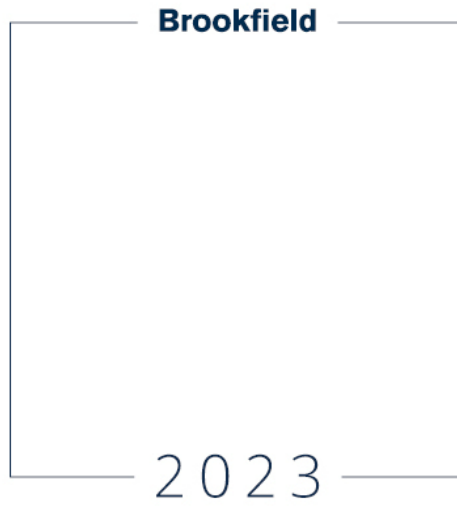




Brookfield Renewable Partners L.P.

ANNUAL REPORT

Our Operations

We invest in renewable power and sustainable solutions assets directly, as well as with institutional partners, joint venture partners and through other arrangements. Across our business, we leverage our extensive operating experience to maintain and enhance the value of assets, grow cash flows on an annual basis and cultivate positive relations with local stakeholders. Our portfolio includes assets for which we have access to a priority growth pipeline that if funded would provide us the opportunity to own a near-majority share of the business.

Our global diversified portfolio of renewable power assets, which makes up over 97% of our business, has approximately 31,800 MW of operating capacity and annualized LTA generation of approximately 93,000 GWh and a development pipeline of approximately 155,400 MW.

The table below outlines our renewable power portfolio as at December 31, 2023:

	River Systems	Facilities	Capacity (MW)	LTA ⁽¹⁾ (GWh)	Storage Capacity (GWh)
Hydroelectric					
North America					
United States ⁽²⁾	30	139	2,921	11,963	2,559
Canada	19	33	1,361	5,178	1,261
	49	172	4,282	17,141	3,820
Colombia ⁽³⁾	11	22	3,053	16,143	3,703
Brazil	27	43	940	4,811	—
	87	237	8,275	38,095	7,523
Wind ⁽⁴⁾					
North America	—	55	6,830	21,872	—
Europe	—	56	1,432	4,814	—
Brazil	—	34	809	3,539	—
Asia	—	27	1,874	5,534	—
	—	172	10,945	35,759	—
Utility-scale solar ⁽⁵⁾	—	211	7,073	15,211	—
Distributed energy & storage ⁽⁶⁾⁽⁷⁾	2	6,408	5,129	2,989	5,220
Total renewable power	89	7,028	31,422	92,054	12,743

⁽¹⁾ LTA is calculated based on our portfolio as at December 31, 2023, reflecting all facilities on a consolidated and an annualized basis from the beginning of the year, regardless of the acquisition, disposition or commercial operation date. See Item 5.A “Part 9 – Presentation to Stakeholders and Performance Measurement” for an explanation on our methodology in computing LTA and why we do not consider LTA for our pumped storage and certain of our other facilities.

⁽²⁾ Includes three battery storage facilities in North America (36 MW).

⁽³⁾ Includes two wind plants (32 MW) and five solar plants (100 MW) in Colombia.

⁽⁴⁾ Excludes 303 MW of wind capacity with an LTA of 719 GWh included in our sustainable solutions segment.

⁽⁵⁾ Excludes 118 MW of solar capacity with an LTA of 247 GWh included in our sustainable solutions segment.

⁽⁶⁾ Includes a battery storage facility in North America (10 MW).

⁽⁷⁾ Includes nine fuel cell facilities in North America (10 MW) and pumped storage in North America (633 MW) and Europe (2,088 MW).

We also have investments in our sustainable solution portfolio comprised of assets and businesses that enable the transition to net-zero through established but emerging technologies that require capital to scale, and in businesses where we believe we can leverage our access to capital and partnerships to accelerate growth. This portfolio includes our investment in Westinghouse (a leading global nuclear services business) as well as investments in an operating portfolio of 57 thousand metric tonnes per annum (“TMTPA”) of carbon capture and storage (“CCS”), 3 million Metric Million British thermal units (“MMBtu”) of agricultural renewable natural gas (“RNG”) operating production capacity annually and over 1 million tons of recycled materials annually. Our sustainable solutions development pipeline includes opportunities to invest in additional projects with 14 million metric tonnes per annum (“MMTPA”) of CCS, 1.6 million tons of recycled materials, roughly 3.5 million MMBtu of RNG production capacity annually, a solar manufacturing facility capable of producing 5,000 MW of panels annually and a 1 million tons per annum green ammonia facility powered entirely by renewable energy.

The following table presents the annualized long-term average generation of our renewable power portfolio as at December 31, 2023 on a **consolidated** and quarterly basis:

GENERATION (GWh)⁽¹⁾	Q1	Q2	Q3	Q4	Total
Hydroelectric					
North America					
United States	3,402	3,469	2,171	2,921	11,963
Canada	1,235	1,489	1,236	1,218	5,178
	4,637	4,958	3,407	4,139	17,141
Colombia ⁽²⁾	3,697	4,048	3,944	4,454	16,143
Brazil	1,183	1,198	1,214	1,216	4,811
	9,517	10,204	8,565	9,809	38,095
Wind	9,191	9,162	8,088	9,319	35,760
Utility-scale solar	3,239	4,348	4,502	3,123	15,212
Distributed energy & storage	646	888	856	599	2,989
Total	22,593	24,602	22,011	22,850	92,056

⁽¹⁾ LTA is calculated based on our portfolio as at December 31, 2023, reflecting all facilities on an annualized basis from the beginning of the year, regardless of the acquisition, disposition or commercial operation date. See Item 5.A “Part 9 – Presentation to Stakeholders and Performance Measurement” for an explanation on our methodology in computing LTA and why we do not consider LTA for our pumped storage and certain of our other facilities.

⁽²⁾ Includes two wind plants (174 GWh) and five solar plants (248 GWh) in Colombia.

The following table presents the annualized long-term average generation of our renewable power portfolio as at December 31, 2023 on a **proportionate** and quarterly basis:

GENERATION (GWh)⁽¹⁾	Q1	Q2	Q3	Q4	Total
Hydroelectric					
North America					
United States	2,224	2,359	1,466	1,950	7,999
Canada	1,010	1,210	980	959	4,159
	3,234	3,569	2,446	2,909	12,158
Colombia ⁽²⁾	843	922	900	1,016	3,681
Brazil	1,008	1,020	1,034	1,035	4,097
	5,085	5,511	4,380	4,960	19,936
Wind	2,511	2,449	2,145	2,555	9,660
Utility-scale solar	849	1,225	1,278	825	4,177
Distributed energy & storage	207	303	292	189	991
Total	8,652	9,488	8,095	8,529	34,764

⁽¹⁾ LTA is calculated based on our portfolio as at December 31, 2023, reflecting all facilities on an annualized basis from the beginning of the year, regardless of the acquisition, disposition or commercial operation date. See Item 5.A “Part 9 – Presentation to Stakeholders and Performance Measurement” for an explanation on our methodology in computing LTA and why we do not consider LTA for our pumped storage and certain of our other facilities.

⁽²⁾ Includes two wind facilities (39 GWh) and five solar facilities (56 GWh) in Colombia.

Statement Regarding Forward-Looking Statements and Use of Non-IFRS Measures

This Annual Report contains forward-looking information within the meaning of U.S. and Canadian securities laws. We may make such statements in this Annual Report and in other filings with the U.S. Securities and Exchange Commission (“SEC”) and with securities regulators in Canada – see “PART 10 – Cautionary Statements”. We make use of non-IFRS measures in this Annual Report – see “Part 10 – Cautionary Statements”. This Annual Report, our Form 20-F and additional information filed with the SEC and with Securities regulators in Canada are available on our website at <https://bep.brookfield.com>, on the SEC's website at www.sec.gov or on SEDAR+'s website at www.sedarplus.ca.

Letter to Unitholders



2023 was another successful year for our business. Our disciplined approach to development and underwriting enabled us to continue generating strong returns and advance our business plans. This is evident in our results where we generated record funds from operations (FFO) and had a record year for both capital deployed and asset development. We maintained our best-in-class balance sheet and have significant flexibility moving forward to continue generating our target returns for shareholders.

We have established ourselves as a global clean energy supermajor, growing our capacity, capabilities and relationships. We now have almost 33,000 megawatts of renewable power operating capacity and an approximately 155,000-megawatt development pipeline. We grew our sustainable solutions business, which contributed approximately 5% to our FFO this year and have a visible pipeline to grow this segment which complements our renewable power business.

Our global scale and ability to provide large scale decarbonization solutions continues to positively impact our performance and differentiates our value proposition to our customers. We have evolved from a pure play renewable energy producer to a preeminent platform for renewable power and decarbonization solutions, with a wider set of growth opportunities and greater upside. However, we continue to, and always will, measure ourselves based on the value we generate for shareholders.

Given our strong financial performance and liquidity, and the positive outlook for the business, we are pleased to announce an over 5% increase to our distributions to \$1.42 per unit on an annualized basis. This is the 13th consecutive year of at least 5% annual distribution growth, dating back to 2011, when Brookfield Renewable was publicly listed.

Highlights for the year include:

- Generated record FFO for the year of \$1.1 billion, or \$1.67 per unit, a 7% increase over last year, including solid fourth quarter results (per unit FFO increased 9%), as we benefitted from our diverse asset base, high-quality inflation-linked and contracted cash flows, organic growth, and contributions from acquisitions.
- We advanced commercial priorities including securing contracts for new developments for almost 50 terawatt hours of generation, of which over 90% is with corporate customers.
- Accelerated our development activities, commissioning almost 5,000 megawatts of new clean energy capacity globally across wind, solar and battery storage, further diversifying and growing our cash flows. We expect commissioned capacity to contribute ~\$60 million of incremental FFO annually on a run-rate basis.
- Our advanced stage development pipeline expanded to almost 24,000 megawatts which is expected to contribute approximately \$300 million of FFO annually to Brookfield Renewable once commissioned.
- Deployed, or agreed to deploy a record \$9 billion of capital (\$2 billion net to Brookfield Renewable) into accretive investments across all of our key markets and closed a number of significant transactions in the fourth quarter including Westinghouse and Deriva Energy, immediately growing our cash flows.
- We continued to execute on our capital recycling initiatives generating \$800 million of proceeds (\$500 million net to Brookfield Renewable) representing nearly three times our invested capital, and providing funds for growth.

- Strengthened our best-in-class balance sheet executing approximately \$15 billion of financings and finishing the year with available liquidity of over \$4 billion, positioning the business to opportunistically deploy capital at strong risk adjusted returns.

We are a key enabler of the technology sector

With the significant growth in demand for data globally, the position of the technology mega-cap players as the largest and fastest growing businesses in the world continues to solidify. Since 2020, the cloud computing segments of these companies have grown by over 30% annually, representing their highest growth segments and generating their highest margins. Demand for cloud computing from digitalization and the adoption of AI enabled tools is incentivizing these companies to continue investing heavily in their capabilities and capacity, and two of the key ingredients needed to deliver these products are computing power and energy.

Over the last twelve months, the race to increase computing power has been illustrated by the increase in demand for certain inputs, such as computer chips. However, we believe most investors have yet to grasp the importance of a secure energy source in being able to deliver data center and computing power growth.

The largest cloud computing businesses run on clean power. These companies have 100% clean energy targets and have been growing their consumption by approximately 50% per annum over the past couple years, making them the largest buyers of green power globally. However, the highly power intensive nature of AI is acting as a multiplier on energy demand which is increasingly becoming a key bottleneck for growth of cloud computing. For example, the integration of AI uses up to ten times more power when integrated into a typical search process. The accelerating global trend of digitalization was already driving a step change in electricity needs, which is now being further multiplied by the implementation of AI. Renewable power, as the cheapest form of bulk electricity production, is the solution to this growing electricity demand.

Furthermore, as the scale and energy intensity of data centers increases, these facilities put pressure on global electricity grids. As a result, certain regulators are now requiring data center developers to provide a power solution in order to receive data center permitting approvals. This has put power on the critical path to growth for these technology companies. Along with electrification of large segments like industrials and transportation, this trend creates an environment where significant increases in demand for new electricity projects is a reality in developed markets for the first time in decades.

It is widely estimated that global electricity consumption from data centers will increase to approximately 10% of total electricity demand by 2030 (from approximately 2% today). Meaning to satisfy the needs of data centers alone – which doesn't factor in the penetration of EV or broader electrification – additional generation capacity will be required equivalent to the size of the current U.S. grid.

For the better part of a decade, we have been positioning our business to capitalize on these trends. By building a leading global development platform, combined with our early focus on corporate power marketing capabilities, this has allowed us to serve the needs of the largest and fastest growing buyers of green power. The global technology companies have been the largest corporate customers of our business for years, as we have differentiated ourselves with our scale and credibility, delivering new energy projects on time to enable their growth.

Our ability to deliver 24/7 clean power solutions at scale and across geographies positions our business to continue to be a major beneficiary of this robust demand growth going forward. Further, our ability to provide unique and tailored solutions of scale allows us to avoid competition and drive better returns in bilateral contracts. We have signed contracts to provide over 60 terawatt hours of power over the past two

years to the large technology businesses, an amount we expect to increase dramatically in the coming years.

As a result, going forward we expect the vast majority of our new renewable power development will be contracted to corporate customers where we are seeing strong demand for our differentiated offerings at attractive contract terms. Currently we have approximately 22 terawatt hours per year of generation contracted to corporate customers representing approximately 30% of our total contract volumes, over double the volumes contracted to these types of customers five years ago. Based on our existing development pipeline we expect contracted generation to corporate customers to double again by 2028 to approximately 44 terawatt hours per year, or 45% of contract volumes.

We continue to deliver attractive risk adjusted returns

We were well equipped to navigate the rising rate environment and supply chain challenges that faced the sector over the past twelve-months. Most notably, our disciplined approach to development, which focuses on removing risks upfront, meant that our development activities remained robust, delivering a record year, at a time when some market participants saw headwinds. Lastly, our prudent approach to financing our business, combined with the strength of our balance sheet, durability of our cash flows, and diverse sources of scale capital, ensured that we were able to continue to pursue growth at a time when some could not and there was less competition.

We capitalized on opportunities, deploying or agreeing to deploy \$9 billion of capital (\$2 billion net to Brookfield Renewable) highlighted by our acquisitions of Westinghouse, Deriva Energy, a further 50% interest in X-Elio which we did not own, Banks Renewables, and investments in CleanMax and Avaada in India.

While our proposed acquisition of Origin Energy did not receive the required level of shareholder support, which was a condition precedent to the closing of the transaction, we are confident in achieving our target deployment of \$7-8 billion over the next five years and growing our cash flows and distributions in-line with our targets. Since the initial announcement of the Origin transaction, we have received in-bounds from businesses around the world who are seeking a partner with significant capital and deep operating expertise to accelerate their transition goals and enhance the value of their businesses.

In light of public market conditions and our strong conviction in the intrinsic value of our business and growth trajectory, we continued to allocate capital to repurchase shares. In 2023, we repurchased 2 million units under our normal course issuer bid. Looking forward, we will continue to allocate capital based on where we are seeing the best risk-adjusted returns and remain confident we will continue to create meaningful value for our investors.

We have been scaling our development capabilities and delivered almost 5,000 megawatts in the past year, a record for our business, while also pulling forward our pipeline. Our advanced stage development pipeline now stands at almost 24,000 megawatts with just under 7,000 megawatts on track to be delivered this year and over 7,000 megawatts in 2025. These projects are well advanced with almost 25% of our three year pipeline under construction, over 20% with revenues and inputs fully contracted and over 30% in the final stages of securing PPAs and construction contracts. These projects and our remaining advanced stage pipeline are expected to contribute \$300 million of incremental run-rate FFO once commissioned.

Operating Results

Our operating business continued to perform well and we delivered record FFO despite cyclical resource volatility and generation below the long term average at some of our assets. We generated FFO of \$1.1 billion, or \$1.67 per unit, a 7% per unit increase year-over-year and a 9% increase per unit in the fourth quarter. While our results fell slightly below our target of 10%+ FFO per unit growth, largely due to later

than expected transaction closings during the fourth quarter, we remain well positioned to achieve our goal going into 2024 and beyond.

We are already seeing the benefits of our growth activities which were back-end weighted this year with commissioning of nearly half of our almost 5,000 megawatts of new capacity in the fourth quarter and the closing of major acquisitions contributing over \$100 million in incremental annual FFO in the final three months of the year. We expect to also receive an uplift as our fleet reverts to its long-term average generation, particularly from our hydro assets where we often see cyclicalities.

Additionally, we expect that our growth initiatives will continue to stabilize our results going forward, not only increasingly diversifying our cash flows, but also enhancing the contracted and less variable components of our business. As we continue to diversify our business, we are reducing the volatility of our results and helping to minimize our exposure to any underlying resource to deliver our earnings growth targets. While we constantly update and monitor our long-term average resource figures for financings and management of our operations, the impact of these metrics on our financial performance is being watered down (pardon the pun), by our broader development, growth, and contracting initiatives.

Our hydroelectric segment delivered FFO of \$624 million. Despite a more challenging year from a resource perspective in our high value markets, the portfolio performed well, benefiting from strong all-in power prices. Reservoirs have rebounded to start 2024, with the first quarter trending positively compared with the end of 2023.

Our wind and solar segments generated a combined \$643 million of FFO benefiting from the commissioning of new projects, repowering activities and our inflation linked contracted generation. As is expected during a period of rapid growth, we have acquired a number of assets that were performing below their long-term average generation under prior ownership. As part of our business plans, we leverage our operational capabilities, through repowering and other upgrades, to drive improvement in these assets back to their long-term average levels in the first few years post-ownership. We have been executing several repowering and upgrade initiatives in the past couple years that are expected to be completed and start contributing higher earnings this year.

Our distributed energy and storage, and sustainable solutions segments generated a combined \$185 million of FFO, benefiting from organic growth as we scale these businesses. We continue to see positive momentum for the more nascent technologies that sit in our sustainable solutions segment. For example, our Canadian carbon capture and storage business Entropy entered into a fixed price 15-year carbon credit offtake agreement with the Canada Growth Fund that guarantees an offtake price for 600 Kt per annum of CO₂, de-risking the project pipeline. Alongside the offtake agreement, Canada Growth Fund agreed to invest up to C\$200 million in the business which could result in a fully drawn post-money valuation of approximately one and a half times our entry point.

Balance Sheet and Liquidity

We finished the year in an excellent financial position with over \$4 billion of available liquidity providing significant flexibility to fund our growth. Our best-in-class balance sheet and access to diverse sources of capital continue to differentiate our business and enable us to opportunistically invest when capital becomes scarce, as we demonstrated this year, adding quality businesses at attractive risk-adjusted returns.

During the year we strengthened our financial position executing on almost \$15 billion in non-recourse financings generating almost \$500 million in upfinancing proceeds to Brookfield Renewable. We also recently updated our Green Financing Framework to incorporate eligible investment categories in-line with our strategy to invest in businesses and projects that support the transition to net zero. We subsequently took advantage of a favorable market environment in early January, issuing C\$400 million

of 30-year notes at 5.3%, conservatively raising debt as our cash flows grow, maintaining our investment grade rating and meaningfully extending our debt maturity profile.

We were successful with our capital recycling program generating \$800 million in proceeds (\$500 million net to Brookfield Renewable) over the past twelve-months, representing almost three times our invested capital. Our recycling initiatives are a consistent source of funding which we will continue to scale with our growth in development activities. We take a disciplined and practical approach to asset rotation, looking to sell assets when they are in-demand and attracting valuations at or above our internal assessments, regardless of technology or geography.

We sold a 150-megawatt solar project in Spain which we commissioned in early 2023 generating \$100 million in proceeds (~\$20 million net to Brookfield Renewable). We also executed the sale of a minority interest in a portfolio of contracted wind assets in Canada which we developed over ten years ago returning over three and half times our invested capital over this period.

Our approach to selling assets that are in demand irrespective of technology or geography has served us well and generated meaningful returns above our underwriting targets for investors. We expect to continue to leverage this funding source going forward as we bring online new projects and acquire new platforms.

Outlook

The prospects for our business continue to be very positive. Our goal remains to deliver 12-15% long-term total returns for investors and to do this we will continue to be disciplined allocators of capital leveraging our differentiated operating and development capabilities and diverse funding sources.

On behalf of the Board and management, we thank all our unitholders and shareholders for their ongoing support. We look forward to updating you on our progress throughout 2024.

Sincerely,

A handwritten signature in blue ink, appearing to read 'CTeskey', with a small 'x' mark below the signature.

Connor Teskey
Chief Executive Officer

February 29, 2024

OUR COMPETITIVE STRENGTHS

Brookfield Renewable Partners L.P. (together with its controlled entities, “Brookfield Renewable”) is a globally diversified, multi-technology, owner and operator of clean energy and sustainable solutions assets.

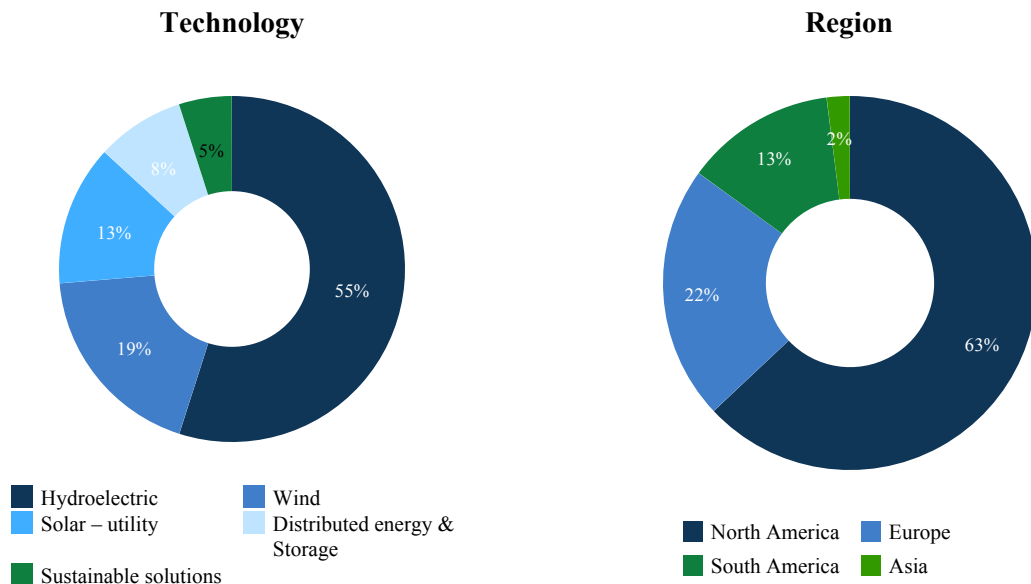
Our business model is to utilize our global reach and experience to acquire and develop high quality clean energy and sustainable solutions assets below intrinsic value, finance them on a long-term, low-risk and investment grade basis through a conservative financing strategy and then optimize cash flows by applying our operating expertise to enhance value or bring these assets into production generating incremental cash flows for our business.

One of the largest, public decarbonization businesses globally. Brookfield Renewable has a 23-year track record as a publicly traded operator and investor in renewable power and sustainable solution assets. Today we have a large, multi-technology and globally diversified portfolio that is supported by approximately 4,770 experienced employees (inclusive of employees employed by our consolidated portfolio companies). Brookfield Renewable invests in assets directly, as well as with institutional partners, joint venture partners and through other arrangements. We have also made investments in our sustainable solutions portfolio comprised of assets and businesses that enable the transition to net-zero where we can leverage our access to capital and partnerships to accelerate growth, and emerging transition asset classes where our initial investment positions us for potential future large scale decarbonization investment. Our sustainable solutions portfolio also includes investments in power transformation opportunities where we have invested in businesses to enable the reduction of greenhouse gas emissions through the deployment of traditional renewables.

Our globally diverse portfolio helps to mitigate resource variability, and improves consistency of our cash flows. Our organic growth and acquisitions are typically done through Brookfield's private funds and therefore on a proportionate basis Brookfield Renewable's business will continue to diversify but remain heavily weighted to our premium hydroelectric assets.

Our renewable power portfolio consists of hydroelectric, wind, utility-scale solar, DG and storage facilities in North America, South America, Europe and Asia, and totals approximately 31,800 megawatts of installed capacity and a development pipeline of approximately 155,400 megawatts. Our portfolio of sustainable solutions assets includes our investments in Westinghouse (a leading global nuclear services business), as well as investments in an operating portfolio of 57 thousand metric tonnes per annum of CCS capacity, 3 million MMBtu of annual agricultural RNG production capacity and over 1 million tons of recycled materials annually. Our sustainable solutions development pipeline consists of 14 MMTPA of CCS capacity, 3.5 million MMBtu of annual renewable natural gas production, 1.6 million tons of recycled materials annual capacity, 1 million tons of annual Green Ammonia production capacity and 5,000 MW of annual solar panel manufacturing capacity.

The following charts illustrate revenue on a proportionate basis⁽¹⁾:



⁽¹⁾ Figures based on normalized revenue for the last twelve months, proportionate to Brookfield Renewable.

Helping to accelerate the decarbonization and stability of the electricity grids. Climate change and energy security are viewed as two of the most significant and urgent issues facing the global economy, posing immense risks to the safety and security of communities and to our collective and economic prosperity. In response, governments and businesses have adopted ambitious plans to support a transition to a decarbonized economy. We believe that our scale and global operating, development and investing capabilities make us well positioned to partner with governments and businesses to help them achieve their decarbonization goals.

Strong financial profile and conservative financing strategy. Brookfield Renewable maintains a robust balance sheet, strong investment grade rating, and access to global capital markets to ensure cash flow resiliency through the cycle. Our approach to financing is to raise the majority of our debt in the form of asset-specific, non-recourse borrowings at our subsidiaries on an investment grade basis with no financial maintenance covenants. Approximately 90% of our debt is either investment grade rated or sized to investment grade metrics. Our corporate debt to total capitalization is approximately 12% and approximately 91% of our borrowings are non-recourse. Corporate borrowings and proportionate non-recourse borrowings each have weighted-average terms of approximately 10 years and 12 years, respectively, with no material maturities over the next five years. Approximately 90% of our financings are effectively fixed rate and only 8% of our debt outside North America and Europe is exposed to changes in interest rates. Our available liquidity as at December 31, 2023 is over \$4.1 billion of cash and cash equivalents, investments in marketable securities and the available portion of credit facilities.

