Letter to Unitholders

Our business performed well this quarter, building on our strong start to the year, with double digit annual FFO per unit growth year-to-date. We also advanced our development program, commissioning an additional 800 megawatts of capacity and setting up organic growth of cash flows of $9 million on an annualized basis. We also signed transactions for almost $1.3 billion of equity investment (~$300 million net to Brookfield Renewable) alongside our institutional partners.

With several previously announced large acquisitions expected to close in the second half of the year, we continue to be well positioned to outperform our 10% FFO per unit growth target for 2023.

Additional highlights for the quarter:

- Generated FFO of $312 million in the quarter, reflecting strong realized power pricing and contributions from growth;
- Advanced key commercial priorities this quarter including signing contracts to deliver an incremental 2,000 gigawatt hours per year of generation, including 900 gigawatt hours to corporate offtakers;
- Continued to advance development activities, commissioning the final phase of the 1.2-gigawatt Janaúba solar complex in Brazil, one of the largest solar projects in the Americas, which we successfully developed from the permitting phase through to generation;
- Moved forward the regulatory approval processes for recently announced acquisitions and expect to close the Westinghouse, Duke Energy Renewables, and X-Elio acquisitions in the second half of this year. We also expect to close the Origin acquisition early next year, if not sooner; and
- To date we have executed asset recycling activities generating proceeds of approximately $600 million (~$400 million net to Brookfield Renewable) and advanced other processes which when completed, we expect to generate significant additional capital.

The Benefit of a Diverse and Global Franchise

We continue to see increasing corporate demand for renewable energy contracted at attractive prices. As an example, we are expecting demand from select large technology companies to increase by more than three times by the mid-to-latter part of this decade on the back of growth in expected generative AI computing demand. These companies are already the largest corporate procurers of green power globally, so to put this growth into context, this could see the energy load of one of these large global technology companies with a 100% renewable power target equal the current load demand of the United Kingdom.

We have long standing global relationships with firms facing these needs and are currently engaged with a number of them around strategic partnerships. We are well positioned to be a trusted partner given our capability and credibility in providing large scale clean energy solutions on a global basis.

This shift in demand for clean energy started with a ‘government push’ but is now primarily driven by a ‘corporate pull’. This is a meaningful evolution that we expect to help drive higher returns through the sector. Further, this dynamic, which will continue to accelerate, will increasingly differentiate market participants and favors businesses like ours that have the ability to provide a wide set of scale green power and decarbonization solutions, with the ability to execute across the development spectrum and across all major power markets. With the growth in the sector, continuing to scale in-line with the growing market demand remains a competitive advantage.

As an example, in June, we agreed to acquire Duke Energy Renewables for $1.05 billion in equity ($265 million net to Brookfield Renewable), a fully integrated developer and operator of renewable power assets in the U.S. with 5,900 megawatts of operating and under construction assets, and a 6,100-megawatt development pipeline. With this acquisition, we are adding a scale operating renewable platform generating strong contracted cash flows which are immediately accretive, with significant upside from potential asset development, repowering, and synergies. Our financial strength, credibility as a counterparty, and capacity to review, underwrite and execute a scale investment quickly were integral to reaching an agreement with Duke; in addition to our ability to carve out a large renewable power platform spread across multiple markets in the U.S.

We also continue to identify and successfully execute repowering projects where we enhance the productivity and extend the life of assets located at sites with strong renewable resources. The majority of our repowering activity is in the U.S. where we have our largest operating fleet of wind and solar assets, and we benefit from investment or production tax credits. This quarter, we advanced the repowering of our 200-megawatt Bishop Hill wind farm in Illinois, which we expect to complete in 2024 and will increase generation by ~15%; in 2021, we completed the first wind repowering project in the state of New York, boosting generation across the repowered assets by nearly 30%; and, at the end of 2022, we completed the largest wind repowering project in the world at our Shepherds Flat asset, where we have seen excellent results thus far.

Our differentiated development competencies, flexibility to underwrite deals quickly and our ability to leverage additional access to capital from our private investor relationships continue to be key advantages for us. It has allowed us to continue to grow across market environments, opportunistically executing transactions and taking on larger-scale investments where there is less competition, while continuing to target accretive transactions at attractive risk-adjusted returns. Recent successes in Brookfield’s co-investment process are highlighted by our X-Elio and Westinghouse investments which have been oversubscribed by our partners.

