



Millennial Investors: How to Make Money While Helping the Environment

Description

These days, it is common to want to help change the world. It's great to be able to find a social cause you can invest your money in to know you are helping to make a difference while also receiving income for your capital.

Today, one of the biggest issues facing planet earth is global warming. Global warming and extreme weather are already showing signs of change, and if we don't do something soon, it could start causing permanent damage.

One of the main causes of global warming is fossil fuels, but energy is so important to the well-being of society. This is why renewables need to be invested in as much as possible to create energy in a more sustainable way.

Luckily for investors seeking this social cause, there are a few different renewable energy companies to invest your money in and help the world to become greener and receive some [passive income](#) in the process.

The two companies I would start to look at are **TransAlta Renewables** ([TSX:RNW](#)) and **Northland Power** ([TSX:NPI](#)).

TransAlta Renewables

TransAlta Renewables has a number of renewable assets, such as wind, hydro, and solar as well as the cleanest-burning fossil fuel, natural gas. In total, it has 42 assets that generate more than 2,400 megawatts.

The company is Canada's largest wind generator and is able to remotely monitor all of its sites, which optimizes the operations.

The company continues to execute its goals and is increasing operating income and consequently cash available for distribution each year.

Its current dividend, which yields more than 7%, is not only sustainable at a payout ratio of just 85% after debt, but investors can expect it to grow, as the company continues to grow its operations.

TransAlta Renewables continues to be one of the top leaders in renewable energy, and investors can sleep easy knowing they are helping the environment and receiving a generous yield in the process.

Northland Power

Northland is another of the renewable industry leaders in Canada. Its goal is to develop, own, and operate clean and green infrastructure assets.

It has a number of onshore and offshore wind farms as well as solar assets and clean gas and biomass facilities that total nearly 2,500 megawatts of operating capacity.

It continues to optimize its operations and use its industry-leading knowledge to grow its margins and efficiencies.

The company's financials show its impressive operations. It has grown its free cash flow per share by 70% in the last five years.

In addition, Northland has reported 10-year shareholder returns far ahead of its peers at an average return of 17%.

It has improved its operating margin the last few years, increasing it to nearly 50% as well as increasing its net margin as well. This has allowed it to continue to raise its dividend when possible.

It pays a \$0.10-per-month dividend that currently yields roughly 4.75% and is extremely stable with a payout ratio below 70%.

Bottom line

The renewables industry continues to grow especially as more governments recognize the need to shift to greener energy. As technology improves and prices come down, the sector is primed to make a massive impact on the environment and make a lot of investors rich.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Stocks for Beginners

TICKERS GLOBAL

1. TSX:NPI (Northland Power Inc.)

2. TSX:RNW (TransAlta Renewables)

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Author

danieldacosta

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