



What a Joe Biden Victory Means for This 1 TSX Stock

Description

The Intergovernmental Panel on Climate Change is worried the world might not have enough time to stop climate change's [severe consequences](#). However, there's a glimmer of hope. On January 21, 2020, Joe Biden will take his oath as the 46th President of the United States of America.

During the campaign, the president-elect promised to prioritize the fight against climate change in his first day in office. The winning Democrat candidate plans to lead a clean energy revolution and champion the cause of environmental justice.

Joe Biden's victory is a significant development, especially for renewable energy stocks and investors in the green energy space. Make room in your portfolio for one **TSX** stock that will benefit the most in a Biden presidency.

A screaming buy

Even before the U.S. presidential elections on November 3, 2020, investors' interest in **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) was growing. The utility stock is among the better performing TSX stocks in 2020. As of November 13, 2020, or year-to-date, AQN is outperforming the index (+17.72% versus -2.27%).

Over the last decade, the total return is 582.47%. For would-be investors, the share price is \$20.89, and the dividend yield is 3.89%. You can take comfort in the less than 60% payout ratio. If you invest \$25,000, the \$972.50 [passive income should be recurring](#) for years. Also, your capital will compound to \$53,630.88 in 20 years.

Growing portfolio

Algonquin Power has a market capitalization of \$12.47 billion and two operating subsidiaries (Liberty Utilities and Liberty Power). Its power generation facilities number 50, while total utility assets are 20. The latter serves around 800,000 customers in twelve states across America. Distribution lines of

electricity and gas stretch 11,600 km and 7,500 km, respectively.

Algonquin's solar, wind, and hydroelectric assets currently have a combined installed capacity of 1.5 GW. The portfolio and equity interest in clean energy facilities are still growing. Cash flows are supported by long-term contracts in rate-regulated and non-regulated electricity, natural gas, and water utility businesses.

Liberty Utilities contributes nearly 85% to total revenues, while Liberty Power fills the remaining 15%. Algonquin is expanding its regulated utility footprint in the U.S. Two construction projects are ongoing (Kansas and Missouri), and its presence in New York expanded recently.

Management is executing a five-year \$9.2-billion capital program. The projects under construction are making substantial progress as well. Algonquin is allocating \$6.7 billion for investments in its Regulated Services Group. The spending budget for the Renewable Energy Group is \$2.5 billion.

Call to urgent action

In his first year in office, Joe Biden plans to work with Congress to enact legislation in 2021. The goal is to achieve an irreversible path to achieve economy-wide net-zero emissions no later than 2050. The plan is consistent with Canada's goals. The Trudeau administration target emissions reduction of 80% by 2050.

On Day 1, expect the U.S. to rejoin Biden the Paris Climate Agreement. He also plans to convene a climate world summit. The new POTUS will engage with and persuade leaders of greenhouse gas-emitting nations of the world to join the U.S. in making more ambitious national pledges on top of previous commitments.

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