



3 Powerful Renewable Energy Stocks for a Rocky 2020

Description

Unlike oil stocks and REITs, renewable energy stocks have held up quite well. These companies have benefited from the favourable social outlook regarding renewable energy companies. In fact, the only stocks that seem to have outperformed [renewable utility companies](#) have been technology stocks.

The benefit that renewable energy stocks have over many technology companies, though, is that they also tend to have dividends that continue to grow over time. Companies like **Innergex Renewable Energy** ([TSX:INE](#)), **Capital Power** ([TSX:CPX](#)), and **Northland Power** ([TSX:NPI](#)) are all small names with a lot of growth and powerful dividends. Which, though, is the best overall investment at this moment?

Dividend galore

Each of these companies has [a strong dividend](#) for building your income portfolio. Every company has something to offer investors. The dividends are in a fairly broad range, with CPX paying the highest yield at over 7%. Both NPI and INE have similar dividend yields at the time of this writing with each paying a yield of just under 4%.

Almost all have good track records of dividend growth that investors should consider. NPI is the only stock in this group that has not raised its dividend payout for some time. The stock has paid out \$0.10 a share per month for a few years now. The company has been focusing on growth, foregoing dividend growth to maintain balance sheet strength.

CPX has been much more generous raising its dividend. The most recent raise amounted to a 7.3% increase last July. INE has been raising its dividend by about 2.7% just prior to the March market crash.

Diversified renewable companies

All three of these companies are diversified across geographies. NPI has a very diversified portfolio of operations. Its companies literally span the globe, with sites in North and South America, Europe, and Asia. The company is continuing to look for opportunities to expand.

Capital Power is more focused on North America, but it does have numerous operations that span the continent. Innergex has a very diversified portfolio of power-generation facilities that are located in countries such as Canada, Chile, and France.

Growth

All of these companies are continuing to look around the globe for potential acquisition targets. Northland Power is very focused on the growth opportunities that might occur in Asia, as growth is expected to be more significant in this area. This has been exemplified by its purchases of offshore facilities in Taiwan and South Korea.

Innergex is also continuing to add to its portfolio of sites by expanding across Canada and the United States. It currently has potential projects in places such as Ohio and Hawaii to build out its network. Capital Power has similar growth objectives, which has led it to its acquisition of the Buckthorn Wind site in Texas.

The bottom line

I have decided to go with Capital Power because of the big dividend and the fact that it has posted the biggest dividend growth. The other stocks have performed quite well and have a greater global footprint, but at this point I prefer the yield. I also like the fact that its sites are closer to home, given the current global situation.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CPX (Capital Power Corporation)
2. TSX:INE (Innergex Renewable Energy)
3. TSX:NPI (Northland Power Inc.)

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