Best-in class operators and developers. Brookfield Renewable has approximately 4,770 experienced operators (inclusive of employees employed by our consolidated portfolio companies) and approximately 120 power marketing experts that are located across the globe to help optimize the performance and maximize the returns of all our assets. Our experience operating, developing, and managing power generation facilities span over 120 years. We continue to accelerate our development activities as we build out our approximately 155,400 MW renewable power pipeline, and further enhance our decarbonization offering to our customers through the build out of our sustainable solutions assets, which includes opportunities to invest in additional projects with 14 MMTpa of CCS, 1.6 million tonnes of recycled materials, roughly 3.5 million MMBtu of annual RNG production capacity, a solar manufacturing facility capable of producing 5,000 MW of panels annually and a 1 million tons per annum green ammonia facility powered entirely by renewable energy. Increasingly, the combination of our operating and developing capabilities

combined with our growth pipeline is differentiating our business as the partner of choice for buyers of clean power and entities looking to decarbonize, driving the growth of our business.

Well positioned for cash flow growth and an attractive long term distribution profile. We are focused on delivering resilient, stable distributions with meaningful growth of 5% to 9% annually through all market cycles from existing operations and new investments. We are fully funded by internally generated cash flows, with inflation escalations in the vast majority of our contracts, potential margin expansion through revenue growth and cost reduction initiatives, and the building out our development pipeline at premium returns. We also supplement this organic growth through acquisitions, leveraging Brookfield's team of over 100 investment professionals globally who are dedicated to sourcing and underwriting accretive acquisitions on an opportunistic basis.

Disciplined and contrarian investment strategy. Our global scale and multi-technology capabilities allow us to rotate capital where it is scarce in order to earn strong risk-adjusted returns. We take a disciplined approach to allocating capital into development and acquisitions with a focus on downside protection and preservation of capital. Our ability to develop and acquire assets is strengthened by our operating and project development teams across the globe, strategic relationship with Brookfield, and our liquidity and capitalization profile.

Conservative approach to asset development and asset management. We employ a conservative approach with respect to asset development and management whereby we look to remove what we call "basis risk" before committing significant capital. To do this, we look to secure financing, customer agreements and engineering, procurement and construction contracts concurrently so we have strong visibility on cash flows and can lock-in our target returns. Where possible, we look to secure fixed rate financing, inflation indexed customer agreements and full wrap construction contracts to minimize uncertainty.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) MANAGEMENT

Our Approach to Sustainability

Our approach to sustainability is a key part of how we conduct our business as an investor, owner and operator of one of the world’s largest publicly traded platforms for renewable power, sustainable solutions and decarbonization solutions. We believe that strong sustainability principles, practices and performance support creating a resilient business and generating long-term value for our stakeholders.

We embed sustainability throughout our investment process, starting with due diligence and through to our exit from the investment. We tailor sustainability due diligence, leveraging our investment and operating expertise and using guidance from the Sustainability Accounting Standards Board. We seek to proactively identify material sustainability risks and opportunities most relevant to the investment and tailor our due diligence work accordingly. After acquiring or investing in an asset, we implement a tailored integration plan that includes material sustainability-related priorities. The management teams within each regional business are accountable for integrating new investments and managing sustainability risks and opportunities through the investment’s life cycle. Sustainability integration and performance are reviewed centrally on a regular basis through our formal governance processes. Finally, as part of our divestiture process, we outline potential value creation from several different factors, including sustainability considerations.

Environment

Decarbonization is a global goal shared by many governments, corporations and investors. As a leading owner and developer of clean energy, we built our position in this sector over many decades and will leverage our operational expertise to support the multi-decade transition required for global decarbonization. Our clean energy assets already support others globally to reduce their emissions and we will continue to partner to drive emissions reduction.

We recognize the importance of reducing the emissions from our own business. We have set an ambition to deliver net-zero emissions across our business by 2050 or sooner and to accelerate the global transition. The ambition is aligned with our strategy and underpinned by three goals:

- Achieve net zero for Scope 1 & Scope 2 market-based emissions by 2030 across our existing renewable operations. This target is supported by established plans with a primary focus on emissions reductions, including increasing the use of renewable energy to power our assets and offices. In addition, we are working to enhance the reporting of Scope 3 emissions across our wider value chain and aim to set a Scope 3 target in the future.
- From 2022, develop an additional 21,000 MW of new clean energy capacity by 2030, which would represent a doubling of our operating portfolio to 42,000 MW. In 2023, we developed approximately 5,000 MW of new clean energy capacity, and we have developed approximately 8,000 MW since setting our target. We expect to accomplish the remaining capacity growth by executing on opportunities in our existing development pipeline as well as continuing to pursue acquisitions. See Item 3.D “Risk Factors — Risks Relating to Our Growth Strategy” in our most recently Annual Report on Form 20-F.
- Set emissions reduction targets and plans to align with the Paris Agreement for 100% of carbon intensive investments. We seek opportunities to help businesses – primarily those in the energy, utility and industrial sectors – to align with the goals of the Paris Agreement by setting interim and long-term targets against Paris-aligned pathways and integrating these targets into the strategy, business plan and governance processes of new acquisitions.

We integrate wider environmental considerations, including biodiversity protection and water and waste management, into our decision-making and activities, while striving for continuous improvement in our environmental management system and overall performance. Our engagement and collaboration with stakeholders, including communities, Indigenous peoples, local agencies and environmental NGOs, enhance our understanding of ecosystems, the potential environmental impacts of our facilities and development of associated management plans.

We also support the market for green financing products, helping to accelerate the transformation and decarbonization of global electricity generation, while reducing the cost of our borrowing. Our Green Financing Committee, comprised of representatives from our Capital Markets and Treasury teams, manages our sustainable

financing strategy in collaboration with Brookfield Renewable's Sustainability Team. The chief financial officer of BRP Energy Group L.P., inclusive of any other affiliate of such entity that provides services to Brookfield Renewable pursuant to our Master Services Agreement or any other service agreement or arrangement (together, the "Service Provider") oversees our strategy and includes these matters in reports to the board of directors of the Brookfield Renewable Partners Limited, which serves as BEP's general partner ("Managing General Partner").

In 2023, we issued approximately \$5 billion of green financings at both the corporate and project levels. This brought our aggregate green issuances to approximately \$15 billion, as of December 31, 2023. Additionally, in January 2024, we issued an additional C\$400 million in green financings at the corporate level. We updated our Green Financing Framework which received a medium green overall rating by second-party opinion provider S&P, with all of our eligible investment categories receiving medium or dark green classifications under S&P's Shade of Green methodology. All of our project-level green bonds received over 90 out of 100 Green Evaluation scores from S&P Global Ratings Canada, a business unit of S&P Global Canada Corp ("S&P"), the highest on its scale. S&P cited that Brookfield Renewable's environmental stewardship, commitment to renewable power and use of proceeds towards renewable power generation contributed to this top score.

Social

We seek to make a positive difference for our people and the communities in which we operate. Within our operations, we maintain a strong focus on health and safety, support the development of our employees and strive to create an open and inclusive work environment for our teams to thrive. We continuously strive to achieve excellence in health and safety performance and to be industry leaders in risk management and incident prevention. Our health and safety management philosophy emphasizes the importance of leadership, line management accountability, a managed system approach and the identification and elimination of high-risk hazards as the cornerstones of exceptional performance.

Across our value chain, we strive to build strong relationships with our community partners. We proactively engage with communities and strive to create shared value. We believe having transparent and well-established relationships with local stakeholders is key to successfully developing and operating our facilities. When considering investing in or building a new facility, we conduct assessments and due diligence to identify local stakeholders. Stakeholders can include communities, landowners, business owners, municipalities, recreational organizations, NGOs or others potentially affected by or interested in our operations. We consult and work proactively with local stakeholders to ensure that their interests and safety are appropriately integrated into our decision-making, developments and operations.

We are dedicated to treating stakeholders, including employees, customers, suppliers, and the communities in which we operate with dignity and respect. Our human rights policy and program includes adhering to all laws and regulations that apply to our operations regarding fair labor and employment conditions and making efforts within our business to enhance our due diligence, key contract terms, policies, procedures and collaboration with respect to our human rights and the supply chain. Our commitment to human rights is integrated throughout our decision-making and operations.

Governance

We maintain high ethical standards across our organization, key elements of which include our Code of Business Conduct and Ethics, Anti-Bribery and Anti-Corruption Policy, a whistleblower hotline, and supporting controls and procedures. To ensure best practices are adopted by our contractors, we have established a Vendor Code of Conduct to better ensure that our contractors' values, priorities and business practices are aligned with our own. The standards set by these policies are designed to meet or exceed applicable law and regulation. We recognize the importance of transparently reporting our sustainability programs and our ESG progress to stakeholders including our investors. As such, we began publishing an annual sustainability report in 2020 detailing how we embed environmental, social and governance principles into our business and also continue to report in alignment with the recommendations of the Taskforce on Climate-related Financial Disclosures.

Oversight of our sustainability matters resides with our Board of Directors and senior leadership team:

- **Board of Directors:** The board of directors of the Managing General Partner and its committees oversee our sustainability strategy, which is focused on decarbonization, and review our sustainability approach and

performance throughout the year. It also reviews global policies related to sustainability and monitors the performance of our regional businesses. The board of directors of the Managing General Partner receives quarterly updates on sustainability performance.

- **Executive Management Team:** The Chief Executive Officer of the Service Provider has ultimate accountability for implementing strategy for the business, including the delivery of sustainability programs and goals. The Chief Executive Officer of the Service Provider and the executive management team set and provide oversight for delivery of the strategic vision and priorities of our business.
- **Regional Business Leads:** The Chief Executive Officers of our regional businesses implements local objectives within their business and are accountable for sustainability performance.
- **Sustainability Steering Committee:** Our Sustainability Steering Committee sets sustainability goals, shares best practices, monitors progress and performance against our goals and seeks opportunities for improvement. The committee includes the Chief Executive Officers of our regional operating businesses, our Chief Sustainability Officer, and our Chief Risk Officer along with various sustainability and operations experts from across our businesses.
- **HSS&E Steering Committee:** Our HSS&E Steering Committee manages our strategic health and safety framework. The committee sets our comprehensive health and safety policies, upholds our robust health and safety culture and management system, shares best practices, seeks opportunities to continuously improve our safety performance and monitors performance against our goal to achieve zero high-risk incidents.
- **Investment Review:** The Service Provider incorporates sustainability factors, including climate-related considerations, into the due diligence process for potential investments, including reviewing material sustainability and other findings from due diligence, prior to investment decisions being made.

A proactive and focused approach continuing to build upon our high sustainability standards creates value in our business. The initiatives we undertake and the investments we make in building our business are guided by our core set of values around sustainability, as we create a culture and organization that we believe can be successful today and in the future. For a discussion of the individuals from Brookfield's management team that are expected to be involved in our business, please see "Risk Factors" included in our most recent Annual Report on Form 20-F.

Management's Discussion and Analysis

For the year ended December 31, 2023

This Management's Discussion and Analysis for the year ended December 31, 2023 is provided as of February 29, 2024. Unless the context indicates or requires otherwise, the terms "Brookfield Renewable", "we", "us", and "our company" mean Brookfield Renewable Partners L.P. and its controlled entities. The ultimate parent of Brookfield Renewable is Brookfield Corporation ("Brookfield Corporation"). Brookfield Corporation and its subsidiaries, other than Brookfield Renewable, and unless the context otherwise requires, includes Brookfield Asset Management Ltd ("Brookfield Asset Management"), are also individually and collectively referred to as "Brookfield" in this Management's Discussion and Analysis. The term "Brookfield Holders" means Brookfield, Brookfield Reinsurance and their related parties.

Brookfield Renewable's consolidated equity interests include the non-voting publicly traded limited partnership units ("LP units") held by public unitholders and Brookfield, class A exchangeable units ("Redeemable/Exchangeable partnership units") in Brookfield Renewable Energy L.P. ("BRELP"), a holding subsidiary of Brookfield Renewable, held by Brookfield, and general partnership interest ("GP interest") in BRELP held by Brookfield. Holders of the LP units, Redeemable/Exchangeable partnership units, GP interest, and exchangeable shares will be collectively referred to throughout as "Unitholders" unless the context indicates or requires otherwise. LP units, Redeemable/Exchangeable partnership units, GP interest, and BEPC exchangeable shares will be collectively referred to throughout as "Units", or as "per Unit", unless the context indicates or requires otherwise. The LP units, exchangeable shares and Redeemable/Exchangeable partnership units have the same economic attributes in all respects. See – "Part 9 – Presentation to Stakeholders and Performance Measurement".

Brookfield Renewable's financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), which require estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the amounts of revenue and expense during the reporting periods.

Certain comparative figures have been reclassified to conform to the current year's presentation.

References to \$, C\$, €, R\$, £, and COP are to United States ("U.S.") dollars, Canadian dollars, Euros, Brazilian reais, British pounds sterling and Colombian pesos, respectively. Unless otherwise indicated, all dollar amounts are expressed in U.S. dollars.

For a description on our operational and segmented information and for the non-IFRS financial measures we use to explain our financial results see "Part 9 – Presentation to Stakeholders and Performance Measurement". For a reconciliation of the non-IFRS financial measures to the most comparable IFRS financial measures, see "Part 4 – Financial Performance Review on Proportionate Information – Reconciliation of non-IFRS measures". This Management's Discussion and Analysis contains forward-looking information within the meaning of U.S. and Canadian securities laws. Refer to – "Part 10 – Cautionary Statements" for cautionary statements regarding forward-looking statements and the use of non-IFRS measures. Our Annual Report and additional information filed with the Securities Exchange Commission ("SEC") and with securities regulators in Canada are available on our website (<https://bep.brookfield.com>), on the SEC's website (www.sec.gov), or on SEDAR+ (www.sedarplus.ca).

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PART 1 – 2023 HIGHLIGHTS

YEAR ENDED DECEMBER 31
(MILLIONS, EXCEPT AS NOTED)

Selected financial information

	2023	2022
Revenues	\$ 5,038	\$ 4,711
Net loss attributable to Unitholders ⁽¹⁾	(100)	(295)
Basic and diluted net loss per LP unit ⁽²⁾	(0.32)	(0.60)
Proportionate Adjusted EBITDA ⁽³⁾	2,182	2,002
Funds From Operations ⁽³⁾	1,095	1,005
Funds From Operations per Unit ⁽³⁾⁽⁴⁾	1.67	1.56
Distribution per LP unit	1.35	1.28

Operational information

Capacity (MW)	32,949	25,377
Total generation (GWh)		
Long-term average generation	75,584	63,656
Actual generation	69,704	63,036
Proportionate generation (GWh)		
Actual generation	29,467	28,669

⁽¹⁾ Includes \$91 million loss attributed to Limited Partner equity, \$57 million loss attributed to BEPC exchangeable shares, \$63 million loss attributed to Participating non-controlling interests – in a holding subsidiary – Redeemable/Exchangeable units held by Brookfield, and \$111 million income General partnership interest in a holding subsidiary held by Brookfield.

⁽²⁾ Average LP units for the year ended December 31, 2023 were 282.4 million (2022: 275.2 million).

⁽³⁾ Non-IFRS measure. For reconciliations to the most directly comparable IFRS measure, see “Cautionary Statement Regarding Use of Non-IFRS Measures” and “PART 4 – Financial Performance Review on Proportionate Information – Reconciliation of Non-IFRS Measures”.

⁽⁴⁾ Average Units outstanding for the year ended December 31, 2023 were 657.1 million (2022: 645.9 million), being inclusive of our LP units, Redeemable/Exchangeable partnership units, BEPC exchangeable shares and GP interest.

AS AT DECEMBER 31
(MILLIONS, EXCEPT AS NOTED)

Liquidity and Capital Resources

	December 31, 2023	December 31, 2022
Available liquidity	\$ 4,121	\$ 3,695
Debt to capitalization – Corporate	12 %	11 %
Debt to capitalization – Consolidated	40 %	39 %
Non-recourse borrowings – Consolidated	91 %	91 %
Fixed rate debt exposure on a proportionate basis ⁽¹⁾	96 %	97 %
Corporate borrowings		
Average debt term to maturity	10 years	11 years
Average interest rate	4.3 %	4.1 %
Non-recourse borrowings on a proportionate basis		
Average debt term to maturity	12 years	12 years
Average interest rate	5.4 %	4.9 %

⁽¹⁾ Total floating rate exposure is 12% (2022: 10%) of which 8% (2022: 7%) is related to floating rate debt exposure of certain foreign regions outside of North America and Europe due to the high cost of hedging associated with those regions.

Operations

Funds From Operations of \$1,095 million or \$1.67 on a per Unit basis is higher than the prior year driven by:

- Contributions from growth, both from acquisitions and 4,511 MW of new development projects reaching commercial operation;
- Strong asset availability across our fleet; and
- Higher realized prices across most markets after adjusting for recent acquisitions on the back of inflation escalation and commercial initiatives

After deducting non-cash depreciation, deferred income tax, foreign exchange and financial instruments gain and other, net loss attributable to Unitholders was \$100 million or \$0.32 per LP unit, compared to net loss attributable to Unitholders of \$295 million or \$0.60 per LP unit in the prior year.

Refer to Part 2 - Financial Performance Review on Consolidated Information in this Management's Discussion and Analysis for details on consolidated statements of income (loss).

We continue to be the partner of choice to procure clean power:

- We advanced commercial priorities including securing contracts for new developments for almost 50 terawatt hours of generation, of which over 90% is with corporate customers

Liquidity and Capital Resources

Our best-in-class balance sheet with investment grade BBB+ credit rating and access to diverse sources of capital continue to differentiate our business and enable us to opportunistically invest when capital becomes scarce

- Liquidity position remains robust, with \$4.1 billion of total available liquidity, providing significant flexibility to fund growth, and no meaningful near-term maturities
- Closed approximately \$15 billion in non-recourse financings generating almost \$500 million in upfinancings to Brookfield Renewable
- During the year, issued C\$400 million of 10-year medium-term notes and issued an additional C\$400 million 30-year medium-term notes in January 2024, extending our average corporate term-to-maturity from 10 to 12 years
- On the back of significant outperformance of our growth targets, we completed a \$650 million equity financing through a bought deal of both 8.2 million LP units and 7.43 million BEPC exchangeable shares, and a concurrent private placement of 5.15 million LP units
- Continued to execute our asset recycling initiatives generating \$800 million (\$500 million net to Brookfield Renewable) over the past 12-months generating nearly three times our invested capital and providing funds for growth

Growth and Development

During the year, together with our institutional partners, we have deployed, or agreed to deploy a record of approximately \$9 billion of capital (approximately \$2 billion net to Brookfield Renewable) into investments across all our key markets, including:

- Completed the acquisition of Westinghouse for \$4.37 billion (\$442 million net to Brookfield Renewable), a leading global provider of highly technical and critical clean energy services to the nuclear industry in a strategic partnership with Cameco
- Completed the acquisition of a U.S. renewable portfolio, Deriva Energy for \$1.08 billion (expected \$308 million net to Brookfield Renewable), one of the largest renewable platforms in the U.S. with 5.9 GW of operating and under construction wind, utility scale solar and storage assets, and a 6.1 GW development pipeline. We expect to hold a 28% interest in the investment (\$303 million net to Brookfield Renewable).
- Completed the acquisition of the remaining 50% interest in X-Elio which we did not own for total consideration of \$893 million (\$76 million net to Brookfield Renewable)

- Completed the acquisition of U.K. Wind Portfolio, Banks Renewables for \$625 million (\$296 million net to Brookfield Renewable), a leading independent UK renewables developer with approximately 260 MW operating onshore wind assets, 800 MW of near-term development and another 3 GW of later stage projects. We expect to hold a 20% interest in the investment (\$125 million net to Brookfield Renewable).
- Invested in a leading renewable platform in India with operating and development assets, to provide a structured U.S. dollar financing solution in the form of convertible securities with an initial investment of \$400 million (\$80 million net to Brookfield Renewable) and the option to invest up to \$600 million (\$120 million net to Brookfield Renewable) in additional convertible securities to finance the company's renewable development pipeline, as well as investing in a solar panel manufacturing facility and a green ammonia production facility; and
- Agreed to invest up to \$360 million (\$72 million net to Brookfield Renewable) to acquire a 55% stake in a leading commercial and industrial renewable platform based in India with 4,500 megawatts of operating and development pipeline

We continued to accelerate our development activities

- We accelerated our development activities, commissioning almost 5,000 MW of new projects globally across wind, solar and battery storage as well as 15 TMTPA of carbon capture and storage, and 402,265 MMBtu of agricultural renewable natural gas through our sustainable solutions portfolio further diversifying and growing our cash flows. We expect commissioned capacity to contribute ~\$65 million of incremental FFO annually on a run-rate basis. Our near-term development pipeline expanded to approximately 23,800 MW, which, along with our sustainable solutions pipeline, is expected to contribute approximately \$300 million of FFO annually on a run-rate basis to Brookfield Renewable once commissioned

PART 2 – FINANCIAL PERFORMANCE REVIEW ON CONSOLIDATED INFORMATION

The following table reflects key financial data for the year ended December 31:

(MILLIONS, EXCEPT AS NOTED)	2023	2022	2021
Revenues	\$ 5,038	\$ 4,711	\$ 4,096
Direct operating costs	(1,933)	(1,434)	(1,365)
Management service costs	(205)	(243)	(288)
Interest expense	(1,627)	(1,224)	(981)
Depreciation	(1,852)	(1,583)	(1,501)
Income tax recovery (expense)	48	2	(14)
Net income (loss)	616	138	(66)
	Average FX rates to USD		
C\$	1.35	1.30	1.25
€	0.92	0.95	0.85
R\$	4.99	5.16	5.40
COP	4,328	4,253	3,742

Current Year Variance Analysis (2023 vs 2022)

Revenues totaling \$5,038 million represents an increase of \$327 million compared to prior year due to the growth of our business and higher realized prices. Recently acquired and commissioned facilities contributed 6,706 GWh of generation and \$311 million of revenues, which was partially offset by recently completed asset sales that reduced generation by 1,134 GWh and revenues by \$89 million. On a same store, constant currency basis, revenues increased by \$124 million as the benefits from higher realized prices across most markets on the back of inflation escalation and commercial initiatives were partially offset by lower hydrology at our Canadian and Colombian hydroelectric assets and lower average revenue per MWh at our European wind and solar assets as a result of adjustments to the regulated price earned in Spain that decreased revenue in the short term but has no impact on the value of the asset given the regulatory construct.

During the year there was an unfavorable foreign exchange impact of \$19 million on revenue as well as a \$17 million unfavorable foreign exchange impact on our operating and interest expenses.

Direct operating costs totaling \$1,933 million represents an increase of \$499 million compared to prior year due to additional costs from our recently acquired and commissioned facilities and higher power purchases in Colombia, which are passed through to our customers, partly offset by our recently completed asset sales and the above noted strengthening of the U.S. dollar.

Management service costs totaling \$205 million represents a decrease of \$38 million compared to prior year.

Interest expense totaling \$1,627 million represents an increase of \$403 million compared to prior year due to growth in our portfolio and upfinancings completed in the prior year at our North American and South American hydroelectric assets to fund the growth of our business.

Depreciation expense totaling \$1,852 million represents an increase of \$269 million compared to prior year due to the growth of our business.

Net income totaling \$616 million represents an increase of \$478 million compared to prior year due to the above noted items, other income relating to non-recurring income and a gain on sale of non-core wind assets.

Prior Year Variance Analysis (2022 vs 2021)

Revenues totaling \$4,711 million represents an increase of \$615 million over same period in the prior year due to the growth of our business and higher power prices. Recently acquired and commissioned facilities contributed 3,544 GWh of generation and \$288 million of revenues, which was partially offset by recently completed asset sales that reduced generation by 996 GWh and revenues by \$99 million. On a same store, local currency basis, revenues increased by \$569 million primarily due to higher average realized revenue per MWh due to inflation indexation, recontracting initiatives, and higher global merchant power, as well as stronger hydrology across our fleet.

The strengthening of the U.S. dollar relative to the same period in the prior year across most of the currencies decreased revenues by approximately \$143 million, which was partially offset by a \$90 million favorable foreign exchange impact on our operating and interest expenses.

Direct operating costs totaling \$1,434 million represents an increase of \$69 million over the same period in the prior year due to additional costs from our recently acquired and commissioned facilities being partly offset by cost saving initiatives across our business, recently completed asset sales and the impact of foreign exchange movement noted above.

Management service costs totaling \$243 million represents a decrease of \$45 million over the same period in the prior year.

Interest expense totaling \$1,224 million represents an increase of \$243 million over the same period in the prior year due to the growth in our portfolio and accelerated financing initiatives in Colombia, as well as a C\$1.0 billion strategic upfinancing of our Canadian hydroelectric facility to fund the growth of our business.

Depreciation expense totaling \$1,583 million represents an increase of \$82 million over the same period in the prior year due to the growth of our business.

Net income totaling \$138 million represents an increase of \$204 million over the same period in the prior year.

PART 3 – ADDITIONAL CONSOLIDATED FINANCIAL INFORMATION

SUMMARY CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table provides a summary of the key line items on the audited annual consolidated statements of financial position as at December 31:

(MILLIONS)	2023	2022
Assets held for sale	\$ —	\$ 938
Current assets	4,610	4,183
Equity-accounted investments	2,546	1,392
Property, plant and equipment, at fair value	64,005	54,283
Total assets	76,128	64,111
Liabilities directly associated with assets held for sale	—	351
Corporate borrowings	2,833	2,548
Non-recourse borrowings	26,869	22,302
Deferred income tax liabilities	7,174	6,507
Total liabilities and equity	76,128	64,111
	FX rates to USD	
C\$	1.33	1.35
€	0.91	0.93
R\$	4.84	5.22
COP	3,822	4,810

Property, plant and equipment

Property, plant and equipment totaled \$64.0 billion as at December 31, 2023 compared to \$54.3 billion as at December 31, 2022 representing an increase of \$9.7 billion. Our acquisitions during the year, included a 136 MW portfolio of operating wind assets in Brazil, a fully integrated developer and operator of renewable power assets in the United States with 5,900 MW of operating and under construction assets, with a 6,100 MW development pipeline, a 60 MW portfolio of operating wind assets in Brazil, and a leading commercial and industrial renewable platform based in India with 4,500 MW of operating and development assets, as well as our continued investments in the development of power generating assets which combined increased property, plant and equipment by \$9.1 billion. The weakening of the U.S. dollar versus the Colombian Peso and Brazilian Reais increased property, plant and equipment by \$2.7 billion. The increase was partly offset by, the sale of our 26 MW solar asset in Uruguay and depreciation expense associated with property, plant and equipment of \$1.8 billion.

