



It Would Be Wise to Buy Pattern Energy Group Inc. Now

Description

Pattern Energy Group Inc. (TSX:PEG)(NASDAQ:PEGI) could be an investment worth making due to its projects that will pay dividends in the future.

Earlier this week, the company announced plans to fund a number of wind and solar energy plants through a bond issue. The company is hoping to raise \$350 million and proposing to issue senior notes to institutional investors due in 2024. The move is part of a broader effort by Pattern Energy to invest in greener opportunities.

One project that it will focus on is the acquisition of the 324 MW Broadview wind farm in New Mexico that will cost about US\$215 million. Additionally, the company will repay a credit facility about US\$128 million. These funds were used to buy the Ontario 180 MW Armow Project. Pattern Energy has 18 wind farms in Canada, the U.S., and Chile, amounting to a total capacity of 2.6 GW.

Last month, the company announced another move for the future in the form of the Southern Cross Transmission project. The asset will help improve the Louisiana and Mississippi's local economies, injecting US\$3.9 billion into the communities through direct and indirect manners.

Pattern Energy will bolster its portfolio while simultaneously producing US\$1.5 billion to benefit the economy through the development and construction of the project. The project will generate US\$633 million in local operations and maintenance for its first year.

More than 650 jobs will be created, and the area's electricity cost will be lower. Although the details are being hashed out now, the concept will not begin to come to fruition until 2018, and it won't deliver power and rake in profit until 2021. The Southern Cross Transmission asset will also generate an average annual property tax of US\$14.7 million.

Pattern Energy has also inked a deal to buy a 90 MW interest in the 180 MW Armow wind power facility in Ontario as part of a \$132 million funding opportunity. The deal will help expand the company's total owned capacity to about 2,644 MW thanks to the two new interests it has agreed to buy. **Samsung Renewable Energy** and Pattern Energy will own the operation in unison.

The company's Amazon Wind Farm Fowler Ridge recently received an award by *POWER Magazine* regarding renewable projects. About 175 workers were part of the construction site with this figure reaching 300 during its busiest periods. The location will help to add about \$45 million to the local economy over 25 years through property taxes and landowner royalties.

The move further demonstrates Pattern Energy's commitment to sustainability, while boosting its balance sheet. The stock has an average rating a "Buy" with nine analysts rating it as so and three others rating it a "Hold." It has an average price target of \$26.56.

Pattern Energy is a stock worth delving into now as the company appears to have some bright years ahead. Its multiple initiatives will help to fuel local economies, increase profitability, and help define the future of energy with its sustainable projects.

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