



3 Canadian Renewable Stocks to Buy Amid Rising Global Warming Concerns

Description

The global warming concerns are real, and they're growing at a much faster rate in recent years than in the past. A recent report [released](#) by the United Nation's intergovernmental panel on climate change suggests that the global warming "...alarm bells are deafening, and the evidence is irrefutable." The report blames the factors like deforestation and fossil fuel burning for "...putting billions of people at immediate risk."

Why invest in renewable energy stocks

In the last few years, many similar studies have pointed to the disastrous impact of global warming on human life and our planet. These concerns have forced several large countries to speed up their transition to renewable energy.

I expect more countries to join these efforts by formulating favourable policies to encourage clean energy in the next few years. Such policies would create a much-needed favourable growth environment for businesses focusing on renewable energy production. That's why it could be the right time for long-term investors to add some [fundamentally strong](#) renewable stocks to their portfolios.

Let's take a closer look at three such renewable energy stocks that could yield outstanding returns in the coming years.

Northland Power stock

Northland Power ([TSX:NPI](#)) is a Toronto-based power company that primarily focuses on renewable energy production. The company drives most of its revenue from its offshore wind projects as it accounted for nearly 57% of its total revenue in 2020.

Apart from focusing on its offshore wind segment growth, Northland Power is also trying to expand its presence in onshore renewables. That's one of the reasons why the company decided to enter the Spanish renewable market earlier this year by acquiring a portfolio of operating onshore renewable

assets. Moreover, Northland Power's stable profitability and strong free cash flow make this Canadian renewable energy stock worth buying right now.

Brookfield Renewable Partners stock

Brookfield Renewable Partners ([TSX:BEP.UN](#))([NYSE:BEP](#)) could be an attractive investment option for investors looking to bet on the upcoming renewable trends. Currently, the renewable energy assets owner has a market cap of \$13.4 billion as its **TSX** listed stock trades at \$48.70 per share at writing.

Last week, Brookfield Renewable announced its Q2 results as its revenue grew by a solid 57% on a year-over-year basis to US\$1 billion — beating analysts' estimates. After rising by 192% in the last couple of years, its stock has fallen by about 11% in 2021. Nonetheless, Brookfield Renewable Partners' strong balance sheet, consistently extending contract profile, and business scale could drive a sharp recovery in its stock in the coming quarters.

TransAlta Renewables stock

TransAlta Renewables ([TSX:RNW](#)) is a Calgary-based firm that focuses on power generation using its renewable and natural gas assets. Its revenue growth trend has consistently been improving for the last four quarters in a row.

At the end of the March quarter, TransAlta was Canada's largest wind power generator and owned one of the largest wind energy generation portfolios in North America. In July 2021, **TransAlta Corporation's** ([TSX:TA](#))([NYSE:TAC](#)) Australian subsidiary signed a contract to build, own, and operate a large solar power project.

The step is likely to help TransAlta Renewables and its majority shareholder TransAlta Corporation expand business presence outside their home market and grow faster. Apart from its strong business growth outlook, TransAlta Renewable stock also has an attractive dividend yield of about 4.2% right now.

CATEGORY

1. Energy Stocks
2. Investing
3. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:TAC (TransAlta Corporation)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
4. TSX:NPI (Northland Power Inc.)
5. TSX:RNW (TransAlta Renewables)
6. TSX:TA (TransAlta Corporation)

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