



Renewable Energy Options for Every Portfolio

Description

Are you invested in renewable energy? On a global scale, the importance of renewable energy continues to increase. This presents an [opportunity for investors](#) to not only help the planet but also invest in what will be superb long-term growth. Here are some renewable energy options to consider buying.

A well-diversified pick with massive long-term potential

There are a few good reasons why **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) continues to attract attention among investors. First, Algonquin has rewarded investors with healthy annual dividend hikes for over a decade. Those bumps have helped push the compound annual growth rate (CAGR) to over 10% during that period.

Algonquin's quarterly dividend works out to an impressive 4.35% yield. To put that earnings context into perspective, a \$30,000 investment in Algonquin will provide an income of \$1,305 in the first year alone. As if that weren't enough, Algonquin has provided investors with over a decade of double-digit growth.

In other words, expect that income to grow further.

Apart from that juicy dividend, Algonquin's portfolio of all-renewable facilities will continue to fuel investor growth needs for decades. Algonquin's boasts a portfolio of well-diversified across the U.S., Canada, Chile, and the Caribbean. Adding to that appeal is the stable and recurring revenue stream that comes thanks to the reliable utility business model that Algonquin adheres to.

In terms of results, in the most recent quarter, Algonquin reported revenue of US\$527.5 million, reflecting an increase of 54% over the same period last year. Adjusted net earnings for the period came in at US\$91.7 million, reflecting an incredible 93% increase over last year.

Collectively, these factors make Algonquin one of several great renewable energy options to consider for just about any portfolio.

How about a renewable stock with a monthly payout?

TransAlta Renewables ([TSX:RNW](#)) is another long-time favourite for investors looking for viable renewable energy options. TransAlta boasts a growing portfolio of facilities located across the U.S., Canada, and Australia. The facilities comprise a variety of different renewable technologies, such as wind, solar, hydro, and gas.

Like Algonquin, TransAlta benefits from that same stable and recurring utility business model. Keep in mind that those renewable facilities are bound by long-term contracts, which in the case of TransAlta span a decade or more in duration.

That stable revenue stream allows TransAlta to provide investors with a juicy monthly dividend. That payout currently works out to a yield of 4.74%. Considering that same \$30,000 investment, TransAlta will provide just over \$118 every month. Reinvesting those dividends until needed can provide a significant boost to those investors with longer timelines.

Bonus: Why you should buy these renewable energy options NOW

Renewable energy options such as the stocks noted above are [great long-term options](#) for nearly any portfolio. Apart from the stability and growing [dividends](#) that they offer, there's one final reason why it makes sense to turn to renewables.

The importance of renewable energy stocks continues to grow. As more governments embrace the need to transition to renewables, the opportunities for renewable energy stocks continue to grow. This is evident in the aggressive stance towards production that both TransAlta and Algonquin are making.

Further to this, the growing need to transition over to renewables is leaving traditional fossil fuel utilities stuck with massive transitional capital costs. This puts renewable energy options such as Algonquin and TransAlta at a significant advantage over the long term.

In other words, buy them, hold them, and watch them (and your income stream) grow.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. TSX:AQN (Algonquin Power & Utilities Corp.)
3. TSX:RNW (TransAlta Renewables)

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Date

2025/07/21

Date Created

2021/09/18

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