



4 Top Green Energy Stocks to Buy Right Now

Description

Amid the rising concerns over high pollution levels, governments worldwide focus on shifting towards renewable energy sources to meet their energy requirements. Meanwhile, Frost & Sullivan estimates that global investments in renewable energy could reach \$3.4 trillion by 2030. So, given the sector's high-growth prospects, here are the four stocks that you can buy right now for superior returns.

Boralex

Over the last three years, **Boralex** ([TSX:BLX](#)) had delivered an impressive 101% returns at a CAGR of 26.2%. However, amid the selloff in green energy stocks this year, the company is trading over 20% lower, providing an excellent entry point for investors, given its appetite for accretive acquisitions and growth initiatives.

Last month, the company had [acquired a controlling interest](#) in a portfolio of seven solar plants in the United States for \$277 million. In December, the company had closed the acquisition of a 49% stake in CDPQ, which operated three wind farms in Quebec. Meanwhile, the company also has 2.5 gigawatts of projects in its pipeline. So, the company's growth prospects look healthy. Further, the company also pays quarterly dividends of \$0.165, representing a dividend yield of 1.7%.

TransAlta Renewables

TransAlta Renewables ([TSX:RNW](#)) currently owns and operates 44 power-producing facilities, with a capacity to produce 2.5 gigawatts of power. Despite the pandemic, the company's power production increased by 19% in 2020, while its adjusted EBITDA and adjusted funds from operations increased by 5% and 3%, respectively. The company sells most of its energy through long-term contracts, which provides stability to its earnings and cash flows.

Further, the company is looking to expand its footprint in Canada, Australia, and the United States. In December, the company had signed an agreement to acquire three assets in the United States, increasing its power production capacity by 303 megawatts. It is also evaluating around 2.9 gigawatts

of projects. The company also pays monthly dividends, with its dividend yield currently standing at 4.8%. So, I believe [TransAlta Renewables is an excellent buy right now.](#)

Northland Power

Boosted by its strong fundamentals, **Northland Power** ([TSX:NPI](#)) has returned close to 110% over the last five years at a CAGR of 15.9%. The expansion of its power production capacity has driven its financials, boosting its stock price. Meanwhile, the uptrend could continue, given the company's high growth prospects.

The company's management has planned to invest \$15-\$20 billion over the next five years and has plans to double its power-generating capacity by 2030. Further, the company sells its power through long-term contracts, which shields its financials from price and volume fluctuations. The company also pays monthly dividends of \$0.1 per share, with its forward dividend yield standing at 2.7%.

Algonquin Power & Utilities

My final pick would be **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)), which has around 30% of its business involved in power production from renewable resources. Meanwhile, the remaining 70% of its business includes providing utility services to around one million customers. Its regulated utility business protects the company from downside risks, while its power production business offers high growth prospects.

Meanwhile, Algonquin Power & Utilities has planned to invest around \$9.4 billion over the next five years, including \$3.1 billion on renewable assets and \$6.3 billion on utility assets. Supported by these investments, the company's adjusted EPS could increase at a rate of 8-10% during this period.

Meanwhile, the deep-freeze has disrupted power production in some of its facilities in Texas, which has weighed on its stock price. However, its long-term growth prospects remain intact. So, I believe investors should utilize this correction to accumulate the stock for higher returns.

CATEGORY

1. Energy Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. TSX:AQN (Algonquin Power & Utilities Corp.)
3. TSX:BLX (Boralex Inc.)
4. TSX:NPI (Northland Power Inc.)
5. TSX:RNW (TransAlta Renewables)

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