



## Need Income? Consider These Renewable Energy Stocks

### Description

Utility stocks are perfect [defensive investments](#) for any portfolio. They have what can only be regarded as an incredibly stable business model with a recurring and secure stream of revenue that is backed up by a regulated contract that can span decades.

For defensive-seeking investors, there is nearly no better investment on the market today to buy and own for decades.

I say “nearly,” because there is one other element that puts some utilities well ahead of their peers — *renewable energy*.

Climate change is real, and most, if not all nations of the world are taking note of dire consequences that climate change could have on our environment. Moving towards renewable energy sources to power our homes and businesses over traditional fossil fuel-burning facilities is no longer just a socially responsible thing to do; it is something that we must do for our children and the planet.

Here are two incredible renewable energy investments worthy of adding to your portfolio.

**Innergex Renewable Energy** ([TSX:INE](#)) has 70 renewable energy facilities that are scattered across Canada, the U.S., France, Chile, and Iceland. In total, those sites provide a net capacity of 2,046 MW and contain hydro, wind, solar, and geothermal energy elements.

Nearly 65% of those facilities have a PPA in place with an expiration of at least one decade. Incredibly, 27% of those facilities have a PPA expiration that is at least 20 years out, which makes Innergex an excellent investment option for those investors looking for growth.

In terms of results, Innergex reported strong financials during the second fiscal quarter of 2018, which was reported on last month, with both revenue and adjusted EBITDA posting 37% and 15% gains to \$149.5 million and \$99.1 million over the same quarter last year, respectively.

Much of that growth was fueled by major acquisitions completed in the quarter, and Innergex's entry to the Chilean market holds significant long-term potential for further expansion.

As an income investment, Innergex provides a quarterly dividend with a very attractive 4.99% yield. This factor alone makes Innergex an incredible addition to nearly any portfolio.

At the time of writing, Innergex is trading near \$13.20, nearly flat over the past month and trading down 3% over the past three-month period.

**TransAlta Renewables** ([TSX:RNW](#)) is another great renewable energy investment that should be on the radar of nearly every investor looking at long-term income prospects.

TransAlta has a portfolio of 41 facilities that encompass gas, hydro, solar, and wind elements that, together, produce approximately 2,400 MW of generating capacity across the 10 regions in the U.S., Canada, and Australia that the company operates in.

In terms of results, TransAlta's second-quarter results announced earlier this summer revealed revenues of \$107 million and EBITDA of \$98 million, with revenue coming in \$3 million lower than the same period last year and EBITDA coming in at the same level.

TransAlta offers investors one of the most impressive dividends on the market — a monthly distribution that pays out an appetizing 7.92% yield. Equally impressive is the fact that TransAlta has maintained that impressive payout throughout the years with nearly annual increases, the most recent of which came last year.

One final reason to consider TransAlta would be the current stock price. At just under \$11.80, TransAlta is priced near its 52-week low, which provides prospective investors an opportunity to pick up an incredible [long-term income stock](#) for a discounted price.

## CATEGORY

1. Energy Stocks
2. Investing

## TICKERS GLOBAL

1. TSX:INE (Innergex Renewable Energy)
2. TSX:RNW (TransAlta Renewables)

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