



TFSA Investors: Buy the Safest Stock in North America

Description

Based in Halifax, Nova Scotia, **Emera** ([TSX:EMA](#)) owns and operates [cost-of-service rate-regulated electric and gas utilities](#) in Canada, the United States and the Caribbean. Emera has approximately \$33 billion in assets and yearly revenues of approximately \$6.1 billion. The company's strategic focus is to safely deliver cleaner, affordable and reliable energy to customers.

A great business

Regulated utilities are the foundation of Emera's business, providing the company with stable and consistent earnings. The company has grown by investing in organic growth and through strategic acquisitions. Since 2016, Emera significantly increased the company's presence in the United States by completing the acquisition of TECO Energy.

In the Caribbean, Emera has built a business of scale, starting from wholly owning the electric utilities in Barbados and holding a majority ownership interest in the electric utility in Dominica.

Commitment to carbon reduction

At the core of Emera's electric utilities strategy is identifying opportunities to invest in the transition from higher-carbon methods of electricity generation to lower-carbon alternatives. Emera's strategy is to fund investments in renewable and technology assets which protect the environment and benefit customers through fuel or operating cost savings.

The company has invested approximately \$820 million in 600 megawatt (MW) of new solar projects. The company expects to invest approximately \$800 million in an additional 600 MW of new utility-scale solar projects from 2021 through 2023 and \$850 million through 2023 to modernize power stations.

The future of electricity transmission

Emera is investing in electricity transmission to help deliver renewable energy to market. Emera's investments in transforming the electricity market in Atlantic Canada is already paying rich dividends and enabling an increase in the availability of clean, renewable energy for the region. Further, Emera has been an active participant in the physical energy marketing and trading business.

It has built a great business based on expert market knowledge, a focus on customer service and robust risk management. The company has been selling assets to reduce corporate level debt and support capital investment opportunities within Emera's regulated utilities.

Essential services provider

Emera's cost-of-service utilities provide essential gas and electric services and are overseen by regulatory authorities. Emera's investment in rate-regulated businesses is concentrated in Florida and Nova Scotia. These service areas have experienced stable regulatory policies and economic conditions. Emera's [portfolio of regulated utilities](#) provides reliable earnings, cash flow and dividends. Earnings opportunities in regulated utilities are generally driven by the magnitude of net investment in the utility, the amount of equity in the capital structure and the return on that equity as allowed through regulation.

A bright future

Emera has a \$7.5 billion capital investment plan in place through 2022 period and the potential for additional capital opportunities of \$200 million to \$500 million. However, management continues to review capital expenditures in light of the evolving COVID-19 pandemic. This plan includes significant investments across the portfolio in renewable and cleaner generation, infrastructure modernization and customer-focused technologies. This planned capital investment is being funded primarily through internally generated cash flows.

Successful execution of Emera's strategy could lead to a significantly higher stock price.

CATEGORY

1. Dividend Stocks

TICKERS GLOBAL

1. TSX:EMA (Emera Incorporated)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

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