



## 3 High-Yield Energy Stocks to Buy Now

### Description

The volatility that we've seen in 2022 has some [new investors](#) retreating to the safety of precious metals, and other traditionally defensive stocks. Within that defensive grouping are some high-yield dividend energy stocks.

Here's a look at three great options to consider buying for your portfolio.

### Here is a great growing stock to consider

**Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) is a unique investment that should be on the radar of investors everywhere. The company runs a very reliable utility business. That business is backed by regulated long-term contracts, like traditional utilities.

Those contracts span multiple decades in duration, making Algonquin an attractive long-term pick. Even better still, Algonquin's portfolio is all-renewable. This means Algonquin isn't straddled with huge transition costs, unlike its traditional fossil-fuel burning peers.

That also means that Algonquin can pay out a handsome dividend. The current yield works out to 5.01%, making it one of the better paying high-yield energy stocks on the market. Further, Algonquin is a Dividend Aristocrat, with an established precedent of annual increases to that dividend that go back well over a decade.

The steady contracted revenue streams mean that Algonquin can continue to invest in growth and expanding its renewable energy portfolio.

In terms of timing, prospective investors should note that year to date the stock trades near flat, but long-term investors will enjoy the juicy 37% increase in the stock price over the past five years.

### Here is an all-renewable high-yield energy stock

Algonquin's all-renewable portfolio and utility business is an intriguing option to consider. But so too is **TransAlta Renewables** ([TSX:RNW](#)). TransAlta has a portfolio of over 30 renewable energy facilities located across Canada, the U.S., and Australia.

Those facilities include wind, solar and hydro elements, with regulated long-term contracts that in some cases extend out into the 2040s.

In other words, TransAlta is a superb long-term investment option for those looking for a stable revenue stream.

Speaking of income, TransAlta is unique in that it offers investors a juicy dividend that is paid out on a monthly cadence. The current yield works out to 5.37%. This means that a \$40,000 investment in TransAlta will generate a monthly income of over \$2,100 in the first year.

Keep in mind that investors that don't need to draw on that income can instead opt to reinvest it. Reinvesting that income until needed can supercharge growth leading to a much higher income in the future.

## This is more than a pipeline stock

**Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) is the third energy company on the list of high-yield picks. For those that are unfamiliar with Enbridge, the energy infrastructure behemoth has its tentacles in many different areas.

Enbridge is best-known for its pipeline business. That massive pipeline network generates a stable and recurring revenue stream for Enbridge. Furthermore, that revenue stream isn't tied to volatile commodity prices.

To understand the sheer volume of crude and natural gas that Enbridge hauls, consider this point. Enbridge transports nearly one-third of North American-produced crude and one-fifth of the natural gas consumed in the U.S. market.

Despite that incredible defensive appeal, there's still more to add.

Enbridge is one of the largest natural gas utilities on the continent and the company also operates a growing portfolio of [renewable energy](#) facilities. In fact, Enbridge has invested over \$8 billion in building out that renewable energy portfolio over the past 20 years. Today that network includes over 40 facilities including wind, solar, hydro, and geothermal elements.

Collectively those segments represent a diversified, lucrative investment option that also pays out one of the best dividends on the market. The current yield works out to a juicy 6%, meaning that a \$40,000 investment will earn a first-year income of \$2,400.

Oh, and let's not forget that Enbridge has provided juicy annual upticks to that dividend for over two decades. That feat alone earns Enbridge's place on a list of high-yield dividend energy stocks.

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

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2. NYSE:ENB (Enbridge Inc.)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:ENB (Enbridge Inc.)
5. TSX:RNW (TransAlta Renewables)

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