back, Brookfield actually *exceeded* its growth targets. Since 2000, shares have increased by 510%, compared to a return of just 136% for the **SPDR S&P 500 ETF Trust**. Those returns don't even include the company's dividend, which now yields 4.5%.

Brookfield has an exceptional track record in the renewable energy space, but will that continue? All signs look positive.

The company's main strategic advantage is that it's willing to go where other investors won't. While this adds more risk, the increase in upside more than compensates.

For example, Brookfield recently purchased a wind farm in Spain for more than \$1 billion. Regulatory uncertainty caused prices to fall, albeit this is a temporary phenomenon. Brookfield capitalized on short-term uncertainty for long-term gain.

Over the next decade, there are few renewable energy stocks that I like more than Brookfield. All it needs to do is rinse and repeat its proven strategy.

Diversify your renewable energy wager

Brookfield is a pure-play, which means that 100% of its assets are focused on clean power generation. **Algonquin Power & Utilities Corp.** ([TSX:AQN](#))([NYSE:AQN](#)) has a similar focus, but its portfolio allows you to diversify your bets.

But don't worry: this doesn't mean lower growth. Since 2006, shares have risen more than *five times* in value. And, like Brookfield, this stock pays a healthy 4.1% dividend.

Algonquin is mostly a traditional dividend stock. Roughly two-thirds of its business is rate-regulated, which means that government regulators dictate its profit margins. While that doesn't sound great, it actually removes a significant amount of uncertainty, as pricing is determined years in advance.

The company reinvests these reliable earnings into renewable energy projects, which constitute one-third of its portfolio. This stock is a great way to bet on the rise of clean energy while managing your risk. And as AQN's stock performance has proven, this lower risk doesn't necessarily mean lower returns.

There are more than a dozen renewable energy stocks to choose from, but Brookfield Renewable and Algonquin are the clear winners.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
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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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