



2 Renewable Energy Stocks to Own Today

Description

Would you consider your investment portfolio adequately diversified? Owning assets from various segments of the economy could be an ideal approach to building a balanced portfolio. [If you are just starting investing](#), you should know that a balanced portfolio gives you long-term growth opportunities while mitigating capital risk.

Every once in a while, one of the sectors of the economy boasts excellent long-term growth opportunities that you could leverage. The tech sector has been a high-growth sector for the last few years. Investors looking for longer-term growth might want to consider taking a closer look at the renewable energy industry.

Today, I will discuss two renewable energy stocks that you should consider adding to your portfolio if you are looking for [long-term growth](#).

TransAlta Renewables

TransAlta Renewables ([TSX:RNW](#)) is a Calgary-based \$4.94 billion market capitalization company operating in the renewable energy sector. The company owns and operates a growing portfolio of renewable power-generating facilities diversified across Canada, the U.S., and Australia. The company's assets boast a combined capacity of 2.8 GW of electricity.

TransAlta's portfolio includes over 40 facilities that include hydroelectric, wind power, and solar power-generating facilities. Most of these facilities have long-term contracts that bolster the company's revenue streams. With virtually guaranteed cash flows through its long-term contracts of at least a decade, TransAlta stock could be well positioned to provide you with significant long-term wealth growth.

At writing, TransAlta stock is trading for \$18.52 per share, and it boasts a juicy 5.08% dividend yield.

Algonquin Power & Utilities

Algonquin Power & Utilities ([TSX:AQN](#))([NYSE:AQN](#)) is another Canadian utility company. The \$11.87 billion market capitalization company is a regulated utility conglomerate and renewable energy business with assets in North America and the Caribbean. The company has grown rapidly over the last decade through strategic acquisitions and organic growth.

Algonquin Power boasts a portfolio of renewable power-generating facilities that collectively produce around four GW of electricity. It has earmarked several projects that could increase its capacity by 1.6 GW in the next four years. It means that investors can expect its revenues to increase considerably in the coming years.

At writing, Algonquin stock is trading for \$17.56 per share, and it boasts a juicy 4.86% dividend yield.

Foolish takeaway

Tackling the climate change crisis is becoming increasingly crucial worldwide, and that presents a growing number of opportunities in the green energy industry. Utility businesses tend to be an excellent long-term investment due to the defensive business model these companies follow and the essential nature of their services.

Utility companies generate stable and recurring income that the businesses can use to comfortably fund [growing shareholder dividends](#), regardless of how the broader economy is performing at any given time. Renewable energy companies are rapidly taking over this space, presenting the prospect of greater long-term profit margins and greater growth.

Investing in TransAlta Renewables stock and Algonquin Power & Utilities stock could be a good way to capitalize on this trend.

CATEGORY

1. Energy Stocks
2. 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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