



## A Recent 25-Year Contract for Renewable Energy Could Power This Top TSX ESG Play Higher

### Description

With [ESG mandates](#) increasingly being implemented among many institutional investors, renewable energy is no more a choice. Rather, ESG-friendly stocks are becoming a necessity for many investors.

As it turns out, green investing isn't only great for the environment. It's also great for investors' pocketbooks. Accordingly, let's take a look at why **Northland Power** ([TSX:NPI](#)) is a great way to ride this [green wave](#).

### Big long-term contract bullish for this top TSX ESG play

Northland has procured a 25-year contract from Poland's Energy Regulatory Office by the Baltic shore. This project is likely to improve visibility to the company's longer-term goal to double adjusted EBITDA by 2030. Additionally, this ESG contract provides the kind of stability long-term investors want in such plays. Institutional investors want cash flow stability. And this contract provides said stability in spades.

Indeed, this contract has further strengthened the future prospectus of Northland Power for its investors. This deal will boost the earnings potential of Northland to a great extent. Analysts and investors alike are now considering the stock to be a long-term gold mine. I have to agree.

The average analyst consensus on Northland Power continues to increase along with its stock price. Indeed, various analyst price target hikes of late speak to the benefits this long-term player provides, given its recent contract win.

### Overall business model remains strong

There is no denying the fact that Northland is one of the strongest players when it comes to offshore wind development. Northland has global market share and is making the most out of it. With the company set to build a solar and wind project generating 540 MW of power in Spain, diversified growth is another reason investors like this stock. As demand for clean energy rises, Northland Power is

looking at multiple ways of meeting this demand. Indeed, investors like this strategic focus.

Northland has seen a dip in its stock price of late. While some have noted valuations have gotten steep in this sector, I view this dip as a buying opportunity. Supply and demand fundamentals remain strong in the renewables space. And Northland's ability to lock in its production at long-term rates is bullish for conservative investors.

## Bottom line

This recent 25-year production deal positions Northland as a top renewables play for long-term investors. The cash flow stability this ESG play provides relative to the market is impressive. And I think Northland's ability to hike its dividend over time provides attractive long-term upside.

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### TICKERS GLOBAL

1. TSX:NPI (Northland Power Inc.)

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## Date

2025/08/14

## Date Created

2021/06/26

## Author

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