



3 Renewable Energy Stocks to Buy for 2021!

Description

Throughout 2020 several **TSX** stocks saw significant returns. While many of these outperformers were a result of tailwinds created by the pandemic, some industries continue to offer long-term growth. With all that's gone on this year, it can be easy to miss the incredible returns renewable energy stocks earned.

The rally in renewable energy, however, has almost nothing to do with the pandemic. This makes it an ideal industry to invest in because it will continue to offer significant long-term growth potential, long after the pandemic is over.

So while these stocks will be a great addition to your portfolio for 2021, you can plan to hold them for the long term.

The industry has a tonne of support from governments around the world in order to help fight climate change. Plus, with [Joe Biden](#) taking office in January along with a green energy agenda that's one of his biggest goals, these stocks have huge upside over the coming years.

This makes now the optimal time to buy green energy stocks if you haven't done so yet. Here are three of the best renewable energy stocks on the TSX.

Rapidly growing renewable energy stock

The first stock to consider is **Northland Power Inc** ([TSX:NPI](#)). Northland is one of the fastest-growing renewable energy stocks on the TSX.

The company generates renewable energy through onshore and offshore wind farms as well as its solar assets.

In recent years Northland has been one of the best performers in the industry. The company has had solid execution and has created a tonne of value for shareholders.

It currently has over 2,250 megawatts of generating capacity, with another 1,150 megawatts under construction or in development. That represents an additional 50% of capacity that will come online over the next few years, bringing with it a tonne of growth for the company.

The stock gained more than 70% in 2020, plus it pays a 2.6% dividend. However, with renewable energy increasingly becoming a priority for governments around the world, there's still a tonne of upside for Northland in 2021 and beyond.

Defensive green energy stock

Another great option to consider in the current market environment is **Algonquin Power and Utilities Corp** ([TSX:AQN](#))([NYSE:AQN](#)).

Algonquin is both a renewable energy stock as well as a [utilities company](#). In fact, roughly two-thirds of its operating income comes from its utilities business. That makes it a great choice in this market environment, where risk and uncertainty are still at heightened levels.

It also means you likely won't see the same capital gains potential as some of the other stocks in the industry. However, in the case of a market crash, Algonquin would be a lot less volatile. Plus, its utilities businesses generate enough cash flow for Algonquin to pay an attractive dividend, one that's consistently increased each year.

The stock earned investors a total return of roughly 20% in 2020. So you can see how that's far less than Northland. However, it's still considerably outpaced the TSX, which is only up 2.8% year to date.

Large-cap renewable energy stock

The last of the top three renewable energy stocks to buy for 2021 is **Brookfield Renewable Partners L.P.** ([TSX:BEP.UN](#))([NYSE:BEP](#)).

Brookfield is by far the largest stock of its Canadian peers. The massive \$15 billion company has nearly 9,000 megawatts of generating capacity, far more than any other company.

With such a massive portfolio of assets, it's not surprising that Brookfield operates all over the world. This diversification helps reduce risk but also creates several opportunities for growth.

That's why it's not surprising that despite Brookfield's size, it earned investors a more than 75% return in 2020.

Bottom line

Although these renewable energy stocks saw some significant gains in 2020, this was only the beginning. There is a lot of work that needs to be done globally in order to fight climate change.

And with all the change that's needed, it's creating a brilliant opportunity for long-term investors.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:BEP (Brookfield Renewable Partners L.P.)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
5. TSX:NPI (Northland Power Inc.)

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

2025/08/05

Date Created

2020/12/30

Author

danieldacosta

default watermark

default watermark