Assets held for sale and Liabilities directly associated with assets held for sale

Assets held for sale and Liabilities directly associated with assets held for sale totaled nil and nil , respectively, as at December 31, 2023 compared to \$938 million and \$351 million, respectively, as at December 31, 2022.

In the first quarter of 2023, Brookfield Renewable's institutional partners completed the sale of a 78% interest in a 378 MW operating hydroelectric portfolio in the U.S., of which 28% was sold to affiliates of Brookfield Corporation. Brookfield Renewable retained its 22% interest in the investment and accordingly, did not receive any proceeds from the sale. Subsequent to the completion of the sale, Brookfield Renewable no longer consolidates this investment and recognized its interest as an equity-accounted investment.

In the second quarter of 2023, Brookfield Renewable, together with its institutional partners, completed the sale of wind assets in the U.S. that were acquired in 2022.

In the third quarter of 2023, Brookfield Renewable, together with its institutional partners, completed the sale of its 100% interest in a 95 MW portfolio of wind assets and 100% interest in a 26 MW solar asset in Uruguay.

RELATED PARTY TRANSACTIONS

Brookfield Renewable's related party transactions are in the normal course of business and are recorded at the exchange amount. Brookfield Renewable's related party transactions are primarily with Brookfield Corporation.

Brookfield Renewable sells electricity to Brookfield through a single long-term PPA across Brookfield Renewable's New York hydroelectric facilities.

In 2011, on formation of Brookfield Renewable, Brookfield transferred certain development projects to Brookfield Renewable for no upfront consideration but is entitled to receive variable consideration on commercial operation or sale of these projects.

Brookfield Renewable has entered into voting agreements with Brookfield, whereby Brookfield Renewable gained control of the entities that own certain renewable power generating facilities. Brookfield Renewable has also entered into a voting agreement with its consortium partners in respect of the Colombian business. The voting agreements provide Brookfield Renewable the authority to direct the election of the Boards of Directors of the relevant entities, among other things, and therefore provide Brookfield Renewable with control. Accordingly, Brookfield Renewable consolidates the accounts of these entities.

Brookfield Renewable participates with institutional partners in Brookfield Americas Infrastructure Fund, Brookfield Infrastructure Fund II, Brookfield Infrastructure Fund III, Brookfield Infrastructure Fund IV, Brookfield Infrastructure Fund V, Brookfield Infrastructure Income Fund, Brookfield Global Transition Fund I, Brookfield Global Transition Fund II, and Brookfield Infrastructure Debt Fund ("Private Funds"), each of which is a Brookfield sponsored fund, and in connection therewith, Brookfield Renewable, together with our institutional partners, has access to financing using the Private Funds' credit facilities.

From time to time, in order to facilitate investment activities in a timely and efficient manner, Brookfield Renewable will fund deposits or incur other costs and expenses (including by use of loan facilities to consummate, support, guarantee or issue letters of credit) in respect of an investment that ultimately will be shared with or made entirely by Brookfield sponsored vehicles, consortiums and/or partnerships (including private funds, joint ventures and similar arrangements), Brookfield Renewable, or by co-investors.

On June 16, 2023, Brookfield Renewable completed the issuance of 8,200,000 LP Units and 7,430,000 class A exchangeable subordinated voting shares of BEPC ("Exchangeable shares") on a bought deal basis at a price of \$30.35 per LP Unit and \$33.80 per Exchangeable Share for gross proceeds of \$500 million. Concurrently, a subsidiary of Brookfield Reinsurance purchased 5,148,270 LP units at the LP unit offering price (net of underwriting commission). The aggregate gross proceeds of the offering and the concurrent private placement was approximately \$650 million. Brookfield Renewable incurred \$20 million in related transaction costs inclusive of fees paid to underwriters.

Brookfield Corporation has provided a \$400 million committed unsecured revolving credit facility maturing in December 2024 and the draws bear interest at the Secured Overnight Financing Rate plus a margin. During the current period, there were no draws on the committed unsecured revolving credit facility provided by Brookfield Corporation. Brookfield Corporation may from time to time place funds on deposit with Brookfield Renewable which are repayable on demand including any interest accrued. There were nil funds placed on deposit with Brookfield Renewable as at December 31, 2023 (2022: nil). The interest expense on the deposit and draws from the credit facility for the year ended December 31, 2023 totaled nil (2022: nil and 2021: \$2 million)

On November 7, 2023, Brookfield Renewable, together with institutional partners, through a strategic partnership with Cameco Corporation, acquired 100% of Westinghouse, one of the world's largest nuclear services businesses, from our affiliate Brookfield Business Partners L.P. and its institutional partners, for \$4.37 billion (approximately \$437 million invested by Brookfield Renewable).

In addition, our company has executed, amended, or terminated other agreements with Brookfield that are described in Note 28 – Related party transactions in our audited annual consolidated financial statements. For a

description of certain of our agreements with Brookfield, please see Item 7.B “Related Party Transactions” in our Form 20-F for the annual period ended December 31, 2023.

The following table reflects the related party agreements and transactions in the audited annual consolidated statements of income (loss), for the year ended December 31:

(MILLIONS)	<u>2023</u>	<u>2022</u>	<u>2021</u>
Revenues			
Power purchase and revenue agreements	\$ 14	\$ 21	\$ 103
Direct operating costs			
Energy marketing fee and other services	(5)	(1)	(8)
Insurance services ⁽¹⁾	—	—	(26)
	<u>\$ (5)</u>	<u>\$ (1)</u>	<u>\$ (34)</u>
Interest expense			
Borrowings	\$ (35)	\$ —	\$ (2)
Contract balance accretion	(26)	(20)	(21)
	<u>\$ (61)</u>	<u>\$ (20)</u>	<u>\$ (23)</u>
Other			
Distribution income	\$ 8	\$ —	\$ —
Other related party services	\$ 3	\$ (5)	\$ (4)
Financial instrument gain/loss	\$ 21	\$ 5	\$ —
Management service costs	\$ (205)	\$ (243)	\$ (288)

⁽¹⁾ Prior to November 2021, insurance services were paid to external insurance service providers through subsidiaries of Brookfield Corporation. The fees paid to the subsidiaries of Brookfield Corporation in 2023 were nil (2022 was nil and 2021: was nil). As of November 2021, Brookfield, through a regulated subsidiary, began providing insurance coverage through third-party commercial insurers for the benefits of certain entities in North America. The premiums and claims paid are not included in the table above.

The following table reflects the impact of the related party agreements and transactions on the consolidated balance sheets as at December 31:

(MILLIONS)	Related party	2023	2022
Current assets			
Trade receivables and other current assets			
Contract asset	Brookfield	\$ 61	\$ 54
Due from related parties			
Amounts due from	Brookfield ⁽¹⁾	1,386	105
	Equity-accounted investments and other ...	57	18
		<u>1,443</u>	<u>123</u>
Non-current assets			
Financial instrument assets	Brookfield	170	395
Other long-term assets			
Contract asset	Brookfield	314	341
Amounts due from	Equity-accounted investments and other ...	135	128
Current liabilities			
Contract Liability	Brookfield	35	24
Financial Instrument Liabilities	Brookfield Reinsurance	2	3
Due to related parties			
Amount due to	Brookfield ⁽¹⁾	541	205
	Equity-accounted investments and other ...	13	24
	Brookfield Reinsurance	242	321
Accrued distributions payable on LP units, BEPC exchangeable shares and Redeemable/Exchangeable partnership units and GP interest	Brookfield	39	38
		<u>835</u>	<u>588</u>
Non-Current liabilities			
Financial Instrument Liabilities	Brookfield Reinsurance	2	3
Due to related parties			
Amount due to	Brookfield	496	—
	Equity-accounted investments and other ...	209	1
		<u>705</u>	<u>1</u>
Corporate borrowings	Brookfield Reinsurance	8	7
Non-recourse borrowings	Brookfield Reinsurance and associates	101	93
Other long-term liabilities			
Contract liability	Brookfield	680	662
Equity			
Preferred limited partners equity	Brookfield Reinsurance and associates	\$ 11	11

(1) Includes receivables of \$1,328 million (2022: \$45 million) associated with the Brookfield Global Transition Fund credit facility

(2) Includes payables of \$6 million (2022: \$39 million), \$81 million (2022: \$64 million), and \$307 million (2022: nil) associated with the Brookfield Infrastructure Fund IV, Brookfield Global Transition Fund, and Brookfield Global Transition Fund II credit facilities, respectively

EQUITY

General partnership interest in a holding subsidiary held by Brookfield

Brookfield, as the owner of the 1% GP interest in BRELP, is entitled to regular distributions plus an incentive distribution based on the amount by which quarterly LP unit distributions exceed specified target levels. As at December 31, 2023, to the extent that LP unit distributions exceed \$0.20 per LP unit per quarter, the incentive distribution is 15% of distributions above this threshold. To the extent that quarterly LP unit distributions exceed \$0.2253 per LP unit per quarter, the incentive distribution is equal to 25% of distributions above this threshold. Incentive distributions of \$111 million were declared during the year ended December 31, 2023 (2022: \$94 million).

Preferred equity

The Class A Preference Shares of Brookfield Renewable Power Preferred Equity Inc. ("BRP Equity") do not have a fixed maturity date and are not redeemable at the option of the holders. As at December 31, 2023, none of the issued Class A, Series 5 and 6 Preference Shares have been redeemed by BRP Equity.

In December 2023, the Toronto Stock Exchange accepted notice of BRP Equity's intention to renew the normal course issuer bid in connection with its outstanding Class A Preference Shares for another year to December 17, 2024, or earlier should the repurchases be completed prior to such date. Under this normal course issuer bid, BRP Equity is permitted to repurchase up to 10% of the total public float for each respective series of the Class A Preference Shares. Shareholders may receive a copy of the notice, free of charge, by contacting Brookfield Renewable. There were no repurchases of Class A Preference Shares during 2023 or 2022 in connection with the normal course issuer bid.

Perpetual subordinated notes

The perpetual subordinated notes are classified as a separate class of non-controlling interest on Brookfield Renewable's consolidated statements of financial position. Brookfield Renewable incurred interest of \$29 million on the perpetual subordinated notes during the year ended December 31, 2023 (2022: \$29 million). Interest incurred on the perpetual subordinated notes are presented as distributions in the consolidated statements of changes in equity.

Preferred limited partners' equity

The Class A Preferred Limited Partnership Units ("Preferred units") of Brookfield Renewable do not have a fixed maturity date and are not redeemable at the option of the holders.

In the second quarter of 2023, Brookfield Renewable declared the fixed quarterly distributions on the Class A Preferred Limited Partnership Series 13 Units during the five years commencing May 1, 2023 will be paid at an annual rate of 6.05%.

In December 2023, the Toronto Stock Exchange accepted notice of Brookfield Renewable's intention to renew the normal course issuer bid in connection with the outstanding Class A Preferred Limited Partnership Units for another year to December 17, 2024, or earlier should the repurchases be completed prior to such date. Under this normal course issuer bid, Brookfield Renewable is permitted to repurchase up to 10% of the total public float for each respective series of its Class A Preferred Limited Partnership Units. Unitholders may receive a copy of the notice, free of charge, by contacting Brookfield Renewable. No shares were repurchased during 2023 or 2022.

Limited partners' equity, Redeemable/Exchangeable partnership units, and BEPC exchangeable shares

On June 16, 2023, Brookfield Renewable completed the issuance of 8,200,000 LP Units and 7,430,000 class A exchangeable subordinated voting shares of BEPC ("Exchangeable shares") on a bought deal basis at a price of \$30.35 per LP Unit and \$33.80 per Exchangeable Share for gross proceeds of \$500 million. Concurrently, a subsidiary of Brookfield Reinsurance purchased 5,148,270 LP units at the LP unit offering price (net of underwriting commission). The aggregate gross proceeds of the offering and the concurrent private placement was approximately \$650 million. Brookfield Renewable incurred \$20 million in related transaction costs inclusive of fees paid to underwriters.

As at December 31, 2023, Brookfield Holders held a direct and indirect interest of approximately 47% of Brookfield Renewable on a fully-exchangeable basis. Brookfield Holders own, directly and indirectly, 313,640,823 LP units, Redeemable/Exchangeable partnership units and BEPC exchangeable shares, on a combined basis and the remaining is held by public investors.

During the year ended December 31, 2023, Brookfield Renewable issued 304,899 LP units (2022: 262,177 LP units) under the distribution reinvestment plan at a total value of \$8 million (2022: \$9 million).

During the year ended December 31, 2023, exchangeable shareholders of BEPC exchanged 8,465 BEPC exchangeable shares (2022: 12,308 BEPC exchangeable shares) for an equivalent number of LP units amounting to less than \$1 million (2022: less than \$1 million).

In December 2023, Brookfield Renewable renewed its normal course issuer bid in connection with its LP units and outstanding BEPC exchangeable shares. Brookfield Renewable is authorized to repurchase up to 14,361,497 LP units and 8,982,586 BEPC exchangeable shares, representing 5% of each of its issued and outstanding LP units and BEPC exchangeable shares. The bids will expire on December 17, 2024, or earlier should Brookfield Renewable complete its repurchases prior to such date. During the year ended December 31, 2023, there were 1,856,044 LP units (2022: nil) repurchased and cancelled at a total cost of \$43 million (2022: nil). During the year ended December 31, 2023, Brookfield Corporation purchased 441,363 units (2022: nil). There were no BEPC exchangeable shares repurchased during the years ended December 31, 2023 or 2022. Subsequent to year-end, Brookfield Renewable repurchased 496,254 LP units on the Toronto Stock Exchange at a total cost of \$12 million.

PART 4 – FINANCIAL PERFORMANCE REVIEW ON PROPORTIONATE INFORMATION

SEGMENTED DISCLOSURES

Segmented information is prepared on the same basis that Brookfield Renewable’s Chief Executive Officer and Chief Financial Officer (collectively, the chief operating decision maker or “CODM”) manages the business, evaluates financial results, and makes key operating decisions. See “PART 9 – Presentation to Stakeholders and Performance Measurement” for information on segments and an explanation on the calculation and relevance of proportionate information, Adjusted EBITDA and Funds From Operations which are non-IFRS measures.

PROPORTIONATE RESULTS FOR THE YEAR ENDED DECEMBER 31

The following chart reflects the generation and summary financial figures on a proportionate basis for the year ended December 31:

	(GWh)				(MILLIONS)					
	Actual Generation		LTA Generation		Revenues		Adjusted EBITDA ⁽¹⁾		Funds From Operations	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Hydroelectric										
North America	11,603	11,285	12,161	12,161	\$ 1,029	\$ 964	\$ 670	\$ 603	\$ 402	\$ 412
Brazil	3,974	3,828	4,099	4,060	240	197	172	167	146	138
Colombia	3,408	4,411	3,647	3,802	293	273	175	201	76	117
	18,985	19,524	19,907	20,023	1,562	1,434	1,017	971	624	667
Wind	6,367	5,951	7,865	6,797	511	538	493	430	382	326
Utility-scale solar	2,489	1,878	3,123	2,406	365	374	372	362	261	253
Distributed energy & storage	1,241	1,050	956	886	241	242	180	189	133	148
Sustainable solutions	—	—	—	—	147	48	61	8	52	6
Corporate	—	—	—	—	—	—	59	42	(357)	(395)
Total	29,082	28,403	31,851	30,112	\$ 2,826	\$ 2,636	\$ 2,182	\$ 2,002	\$ 1,095	\$ 1,005

⁽¹⁾ Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure see “Reconciliation of Non-IFRS Measures” in this Management’s Discussion and Analysis.

HYDROELECTRIC OPERATIONS ON PROPORTIONATE BASIS

The following table presents our proportionate results for hydroelectric operations for the year ended December 31:

(MILLIONS, EXCEPT AS NOTED)	2023	2022
Revenue	\$ 1,562	\$ 1,434
Other income	33	47
Direct operating costs	(578)	(510)
Adjusted EBITDA	1,017	971
Interest expense	(367)	(262)
Current income taxes	(26)	(42)
Funds From Operations	\$ 624	\$ 667
<i>Generation (GWh) – LTA</i>	<i>19,907</i>	<i>20,023</i>
<i>Generation (GWh) – actual</i>	<i>18,985</i>	<i>19,524</i>
<i>Average revenue per MWh</i>	<i>72</i>	<i>68</i>

The following table presents our proportionate results by geography for hydroelectric operations for the year ended December 31:

(MILLIONS, EXCEPT AS NOTED)	Actual Generation (GWh)		Average revenue per MWh ⁽¹⁾		Adjusted EBITDA ⁽²⁾		Funds From Operations	
	2023	2022	2023	2022	2023	2022	2023	2022
North America								
United States	7,766	7,109	\$ 84	\$ 83	\$ 425	\$ 363	\$ 271	\$ 270
Canada	3,837	4,176	63	63	245	240	131	142
	11,603	11,285	77	76	670	603	402	412
Brazil	3,974	3,828	60	51	172	167	146	138
Colombia	3,408	4,411	69	62	175	201	76	117
Total	18,985	19,524	\$ 72	\$ 68	\$ 1,017	\$ 971	\$ 624	\$ 667

⁽¹⁾ Average revenue per MWh was adjusted to net the impact of power purchases and any revenue with no corresponding generation.

⁽²⁾ Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure see “Reconciliation of Non-IFRS Measures” in this Management’s Discussion and Analysis.

North America

Funds From Operations at our North American business were \$402 million in 2023 versus \$412 million in the prior year as the benefit from favorable hydrology conditions in the United States (9% above prior year) and higher average revenue per MWh due to inflation indexation on our contracted generation was offset by lower resources in our high value Canadian markets and higher interest expense due to financing initiatives completed to fund growth.

Brazil

Funds From Operations at our Brazilian business were \$146 million in 2023 versus \$138 million in the prior year. Excluding a positive ruling that benefited the prior year (\$15 million), Funds From Operations was \$23 million higher than the prior year due to favorable generation and higher average revenue per MWh due to inflation indexation on contracted generation.

Colombia

Funds From Operations at our Colombian business were \$76 million in 2023 versus \$117 million in the prior year. On a constant currency basis, Adjusted EBITDA was in-line with the prior year as the benefit from higher average revenue per MWh due to stronger market prices was offset by lower resources as the prior year benefited from well above LTA conditions. This was offset by higher interest expense as a result of accelerated refinancing initiatives completed in the first half of the prior year to fund growth and a weaker Colombian peso versus the U.S. dollar.

WIND OPERATIONS ON PROPORTIONATE BASIS

The following table presents our proportionate results for wind operations for the year ended December 31:

(MILLIONS, EXCEPT AS NOTED)	2023	2022
Revenue	\$ 511	\$ 538
Other income	146	56
Direct operating costs	(164)	(164)
Adjusted EBITDA	493	430
Interest expense	(105)	(96)
Current income taxes	(6)	(8)
Funds From Operations	\$ 382	\$ 326
Generation (GWh) – LTA	7,865	6,797
Generation (GWh) – actual	6,367	5,951
Average revenue per MWh	\$ 76	\$ 82

Funds From Operations at our wind business were \$382 million in 2023 versus \$326 million in the prior year primarily due to the benefit from growth, including the completion of our 850-megawatt repowering project in the U.S, newly acquired and commissioned facilities (\$31 million and 1,084 GWh), inflation indexation on our contracted generation, and gains on sale of non-core assets and development assets being partially offset by lower average revenue per MWh as a result of adjustments to the regulated price earned by our Spanish assets that decreased revenues in the short term but has no impact on value given the regulatory construct.

The following table presents our proportionate results by geography for wind operations for the year ended December 31:

(MILLIONS, EXCEPT AS NOTED)	Actual Generation (GWh)		Average revenue per MWh		Adjusted EBITDA ⁽²⁾		Funds From Operations	
	2023	2022	2023	2022	2023	2022	2023	2022
North America								
United States ⁽¹⁾	3,194	2,789	\$63,000,	\$ 63	\$ 193	\$ 154	\$ 144	\$ 108
Canada	858	1,135	89,000,0	92	134	85	117	64
	4,052	3,924	69,000,0	85	327	239	261	172
Europe	874	867	137,000,	155	93	133	70	114
Brazil	665	565	59,000,0	55	35	24	27	19
Asia	776	595	63,000,0	69	38	34	24	21
Total	6,367	5,951	\$76,000,	\$ 82	\$ 493	\$ 430	\$ 382	\$ 326

⁽¹⁾ Average revenue per MWh adjusted to include the impact of the Texas weather event in February 2021 was \$91 per MWh.

⁽²⁾ Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure see “Reconciliation of Non-IFRS Measures” in this Management’s Discussion and Analysis.

North America

Funds From Operations at our North American business were \$261 million in 2023 versus \$172 million in the prior year. On a same store basis, net of asset sales (\$45 million and 387 GWh), Funds From Operations were higher than prior year primarily due to favorable resources and higher power prices as a result of inflation indexation and generation mix.

Europe

Funds From Operations at our European business were \$70 million in 2023 versus \$114 million in the prior year. Excluding contributions from the sale of our Irish wind business and gains on the sale of our development assets in Ireland and Scotland (\$91 million and 164 GWh), Funds From Operations were higher than prior year primarily due to higher market prices in Spain.

Brazil

Funds From Operations at our Brazilian business of \$27 million in 2022 versus \$19 million in the prior year as the benefit from higher average revenue per MWh due to inflation indexation of our contracts was partly offset by lower resources.

Asia

Funds From Operations at our Asian business were \$24 million in 2023 versus \$21 million in the prior year due to growth from newly acquired facilities in China (\$6 million and 135 GWh). On a same store basis, the portfolio performed in line with prior year .

UTILITY-SCALE SOLAR OPERATIONS ON PROPORTIONATE BASIS

The following table presents our proportionate results for utility-scale solar operations for the year ended December 31:

(MILLIONS, EXCEPT AS NOTED)	2023	2022
Revenue	\$ 365	\$ 374
Other income	106	90
Direct operating costs	(99)	(102)
Adjusted EBITDA	372	362
Interest expense	(110)	(102)
Current income taxes	(1)	(7)
Funds From Operations	<u>\$ 261</u>	<u>\$ 253</u>
<i>Generation (GWh) – LTA</i>	<i>3,123</i>	<i>2,406</i>
<i>Generation (GWh) – actual</i>	<i>2,489</i>	<i>1,878</i>
<i>Average revenue per MWh</i>	<i>\$ 147</i>	<i>\$ 197</i>

Funds From Operations at our utility-scale solar business were \$261 million in 2023 versus \$253 million in the prior year, as the benefits from newly acquired and commissioned facilities (\$16 million and 560 GWh) and gains on sale of development assets was partially offset by lower generation on a same store basis and lower average revenue per MWh due to adjustments to the regulated price earned by our Spanish assets that decreased revenues in the short term but has no impact on value given the regulatory construct.

DISTRIBUTED ENERGY & STORAGE OPERATIONS ON PROPORTIONATE BASIS

The following table presents our proportionate results for distributed energy & storage business for the year ended December 31:

(MILLIONS, EXCEPT AS NOTED)	2023	2022
Revenue	\$ 241	\$ 242
Other income	20	23
Direct operating costs	(81)	(76)
Adjusted EBITDA	180	189
Interest expense	(43)	(40)
Current income taxes	(4)	(1)
Funds From Operations	<u>\$ 133</u>	<u>\$ 148</u>
<i>Generation (GWh) – LTA</i>	<i>956</i>	<i>886</i>
<i>Generation (GWh) – actual</i>	<i>1,241</i>	<i>1,050</i>
<i>Average revenue per MWh</i>	<i>\$ 174</i>	<i>\$ 197</i>

Funds From Operations at our distributed energy & storage business were \$133 million in 2023 versus \$148 million in the prior year as the benefits from recent acquisitions and development activities and stronger resources was offset by a decrease in average revenue per MWh due to generation mix and lower grid stability prices at our pumped storage facilities driven by lower pricing volatility.

SUSTAINABLE SOLUTIONS OPERATIONS ON PROPORTIONATE BASIS

The following table presents our proportionate results for sustainable solutions business for the year ended December 31:

(MILLIONS, EXCEPT AS NOTED)	2023	2022
Revenue	\$ 147	\$ 48
Other income	19	3
Direct operating costs	(105)	(43)
Adjusted EBITDA	61	8
Interest expense	(6)	(2)
Current income taxes	(3)	—
Funds From Operations	<u>\$ 52</u>	<u>\$ 6</u>

Funds From Operations at our sustainable solutions business were \$52 million in 2023 versus \$6 million in the prior year due to growth and development including our investment in Westinghouse, which closed in the fourth quarter.

CORPORATE

The following table presents our results for corporate for the year ended December 31:

(MILLIONS)	<u>2023</u>	<u>2022</u>
Other income	\$ 88	\$ 73
Direct operating costs	<u>(29)</u>	<u>(31)</u>
Adjusted EBITDA	59	42
Current income taxes	—	(1)
Management service costs	(205)	(243)
Interest expense	(114)	(94)
Distributions ⁽¹⁾	<u>(97)</u>	<u>(99)</u>
Funds From Operations	<u>\$ (357)</u>	<u>\$ (395)</u>

⁽¹⁾ Distributions on Preferred Units, Class A Preference Shares and Perpetual Subordinated Notes.

PROPORTIONATE RESULTS FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021

The following chart reflects the generation and summary financial figures on a **proportionate basis** for the year ended December 31:

	(GWh)				(MILLIONS)					
	Actual Generation		LTA Generation		Revenues		Adjusted EBITDA ⁽¹⁾		Funds From Operations	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Hydroelectric										
North America	11,285	10,470	12,161	12,167	\$ 964	\$ 876	\$ 603	\$ 569	\$ 412	\$ 409
Brazil	3,828	3,626	4,060	4,004	197	169	167	155	138	131
Colombia	4,411	3,950	3,802	3,555	273	224	201	159	117	128
	<u>19,524</u>	<u>18,046</u>	<u>20,023</u>	<u>19,726</u>	<u>1,434</u>	<u>1,269</u>	<u>971</u>	<u>883</u>	<u>667</u>	<u>668</u>
Wind	5,951	6,096	6,797	7,249	538	556	430	511	326	396
Utility-scale solar	1,878	1,777	2,406	2,016	374	348	362	298	253	185
Distributed energy & storage	1,050	1,014	886	861	242	215	189	160	148	128
Sustainable solutions	—	—	—	—	48	27	8	13	6	5
Corporate	—	—	—	—	—	—	42	11	(395)	(448)
Total	<u>28,403</u>	<u>26,933</u>	<u>30,112</u>	<u>29,852</u>	<u>\$ 2,636</u>	<u>\$ 2,415</u>	<u>\$ 2,002</u>	<u>\$ 1,876</u>	<u>\$ 1,005</u>	<u>\$ 934</u>

⁽¹⁾ Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure see “Reconciliation of Non-IFRS Measures” in this Management’s Discussion and Analysis.

