



## Is Brookfield Renewable Partners LP the Perfect Stock for Your RRSP?

### Description

Dividend stocks are the foundation of great retirement portfolios, because, as history has shown, they far outperform non-dividend-paying stocks over the long term.

With this in mind, let's take a closer look at why **Brookfield Renewable Partners LP** ([TSX:BEP.UN](#))([NYSE:BEP](#)) should be one of the top stocks on your buy list today.

### One of the world's largest clean energy companies

Brookfield is home to one of the world's largest publicly traded, pure-play renewable power platforms. It owns and operates 260 power-generation facilities, including 217 hydroelectric facilities, 37 wind facilities, three biomass facilities, and three co-gen plants, which have a total capacity of 10,700 megawatts and are located across North America, South America, and Europe.

### A stable cash flow profile

The power Brookfield produces is largely sold under long-term, fixed-price, inflation-linked contracts to investment-grade counterparties, which results in stable and predictable cash flow, and this allows it to pay out hefty distributions to its shareholders every quarter.

### A high and safe distribution

Speaking of distributions, Brookfield currently pays a quarterly distribution of US\$0.445 per unit, representing US\$1.78 per unit on an annualized basis, which gives its stock a lavish 5.8% yield today.

As savvy investors, we know we must always confirm the safety of a stock's distribution, and you can do this with Brookfield by checking its cash flow. In the first half of 2016, its normalized funds from operations totaled US\$1.10 per unit, and its distributions totaled just US\$0.89 per unit, resulting in a solid 80.9% payout ratio.

### A track record of distribution growth

Not only does Brookfield offer a high and safe distribution, but it also offers distribution growth. It has raised its distribution each year since it became a publicly traded company in 2011, including a compound annual growth rate of about 6.5% in that span, which puts it on pace for 2016 to mark the fifth consecutive year with an increase.

### **And the distribution growth will continue going forward**

Brookfield has a long-term distribution-growth target of 5-9% annually, and it has stated that this will be supported by organic cash flow growth, proprietary project development, including its 6,800 megawatt development pipeline, and acquisitions. I think these factors could allow its streak of annual distribution increases to continue through 2025 at least, making it one of the best distribution-growth plays in the clean energy industry today.

### **Is there a place for Brookfield in your RRSP?**

Brookfield Renewable Partners owns one of the world's most impressive portfolios of clean energy infrastructure and it offers a high, safe, and growing distribution, making it a strong buy in my book. All long-term investors should take a closer look and strongly consider beginning to scale in to positions in it today.

### **CATEGORY**

1. Dividend Stocks
2. Energy Stocks
3. 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.)

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