



Renewable Energy Stocks Are Top Investments to Buy Now

Description

With markets selling off, there's no question that now is the best time to buy high-quality Canadian stocks. The problem is, there is so much to consider today when deciding which stocks to buy it's easier said than done.

In this environment, many investors will want to find stocks that are defensive and reliable. In addition, you'll also want stocks that can continue to grow. However, with stocks so cheap, it's also crucial to take advantage of this environment.

So, if you're wondering where to invest your hard-earned capital today, one industry that has some of the best stocks to buy now is renewable energy.

Green energy stocks

The green energy industry is one of the best to find high-quality stocks to buy, because it has a tonne of [long-term](#) growth potential. Roughly 80% of the world's energy consumption still comes from fossil fuels.

And with climate change continuing to become more evident every year with major natural disasters, slowing down and reversing the effects of climate change is a top priority.

Therefore, these stocks operate in an industry with significant long-term growth potential. However, unlike many other high-potential long-term industries, though, renewable energy stocks are also highly defensive and underpinned by years-long contracts, making them ideal for this market environment.

There are several high-quality green energy stocks to consider for your portfolio today. However, two of the very best stocks to buy and hold for the long haul are **Northland Power** ([TSX:NPI](#)) and **Brookfield Renewable Partners** ([TSX:BEP.UN](#)).

Northland has been one of the best growth stocks in the industry and continues to have an attractive development pipeline. The company has over 2,500 megawatts of power-generating capacity in

operation and another 1,845 megawatts, or 71% of its existing capacity, either under construction or in advanced development.

Brookfield, however, is easily the largest renewable energy stock you can buy. It has assets on four different continents and has over 23 gigawatts of power-generating capacity from its hydro, wind and solar assets.

Brookfield is constantly looking to find new investments and can sell off mature assets to recycle the capital into new opportunities. Furthermore, because it has operations all over the world, not only does that help to diversify Brookfield's operations, but it also gives it more opportunities to find excellent deals.

Renewable energy stocks aren't dirt cheap, but you can still find bargains in the space

Because both Northland and Brookfield Renewable Partners are such excellent investments in addition to being so reliable, you almost certainly won't find them trading ultra-cheap. However, there are opportunities to buy these stocks at a discount, such as in today's environment.

Right now, Brookfield is trading almost 25% off its high. The stock has an enterprise value (EV) to earnings before interest, taxes, depreciation and amortization ([EBITDA](#)) ratio of just 16.5 times today, which is below its three-year average of 20.6 times.

Meanwhile, Northland is trading almost 19% off its high. In addition, the stock has a forward EV-to-EBITDA ratio of 11.5 times today. That's below its three-year average of 13.4 times.

Therefore, while these two top renewable energy stocks with highly defensive operations trade at attractive discounts, they are some of the best and most reliable long-term growth stocks to buy for your portfolio in this environment.

CATEGORY

1. Investing

TICKERS GLOBAL

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

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