



3 Renewable Energy Stocks to Buy in 2022

Description

Renewable energy is no longer a fad. It's not even a new trend. Wind energy has been mainstream for years, and it has already grown from its subsidy phase in most countries. The same will likely happen to other renewable energy sources, and as technologies like solar panels and batteries improve, the market penetration will as well.

While 2022 may not be the year the renewable energy stocks finally start a powerful bullish phase, if you invest in some good renewable stocks in the year (ideally, during a dip) and stick to them for long enough, you might be able to capture most of the upside this particular industry has to offer to stock investors.

A Quebec-based renewables company

Boralex ([TSX:BLX](#)) has been around for three decades, and in that time, the company has carved out a decent place for itself in the Canadian as well as some foreign renewable energy markets. The company focus on the big three renewables: wind, solar, hydro, as well as sources like organic waste and plant matter, etc.

The stock grew at a modest pace between 2012 and 2018, paused for a while, then grew in 2019 again. The post-pandemic growth of 148% in less than a year was far from the company's normal growth pace. So, it normalized by crashing down 39% so far, which is most likely to continue. However, the stock will probably hit rock bottom in 2022, and that would be the perfect time to buy. By then, the 1.9% yield will turn more attractive as well.

Another Quebec-based renewables company

Innergex ([TSX:INE](#)) is another Quebec-based company with a focus on renewables and a similar post-pandemic growth and fall pattern to Boralex. [The stock](#) rose about 87% after the market crash to the stock's peak valuation, which is quite a contrast from its usually stagnant condition. The fall was just as swift — about 43.5% down now and counting.

One main difference, however, is the dividend. The company is currently offering a juicy 3.9% yield, which might become juicier as the stock continues its downward motion. Buying at the maximum depth will help you lock in a great yield and also capture more upside from its eventual growth. So, wait for the perfect moment to buy during 2022.

A Calgary-based renewables company

TransAlta Renewables ([TSX:RNW](#)) offers a relatively newer company, but it has made great strides towards establishing itself as one of the big players in the Canadian renewable landscape. It has an impressive portfolio of assets, though dominated by two sources (wind and natural gas), which make up over 94% of its total energy production facility.

It has a [well-diversified presence](#), mostly in Canada, but it also has assets in the U.S. and Australia. Almost all the power it produces is contracted out, and the average weighted contract life is 12 years, which promises stable financials for over a decade. This is good news for investors who wish to buy this stock for its impressive 5% yield, which might become even more attractive as the current dip continues.

Foolish takeaway

Whether or not you focus on [ESG investing](#), these renewable stocks are worth considering in 2022. These are long-term bets that are highly likely to pay off big (in terms of capital appreciation), and until they do, you can take advantage of the decent dividend yields they are offering.

CATEGORY

1. Energy Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BLX (Boralex Inc.)
2. TSX:INE (Innergex Renewable Energy Inc.)
3. TSX:RNW (TransAlta Renewables)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media

6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. adamothonman
2. kduncombe

Category

1. Energy Stocks
2. Investing

Date

2025/07/21

Date Created

2022/01/06

Author

adamothonman

default watermark

default watermark