2 Plunging Renewable Energy Stocks to Watch in November 2021

Description

While oil and gas will still be in demand, renewable energy is the resource of the now and the future. Renewable energy stocks have corrected from a high level earlier this year. Their almost identical paths diverge from that of the rising general market. It would be interesting to investigate the utility stocks in November. Here are two dividend stocks, in particular, you can focus your energy on (pun intended).

Total Return Level data by YCharts

A quality renewable energy stock: Brookfield Renewable

Brookfield Renewable Partners (TSX:BEP.UN)(NYSE:BEP) is one of the largest renewable power platforms available to investors. It consists of a diversified portfolio of hydro, wind, solar, storage, and distributed generation assets across four continents. The aggregate generation of its operating assets is about 20 gigawatts (GW).

The company highlighted in its recent presentation that more than US$100 trillion of investments is required to make the decarbonization transition over the next 30 years, which creates one of the greatest commercial opportunities. The renewable energy stock's global, diverse development pipeline is comprised of approximately 31 GW, which would more than double its current generating capacity.

BEP's capabilities across multiple technologies and global presence allow it to invest in the opportunities for the best risk-adjusted returns. Its cash flow is high quality and indexed to inflation with a long-weighted average remaining contract duration of approximately 14 years. Therefore, management is confident that it can continue increasing its cash distribution by 5-9% per year. Currently, the dividend stock provides an initial yield of about 3.2%.

Another global renewable energy stock: Northland Power

Like Brookfield Renewable, **Northland Power** (TSX:NPI) also operates globally with operating or developing assets in North America (Canada, the U.S., Mexico), South America (Colombia), Europe (Spain, Poland, offshore wind generation in North Sea), and Asia (Taiwan, Japan, and South Korea).

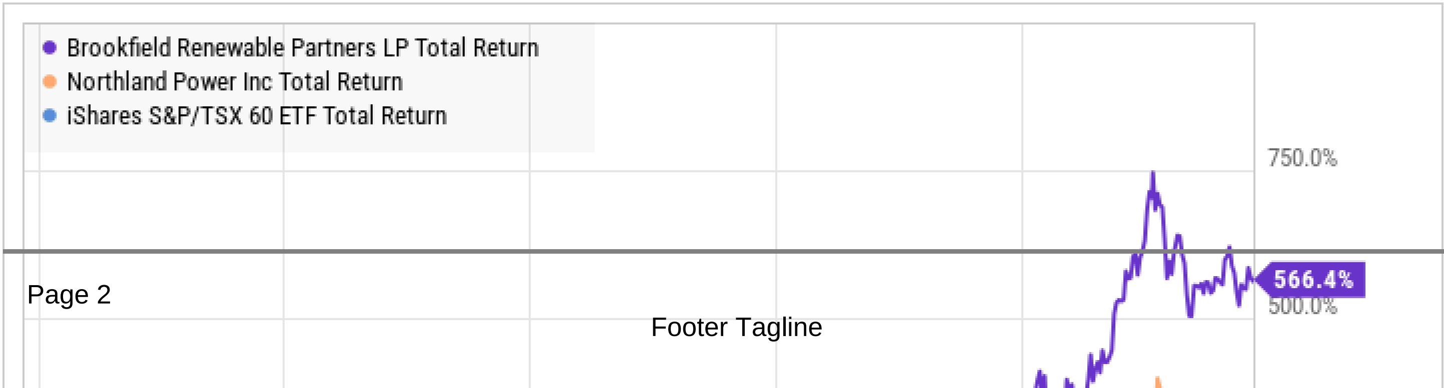
About 62% of the renewable energy stock's power generation is from wind (offshore and onshore generation), 30% is from natural gas, and the remainder is solar generation. Its gross generation totals approximately 3.2 GW. Management has identified four to five GW of development projects, which would more than double its current generating capacity.

Northland Power has planned projects through 2026. So, investors should be ready to stay in it for the long haul. While waiting for the renewable energy stock to grow, you can collect a safe 3% dividend yield.

Which dividend stock is the better buy in November 2021?

Between Northland Power and Brookfield Renewable, Brookfield Renewable's growth profile is a tad better with about 14% more growth. However, Northland Power is better valued. At the recent quotation, the renewable energy stock can deliver total returns of about 26% over the next 12 months versus Brookfield Renewables's total returns of roughly 17%, according to analyst consensus targets.

Because the renewable energy stocks appear to move in tandem, as shown in the graph at the start of the article, it might make sense to just buy one instead of both. Here's how the stocks have fared over the last decade with Brookfield Renewable taking the lead and both outperform the market benchmark.



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2. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
3. TSX:NPI (Northland Power Inc.)

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