HYDROELECTRIC OPERATIONS ON PROPORTIONATE BASIS

The following table presents our proportionate results for hydroelectric operations the year ended December 31:

(MILLIONS, EXCEPT AS NOTED)	2022	2021
Revenue	\$ 1,434	\$ 1,269
Other income	47	92
Direct operating costs	(510)	(478)
Adjusted EBITDA	971	883
Interest expense	(262)	(206)
Current income taxes	(42)	(9)
Funds From Operations	<u>\$ 667</u>	<u>\$ 668</u>
<i>Generation (GWh) – LTA</i>	<i>20,023</i>	<i>19,726</i>
<i>Generation (GWh) – actual</i>	<i>19,524</i>	<i>18,046</i>

The following table presents our proportionate results by geography for hydroelectric operations for the year ended December 31:

	Actual Generation (GWh)		Average revenue Per MWh ⁽¹⁾		Adjusted EBITDA ⁽²⁾		Funds From Operations	
(MILLIONS, EXCEPT AS NOTED)	2022	2021	2022	2021	2022	2021	2022	2021
North America								
United States	7,109	7,088	\$ 83	\$ 72	\$ 363	\$ 359	\$ 270	\$ 256
Canada	4,176	3,382	63	63	240	210	142	153
	11,285	10,470	76	69	603	569	412	409
Brazil	3,828	3,626	51	47	167	155	138	131
Colombia	4,411	3,950	62	61	201	159	117	128
Total	<u>19,524</u>	<u>18,046</u>	<u>\$ 68</u>	<u>\$ 63</u>	<u>\$ 971</u>	<u>\$ 883</u>	<u>\$ 667</u>	<u>\$ 668</u>

⁽¹⁾ Average revenue per MWh was adjusted to net the impact of power purchases and any revenue with no corresponding generation.

⁽²⁾ Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure see “Reconciliation of Non-IFRS Measures” in this Management’s Discussion and Analysis.

North America

Funds From Operations at our North American business were \$412 million in 2022 versus \$409 million in the prior year as the benefit from favorable generation 8% above prior year and higher average revenue per MWh due to inflation indexation on our contracted generation and strong market pricing environment was partly offset by financing initiatives in Canada completed in 2021 to fund growth (\$32 million).

Brazil

Funds From Operations at our Brazilian business were \$138 million in 2022 versus \$131 million in the prior year. Excluding the impact of the positive ruling regarding historical under allocation of generation to our facilities under the centralized pooling mechanism that benefited the prior year (\$30 million), Funds From Operations was significantly higher than prior year primarily due to favorable generation (3% above prior year) and higher average revenue per MWh on our contracted generation due to inflation indexation as well as contribution from the commissioning of a 30 MW hydroelectric facility in the second quarter of 2022 (\$3 million and 84 GWh).

Colombia

Funds From Operations at our Colombian business were \$117 million in 2022 versus \$128 million in the prior year. On a local currency basis, Funds From Operations was 4% higher than the prior year due to the benefit from newly acquired and commissioned facilities during the year (\$14 million and 242 GWh), higher generation that was 16% above long-term average and higher average revenue per MWh due to inflation indexation and recontracting initiatives, partly offset by interest expense as a result of accelerating refinancing initiatives. The increase was more than offset by weakening of the Colombian peso versus the U.S. dollar.

WIND OPERATIONS ON PROPORTIONATE BASIS

The following table presents our proportionate results for wind operations for the year ended December 31:

(MILLIONS, EXCEPT AS NOTED)		2022	2021
Revenue		\$ 538	\$ 556
Other income		56	126
Direct operating costs		(164)	(171)
Adjusted EBITDA		430	511
Interest expense		(96)	(106)
Current income taxes		(8)	(9)
Funds From Operations		\$ 326	\$ 396
Generation (GWh) – LTA		6,797	7,249
Generation (GWh) – actual		5,951	6,096

Funds From Operations at our wind business were \$326 million in 2022 versus \$396 million in the prior year. On a same store basis, net of growth, and asset sales in 2021 at our North America and Europe portfolios (\$130 million and 387 GWh), Funds From Operations were higher than prior year due to favorable resources and a higher average revenue per MWh due to inflation indexation, generation mix and higher market prices in Spain.

The following table presents our proportionate results by geography for wind operations for the year ended December 31:

(MILLIONS, EXCEPT AS NOTED)	Actual Generation (GWh)		Average revenue per MWh ⁽¹⁾		Adjusted EBITDA ⁽²⁾		Funds From Operations	
	2022	2021	2022	2021	2022	2021	2022	2021
North America								
United States ⁽¹⁾	2,789	2,942	\$ 63	\$ 78	\$ 154	\$ 197	\$ 108	\$ 146
Canada	1,135	1,067	92	95	85	80	64	54
	3,924	4,009	85	83	239	277	172	200
Europe	867	1,029	155	121	133	187	114	164
Brazil	565	589	55	49	24	23	19	17
Asia	595	469	69	67	34	24	21	15
Total	5,951	6,096	\$ 82	\$ 85	\$ 430	\$ 511	\$ 326	\$ 396

⁽¹⁾ Average revenue per MWh adjusted to exclude the impact of the Texas weather event in February 2021 was \$78 per MWh

⁽²⁾ Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure see “Reconciliation of Non-IFRS Measures” in this Management’s Discussion and Analysis.

North America

Funds From Operations at our North American business were \$172 million in 2022 versus \$200 million in the prior year due to growth from our increased ownership in TerraForm Power and other acquisitions, net of asset sales and a gain on the sale of development assets in the United States (\$70 million and 799 GWh). On a same store basis,

Funds From Operations were higher than the prior year as the benefit of higher average revenue per MWh due to generation mix in higher priced markets was partly offset by lower resource in Canada.

Europe

Funds From Operations at our European business were \$114 million in 2022 versus \$164 million in the prior year primarily due to growth from our increased ownership in TerraForm Power and other acquisitions, net of asset sales and a gain on the sale of our development assets in Ireland and Scotland (\$78 million and 61 GWh). On a same store basis, Funds From Operations were higher than prior year primarily due to higher market prices in Spain and higher resource.

Brazil

Funds From Operations at our Brazilian business of \$19 million was consistent with the prior year. On a local currency basis, Funds From Operations was 5% higher than the prior year due to the benefit from inflation indexation of our contracts and favorable resource. The increase was fully offset by the weakening of the Brazilian real versus the U.S. dollar.

Asia

Funds From Operations at our Asian wind business were \$21 million in 2022 versus \$15 million in the prior year as the benefit from favorable resources was more than offset by higher interest expense as a result of upfinancing initiatives to right size the capital structure.

UTILITY-SCALE SOLAR OPERATIONS ON PROPORTIONATE BASIS

The following table presents our proportionate results for utility-scale solar operations for the year ended December 31:

(MILLIONS, EXCEPT AS NOTED)	2022	2021
Revenue	\$ 374	348
Other income	90	39
Direct operating costs	(102)	(89)
Adjusted EBITDA	362	298
Interest expense	(102)	(111)
Current income taxes	(7)	(2)
Funds From Operations	<u>\$ 253</u>	<u>\$ 185</u>
<i>Generation (GWh) – LTA</i>	<i>2,406</i>	<i>2,016</i>
<i>Generation (GWh) – actual</i>	<i>1,878</i>	<i>1,777</i>

Funds From Operations at our utility-scale solar business were \$253 million in 2022 versus \$185 million in the prior year, as the benefit from newly acquired and commissioned facilities, including a gain on sale of a solar development project in North America (\$25 million and 249 GWh), and higher market prices in Spain was partly offset by lower resources.

DISTRIBUTED ENERGY & STORAGE OPERATIONS ON PROPORTIONATE BASIS

The following table presents our proportionate results for distributed energy & storage business for the year ended December 31:

(MILLIONS, EXCEPT AS NOTED)	2022	2021
Revenue	\$ 242	\$ 215
Other income	23	—
Direct operating costs	(76)	(55)
Adjusted EBITDA	189	160
Interest expense	(40)	(30)
Current income taxes	(1)	(2)
Funds From Operations	<u>\$ 148</u>	<u>\$ 128</u>
<i>Generation (GWh) – LTA</i>	886	861
<i>Generation (GWh) – actual</i>	1,050	1,014

Funds From Operations at our distributed energy & storage business were \$148 million in 2022 versus \$128 million in the prior year primarily due to the benefit from growth and higher pricing for grid stability services provided by our pumped storage facilities on the back of higher and more volatile power prices.

SUSTAINABLE SOLUTIONS ON PROPORTIONATE BASIS

The following table presents our proportionate results for sustainable solutions business for the year ended December 31:

(MILLIONS, EXCEPT AS NOTED)	2022	2021
Revenue	\$ 48	\$ 27
Other income	3	3
Direct operating costs	(43)	(17)
Adjusted EBITDA	8	13
Interest expense	(2)	(8)
Current income taxes	—	—
Funds From Operations	<u>\$ 6</u>	<u>\$ 5</u>

Funds From Operations at our sustainable solutions business were \$6 million in 2022 versus \$5 million in the prior year primarily due to the benefit from the growth of our structured financial investments and business transformation portfolios.

CORPORATE

The following table presents our results for corporate for the year ended December 31:

(MILLIONS)	2022	2021
Other income	\$ 73	\$ 41
Direct operating costs	(31)	(30)
Adjusted EBITDA	42	11
Current income taxes	(1)	—
Management service costs	(243)	(288)
Interest expense	(94)	(78)
Distributions ⁽¹⁾	(99)	(93)
Funds From Operations	<u>\$ (395)</u>	<u>\$ (448)</u>

⁽¹⁾ Distributions on Preferred Units and Class A Preference Shares.

RECONCILIATION OF NON-IFRS MEASURES

The following table reconciles the non-IFRS financial measures to the most directly comparable IFRS measures. Net income (loss) is reconciled to Adjusted EBITDA for the year ended December 31, 2023:

(MILLIONS)	Attributable to Unitholders								
	Hydroelectric			Wind	Utility -scale solar	Distributed energy & storage	Sustainable solutions	Corporate	Total
	North America	Brazil	Colombia						
Net income (loss)	\$ 207	\$ 28	\$ 188	\$ 307	\$ 209	\$ (90)	\$ 102	\$ (335)	\$ 616
Add back or deduct the following:									
Depreciation	424	101	127	709	348	56	85	2	1,852
Deferred income tax expense (recovery)	(69)	3	5	20	(43)	(37)	(22)	(33)	(176)
Foreign exchange and financial instrument loss (gain)	(153)	(2)	(7)	(239)	(17)	(5)	(89)	10	(502)
Other ⁽¹⁾	19	12	8	(111)	(171)	111	3	23	(106)
Management service costs	—	—	—	—	—	—	—	205	205
Interest expense	333	48	364	297	282	59	94	150	1,627
Current income tax expense	1	8	76	20	13	—	—	10	128
Amount attributable to equity accounted investments and non-controlling interests ⁽²⁾	(92)	(26)	(586)	(510)	(249)	86	(112)	27	(1,462)
Adjusted EBITDA	<u>670</u>	<u>172</u>	<u>175</u>	<u>493</u>	<u>372</u>	<u>180</u>	<u>61</u>	<u>59</u>	<u>2,182</u>

⁽¹⁾ Other corresponds to certain non-recurring other income items as well as certain non-recurring amounts that are not related to the revenue earning activities and are not normal, recurring cash operating expenses necessary for business operations. Refer to Note 7 - Other Income in the Audited Consolidated Financial Statements. Also refer to Note 9 - Other in the Audited Consolidated Financial Statements for more details on the other balance, which includes the company's economic share of certain non-cash items, foreign currency hedges and realized disposition gains and losses on assets that we developed and/or did not intend to hold over the long-term.

⁽²⁾ Amount attributable to equity accounted investments corresponds to the adjusted EBITDA to Brookfield Renewable that are generated by its investments in associates and joint ventures accounted for using the equity method. Amounts attributable to non-controlling interest are calculated based on the economic ownership interest held by non-controlling interests in consolidated subsidiaries. By adjusting Adjusted EBITDA attributable to non-controlling interest, our partnership is able to remove the portion of Adjusted EBITDA earned at non-wholly owned subsidiaries that are not attributable to our partnership.

The following table reflects Adjusted EBITDA and provides a reconciliation to net income (loss) for the year ended December 31, 2022:

	Attributable to Unitholders								
	Hydroelectric				Utility- scale solar	Distributed energy & storage	Sustainable solutions	Corporate	Total
(MILLIONS)	North America	Brazil	Colombia	Wind					
Net income (loss)	\$ (72)	\$ 61	\$ 370	\$ 7	\$ (56)	\$ 122	\$ 2	\$ (296)	\$ 138
Add back or deduct the following:									
Depreciation	414	91	108	552	291	96	28	3	1,583
Deferred income tax expense (recovery)	(86)	(20)	40	35	(35)	(3)	(1)	(80)	(150)
Foreign exchange and financial instrument loss (gain)	255	(3)	(69)	(77)	80	(39)	(8)	(6)	133
Other ⁽¹⁾	21	13	31	113	109	—	77	93	457
Management service costs	—	—	—	—	—	—	—	243	243
Interest expense	302	47	237	254	195	78	2	109	1,224
Current income tax expense	3	8	112	16	7	—	2	—	148
Amount attributable to equity accounted investments and non-controlling interests ⁽²⁾	(234)	(30)	(628)	(470)	(229)	(65)	(94)	(24)	(1,774)
Adjusted EBITDA	\$ 603	\$ 167	\$ 201	\$ 430	\$ 362	\$ 189	\$ 8	\$ 42	\$ 2,002

⁽¹⁾ Other corresponds to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating expenses necessary for business operations. Refer to Note 9 - Other in the Audited Consolidated Financial Statements for more details on the other balance, which includes the company's economic share of certain non-cash items, foreign currency hedges and realized disposition gains and losses on assets that we developed and/or did not intend to hold over the long-term.

⁽²⁾ Amount attributable to equity accounted investments corresponds to the adjusted EBITDA to Brookfield Renewable that are generated by its investments in associates and joint ventures accounted for using the equity method. Amounts attributable to non-controlling interest are calculated based on the economic ownership interest held by non-controlling interests in consolidated subsidiaries. By adjusting Adjusted EBITDA attributable to non-controlling interest, our partnership is able to remove the portion of Adjusted EBITDA earned at non-wholly owned subsidiaries that are not attributable to our partnership.

The following table reflects Adjusted EBITDA and provides a reconciliation to net income (loss) for the year ended December 31, 2021:

(MILLIONS)	Attributable to Unitholders								
	Hydroelectric			Wind	Utility -scale solar	Distributed energy & storage	Sustainable solutions	Corporate	Total
	North America	Brazil	Colombia						
Net income (loss)	\$ 31	\$ 56	\$ 222	\$ (88)	\$ 6	\$ 96	\$ (32)	\$ (357)	\$ (66)
Add back or deduct the following:									
Depreciation	368	74	103	597	263	83	11	2	1,501
Deferred income tax expense (recovery)	(50)	(2)	175	(37)	(34)	(9)	1	(73)	(29)
Foreign exchange and financial instrument loss (gain)	74	2	(29)	40	(23)	5	(1)	(36)	32
Other ⁽¹⁾	(3)	13	39	151	92	25	27	108	452
Management service costs	—	—	—	—	—	—	—	288	288
Interest expense	255	33	119	247	187	12	36	92	981
Current income tax expense	3	9	13	13	5	—	—	—	43
Amount attributable to equity accounted investments and non-controlling interests ⁽²⁾	(109)	(30)	(483)	(412)	(198)	(52)	(29)	(13)	(1,326)
Adjusted EBITDA	569	155	159	511	298	160	13	11	1,876

⁽¹⁾ Other corresponds to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating expenses necessary for business operations. Refer to Note 9 - Other in the Audited Consolidated Financial Statements for more details on the other balance, which includes the company's economic share of certain non-cash items, foreign currency hedges and realized disposition gains and losses on assets that we developed and/or did not intend to hold over the long-term.

⁽²⁾ Amount attributable to equity accounted investments corresponds to the adjusted EBITDA to Brookfield Renewable that are generated by its investments in associates and joint ventures accounted for using the equity method. Amounts attributable to non-controlling interest are calculated based on the economic ownership interest held by non-controlling interests in consolidated subsidiaries. By adjusting Adjusted EBITDA attributable to non-controlling interest, our partnership is able to remove the portion of Adjusted EBITDA earned at non-wholly owned subsidiaries that are not attributable to our partnership.

The following table reconciles the non-IFRS financial measures to the most directly comparable IFRS measures. Net income (loss) is reconciled to Funds From Operations for the years indicated:

(MILLIONS)	2023	2022	2021
Net income (loss)	\$ 616	\$ 138	\$ (66)
Add back or deduct the following:			
Depreciation	1,852	1,583	1,501
Deferred income tax recovery	(176)	(150)	(29)
Foreign exchange and financial instruments (gain) loss	(502)	133	32
Other ⁽¹⁾	(106)	457	452
Amount attributable to equity accounted investments and non-controlling interest ⁽²⁾	(589)	(1,156)	(956)
Funds From Operations	<u>\$ 1,095</u>	<u>\$ 1,005</u>	<u>\$ 934</u>

(1) Other corresponds to certain non-recurring other income items as well as certain non-recurring amounts that are not related to the revenue earning activities and are not normal, recurring cash operating expenses necessary for business operations. Refer to Note 7 - Other Income in the Audited Consolidated Financial Statements. Also refer to Note 9 - Other in the Audited Consolidated Financial Statements for more details on the other balance, which includes the company's economic share of certain non-cash items, foreign currency hedges and realized disposition gains and losses on assets that we developed and/or did not intend to hold over the long-term.

(2) Amount attributable to equity accounted investments corresponds to the Funds From Operations that are generated by its investments in associates and joint ventures accounted for using the equity method. Amounts attributable to non-controlling interest are calculated based on the economic ownership interest held by non-controlling interests in consolidated subsidiaries. By adjusting Funds From Operations attributable to non-controlling interest, our partnership is able to remove the portion of Funds From Operations earned at non-wholly owned subsidiaries that are not attributable to our partnership.

The following table reconciles the per unit non-IFRS financial measures to the most directly comparable IFRS measures. Basic earnings per LP unit is reconciled to Funds From Operations per Unit, for the years indicated:

	2023	2022	2021
Basic loss per LP unit ⁽¹⁾	\$ (0.32)	\$ (0.60)	\$ (0.69)
Depreciation	1.55	1.45	1.43
Foreign exchange and financial instruments (gain) loss	(0.21)	0.30	0.20
Deferred income tax recovery	(0.19)	(0.24)	(0.21)
Other ⁽²⁾	0.84	0.65	0.72
Funds From Operations per Unit ⁽³⁾	<u>\$ 1.67</u>	<u>\$ 1.56</u>	<u>\$ 1.45</u>

(1) During the year ended December 31, 2023, on average there were 282.4 million LP units outstanding (2022: 275.2 million, 2021: 274.9 million).

(2) Other corresponds to certain non-recurring other income items as well as certain non-recurring amounts that are not related to the revenue earning activities and are not normal, recurring cash operating expenses necessary for business operations. Refer to Note 7 - Other Income in the Audited Consolidated Financial Statements. Also refer to Note 9 - Other in the Audited Consolidated Financial Statements for more details on the other balance, which includes the company's economic share of certain non-cash items, foreign currency hedges and realized disposition gains and losses on assets that we developed and/or did not intend to hold over the long-term.

(3) Average units outstanding, for the year ended December 31, 2023, were 657.1 million (2022: 645.9 million, 2021: 645.6 million), being inclusive of GP interest, Redeemable/Exchangeable partnership units, LP units, and BEPC exchangeable shares.

CONTRACT PROFILE

We operate our power business on a largely contracted basis to provide a high degree of predictability in Funds From Operations. We maintain a long-term view that electricity prices and the demand for electricity will rise due to electrification of the global economy including segments like industrial and transportation as well as from increasing digitalization. We also expect demand for clean power to grow on the increasing level of acceptance around climate change, the legislated requirements in some areas to diversify away from fossil fuel based generation and because renewables are the cheapest form of bulk electricity generation.

In Brazil and Colombia, we also expect power prices will continue to be supported by the need to build new supply over the medium-to-long term to serve growing demand. In these markets, contracting for power is the only current mechanism to buy and sell power, and therefore we would expect to capture rising prices as we re-contract our power over the medium-term.

The following table sets out our power contracts over the next five years for generation output in North America, Brazil, Europe and certain other countries, assuming long-term average on a proportionate basis. The table excludes Brazil and Colombia hydroelectric portfolios, where we would expect the energy associated with maturing contracts to be re-contracted in the normal course given the construct of the respective power markets. In these countries we currently have a contracted profile of approximately 93% and 70%, respectively, of the long-term average and we would expect to maintain this going forward. Overall, our power portfolio has a weighted-average remaining contract duration of 13 years on a proportionate basis.

(GWh, except as noted)	2024	2025	2026	2027	2028
Hydroelectric					
North America					
United States ⁽¹⁾	7,261	6,728	5,602	5,318	4,674
Canada	3,620	3,620	3,620	3,620	3,620
	10,881	10,348	9,222	8,938	8,294
Wind	7,979	7,934	7,837	7,537	7,404
Utility-scale solar	3,765	3,802	3,792	3,782	3,745
Distributed energy & storage	983	974	963	944	931
Sustainable solutions	44	36	32	32	31
Contracted on a proportionate basis	23,652	23,094	21,846	21,233	20,405
Uncontracted on a proportionate basis	3,376	3,934	5,182	5,795	6,623
Long-term average on a proportionate basis	27,028	27,028	27,028	27,028	27,028
Non-controlling interests	45,043	45,043	45,043	45,043	45,043
Total long-term average	72,071	72,071	72,071	72,071	72,071
Contracted generation as a % of total generation on a proportionate basis	88%	85%	81%	79%	75%
Price per MWh – total generation on a proportionate basis	\$ 79	\$ 79	\$ 80	\$ 81	\$ 83

⁽¹⁾ Includes generation of 1,777 GWh for 2024, 1,546 GWh for 2025, 947 GWh for 2026, and 640 GWh for 2027 secured under financial contracts.

Weighted-average remaining power contract durations on a proportionate basis are 15 years in North America, 13 years in Europe, 9 years in Brazil, 4 years in Colombia, and 13 years across our remaining jurisdictions.

In North America, over the next five years, a number of contracts will expire at our hydroelectric facilities. Based on current market prices for energy and ancillary products, we expect a net positive impact to cash flows.

In our Colombian portfolio, we continue to focus on securing long-term contracts while maintaining a certain percentage of uncontracted generation so as to mitigate hydrology risk.

The majority of Brookfield Renewable's long-term power purchase agreements within our North American and European businesses are with investment-grade rated or creditworthy counterparties. The economic exposure of our contracted generation on a proportionate basis is distributed as follows: power authorities (37%), distribution companies (22%), commercial and industrial users (29%), and Brookfield (12%).

PART 5 – LIQUIDITY AND CAPITAL RESOURCES

CAPITALIZATION

A key element of our financing strategy is to raise the majority of our debt in the form of asset-specific, non-recourse borrowings at our subsidiaries on an investment-grade basis with no maintenance covenants. Substantially all of our debt is either investment grade rated or sized to investment grade and approximately 91% of debt is non-recourse.

The following table summarizes our capitalization as at December 31:

(MILLIONS, EXCEPT AS NOTED)	Corporate		Consolidated	
	2023	2022	2023	2022
Commercial paper ⁽¹⁾	183	249	183	249
Debt				
Medium-term notes ⁽²⁾	2,660	2,307	2,660	2,307
Non-recourse borrowings ⁽³⁾	—	—	27,020	22,321
	2,660	2,307	29,680	24,628
Deferred income tax liabilities, net ⁽⁴⁾	—	—	6,930	6,331
Equity				
Non-controlling interest	—	—	18,863	14,755
Preferred equity	583	571	583	571
Perpetual subordinated notes	592	592	592	592
Preferred limited partners' equity	760	760	760	760
Unitholders' equity	9,181	9,608	9,181	9,608
Total capitalization	\$ 13,776	\$ 13,838	\$ 66,589	\$ 57,245
Debt-to-total capitalization	19 %	17 %	45 %	43 %
Debt-to-total capitalization (market value) ⁽⁵⁾	12 %	11 %	40 %	39 %

⁽¹⁾ Draws on corporate credit facilities and commercial paper issuances are excluded from the debt-to-total capitalization ratios as they are not a permanent source of capital.

⁽²⁾ Medium-term notes are unsecured and guaranteed by Brookfield Renewable and excludes \$10 million (2022: \$8 million) of deferred financing fees, net of unamortized premiums.

⁽³⁾ Consolidated non-recourse borrowings include \$2,626 million (2022: \$1,838 million) borrowed under a subscription facility of a Brookfield sponsored private fund and excludes \$140 million (2022: \$124 million) of deferred financing fees and \$11 million (2022: \$105 million) of unamortized premiums.

⁽⁴⁾ Deferred income tax liabilities less deferred income tax assets.

⁽⁵⁾ Based on market values of Preferred equity, Perpetual subordinated notes, Preferred limited partners' equity and Unitholders' equity.

AVAILABLE LIQUIDITY

The following table summarizes the available liquidity as at December 31:

(MILLIONS)	2023	2022
Brookfield Renewable's share of cash and cash equivalents.....	\$ 567	\$ 444
Investments in marketable securities.....	309	211
Corporate credit facilities		
Authorized credit facilities.....	2,375	2,375
Draws on credit facilities ⁽¹⁾	(165)	—
Authorized letter of credit facility.....	500	500
Issued letters of credit.....	(307)	(344)
Available portion of corporate credit facilities.....	2,403	2,531
Available portion of subsidiary credit facilities on a proportionate basis.....	842	509
Available liquidity.....	<u>\$ 4,121</u>	<u>\$ 3,695</u>

⁽¹⁾ Relates to letter of credit issued against Brookfield Renewable's corporate credit facilities.

We operate with sufficient liquidity to enable us to fund growth initiatives, capital expenditures, distributions and withstand sudden adverse changes in economic circumstances or short-term fluctuations in generation. We maintain a strong, investment grade balance sheet characterized by a conservative capital structure, access to multiple funding levers including a focus on capital recycling on an opportunistic basis, and diverse sources of capital. Principal sources of liquidity are cash flows from operations, our credit facilities, up-financings on non-recourse borrowings and proceeds from the issuance of various securities through public markets.

