



3 Top Renewable Energy Stocks Ready to Rebound in 2022

Description

After a strong performance in 2020, the renewable energy sector largely disappointed [Canadian investors](#) in 2021. Many of the top renewable energy companies not only trailed the market's returns last year but traded at a loss.

I believe that the long-term tailwinds remain firmly intact for the renewable energy sector. Demand for green energy solutions has been rising steadily for a few years now, and I don't see that slowing down anytime soon.

As a long-term investor, those strong tailwinds are why I'm a huge bull on renewable energy stocks. And once you add in the discounted prices, now is a very opportunistic time to load up on shares of renewable energy stocks.

For anyone new to the sector, I've put together a list of three top Canadian players. Rather than owning just one, my goal is to build a basket of three to four renewable energy companies. I'm already a shareholder of one of these stocks, but I'll be looking to increase that number in early 2022.

Brookfield Renewable Partners

If you were to own just one renewable energy stock, my suggestion would be **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)). The \$12 billion company boasts an international presence that offers its global customers a range of different renewable energy solutions.

In addition to the company's leading market position, the stock's track record of [market-beating growth](#) is another reason I'm already a shareholder of Brookfield Renewable Partners.

Over the past five years, shares are up 100%. That's good enough for more than doubling the returns of the **S&P/TSX Composite Index**.

Similar to many of its peers, shares are trading at a rare discount right now. The renewable energy stock ended 2021 at a 20% loss and is now trading close to 30% below all-time highs. Investors won't

get many better buying opportunities than this one.

Northland Power

Anyone that's interested in Brookfield Renewable Partners should have **Northland Power** ([TSX:NPI](#)) on their radar, too.

With customers in North and South America, Europe, and Asia, Northland Power also has a well-diversified client base. At a market cap under \$10 billion, though, Northland Power is slightly smaller than Brookfield Renewable Partners.

Price is another area that the two companies differ from one another. Northland Power is trading at a much lower valuation today, which could lead to lower volatility in the near term.

Shares may be cheaper, but that also partially explains why the energy stock has not fared nearly as well as Brookfield Renewable Partners over the past five years. Northland Power is up 60% since the beginning of 2017.

Algonquin Power

Algonquin Power ([TSX:AQN](#))([NYSE:AQN](#)) differs significantly from the first two companies on this list. It's known primarily as a leading utility company, but it runs a division that generates and sells renewable energy.

Algonquin Power's [dividend](#) is another area where the company separates itself from Brookfield Renewable Partners and Northland Power. All three companies pay impressive dividends, but Algonquin Power, by far, yields the highest.

At today's stock price, Algonquin Power's annual dividend of \$0.85 per share yields above 4.5%.

For a utility stock, Algonquin Power has performed incredibly well for its shareholders. Excluding dividends, the stock is up a market-beating 60% over the past five years.

If you're trying to keep volatility to a minimum in your portfolio but are still looking to earn market-beating gains, Algonquin Power is the pick for you on this list.

CATEGORY

1. Energy Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
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3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
5. TSX:NPI (Northland Power Inc.)

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Date

2025/08/22

Date Created

2022/01/04

Author

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