



## Counter Market Woes With a Secure Income Producer for Your TFSA

### Description

How concerned with the current market state are you? Over the past six months, we've seen what can best be described as a pot rally followed by a dismal holiday season retreat and then, finally, a roaring start to the year. That roller-coaster ride can wreak havoc on a portfolio, particularly where trigger-happy investors act on short-term impulses rather than adhering to a cooler, long-term strategy.

That's not to say some rebalancing of your portfolio is a bad thing; there are plenty of appealing investment options to consider at the moment, and one of those opportunities happens to come in the form of **Algonquin Power** ([TSX:AQN](#))([NYSE:AQN](#)).

For those that are unaware of Algonquin, the Oakville-based company is the name behind two utilities that have a growing presence in both the Canadian and U.S. markets. Liberty Power has a portfolio of over 35 renewable energy facilities across hydro, wind, thermal, and solar elements, whereas Liberty Utilities provides gas, electric, and water utility service to over 750,000 customers in a dozen different states in the U.S.

### The appeal of a renewable energy utility

Utilities make incredible investment options, irrespective of whether you're a young investor just beginning to invest for the long term, or a seasoned veteran looking for a growing source of income. Part of that appeal stems from the business model of a utility which is, in a word, incredible.

In short, utilities provide a service that we need, be it water, gas, or electricity. The rate and amount at which that utility is sold is regulated and subject to long-term, contract-fixed pricing that spans decades in duration. What this means for the utility-minded investor is an uninterrupted stream of recurring and often growing revenue that is applied towards new acquisitions and rewards shareholders through a mouth-watering dividend.

Renewable energy takes the appeal of a typical utility investment and moves it up a notch. Fossil fuel-burning utilities are on a decline, and traditional utilities that have not yet transitioned to renewable sources stand to face considerable headwinds over the next decade, as new restrictions on fossil fuel-

burning facilities become the norm.

Beyond the legal and moral arguments for renewable energy, there's also something to be said about cost. [Renewable energy facilities](#) are no longer viewed as inefficient and costly alternatives to their polluting fossil fuel peers, and that is a key point that should resonate with any investor that is seeking long-term gains.

## The appeal of Algonquin

Putting both of those factors together paints a very positive picture for potential investors of Algonquin. The company's sprawling portfolio of assets has grown in recent years thanks to a series of smart acquisitions and development initiatives, the most recent of which are a slew of seven renewable energy facilities currently under construction, all of which are slated to be operational within the next three years.

In terms of a dividend, Algonquin's quarterly distribution currently comes out to a decent 4.57% yield, and the company has maintained annual healthy upticks to the payout going back a decade, more than doubling in that period. Looking towards the future, Algonquin continues to forecast annual growth of the dividend to come in near 6% over the next few years.

From a results standpoint, Algonquin's highly regulated and secure business leaves little room for concern among investors. In the most recent quarter, Algonquin announced revenue gains of 3% over the same period last year to \$419.9 million and adjusted EBITDA of \$196.9 million.

Looking back over the full fiscal year, those growth figures for revenue and adjusted EBITDA are even more attractive, coming in with year-over-year gains of 8% and 17% higher, respectively.

In short, Algonquin makes an excellent addition to nearly any portfolio. Buy it, hold it, and [watch it grow for decades](#).

### CATEGORY

1. Energy Stocks
2. Investing

### POST TAG

1. Editor's Choice

### TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. TSX:AQN (Algonquin Power & Utilities Corp.)

### PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise

4. Yahoo CA

**Category**

1. Energy Stocks
2. Investing

**Tags**

1. Editor's Choice

**Date**

2025/08/27

**Date Created**

2019/03/20

**Author**

dafxentiou

default watermark

default watermark