BORROWINGS

The composition of debt obligations, overall maturity profile, and average interest rates associated with our borrowings and credit facilities on a proportionate basis as at December 31 is presented in the following table:

(MILLIONS, EXCEPT AS NOTED)	2023			2022		
	Weighted-average		Total ⁽¹⁾	Weighted-average		Total ⁽¹⁾
	Interest rate % ⁽¹⁾	Term (years)		Interest rate % ⁽¹⁾	Term (years)	
Corporate borrowings						
Credit facilities	N/A	5	\$ —	N/A	5	\$ —
Commercial paper	6.0	<1	183	5.1	<1	249
Medium-term notes	4.3	10	2,660	4.1	11	2,307
Proportionate non-recourse borrowings ⁽²⁾⁽³⁾						
Hydroelectric	6.0	12	5,215	5.7	13	5,150
Wind	5.0	9	2,408	4.6	9	1,935
Utility-scale solar	5.1	13	2,596	3.6	13	2,367
Distributed energy and storage	4.5	8	917	4.3	9	897
Sustainable solutions	6.6	7	391	—	—	—
	<u>5.4</u>	<u>12</u>	<u>11,527</u>	<u>4.9</u>	<u>12</u>	<u>10,349</u>
			\$ 14,370			\$ 12,905
Proportionate unamortized financing fees, net of unamortized premiums			(88)			(64)
			14,282			12,841
Equity-accounted borrowings			(987)			(373)
Non-controlling interests and other ⁽⁴⁾			16,407			12,382
As per IFRS Statements			<u>\$ 29,702</u>			<u>\$ 24,850</u>

⁽¹⁾ Includes cash yields on tax equity.

⁽²⁾ Includes adjustments for project-level refinancing subsequent to December 31, 2023.

⁽³⁾ See “Part 8 – Presentation to Stakeholders and Performance Measurement” for information on proportionate debt.

⁽⁴⁾ Includes tax equity liability.

The following table summarizes our undiscounted principal repayments, scheduled amortization and interest repayable on a proportionate basis as at December 31, 2023:

(MILLIONS)	2024	2025	2026	2027	2028	Thereafter	Total
Debt principal repayments⁽¹⁾							
Medium-term notes ⁽²⁾	\$ —	\$ 302	\$ —	\$ 377	\$ —	\$ 1,981	\$ 2,660
Non-recourse borrowings ⁽³⁾							
Hydroelectric	80	385	269	172	189	1,309	2,404
Wind	100	19	73	1	186	298	677
Utility-scale solar	2	21	43	1	196	280	543
Distributed energy & storage	3	153	—	1	66	195	418
Sustainable solutions	1	5	2	1	12	344	365
	186	583	387	176	649	2,426	4,407
Amortizing debt principal repayments							
Non-recourse borrowings							
Hydroelectric	163	164	180	152	174	1,985	2,818
Wind	194	178	175	173	154	855	1,729
Utility-scale solar	152	161	150	154	149	1,286	2,052
Distributed energy & storage	43	38	36	31	30	336	514
Sustainable solutions	4	2	1	—	—	—	7
	556	543	542	510	507	4,462	7,120
Total	\$ 742	\$ 1,428	\$ 929	\$ 1,063	\$ 1,156	\$ 8,869	\$ 14,187
Interest payable⁽¹⁾⁽²⁾⁽⁴⁾							
Medium-term notes ⁽¹⁾	\$ 113	\$ 107	\$ 102	\$ 95	\$ 88	\$ 669	\$ 1,174
Non-recourse borrowings							
Hydroelectric	320	291	258	229	200	1,571	2,869
Wind	118	99	87	76	64	172	616
Utility-scale solar	113	115	106	97	85	356	872
Distributed energy & storage	43	38	31	29	27	48	216
Sustainable solutions	26	25	26	25	25	4	131
	620	568	508	456	401	2,151	4,704
Total	\$ 733	\$ 675	\$ 610	\$ 551	\$ 489	\$ 2,820	\$ 5,878

(1) Draws on corporate credit facilities and commercial paper issuances are excluded from the debt repayment schedule as they are not a permanent source of capital.

(2) Medium-term notes are unsecured and guaranteed by Brookfield Renewable and excludes \$10 million (2022: \$8 million) of deferred financing fees, net of unamortized premiums.

(3) Includes adjustments for project-level refinancing subsequent to December 31, 2023.

(4) Represents aggregate interest payable expected to be paid over the entire term of the obligations, if held to maturity. Variable rate interest payments have been calculated based on estimated interest rates.

We remain focused on refinancing near-term facilities on acceptable terms and maintaining a manageable maturity ladder. We do not anticipate material issues in addressing our borrowings through 2028 on acceptable terms and will do so opportunistically based on the prevailing interest rate environment.

CAPITAL EXPENDITURES

We fund growth capital expenditures with cash flow generated from operations, supplemented by non-recourse debt sized to investment grade coverage and covenant thresholds. This is designed to ensure that our investments have stable capital structures supported by a substantial level of equity and that cash flows at the asset level can be remitted freely to our company. This strategy also underpins our investment grade profile.

To fund large scale development projects and acquisitions, we will evaluate a variety of capital sources including proceeds from selling mature businesses and upfinancings, in addition to raising money in the capital markets through equity, debt and preferred share issuances. Furthermore, we have \$2.38 billion committed revolving credit facilities available for investments and acquisitions, as well as funding the equity component of organic growth initiatives. The facilities are intended, and have historically been used, as a bridge to a long-term financing strategy rather than a permanent source of capital.

CONSOLIDATED STATEMENTS OF CASH FLOWS

The following table summarizes the key items in the audited annual consolidated statements of cash flows, for the year ended December 31:

(MILLIONS)	2023	2022	2021
Cash flow provided by (used in):			
Operating activities	1,865	1,711	734
Financing activities	2,596	3,489	2,143
Investing activities	(4,356)	(5,066)	(2,544)
Foreign exchange (loss) gain on cash	38	(28)	(35)
Increase in cash and cash equivalents	<u>\$ 143</u>	<u>\$ 106</u>	<u>\$ 298</u>

Operating Activities

Cash flows provided by operating activities for the year ended December 31, 2023, totaled \$1,865 million compared to \$1,711 million in 2022 and \$734 million in 2021, reflecting the strong operating performance of our business during the period.

Financing Activities

Cash flows provided by financing activities totaled \$2,596 million for the year ended December 31, 2023. The strength of our balance sheet and access to diverse sources of capital allowed us to fund the growth as discussed below and allowed us to generate net proceeds of \$2,208 million for the year ended December 31, 2023, including the issuance of C\$400 million (\$293 million) of medium term notes and \$630 million of equity financing net of transaction fees through a bought deal of both LP units and BEPC exchangeable shares, and a concurrent private placement of LP units during the second quarter of 2023.

Distributions, including incentive distributions to the general partners, paid during the year ended December 31, 2023, 2022 and 2021 to Unitholders were \$990 million, \$915 million and \$854 million, respectively. We increased our distributions to \$1.35 per LP unit in 2023 (2022: \$1.28 and 2021: \$1.22), representing a 5.5% increase per LP unit, which took effect in the first quarter of 2023. The distributions paid to preferred shareholders, preferred limited partners' unitholders, perpetual subordinate notes, and participating non-controlling interests in operating subsidiaries during the year ended December 31, 2023, 2022 and 2021 totaled \$967 million, \$1,372 million and \$900 million, respectively. Our non-controlling interest contributed capital, net of capital repaid, of \$2,345 million during the year ended December 31, 2023.

Cash flows provided by financing activities totaled \$3,489 million for the year ended December 31, 2022. The strength of our balance sheet and access to diverse sources of capital allowed us to fund the growth of our business and generate \$3,486 million of net proceeds from commercial paper, corporate and non-recourse upfinancings, as well as issue \$115 million of fixed-rate green perpetual Class A preferred limited partnership units and \$296 million of 10-year corporate green bonds.

Cash flows provided by financing activities totaled \$2,143 million for the year ended December 31, 2021. The strength of our balance sheet and access to diverse sources of capital allowed us to fund the growth of our business and generate \$3,225 million of net proceeds from corporate and non-recourse upfinancings, including a C\$1.1 billion strategic financing of a Canadian hydro facility concurrent with signing a power purchase agreement with Hydro Quebec and \$592 million of net proceeds from the issuance of our inaugural perpetual green subordinated notes. During the year, we redeemed our Series 9 Preferred Limited Partnership Units for \$153 million.

Investing Activities

Cash flows used in investing activities totaled \$4,356 million for the year ended December 31, 2023. During the year, we invested \$2,160 million into growth including the acquisition of Westinghouse through a strategic partnership, the purchase of an incremental 4% interest in X-Elio, a developer and operator of renewable power assets in the US with 5,900 MW of operating and under construction assets and a 6,100 MW development pipeline, a UK renewable developer with 260 MW onshore wind assets, 800 MW near-term development and another 3 GW of later stage projects, renewable platforms in India with 4,500 MW of operating and development assets, 136 MW and 60 MW portfolios of operating wind assets in Brazil, a distributed generation platform with approximately 730 MW of development pipeline in Brazil, and a 200 MW solar development project in China. Our continued investment in our property, plant and equipment, including 675 MW of wind, solar and distributed generation development projects in the U.S., 248 MW of wind development projects in Brazil, 281 MW of wind development projects in China, 268 MW of solar development assets in India and 60 MW of solar assets in Colombia totaled \$2,809 million for the year ended December 31, 2023, partially offset by proceeds of \$648 million generated from the sale of non-core wind and solar assets and securities for the year ended December 31, 2023.

Cash flows used in investing activities totaled \$5,066 million for the year ended December 31, 2022. During the year, we invested \$2,452 million into growth, including, an over 800 MW portfolio of operating wind assets and a development pipeline of over 22 GW, a 20 GW portfolio of utility solar and energy storage development platform in the United States, a distributed generation developer with 500 MW of contracted operating and under construction assets, and an 1.8 GW of development pipeline in the United States, a 1.7 GW of utility-scale solar development portfolio in Germany and an 83% interest in a 437 MW distributed generation portfolio of high quality operating and development assets in Chile. Our continued investment in our property, plant and equipment, including the acquisitions of over 400 MW of operating and development wind portfolios in Brazil and China, as well as the construction of 1,200 MW solar facility in Brazil and the repowering of an 845 MW wind farm in Oregon, totaled \$2,190 million for the year ended December 31, 2022.

Cash flows used in investing activities totaled \$2,544 million for the year ended December 31, 2021. During the year, we recycled the capital from the sale of wind portfolios in Europe and the United States, which closed in the second and third quarter of 2021 for \$379 million and \$448 million, respectively, into accretive growth opportunities, investing \$1,480 million to acquire, among others, an 845 MW wind portfolio, a distributed generation platform comprised of 360 MW of operating and under construction solar assets with a development pipeline of over 700 MW of development assets in the United States, and a 23% interest in a scale renewable business in Europe with an interest in a 3,000 MW offshore wind development pipeline. Our continued investment in our property, plant and equipment, including the construction of 1,800 MW of solar developments projects in Brazil, of which 357 MW reached commercial operations during the year, and the continuing initiative to repower existing wind power projects, totaled \$1,967 million for the year ended December 31, 2021.

SHARES, NOTES AND UNITS OUTSTANDING

Shares and units outstanding as at December 31 are as follows:

	December 31, 2023	December 31, 2022
Class A Preference Shares⁽¹⁾	31,035,967	31,035,967
Perpetual Subordinated Notes	24,400,000	24,400,000
Preferred Units⁽²⁾	38,000,000	38,000,000
GP interest	3,977,260	3,977,260
Redeemable/Exchangeable partnership units	194,487,939	194,487,939
BEPC exchangeable shares		
Balance, beginning of year	172,218,098	172,203,342
Issuance	7,441,893	27,064
Exchanged for BEP LP units	(8,465)	(12,308)
Balance, end of period	179,651,526	172,218,098
LP units		
Balance, beginning of year	275,358,750	275,084,265
Issuance	13,348,270	—
Repurchase of LP units for cancellation	(1,856,044)	—
Distribution reinvestment plan	304,899	262,177
Issued in exchange for BEPC exchangeable shares	8,465	12,308
Balance, end of period	287,164,340	275,358,750
Total LP units on a fully-exchanged basis ⁽³⁾	661,303,805	642,064,787

⁽¹⁾ Class A Preference Shares are broken down by series as follows: 6,849,533 Series 1 Class A Preference Shares are outstanding; 3,110,531 Series 2 Class A Preference Shares are outstanding; 9,961,399 Series 3 Class A Preference Shares are outstanding; 4,114,504 Series 5 Class A Preference Shares are outstanding; and 7,000,000 Series 6 Class A Preference Shares are outstanding.

⁽²⁾ Preferred Units are broken down by series and certain series are convertible on a one for one basis at the option of the holder as follows: 7,000,000 Series 7 Preferred Units are outstanding (convertible for Series 8 Preferred Units beginning on January 31, 2026); 10,000,000 Series 13 Preferred Units are outstanding (convertible for Series 14 Preferred Units beginning on April 30, 2028); 7,000,000 Series 15 Preferred Units are outstanding (convertible for Series 16 Preferred Units beginning on April 30, 2024); 8,000,000 Series 17 Preferred Units are outstanding; and 6,000,000 Series 18 Preferred Units are outstanding.

⁽³⁾ The fully-exchanged amounts assume the exchange of all Redeemable/Exchangeable partnership units and BEPC exchangeable shares for LP units.

DIVIDENDS AND DISTRIBUTIONS

The following table summarizes the dividends and distributions declared and paid, for the year ended December 31:

(MILLIONS)	Declared			Paid		
	2023	2022	2021	2023	2022	2021
Class A Preference Shares	\$ 27	\$ 26	\$ 26	\$ 27	\$ 26	\$ 26
Perpetual Subordinated Notes	\$ 29	\$ 29	\$ 12	\$ 29	\$ 27	\$ 9
Class A Preferred LP units	\$ 41	\$ 44	\$ 55	\$ 41	\$ 44	\$ 55
Participating non-controlling interests – in operating subsidiaries	\$ 1,428	\$ 1,275	\$ 810	\$ 870	\$ 1,275	\$ 810
GP Interest and incentive distributions	\$ 116	\$ 100	\$ 85	\$ 116	\$ 100	\$ 85
Redeemable/Exchangeable partnership units	\$ 265	\$ 250	\$ 237	\$ 263	\$ 250	\$ 237
BEPC exchangeable shares	\$ 241	\$ 220	\$ 209	\$ 241	\$ 220	\$ 207
LP units	\$ 383	\$ 355	\$ 335	\$ 370	\$ 345	\$ 325

LP unit distributions per unit on an annualized basis were increased as follows:

Date of Increase	Amount of Increase	% Increase	Annual Distribution	Distribution Effective Date
February 2020	\$0.06	5%	\$1.16	March 2020
February 2021	\$0.06	5%	\$1.22	March 2021
February 2022	\$0.06	5%	\$1.28	March 2022
February 2023	\$0.07	5%	\$1.35	March 2023
February 2024	\$0.07	5%	\$1.42	March 2024

CONTRACTUAL OBLIGATIONS

Please see Note 27 – Commitments, contingencies and guarantees in the audited annual consolidated financial statements for further details on the following:

- *Commitments* – Water, land, and dam usage agreements, and agreements and conditions on committed acquisitions of operating portfolios and development projects;
- *Contingencies* – Legal proceedings, arbitrations and actions arising in the normal course of business, and providing for letters of credit; and
- *Guarantees* – Nature of all the indemnification undertakings and guarantees to third-parties for certain transactions.

SUPPLEMENTAL FINANCIAL INFORMATION

In April 2021 and December 2021, Brookfield BRP Holdings (Canada) Inc., a wholly-owned subsidiary of Brookfield Renewable, issued \$350 million and \$260 million, respectively, of perpetual subordinated notes at a fixed rate of 4.625% and 4.875%, respectively.

These notes are fully and unconditionally guaranteed, on a subordinated basis by each of Brookfield Renewable Partners L.P., BRELP, BRP Bermuda Holdings I Limited, Brookfield BRP Europe Holdings Limited, and BEP Subco Inc (together, the "guarantor subsidiaries"). The other subsidiaries of Brookfield Renewable do not guarantee the securities and are referred to below as the "non-guarantor subsidiaries".

Pursuant to Rule 13-01 of the SEC's Regulation S-X, the following table provides combined summarized financial information of Brookfield BRP Holdings (Canada) Inc. and the guarantor subsidiaries for the year ended December 31:

(MILLIONS)	2023	2022	2021
Revenues ⁽¹⁾	\$ —	\$ —	\$ —
Gross profit	—	—	—
Dividend income from non-guarantor subsidiaries	511	777	562
Net income	428	708	532

⁽¹⁾ Brookfield Renewable's total revenues for the year ended December 31, 2023 were \$5,038 million (2022: \$4,711 million and 2021: \$4,096 million).

(MILLIONS)	December 31, 2023	December 31, 2022
Current assets ⁽¹⁾	\$ 776	\$ 820
Total assets ⁽²⁾⁽³⁾	2,521	2,253
Current liabilities ⁽⁴⁾	8,399	7,862
Total liabilities ⁽⁴⁾	8,455	7,877

⁽¹⁾ Amount due from non-guarantor subsidiaries was \$767 million (2022: \$809 million).

⁽²⁾ Brookfield Renewable's total assets as at December 31, 2023 and December 31, 2022 were \$76,128 million and \$64,111 million.

⁽³⁾ Amount due from non-guarantor subsidiaries was \$2,421 million (2022: \$2,167 million).

⁽⁴⁾ Amount due to non-guarantor subsidiaries was \$8,045 million (2022: \$7,408 million).

OFF-STATEMENT OF FINANCIAL POSITION ARRANGEMENTS

Brookfield Renewable does not have any off-statement of financial position arrangements that have or are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

Brookfield Renewable issues letters of credit from its corporate credit facilities for general corporate purposes which include, but are not limited to, security deposits, performance bonds and guarantees for reserve accounts. As at December 31, 2023, letters of credit issued amounted to \$2,126 million (2022: \$1,609 million).

PART 6 – SELECTED QUARTERLY INFORMATION

HISTORICAL OPERATIONAL AND FINANCIAL INFORMATION

YEAR ENDED DECEMBER 31
(MILLIONS, EXCEPT AS NOTED)

	2023	2022	2021
Operational information:			
Capacity (MW).....	32,949	25,377	21,049
Total generation (GWh)			
Long-term average generation	75,584	63,656	58,913
Actual generation	69,704	63,036	56,629
Proportionate generation (GWh)			
Actual generation	29,467	28,669	27,150
Additional financial information:			
Net loss attributable to Unitholders	\$ (100)	\$ (295)	\$ (368)
Basic loss per LP unit ⁽¹⁾	(0.32)	(0.60)	(0.69)
Proportionate Adjusted EBITDA ⁽²⁾	2,182	2,002	1,876
Funds From Operations ⁽²⁾	1,095	1,005	934
Funds From Operations per Unit ⁽²⁾⁽³⁾	1.67	1.56	1.45
Distribution per LP unit	1.35	1.28	1.22
YEAR ENDED DECEMBER 31 (MILLIONS, EXCEPT AS NOTED)			
	2023	2022	2021
Property, plant and equipment, at fair value	\$ 64,005	\$ 54,283	\$ 49,432
Equity-accounted investments	2,546	1,392	1,107
Total assets	76,128	64,111	55,867
Total borrowings	29,702	24,850	21,529
Deferred income tax liabilities	7,174	6,507	6,215
Other liabilities	9,273	6,468	4,127
Participating non-controlling interests – in operating subsidiaries	18,863	14,755	12,303
General partnership interest in a holding subsidiary held by Brookfield	55	59	59
Participating non-controlling interests – in a holding subsidiary – Redeemable/ Exchangeable units held by Brookfield	2,684	2,892	2,894
BEPC exchangeable shares	2,479	2,561	2,562
Preferred equity	583	571	613
Perpetual subordinated notes	592	592	592
Preferred limited partners' equity	760	760	881
Limited partners' equity	3,963	4,096	4,092
Total liabilities and equity	76,128	64,111	55,867
Debt-to-total capitalization (market value) ⁽⁴⁾	40 %	39 %	33 %

⁽¹⁾ For the year ended December 31, 2023, average LP units totaled 282.4 million (2022: 275.2 million and 2021: 274.9 million)

⁽²⁾ Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure, See "Cautionary Statement Regarding Use of Non-IFRS Measures" and "PART 4 – Financial Performance Review on Proportionate Information – Reconciliation of Non-IFRS Measures".

⁽³⁾ Average Units outstanding for the year ended December 31, 2023 totaled 657.1 million (2022: 645.9 million and 2021: 645.6 million) being inclusive of our LP units, Redeemable/Exchangeable partnership units, BEPC exchangeable shares and GP interest.

⁽⁴⁾ Based on market values of Preferred equity, Perpetual subordinated notes, Preferred limited partners' equity and Unitholders' equity.

SUMMARY OF HISTORICAL QUARTERLY RESULTS

The following is a summary of unaudited quarterly financial information for the last eight consecutive quarters:

	2023				2022			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
(MILLIONS, EXCEPT AS NOTED)								
Total Generation (GWh) – LTA	22,641	16,800	18,622	17,636	17,692	15,097	16,280	15,097
Total Generation (GWh) – actual	17,006	15,870	17,798	18,875	16,450	14,906	16,488	15,196
Proportionate Generation (GWh) – LTA	8,512	7,112	8,403	7,899	7,655	6,905	8,152	7,414
Proportionate Generation (GWh) – actual	7,151	6,533	7,543	8,243	6,826	6,440	7,978	7,425
Revenues	\$ 1,323	\$ 1,179	\$ 1,205	\$ 1,331	\$ 1,196	\$ 1,105	\$ 1,274	\$ 1,136
Net income (loss) attributable to Unitholders	35	(64)	(39)	(32)	(82)	(136)	1	(78)
Basic loss per LP unit	0.01	(0.14)	(0.10)	(0.09)	(0.16)	(0.25)	(0.03)	(0.16)
Funds From Operations	255	253	312	275	225	243	294	243
Funds From Operations per Unit	0.38	0.38	0.48	0.43	0.35	0.38	0.46	0.38
Distribution per LP unit	0.34	0.34	0.34	0.34	0.32	0.32	0.32	0.32

PROPORTIONATE RESULTS FOR THE THREE MONTHS ENDED DECEMBER 31

The following chart reflects the generation and summary financial figures on a proportionate basis for the three months ended December 31:

	(GWh)				(MILLIONS)					
	Actual Generation		LTA Generation		Revenues		Adjusted EBITDA ⁽¹⁾		Funds From Operations	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Hydroelectric										
North America	2,456	2,427	2,910	2,910	\$ 199	\$ 219	\$ 121	\$ 131	\$ 55	\$ 87
Brazil	892	960	1,036	1,020	59	55	40	40	34	38
Colombia	789	1,222	995	1,064	87	68	41	58	16	33
	4,137	4,609	4,941	4,994	345	342	202	229	105	158
Wind	1,978	1,531	2,529	1,929	138	143	131	124	103	97
Utility-scale solar	658	414	834	551	85	77	121	54	93	29
Distributed energy & storage⁽²⁾	272	209	189	181	51	70	42	48	26	35
Sustainable solutions	—	—	—	—	93	13	28	2	22	1
Corporate	—	—	—	—	—	—	6	4	(94)	(95)
Total	7,045	6,763	8,493	7,655	\$ 712	\$ 645	\$ 530	\$ 461	\$ 255	\$ 225

⁽¹⁾ Non-IFRS measures. For reconciliations to the most directly comparable IFRS measure see “Reconciliation of Non-IFRS Measures” in this Management’s Discussion and Analysis.

⁽²⁾ Actual generation includes 99 GWh (2022: 70 GWh) from facilities that do not have a corresponding long-term average. See PART 9 – Presentation to Stakeholders’ for why we do not consider long-term average for certain of our facilities.

For the three months ended December 31, 2023, Funds From Operations were \$255 million versus \$225 million in the prior year. Funds From Operations increased \$30 million primarily due to contributions from growth, strong asset availability, and favorable hydroelectric generation, particularly at our assets in the Brazil and Colombia.

RECONCILIATION OF NON-IFRS MEASURES

The following table reconciles the non-IFRS financial measures to the most directly comparable IFRS measures. Net income (loss) is reconciled to Adjusted EBITDA for the three months ended December 31, 2023:

(MILLIONS)	Attributable to Unitholders								
	Hydroelectric			Wind	Utility -scale solar	Distributed energy & storage	Sustainable solutions	Corporate	Total
	North America	Brazil	Colombia						
Net income (loss)	\$ 34	\$ 1	\$ 32	\$ 142	\$ 190	\$ (100)	\$ 44	\$ (79)	\$ 264
Add back or deduct the following:									
Depreciation	110	26	34	215	98	28	6	—	517
Deferred income tax expense (recovery)	(36)	5	(2)	(39)	(31)	(41)	—	(7)	(151)
Foreign exchange and financial instrument loss (gain)	(55)	(1)	1	(50)	38	35	(57)	19	(70)
Other ⁽¹⁾	10	3	5	(147)	(158)	90	(17)	(9)	(223)
Management service costs	—	—	—	—	—	—	—	50	50
Interest expense	77	11	97	85	96	27	19	49	461
Current income tax expense	—	2	16	7	6	—	—	8	39
Amount attributable to equity accounted investments and non-controlling interests ⁽²⁾	(19)	(7)	(142)	(82)	(118)	3	33	(25)	(357)
Adjusted EBITDA	121	40	41	131	121	42	28	6	530

⁽¹⁾ Other corresponds to certain non-recurring other income items as well as certain non-recurring amounts that are not related to the revenue earning activities and are not normal, recurring cash operating expenses necessary for business operations. Refer to Note 7 - Other Income in the Audited Consolidated Financial Statements. Also refer to Note 9 - Other in the Audited Consolidated Financial Statements for more details on the other balance, which includes the company's economic share of certain non-cash items, foreign currency hedges and realized disposition gains and losses on assets that we developed and/or did not intend to hold over the long-term.

⁽²⁾ Amount attributable to equity accounted investments corresponds to the adjusted EBITDA to Brookfield Renewable that are generated by its investments in associates and joint ventures accounted for using the equity method. Amounts attributable to non-controlling interest are calculated based on the economic ownership interest held by non-controlling interests in consolidated subsidiaries. By adjusting Adjusted EBITDA attributable to non-controlling interest, our partnership is able to remove the portion of Adjusted EBITDA earned at non-wholly owned subsidiaries that are not attributable to our partnership.

