



## 3 Renewable Energy Stocks You Should Be Buying Before 2022 Is Over

### Description

The International Energy Agency (IEA) expects record [growth](#) for renewables, as the pressure to reduce reliance on fossil fuel intensifies. Investors should also consider buying three TSX renewable energy stocks to help accelerate the transition to clean energy.

### Steady performer

Kingsey Falls-based **Boralex** ([TSX:BLX](#)) develops and acquires renewable energy production sites that deliver attractive, risk-adjusted returns on invested capital. Its stock is one of the [steadiest performers](#) in the utility sector. The total return in 3.01 years is 85.68%, representing a compound annual growth rate (CAGR) of 22.82%.

BLX is beating the broader market year to date at +12.36% versus -8.33%. At \$38.50 per share, the stock pays a modest 1.71%. The \$3.95 billion company operates in North America and Europe. In France, Boralex is the largest independent producer of onshore wind power.

In the first half of 2022, net earnings increased 153.6% year over year to \$71 million, while cash flow from operations rose 22.7% to \$222 million. Today's 2.5-GW (gigawatts) installed capacity is more than double compared to five years ago. Boralex is developing an additional portfolio of about four GW (wind and solar) and over 200 MW (megawatts) in storage projects.

### Well positioned for the long term

**TransAlta Renewables** ([TSX:RNW](#)) invests in highly contracted renewable and natural gas power-generation facilities and other infrastructure assets. In Canada, it's one of the largest generators of wind power. Its asset platform (wind, solar, gas, and hydro) consists of 50 facilities with a combined generating capacity of 2,996 MW.

The \$3.82 billion company operates in Canada, Australia, and the U.S., although it owns Canadian assets only. TransAlta receives cash distributions from its economic interests in the U.S. and

Australian assets. In the nine months ended September 30, 2022, net earnings dropped 64.9% year over year to \$34 million.

Its president Todd Stack attributed the \$20 million net loss in the third quarter to the temporary outage at Kent Hills and lower-than-expected wind resources. TransAlta is going without about \$3 million in revenue per month while the Kent Hills wind facilities aren't operating.

Nonetheless, TransAlta should deliver stable, consistent returns for investors when all assets are fully operational. If you invest today (\$13.90 per share), the dividend yield is a lucrative 6.56%.

## Key facilitator

**Brookfield Renewable Partners** ([TSX:BEP.UN](#)) is no longer in the red after three quarters this year. In the nine months that ended September 30, 2022, net income reached US\$78 million compared to the US\$99 million net loss a year ago. According to management, 2022 is a record year for growth.

The \$25.68 billion company secured opportunities and invested in utility-scale wind and solar, distributed generation, nuclear, battery storage, and transition assets. Connor Teskey, chief executive officer of Brookfield Renewable, said, "We continue to believe our clean energy platform and access to capital positions us as a key facilitator of the global transition to net zero."

This renewable energy stock trades at \$40.20 per share (-8.88% year to date) and pays an attractive 4.37% dividend.

## End of an era

The IEA sees renewables accounting for almost 95% of the increase in global power capacity through 2026. You can expect Boralex, TransAlta, and Brookfield Renewable to be at the forefront in ending the fossil fuel era.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
2. TSX:BLX (Boralex Inc.)
3. TSX:RNW (TransAlta Renewables)

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