



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

Description

When you think of the term “energy stock,” you might think it automatically means oil and gas stock. It’s only natural to think of oil and gas companies, given the general association of the term with them.

However, there are several other types of businesses that can fall under the category of energy stocks so long as the underlying business deals with energy transmission. [Renewable energy stocks](#) also fall under this category due to the nature of their business.

Besides renewable energy, the electric vehicle (EV) industry is becoming increasingly popular. The rise of EVs bears good news for energy stocks, provided you look at energy stocks from a perspective inclusive of renewable energy companies. Today, I will discuss two renewable energy stocks you can consider adding to your portfolio if you want to invest in assets that can benefit from the EV boom.

Brookfield Renewable Partners

Brookfield Renewable Partners ([TSX:BEP.UN](#)) is a massive company falling under the umbrella of one of the world’s largest alternative investment management companies. Brookfield Renewables, in particular, as its name suggests, engages in owning and operating renewable power assets.

The \$10.88 billion market capitalization green energy business is playing a critical role in renewable energy’s popularity through its growing portfolio of clean energy facilities.

The latest pullback in the stock market has created an opportunity for investors to invest in the high-quality stock for a significant discount. As of this writing, Brookfield Renewable Partners stock trades for \$39.53 per share, down by 28.25% from its 52-week high and just above its 52-week low.

Its lower share price has also inflated its dividend yield to a juicier 4.24%, making it attractive from a passive-income perspective as well. As a business, it is well-capitalized, and the short-term challenges through market downturns might become irrelevant in the long run.

Algonquin Power & Utilities

Algonquin Power & Utilities ([TSX:AQN](#)) is a \$10.16 billion market capitalization Canadian regulated utility and renewable energy conglomerate headquartered in Oakville. The company owns and operates regulated utility and renewable energy assets across North America.

Utility companies are typically considered great [dividend stocks](#) due to their reliable business models virtually guaranteeing stable cash flows.

Utility stocks are also considered “boring” businesses, because they don’t offer rapid growth. However, Algonquin Power stock is uniquely positioned to offer the stability of regulated utilities and stellar long-term growth through its growing renewable energy business.

The company supplies electricity through a portfolio of wind, natural gas, hydro, and solar energy facilities. Its regulated business provides more stable cash flows, while its renewable energy segment offers long-term growth potential.

As of this writing, Algonquin stock trades for \$15.08 per share and boasts a juicy 6.52% dividend yield, owing to the broader pullback in the stock market inflating its shareholder dividend yield.

Foolish takeaway

Granted, the growing popularity of EVs might not directly benefit energy stocks, but there is reason enough to believe that the success of the two is related. The move to EVs aligns with the overall reason to phase out fossil fuel reliance: to work toward a greener future by reducing emissions and minimizing the carbon footprint.

Switching from combustion engine vehicles to EVs helps reduce emissions produced by vehicles. Increasing reliance on renewable energy for overall power requirements helps reduce emissions produced to deliver energy to homes.

Even if you are not inclined toward greener energy alternatives, investing in EVs, and renewable energy makes sense from an investment standpoint. The world is slowly shifting toward more environmentally friendly alternatives across the board.

As fossil fuel reliance is slowly phased out and greener alternatives become more popular, early investors can see significant long-term wealth growth, as these industries skyrocket in the coming years.

Brookfield Renewable Partners stock and Algonquin Power stock can be excellent additions to your self-directed portfolio for this purpose.

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1. Energy Stocks
2. Investing

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