The following table reconciles the non-IFRS financial measures to the most directly comparable IFRS measures. Net income (loss) is reconciled to Adjusted EBITDA for the three months ended December 31, 2022:

(MILLIONS)	Attributable to Unitholders									
	Hydroelectric			Wind	Utility-scale solar	Distributed energy & storage	Sustainable solutions	Corporate	Total	
	North America	Brazil	Colombia							
Net income (loss)	\$ 38	\$ 27	\$ 96	\$ 31	\$ (90)	\$ 24	\$ 13	\$ (79)	\$ 60	
Add back or deduct the following:										
Depreciation	105	23	24	135	88	27	5	1	408	
Deferred income tax expense (recovery)	(37)	(18)	3	(6)	(26)	(6)	—	(24)	(114)	
Foreign exchange and financial instrument loss (gain)	17	—	(34)	(14)	70	(31)	(8)	14	14	
Other ⁽¹⁾	8	5	44	39	7	62	(2)	5	168	
Management service costs	—	—	—	—	—	—	—	44	44	
Interest expense	82	12	72	66	62	22	3	32	351	
Current income tax expense (recovery)	1	—	30	8	2	—	1	—	42	
Amount attributable to equity accounted investments and non-controlling interests ⁽²⁾	(83)	(9)	(177)	(135)	(59)	(50)	(10)	—	(523)	
Adjusted EBITDA	\$ 131	\$ 40	\$ 58	\$ 124	\$ 54	\$ 48	\$ 2	\$ (7)	\$ 450	

⁽¹⁾ Other corresponds to amounts that are not related to the revenue earning activities and are not normal, recurring cash operating expenses necessary for business operations. Refer to Note 9 - Other in the Audited Consolidated Financial Statements for more details on the other balance, which includes the company's economic share of certain non-cash items, foreign currency hedges and realized disposition gains and losses on assets that we developed and/or did not intend to hold over the long-term.

⁽²⁾ Amount attributable to equity accounted investments corresponds to the adjusted EBITDA to Brookfield Renewable that are generated by its investments in associates and joint ventures accounted for using the equity method. Amounts attributable to non-controlling interest are calculated based on the economic ownership interest held by non-controlling interests in consolidated subsidiaries. By adjusting Adjusted EBITDA attributable to non-controlling interest, our partnership is able to remove the portion of Adjusted EBITDA earned at non-wholly owned subsidiaries that are not attributable to our partnership.

The following table reconciles the non-IFRS financial metrics to the most directly comparable IFRS measures. Net income is reconciled to Funds From Operations for the three months ended December 31:

(MILLIONS)	2023	2022
Net income	\$ 264	\$ 60
Add back or deduct the following:		
Depreciation	517	408
Deferred income (recovery)	(151)	(114)
Foreign exchange and financial instruments (gain) loss	(70)	14
Other ⁽¹⁾	(223)	179
Amount attributable to equity accounted investments and non-controlling interest ⁽²⁾	(82)	(322)
Funds from Operations	\$ 255	\$ 225

⁽¹⁾ Other corresponds to certain non-recurring other income items as well as certain non-recurring amounts that are not related to the revenue earning activities and are not normal, recurring cash operating expenses necessary for business operations. Refer to Note 7 - Other Income in the Audited Consolidated Financial Statements. Also refer to Note 9 - Other in the Audited Consolidated Financial Statements for more details on the other balance, which includes the company's economic share of certain non-cash items, foreign currency hedges and realized disposition gains and losses on assets that we developed and/or did not intend to hold over the long-term.

⁽²⁾ Amount attributable to equity accounted investments corresponds to the Funds From Operations that are generated by its investments in associates and joint ventures accounted for using the equity method. Amounts attributable to non-controlling interest are calculated based on the economic ownership interest held by non-controlling interests in consolidated subsidiaries. By adjusting Funds From Operations attributable to non-controlling interest, our partnership is able to remove the portion of Funds From Operations earned at non-wholly owned subsidiaries that are not attributable to our partnership.

The following table reconciles the per Unit non-IFRS financial measures to the most directly comparable IFRS measures. Basic earnings per LP unit is reconciled to Funds From Operations per Unit, for the three months ended December 31:

	2023	2022
Basic loss per LP unit ⁽¹⁾	\$ 0.01	\$ (0.16)
Depreciation	0.41	0.34
Foreign exchange and financial instruments (gain) loss	(0.01)	0.08
Deferred income tax recovery	(0.12)	(0.12)
Other ⁽²⁾	0.09	0.21
Funds From Operations per Unit ⁽³⁾	\$ 0.38	\$ 0.35

⁽¹⁾ Average LP units outstanding for the three months ended December 31, 2023 were 287.6 million (2022: 275.3 million).

⁽²⁾ Other corresponds to certain non-recurring other income items as well as certain non-recurring amounts that are not related to the revenue earning activities and are not normal, recurring cash operating expenses necessary for business operations. Refer to Note 7 - Other Income in the Audited Consolidated Financial Statements. Also refer to Note 9 - Other in the Audited Consolidated Financial Statements for more details on the other balance, which includes the company's economic share of certain non-cash items, foreign currency hedges and realized disposition gains and losses on assets that we developed and/or did not intend to hold over the long-term.

⁽³⁾ Average Units for the three months ended December 31, 2023 were 665.7 million (2022: 646.0 million), being inclusive of LP units, Redeemable/Exchangeable partnership units, BEPC exchangeable shares and GP interest.

PART 7 – BUSINESS RISKS AND RISK MANAGEMENT

RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Management's objectives are to protect Brookfield Renewable against material economic exposures and variability of results from various financial risks that include electricity price risk, foreign currency risk, interest rate risk, credit risk, and liquidity risk. These risks are further discussed in Note 5 – Risk management and financial instruments in the audited annual consolidated financial statements.

The following table outlines Brookfield Renewable's financial risks and how they are managed:

Financial Risk	Description of Risk	Management of Risk
Electricity price	We have exposure to movements in the market price of electricity.	- Enter into long-term contracts that specify the price at which electricity is sold - Maintain a portfolio of short, medium, and long-term financial contracts to mitigate our exposure to fluctuations in electricity prices - Ensure limits and controls are in place for trading activities - As of December 31, 2023, we had, on a proportionate basis, approximately 88% of 2024 generation (2022: 92% of 2023 generation) contracted under power purchase agreements and financial contracts, excluding Brazil and Colombia. In Brazil and Colombia, on a proportionate basis, we had approximately 93% and 70% of 2024 (2022: 90% and 67%, of 2023, respectively) generation under power purchase agreements, respectively. See "Part 4 – Financial Performance Review on Proportionate Information"
Foreign currency	We are exposed to foreign currency risk – including Canadian dollar, Brazilian real, Euro, British pound sterling, Colombian peso, Indian rupee, and Chinese yuan – related to operations, anticipated transactions, and certain foreign currency debt.	- Enter into foreign currency contracts designed to minimize the exposure to foreign currency fluctuations - 30% of cash flow is generated in the United States while Canadian Dollar and Euro exposure, representing 40% of our portfolio, is proactively managed through foreign currency contracts - Limited foreign currency contracts to hedge our exposure to currencies in South America and Asia – representing 30% of our portfolio – due to the high costs associated with hedging certain currencies. However, these specific exposures are mitigated by the annual inflation-linked escalations in our power purchase agreements

Financial Risk	Description of Risk	Management of Risk
Interest rate	We are exposed to interest rate risk on the interest rates of our variable-rate debt, and on dividend and distribution rate resets on our Class A Preference Shares and Preferred Units, respectively.	- Assets largely consist of long duration physical assets, and financial liabilities consist primarily of long-term fixed-rate debt or floating-rate debt that has been swapped to fixed rates with interest rate financial instruments to minimize the exposure to interest rate fluctuations - Enter into interest rate contracts to lock-in fixed rates on certain anticipated future debt issuances and on floating rate debts - Our proportionate floating rate exposure represents 8% of our total debt, after affecting for variable-rate debt that has been hedged through the use of interest rate swaps. Our floating rate exposure arises primarily from our South American operations, as we have limited opportunities to raise fixed-rate debt or hedge due to the high associated costs

Financial Risk	Description of Risk	Management of Risk
Credit	We are exposed to credit risk from operating activities and certain financing activities, the maximum exposure of which is represented by the carrying amounts reported in the statements of financial position. We are exposed to credit risk if counterparties to our energy contracts, interest rate swaps, forward foreign exchange contracts and physical electricity and gas transactions as well as trade receivables are unable to meet their obligations.	- Diverse counterparty base with long-standing credit histories - Exposure to counterparties with investment-grade credit ratings - Use of standard trading contracts and other standard credit risk mitigation techniques - As at December 31, 2023, 86% (2022: 89%) of Brookfield Renewable's trade receivables were current
Liquidity	We are exposed to liquidity risk for financial liabilities. We are also subject to internal liquidity risk because we conduct our business activities through separate legal entities (subsidiaries and affiliates) and are dependent on receipts of cash from those entities to defray corporate expenses and to make dividend and distribution payments to shareholders and Unitholders, respectively. Under the credit agreements for subsidiary debt, it is conventional for distributions of cash to Brookfield Renewable to be prohibited if the loan is in default (notably for non-payment of principal or interest) or if the entity fails to achieve a benchmark debt-service coverage ratio. Refer to Note 18 – Capital management of the annual consolidated financial statement for further disclosures.	- As at December 31, 2023, available liquidity was \$4.1 billion. Liquidity is comprised of our share of cash and cash equivalents, investments in marketable securities, the available portion of the corporate credit facilities, and our share of subsidiary credit facilities. Details of the available liquidity and debt maturity ladder are included in "Part 5 – Liquidity and Capital Resources" - Effective and regular monitoring of debt covenants and cooperation with lenders to cure any defaults - Target investment grade debt or debt with investment grade characteristics with the ability to absorb volatility in cash flows - Long-term duration of debt instruments and the diversification in maturity dates over an extended period of time - Sufficient cash from operating activities, access to undrawn credit facilities, and possible capital markets financing to fund our operations and fulfill our obligations as they become due - Ensure access to public capital markets and maintain a strong investment grade credit rating

RISK FACTORS

The following represents the most relevant risk factors relating to Brookfield Renewable's business, and is not all-inclusive. For a description of other possible risks please see the Form 20-F which can be accessed on EDGAR and SEDAR.

Risks Relating to Our Operations and Our Industry

Changes to resource availability, as a result of climate change or otherwise, at any of our renewable power facilities could adversely affect the amount of electricity that we are able to generate.

The revenues generated by our renewable power facilities are correlated to the amount of electricity produced, which is in turn dependent upon available water flows and upon wind, irradiance and weather conditions generally. Hydrology, wind, irradiance and weather conditions have natural variations from season to season and from year to year and may also change permanently because of climate change or other factors.

If one or more of our generation facilities were to be subject in the future to flooding, extreme weather conditions (including severe wind storms and droughts), fires, natural disasters, or if unexpected geological or other adverse physical conditions were to develop at any of our generation facilities, the generation capacity of that facility could be significantly reduced or eliminated. For example, our hydroelectric facilities depend on the availability of water flows within the watersheds in which we operate and could be materially impacted by changes to hydrology patterns, such as droughts. In the event of severe flooding, our hydrology facilities may be damaged. Wind energy and solar energy are highly dependent on weather conditions and, in particular, on wind conditions and irradiance, respectively. The profitability of a wind farm depends not only on observed wind conditions at the site, which are inherently variable, but also on whether observed wind conditions are consistent with assumptions made during the project development phase or when a given project was acquired. Similarly, projections of solar resources depend on assumptions about weather patterns, shading and irradiance, which are inherently variable and may not be consistent with actual conditions at the site. A sustained decline in water flow at our hydroelectric facilities, in wind conditions at our wind energy facilities or of irradiance at our solar facilities could lead to an adverse change in the volume of electricity generated, and to revenues and cash flow.

Climate change may increase the frequency and severity of severe weather conditions and may change existing weather patterns in ways that are difficult to anticipate, which could result in more frequent and severe disruptions to our generation facilities (including as a result of extreme flooding that may be above the normal design parameters of our hydroelectric facilities) and the power markets in which we operate. In addition, customers' energy needs generally vary with weather conditions, primarily temperature and humidity. To the extent weather conditions are affected by climate change, customers' energy use could increase or decrease depending on the duration and magnitude of changing weather conditions, which could adversely affect our business, results of operations and cash flows.

Supply and demand in energy markets are volatile and such volatility could have an adverse impact on electricity prices and an adverse effect on Brookfield Renewable's assets, liabilities, business, financial condition, results of operations and cash flow.

A portion of our revenues are tied, either directly or indirectly, to the wholesale market price for electricity in the energy markets in which we operate. Wholesale market electricity prices are impacted by a number of factors including: the management of generation and the amount of excess generating capacity relative to load in a particular market; the cost of controlling emissions of carbon dioxide and other pollutants; the structure of the electricity market; weather conditions (such as extremely hot or cold weather) that impact electrical load; the price of fuel (such as natural gas) that is used to generate electricity; and political instability (such as the conflict between Ukraine and Russia and the disruptive impact that related sanctions and other related events might have on European energy markets).

In the long term, there is uncertainty surrounding the trend in electricity demand growth, which is influenced by macroeconomic conditions, absolute and relative energy prices, energy conservation and demand-side management. Correspondingly, from a supply perspective, there are uncertainties associated with long term plans for the construction of baseload generation capacity, the timing of generating plant retirements (e.g., coal) and with the scale, pace and structure of replacement capacity, again reflecting a complex interaction of economic and political

pressures and environmental preferences. This volatility and uncertainty in power markets generally, including non-renewable power markets, could have an adverse effect on Brookfield Renewable's assets, liabilities, business, financial condition, results of operations and cash flow.

As our contracts expire, we may not be able to replace them with agreements on similar terms.

Certain long-term contracts in our portfolio will be subject to re-contracting in the future. For example, with respect to PPAs in our renewable power portfolio, if the price of electricity in power markets is declining at the time of such re-contracting, it may impact our ability to re-negotiate or replace these contracts on terms that are acceptable to us, or at all. In addition, a concentrated pool of potential buyers for electricity generated by our renewable energy facilities in certain jurisdictions may restrict our ability to negotiate favorable terms under new PPAs or existing PPAs that are subject to re-contracting. We cannot provide any assurance that we will be able to re-negotiate or replace these contracts once they expire, and even if we are able to do so, we cannot provide any assurance that we will be able to obtain the same prices or terms we currently receive. If we are unable to re-negotiate or replace these contracts, or unable to secure prices at least equal to the current prices we receive, our business, financial condition, results of operation and prospects could be adversely affected. Conversely, what may appear to be an attractive price at the time of recontracting could, if prices significantly rise over the contract's term, result in us having committed to sell power or other goods or services in the future at below then-market rates.

There is a risk that our concessions and licenses will not be renewed or that, where concessions are required to build out our development pipeline, they may not be granted or awarded.

We hold concessions and licenses and we have rights to operate our facilities (including, for example, in respect of our hydroelectric projects, rights to the land and water required for power generation), and which are subject to renewal at the end of their terms. We generally expect that our concessions and licenses will be renewed. However, if we are not granted renewal rights, or if our concessions and licenses are renewed subject to conditions which impose additional costs, or impose additional restrictions (including, for example, setting a price ceiling for energy sales), our profitability and operational activity could be adversely impacted. In addition, concessions may be required to advance projects in our development pipeline. There can be no assurance that we will be granted any concession that we require with respect to any given project or on what timelines or conditions.

The amount of uncontracted generation in our renewable power portfolio may increase and the contract profile for future renewable power projects may change.

In 2023 approximately 90% of our renewable power generation (on a proportionate basis) was contracted in each of those calendar years under long-term, fixed price contracts with creditworthy counterparties. The average life of our contracts is 13 years on a proportionate basis, reducing the impact of negative short term price fluctuations in the power market. The portion of our renewable power portfolio that is uncontracted may increase gradually over time. We may sell electricity from our uncontracted generation into the spot-market or other competitive power markets from time to time. With respect to such transactions, we are not guaranteed any rate of return on our capital investments through mandated rates, and revenues and results of operations are likely to depend, in large part, upon prevailing market prices. These market prices are driven by factors outside of our control and may fluctuate substantially over relatively short periods of time. Additionally, future renewable power projects may be contracted with different types of counterparties (including commercial and industrial users) and using different contract structures compared to our historical projects. Such increased uncontracted generation and changing contract profiles could have an adverse effect on our business, financial condition, results of operations and cash flows.

Our ability to deliver electricity to our various counterparties and buildout our renewable power development pipeline requires the availability of (and access to) interconnection facilities and transmission systems.

Our ability to sell electricity is impacted by the availability of, and access to, the various transmission systems to deliver power to a contractual delivery point and the arrangements and facilities necessary to connect renewable generation projects to the transmission systems. The absence of this availability and access, our inability to obtain reasonable terms and conditions for interconnection and transmission agreements, the operational failure or decommissioning of existing interconnection facilities or transmission facilities, the lack of adequate capacity on such interconnection or transmission facilities, curtailment as a result of transmission facility downtime, or the failure of any relevant jurisdiction to expand transmission facilities, may have an adverse effect on our ability to

deliver electricity to our various counterparties or the requirement of counterparties to accept and pay for energy delivery. Insufficient access to transmission and interconnection systems may also constrain our ability to develop new utility-scale projects, which require transmission systems to have available interconnection points and the overall capacity necessary to transmit the energy expected to be generated by a development project once it achieves commercial operation. Lack of access to transmission systems could accordingly adversely affect our assets, liabilities, business, financial condition, results of operations and cash flow.

The occurrence of dam failures could result in a loss of generating capacity and damage to the environment, third parties or the public, which could require us to expend significant amounts of capital and other resources and expose us to significant liability.

The occurrence of dam failures at any of our hydroelectric generating stations or the occurrence of dam failures at other generating stations or dams operated by third parties whether upstream or downstream of our hydroelectric generating stations could result in a loss of generating capacity until the failure has been repaired. If the failure is at one of our facilities, repairing such failure could require us to expend significant amounts of capital and other resources. As noted above, severe failures could also result in harm to third parties or the environment, either of which could expose us to significant liability. A dam failure at a generating station or dam operated by a third party that is upstream of one of our facilities could result in a loss of revenue due to short term disruption to expected water flows. Even if the failure is not at an upstream facility, it could result in new and potentially onerous regulations that could impact Brookfield Renewable's facilities. Any such new regulations could require material capital expenditures to maintain compliance and our financial position could be adversely affected.

Energy marketing risks may have an adverse effect on our business.

Our energy marketing business involves the establishment of positions in the wholesale and retail energy markets. To the extent that we enter into forward purchase contracts or take long positions in the energy markets, a downturn in market prices could result in losses from a decline in the value of such long positions. Conversely, to the extent that we enter into forward sales contracts or take short positions in the energy markets, an upturn in market prices could expose us to losses as we attempt to cover any short positions by acquiring energy in a rising market.

Our energy marketing strategies also depend on counterparties fulfilling their obligations to us and on the quality of the collateral that they post. Our positions can be impacted by volatility in the energy markets that, in turn, depend on various factors, including weather in various geographical areas and short-term supply and demand imbalances, which cannot be predicted with any certainty. A shift in the energy markets could adversely affect our positions which could also have an adverse effect on our business.

Although we employ a number of risk management controls in order to limit exposure to risks arising from trading activities, we cannot guarantee that losses will not occur and such losses may be outside the parameters of our risk controls.

There are general industry risks associated with the power markets in which we operate.

We currently operate in power markets in North America, South America, Europe and Asia, each of which is affected by competition, price, supply of and demand for power, the location of import/export transmission lines and overall political, economic and social conditions and policies. Our renewable power operations are also largely concentrated in a relatively small number of countries, and accordingly are exposed to country-specific risks (such as weather conditions, local economic conditions or political/regulatory environments) that could disproportionately affect us. A general and extended decline in the North American, South American, European or Asian economies, or in the economies of the specific countries in which we operate, or sustained conservation efforts to reduce electricity consumption, could have the effect of reducing demand for electricity and could thereby have an adverse effect on our business, financial condition, results of operations and cash flows.

Our operations are exposed to health, safety, security and environmental risks.

The ownership, construction and operation of our assets carry an inherent risk of liability related to health, safety, security and the environment, including the risk of government imposed orders to remedy unsafe conditions and/or to remediate or otherwise address environmental contamination or damage. We could also be exposed to potential penalties for contravention of health, safety, security and environmental laws and potential civil liability. In

the ordinary course of business we incur capital and operating expenditures to comply with health, safety, security and environmental laws, to obtain and comply with licenses, permits and other approvals and to assess and manage related risks. The cost of compliance with these laws (and any future laws or amendments enacted) may increase over time and result in additional material expenditures. We may become subject to government orders, investigations, inquiries or other proceedings (including civil claims) relating to health, safety, security and environmental matters as a result of which our operations may be limited or suspended. The occurrence of any of these events or any changes, additions to or more rigorous enforcement of health, safety, security and environmental laws could have an adverse impact on operations and result in additional material expenditures. Additional environmental, health and safety issues relating to presently known or unknown matters may require unanticipated expenditures, or result in fines, penalties or other consequences (including changes to operations) that may be adverse to our business and results of operations.

Counterparties to our contracts may not fulfill their obligations.

In the course of our business, we enter into a wide range of contracts including but not limited to PPAs, engineering, procurement and construction contracts, long term service agreements, supply agreements, contracts to purchase equipment and joint venture agreements. If our counterparties do not perform as expected under these contracts, it may have an adverse impact on our business and results of operations. For example, if purchasers of power under our PPAs are unable or unwilling to fulfill their contractual obligations under the relevant PPA or if they refuse to accept delivery of power pursuant to the relevant PPA, our assets, liabilities, business, financial condition, results of operations and cash flow could be adversely affected as we may not be able to replace the agreement with an agreement on equivalent terms and conditions. Similarly, external events, such as a severe economic downturn, could impair the ability of some counterparties to the PPAs or some customers to pay for electricity received.

We rely on computerized business systems, which could expose us to cyber-attacks.

Our business relies on information technology. In addition, our business relies upon telecommunication services to remotely monitor and control our assets and interface with regulatory agencies, wholesale power markets and customers. The information and embedded systems of key business partners, third-party service providers (including suppliers of the information technology systems on which we rely), and regulatory agencies are also important to our operations. In light of this, our computer systems may face ongoing cybersecurity threats and attacks, which could result in the failure of such systems, and we may be subject to cyber-terrorism or other cybersecurity risks or other breaches of information technology system security intended to obtain unauthorized access to our proprietary information, personally identifiable information or to client or third-party data stored on our systems, destroy or disable our data and/or that of our business partners, disclose confidential data in breach of data privacy legislation, destroy data or disable, degrade, or sabotage these systems through the introduction of computer viruses, cyber-attacks and other means. Such attacks could originate from a wide variety of sources including internal or unknown third parties.

The sophistication of the threats continue to evolve and grow, including the risk associated with the use of emerging technologies, such as artificial intelligence and quantum computing, for nefarious purposes. We cannot predict what effects such cyber-attacks or compromises or shut-downs may have on our business and on the privacy of the individuals or entities affected, and the consequences could be material. A significant actual or potential theft, loss, corruption, exposure, fraudulent, unauthorized or accidental use or misuse of investor, employee or other personally identifiable or proprietary business data, whether by third parties or as a result of employee malfeasance or otherwise, non-compliance with our contractual or other legal obligations regarding such data or intellectual property or a violation of our privacy and security policies with respect to such data could result in significant remediation and other costs, fines, litigation and regulatory actions against us by governments, various regulatory organizations or exchanges, or affected individuals, in addition to significant reputational harm and/or financial loss, and it may not be possible to recover losses suffered from such incidents under our insurance policies.

A breach of our cybersecurity measures, or those of third-party service providers, or the failure or malfunction of any of our computerized business systems, associated backup or data storage systems could cause us to suffer a disruption in one or more parts of our business and experience, among other things, financial loss, reputational damage, a loss of business opportunities, the unplanned shutdown of our operating facilities, misappropriation or unauthorized release of confidential or personal information, damage to our technology systems and those with

whom we do business, violation of privacy and other laws, litigation, regulatory penalties and remediation and restoration costs as well as increased costs to maintain our systems. Cybersecurity breaches or failures of our information technology systems could have an adverse effect on our business operations, financial reporting, financial condition and results of operations, and result in reputational damage. Although we are continuing to enhance defenses to such attacks, we can provide no assurance that our efforts or those of third-party service providers will be successful in preventing or ameliorating damage from such an attack on us and, as the manner in which cyber-attacks are undertaken has become more sophisticated, there is a risk that the occurrence of cyber-attack may remain undetected for an extended period.

We are reliant on third-party service providers for certain aspects of our business, including for certain information systems and technology platforms, legal services, technology, administration, tax, accounting and compliance matters. A disaster, disruption or compromise in technology or infrastructure that supports our businesses, including a disruption involving electronic communications or other services used by us, our vendors or third parties with whom we conduct business, may have an adverse impact on our ability to continue to operate our businesses without interruption which could have a material adverse effect on us. In addition to the fact that these third-party service providers could also face ongoing cybersecurity threats and compromises of their systems, we generally have less control over the delivery of such third-party services, and as a result, we may face disruptions to our ability to operate a business as a result of interruptions of such services. A prolonged global failure of cloud services provided by a variety of cloud services providers that we engage could result in cascading systems failures for us.

Data protection and privacy rules have become a focus for regulators globally. For instance, the European General Data Protection Regulation (“GDPR”) sets out data protection rules for individuals that are residents of the E.U. GDPR imposes stringent rules and penalties for non-compliance, as does similar legislation in certain U.S. states and Canadian provinces in which we operate and in Brazil, which could have an adverse effect on our business.

Risks Relating to Financing

Our ability to finance our operations and fund growth initiatives is subject to various risks relating to the state of capital markets and to our ability to complete all or some of our capital recycling initiatives.

We expect to finance future acquisitions, the development and construction of new facilities and other capital expenditures out of cash generated from our operations, capital recycling, debt and possible future issuances of equity. Disruptions and volatility in capital markets, including those caused by rising interest rates, which continued to increase in 2023, could increase the Partnership’s cost of capital and adversely affect its ability to fund its liquidity and capital needs and fund the growth of the business.

