



## 2 Great Passive-Income Generators

### Description

One of the things that new investors often struggle with is finding the right mix of dividend stocks. Those stocks, if chosen correctly, can become great passive-income generators for any portfolio. Fortunately, the market gives us [plenty of opportunities](#) to start with. Here are some options to consider.

### Green energy can provide a solid income

**TransAlta Renewables** ([TSX:RNW](#)) is a great stock for long-term investors. TransAlta boasts an impressive renewable energy portfolio that is diversified across energy types and geography. The company has operations in Canada, the U.S., and Australia, with solar, wind, hydro, and gas elements.

The growing importance of renewable energy stocks in the market can't be understated. While traditional fossil fuel utilities are left with the massive costs of transitioning to renewables, TransAlta is already there. What this means is that TransAlta can instead invest in growth initiatives to further expand its already impressive portfolio.

A recent example of this is the Windrise project in Alberta. The 206 MW project is set to see commercial operations begin this month.

The handsome growth potential of TransAlta also means that investors can expect a tasty dividend. TransAlta's dividend comes in the form of a monthly payout, which currently works out to a yield of 4.92%

To put those earnings into perspective, allocating \$40,000 from your TFSA to TransAlta will provide a tax-free monthly income of \$164. Investors not ready to draw on that income can expect reinvestments to provide an ample boost over time. That fact alone earns TransAlta a place among any list of great passive-income generators.

### This well-diversified utility deserves a look

**Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) is another company to add to a list of great passive-income generators. In fact, Algonquin is one of the best-kept secrets on the market that should be on the radar of nearly every investor.

Algonquin operates a [diversified business](#) that includes an all-renewable utility business with operations in Canada, the U.S., as well as the Caribbean. This has Algonquin enjoying the benefits of the traditional utility model, without any of the fossil fuels. Even better, the company has taken an aggressive stance to expansion, growing considerably in the past decade.

That growth hasn't stopped the company from providing a handsome dividend to investors. In fact, over the past decade, Algonquin's dividend has risen by 10% annually. That dividend currently works out to a tasty 4.79%, making it an appealing option for any investor profile.

## Final thoughts on these great passive-income generators

All investments carry at least some risk, but fortunately, in the case of the duo noted above, that risk is minimal. Both TransAlta and Algonquin boast well-diversified renewable facilities that will continue to see strong growth (and by extension, juicy dividends) for the long term.

In my opinion, both stocks are great passive-income generators that should be part of any well-diversified portfolio.

### CATEGORY

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

### TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. TSX:AQN (Algonquin Power & Utilities Corp.)
3. TSX:RNW (TransAlta Renewables)

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