



If Enbridge (TSX:ENB) Will Go Bankrupt, Buy This Instead!

Description

Fellow Fool writer [Ryan Vanzo](#) recently wrote about his theory of why **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) will eventually go bankrupt. Whether you believe the entire breakdown or not, there is certainly a lot to take away about the future of not just Enbridge, but oil and gas in general.

The cash problem

Overall, the main problem is cost. Pipelines are expensive to build, and that's what Enbridge has been built on. For decades, as Vanzo points out, this has served the company well. That is, until the last few years.

Enbridge has several growth projects underway, and these projects are an expensive undertaking. But on top of that, there have been immense hurdles for the company to cross. Social activists, environmental activists, and even President-Elect Joe Biden has spoken out about the use of pipelines. This choice is just simply unpopular these days.

That leaves Enbridge in a bind. What else can it do if not provide pipelines? And how on earth will it make up the cost it lost from at the very least starting these projects? Don't get me wrong, I think the company is solid for the next decade or so at least. It simply has too many long-term contracts keeping it afloat. However, there's another problem on the way for Enbridge.

Going green

Let's take a look back a century ago, when coal was still a hugely popular method of producing energy. Eventually, oil and gas took over as safer alternatives. Fast forward to today, and we're facing a similar crossroad. More and more countries and investors are looking to green energy as the next big thing. That leaves oil and gas companies soon going the way of coal.

Again, don't misunderstand me. Oil and gas will be here for quite some time. It's not going to be a light switch, where one day we're powering our houses with gas and the next with solar panels. Just as it

will cost you to upgrade, it will cost a lot to build these green projects.

But that does leave room for the prudent investor. If you find the right companies, you could stand to make a killing. All you have to do is find a strong stock that will continue building its green profile, with a solid backing set up behind it.

Brookfield Renewable

Brookfield Renewable Partners ([TSX:BEP.UN](#))([NYSE:BEP](#)) make look like a new stock on the surface, but don't be fooled. The company is backed by **Brookfield Asset Management**, a company that's been investing in properties since the 1890s. That includes green projects in Latin America over a century ago! So, the company has been doing this for some time but is just now on the stock market under a new name.

That tells investors two things. One, there is a lot of money available for this company to [invest](#) in green projects. And two, it's likely to be one of the largest and most diverse portfolios out there. That's because BAM has properties around the world, giving BEP access to all those countries where BAM has an introduction.

While the company is pricey right now, if you're looking to hold for decades, this could be the winner in your portfolio. When green energy eventually takes over in the next few decades, Brookfield will likely be at the top of the heap. Meanwhile, a company like Enbridge will still likely bounce back in the next few years, but if you're hoping to hold onto it for decades, you could be disappointed.

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Date

2025/09/15

Date Created

2020/12/06

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