There is debt throughout our corporate structure that will need to be replaced from time to time. For example, BEP, BRELP and LATAM Holdco, NA Holdco, Euro Holdco and Investco and any other direct wholly-owned subsidiary of BRELP created or acquired after the date of the Amended and Restated Limited Partnership Agreement of BREL (collectively, “Holding Entities”) have corporate debt, certain of our subsidiaries of the Holding Entities (“Operating Entities”) have limited recourse project level debt and certain of our portfolio companies, like Isagen, have holding company level debt. Our ability to obtain debt or equity financing to fund our growth, and our ability to refinance existing corporate and non-recourse indebtedness on favourable terms, if at all, is dependent on, among other factors, the level of future interest rates, the overall state of capital markets (as well as local market conditions, particularly in the case of non-recourse financings), continued operating performance of our assets, future electricity market prices, lenders’ and investors’ assessment of our credit risk and investor appetite for investments in renewable energy and infrastructure assets in general and in Brookfield Renewable’s securities in particular. Also, certain Brookfield Renewable financing agreements contain conditions that limit our ability to repay indebtedness prior to maturity without incurring penalties, which may limit our ability to refinance indebtedness or raise new capital on favorable terms. To the extent that external sources of capital become limited or unavailable or available on onerous terms (including requirements for Brookfield Renewable to provide credit support such as letters of credit or parent guarantees), our ability to fund acquisitions and make necessary capital investments to construct new or maintain existing facilities may be impaired, and as a result, our business, financial condition, results of operations and prospects may be adversely affected.

We seek to recycle capital to fund acquisitions and the development and construction of new projects by selling certain assets or an interest in certain assets, including our portfolio companies. However, we may not be able to complete all or some of our capital recycling initiatives on our desired timelines, at favorable prices or at all. For example, adverse market conditions or other factors beyond our control might mean that we are unable to complete an asset sale at a price that is aligned with our business plan resulting in a decision to transact at a lower price or to abandon the sales process altogether. Increases in interest rates could also make it more difficult to locate and consummate investments because other potential buyers, including operating companies acting as strategic buyers, may be able to bid for an asset at a higher price due to a lower overall cost of capital or their ability to benefit from a higher amount of cost savings following the acquisition of the asset. If our capital recycling initiatives do not proceed as planned this could reduce the liquidity available to fund future growth, which could in turn limit our ability to grow our distributions in line with our stated goals and the market value of our Units could decline.

We are subject to operating and financial restrictions through covenants in our loan, debt and security agreements.

Brookfield Renewable and its subsidiaries are subject to operating and financial restrictions through covenants in our loan, debt and security agreements. These restrictions prohibit or limit our ability to, among other things, incur additional debt, provide guarantees for indebtedness, grant liens, dispose of assets, liquidate, dissolve, amalgamate, consolidate or effect corporate or capital reorganizations, declare distributions, issue equity interests and create subsidiaries. A financial covenant in our corporate bonds and in our corporate bank credit facilities limits our overall indebtedness to a percentage of total capitalization, a restriction which may limit our ability to obtain additional financing, withstand downturns in our business and take advantage of business and development opportunities. If we breach our covenants, our credit facilities may be terminated or come due and such event may cause our credit rating to deteriorate and subject Brookfield Renewable to higher interest and financing costs. From time to time, we also acquire businesses and assets that have debt obligations that are in default. We may also be required to seek additional debt financing on terms that include more restrictive covenants and/or higher interest rates, change of control restrictions, require repayment on an accelerated schedule or impose other obligations that limit our ability to grow our business, acquire needed assets, exit investments in assets or portfolio companies, or take other actions that we might otherwise consider appropriate or desirable.

Changes in our credit ratings may have an adverse effect on our financial position and ability to raise capital.

We cannot assure you that any credit rating assigned to Brookfield Renewable or any of its portfolio companies, operating subsidiaries or other subsidiaries or their debt securities will remain in effect for any given period of time or that any rating will not be lowered or withdrawn entirely by the relevant rating agency. A lowering or withdrawal of such ratings may have an adverse effect on our financial position and ability to raise capital.

Risks Relating to Our Growth Strategy

We may be unable to identify sufficient investment opportunities and complete transactions, as planned.

Our strategy for building value for our Unitholders is to seek to acquire or develop high-quality assets and businesses that generate sustainable and increasing cash flows, with the objective of achieving appropriate risk-adjusted returns on our invested capital over the long-term. However, there is no certainty that we will be able to find sufficient investment opportunities and complete transactions that meet our investment criteria. Our investment criteria consider, among other things, the financial, operating, governance and strategic merits of a proposed acquisition including whether we expect it will meet our targeted return hurdle and, as such, there is no certainty that we will be able to continue growing our business by making acquisitions or developing assets at attractive returns. Competition for assets is significant and competition from other well-capitalized investors or companies may significantly increase the purchase price or prevent us from completing an acquisition. We may also decline opportunities that we do not believe meet our investment criteria, which our competition may pursue instead.

Our growth initiatives may be subject to a number of closing conditions, including, as applicable, third-party consents, regulatory approvals (including from competition authorities) and other third-party approvals or actions that are beyond our control. In particular, many jurisdictions in which we seek to invest impose government consent requirements on investments by foreign persons. Consents and approvals may not be obtained, may be obtained subject to conditions which adversely affect anticipated returns, and/or may be delayed and delay or ultimately preclude the completion of acquisitions, dispositions and other transactions. Government policies and attitudes in

relation to foreign investment may change, making it more difficult to complete acquisitions, dispositions and other transactions in such jurisdictions. Furthermore, interested stakeholders could take legal steps to prevent transactions from being completed. We may also be unable to secure financing on acceptable terms (or at all) for our proposed acquisitions.

If all or some of our acquisitions and other transactions are unable to be completed on the terms agreed, we may need to modify or delay or, in some cases, abandon these transactions altogether (which may result in the payment of significant break-up fees). If we are unable to achieve the expected benefits of transactions, the market value of our Units may decline.

Political instability, changes in government policy, or unfamiliar cultural factors could adversely impact the value of our investments.

We are subject to the risk of geopolitical uncertainties in certain jurisdictions in which we operate. We make investments in businesses globally and we can pursue investments in new, non-core markets, which may expose us to additional risks. We may not properly adjust to the local culture and business practices in such markets, and there is the prospect that we may hire personnel or partner with local persons who might not comply with our culture and ethical business practices; either scenario could result in the failure of our initiatives in new markets and lead to financial losses for us and our managed entities. There are risks of political instability in several of the jurisdictions in which we conduct business, including, for example, from factors such as political conflict, tariffs and other protectionist trade policies, including the encouragement of the onshoring of manufacturing in the U.S. and other countries, income inequality, refugee migration, terrorism, the potential break-up of countries or political-economic unions, and political corruption. For example, the conflicts in Eastern Europe and the Middle East and the global response to each, including the imposition of economic and other sanctions, has significantly impacted the global economy and financial markets, resulted in volatility in fuel prices, amplified existing supply chain challenges caused by increases in shipping costs (including as a result of conflicts and other attacks in or near shipping channels) and heightened cybersecurity disruptions and threats.

While recent energy market volatility in Europe has not directly adversely impacted Brookfield Renewable's business (principally because our power generation facilities in Europe rely on renewable inputs like wind and sunshine rather than inputs with volatile prices like gas and coal) the rising cost of power has generally increased the costs of conducting business in Europe and caused economic hardship and uncertainty and political tensions in the countries in which we operate. Further economic and political instability and the escalation or expansion of armed conflict in Eastern Europe, the Middle East, or elsewhere in the world, could result in local, regional and/or global instability that could adversely impact our business, including through the disruption of free movement of goods, services and people, or a destabilization of energy markets. The materialization of one or more of these risks could negatively affect our financial performance.

Our operations in the future may be different from our current business, including through future sustainable solutions investments.

Our operations today primarily include hydroelectric, wind, utility solar and distributed generation power generation as well as biomass power generation, cogeneration, storage and nuclear services businesses in North and South America, Europe and Asia. Our development pipeline includes renewable power generation projects as well as CCS, RNG and recycling projects. We may acquire interests in other businesses, and we may seek to divest of certain of our existing operations in the future. In addition, pursuant to the Relationship Agreement with Brookfield, Brookfield may (but is not required to) offer us the opportunity to acquire: (i) an integrated utility even if a significant component of such utility's operations consist of a non-renewable power generation operation or development, such as a power generation operation that uses coal or natural gas, (ii) a portfolio of power operations, even if a significant component of such portfolio's operations consist of non-renewable power generation, or (iii) renewable power generation operations or developments that comprise part of a broader enterprise.

The completion of new acquisitions can have the effect of significantly increasing the scale and scope of our operations, including operations in new geographic areas and industry sectors, and the Service Provider may have difficulty managing these additional operations. In addition, acquisitions involve risks to our business.

A key part of our strategy will involve seeking acquisition opportunities upon Brookfield's recommendation and allocation of opportunities to us. Acquisitions may increase the scale, scope and diversity of our operating

businesses. We depend on the diligence and skill of Brookfield's and our professionals to effectively manage Brookfield Renewable, integrating acquired businesses with our existing operations. These individuals may have difficulty managing additional acquired businesses and may have other responsibilities within Brookfield's asset management business. If any such acquired businesses are not effectively integrated and managed, our existing business, financial condition and results of operations may be adversely affected.

Future acquisitions will likely involve some or all of the following risks, which could materially and adversely affect our business, financial condition or results of operations: the difficulty of integrating the acquired operations and personnel into our current operations; potential disruption of our current operations; diversion of resources, including Brookfield's time and attention; the difficulty of managing the growth of a larger organization; the risk of entering markets in which we have little experience; the risk of becoming involved in labor, commercial or regulatory disputes or litigation related to the new enterprise; risk of environmental or other liabilities associated with the acquired business; and the risk of a change of control resulting from an acquisition triggering rights of third parties or government agencies under contracts with, or authorizations held by the operating business being acquired. While it is our practice to conduct extensive due diligence investigations into businesses being acquired, it is possible that due diligence may fail to uncover all material risks in the business being acquired, or to identify a change of control trigger in a material contract or authorization, or that a contractual counterparty or government agency may take a different view on the interpretation of such a provision to that taken by Brookfield Renewable, thereby resulting in a dispute. The discovery of any material liabilities subsequent to an acquisition, as well as the failure of an acquisition to perform according to expectations, could have an adverse effect on our business, financial condition and results of operations. In addition, if returns are lower than anticipated from new acquisitions, we may not be able to achieve growth in our distributions in line with our stated goals and the market value of our securities may decline.

Not all of the projects in our development pipeline will achieve commercial operation.

We have a large development pipeline that includes projects at different levels of advancement, from early stage projects which may not yet have the permits, licenses or other government approvals that are required, to later stage projects that we believe have a path to construction readiness, to under-construction projects that are in the process of being built. Our development pipeline also includes projects that we don't own 100% of or, in certain circumstances, control. While the likelihood of a project being built increases when it receives, for example, required permits, licenses or other government approvals, when it signs construction and equipment supply agreements, and when it signs an offtake agreement, there can be no assurance that any one or a specific percentage of the projects in our development pipeline will be built or on what timeline.

With respect to our renewable power assets, our ability to realize our development growth plans is dependent on our ability to develop existing sites, to repower existing projects that are nearing the end of their useful lives, and to find new sites suitable for development into viable projects. Our ability to maintain a development permit often requires specific development steps to be undertaken. Successful development of renewable power projects is typically dependent on a number of factors, including: the ability to secure or renew our rights to an attractive site on reasonable terms, often following lengthy negotiations and/or competitive bidding processes; accurately measuring resource availability at levels deemed economically attractive for continued project development; the ability to secure new or renewed approvals, licenses and permits; the acceptance of local stakeholders, including in some cases, Indigenous peoples; the ability to secure transmission interconnection access or agreements; the ability to successfully integrate new projects or technologies into existing assets; the ability to acquire suitable labor, equipment and construction services on acceptable terms; the ability to attract construction project financing, including from tax equity investors and through tax and other government incentives such as those provided in the U.S. through the Inflation Reduction Act; and the ability to secure a long-term PPA or other sales contract on reasonable terms. Each of these factors can be critical in determining whether or not a particular development project might ultimately be suitable for construction and some of these factors are outside of our control. Failure to achieve any one of these elements may prevent the development and construction of a renewable power project, or otherwise cause such project to become obligated to make delay or termination payments or become obligated for other damages under contracts, experience the loss of tax credits or tax incentives, or experience diminished returns. When this occurs we may lose all of our investment in development expenditures and may ultimately be required to write-off project development assets and costs, which could adversely impact our ability to achieve our development growth plans, deliver energy and generate revenues.

Our ability to develop projects is subject to construction risks and risks associated with the arrangements we enter into with communities and joint venture partners.

Our ability to develop an economically successful project is dependent on, among other things, our ability to construct a particular project on-time and on-budget. For example, the construction and development of a renewable power generating facility, whether as a greenfield project or by way of a repowering of an existing project, is subject to environmental, engineering and construction risks that could result in cost-overruns, delays and reduced performance. A number of factors that could cause delays, cost over-runs or reduced performance include, but are not limited to, changes in local laws or difficulties in obtaining permits, rights of way or approvals, changing engineering and design requirements, construction costs exceeding estimates for various reasons, including inaccurate engineering and planning, failures to properly estimate the cost of raw materials, components, equipment, labor or the inability to timely obtain them, unanticipated problems with project start-up, the performance of contractors, the insolvency of the head contractor, a major subcontractor and/or a key equipment supplier, labor disruptions, inclement weather, defects in design, engineering or construction (including, without limitation, latent defects that do not materialize during an applicable warranty or limitation period) and project modifications. A delay in the projected completion of a project can result in a material increase in total project construction costs through higher capitalized interest charges, additional labor and other expenses and a resultant delay in the commencement of cash flow. In addition, such unexpected issues may result in increased debt service costs, operations and maintenance expenses and damage payments for late delivery or the failure to meet agreed upon generation levels. This may result in an inability of the project to meet the higher interest and principal repayments arising from the additional debt required. Protracted delays could also result in a given project being in default of other terms of any applicable construction financing arrangements.

Development projects may also require large areas of land on which the new projects are to be constructed and operated. Rights to use land can be obtained through freehold title, leases and other rights of use. Land title systems vary by jurisdiction and in some cases it may not be possible to ascertain definitively who has the legal right to enter into land tenure arrangements with the asset owner or to secure the consent of all land owners. A government, court, regulator, Indigenous group, landowner or other stakeholder may make a decision or take action that adversely affects the development of a project or the demand for its services. For example, a regulator may restrict our access to an asset, or may require us to provide third parties with access. The restriction or curtailment of our rights with respect to an asset by a regulator or otherwise may negatively impact the success of our projects.

We may enter into various types of arrangements with communities and joint venture partners, including in some cases, Indigenous peoples, for the development of projects. In some circumstances, we may be required to notify, consult, or obtain the consent of certain stakeholders, such as Indigenous peoples, landowners and/or municipalities. In some jurisdictions, it may be possible to claim Indigenous rights to land and the existence or declaration of Indigenous title may affect the existing or future activities of our projects and impact their business, financial condition and results of operations. In Canada, for example, courts have recognized that Indigenous peoples possess constitutionally protected rights in respect of land used or occupied by their ancestors where treaties have not been concluded to deal with these rights. Certain of these communities and partners may have or may develop interests or objectives which are different from or even in conflict with our objectives. Any such differences could have a negative impact on the success of our projects.

Risks Relating to Our Relationship with Brookfield

Brookfield exercises substantial influence over Brookfield Renewable and we are highly dependent on the Service Provider.

A subsidiary of Brookfield Corporation is the sole shareholder of the Managing General Partner. As a result of its ownership of the Managing General Partner, Brookfield is able to control the appointment and removal of the Managing General Partner's directors and, accordingly, exercise substantial influence over Brookfield Renewable. In addition, BEP holds its interest in the Operating Entities indirectly through BRELP and will hold any future acquisitions indirectly through BRELP, the general partner of which is indirectly owned by Brookfield Corporation. As BEP's only substantial assets are the limited partnership interests and preferred limited partnership interests that it holds in BRELP, except for rights under the Voting Agreement, BEP does not have a right to participate directly in the management or activities of BRELP or the Holding Entities, including with respect to the making of decisions (although it has the right to remove and replace the BRELP GP LP).

BEP and BRELP depend on the management and administration services provided by or under the direction of the Service Provider under our Master Services Agreement. Brookfield personnel and support staff that provide services to us under our Master Services Agreement are not required to have as their primary responsibility the management and administration of BEP or BRELP or to act exclusively for either of us and our Master Services Agreement does not require any specific individuals to be provided by Brookfield to BEP. Failing to effectively manage our current operations or to implement our strategy could have an adverse effect on our business, financial condition and results of operations. Our Master Services Agreement continues in perpetuity, until terminated in accordance with its terms.

The departure of some or all of Brookfield's professionals could prevent us from achieving our objectives.

We depend on the diligence, skill and business contacts of Brookfield's professionals and the information and opportunities they generate during the normal course of their activities. Our future success will depend on the continued service of these individuals, who are not obligated to remain employed with Brookfield. Brookfield has experienced departures of key professionals in the past and may do so in the future, and we cannot predict the impact that any such departures will have on our ability to achieve our objectives. The departure of a significant number of Brookfield's professionals for any reason, or the failure to appoint qualified or effective successors in the event of such departures, could have an adverse effect on our ability to achieve our objectives. The Amended and Restated Limited Partnership Agreement of BEP and our Master Services Agreement do not require Brookfield to maintain the employment of any of its professionals or to cause any particular professionals to provide services to us or on our behalf.

PART 8 – CRITICAL ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

The consolidated financial statements are prepared in accordance with IFRS, which require the use of estimates and judgments in reporting assets, liabilities, revenues, expenses and contingencies. In the judgment of management, none of the estimates outlined in Note 1 – Basis of preparation and material accounting policy information in our audited consolidated financial statements are considered critical accounting estimates as defined in Canadian National Instrument 51-102 – Continuous Disclosure Obligations with the exception of the estimates related to the valuation of property, plant and equipment, financial instruments, deferred income tax liabilities, decommissioning liabilities and impairment of goodwill. These assumptions include estimates of future electricity prices, discount rates, expected long-term average generation, inflation rates, terminal year, the amount and timing of operating and capital costs and the income tax rates of future income tax provisions. Estimates also include determination of accruals, provisions, purchase price allocations, useful lives, asset valuations, asset impairment testing and those relevant to the defined benefit pension and non-pension benefit plans. Estimates are based on historical experience, current trends and various other assumptions that are believed to be reasonable under the circumstances.

In making estimates, management relies on external information and observable conditions where possible, supplemented by internal analysis, as required. These estimates have been applied in a manner consistent with that in the prior year and there are no known trends, commitments, events or uncertainties that we believe will materially affect the methodology or assumptions utilized in this report. These estimates are impacted by, among other things, future power prices, movements in interest rates, foreign exchange volatility and other factors, some of which are highly uncertain, as described in the “Risk Factors” section. The interrelated nature of these factors prevents us from quantifying the overall impact of these movements on Brookfield Renewable’s financial statements in a meaningful way. These sources of estimation uncertainty relate in varying degrees to substantially all asset and liability account balances. Actual results could differ from those estimates.

CRITICAL ESTIMATES

Brookfield Renewable makes estimates and assumptions that affect the carrying value of assets and liabilities, disclosure of contingent assets and liabilities and the reported amount of income and other comprehensive income (“OCI”) for the year. Actual results could differ from these estimates. The estimates and assumptions that are critical to the determination of the amounts reported in the consolidated financial statements relate to the following:

(i) Property, plant and equipment

The fair value of Brookfield Renewable’s property, plant and equipment is calculated using estimates and assumptions about future electricity prices for renewable sources, anticipated long-term average generation, estimated operating and capital expenditures, future inflation rates and discount rates, as described in Note 12 – Property, plant and equipment, at fair value in our audited annual consolidated financial statements. Judgment is involved in determining the appropriate estimates and assumptions in the valuation of Brookfield Renewable’s property, plant and equipment. See Note 1(s)(iii) – Critical judgments in applying accounting policies – Property, plant and equipment in our audited annual consolidated financial statements for further details.

Estimates of useful lives and residual values are used in determining depreciation. To ensure the accuracy of useful lives and residual values, these estimates are reviewed on an annual basis.

(ii) Financial instruments

Brookfield Renewable makes estimates and assumptions that affect the carrying value of its financial instruments, including estimates and assumptions about future electricity prices, long-term average generation, capacity prices, discount rates, the timing of energy delivery and the elements affecting fair value of the tax equity financings. Non-financial instruments are valued using estimates of future electricity prices which are estimated by considering broker quotes for the years in which there is a liquid market and for the subsequent years Brookfield Renewable’s best estimate of electricity prices that would allow new entrants into the market. The fair value of interest rate swaps is the estimated amount that another party would receive or pay to terminate the swap agreements at the reporting date, taking into account current market interest rates. This valuation technique approximates the net present value of future cash flows.

For power purchase agreements accounted for under IFRS 9 (“IFRS 9 PPAs”) that have unobservable values, Brookfield Renewable determines the fair value of these IFRS 9 PPAs using a discounted cash flow model based on the term of the contract and applies judgements surrounding the inputs used within the valuation model. The valuation model incorporates various inputs and assumptions including future power prices, contractual prices, contractual volumes and discount rates. Future power prices are based on broker quotes from independent sources and for IFRS 9 PPAs with no available broker quotes, future fuel driven merchant prices are incorporated within the model. Contractual prices are stipulated within each individual agreement, contractual volumes are either specified within the agreement or determined using future generation of the power generating assets and discount rate used in the valuation model is the credit adjusted risk free rate. See Note 5 – Risk management and financial instruments in our audited annual consolidated financial statements for more details.

(iii) Deferred income taxes

The consolidated financial statements include estimates and assumptions for determining the future tax rates applicable to subsidiaries and identifying the temporary differences that relate to each subsidiary. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply during the year when the assets are realized or the liabilities settled, using the tax rates and laws enacted or substantively enacted at the consolidated statements of financial position dates. Operating plans and forecasts are used to estimate when the temporary difference will reverse.

(iv) Decommissioning liabilities

Decommissioning costs will be incurred at the end of the operating life of some of the company’s assets. These obligations are typically many years in the future and require judgment to estimate. The estimate of decommissioning costs can vary in response to many factors including changes in relevant legal, regulatory, and environmental requirements, the emergence of new restoration techniques or experience at other power generating facilities. Inherent in the calculations of these costs are assumptions and estimates including the ultimate settlement amounts, inflation factors, discount rates, and timing of settlements.

(v) Impairment of goodwill

The impairment assessment of goodwill requires estimation of the value-in-use or fair value less costs of disposal of the CGUs or groups of CGUs to which goodwill has been allocated.

Brookfield Renewable uses the following critical assumptions and estimates for the value-in-use method: the circumstances that gave rise to the goodwill, timing and amount of future cash flows expected from the CGUs; discount rates; terminal capitalization rates; terminal valuation dates and future leverage assumptions.

CRITICAL JUDGMENTS IN APPLYING ACCOUNTING POLICIES

The following are the critical judgments that have been made in applying the accounting policies used in the consolidated financial statements and that have the most significant effect on the amounts in the consolidated financial statements:

(i) Preparation of consolidated financial statements

These consolidated financial statements present the financial position, results of operations and cash flows of Brookfield Renewable. Judgment is required in determining what assets, liabilities and transactions are recognized in the consolidated financial statements as pertaining to Brookfield Renewable’s operations.

(ii) Common control transactions

Common control business combinations specifically fall outside the scope of IFRS 3, Business Combinations (“IFRS 3”), and as such management has used its judgment to determine an appropriate policy to account for these transactions. Consideration was given to other relevant accounting guidance within the framework of principles in IFRS and to reflect the economic reality of the transactions, in accordance with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors (“IAS 8”). As a result, the consolidated financial statements account for assets and liabilities acquired at the previous carrying value on the predecessor’s financial statements. Differences between the consideration given and the assets and liabilities received are recorded directly to equity.

(iii) Property, Plant and Equipment

The accounting policy relating to Brookfield Renewable's property, plant and equipment is described in Note 1(g) – Property, plant and equipment and revaluation method in our audited annual consolidated financial statements. In applying this policy, judgment is used in determining whether certain costs are additions to the carrying amount of the property, plant and equipment as opposed to repairs and maintenance that are expensed when incurred. If an asset has been developed, judgment is required to identify the point at which the asset is capable of being used as intended and to identify the directly attributable costs to be included in the carrying value of the development asset. The useful lives of property, plant and equipment are determined by independent engineers periodically with an annual review by management.

Annually, Brookfield Renewable determines the fair value of its property, plant and equipment using a methodology that it has judged to be reasonable. The methodology for hydroelectric assets is generally a twenty-year discounted cash flow model. Twenty years is the period considered reasonable as Brookfield Renewable has twenty-year capital plans and it believes a reasonable third party would be indifferent between extending the cash flows further in the model versus using a discounted terminal value. The methodology for wind, solar and storage & other assets is to align the model length with the expected remaining useful life of the subject assets.

The valuation model incorporates future cash flows from long-term power purchase agreements that are in place where it is determined that the power purchase agreements are linked specifically to the related power generating assets. With respect to estimated future generation that does not incorporate long-term power purchase agreement pricing, the cash flow model uses estimates of future electricity prices using broker quotes from independent sources for the years in which there is a liquid market. The valuation of generation not linked to long-term power purchase agreements also requires the development of a long-term estimate of future electricity prices. In this regard the valuation model uses a discount to the all-in cost of construction with a reasonable return, to secure energy from a new renewable resource with a similar generation profile to the asset being valued as the benchmark that will establish the market price for electricity for renewable resources.

Brookfield Renewable's long-term view is anchored to the cost of securing new energy from renewable sources to meet future demand growth by the years 2027 to 2035 in North America, 2030 in Colombia, and 2027 in Brazil. The year of new entry is viewed as the point when generators must build additional capacity to maintain system reliability and provide an adequate level of reserve generation with the retirement of older coal-fired plants and rising environmental compliance costs in North America and Europe, and overall increasing demand in Colombia and Brazil. For the North American and European businesses, Brookfield Renewable has estimated a discount to these new-build renewable asset prices to determine renewable electricity prices for hydroelectric, solar and wind facilities. In Brazil and Colombia, the estimate of future electricity prices is based on a similar approach as applied in North America using a forecast of the all-in cost of development.

Terminal values are included in the valuation of hydroelectric assets in North America and Colombia. For the hydroelectric assets in Brazil, cash flows have been included based on the duration of the authorization or useful life of a concession asset with consideration of a one-time thirty-year renewal on qualifying hydroelectric assets.

