



Buy Alert: Brookfield Renewable Is a Top Buy in 2021

Description

I have written about **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)) many times on the Motley Fool. On Thursday, I went as far as to say it would be the [first stock I would buy in 2021](#). Today, I made good on my word and put my money where my mouth is and re-initiated a position in the company. I had previously held a position in the company in 2019 and sold during the March crash to take advantage of a very cheap **Shopify**. Why should investors consider adding this to their portfolios?

Renewable energy will power the future

Currently, renewable energy only makes up a small fraction of the overall energy market. However, this may change in the future. Many state and federal jurisdictions around the world have set goals to become carbon neutral by means of using renewable energy. In addition, global companies have set similar goals. **Amazon**, **Walmart**, and **Nike**, for instance, have set goals to be 100% renewable by 2025.

Microsoft goes even a step further than its contemporaries in this regard. By 2030, the company hopes to be carbon negative. By 2050, it believes it will be able to remove all historical carbon emissions. Obviously, these are very ambitious goals, even for the largest companies in the world. However, it is this shifting mindset among global leaders that make companies like Brookfield Renewable very interesting to consider for your portfolio.

Brookfield Renewable is a global leader in renewable power investments. The company operates assets across North and South America, Europe, and Asia. All considered, its diverse portfolio of hydroelectricity, wind, solar, distributed generation, and storage facilities have a cumulative capacity of more than 19,400 MW.

The company has continued to prioritize its growth over the past year. In its Q3 earnings report, Brookfield Renewable announced the completion of its merger with TerraForm Power on an all-stock basis. This acquisition was essential in pushing Brookfield Renewable even further ahead of its competitors in the renewable energy industry.

Through that acquisition, Brookfield Renewable also formed a Canadian corporation. This allows Brookfield Renewable stock to be included in various index funds, which will only drive buying pressure higher. The results of this corporation have been immediate. As of this writing, the newly formed corporation has seen its stock rise 97% since it began trading in late July.

No signs of slowing down

Brookfield Renewable management has published, on many occasions, that it has a goal of delivering 12-15% annualized returns to shareholders over the long term. This includes a growth in its distributions of 5-9% annually. As of August 2020, Brookfield has successfully returned 18%, on an annual basis since its inception. Over the past five years, its stock performance has resulted in 22% annualized returns.

These are all very promising results from an exceptional Canadian company. With an excellent balance sheet, a 57% ownership stake in the company from **Brookfield Asset Management**, and continued growth prioritization, Brookfield Renewable seems poised to lead its industry for many years.

Foolish takeaway

I have put my money where my mouth is and re-initiated a position in Brookfield Renewable. The company is a leader within its industry. The company is a leader within its industry with a diversified portfolio of assets generating 19,400 MW of power. Brookfield Renewable is well positioned for the future, and growth and dividend investors alike should consider adding this company to their portfolios.

CATEGORY

1. Energy Stocks
2. Investing

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TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. TSX:BEP.UN (Brookfield Renewable Partners L.P.)

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