



3 Renewable Energy Stocks for the Future

Description

There's little doubt that the world is shifting toward renewable energy. I have [previously written](#) about two possible companies for you to consider in your portfolio. Because of this industry's importance moving forward, I felt it was appropriate to highlight three more companies in the industry so quickly.

A powerhouse in the west

All puns aside, **TransAlta Renewables** ([TSX:RNW](#)) is a company that you should familiarize yourself with if you have not already. As the name suggests, TransAlta Renewables is part of the **TransAlta** "family", where the parent corporation operates 70 power plants in Canada, United States, and Australia.

As a benefit of the larger corporation, TransAlta Renewables has access to additional assets within TransAlta, if needed. This would help immensely, as the company prioritizes growth in North America.

The most recent IPO in this list, TransAlta Renewables stock grew 81.9% in six years before falling due to the pandemic in February. As of this writing, TransAlta Renewables is still trading about 22% from its pre-pandemic price.

Although the dividend payout is quite unattractive, the potential growth in this company is more than enough to warrant the stock some consideration.

Growing out of Quebec

If judged simply by past stock performance, the next two companies will not be able to show the same rapid growth as TransAlta Renewables. However, I urge you to keep reading because these next companies are just as exciting. **Innergex Renewable Energy** ([TSX:INE](#)) has been producing power in Quebec since 1990. Like TransAlta Renewables, Innergex is backed by a large corporation – Hydro-Quebec.

Innergex currently operates 37 hydro facilities, 26 wind farms, and five solar farms across Canada, the United States, France, and Chile. The company has [been securing land rights](#) which will help it to continue growing in the future.

Although the company has returned just 75% since its IPO in December 2007, the company still has a bright future as interest in renewable energies continues to grow. The combination of a long-term vision by company management and a widely diversified asset portfolio (in terms of energy source and geography) firmly place this company on my watch list.

A company on a mission

The final company in this article is **Northland Power** ([TSX:NPI](#)), which produces power via wind, solar, biomass, and clean-burning natural gas. Northland Power has used its strategy of partnering with Indigenous communities, municipalities, and independent companies to extend its reach internationally.

The company currently operates facilities in Canada, the Netherlands, and Germany. Projects are underway to develop facilities in Asia and Latin America.

Of the three companies, Northland Power is my dark horse in the race to become an industry leader. Over the past five years, its stock has returned over 90%.

Since the COVID-19 pandemic, Northland Power stock has grown 54% and seems to have recovered to pre-pandemic levels. This indicates some resilience in its stock, which may suggest it has a lot of investor support.

The company also has the most attractive dividend payout ratio of the group (about 63%). Because of its attractiveness from a stock perspective and the smart moves made by company management, Northland Power has a great chance of becoming a big player in this industry.

Foolish takeaway

The renewable energy industry is seemingly growing by the week. We are still relatively early on in terms of adoption, but that could change very quickly.

All three companies mentioned have bright futures ahead of them and investing in them could prove to be very lucrative in the future.

CATEGORY

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TICKERS GLOBAL

1. TSX:INE (Innergex Renewable Energy)
2. TSX:NPI (Northland Power Inc.)
3. TSX:RNW (TransAlta Renewables)

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Date

2025/08/24

Date Created

2020/06/30

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