



## 3 Renewable Energy Stocks Yielding Over 3% to Buy and Hold Right Now!

### Description

Right now, renewable sources of energy that include solar, wind, and hydroelectric power supply around 25% of the electricity generated by power companies. The renewable energy industry is rapidly expanding its power-generating capacity, which grew at an annual rate of 8% in the last 10 years. This pace is all set to accelerate in the upcoming decade, given concerns surrounding climate change. Let's look at three renewable energy companies poised to benefit from this shift.

### Brookfield Renewable Partners

One of the global leaders in the renewable energy space, **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)) is valued at a market cap of \$12.5 billion and an enterprise value of \$53.4 billion. Hydroelectric power accounts for 62% of its energy portfolio, and the company has also been expanding its wind and solar capacities over the years.

Brookfield sells most of its power under long-term power-purchase agreements, or PPAs, allowing it to derive predictable cash flows across business cycles. In the last two decades, the stock has returned 15% annually to shareholders in dividend-adjusted gains. Despite its stellar run, Brookfield Renewable offers investors a forward yield of 3.4%.

A key driver of Brookfield's stellar growth is the expansion of its cash-generating assets via acquisitions and development projects. Its robust pipeline of renewable energy projects should allow the company to increase its payouts between 5% and 9% annually through 2025, making it one of the [top dividend stocks](#) in this space.

### Clearway Energy

A mid-cap company valued at a market cap of US\$3.63 billion and an enterprise value of US\$13 billion, **Clearway Energy** ([NYSE:CWEN](#)) has already returned 151% to investors in the last five years. Its renewable energy portfolio includes wind and solar as well as natural gas power facilities and district energy assets.

Similar to Brookfield Renewable, Clearway's cash flows are also backed by long-term PPAs, allowing the company to offer a forward yield of 4.3%. It now expects to increase dividend payouts between 5% and 8% in the upcoming years on the back of an expanding portfolio of assets, which will drive cash flows and earnings higher.

## Algonquin Power & Utilities

The final stock on my list is **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)), a [company that derives](#) two-thirds of its earnings from utilities and the rest from renewables. Algonquin's renewable power generating capacity stands at 2.3 gigawatts and it plans to spend over \$3 billion in renewable projects over the next four years.

The average renewable energy contract length is 13 years, which has allowed the company to increase dividends at a steady pace. In the last 10 years, Algonquin has increased dividends at an annual rate of 10% and is currently offering investors a yield of 4.4%.

In Q2 of 2021, AQN increased revenue by 54% year over year, while adjusted EBITDA grew by 39%. In the last 10 years, AQN stock has returned over 400% to investors in dividend-adjusted returns, easily outpacing the broader markets.

An investment of \$10,000 in each of these stocks will allow you to derive close to \$1,250 in annual dividends, in addition to market-beating capital gains.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:BEP (Brookfield Renewable Partners L.P.)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:BEP.UN (Brookfield Renewable Partners L.P.)

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#### **Date**

2025/08/25

#### **Date Created**

2021/10/09

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