



3 Alternative Energy Stocks With Yields up to 6.1%

Description

Alternative energy stocks belong in every long-term investor's portfolio for two reasons. First, alternative energy is the fastest-growing segment of the energy industry. And second, renewable energy facilities provide stable, long-term cash flows for the companies that operate them, allowing them to return a significant amount of capital to their shareholders in the form of dividends.

With these two factors in mind, let's take a look at three alternative energy stocks with high and safe yields up to 6.1% that you could buy today.

1. Innergex Renewable Energy Inc.

Innergex Renewable Energy Inc. ([TSX:INE](#)) has ownership interests in 35 renewable energy facilities in Canada and the United States, consisting of 28 hydroelectric facilities, six wind farms, and one solar farm.

It currently pays a quarterly dividend of \$0.16 per share, or \$0.64 per share annually, which gives its stock a yield of about 4.95% at today's levels.

Investors must also note that Innergex has raised its annual dividend payment for two consecutive years, and its 3.2% hike in February has it on pace for 2016 to mark the third consecutive year with an increase.

2. Northland Power Inc.

Northland Power Inc. ([TSX:NPI](#)) has ownership interests in 24 renewable energy facilities in Canada, consisting of 13 solar farms, eight thermal facilities, and three wind farms, and it has one wind farm in Germany.

It currently pays a quarterly dividend of \$0.09 per share, or \$1.08 per share annually, which gives its stock a yield of about 5.3% at today's levels.

Investors should also note that Northland has maintained its current annual rate since 2009 and it has

paid out an annual dividend of at least \$1.08 per share since 2006, and I think its consistent free cash flow generation will allow it to continue to do so going forward.

3. Brookfield Renewable Energy Partners LP

Brookfield Renewable Energy Partners LP ([TSX:BEP.UN](#))([NYSE:BEP](#)) owns and operates 249 renewable energy facilities in North America, South America, and Europe, consisting of 207 hydroelectric facilities, 37 wind farms, three biomass facilities, and two natural gas-fired plants.

It currently pays a quarterly dividend of US\$0.445 per share, or US\$1.78 per share annually, which gives its stock a yield of about 6.1% at today's levels.

Investors must also make two notes.

First, Brookfield has raised its annual dividend payment for five consecutive years, and its 7.2% hike in February has it on pace for 2016 to mark the sixth consecutive year with an increase.

Second, the company has a dividend-payout target of 70% of its funds from operations and an annual dividend-growth target of 5-9%.

Which of these alternative energy stocks belongs in your portfolio?

Innergex Renewable Energy, Northland Power, and Brookfield Renewable Energy Partners are three of the best investment options in the alternative energy industry today. All Foolish investors should strongly consider making one of them a core holding.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
3. TSX:INE (Innergex Renewable Energy Inc.)
4. TSX:NPI (Northland Power Inc.)

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