



A Renewable Energy Surge Is Coming in 2021!

Description

There are just three days left in 2020. This year is going to go down as one of the strangest and most memorable years ever. While most of our recollections from 2020 will relate to the pandemic, there's another emerging global problem: climate change. That growing need is going to lead to a renewable energy surge in 2021.

For prospective investors looking for renewable energy investments, **TransAlta Renewables** ([TSX:RNW](#)) represents a superb long-term option to consider.

What TransAlta offers

TransAlta owns and operates a growing portfolio of over 30 renewable energy facilities, which includes solar, hydro, gas, and wind elements. Like fossil fuel-burning utilities, TransAlta's facilities have regulated PPA agreements that span decades. This provides the company with a stable and recurring revenue stream. Adding to that stability is an element of geographic diversification. TransAlta's facilities are located across Canada, the U.S., and Australia.

Turning to growth, TransAlta recently completed a \$439 million deal to acquire an interest in three different facilities in Canada and the United States. In total, the facilities will add 303 MW of installed capacity, with long-term contracts averaging 19 years.

In terms of results, in the most recent quarter, TransAlta reported comparable EBITDA of \$96 million. When compared with the same quarter in 2019, this is reflective of a \$10 million (12%) improvement. Adjusted funds from operations came in at \$76 million. In the same period last year, TransAlta reported \$69 million, translating into a 10% improvement.

Unlike much of the market that has remained flat or retreated as a result of the COVID-19 pandemic, TransAlta has seen its stock surge. So far in 2020, the stock is up by over 30%. Turning to 2021 and beyond, the prospects for additional growth remain strong. Further to this, a worthwhile note is the incoming U.S. Biden administration. The new administration is set to renew, if not expand previous movements towards renewable energy sources. To put it mildly, a renewable energy surge is coming

in 2021 across multiple fronts.

TransAlta's solid revenue stream and impressive growth prospects has one other benefit: a handsome dividend. TransAlta currently offers investors a respectable 4.53% yield that is paid out monthly. For some income-seeking investors, a stable and growing stock that [pays out on a monthly basis](#) could be the deciding factor.

Final thoughts

TransAlta is the complete package. The company offers a [defensive moat](#) that comes with the best utility stocks and boasts a monthly income that is among the best on the market. Throw in the growing demand for renewable energy and an appetite for expansion, and you have a great core stock for every portfolio.

In short, buy it now and profit off the renewable energy surge coming in 2021.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:RNW (TransAlta Renewables)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date

2025/07/05

Date Created

2020/12/28

Author

dafxentiou

default watermark