



3 High-Yield Renewable Energy Stocks for a Green Energy Portfolio

Description

Technology continues to advance in the green energy sector, and costs have come down to the point where large-scale wind, solar, and geothermal projects are becoming very attractive.

Let's take a look at three companies that pay [big dividends](#) and enable shareholders to meet their green energy investment objectives.

Innergex Renewable Energy ([TSX:INE](#))

Innergex owns and operates 37 hydroelectric facilities, four solar farms, two geothermal sites, and 25 wind farms in Canada, the United States, Chile, Iceland, and France.

The company just reported solid Q2 2018 results. Revenue came in at \$149.5 million, up 37% compared to Q2 2017. Net earnings rose to \$16.8 million, compared to \$13.9 million. For the trailing 12-month period ended June 30, free cash flow was \$91.5 million compared to \$75.9 million for the same period the previous year. As a result, the company's payout ratio improved to 88% from 93%.

Innergex continues to grow through organic projects and strategic acquisitions. The current quarterly dividend of \$0.17 per share provides a [yield](#) of 5.3%.

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

TransAlta Renewables owns or has partnership interests in 20 wind farms, 13 hydroelectric facilities, one solar facility, seven natural gas generation plants, and one natural gas pipeline. The assets are located in Canada, the United States, and Australia.

The company reported steady Q2 results, with comparable EBITA coming in pretty much equal to Q2 2017 at \$98 million. Adjusted funds from operations increased 14% and cash available for distribution increased by 19% compared to the same period last year.

Growth in the second quarter primarily focused on strategic acquisitions in the United States, including three wind projects and one solar facility.

TransAlta Renewables pays its dividend on a monthly schedule. The current distribution provides an annualized yield of 7.8%. The company is a subsidiary of **TransAlta Corp.**, which holds about 61% of the outstanding common stock.

Pattern Energy (TSX:PEGI)(NASDAQ:PEGI)

Pattern Energy owns a portfolio of 24 wind and solar facilities located in Canada, Japan, the United States, and Chile, although the company is selling its stake in the Chile wind farm for \$68.5 million.

The assets generated \$58.7 million in cash available for distributions in Q2 compared with \$49.2 million in the same period last year. Adjusted EBITDA came in at \$108.4 million compared to \$91.9 million in Q2 2017.

The company confirmed its 2018 cash available for distribution guidance of \$151-181 million, representing a 14% increase over 2017. Pattern Energy pays a quarterly dividend of \$0.422 per share for an annualized yield of 6.5%.

The bottom line

All three companies pay attractive dividends that should continue to grow as new developments and acquisitions boost cash flow.

An equal investment in Innergex, TransAlta Renewables, and Pattern Energy would give investors exposure to global green energy projects and provide an average yield of better than 6%.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. TSX:INE (Innergex Renewable Energy Inc.)
2. TSX:RNW (TransAlta Renewables)
3. TSX:TA (TransAlta Corporation)

PARTNER-FEEDS

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Date

2025/07/02

Date Created

2018/08/15

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