



It's Not Too Late to Load Up on These 2 Renewable Energy Stocks

Description

Canadian energy stocks received a massive boost from an [oil rally that extended from April into May](#) due to shrinking inventories and the U.S. pulling out of the Iranian nuclear deal. The 2014 crash in oil prices has prompted many in the oil and gas industry to seek alternatives. Many have chosen to invest in the rising renewable energy sector.

A report from Bernstein Research estimated that Big Oil had invested \$3 billion in renewables acquisitions over the past five years. Most of those investments were put into solar. Solar power costs have dropped 90% and wind power has halved over the same period. As well, in an effort to combat climate change, governments worldwide are transitioning into renewables.

Investors with a long-term outlook need to have renewable energy stocks on their radar. In early April, I'd [covered two renewable energy stocks](#) that are well worth the look going forward. Both released first-quarter results in recent weeks. Let's take a look at how both companies performed and whether investors should take the plunge into both stocks.

Brookfield Renewable Partners LP ([TSX:BEP.UN](#))([NYSE:BEP](#))

Brookfield Renewable Partners is a renewable power generating company based in Toronto. Shares of Brookfield have dropped 8.6% in 2018 as of close on May 17. However, the stock has climbed 2% month over month. The company released its first-quarter results on May 3.

Brookfield reported funds from operations of \$193 million, or \$0.62 per share compared to \$166 million or \$0.55 per share in the prior year. The hydroelectric segment contributed \$208 million of FFO, as generation and availability were strong across its fleet. Brookfield's wind segment delivered \$37 million of FFO, which was \$7 million higher than Q1 2017 due to investments in TerraForm Power and TerraForm Global, two newly acquired solar facilities.

The company's liquidity position finished the quarter at \$1.7 billion. It also announced a quarterly dividend of \$0.49 per share, representing a 6% dividend yield.

TransAlta Renewables Inc. ([TSX:RNW](#))

TransAlta Renewables is a utility company based in Calgary. It released its first-quarter results on May 10.

The company saw adjusted funds from operations increased \$14 million from the first quarter of 2017 and cash available for distribution climbed 16% year over year. In February, the company acquired two construction-ready wind projects in the United States and acquired an interest in the US Wind Projects in April. On May 1, TransAlta entered into a contract with a leading blockchain company to power a bitcoin mining operation in Sarnia.

For the full year, TransAlta has projected comparable EBITDA between \$400 million and \$420 million. It estimates adjusted funds from operations between \$315 million and \$340 million and cash available for distribution between \$260 million and \$290 million.

The company also announced a quarterly dividend of \$0.23 per share, representing a highly attractive 7.6% dividend yield.

CATEGORY

1. Energy Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
3. TSX:RNW (TransAlta Renewables)

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