



Better Than Enbridge (TSX:ENB): This Stock Can Turn \$3,000 Into \$30,000

Description

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is an incredible stock. If you want to make \$1 million, you could do a lot worse.

In 1995, shares were below \$4. Today, they're above \$40. Plus, investors received yearly dividends averaging roughly 6%. You would have achieved double-digit annual gains for more than two decades.

But the future isn't with Enbridge. There's another stock that can make you rich, even though it's in direct competition with Enbridge.

See the future

Enbridge built its empire over a long period of time. Over decades, it turned into a cash flow machine.

The secret was to focus on pipeline infrastructure. These businesses are near-monopolies. If an oil or gas company wants to get their output to market, they almost always need to go through a pipeline. But pipeline infrastructure is costly to build and limited in scale. This gives incumbents heavy pricing power.

Now the largest pipeline operator in North America, Enbridge has a stranglehold on the market. It has greater reach and access than any other competitor. This only compounds its pricing power. It forces customers to enter into multi-year agreements that are denominated in volumes, not prevailing commodity prices.

There's only one problem: oil is [dead](#).

"We've actually known that for a while," I wrote last month. "Prices trade below 1974 levels, and that's not adjusting for inflation."

To be sure, we'll be consuming oil and gas for decades to come, even centuries. But supply continues to mount, and most major economies are taking aggressive action to reduce long-term demand.

Enbridge should be insulated, because it charges on volumes, not prices, but if you want to achieve double-digit annual returns for another 25 years, you should [ditch](#) this stock for its next-gen competitor.

The new Enbridge

Brookfield Renewable Partners ([TSX:BEP.UN](#))([NYSE:BEP](#)) is a future-proof stock. As its name suggests, the company is involved in renewable energy, not fossil fuels. This is already a huge market, but over the next decade, it'll become one of the biggest opportunities in stock market history.

Over the last five years, \$1.5 trillion was invested into renewable energy infrastructure on a global basis. Over the *next* five years, investment should total \$5 trillion. Growth will only continue to compound.

Like Enbridge, Brookfield is already the largest pure-play competitor in the space. That gives it unique access to deal flow and affordable capital. If you want to own the best projects at the cheapest price, Brookfield is your best bet.

The best news is that the company is also building a cash flow machine. While day-to-day production can vary, renewable energy has a consistent production profile over a period of months or years. And apart from maintenance costs, the energy production is free.

Competitive economics and reliable supply make renewable energy an attractive option for consumers. This allows Brookfield to sell the power on multi-year contracts at fixed prices. It's Enbridge's proven model applied to renewable energy.

Over the past two decades, Brookfield stock has risen nearly *eight times* in value. Adding the reliable 3.8% annual dividend is just a bonus.

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