



3 Renewable Energy Stocks to Stash in Your TFSA Forever

Description

Back in May, I'd [discussed](#) how oil and gas giants were making significant investments in renewable energy. In the near term, oil and gas stocks have performed well relative to renewables, especially during a rally for spot prices of both oil and gas. Looking long, renewable stocks should remain a top target. These stocks are particularly attractive for TFSA investors, as they present the opportunity for significant capital growth in the long-term while also boasting big income.

A report from Bloomberg New Energy Finance recently forecast that by 2030 renewable energy sources will account for over 60% of the 5,579 gigawatts of new generation capacity. It would also account for 65% of the \$7.7 trillion in power investment. Coal and natural gas, by contrast, will see their total share of power generation fall below 50% by 2030 compared to the current 64%.

Let's look at three stocks today that should benefit from these trends going forward.

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

Brookfield Renewable stock has dropped 10.4% in 2018 so far. Shares have been battered by insider selling and a soft second-quarter report. Brookfield released its Q2 2018 earnings on August 3.

Brookfield continued to report a steady increase in total gigawatt hour generation in the second quarter. Normalized funds from operations (FFO) climbed to \$206 million over \$170 million in the prior year. On a per-unit basis, this increased to \$0.66 from \$0.57. Unfortunately, the company reported a net loss of \$2 million in the quarter compared to net income of \$38 million in Q2 2017.

The company declared a quarterly dividend of \$0.49 per share, representing an attractive yield of 6.4%.

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

TransAlta Renewables stock has also had a weak year in 2018. Shares are down 13.3% so far. The company released its second-quarter results on August 2.

Renewable energy production was down marginally year over year in the second quarter. This was

also a drag on revenue, which dropped to \$107 million compared to \$110 million in Q2 2017. Comparable EBITDA was flat from the prior year, while adjusted funds from operations climbed to \$73 million over \$64 million. The company reported that higher contract prices at Canadian Wind managed to offset poor market conditions. Net earnings increased to \$65 million over \$22 million in the previous year; this was related to a foreign exchange gain and the repurchase of the Solomon Power Station.

The company also declared a monthly dividend of \$0.07833 per share, representing an 8.1% dividend yield.

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

Innergex Renewable Energy stock has plunged 8.6% in 2018 so far. Back in July, I'd [recommended](#) scooping up Innergex for its rock-solid dividend and overall trajectory in the renewable sector. Innergex released its second-quarter results on August 13.

Total revenues climbed 37% year over year to \$149.5 million and adjusted EBITDA increased 15% to \$99.1 million. Results were boosted by recent acquisitions and by solid performance in the wind sector in Quebec. The company also declared a quarterly dividend of \$0.17 per share, which represents a 5.1% 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:INE (Innergex Renewable Energy)
4. TSX:RNW (TransAlta Renewables)

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