



Stash This Renewable Energy Stock Yielding 5% in Your TFSA

Description

The Renewable Energy Policy Network released its Global Status Report this year. The report revealed that a fifth of the world's energy consumption is now supplied by renewables. It also reported that 55% of new renewable power installations were solar photovoltaics (PV) and that these accounted for more than the combined additions of fossil fuel and nuclear power in the prior year. The report projected that the global renewable energy market would reach \$777.3 billion in value by 2019.

I have already gone over why renewable energy stocks are a [great long-term bet for investors](#). Some reports have called into question whether or not the fossil fuel industry will be [capable of surviving](#) the coming decades, while critics have dismissed these claims as alarmist. In any case, investment in renewable energies in the public and private sector continues to ramp up. This is a vote of confidence that investors ignore at their own peril.

Innergex Renewable Energy Inc. ([TSX:INE](#)) is a Quebec-based renewable power producer. It owns and operates hydroelectric facilities, wind farms and solar photovoltaic farms. Its assets span the provinces of Quebec, Ontario, British Columbia, and some U.S. states including Idaho and Texas.

Shares of Innergex have dropped 6.6% in 2018 as of close on July 25. Renewables have faced some measure of pushback with the coming to power of U.S. President Donald Trump who pulled out of the Paris Climate Accord and has been friendly to the oil and gas industry. Innergex is expected to release its second-quarter results on August 14.

The company posted its first-quarter results on May 15. In the quarter, Innergex announced the completion of its acquisition of Alterra Power and its nine operating facilities. Revenues rose 58% from Q1 2017 to \$117.9 million and adjusted EBITDA surged 56% year-over-year to \$79.3 million. The company generated 1.13 Megawatt hours of energy in Q1 2018 compared to 722,273 in the prior year. Its free cash flow also rose to \$96.2 million from \$73.6 million.

Innergex also announced a quarterly dividend of \$0.17 per share, representing a 5% dividend yield.

Renewable energy use will continue to increase in the coming decades. Mark Jacobson, director of the University of Stanford's atmosphere and energy program, has forecast that the world will reach 100%

renewable energy status by 2050. By 2040, renewable sources have also been projected by Stratfor to account for as much as one-third of the world's energy needs.

The countries that are slated to benefit vary. China has been projected to be in the best position to take advantage of this transition. The United States and Germany will also reap huge benefits from this transition, the latter of which has been historically hindered by its reliance on imports of oil and gas. Canada boasts cheap access to energy and the current federal government has made a strong push to transition to renewables. However, Canada's reliance on its oil and gas sector could mean its economy will take a hit in the near term.

Innergex is a great buy-and-hold as it is well positioned to take advantage of these trends. It also boasts a tasty dividend.

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Date

2025/08/26

Date Created

2018/07/28

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