



3 Renewable Energy Stocks to Buy Now

Description

Renewable energy stocks are some of the best long-term investments to add to your portfolio. There are many reasons for that view. Specifically, a stable revenue stream, handsome dividend, and some serious growth potential come to mind. Additionally, the growing importance of renewable energy as a replacement for fossil fuel burning utilities presents a unique opportunity unlike any other.

So where should prospective investors begin? Fortunately, the market gives us plenty of opportunities. Here are several renewable energy investments that are suitable for nearly any portfolio.

Renewable energy stocks can offer a juicy monthly yield

One of the primary reasons why investors flock to utility stocks is for the dividend that they offer. Those dividends are covered by some of the most defensive investments on the market. **TransAlta Renewables** ([TSX:RNW](#)) checks off all the boxes as a stable renewable energy investment, along with something extra.

That something extra comes in the form of its dividend. Specifically, TransAlta Renewables offers investors a monthly distribution. The current yield works out to a juicy 4.63% yield, making it one of the better-paying returns on the market.

If that wasn't enough, TransAlta also offers a diversified portfolio that includes 47 facilities located across Canada, the U.S., and Australia. That portfolio will continue to grow as TransAlta develops and expands its already impressive network. The company already has 1 GW of wind projects currently in development. Those projects will add to TransAlta's impressive portfolio, which saw five wind farms come online over the past few years.

A well-diversified renewable energy gem

Speaking of diversified investments, **Innergex Renewable Energy** ([TSX:INE](#)) is another great option to consider. Innergex boasts a portfolio of clean energy facilities that are located across Canada, the

U.S., France, and Chile. In total, Innergex has 76 operating facilities within those regions and another 9 in development. In short, Innergex is a well-diversified pick that has taken an aggressive approach to expansion.

Innergex's impressive portfolio of facilities includes solar, hydro, and wind elements. In total, those facilities provide a gross installed capacity of 3,701 MW, which is enough to power over a million homes.

In terms of a dividend, Innergex provides investors with a quarterly payout that carries a yield of 3.32%. Like much of the market, Innergex dropped sharply at the onset of the pandemic. Fortunately, the stock has managed to recover from that drop. Over a longer two-year period, the stock is up a whopping 58%.

Setup for green, clean, growth

Algonquin Power & Utilities ([TSX:AQN](#))([NYSE:AQN](#)) is an interesting pick for income and growth-seeking investors alike. The company boasts an all-renewable portfolio, with facilities located predominately in the U.S. That market presence could see considerable growth in the next few years, particularly as investments in green energy continue to ramp up.

Algonquin has taken an aggressive stance to expansion, which is a welcome change from the stereotype most utilities adhere to. This means that investors can expect years of solid growth. Fortunately, existing Algonquin investors are already enjoying those gains. The stock has soared over 80% in the past five-year period.

In terms of a dividend, Algonquin offers a quarterly payout that works out to a respectable 3.92% yield. Equally impressive is the fact that Algonquin has already provided a decade of [consecutive annual double-digit bumps](#) to that dividend. This factor alone makes Algonquin one of the best renewable energy stocks to own.

Final thoughts

No investment is without risk. That being said, the three renewable energy stocks noted above all offer significant growth and income-earning potential. In other words, any of these stocks could be a welcome addition to any [well-diversified portfolio](#).

CATEGORY

1. Investing

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

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