



3 Dividend-Paying Stocks to Benefit From the Trend to Renewable Energy

Description

The move to renewable energy continues to gather momentum globally. China, the world's largest consumer of coal, doubled its wind and solar electricity targets at the end of last year.

Meanwhile, the Albertan government recently pledged to limit greenhouse gas emissions by phasing out coal-fired electricity by 2030.

Then there was the historic Paris climate change conference where 195 nations signed a legally binding accord to limit global warming to under 2°C. The accord also aims for the eventual elimination of fossil fuels from the global energy mix.

This has been a boon for companies focused on renewable energies and should propel their earnings higher as more governments focus on reducing greenhouse emissions and making electricity generation more sustainable.

Let's take a closer look at three companies that are poised to benefit from the secular trend to cleaner renewable sources of electricity generation.

Now what?

My first pick is electric utility **Northland Power Inc.** ([TSX:NPI](#)).

It operates a diversified portfolio of renewable energy assets, including a range of solar, wind, and thermal electricity-generating facilities in Canada as well as a wind farm in Germany.

Northland remains focused on taking advantage of the secular trend to renewable electricity generation with offshore wind projects under construction in the Netherlands and Germany. It also has a number of wind, hydro, and thermal projects under development in Canada. Upon completion, these projects will give its bottom line a healthy bump. While investors wait for this to occur, they'll be rewarded by its juicy 5% dividend yield.

My second choice is **Brookfield Renewable Energy Partners LP** ([TSX:BEP.UN](#))([NYSE:BEP](#)).

It operates a portfolio of renewable energy assets across North America, Latin America, and Europe. It has 10,400 megawatts of capacity and a focus on hydroelectricity generation.

Brookfield Renewable remains focused on expanding its portfolio through acquisitions and organic growth. Earlier this year, it was part of a consortium led by its parent **Brookfield Asset Management Inc.**, which acquired a controlling interest in Colombia's largest electricity generator, hydro company **Isagen S.A.**.

There is also its sustainable distribution, which has an impressive 6% yield that will reward investors as they wait for the secular trend to renewable energy to give its bottom line a healthy boost.

The final selection is **Silver Wheaton Corp.** (TSX:SLW)(NYSE:SLW).

It may appear a little strange to include a precious metals streamer alongside renewable energy companies, but silver is a core element used in the manufacture of the photovoltaic cells that make up solar panels. With a number of countries, such as China, Japan, and Germany, implementing ambitious targets for the proportion of their electricity to be generated by solar power, the demand for solar panels—and hence silver—will grow exponentially.

In order to meet China's solar target, an additional 468 million ounces of silver will be required by 2020, thereby sharply boosting demand for the white metal.

When the growing demand for silver is considered in conjunction with Silver Wheaton's low operating costs, it will experience a significant boost to its bottom line over the long term. While waiting for this to occur, investors will be rewarded by its sustainable dividend yielding 1%.

So what?

The secular trend to renewable energy continues to gain momentum, and it will be a powerful tailwind for companies focused on developing and operating renewable sources of energy as well as those that produce the materials they require. Each of these companies will benefit from this trend and, with their proven assets and operations, they are worthy additions to any portfolio.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

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

4. TSX:WPM (Wheaton Precious Metals Corp.)

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