



## 3 Energy Stocks With Yields of 5-8%

### Description

Buying and holding high-quality dividend stocks is one of the most powerful ways to ratchet up the long-term returns of your portfolio. With this in mind, let's take a look at three great dividend stocks from the energy sector that you could add to your portfolio today.

**Pattern Energy Group Inc.** (TSX:PEG)(NASDAQ:PEGI) is one of the world's largest producers of wind power. As of September 30, it had a total owned interest of 2,736 megawatts at 20 facilities, including one it has agreed to acquire, which are located across the United States, Canada, and Chile.

Pattern currently pays a quarterly dividend of US\$0.422 per share, equal to US\$1.69 per share annually, which gives its stock a 7.6% yield at the time of this writing.

Foolish investors should make the following three notes about Pattern's dividend.

First, the company has raised its quarterly dividend for 15 consecutive quarters.

Second, its recent dividend hikes, including [its 0.5% hike](#) on November 9, have it positioned for 2018 to mark the fifth consecutive year in which it has raised its annual dividend payment.

Third, Pattern has a dividend-payout target of 80% of its cash available for distribution, so I think its strong growth, including its 7.4% year-over-year increase to US\$103.85 million in the first nine months of 2017 and its projected 9-20.3% growth to US\$145-160 million in the full year of 2017, will allow its streak of quarterly and annual dividend increases to continue for many years to come.

**Brookfield Renewable Partners LP** ([TSX:BEP.UN](#))([NYSE:BEP](#)) is one of the world's largest pure-play renewable energy platforms. As of September 30, its portfolio consisted of 264 power-generation facilities with a total installed capacity of 12,740 megawatts, which are located across North America, Colombia, Brazil, and Europe.

Brookfield currently pays a quarterly distribution of US\$0.4675 per unit, equal to US\$1.87 per unit annually, and this gives it a 5.5% yield at the time of this writing.

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

First, the company's [5.1% distribution hike](#) in February has it positioned for 2017 to mark the sixth consecutive year in which it has raised its annual distribution.

Second, it has a long-term distribution-growth target of 5-9% annually, and I think its very strong financial performance, including its 12.5% year-over-year increase in funds from operations to US\$1.44 per unit in the first nine months of 2017, will allow it to achieve this growth target into the 2020s.

**Capital Power Corp.** ([TSX:CPX](#)) is a growth-oriented North American power producer that "develops, acquires, operates, and optimizes power generation from a variety of energy sources." As of September 30, it owned approximately 4,500 megawatts of power-generation capacity at 24 facilities in Canada and the United States.

Capital Power currently pays a quarterly dividend of \$0.4175 per share, equal to \$1.67 per share annually, which gives it a 7% yield at the time of this writing.

Foolish investors should make the following two notes.

First, Capital Power's [7.1% dividend hike](#) in July has it on track for 2018 to mark the fifth consecutive year in which it has raised its annual dividend payment.

Second, the company has a dividend-growth target of approximately 7% through 2020, and I think its strong financial performance, including its 8.4% year-over-year increase in adjusted funds from operations to \$272 million in the first nine months of 2017, will allow it to complete this program and announce a new one that extends into the late 2020s or early 2030s.

## CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

## TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
3. TSX:CPX (Capital Power Corporation)

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