



2 Energy Companies to Hold for Decades

Description

The energy sector is going through a transformative phase right now. The push for renewables and the advent of EVs together are expected to divert the two most important uses of fossil fuels in the world. And even though a saturation point is decades away, a few technological breakthroughs can fast-track the slow “decline” of traditional energy sources.

Keep in mind that the demand for oil and gas might not go away completely even by the end of the century. And even then, with the right approach and technologies, fossil fuels may find a way to coexist with green energy sources and renewables.

But even if that doesn't happen, there *are* some energy stocks that are either positioned the right way or have proven their mettle during past difficult phases that can survive and remain profitable for decades.

And there are two that stand out among the others.

A natural gas-focused pipeline company

TC Energy ([TSX:TRP](#))([NYSE:TRP](#)) is a pipeline/midstream energy giant from Canada with an impressive asset base in the United States. [The company](#) has three main business segments: natural gas, liquids, and electricity. And it's the natural gas segment that endorses the long-term potential of this energy giant.

The company controls a massive +93,000-kilometre network of natural gas pipelines in North America. It also has the largest storage capacity (about 653 cubic feet). And thanks to these assets, the company helps meet one-fourth of the natural gas demand of the continent.

Its liquids pipeline network is quite impressive as well but nowhere near on par with the natural gas one. As for electricity, the company has a production capacity of about 4.3 GW — enough to power four million homes. And three-quarters of the power comes from emission-free sources.

The natural gas focus, which has a better chance of surviving in the greener future, is not the only reason TC is an ideal long-term energy investment. Its history is also a potent endorsement, especially its resilience after the 2015 crash.

An energy producer

If you lean more towards upstream [energy companies](#), **Canadian Natural Resources (TSX:CNQ)(NYSE:CNQ)** might be the right fit for you. It's one of the largest energy producers in North America, focusing primarily on Western Canada. And while its oil production capacity is not very far from its natural gas one, the latter is relatively higher.

Its diverse portfolio of production resources and strong financials make it an interesting energy investment. It has also proven its worth as a resilient energy company in the 2015 crash, though the 2020 crash was quite hard, and the subsequent recovery has been insanely powerful. Yet the stock boasts a decent 3.9% yield and an undervaluation which is an unusual match to its current bullish phase.

Foolish takeaway

The energy [bull market](#) might be coming to an end, which means a correction is just on the horizon. That would be the perfect time to buy these two energy giants and hold on to them for decades. You will get the best of the dividends they offer as well as any long-term capital-appreciation potential these stocks might have.

CATEGORY

1. Energy Stocks
2. Investing

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