

5 Top Green Energy Stocks To Look Out for in 2023

If you're ready to make new investments and tap into the world of green energy, some outstanding stock and ETF options might be the right fit for your portfolio.

Keep reading to learn about green energy, its growth in the last year and the top stocks to look out for in 2023.

The 5 top green energy stocks to look out for in 2023 are:

1. Brookfield Renewable Partners (NYSE:BEP).
2. NextEra Energy (NYSE:NEE).
3. Algonquin Power & Utilities (NYSE:AQN).
4. Enphase Energy (NYSE:ENPH).
5. Bloom Energy (NYSE:BE).

Keep reading to learn more about green energy and why you might want to invest. We'll also provide details on the top 5 choices for renewable energy stocks and the incentives for investing in them.

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What is green energy?

The country's electricity supply comprises three types of power: conventional power, renewable energy and green power. While they all work to supply power, they do not function similarly.

Conventional power

Conventional power is that which provides energy through the use of fossil fuels, including oil, natural gas and coal. These resources can only be accessed through drilling, extraction or mining.

All these processes are harmful to the environment because they emit greenhouse gasses that contribute significantly to air pollution and climate change. That's why a global energy transition seems to be taking place.

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Renewable energy

Renewable energy uses fuel sources that do not diminish because they restore themselves. Renewable energy sources include:

- Solar energy.
- Wind power.
- Marine energy.
- Hydrogen.
- Hydropower.
- Eligible biomass (organic plant and waste material).
- Geothermal sources (the earth's heat).

Renewable energy sources are certainly more beneficial than fossil fuel sources; however, it is not yet a perfect science. The hydroelectric sources used to produce renewable energy often negatively affect some environments, like fisheries and specific land use.

Green power

Green power is a term that is a part of renewable energy but takes it one step further. Green energy uses the same energy

sources as renewable energy to produce power. However, for a resource to qualify as green power, it must be power generated in a surplus.

This means that for something to be green power, it must exceed renewable energy's mandates and requirements. Green power helps to reduce energy production's carbon footprint and maintains a zero-emissions profile.

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Why consider investing in green energy

In 2015, the Paris Agreement was enacted by members of the United Nations. Although the United States dropped out of the agreement in 2020, the nation rejoined in 2022. The pact reflects countries' promise to reduce greenhouse gas emissions to combat climate change.

Every five years, nations must review and report their progress and practices. Because this agreement is legally binding, countries must take actionable and measurable steps toward lowering carbon emissions.

With the Paris Agreement in play and 73% of global greenhouse gasses coming from transport, industry and buildings, more and more companies are changing their operations policies and putting the environment at the forefront of their mission.

Right now, roughly 5% of global energy is produced using clean energy, but that percentage must achieve 60% by 2050 to reach the net zero goal. That goal is going to require investment – \$100 trillion, according to the International Renewable Energy Agency (IRENA).

Green energy has already become a more valuable investment, as

it has grown from under \$50 billion per year in 2004 to \$300 billion per year in 2018. If there was a time to follow the money, this could very well be it.

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5 top green energy stocks to look out for in 2023

1. Brookfield Renewable Partners (NYSE:BEP)

BEP is one of the world's biggest publicly traded, pure-play renewable power platforms. They also are a publically traded company with potentially high-yield dividend stocks.

- Focus: hydroelectric, wind, solar and storage facilities.
- Locations: North America, South America, Europe, Asia.

While Brookfield Renewable Partners L.P. has been trending downward 40% since its peak in January 2021, the stock is still predicted to rise. This is due to its new partnership with Cameco and its operating margin of 27% (70% better than its peers).

2. NextEra Energy (NYSE:NEE)

NEE, based in Florida, is the world's largest utility company, with a market value of \$152.37 billion.

- Focus: wind, solar power plants, storage, green hydrogen initiatives.
- Locations: United States.

While NextEra Energy's stock has also experienced flat trading in the last two years, experts think it might be traders

trying to establish a baseline before the predicted upswing in 2023.

The company is known to have a steady balance sheet, cash flow and disciplined managers, as well as a net margin of 19.3%, ranking it above 84% of its peers.

3. Algonquin Power & Utilities (NYSE:AQN)

AQN is a utility and renewable energy company with over \$16 billion in assets.

- Focus: renewable wind turbine power, hydro, thermal and solar power.
- Locations: North American, international.

Wall Street has turned on AQN recently; however, it still has enormous growth potential. While the stock currently sits 58% under its peak metric and the 9.4% dividend yield might be at risk, the stock price target of \$11.88 indicates a 55.5% upside potential.

4. Enphase Energy (NYSE:ENPH)

ENPH is an American technology company based in Fremont, California.

- Focus: solar micro-inverters (for solar panels), battery energy storage and (primarily residential) electric vehicle charging.
- Locations: United States.

While investors in Enphase Energy do ultimately benefit from rolling blackout situations, the dividends pay out. It outperforms 89% of its peers, having a 45% three-year revenue growth rate. In addition, the company has seen a return on equity of 60%.

5. Bloom Energy (NYSE:BE)

BE is a company headquartered in San Jose, California, that has transformed the electricity space with its solid oxide technology.

- Focus: converting natural gas, biogas or hydrogen into electricity without combustion, resulting in zero to low CO2 emission.
- Locations: United States.

Bloom Energy has given up 22% of its equity value and holds a market cap of \$3.4 billion. With these numbers, BE offers many areas of investing potential. Some experts note the company as undervalued, meaning that it may provide great dividends for someone who gets in while shares are more affordable.

For example, Bloom Energy's three-year cash flow growth rate is 79% higher than its peers at 37.7%.

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How you can get started with green energy stocks

If you're interested in investing with NASDAQ options in the energy sector, renewable energy provides many opportunities for the future.

A worldwide movement toward zero carbon emissions will take tremendous dedication from public and private companies to operate more intentionally and make changes that involve clean energy practices.

Although it holds much potential, the energy market, like anything else, can be unpredictable, so do thorough research and watch your clean energy stocks closely.

For more information on how to make headwinds with clean

***energy, critical elements of the stock market and more, visit
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