



Canada Election: Bet on Green Energy Stocks

Description

We're less than a week away from the Canadian federal election. The top candidates finished up the last round of debates last week and are now giving their final pitch to voters. Last week I'd discussed some of the major party proposals on [housing](#) and energy policy.

Today I want to look at how the major parties plan to tackle green energy policy. Coupled with housing, this is an area where the top candidates have all promised concrete action.

Major parties pitch clean energy policy

The conservatives have worked to construct a pro-energy policy, but they have also included green proposals. They have pledged to introduce a 20% refundable tax credit for any Canadian who spends between \$1,000 and \$20,000 on energy-saving home renovations.

Not surprisingly, the Green party has pitched the most radical reshape of environmental policy. The party has vowed to reduce greenhouse gas emissions by 60% by 2030 and to zero by 2050.

It intends to upgrade Canada Post's fleet to electric vehicles and expand charging stations and ban the purchase of new internal combustion engine vehicles by 2030.

The ruling Liberals plan to get Canada to net zero emissions by 2050. The party has pledged to cut taxes in half for companies that develop zero-emissions technology. It aims to give homeowners and landlords an interest-free loan of up to \$40,000 to help retrofit over 1 million homes so they are more energy efficient.

The party also vows to ban single-use plastics by 2021, offer new incentives to buy electric cars, and invest corporate tax revenue from the Trans Mountain pipeline expansion project into natural climate solutions and clean energy projects.

Green energy stocks

Brookfield Renewable Partners ([TSX:BEP.UN](#))([NYSE:BEP](#)) owns and operates renewable power assets. Shares have shot up 59% in 2019 as of early afternoon trading on October 15, and the stock has achieved average annual returns of 14% over the last 10 years. The company is expected to release its third quarter 2019 results on November 11.

The stock has offered a great blend of capital growth and dividend income over the past decade, albeit it's currently pricey. Shares possess a sky-high price-to-earnings ratio over 100 but a solid price-to-book value of 1.4.

The stock had an RSI of 65 at the time of this writing, putting it just outside of technically overbought territory.

Brookfield last paid out a quarterly dividend of \$0.515 per share, which represents a still-attractive 5% yield. I still like Brookfield as a long-term hold, but I'm holding off pulling the trigger for a more favourable entry point.

TransAlta Renewables ([TSX:RNW](#)) is a utility company that owns and operates energy generation and transmission facilities. Back in late 2018, I'd [suggested that investors should jump into TransAlta Renewables](#).

At the time it boasted a monster 8.5% yield. Shares of TransAlta Renewables have climbed 40% in 2019 so far. The stock has posted average annual returns of 9% over the past five years.

Investors can expect to see the company's third-quarter 2019 results in early November. The stock dipped into oversold territory in early August, but has since recovered. It possesses a P/E ratio of 17 and a P/B value of 1.6. Shares last had an RSI of 62, which means it's also close to overbought levels right now.

The stock boasts a monthly dividend payout of \$0.07833 per share at writing, which represents a tasty 6.8% yield.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. 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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