



2 Renewable Energy Stocks for Your Portfolio

Description

Renewable energy is growing at an extremely fast pace. By some accounts, over 50% of new global power generation facilities were renewable in 2015.

This one statistic proves that the long-standing view that renewable energy is cost-prohibitive is false as more and more countries opt for renewable energy sources to power homes over fossil fuels.

Costs for solar and wind units in particular have fallen considerably in recent years. This has become a catalyst for consumers and investors to jump on board with renewable energy sources as viable alternatives to fossil fuels.

Another factor that has fueled the growth of renewable energy producers is the reduction in price of fossil fuels they intend to replace. Here's a look at some of the main players in the Canadian renewable energy market and what investors can expect from them.

Innergex Renewable Energy Inc.

Innergex Renewable Energy Inc. ([TSX:INE](#)) is not a new entrant to the renewable energy power-generator space. The company has been providing renewable energy for over 25 years.

Innergex's breakdown of power production is 70% hydro, 20% wind, and 10% solar. In terms of total output, the company produces 707 MW of power with a total of 34 facilities located in Canada and a further four sites and 186 MW under construction.

The company has ramped up production in recent years. Power generation has doubled in the past six years and additional increases in production are planned as new acquisitions and projects come online.

In terms of expansion, Innergex has four projects currently under construction that should be operational within the next two years. An additional 25% boost in capacity will be realized through those new projects. Innergex announced this week the completion of the acquisition of seven wind power projects in France with a total capacity of 87 MW.

Innergex currently trades at \$13.80, up nearly 22% year to date. Innergex has a quarterly dividend of \$0.16, giving the company a yield of 4.64%, making the company a great option for both dividend and growth seekers.

TransAlta Renewables Inc.

TransAlta Renewables Inc. ([TSX:RNW](#)) is a spin-off from **TransAlta Corporation**, which has a 64% stake in the Calgary-based renewable energy company.

TransAlta Renewables has 32 facilities scattered across Canada that produce 2,500 MW of power. The breakdown of production is 51% wind, 44% gas, and 5% wind. Despite only having 5% wind power, TransAlta Renewables is the largest wind power generator in the country and one of the largest producers of hydroelectricity in the U.S., Canada, and Australia.

TransAlta Renewables currently trades at \$12.29 and is up over 18% year to date. As impressive as the growth prospects are for the company, TransAlta Renewables also pays out a monthly dividend of \$0.07 resulting in a yield of 7.16%. The company has a history of raising the dividend for three consecutive years, and if current trends are to continue, the company will likely increase the dividend again.

Given TransAlta Renewables's current growth and dividend payouts, the company represents a great investment opportunity for those investors seeking long-term growth and dividend income.

CATEGORY

1. Energy Stocks
2. Investing

TICKERS GLOBAL

1. TSX:INE (Innergex Renewable Energy)
2. TSX:RNW (TransAlta Renewables)

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