The success we have had in sourcing highly attractive investments and the opportunities we continue to see in the market has positioned us well to outperform our $6-7 billion capital deployment target over the next five years.

Operating Results

We generated FFO of $312 million, or $0.91 per Unit thus far this year, representing a 10% increase versus the prior year. Our business continues to deliver strong results as we see the benefits of our large, geographically and technologically diverse operating platform, our consistent and growing organic development activities and increasing demand from corporates translating into favorable pricing and long-term PPAs.

During the quarter, our hydroelectric segment delivered FFO of $171 million as we benefited from our large portfolio, with weaker hydrology in some regions partially offset by stronger resources in others. After dry weather for most of June in North America, we have seen meaningful precipitation through July, meaning reservoirs across our fleet are in good shape, setting us up well to capture strong summer pricing in the third quarter.

Our wind and solar segment continued to perform well generating a combined $184 million of FFO, as we continue to benefit from contributions from acquisitions and repowering projects, and the diversification and contracted nature of our fleet. All of this helped offset the impact of an adjustment to the regulated price earned by our Spanish assets, which will reduce the revenue generated by these assets this year but, given their regulated nature, has a very positive impact on cashflows in the future and is therefore slightly net positive overall. Our distributed energy and sustainable solutions segment generated $54 million of FFO as we continue to grow our portfolio to meet increasing demand from diverse customers.

Our renewable power development pipeline is now 134,400 megawatts, with approximately 5,000 megawatts on track for commissioning this year and another approximately 19,000 megawatts in our advanced stage pipeline. So far this year, we have commissioned approximately 1,500 megawatts, including battery storage projects at our existing assets helping to improve our realized power pricing and grid reliability.

Our approach to development is predicated on matching our cash flows and costs to materially de-risk projects. As a result, we have mitigated the impact of cost escalation that many renewable power developers are experiencing in the current market and positioned ourselves to realize the forecasted benefits of our projects. Once completed, we expect new capacity commissioned this year will add approximately $70 million of incremental FFO to Brookfield Renewable and including our sustainable solutions pipeline, we expect our advanced stage pipeline to contribute an additional approximately $245 million of run-rate FFO once commissioned.

Balance Sheet & Liquidity

Our financial position remains strong with over $4.5 billion of available liquidity providing significant flexibility to fund our growth.

Coinciding with the agreement to acquire Duke Energy Renewables, we executed our first equity financing in seven years. On the back of significant outperformance of our growth targets, where over the last 18 months we have closed or agreed to invest up to $21 billion ($4 billion net to Brookfield Renewable), we raised gross proceeds of $650 million via a bought deal and concurrent private placement.

We have always focused on financing our growth via asset recycling, upfinancings and with a measured amount corporate debt or preferred equity. However, given our step-change in terms of run-rate growth, which we expect to continue, and our recent ability to acquire assets at attractive valuations, we issued equity capital to supplement these sources of financing. Following the offering, we are well positioned to continue to fund our long-term growth targets through a mix of our normal course funding sources.

During the quarter, we advanced non-recourse financing initiatives and our asset recycling program, where we continue to see strong demand for renewable energy assets globally with long term sector tailwinds offsetting the near-term effects from inflation and higher interest rates.

Thus far in 2023, we have generated approximately $600 million (~$400 million net to Brookfield Renewable) of proceeds from our asset recycling program, more than doubling our invested capital on these asset sales. Our capital recycling program is a key component of our overall source of funds and a means of generating value above our underwriting targets for investors.

During the quarter, our asset recycling activities were highlighted by an agreement to sell a ~120-megawatt wind and solar portfolio in Uruguay for gross equity proceeds of ~$150 million (~$80 million net to Brookfield Renewable), which more than doubled our capital and generated returns on the investment of over 20% annualized. We acquired this portfolio six years ago and were able to add value by integrating discrete assets and internalizing the O&M activities. In addition, we optimized the capital structure before selling to a new buyer as the country is not strategic to us. The agreement to sell this portfolio is a notable example of how we can achieve our dual goals of generating strong risk adjusted returns for our investors and fund our growth internally through the de-risking and sale of assets.

