



## 1 Top Renewables Play to Buy This Summer

### Description

Renewables are in and fossil fuels are out. At least, that seems to be the message investors are sending in financial markets today.

The rise of ESG investing a few years back was once viewed as a fringe movement in Canada. Indeed, big oil interests domestically make it so, particularly in Western Canada.

However, there's no denying the movement that's underway. It's for our own benefit. And companies like **Northland Power** ([TSX:NPI](#)) are making the [future](#) a reality for all of us.

Here's why this secular catalyst shouldn't be overlooked — and why Northland Power remains a top-notch pick for all long-term investors today.

### Wind in Northland's favour

Northland Power is one of the leaders in offshore wind development. The company's projects provide much-needed clean energy to key markets globally. The company's recent massive investments in a 540MW wind and solar project in Spain speaks to this.

Indeed, Northland's high-quality assets and strong market share in its core markets provide a tonne of value to investors. And the company's share price over the past five years attests to this.

However, of late, Northland stock has underperformed. Since the beginning of the year, Northland Power has dropped more than 20% from its peak. Along with other clean energy stocks, a selloff in this sector has kept some investors on the sidelines.

However, I think the wind is at Northland's back right now. This dip should be viewed as a buying opportunity.

Why?

Well, there's about to be a massive surge in energy demand coming our way. The rise of electric vehicles and a transforming power grid require higher electricity output. With coal and natural gas power plants closing, renewables plays like Northland will need to fill the gap. More demand and supply shortages mean better operating fundamentals and margins over the long term. For investors in Northland, these catalysts need to be priced into investor models.

## Bottom line

Northland's diversified portfolio of renewables and natural gas operations provides great growth potential over the short-, medium-, and long term. Indeed, Northland intends to provide the power needed to transition the world to a fully renewable future. That's a great thing for long-term investors.

I think the company's massive investments of late are well-timed. Additionally, the company's future fundamentals and growth prospects remain undervalued. For these reasons and more, investors should consider Northland Power as a top idea today. At this discount, this stock is too cheap to ignore.

### CATEGORY

1. Energy Stocks
2. Investing

### POST TAG

1. growth
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3. investing
4. market
5. Stocks

### TICKERS GLOBAL

1. TSX:NPI (Northland Power Inc.)

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