



Passive Income: 4 TSX Energy Stocks With Incredible Dividends

Description

TSX energy stocks have been a great place to earn passive [dividend income](#), especially in the last year or so. With oil and energy prices soaring, many energy-related companies are earning record amounts of excess cash.

Given the energy crisis in Europe and across the globe, it doesn't appear that energy pricing is going to significantly decline anytime soon. Here are four top TSX stocks that could continue to deliver incredible passive income back to their shareholders.

Enbridge: A high passive-income yield

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is one of North America's largest energy transportation and infrastructure businesses. 20% of oil produced in North America is transported through its pipelines. 98% of its assets are contracted or regulated, so it earns reliable and predictable returns.

It doesn't get to participate as much in the upside of commodity prices. However, it does get to enjoy higher volumes through its assets when energy markets are robust. Likewise, it has made moves to diversify its business into LNG exports, renewables, and alternative fuels. This should make it a very viable and resilient business for many years to come.

Today, Enbridge stock earns a substantial 6.2% dividend yield. Add in 5-7% annual dividend growth going forward, and this is a nice energy stock to own for passive income.

CNQ: A best-in-class energy producer

If you want more torque to high energy prices, then **Canadian Natural Resources** ([TSX:CNQ](#))([NYSE:CNQ](#)) is top TSX stock to consider. CNQ is has some of the best energy production assets in Canada. Its business and operations are exceptionally well managed.

It just delivered record quarterly results and issued a massive \$1.50 per share special dividend. That is

on top of its already very attractive 4.17% dividend yield. It has a track record of steadily growing its dividend by a compounded annual rate of 22% over the past 22 years!

Given its significant free cash flow returns right now, chances are good that this energy stock will continue to deliver a growing stream of passive income for faithful shareholders.

Tamarack Valley: Torque to strong energy prices

If you want higher torque from strong energy prices, you may want to think about **Tamarack Valley Energy** ([TSX:TVE](#)). With a market cap of \$1.7 billion, this smaller oil producer could have massive upside if oil prices remain elevated or rise from here.

The company is currently generating record free cash flow and that supported a 20% monthly dividend increase in the second quarter. This stock earns a 2.87% dividend yield today, but that will likely rise once it hits debt targets late this year.

Brookfield Renewables: Growth and passive income

If you don't like dirty oil exposure, **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)) is a great clean alternative for passive income. It is one of the largest owners and developers of [renewable power](#) in the world.

To give you an idea, today it produces around 20,000 megawatts of clean power. However, it has a development pipeline that is nearly three times that size. It just announced [solid results](#) where funds from operation per unit rose 10%.

Its solid and reliable power generation (and, in turn, cash flows) help support its 3.3% distribution yield. The company has grown its distribution by around 6% a year, and it targets low to mid-teens total returns over the long run. For a combination of growth and passive income, this is a great TSX energy stock.

CATEGORY

1. Dividend Stocks
2. Investing

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1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:CNQ (Canadian Natural Resources)
3. NYSE:ENB (Enbridge Inc.)
4. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
5. TSX:CNQ (Canadian Natural Resources Limited)
6. TSX:ENB (Enbridge Inc.)
7. TSX:TVE (Tamarack Valley Energy Ltd)

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Author

robbybrown

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