



## 2 Green Energy Stocks That Pay Big Dividends

### Description

In late December, the consultancy group Wood Mackenzie published some forecasts for the energy sector in 2020. The most pertinent prediction for our interests today was its projection of higher stock prices for companies with production that is less harmful for the environment. Wood Mackenzie also predicts record installation of solar powers this year.

There has been frustration with Canada's green energy development, with some activists pressing for a more aggressive strategy from the ruling Liberals. The Liberals have [laid out a plan](#) to get Canada to net zero emissions by the year 2050, and pledged to halve taxes for companies that develop zero-emissions technology.

Today I want to look at two stocks for companies that are operating in the renewable energy sector. Both are [well worth targeting](#) to start this decade.

### TransAlta Renewables

**TransAlta Renewables** ([TSX:RNW](#)) is a Calgary-based company that is engaged in renewable power generation. Shares have climbed 50% year over year, as TransAlta put together a terrific year on the market in 2019. However, the stock has fallen marginally to start this year.

Investors can expect to see the company's fourth-quarter and full-year results for 2019 in February. In the third quarter of 2019, TransAlta reported adjusted funds from operation of \$69 million compared to \$67 million in the prior year. So far in fiscal 2019, the company closed the acquisition of the Antrim wind project, and continued construction on Big Level, the 90 MW wind project in Pennsylvania that has a 15-year PPA with **Microsoft**.

The stock last paid out a monthly dividend of \$0.07833 per share, which represents a strong 6% yield. Shares still possess a price-to-earnings ratio of 18 and a price-to-book value of 1.8, which puts it on solid footing value-wise as it is priced near a 52-week high.

## Innergex Renewable

**Innergex Renewable** ([TSX:INE](#)) is a Quebec-based developer, owner, and operator of run-of-river hydroelectric facilities. Its stock has increased 28% year over year. It is also expected to unveil its Q4 and full-year results for 2019 late next month.

The company released a very strong third quarter in November. Revenue from continuing operations rose 23% from the prior year to \$142.8 million and revenues proportionate was up 19% to \$179.8 million. Adjusted EBITDA from continuing operations climbed 28% to \$107.4 million.

Innergex still has a big year ahead. In 2019 it completed the commissioning of its largest wind farm to-date and later in November commissioned the largest solar project in Texas.

Innergex is well-positioned with a strong financial position and several promising projects in the pipeline. The stock last paid out a quarterly dividend of \$0.175 per share. This represents a solid yield of 4.1%, though it that cannot quite measure up to TransAlta.

Shares are trading close to a 52-week high, and investors will be paying a premium for Innergex right now as it possesses a sky-high price-to-earnings ratio over 80. Value investors may want to wait for a more attractive entry point, but this is a stock that is positioned to provide growth and steady income over the next decade.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

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

### PARTNER-FEEDS

1. Business Insider
2. Msn
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