



Alert: Your TFSA Needs Green Energy

Description

Your tax-free savings account (TFSA) was designed to help you accumulate wealth over time without tax consequences. If your dividends and capital gains in the account are tax-free, the best strategy is to focus on stable growth opportunities that could play out across decades.

The most obvious sector to focus on [renewable or green energy](#). The costs of producing solar, wind or hydro electricity have dropped below traditional sources such as coal and oil in recent years. Meanwhile, there's an emerging wave of regulations mandating green energy consumption across the globe. In short, this is an obvious sector for TFSA investors to watch.

Fortunately, there's plenty of green energy opportunities for Canadian investors. Here's one of the top picks in the sector.

Top green energy stock

As focus shifts to opportunities focused on renewable energy, **Innergex Renewable Energy** ([TSX:INE](#)) could be an ideal play.

Innergex Renewables Energy has ramped up its renewable energy production capacity to 3.69GW, encompassing solar, wind and hydro elements. The Canadian energy giant boasts of diversified renewable energy assets spread across the U.S, France, and Chile.

Innergex Renewables Energy's renewable energy portfolio consists of 75 facilities and ten others in development. The huge portfolio affirms its ability to generate a recurring revenue stream expected to continue delivering strong returns going forward.

Attractive Dividend

Innergex Renewables Energy's vast portfolio of renewables is expected to continue generating impressive revenues as the focus shifts to renewable sources of energy. Similarly, it is well-positioned to generate massive cash flows to support the current dividend yield that stands at 2.29%. The company also boasts of a seven-year dividend growth streak underscoring its commitment to returning

maximum value to shareholders.

Over the past year, the relatively small player in the green energy space has risen by more than 62%. In addition to impressive returns on dividends, investors look set to continue profiting from share price gain. Innergex Renewables Energy is fairly valued and well positioned to continue rallying.

A solid dividend yield supported by share price gains affirms why Innergex Renewables Energy is a quality play for buy-and-hold TFSA investors. The opportunities in the burgeoning green energy sector are simply too compelling to miss.

Bottom line

The TFSA was designed for long-term gains. The ideal TFSA stock is one that benefits from a sea change in a critical sector that plays out over multiple decades. The transition to green energy is a perfect example. Governments across the world are tightening carbon emission regulations. Meanwhile, the cost of green energy has finally become commercially viable.

This is a multi-trillion dollar opportunity that needs to be part of your TFSA. Consider taking a closer look at stocks such as Innergex Renewable Energy. With its robust cash flows, attractive dividend and reasonable valuation, Innergex is an excellent example of what the green energy sector has to offer investors.

CATEGORY

1. Investing

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1. TSX:INE (Innergex Renewable Energy)

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