



2 Top Clean Energy Stocks Yielding 4-6%

Description

If you want exposure to the fastest-growing segment of the energy sector, clean energy, and also want a safe, reliable dividend stock, then you've come to the right place. I've scoured the clean energy industry and compiled a list of two great investment opportunities, so let's take a quick look at each to determine which would fit best in your portfolio.

Brookfield Renewable Partners LP

Brookfield Renewable Partners LP ([TSX:BEP.UN](#))([NYSE:BEP](#)) owns and operates one of the world's largest publicly traded, pure-play renewable power businesses. Its portfolio currently consists of 260 facilities, including 218 hydroelectric facilities and 35 wind power facilities, which have a total installed capacity of over 10,600 megawatts and are located across North America, South America, and Europe.

Brookfield currently pays a quarterly distribution of US\$0.4675 per unit, equal to US\$1.87 per unit annually, which gives it a 5.6% yield today.

It's important to make the following two notes about Brookfield's distribution.

First, it has raised its annual distribution each of the last five years, and its 5.1% hike in February has it on pace for 2017 to mark the sixth consecutive year with an increase.

Second, the company has a long-term distribution-growth target of 5-9% annually, and I think its strong financial performance, including its 9.8% year-over-year increase in normalized funds from operations to US\$0.45 per unit in the first quarter of 2017, and its ongoing expansion efforts that will drive future growth, including its 300 megawatts of construction-ready projects, will allow it to easily achieve this growth target into the late 2020s.

Innergex Renewable Energy Inc.

Innergex Renewable Energy Inc. ([TSX:INE](#)) is one of Canada's largest renewable energy companies. It owns and operates 51 facilities with an aggregate net installed capacity of 1,063

megawatts, including 31 hydroelectric facilities, 19 wind farms, and one solar farm, which are located in Quebec, Ontario, British Columbia, France, and Idaho.

Innergex currently pays a quarterly dividend of \$0.165 per share, equal to \$0.66 per share on an annualized basis, and this gives it a yield of about 4.6% today.

Investors must also make the following two notes about Innergex's dividend.

First, it has raised its annual dividend payment for three consecutive years, and its 3.1% hike in February has it positioned for 2017 to mark the fourth consecutive year with an increase.

Second, I think Innergex's very strong generation of free cash flow (FCF), including \$73.66 million in its trailing 12-month period ended on March 31, its sound dividend-payout ratio, including 94.7% in the same period, and its ongoing acquisition activity that will fuel future FCF growth, including its acquisition of two wind projects in France earlier this month, will allow its streak of annual dividend increases to continue in 2018 and beyond.

Which of these top stocks belongs in your portfolio?

I think Brookfield Renewable Partners and Innergex Renewable Energy represent two of the most attractive long-term investment opportunities in the clean energy industry, so take a closer look at each and strongly consider making one of them a core holding today.

CATEGORY

1. Dividend Stocks
2. 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.)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date

2025/07/07

Date Created

2017/07/25

Author

jsolitro

default watermark

default watermark