



2 Energy Stocks to Consider for Long-Term Income

Description

Dividend-paying stocks, particularly the ones with higher, sustainable yields, have always fascinated me. I think they're the hidden gems of investing which every investor should strive to build their portfolio around from the onset. In some ways, investing in dividend-paying stocks is like receiving a gift with each distribution which can accumulate into a serious reinvestment or income.

Here are some of those great investment options to consider adding to your portfolio.

One thing that is becoming more important with each year is reducing the dependence we have on fossil fuels and moving towards generating power from clean, renewable energy sources.

TransAlta Renewables Inc. ([TSX:RNW](#)) is one of the largest owner-operators in North America with facilities located in the U.S., Canada, and Australia. In terms of an energy mix, TransAlta incorporates wind, gas, and hydro elements into the 35 facilities which, in total, provide over 2,600 MW of power.

TransAlta is also the largest provider of wind energy in Canada. Wind energy accounts for nearly half of the company's facilities and generates over 1,350 MW. By way of comparison, 10 MW of power is what is needed to power 2,000 Canadian homes.

TransAlta offers investors a monthly dividend of \$0.08 per share, which translates into a very impressive 6.58% yield at the current stock price.

One of the main reasons I like TransAlta, apart from that great dividend, is because the stock has plenty of potential for future growth over the long term. The stock has dipped a bit over the past few weeks, making it an interesting addition at a discounted price.

Suncor Energy Inc. ([TSX:SU](#))([NYSE:SU](#)) is often perceived as being the poster child of the oil industry, which is anything but green. That's a fair argument to make, as Suncor is the largest operator in the oil sands, which are about as dirty as energy can get.

What most investors don't realize, however, is that Suncor has also been operating in the renewable energy business for well over a decade, and the company has stated on more than one occasion that

renewable energy is going to be taking a more important and dominant role in development over the next years. Suncor already has several wind farms in operation across Canada, with additional projects currently under construction that are set to be connected to the grid early next year.

The real reason to consider Suncor is the efficient operations it has running now in the oil sands. Suncor has maintained a lower cost than its competitors, and that has allowed the company to thrive even when oil prices were significantly lower.

Suncor offers investors a quarterly dividend that amounts to \$0.32 per share with a respectable yield of 3.23%. The company has steadily hiked the dividend over the years with the most recent uptick coming earlier this year.

CATEGORY

1. Energy Stocks
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