



3 of the Best Green Energy Stocks to Buy for 2022

Description

As 2022 rapidly approaches and investors are about to get a tonne of new room in investing accounts like the [TFSA](#), it's time to start thinking about where to put your capital. It was another highly eventful year in markets in 2021, dominated by events related to the pandemic. However, there were also a lot of other factors, and industries like green energy stocks which have been selling off, creating an excellent buying opportunity for 2022.

Green energy is always an excellent long-term investment. In addition to the fact that the evidence of the devastating effects of climate change is consistently increasing, green energy still only makes up a small percentage of total power generation.

Globally, renewable energy accounts for roughly 30% of total electricity generation. However, it only accounts for about 12% of total energy consumption. So while the industry has been booming lately, there is still a massive, decades-long runway for growth as we phase out fossil fuels over the years.

So after a year where many of these stocks underperformed, it's certainly one of the best industries to find stocks to buy for 2022. Therefore, if you're underweight in renewable energy or just want to take advantage of the cheap valuations, here are three of the best green energy stocks to buy for 2022.

Two of the best green energy stocks to buy for 2022

One of the top green energy stocks to buy and hold for 2022 and beyond has to be **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)), the massive \$12.5 billion stock.

Brookfield is an excellent investment for a few reasons. Its management team is well known to be some of the best in the business, and its sheer size gives it better access to global deal flow than almost any of its competitors. Plus, in addition to the long-term potential that it has, in the short-term, it trades considerably cheap.

Not only is Brookfield down about 15% year to date, but the **TSX Composite Index** has also earned a total return of more than 17% year to date, so it has severely underperformed. This underperformance

can't go on forever, though, especially with all the potential the industry has.

Another high-quality green energy stock that's a top candidate for the best buy of 2022 is **Northland Power** ([TSX:NPI](#)). Northland has been one of the fastest growing and top performers in the sector, and its focus on wind, especially offshore wind, has been a major reason why.

Throughout 2021, though, Northland has had an almost identical performance to Brookfield, down by roughly 16% so far year to date.

As the industry comes back into favour, though, Northland looks to be one of the best investments you can make, and analysts seem to agree. In addition to the fact that its [average target price](#) is almost 30% higher than its current trading price, the lowest estimate of all the analysts is still almost 20% above where Northland trades today.

So if you're looking for a high-quality green energy stock to buy for 2022, Northland and Brookfield are two of the best.

Cleantech stocks offer significant potential

As I mentioned off the top, green energy accounts for 29% of power generation, but only about 12% of total energy consumption, which also includes things like transportation and heating for our homes.

So while power generators are still excellent long-term investments, the best opportunities are with cleantech stocks which can help reduce emissions in other industries.

Greenlane Renewables ([TSX:GRN](#)) is one of the leading cleantech stocks to consider. The company sells biogas upgrading equipment that allows businesses like waste producers and utilities to trap gasses and remove impurities, separating carbon dioxide from the biomethane in order to create a valuable renewable resource such as renewable natural gas.

It's a leader in the space, with sales in 19 different countries and counting. Plus, it's the only cleantech company that offers the choice between three different technologies, a major advantage since every biogas project is different from the next.

The stock is down an incredible 50% so far year to date, despite it making several positive steps, including graduating to the TSX. So if you're looking for a high-potential green energy stock to buy for 2022, Greenlane is one of the best to consider.

CATEGORY

1. Investing
2. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
3. TSX:GRN (Greenlane Renewables Inc.)
4. TSX:NPI (Northland Power Inc.)

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