



3 Top Renewable Energy Stocks to Buy Right Now

Description

Renewable energy stocks continue to deliver stellar returns, thanks to the growing adoption and rising demand. I see tremendous opportunity in renewable energy stocks, as secular industry trends, favourable policies, significant capital investments, and focus on decarbonization globally presents a solid underpinning for growth.

Besides stock price appreciation, renewable energy companies pay [solid dividends](#), thanks to their ability to generate predictable cash flows. So, if you plan to buy top renewable energy stocks, consider investing in these three Canadian gems.

Brookfield Renewable Partners

Speaking of pure-play renewable energy stocks, [consider buying](#) the shares of **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)). With over 19,000 megawatts of generating capacity and 23,000 megawatts development pipeline, Brookfield Renewable Partners owns diversified renewable energy assets. Further, the company generates resilient cash flows and has creditworthy counterparties.

Notably, the power producer's business is backed by long-term contracts, with a weighted average remaining contract life of 14 years. Thanks to the long-term power-purchase agreements and inflation indexation, Brookfield Renewable Partners remains immune to the volatility in demand and prices.

With its growing scale and operating expertise, Brookfield Renewable Partners remains well positioned to capitalize on the favourable industry trends. Brookfield Renewable Partners's dividends have grown at a CAGR (compound annual growth rate) of about 6% since 2000, and the company targets 5-9% growth in it annually in the coming years. Brookfield Renewable Partners stock has surged over 190% in three years, while it offers a decent yield of 2.9%.

Northland Power

Northland Power ([TSX:NPI](#)) is another top clean energy stock that should be on your radar. Thanks to its growing asset base and strategic acquisitions, the company has consistently delivered strong returns, and I expect the momentum to sustain in the coming quarters.

Notably, Northland Power's net capacity has increased by a CAGR of 10% since 2014. Meanwhile, its adjusted EBITDA and free cash flows have grown at a CAGR of 21% and 9% during the same period. Northland Power's competitive positioning and diversified assets position it well to benefit from the continued transition towards renewable energy sources. Further, its strong capital investments, geographic expansion, and opportunistic acquisitions could bolster its growth.

Thanks to its high-quality earnings base, the company has consistently paid dividends for more than two decades and currently yields about 2.8%.

Innergex Renewables Energy

Innergex Renewables Energy ([TSX:INE](#)) is another top bet in the renewable energy space. Its geographically diversified portfolio and high-quality assets across the wind, hydro, and solar energy space position it well to gain from secular industry trends.

While Innergex is relatively a smaller player, its young asset base (weighted average age of 8.1 years) and long-term agreements indicate that the company could consistently deliver solid returns for its shareholders. Innergex has a gross installed capacity of 3,694 megawatts and has 75 operating facilities. Meanwhile, its power-purchase agreements have a remaining term of 14.2 years.

I believe Innergex's long average contract duration, strong developmental pipeline, and strategic acquisitions are likely to drive its financials and, in turn, its stock in the coming years. Meanwhile, its strong balance sheet and stable free cash flows suggest that it could continue to boost its shareholders' returns through regular dividend payments. Innergex currently yields over 3.2%.

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

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