



## 3 Renewable Energy Stocks to Buy Now

### Description

Renewable energy is [growing in importance](#). Increased understanding of the impact of fossil fuels and a growing responsibility to do something about it are taking hold. Traditional utilities are beginning the long and expensive transition towards renewable. This presents a unique opportunity for investors to look at existing renewable energy stocks that are poised to grow.

Here are three viable options to consider adding to your portfolio.

### Renewable #1: Well diversified and expanding

**Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) operates under two different segments. The first is a traditional utility, which provides water, gas, and electric distribution service to customers in a dozen U.S. states. This first segment provides the company with a steady flow of revenue and feeds the attractive dividend on offer (more on that in a moment).

The other segment comprises a portfolio of over 30 renewable energy facilities. The facilities are diversified both in terms of technology and geography. Furthermore, the facilities are under long-term regulatory contracts, which provide a consistent price for well over a decade. If that isn't reason enough, Algonquin has earmarked a whopping \$9.4 billion to further expand its renewable energy portfolio.

In terms of a dividend, Algonquin provides a juicy quarterly distribution, which works out to a 3.57% yield.

### Renewable #2: A diversified investment

**Innergex Renewable Energy** ([TSX:INE](#)) is another option for investors to consider. The company is well diversified, with assets located across Canada, the U.S., France, and Chile. In total, Innergex's facilities boast a generating capacity of 3.69 GW, encompassing solar, wind, and hydro elements.

Innergex' portfolio currently consists of 75 facilities, and the company has 10 other development initiatives in various states of development. In other words, despite already boasting a large international presence that generates a recurring revenue stream, Innergex continues to expand.

Turning to dividends, Innergex offers investors a quarterly distribution, with a yield of 2.29%.

## Renewable #3: A solid income earner

Renewable energy stocks are well-known for providing a handsome income to investors. This is primarily due to the regulated utility business model that renewable stocks adhere to. Interestingly, **TransAlta Renewables** ([TSX:RNW](#)) represents an intriguing break from that norm.

TransAlta boasts a sprawling portfolio of over 40 power-generation facilities located across Canada, the U.S., and Australia. Collectively, those facilities generate 2.5 GW of capacity.

So how does TransAlta differ from its peers? The company provides investors with an appetizing monthly dividend in lieu of the more common quarterly distribution. The current dividend works out to a respectable 4.19% yield, making TransAlta one of the better-paying options on the market.

If that wasn't reason enough to consider TransAlta, here are a few more. Prospective investors should note the annual 4% dividend hike the company has provided to investors every year since 2013.

## Should you buy?

No stock is without risk, including renewable energy stocks such as the three outlined above. That said, all of the stocks have a clear path to growth and offer a [secure and growing dividend](#).

In my opinion, every well-diversified portfolio should have one or more renewable energy stocks.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. TSX:AQN (Algonquin Power & Utilities Corp.)
3. TSX:INE (Innergex Renewable Energy)
4. TSX:RNW (TransAlta Renewables)

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dafxentiou

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