We are advancing additional capital recycling opportunities across our business that together with year-to-date agreements could generate significant additional capital when closed.

Outlook

The outlook for our business is as strong as ever and we are positioned to benefit in the current environment with a significantly de-risked development pipeline, a resilient and diversified global operating business and our differentiated growth capabilities. We remain focused on our goal of delivering 12-15% long-term total returns for investors while remaining disciplined in our approach and playing to our strengths.

On behalf of the Board and management of Brookfield Renewable, we thank all our unitholders and shareholders for their ongoing support.

Sincerely,

Connor Teskey
Chief Executive Officer
August 4, 2023

Cautionary Statement Regarding Forward-looking Statements

This letter to unitholders contains forward-looking statements and information within the meaning of Canadian provincial securities laws and "forward-looking statements" within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the U.S. Securities Exchange Act of 1934, as amended, "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995 and in any applicable Canadian securities regulations. The words "will", "intend", "should", "could", "target", "growth", "expect", "believe", "plan", derivatives thereof and other expressions which are predictions of or indicate future events, trends, or prospects and which do not relate to historical matters identify the above mentioned and other forward-looking statements. Forward-looking statements in this letter to unitholders include statements regarding the quality of Brookfield Renewable's assets and the resiliency of the cash flow they will generate, Brookfield Renewable's anticipated financial performance, future commissioning of assets, contracted portfolio, technology diversification, acquisition opportunities, expected completion of acquisitions and dispositions, future energy prices and demand for electricity, , global decarbonization targets and related government incentives, economic recovery, achieving long-term average generation, project development and capital expenditure costs, energy policies, economic growth, growth potential of the renewable asset class, the future growth prospects and distribution profile of Brookfield Renewable, Brookfield Renewable's access to capital and future dividends and distributions made to holders of LP units and the exchangeable shares of Brookfield Renewable Corporation. Although Brookfield Renewable believes that these forward-looking statements and information are based upon reasonable assumptions and expectations, you should not place undue reliance on them, or any other forward-looking statements or information in this letter to unitholders. The future performance and prospects of Brookfield Renewable are subject to a number of known and unknown risks and uncertainties.

