2 Green Energy Stocks to Feel Good About Owning

Description

Humans have spent decades damaging the environment so extensively that we are at the point of no return. From here on, what we do to save the environment may decide the future of our species.

It's something most people understand, but even if they adopt good, environmentally conscious habits, the collective impact may still not be enough to reverse the course of the environmental disaster we are heading towards.

At least, that's what most people think, but there are actually a lot of impacts individuals can make through sustainable spending and investing choices. ESG investing can actually make publicly traded companies more transparent and diligent about their ESG practices. You can feel good by making a difference, and if you choose the right green stocks, it can also be a profitable endeavour.

Green energy can be a very potent environmentally conscious investment choice, and there are two stocks in this domain you should consider looking into.

A renewable power generation company

Northland Power (TSX:NPI) has been in the power and utility business since 1987 and is emerging as one of Canada's major green energy companies. Its primary focus is wind, which makes up about two-thirds of its gross power production.

Its solar portfolio is relatively minimal. The third source of power generation is "efficient natural gas," but the company is slowly weaning off it and growing its wind and solar portfolio.

NPI stock is a great investment for an environmentally conscious investor, especially if your primary goal is to divert your capital toward companies that focus on green power. However, it's also a good pick from a growth and dividend perspective.

The stock rose about 90% in the six years preceding the 2020 crash. Yet, even though the post-pandemic growth was substantial, the correction phase the stock is going through right now has eroded about a third of it away.

It's also a healthy pick for dividends, especially in its current discounted state when it's offering a yield of about 3.5%. The monthly dividends are financially sustainable, with a payout ratio of about 43%.

A renewable asset management company

Brookfield Renewable Partners (TSX:BEP.UN) owns roughly $70 billion worth of renewable assets around the globe (four continents and 20 countries). Most of the assets are concentrated in North America, but it has also penetrated South American and European markets and has a presence in the Asia-Pacific market as well.

This green energy company is different from NPI in more ways than one, including the primary renewables focus. The largest segment of Brookfield Renewable's portfolio is solar instead of wind. It has 55,000 MW of power generation capacity from solar, 25,300 MW of wind, and 10,000 in hydropower capacity. It's also one of the large-cap stocks in Canada, unlike mid-cap NPI.

As a stock, it's a powerful pick for growth. Despite currently trading at a 41% discount, the overall returns for a decade stand at around 130%. The discount has beefed up the other aspect of its return potential, dividend yield, which is currently at 4.7%.

Foolish takeaway

The two renewable energy stocks offer a good mix of dividends and growth potential. The yields are quite attractive right now because both stocks are discounted. Considering their utility business front, they are also reliable long-term holdings.

CATEGORY

1. Energy Stocks
2. Investing

TICKERS GLOBAL

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

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. adamothman
2. cleona

Category

1. Energy Stocks
2. Investing

Date
2025/08/11
Date Created
2023/02/13
Author
adamothman