



Think Renewable Energy Is the Next Big Thing? Try These Stocks on for Size

Description

The primary purpose of making an investment in the stock of a company should be to generate a return in your portfolio that is commensurate with the risk that you're taking on. But if you can help to make the world a cleaner, healthier place, that would be the proverbial icing on the cake, right?

Making an investment in the following three companies — no matter how small — helps provide them with the capital they require to make continued investments in renewable energy projects, and in doing so, ensure we're leaving the world better off than how we found it.

On top of that, as the world increasingly shifts towards [renewable sources of energy](#) for its power, these three companies stand to make up a greater share of the overall economy, helping to grow the value of your investment over time.

And even better still, all three companies pay attractive dividends today, which effectively provides you with a reasonable return, while you wait for the shift from fossil fuels to renewables to continue to play out.

Brookfield Renewable Partners LP ([TSX:BEP.UN](#))([NYSE:BEP](#)) is a global leader in the generation of hydroelectric power — the generation of power from flowing water that is converted into electricity.

Today, 80% of Brookfield's portfolio is comprised of hydroelectric power assets, and it plans to use that portfolio to deliver outsized returns to its shareholders.

The company's objective is to deliver shareholders long-term annualized total returns of between 12% and 15%, including annual distribution increases of 5-9% coming from organic cash flow growth and project development.

Brookfield's shares yield shareholders 6.51% today, which can only be viewed as very attractive yield in light of its stated plans for growth.

Northland Power Inc. ([TSX:NPI](#)) is one of Canada's first independent power producers. It initially got its start in thermal power, or generating power using the heat, or energy, from beneath the earth's

surface.

But in recent years, the company has made considerable efforts as part of a pivot towards wind farms.

The company now has two multi-billion-dollar offshore wind projects in Europe's North Sea, and once its third project, Deutsche Bucht, has been completed, these three facilities will be capable of producing enough energy to supply the needs of over three million people.

Northland Power shares yield investors 5.22% following an 11% hike for 2018.

Algonquin Power & Utilities Corp. ([TSX:AQN](#))([NYSE:AQN](#)) is a regulated utility company with \$10 billion in power assets spread across North America.

Within Algonquin's portfolio are 38 renewable and clean energy facilities with a combined 1,500 MW installed capacity with 87% of generation under long-term power-purchase contracts with inflation escalators.

Algonquin has set ambitious financial goals for itself that, if it is able to accomplish them, should reward investors handsomely.

In its March investor presentation, the company stated that it aims to achieve 15% EBITDA growth and 10% dividend growth. In combination with the current payout, which sits at 4.84% annually, this is a proposition that long-term investors should be carefully considering.

While renewable sources of energy hold a promising future, they are admittedly long-term plays that could take years to produce positive returns. That doesn't make them a bad idea by any means, but today, the oil and gas markets [are as hot as they've been in years](#). Investors looking for a timelier option may want to consider stocks from this sector as well.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:BEP (Brookfield Renewable Partners L.P.)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
5. TSX:NPI (Northland Power Inc.)

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Date

2025/09/10

Date Created

2018/04/28

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