



## Will Biden Kill the Keystone XL?

### Description

Under U.S. president Donald Trump, the oil and gas industry had a supporter who was willing to help the industry grow, which included granting approvals for the controversial Keystone XL. But it still wasn't enough to get the pipeline completed; even with the Alberta government investing \$1.5 billion into the project, it isn't expected to be operational until 2023.

And now, under Joe Biden, that's anything but a guarantee. The incoming president is no fan of oil and gas, and investors are concerned about what it will mean for the industry on both sides of the border. Keystone XL would create jobs in both the U.S. and Canada but now its future is in jeopardy yet again.

## Will Biden cancel the permit for Keystone XL on his first day?

Biden has plenty of executive orders that he's planning for his first day of office. And reportedly, one of those involves rescinding the permit for Keystone XL. Biden's focus is on cleaner, greener, more climate-friendly initiatives, and cancelling the Keystone XL would certainly be in line with that. But Alberta premier Jason Kenney is hopeful that Biden "will show respect for Canada and will sit down and at the very least talk to us."

Either way, it won't take long to find out, as the new president takes office tomorrow.

## Could there be a glimmer of hope?

**TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)), which owns Keystone XL, isn't giving up just yet. The company recently announced that it would make significant changes to the project in the hopes that it could sway Biden's decision. TC Energy says it will make Keystone XL the "first pipeline to be fully powered by renewable energy," and that it "will achieve net zero emissions across the project operations when it is placed into service in 2023 and has committed the operations will be fully powered by renewable energy sources no later than 2030."

In addition, the company will also invest at least US\$1.7 billion for the communities that the Keystone

XL would go through.

## Bottom line

The Keystone XL has been a polarizing project, and many people have been opposed to it for years. While TC Energy's latest promise of sustainability and using renewable energy is encouraging, it could be too little too late. At the very least, it would take a lot of convincing for the new president to change course at this point. That's why I wouldn't be too optimistic about this last-ditch effort to save the project.

Over the past year, shares of TC Energy have fallen 24% as it has failed to recover from last year's market crash. Low oil prices and a decline in travel due to restrictions are hurting the outlook for the industry. Trading at a price-to-earnings ratio of 12, it's a [cheap buy](#), and it pays a high yield of 5.7% right now. At the very least, it could be a great [dividend stock](#) due to its yield, as it has generated strong numbers, even without the Keystone XL. Over the trailing 12 months, TC Energy has reported a profit of \$4.6 billion.

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