



## Perfect Combo for 2022: Enbridge (TSX:ENB) and 1 Utility Stock

### Description

Collaboration appears to be the theme in the pandemic environment, because companies can ensure [business growth](#). Strategic partnerships are happening across and between sectors. Among the most recent partnership that hit the headlines is that of **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) and **Capital Power** ([TSX:CPX](#)).

The pipeline giant and the independent power producer (IPP) signed a memorandum of understanding to work on a carbon capture and storage (CCS) project. They will jointly evaluate and advance the said CCS project. Enbridge will act as the transportation and storage service provider, while Capital Power will provide the CO<sub>2</sub>.

However, the partners need to win in the Government of Alberta's competitive carbon hub selection process and eventual final investment decision.

### Low-carbon energy future

The proposed project site is Capital Power's Genesee Generating Station near Warburg, Alberta. Currently, the generation station provides more than 1,200 megawatts of baseload electricity generation to Albertans. The \$4.4 billion IPP is repowering its Genesee 1 and 2 units to create the most efficient natural gas combined cycle power generation units in North America.

Capital Power, Through the Genesee CCS Project, Capital Power is well positioned to deliver reliable and affordable electricity for generations to come. Colin Gruending, Enbridge's executive vice president and president, Liquids Pipelines, said, "We're excited to be partnering with Capital Power in support of their commitment to a low-carbon energy future."

### Critical collaboration

Gruending further said, "Collaboration like this is critical as we look to advance cost-effective, customer-focused carbon capture, transportation, and storage solutions in Alberta and across North America."

The project also commits to protecting land, water, and the environment and engaging meaningfully with local Indigenous communities.

Chris Kopecky, senior vice president and chief legal, development, and commercial Officer at Capital Power, said, "It's exciting to partner with Enbridge, a sustainability leader, on this project." He added that collaborative development throughout the CCS value chain is key to ensuring that CCS can be deployed in a safe, responsible, and cost-effective manner.

## Reliable passive-income sources

Income investors should find the combination of Enbridge and Capital Power in their portfolios perfect. Both stocks are recession-resistant and reliable [income sources](#). The energy stock trades at \$48.96 per share (+28.8% year to date) and pays a generous 6.92% dividend. Because it's a Dividend Aristocrat, your dividends should grow. Enbridge has raised its dividends for 25 consecutive years.

Capital Power is one of the Canada Pension Plan Investment Board's (CPPIB) TSX holdings. Current investors, including CPPIB, enjoy a 17.06% gain thus far in 2021. At \$39.38 per share, would-be investors can partake of the lucrative 5.59% dividend.

## ESG investments

Obtaining approval of the project could boost the energy and utility stocks significantly. Since "socially responsible" or "sustainable" investing could be a [major trend in 2022](#), both companies can become top-of-mind choices of ESG (environmental, social, and governance) investors.

Capital Power is helping build a carbon-neutral future in Alberta by advancing the Genesee CCS Project. However, Enbridge's ESG goals have reached the next stage of its evolution as an ESG leader. It targets to reduce greenhouse gas (GHG) emissions intensity (35%) by 2020 and achieve net-zero GHG emissions by 2050.

### CATEGORY

1. Dividend Stocks
2. Investing

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2. TSX:CPX (Capital Power Corporation)
3. TSX:ENB (Enbridge Inc.)

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