



Looking for Long-Term Growth? Consider Renewable Energy Stocks!

Description

After a hectic 2020 that saw several Canadian stocks rally, 2021 is going to be a lot different. There are still stocks that offer attractive prospects. But this year, the ones that outperform will be a lot more selective. One of the best stock industries to consider investing in this year is the renewable energy industry.

Renewable energy has been an industry that's gaining popularity over the last few years. These days, however, the momentum around the world to improve the environment continues to increase.

And with technology getting better, and the cost of electricity from these sources becoming naturally more competitive, the industry is growing rapidly. Plus, it's not just a five-year investment. These investments will have major growth potential for years.

The green energy industry is growing

One of the biggest developments for renewable energy stocks over the last few months was [Joe Biden](#) winning the presidential election.

President Biden is not only reversing several of former president Trump's regulations when it comes to the environment. He's going well beyond that. It's not just the federal government that's looking to invest in green energy either. More local governments, such as states and provinces, are setting emissions-reduction targets.

Perhaps the most promising developments have come out of Europe, though.

An annual report from think tanks in Europe has shown that Europeans got more electricity from renewable sources than fossil fuels in 2020. During the year, 38% of electricity came from renewable sources, edging out the 37% from fossil fuels. This is important, because it's the first time Europe has crossed this threshold.

It's not a surprise, though, as wind and solar projects have been rapidly coming online, increasing the

supply of electricity from those sources substantially. And while this is all positive news, Europe still needs to double its electricity from renewable sources by 2030 — that is, if it wants to complete its goal of reducing emissions 55% from 1990 levels.

Two renewable energy stocks to buy

Europe is a leader when it comes to green energy. So, if there is still a lot of work and potential in the European markets, you can imagine how much growth potential there is in North America. That's why green energy might be the best long-term growth industry to buy today.

There are multiple ways to play renewable energy. Two of the most popular ways are buying the companies that generate the electricity or ones selling cleantech industrial products.

An example of one of the top renewable energy stocks is **Northland Power** ([TSX:NPI](#)). Northland is a well-diversified company with renewable assets in operation in Canada and Europe. Its renewable assets are a mix of offshore and onshore wind farms as well as solar and biomass.

In total, Northland has 2,266 megawatts of generating capacity in operation. What's most attractive about Northland, though, is that it has another 1,080 megawatts of generating capacity in development. That's an additional 48% of growth expected to come online in the next few years.

In addition to Northland, you might also want to consider a business like **Xebec Adsorption** ([TSX:XBC](#)).

[Xebec](#) manufactures industrial equipment that helps companies lower their carbon footprint. In today's corporate environment, having a respectable Environmental, Social, and Corporate Governance (ESG) score is crucial.

And going forward, it wouldn't be surprising to see governments set up stricter regulations for companies and their carbon footprints.

That's why cleantech renewable energy stocks like Xebec are so attractive, especially when you can still get them relatively cheap. It's a leader in this revolutionary space and has years of growth potential ahead.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:NPI (Northland Power Inc.)
2. TSX:XBC (Xebec Adsorption Inc.)

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