Factors that could cause actual results of Brookfield Renewable to differ materially from those contemplated or implied by the statements in this letter to unitholders include (without limitation) general economic conditions and risks relating to the economy, including unfavorable changes in interest rates, foreign exchange rates, inflation and volatility in the financial markets; changes to resource availability, as a result of climate change or otherwise, at any of our facilities; supply, demand, volatility and marketing in the energy markets; our inability to re-negotiate or replace expiring power purchase agreements on similar terms; an increase in the amount of uncontracted generation in our portfolio or adverse changes to the hydrological balancing pool administered by the government of Brazil ("MRE"); availability and access to interconnection facilities and transmission systems; our ability to comply with, secure, replace or renew concessions, licenses, permits and other governmental approvals needed for our operating and development projects; our real property rights for our facilities being adversely affected by the rights of lienholders and leaseholders that are superior to those granted to us; increases in the cost of operating our existing facilities and of developing new projects; equipment failures and procurement challenges; dam failures and the costs and potential liabilities associated with such failures; uninsurable losses and higher insurance premiums; changes in regulatory, political, economic and social conditions in the jurisdictions in which we operate; force majeure events; adverse changes in currency exchange rates and our inability to effectively manage foreign currency exposure; health, safety, security and environmental risks; energy marketing risks; the termination of, or a change to, the MRE balancing pool in Brazil; involvement in litigation and other disputes, and governmental and regulatory investigations; counterparties to our contracts not fulfilling their obligations; the time and expense of enforcing contracts against non-performing counterparties and the uncertainty of success; foreign laws or regulation to which we become subject as a result of future acquisitions in new markets; our operations being affected by local communities; our reliance on computerized business systems, which could expose us to cyber-attacks; newly developed technologies in which we invest not performing as anticipated; advances in technology that impair or eliminate the competitive advantage of our projects; increases in water rental costs (or similar fees) or changes to the regulation of water supply; labor disruptions and economically unfavorable collective bargaining agreements; fraud, bribery, corruption, other illegal acts or inadequate or failed internal processes or systems; the COVID-19 pandemic, as well as the direct and indirect impacts that a pandemic may have, or any other pandemic; our inability to finance our operations and fund growth due to the status of the capital markets or our ability to complete capital recycling initiatives; operating and financial restrictions imposed on us by our loan, debt and security agreements; changes to our credit ratings; the incurrence of debt at multiple levels within our organizational structure; adverse changes in currency exchange rates and our inability to effectively manage foreign currency exposure through our hedging strategy or otherwise; our inability to identify sufficient investment opportunities and complete transactions; the growth of our portfolio and our inability to realize the expected benefits of our transactions or acquisitions; changes to our current business, including through future sustainable solutions investments; our inability to develop the projects in our development pipeline; delays, cost overruns and other problems associated with the construction and operation of generating facilities and risks associated with the arrangements we enter into with communities and joint venture partners; Brookfield's election not to source acquisition opportunities for us and our lack of access to all renewable power acquisitions that Brookfield identifies, including by reason of conflicts of interest; we do not have control over all of our operations or investments, including certain investments made through joint ventures, partnerships, consortiums or structured arrangements; political instability or changes in government policy negatively impacting our business or assets; some of our acquisitions may be of distressed companies, which may subject us to increased risks; a decline in the value of our investments in securities, including publicly traded securities of other companies; we are not subject to the same disclosure requirements as a U.S. domestic issuer; the separation of economic interest from control within our organizational structure; future sales and issuances of LP Units, preferred limited partnership units in the capital of Brookfield Renewable or securities exchangeable for LP Units, including BEPC exchangeable shares, or the perception of such sales or issuances, could depress the trading price of the LP Units or BEPC exchangeable shares; our dependence on Brookfield and Brookfield's significant influence over us; the departure of some or all of Brookfield's key *professionals; our lack of independent means of generating revenue; changes in how Brookfield elects to hold its ownership interests in Brookfield Renewable; Brookfield acting in a way that is not in our best interests or our shareholders or our unitholders; being deemed an "investment company" under the Investment Company Act; the effectiveness of our internal controls over financial reporting; failure of our systems technology; any changes in the market price of the LP Units and BEPC exchangeable shares; and the redemption of BEPC exchangeable shares by us at any time or upon notice from the holders of the BEPC class B shares. For further information on these known and unknown risks, please see "Risk Factors" included in the Form 20-F of BEP and in the Form 20-F of BEPC and other risks and factors that are described therein.*

The foregoing list of important factors that may affect future results is not exhaustive. The forward-looking statements represent our views as of the date of this letter to unitholders and should not be relied upon as representing our views as of any subsequent date. While we anticipate that subsequent events and developments may cause our views to change, we disclaim any obligation to update the forward-looking statements, other than as required by applicable law.

No securities regulatory authority has either approved or disapproved of the contents of this letter to unitholders. This letter to unitholders is for information purposes only and shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

Cautionary Statement Regarding Use of Non-IFRS Measures

This letter to unitholders contains references to FFO, FFO per Unit, which are not generally accepted accounting measures under IFRS and therefore may differ from definitions of Adjusted FFO and FFO per Unit, used by other entities. We believe that FFO and FFO per Unit are useful supplemental measures that may assist investors in assessing the financial performance and the cash anticipated to be generated by our operating portfolio. None of FFO and FFO per Unit should be considered as the sole measure of our performance and should not be considered in isolation from, or as a substitute for, analysis of our financial statements prepared in accordance with IFRS. For a reconciliation of FFO and FFO per Unit to the most directly comparable IFRS measure, please see "Reconciliation of Non-IFRS Measures – Three Months Ended June 30th" included elsewhere herein and "Financial Performance Review on Proportionate Information - Reconciliation of Non-IFRS Measures" included in our unaudited Q2 2023 interim report.

References to Brookfield Renewable are to Brookfield Renewable Partners L.P. together with its subsidiary and operating entities unless the context reflects otherwise.

Endnotes

1) Any references to capital refer to Brookfield's cash deployed, excluding any debt financing.
2) Available liquidity refers to "Part 5 - Liquidity and Capital Resources" in the Management Discussion and Analysis in the Q2 2023 Interim Report.