



Your 2022 Stock Wish List: Renewable Energy

Description

Renewable energy stocks are among the best long-term investments to [add to your portfolio](#). Between the growing concern over the environment, and the lucrative opportunity they hold, there's something for every investor. Here are some great renewable energy stocks to add to your 2022 stock wish list.

Renewable energy is here to stay, and that's a good thing

Renewable energy stocks are unique. They closely follow the business model that traditional fossil fuel utilities adhere to, just without the fossil fuels. This means that renewable energy facilities are bound to long-term regulatory contracts that can span decades.

This provides a stable and recurring stream of revenue for renewable energy providers. Even better, this eventually gets passed on in the form of a tasty dividend to investors. While this may seem like reason enough to consider investing, there's still more to love about renewable energy stocks.

Looking deeper at that lucrative business model, we can see a huge opportunity looming. The impact of climate change has become a pressing issue for governments around the globe. For traditional utilities, this means that they are left with immense capital transition costs. This can disrupt future growth prospects for traditional utilities, even slowing dividend growth.

Renewable energy stocks, however, can instead focus on investing in growth initiatives.

Good growth, great dividend

TransAlta Renewables ([TSX:RNW](#)) is a unique investment that should be on the radar of investors everywhere. TransAlta operates a renewable energy portfolio of facilities that are diversified in terms of geography and energy type.

The company boasts solar, wind, hydro, and gas facilities across the U.S., Canada, and Australia. In total, TransAlta's portfolio consists of over 40 facilities with a generation capacity that surpasses 2.5

GW.

The company also continues to pursue growth initiatives, such as the ongoing 207 MW Windrise project in Alberta.

Turning to dividends, TransAlta is unique among most of its peers. The company offers a juicy 4.98% yield, which, unlike most stocks, is paid out monthly.

Long-term growth and a growing international presence

Another great renewable energy stock to consider is **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)). Algonquin has an impressive portfolio of all-renewable facilities that are located primarily across Canada and the U.S. but also internationally. In total, the company boasts well over one million customer connections.

Needless to say, Algonquin's portfolio is huge. Between both its active and in-development facilities, the company boasts a generating capacity of nearly four GW.

In terms of dividends, Algonquin provides investors with a quarterly distribution that works out to an impressive yield of 4.61%. While that warrants inclusion into any 2022 stock wish list, I still haven't mentioned dividend growth. Algonquin has committed to increases to that dividend targeting 7-9% annually over the next five years.

Your 2022 stock wish list: Delivered

Both Algonquin and TransAlta are great long-term investments that can offer something for growth- and income-seeking investors. And due to the growing importance of renewable energy, they are investments that can remain part of your portfolio for a decade or longer with little risk.

In my opinion, one or [both investments](#) would be a great addition to any portfolio. Buy them, hold them, and let your portfolio grow.

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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