



2 Energy Stocks You Can Buy Right Now to Play the EV Boom

Description

“Energy stock” is a funny term. Normally, when you think of an energy stock, you think of an oil and gas company. That is what many industry classification guides deem to be an energy company. But the truth is, technology stocks, utilities, and even asset management companies can be “energy stocks” if they’re involved in transmitting energy.

That brings me to the point of this article.

The rise of electric vehicles (EVs) isn’t necessarily bad for energy stocks. Many people think that it is, but it isn’t. If you define “energy” broadly to include solar, wind, and nuclear power, EVs might even help out the energy industry. In this article, I will explore two [renewable energy stocks](#) that profit from the EV trend instead of being hurt by it.

Canadian Solar

Canadian Solar ([NASDAQ:CSIQ](#)) is a Canadian renewable energy company that manufactures and sells solar panels. This isn’t just some small company helping people buy panels to put on their roof: it sells solar panels to utility companies, large offices buildings, and more. To be sure, CSIQ does sell solar panels to homeowners, but it’s so much more than the dime a dozen solar startups you’ve probably heard about. It’s a medium-sized company worth US\$2 billion that has relationships with big companies.

The solar industry benefits from the rise of EVs in many ways. First, solar panels are used to generate electricity, which is what EVs run on. Second, solar is a unique form of energy in that some people generate it themselves at home, and EV owners are [more likely than average](#) to be in that group. A study showed that 38% of North American EV owners also owned solar panels, and a further 10% planned on getting some soon. These figures are much higher than the population averages. So, the more people buy EVs, the more potential customers there are for CSIQ.

How is Canadian Solar doing as a business? Pretty good. In its most recent quarter, it did \$2.31 billion in revenue, up 31% year over year, and \$74.4 million in earnings, up 560% year over year. That’s

terrific growth. And if governments keep incentivizing their citizens to go green, then you can bet CSIQ will keep it up.

Brookfield Renewable Partners

Brookfield Renewable Partners ([TSX:BEP.UN](#)) is a Canadian fund of green energy investments. It owns a diversified portfolio of assets that you can buy on the stock market, just like an exchange-traded fund or a real estate investment trust.

BEP.UN owns a variety of “green energy” assets, the kinds that EV users to power up their cars. Examples include hydro power facilities, wind farms, and solar utilities. These are all “clean” energy sources that governments look kindly upon, which may give BEP an edge in an era of increasing climate change regulations.

How is BEP doing as a business? From the looks of it, pretty well. In its most recent quarter, BEP.UN reported \$294 million in funds from operations, up 10%, and \$1.27 billion in revenue, up 25%. That’s pretty strong growth, and Brookfield Renewable Partners is likely to get friendly treatment from the government going forward, as Canada has made climate change a priority. So, there is some tentative reason to believe that BEP.UN’s strong results will continue.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NASDAQ:CSIQ (Canadian Solar Inc.)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)

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