



## The Renewable Energy Stocks Your Portfolio Needs

### Description

If there's one thing that has become incredibly obvious from watching the [volatility](#) over the past week, it's that, as a society, we're still far too reliant on oil. The much-wanted shift away from fossil fuels is coming, albeit slowly. Fortunately, there are a handful of renewable energy stocks that can cater to that long-term growth and provide a handsome income, too.

### Here's a renewable energy stock that pays a monthly income

Finding the right mix of income-producing stocks takes time and a lot of patience. One of the many considerations that investors need to account for is when stocks have payouts. This is challenging given the typical quarterly cadence that most income stocks adhere to.

Fortunately, that's not the case with **TransAlta Renewables** ([TSX:RNW](#)). TransAlta provides investors with a handsome monthly distribution. The current yield works out to a tasty 5.53%, meaning that a \$25,000 investment will earn \$115 each month.

That monthly dividend comes thanks to a stable and recurring business model which matches that of its traditional fossil fuel peers. Specifically, TransAlta generates a recurring revenue stream that is backed by regulatory contracts that span decades.

The company's facilities, which include solar, wind, hydro, and gas assets, are diversified geographically across Canada, the U.S., and Australia.

If that's not reason enough to buy, there's one more compelling reason to consider: TransAlta's fossil fuel peers. Governments and communities are finally embracing renewable energy generation. In other words, fossil fuel utilities are straddled with massive transitional costs. TransAlta, on the other hand, already is powered by renewables, so it can focus on growth.

In other words, TransAlta is a well-diversified, stable investment that pays out a handsome monthly dividend. In short, if this isn't on your renewable energy stocks shopping list, it should be now.

## How diversified is your portfolio?

Another all-renewable utility stock to consider is **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)). Algonquin is a well-diversified operation with two separate segments. It's a renewable energy-generation business as well as a utility business with over one million customer connections across Canada, the U.S., and internationally.

Interestingly, Algonquin has taken an aggressive stance towards growth. The company has completed several acquisitions over the years and has a whopping four gigawatts of generating capacity across both its existing and under-construction assets.

A prime example of this is the acquisition of American Water Company. That \$608 million deal completed earlier this year.

Once fully integrated, the latest acquisition will help Algonquin to continue to generate a handsome income. The stock currently boasts a generous quarterly dividend, which works out to a yield of 4.62%.

Additionally, Algonquin has an established precedent of providing annual bumps to that dividend that goes back well over a decade.

In other words, investors can expect strong growth and a recurring income from this juicy renewable energy stock.

## Renewable energy stocks are here to stay

Less than a decade ago, renewable energy stocks were viewed as inefficient, expensive, and without staying power. Not only has that view changed, but they are now some of the best options on the market.

In my opinion, one or both of the renewable energy stocks noted above should be part of every [long-term, well-diversified portfolio](#).

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

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

### PARTNER-FEEDS

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