



## This Top TSX Stock Is the Best Renewables Play in Canada

### Description

I've touched on why **Algonquin Power & Utilities Corp.** ([TSX:AQN](#))([NYSE:AQN](#)) is one of my top picks a number of times.

However, I think it deserves repeating: this company's renewables business is attractive. Scratch that. The company's *entire* business model is too enticing to ignore right now.

Here's why I think Algonquin stock is on the precipice of a breakout over the medium to long-term.

### Business model the real basis for investment in Algonquin stock today

Algonquin's business model is one of the most attractive in the renewables sector, or utilities sector for that matter, precisely because the company is both.

The majority of the company's revenues are derived from regulated utilities. These cash flows are extremely stable and are the basis upon most investors choose Algonquin as an income holding.

However, the company's growing renewables portfolio has been getting more attention lately — and deservedly so. This is a company with some of the highest quality assets in the renewables space — one which is well positioned to take advantage of future catalysts on the horizon.

Speaking of future catalysts...

### Where's that green energy bill we've been waiting for?

Algonquin's large U.S. presence is particularly important right now. Indeed, there are a number of big questions investors want answered. Among these, perhaps the key question is: just how accommodative will the Biden Administration be with supporting green energy?

Here at home, the Trudeau government has been very supportive. However, the absence of an infrastructure bill or some type of “Obama-style” green energy spending bill in the U.S. leaves a lot to the imagination.

Accordingly, Algonquin is in an interesting position right now. I think capital inflows into strong renewable players like Algonquin with a regulated utilities base will be strong for some time. This tailwind is not likely to recede any time soon. However, whether or not Algonquin will get additional injections of interest from investors following energy infrastructure spending plans remains to be seen.

Handling the pandemic is priority #1 for the Biden Administration right now. Therefore, I think there is some risk-related to the timing of an infrastructure bill materializing, albeit investors may need to wait.

## Conclusion

In summary, Algonquin is perhaps the premier option for renewables investors today.

I can't understate the value of the company's business model. As a hybrid regulated utilities and renewables player, Algonquin offers investors with the best of both worlds. Additionally, a juicy [dividend yield](#) of 3.9% is the cherry on the cake.

This is a company I'd recommend investors buy and hold for the long term. It's a defensive growth play providing excellent income and downside protection in what could be a turbulent market for some time.

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