



## 1 Passive Income Stock Offering Monthly Dividends I'd Buy for Life

### Description

Energy stocks have been some of the strongest performers on the **TSX** today, but there are a few issues with them in my opinion. Certainly, over the next few years, oil and gas companies will continue to perform well. Especially once the market recovers. Problem is, not all energy stocks offer income, even as passive income stocks.

We saw this during the pandemic. A sudden drop in the consumption of oil and gas led to the slashing of dividends. Many passive income stocks simply weren't able to keep pay outs going, even though some of these stocks had been on the TSX for decades.

But that doesn't mean you should stay away from energy stocks altogether. Instead, I'd look at a passive income stock that offers monthly dividends. There's one in particular I would buy today and hold for life.

### The monthly passive income stock I'd buy today

**Northland Power** ([TSX:NPI](#)) is a strong option for those seeking monthly passive income. What's more, it's an energy stock that aligns with the transition to [renewable energy](#). While I'm not saying you should ditch all your oil and gas stocks, I'm saying you'll want to keep your eye on the global shift to clean and green.

Last year, the Organization of Petroleum Exporting Countries (OPEC+) indicated that it will be mainly low-income countries that are still using [oil and gas](#) by [2040](#). There's now even more pressure to shift towards renewable energy due to Russian sanctions that are hurting Europe. Now, decades-long deals are being struck so that countries will no longer need to rely on outside sources.

This is where Northland Power comes in. The independent power producer has been around for 33 years, developing, building, owning, and operating clean and green global power infrastructure assets. These assets span Asia, Europe, Latin America, North America and other global jurisdictions. Northland's facilities produce electricity from clean-burning natural gas and renewable resources such as wind and solar. And what's more, it's performing well.

## Everything is looking up

This passive income energy stock has been doing well in every sense. Shares of Northland Power are currently up 14.25% on the TSX today, on a year-to-date basis. Its earnings are around the corner, but during the first quarter, incredible performance improvements were announced.

Sales for the quarter were up 13% year-over-year, with gross profit up 16%. Its net income increased by an incredible 90% year-over-year, with adjusted EBITDA up 17%, and adjusted free cash flow up 15% also.

This could very well lead to a dividend boost for the monthly passive income stock. Northland currently offers a dividend yield of 2.9% on the TSX today. Investors haven't seen a dividend boost since 2015 when it rose 11%, but investors have likely been happy with share performance.

## More to come

It's likely that investors will continue to be pleased with this passive income stock for years to come. In the last two decades, Northland has seen shares rise 1,460%. That's a compound annual growth rate (CAGR) of 14.71% on the TSX today. That could rise even higher in the next few decades.

It's not just governments that are aligning themselves with a clean energy future, it's private corporations too. These corporations realize there's money to be made. Investors should hop on board in the next decade and beyond. And for more than one reason.

## Foolish takeaway

Let's say you put \$25,000 towards Northland today. You would immediately receive dividends of \$708 per year, or about \$59 per month. That alone is a nice little bonus. But let's say you decide to reinvest dividends and continue to hold this passive income stock for another 20 years.

By that time, your shares could be worth a whopping \$452,542! That's growth of 1,810% thanks to the investment of dividends. With strong growth, amazing performance, and a stable path to profits, investors should consider Northland Power on the TSX today.

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1. Dividend Stocks
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