



2 of the Best Canadian Renewable Energy Stocks I'd Buy for Under \$100

Description

Renewable energy is becoming increasingly important, and its demand could continue to rise at a decent pace over the next decade. As the world is shifting towards renewable energy sources, it's prudent to allocate a portion of your long-term portfolio into stocks operating in the green energy space.

Notably, the renewable power producers benefit from contractual arrangements, which help them deliver predictable cash flows and support their dividend payouts. While investors could expect to generate strong capital gains in the long-term, the periodic dividend payments are likely to boost their overall returns.

With that in the background, we'll focus on two renewable energy stocks listed on the TSX that are expected to deliver stellar returns in the coming years on the back of capacity expansion and growing demand. Moreover, these stocks are trading below \$100.

Brookfield Renewable Partners

With total power assets of about \$57 billion, its presence in 15 countries, and more than 19,400 megawatts (MW) of capacity, **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)) is among the [top renewable energy stocks](#) you can consider buying right now.

It has consistently delivered impressive returns and made its shareholders rich. Over the past two decades, Brookfield Renewable Partners has delivered an average annualized return of about 20%, which handily exceeds the returns from the broader markets.

The company's diversified and high-quality asset base, large scale, and long-term power-purchase agreements make it immune to the economic cycles and drive its shareholders' returns. The majority of its power production is contracted with an average remaining life of 14 years. Further, it is expected to benefit from higher realized prices, thanks to the inflation escalation and commercial contracting measures.

Brookfield Renewable Partners has grown its dividends at a compound annual growth rate (CAGR) of 6% since 1999. Further, it is targeting 5-9% growth in its annual dividends in the long term. Brookfield

Renewable Partners's growing capacity, strategic acquisitions, solid balance sheet, and strong developmental pipeline position it well to deliver impressive returns in the long run. Currently, its stock offers a decent yield of about 2.7%.

Northland Power

Northland Power ([TSX:NPI](#)) is another top bet in the renewable energy space. It has consistently delivered strong returns over the past several years, reflecting its growing asset base and increased capacity. In the past five years, Northland Power has delivered average annualized total shareholders returns of about 24%, which is impressive. Meanwhile, with increased demand, investments in new projects, and opportunistic acquisitions, Northland Power could continue to boost its shareholders' returns.

Its net capacity has grown at a CAGR of 10% since 2014. Further, its adjusted EBITDA and free cash flow per share have increased at a CAGR of 21% and 9% during the same period.

Northland Power expects to invest \$15 to \$20 billion into new renewable projects over the next five years, which could double its [adjusted EBITDA](#) from the current levels and support the uptrend in its stock.

Its diversified and contracted assets, accretive acquisitions, continued capital investments, and geographic expansion augurs well for growth. Also, it has consistently paid dividends in the past 22 years and currently offers a yield of over 2.4%.

CATEGORY

1. Coronavirus
2. Dividend Stocks

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
3. TSX:NPI (Northland Power Inc.)

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