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How to Profit From the Growth of Solar Energy

By: www.ProfitableInvestingTips.com

The United States Department of Energy has just published their “blueprint” for a huge increase in the use of solar power in the USA from 4% to 45% of the total energy budget. This got us wondering how to profit from the growth of solar energy over the next years and decades. The work necessary to achieve this goal by 2050 would include doubling the rate of installation of solar energy facilities yearly for four years and then again by 2030. To achieve this goal would require an expansion of the electric grid as well. Along with their solar plans the administration wants to increase the number of offshore wind turbines from a handful to hundreds.

Investing in Cheap Solar Panels and More

As noted in a New York Times article about the [Biden solar energy plans](#), solar panels have become cheaper in recent years.

The Energy Department said its calculations showed that solar panels had fallen so much in cost that they could produce 40 percent of the country’s electricity by 2035, enough to power all American homes and 45 percent by 2050.

Getting there will mean trillions of dollars in investments by homeowners, businesses and the government. The electric grid, built for hulking coal, natural gas and nuclear power plants, would have to be almost completely remade with the addition of batteries, transmission lines and other technologies that can soak up electricity when the sun is shining and to send it from one corner of the country to another.

This is the part that got us to thinking about how to profit from the growth of solar energy. China currently produces about eighty percent of the world’s solar panels. Due to tariff issues and concerns about an evolving trade war, Asian manufacturers are moving manufacturing operations into the USA. Five of the leaders are these:

LG Solar

Panasonic

Jinko Solar

Hanwa Q Cells

Sun Power

Sun Power is a US-based company listed on the NASDAQ (SPWR) and currently priced at \$21.60 a share.

Investing in Lithium Batteries to Store Solar Energy

The drawback to relying on solar energy is that there is no power generation during the night. Thus a system that relies on solar needs to have a backup system. This can include wind, hydro, nuclear, and fossil fuels. It can also include batteries that store power during the day and release it at night. In our article about [lithium mining investment issues](#) we noted that China currently has the corner on the market for lithium mining and lithium battery production despite the fact that there is plenty of lithium to mine in the Western Hemisphere and specifically in the USA. And, the USA and Europe are both ramping up to produce more lithium batteries that will not be subject to supply chain issues with another pandemic or trade war with China.

The biggest lithium battery manufacturers in the USA are these:

Panasonic Energy of North America

LG Chem Michigan Inc.

A123 Systems LLC

EnerSys

Samsung SDI Co. Ltd

EnerSys trades on the NYSE and the current stock price is \$75.75.

Investing in companies that make lithium batteries instead of solar panels gives you the advantage of having a foot in solar and wind power as well as the huge surge in electric cars on the horizon.

Clean Energy Payment Plan

One of ways that the Biden administration will encourage electric utilities to allow home solar production into the electric grid is by providing tax credits via the Clean Energy Payment Plan. As noted in the *Times* article, electric utilities would rather build solar farms where they can control everything than allow homes and businesses to connect to their electric grids. The government hopes to make both things happen with incentives like the Clean Energy Payment Plan.

Investing in Raw Materials for an Expanded Electric Grid

Bringing solar up to the level that the government wants it to be over the next years will require employing and training tens of thousands of workers and will increase the need for aluminum, silicon, steel and glass. One could profit from this surge in demand in commodities by [trading commodity futures](#) or by investing in companies that mine, refine, and produce the necessary materials.

US-based steel companies include the following:

Nucor, NYSE, NUE, \$105.34

US Steel, NYSE, X, \$23.57

ArcelorMittal SA, NYSE, MT, \$31.93

As we noted in our article about the [best investments in solar energy](#), there are many ways to invest in solar power. With the administration's push to massively increase solar output in the USA, this subject just moved up on your list of investments to investigate in search of long term profits. For more insights and useful information about investments and investing, visit www.ProfitableInvestingTips.com.

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