



2 Energy Infrastructure Stocks to Buy Today

Description

Energy infrastructure stocks are considered to be some of the safest investments in the market today, because their assets, such as pipelines, oil and natural gas storage facilities, and power generation facilities, are vital components to the world's energy industry. With this in mind, I scoured the industry and selected two companies with great asset portfolios and high and safe dividend yields, so let's take a closer look at each to determine which would be the best fit for your portfolio.

1. TransCanada Corporation

TransCanada Corporation ([TSX:TRP](#))([NYSE:TRP](#)) is one of the largest owners and operators of energy infrastructure assets in North America. Its assets include over 67,000 kilometres of natural gas pipelines, over 4,000 kilometres of crude oil pipelines, natural gas storage facilities with approximately 368 billion cubic feet of capacity, and 20 power generation facilities, including hydropower facilities, nuclear power facilities, wind farms, and solar farms.

TransCanada currently pays a quarterly dividend of \$0.565 per share, or \$2.26 per share annually, which gives its stock a yield of approximately 4.5% at today's levels.

Investors must also make the following two notes.

First, TransCanada's 8.7% dividend hike in February has it on pace for fiscal 2016 to mark the 16th consecutive year in which it has raised its annual dividend payment.

Second, the company expects to grow its dividend by 8-10% annually through 2020, and I think its strong financial performance, including its 4% year-over-year increase in comparable distributable cash flow to \$5.00 per share in fiscal 2015, and its growing asset base, including \$13 billion worth of near-term growth projects, will allow it to achieve this dividend-growth target and extend it beyond 2020.

2. Brookfield Renewable Energy Partners LP

Brookfield Renewable Energy Partners LP ([TSX:BEP.UN](#))([NYSE:BEP](#)) operates one of the largest publicly traded, pure-play renewable energy platforms in the world. It owns and operates approximately

250 facilities across North America, South America, and Europe, including hydropower facilities spread across 81 river systems, 37 wind farms, three biomass facilities, and three natural gas-fired power plants.

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

Investors must also make the following two notes.

First, Brookfield's 7.2% distribution hike in February has it on pace for fiscal 2016 to mark the sixth consecutive year in which it has raised its annual distribution.

Second, the company expects to grow its distribution by 5-9% annually, and in its 2015 annual report, its chief executive officer stated, "We are confident in our continued ability to increase distributions given our stable operating profile, financial flexibility, organic growth prospects, and the proven operating history of our power generating assets."

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:TRP (Tc Energy)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
4. TSX:TRP (TC Energy Corporation)

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