Discount rates are determined each year by considering the current interest rates, average market cost of capital as well as the price risk and the geographical location of the operational facilities as judged by management. Inflation rates are also determined by considering the current inflation rates and the expectations of future rates by economists. Operating costs are based on long-term budgets escalated for inflation. Each operational facility has a twenty-year capital plan that it follows to ensure the maximum life of its assets is achieved. Foreign exchange rates are forecasted by using the spot rates and the available forward rates, extrapolated beyond the period available. The inputs described above to the discounted cash flow model require management to consider facts, trends and plans in making its judgments as to what derives a reasonable fair value of its property, plant and equipment.

(iv) Financial instruments

The accounting policy relating to Brookfield Renewable's financial instruments is described in Note 1(l) – Financial instruments in our audited annual consolidated financial statements. In applying the policy, judgments are made in applying the criteria set out in IFRS 9 – Financial instruments ("IFRS 9") to record financial instruments at fair value through profit and loss, and the assessments of the effectiveness of hedging relationships.

For commodity derivatives that have unobservable value, Brookfield Renewable applies judgements surrounding the inputs used within the valuation model. The valuation model incorporates various inputs and

assumptions including forward power prices, contractual prices, contractual volumes and discount rates. Forward power prices are based on broker quotes from independent sources, contractual prices are stipulated within each individual agreement, contractual volumes are either specified within the agreement or determined using future generation of the power generating assets and discount rates are determined by considering the current interest rates, average market cost of capital as well as the price risk and geographical location of the power generating assets as judged by management.

(v) Deferred income taxes

The accounting policy relating to Brookfield Renewable's income taxes is described in Note 1(n) – Income taxes in our audited annual consolidated financial statements. In applying this policy, judgments are made in determining the probability of whether deductions, tax credits and tax losses can be utilized.

NEW ACCOUNTING STANDARDS

International Tax Reform - Amendments to IAS 12- Pillar Two model rules

In May 2023, the IASB issued amendments to IAS 12 "Income Taxes" to give entities temporary mandatory relief from accounting for deferred taxes arising from the Organization for Economic Co-operation and Development ("OECD") international tax reform. The amendments are effective immediately upon their issue and retrospectively in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors," except for some targeted disclosure requirements which become effective for annual reporting periods on or after January 1, 2023. Brookfield Renewable operates in countries which have enacted new legislation to implement the global minimum top-up tax. Brookfield Renewable has applied the temporary mandatory relief from recognizing and disclosing information related to the top-up tax and will account for it as a current tax when it is incurred. The newly enacted legislation is effective from January 1, 2024 and there is no current tax impact for the year ended December 31, 2023. The global minimum top-up tax is not anticipated to have a significant impact on the financial position of Brookfield Renewable.

FUTURE CHANGES IN ACCOUNTING POLICIES

Amendments to IAS 1 – Presentation of Financial Statements ("IAS 1")

The amendments clarify how to classify debt and other liabilities as current or non-current. The amendments to IAS 1 apply to annual reporting periods beginning on or after January 1, 2024. Brookfield Renewable is currently assessing the impact of these amendments.

There are currently no other future changes to IFRS with potential impact on Brookfield Renewable.

SUBSEQUENT EVENTS

Subsequent to year-end, Brookfield Renewable issued C\$400 million of Series 17 medium-term notes. The medium-term notes have a fixed interest rate of 5.32% and a maturity date of January 10, 2054. The Series 17 medium-term notes are corporate-level green bonds.

Subsequent to year-end, Brookfield Renewable, together with its institutional partners, completed the acquisition of a series of development distributed generation projects in the United States totaling 93 MW for total consideration of approximately \$86 million (approximately \$17 million net to Brookfield Renewable). Brookfield Renewable holds a 20% interest in these investments.

Subsequent to year-end, Brookfield Renewable, together with its institutional partners, completed the acquisition of a series of development distributed generation projects in the United States totaling 60 MW for total consideration of approximately \$39 million (approximately \$11 million net to Brookfield Renewable). Brookfield Renewable holds a 25% interest in these investments.

Subsequent to year-end, Brookfield Renewable repurchased 496,254 LP units on the Toronto Stock Exchange at a total cost of \$12 million.

PART 9 – PRESENTATION TO STAKEHOLDERS AND PERFORMANCE MEASUREMENT

PRESENTATION TO PUBLIC STAKEHOLDERS

Equity

Brookfield Renewable's consolidated equity interests include (i) non-voting publicly traded LP units, held by public unitholders and Brookfield, (ii) BEPC exchangeable shares, held by public shareholders and Brookfield, (iii) Redeemable/Exchangeable Limited partnership units in BRELP, a holding subsidiary of Brookfield Renewable, held by Brookfield, and (iv) the GP interest in BRELP, held by Brookfield.

The LP units, the BEPC exchangeable shares and the Redeemable/Exchangeable partnership units have the same economic attributes in all respects, except that the BEPC exchangeable shares provide the holder, and the Redeemable/Exchangeable partnership units provide Brookfield, the right to request that all or a portion of such shares or units be redeemed for cash consideration. Brookfield Renewable, however, has the right, at its sole discretion, to satisfy any such redemption request with LP units, rather than cash, on a one-for-one basis. The public holders of BEPC exchangeable shares, and Brookfield, as holder of BEPC exchangeable shares and Redeemable/Exchangeable partnership units, participates in earnings and distributions on a per unit basis equivalent to the per unit participation of the LP units. Because Brookfield Renewable, at its sole discretion, has the right to settle any redemption request in respect of BEPC exchangeable shares and Redeemable/Exchangeable partnership units with LP units, the BEPC exchangeable shares and Redeemable/Exchangeable partnership units are classified under equity, and not as a liability.

Given the exchange feature referenced above, we are presenting LP units, BEPC exchangeable shares, Redeemable/Exchangeable partnership units, and GP Interest as separate components of consolidated equity. This presentation does not impact the total income (loss), per unit or share information, or total consolidated equity.

Actual and Long-term Average Generation

For assets acquired, disposed or reached commercial operation during the year, reported generation is calculated from the acquisition, disposition or commercial operation date and is not annualized. Generation on a same store basis refers to the generation of assets that were owned during both periods presented. As it relates to Colombia only, generation includes both hydroelectric and cogeneration facilities. Distributed energy & storage includes generation from our distributed generation and pumped storage assets. Sustainable solutions includes North America cogeneration, Brazil biomass, and power transformation assets.

North America hydroelectric long-term average is the expected average level of generation based on the results of a simulation based on historical inflow data performed over a period of typically 30 years. Colombia hydroelectric long-term average is the expected average level of generation based on the results of a simulation based on historical inflow data performed over a period of typically 20 years. For substantially all of our hydroelectric assets in Brazil the long-term average is based on the reference amount of electricity allocated to our facilities under the market framework which levelizes generation risk across producers. Wind long-term average is the expected average level of generation based on the results of simulated historical wind speed data performed over a period of typically 10 years. Utility-scale solar long-term average is the expected average level of generation based on the results of a simulation using historical irradiance levels in the locations of our projects from the last 14 to 20 years combined with actual generation data during the operational period.

We compare actual generation levels against the long-term average to highlight the impact of an important factor that affects the variability of our business results. In the short-term, we recognize that hydrology, wind and irradiance conditions will vary from one period to the next; over time however, we expect our facilities will continue to produce in line with their long-term averages, which have proven to be reliable indicators of performance.

Our risk of a generation shortfall in Brazil continues to be minimized by participation in the Energy Reallocation Mechanism ("MRE") administered by the government of Brazil. This program mitigates hydrology risk by assuring that all participants receive, at any particular point in time, an assured energy amount, irrespective of the actual volume of energy generated. The program reallocates energy, transferring surplus energy from those who

generated an excess to those who generate less than their assured energy, up to the total generation within the pool. Periodically, low precipitation across the entire country's system could result in a temporary reduction of generation available for sale. During these periods, we expect that a higher proportion of thermal generation would be needed to balance supply and demand in the country, potentially leading to higher overall spot market prices.

Generation from our pumped storage and cogeneration facilities in North America is highly dependent on market price conditions rather than the generating capacity of the facilities. Our pumped storage facility in Europe generates on a dispatchable basis when required by our contracts for ancillary services. Generation from our biomass facilities in Brazil is dependent on the amount of sugar cane harvested in a given year. For these reasons, we do not consider a long-term average for these facilities.

Voting Agreements with Affiliates

Brookfield Renewable has entered into voting agreements with Brookfield, whereby Brookfield Renewable gained control or have significant influence over the entities that own certain renewable power and sustainable solution investments. Brookfield Renewable has also entered into a voting agreement with its consortium partners in respect of the Colombian business. The voting agreements provide Brookfield Renewable the authority to direct the election of the Boards of Directors of the relevant entities, among other things, and therefore provide Brookfield Renewable with control. Accordingly, Brookfield Renewable consolidates the accounts of these entities.

For entities previously controlled by Brookfield Corporation, the voting agreements entered into do not represent business combinations in accordance with IFRS 3, as all combining businesses are ultimately controlled by Brookfield Corporation both before and after the transactions were completed. Brookfield Renewable accounts for these transactions involving entities under common control in a manner similar to a pooling of interest, which requires the presentation of pre-voting agreement financial information as if the transactions had always been in place. Refer to Note 1(s)(ii) – Critical judgments in applying accounting policies – Common control transactions in our December 31, 2023 audited consolidated financial statements for our policy on accounting for transactions under common control.

PERFORMANCE MEASUREMENT

Segment Information

Our operations are segmented by – 1) hydroelectric, 2) wind, 3) utility-scale solar, 4) distributed energy and storage (distributed generation and pumped storage), 5) sustainable solutions (renewable natural gas, carbon capture and storage, recycling, cogeneration biomass, nuclear services, and power transformation), and 6) corporate - with hydroelectric further segmented by geography (i.e., North America, Colombia, and Brazil). This best reflects the way in which the CODM reviews results of our company.

The reporting to the CODM was revised during the year to disaggregate the distributed energy & sustainable solutions business into distributed energy & storage and sustainable solutions. This change is consistent with the development of Brookfield Renewable's business as distributed generation and sustainable solutions continue to grow as a more significant component of the business. The financial information of operating segments in the prior period has been restated to present the corresponding results of the distributed energy & storage and sustainable solutions.

We report our results in accordance with these segments and present prior period segmented information in a consistent manner. See Note 6 – Segmented information in our audited annual consolidated financial statements.

One of our primary business objectives is to generate stable and growing cash flows while minimizing risk for the benefit of all stakeholders. We monitor our performance in this regard through three key metrics — i) Net Income (Loss), ii) Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (“Adjusted EBITDA”), and iii) Funds From Operations.

It is important to highlight that Adjusted EBITDA and Funds From Operations do not have any standardized meaning prescribed by IFRS and therefore are unlikely to be comparable to similar measures presented by other companies and have limitations as analytical tools. We provide additional information below on how we determine Adjusted EBITDA and Funds From Operations. We also provide reconciliations to Net income (loss). See “Part 4 –

Financial Performance Review on Proportionate Information – Reconciliation of Non-IFRS Measures” and “Part 6 – Selected Annual and Quarterly Information – Reconciliation of Non-IFRS measures”.

Proportionate Information

Reporting to the CODM on the measures utilized to assess performance and allocate resources has been provided on a proportionate basis. Information on a proportionate basis reflects Brookfield Renewable’s share from facilities which it accounts for using consolidation and the equity method whereby Brookfield Renewable either controls or exercises significant influence or joint control over the investment, respectively. Proportionate information provides a Unitholder perspective that the CODM considers important when performing internal analyses and making strategic and operating decisions. The CODM also believes that providing proportionate information helps investors understand the impacts of decisions made by management and financial results that can be allocated to Unitholders.

Proportionate financial information is not, and is not intended to be, presented in accordance with IFRS. Tables reconciling IFRS data with data presented on a proportionate basis have been disclosed. Segment revenues, other income, direct operating costs, interest expense, depreciation, current and deferred income taxes, and other are items that will differ from results presented in accordance with IFRS as these items (1) include Brookfield Renewable’s proportionate share of earnings (loss) from equity-accounted investments attributable to each of the above-noted items, and (2) exclude the proportionate share of earnings (loss) of consolidated investments not held by us apportioned to each of the above-noted items.

The presentation of proportionate results has limitations as an analytical tool, including the following:

- The amounts shown on the individual line items were derived by applying our overall economic ownership interest percentage and do not necessarily represent our legal claim to the assets and liabilities, or the revenues and expenses; and
- Other companies may calculate proportionate results differently than we do.

Because of these limitations, our proportionate financial information should not be considered in isolation or as a substitute for our financial statements as reported under IFRS.

Brookfield Renewable does not control those entities that have not been consolidated and as such, have been presented as equity-accounted investments in its financial statements. The presentation of the assets and liabilities and revenues and expenses do not represent Brookfield Renewable’s legal claim to such items, and the removal of financial statement amounts that are attributable to non-controlling interests does not extinguish Brookfield Renewable’s legal claims or exposures to such items.

Unless the context indicates or requires otherwise, information with respect to the megawatts (“MW”) attributable to Brookfield Renewable’s facilities, including development assets, is presented on a consolidated basis, including with respect to facilities whereby Brookfield Renewable either controls or jointly controls the applicable facility.

Net Income (Loss)

Net income (loss) is calculated in accordance with IFRS.

Net income (loss) is an important measure of profitability, in particular because it has a standardized meaning under IFRS. The presentation of net income (loss) on an IFRS basis for our business will often lead to the recognition of a loss even though the underlying cash flows generated by the assets are supported by strong margins and stable, long-term power purchase agreements. The primary reason for this is that accounting rules require us to recognize a significantly higher level of depreciation for our assets than we are required to reinvest in the business as sustaining capital expenditures.

Adjusted EBITDA

Adjusted EBITDA is a non-IFRS measure used by investors to analyze the operating performance of companies.

Brookfield Renewable uses Adjusted EBITDA to assess the performance of Brookfield Renewable before the effects of interest expense, income taxes, depreciation, management service costs, non-controlling interests, unrealized gain or loss on financial instruments, non-cash income or loss from equity-accounted investments, distributions to preferred shareholders, preferred limited partnership unit holders, perpetual subordinated noteholders and other typical non-recurring items. Brookfield Renewable adjusts for these factors as they may be non-cash, unusual in nature and/or are not factors used by management for evaluating operating performance. Brookfield Renewable includes realized disposition gains and losses on assets that we developed and/or did not intend to hold over the long-term within Adjusted EBITDA in order to provide additional insight regarding the performance of investments on a cumulative realized basis, including any unrealized fair value adjustments that were recorded in equity and not otherwise reflected in current period Adjusted EBITDA.

Brookfield Renewable believes that presentation of this measure will enhance an investor's ability to evaluate its financial and operating performance on an allocable basis.

Funds From Operations

Funds From Operations is a non-IFRS measure used by investors to analyze net earnings from operations without the effects of certain volatile items that generally have no current financial impact or items not directly related to the performance of Brookfield Renewable.

Brookfield Renewable uses Funds From Operations to assess the performance of Brookfield Renewable before the effects of certain cash items (e.g., acquisition costs and other typical non-recurring cash items) and certain non-cash items (e.g., deferred income taxes, depreciation, non-cash portion of non-controlling interests, unrealized gain or loss on financial instruments, non-cash gain or loss from equity-accounted investments, and other non-cash items) as these are not reflective of the performance of the underlying business. In the consolidated financial statements of Brookfield Renewable, the revaluation approach is used in accordance with IAS 16, Property, Plant and Equipment, whereby depreciation is determined based on a revalued amount, thereby reducing comparability with peers who do not report under IFRS as issued by the IASB or who do not employ the revaluation approach to measuring property, plant and equipment. Management adds back deferred income taxes on the basis that they do not believe this item reflects the present value of the actual tax obligations that they expect Brookfield Renewable to incur over the long-term investment horizon of Brookfield Renewable.

Brookfield Renewable believes that analysis and presentation of Funds From Operations on this basis will enhance an investor's understanding of the performance of Brookfield Renewable. Funds From Operations is not a substitute measure of performance for earnings per share and does not represent amounts available for distribution.

Funds From Operations is not a generally accepted accounting measure under IFRS and therefore may differ from definitions of Funds From Operations used by other entities, as well as the definition of funds from operations used by the Real Property Association of Canada ("REALPAC") and the National Association of Real Estate Investment Trusts, Inc. ("NAREIT"). Furthermore, this measure is not used by the CODM to assess Brookfield Renewable's liquidity.

Proportionate Debt

Proportionate debt is presented based on the proportionate share of borrowings obligations relating to the investments of Brookfield Renewable in various portfolio businesses. The proportionate financial information is not, and is not intended to be, presented in accordance with IFRS. Proportionate debt measures are provided because management believes it assists investors and analysts in estimating the overall performance and understanding the leverage pertaining specifically to Brookfield Renewable's share of its invested capital in a given investment. When used in conjunction with Proportionate Adjusted EBITDA, proportionate debt is expected to provide useful information as to how Brookfield Renewable has financed its businesses at the asset-level. Management believes that the proportionate presentation, when read in conjunction with Brookfield Renewable's reported results under IFRS, including consolidated debt, provides a more meaningful assessment of how the operations of Brookfield Renewable are performing and capital is being managed.

The presentation of proportionate results has limitations as an analytical tool, including the following:

- Proportionate debt amounts do not represent the consolidated obligation for debt underlying a consolidated investment. If an individual project does not generate sufficient cash flows to service the entire amount of its debt payments, management may determine, in their discretion, to pay the shortfall through an equity injection to avoid defaulting on the obligation. Such a shortfall may not be apparent from or may not equal the difference between aggregate Proportionate Adjusted EBITDA for all of the portfolio investments of Brookfield Renewable and aggregate proportionate debt for all of the portfolio investments of Brookfield Renewable; and
- Other companies may calculate proportionate debt differently.

Because of these limitations, the proportionate financial information of Brookfield Renewable should not be considered in isolation or as a substitute for the financial statements of Brookfield Renewable as reported under IFRS.

PART 10 – CAUTIONARY STATEMENTS

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements and information, within the meaning of Canadian 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, concerning the business and operations of Brookfield Renewable. Forward-looking statements may include estimates, plans, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. Forward-looking statements in this report include, but are not limited to, statements regarding the quality of Brookfield Renewable’s assets and the resiliency of the cash flow they will generate, our 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, economic recovery, achieving long-term average generation, project development and capital expenditure costs, energy policies, economic growth, growth potential of the renewable asset class, our future growth prospects and distribution profile, our access to capital and future dividends and distributions made to holders of LP units and BEPC’s exchangeable shares. In some cases, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “scheduled”, “estimates”, “intends”, “anticipates”, “believes”, “potentially”, “tends”, “continue”, “attempts”, “likely”, “primarily”, “approximately”, “endeavors”, “pursues”, “strives”, “seeks”, “targets”, “believes”, or variations of such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. These forward-looking statements and information are not historical facts but reflect our current expectations regarding future results or events and are based on information currently available to us and on assumptions we believe are reasonable. Although we believe that our anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information in this report are based upon reasonable assumptions and expectations, we cannot assure you that such expectations will prove to have been correct. You should not place undue reliance on forward-looking statements and information as such statements and information involve assumptions, known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements and information. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to us or are within our control. If a change occurs, our business, financial condition, liquidity and result of operations and our plans and strategies may vary materially from those expressed in the forward-looking statements and forward-looking information herein.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to, the following: 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 renewable power facilities; supply, demand, volatility and marketing in the energy markets; our inability to re-negotiate or replace expiring contracts (including PPAs, power guarantee agreements or similar long-term agreements, between a seller and a buyer of electrical power generation) on similar terms; an increase in the amount of uncontracted generation in our renewable power portfolio or a change in the contract profile for future renewable power projects; 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; increased regulation of and third party opposition to our nuclear services business’s customers and operations; failure of the nuclear power industry to expand; insufficient indemnification for our nuclear services business; our reliance on computerized business systems, which could expose us to cyber-attacks; 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; health, safety, security and environmental risks; energy marketing risks and our ability to manage commodity and financial risk; 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; newly developed technologies or new business lines 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; 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; restrictions on our ability to engage in certain activities or make distributions due to our indebtedness; 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; political instability or changes in government policy negatively impacting our business or assets; changes to our current business, including through future sustainable solutions investments; the growth of our portfolio and our inability to realize the expected benefits of our transactions or acquisitions; our inability to develop the projects in our development pipeline; delays, cost overruns and other problems associated with the construction and operation of our facilities and risks associated with the arrangements we enter into with communities and joint venture partners; we do not have control over all of our operations or investments, including certain investments made through joint ventures, partnerships, consortiums or structured arrangements; 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; the separation of economic interest from control within our organizational structure; the separation of economic interest from control within our organizational structure; our dependence on Brookfield and Brookfield’s significant influence over us; 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; the departure of some or all of Brookfield’s key professionals; Brookfield acting in a way that is not in our best interests or the best interests of our shareholders or our unitholders; our inability to terminate the Master Services Agreement and the limited liability of the Service

Provider under our arrangements with them; Brookfield's relationship with Oaktree; changes in how Brookfield elects to hold its ownership interests in Brookfield Renewable; changes in the amount of cash we can distribute to our unitholders; future sales or issuances of our securities will result in dilution of existing holders and even the perception of such sales or issuances taking place could depress the trading price of the BEP units or BEPC exchangeable shares; any changes in the market price of the BEP units and BEPC exchangeable shares; the inability of our unitholders to take part in the management of BEP; limits on unitholders' ability to obtain favourable judicial forum for disputes related to BEP or to enforce judgements against us; our reliance on subsidiaries to provide funds to pay distributions; changes in tax law and practice; changes to government policies and incentives relating to the renewable power and sustainable solutions industries; adverse impacts of inflationary pressures; changes in regulatory, political, economic and social conditions in the jurisdictions in which we operate; health, safety, security and environmental risks; force majeure events; foreign currency risk associated with BEP's distributions; fraud, bribery, corruption, other illegal acts or inadequate or failed internal processes or systems and restrictions on foreign direct investment; increased regulation of our operations; we are not subject to the same disclosure requirements as a U.S. domestic issuer; changes in our credit ratings; new regulatory initiatives related to sustainability and ESG; human rights impacts of our business activities; being deemed an "investment company" under the Investment Company Act; the effectiveness of our internal controls over financial reporting; and other factors described in our most recent Annual Report on Form 20-F, including those set forth under Item 3.D "Risk Factors".

We caution that 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 report and should not be relied upon as representing our views as of any date subsequent to the date of this report. 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. For further information on these known and unknown risks, please see "Risk Factors" included in our most recent Annual Report on Form 20-F and other risks and factors that are described therein.

CAUTIONARY STATEMENT REGARDING USE OF NON-IFRS MEASURES

This report contains references to Adjusted EBITDA, Funds From Operations and Funds From Operations per Unit which are not generally accepted accounting measures standardized under IFRS and therefore may differ from definitions of Adjusted EBITDA, Funds From Operations and Funds From Operations per Unit used by other entities. In particular, our definition of Funds From Operations may differ from the definition of funds from operations used by other organizations, as well as the definition of funds from operations used by the Real Property Association of Canada and the National Association of Real Estate Investment Trusts, Inc. ("NAREIT"), in part because the NAREIT definition is based on U.S. GAAP, as opposed to IFRS. We believe that Adjusted EBITDA, Funds From Operations and Funds From Operations per Unit are useful supplemental measures that may assist investors in assessing our financial performance. None of Adjusted EBITDA, Funds From Operations or Funds From Operations 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. These non-IFRS measures reflect how we manage our business and, in our opinion, enable the reader to better understand our business.

Reconciliations of each of Adjusted EBITDA, Funds From Operations and Funds From Operations per Unit to net income (loss) are presented in our Management's Discussion and Analysis. We have also provided a reconciliation of Adjusted EBITDA and Funds From Operations to net income in Note 6 – Segmented information in the audited annual consolidated financial statements.

MANAGEMENT'S RESPONSIBILITY

Management's Responsibility for Financial Statements

The accompanying consolidated financial statements have been prepared by Brookfield Renewable Partners L.P. ("Brookfield Renewable") management which is responsible for their integrity, consistency, objectivity and reliability. To fulfill this responsibility, Brookfield Renewable maintains policies, procedures and systems of internal control to ensure that its reporting practices and accounting and administrative procedures are appropriate to provide a high degree of assurance that relevant and reliable financial information is produced and assets are safeguarded. These controls include the careful selection and training of employees, the establishment of well-defined areas of responsibility and accountability for performance, and the communication of policies and the code of conduct throughout the company.

These consolidated financial statements have been prepared in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board and, where appropriate, reflect estimates based on management's judgment.

Ernst & Young LLP, the Independent Registered Public Accounting Firm appointed by the directors of the general partner of Brookfield Renewable, have audited the consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States) to enable them to express to the partners their opinion on the consolidated financial statements. Their report outlines the scope of their examination and opinion on the consolidated financial statements.

The consolidated financial statements have been further reviewed and approved by the Board of Directors of the general partner of Brookfield Renewable acting through its Audit Committee, which is comprised of directors who are not officers or employees of Brookfield Renewable. The Audit Committee, which meets with the auditors and management to review the activities of each and reports to the Board of Directors, oversees management's responsibilities for the financial reporting and internal control systems. The auditors have full and direct access to the Audit Committee and meet periodically with the committee both with and without management present to discuss their audit and related findings.

/s/ Connor Teskey

Connor Teskey
Chief Executive Officer

/s/ Wyatt Hartley

Wyatt Hartley
Chief Financial Officer

February 29, 2024

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of Brookfield Renewable Partners Limited (General Partner of Brookfield Renewable Partners L.P.) and Partners of Brookfield Renewable Partners L.P.

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of Brookfield Renewable Partners L.P. (“Brookfield Renewable” or the “Partnership”) as of December 31, 2023 and 2022, the related consolidated statements of income (loss), comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2023, and the related notes (collectively referred to as the “financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Partnership at December 31, 2023 and 2022, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with International Financial Reporting Standards (“IFRSs”) as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the Partnership’s internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 29, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of Brookfield Renewable’s management. Our responsibility is to express an opinion on the Partnership’s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Description of the Matter

Revaluation of power generating assets

The Partnership measures power generating assets (classified as property, plant and equipment) using the revaluation method under IAS 16, Property, Plant and Equipment. As at December 31, 2023, property, plant and equipment on the consolidated statement of financial position totaled \$64,005 million. Revaluations of property, plant and equipment recognized in the consolidated statement of comprehensive income totaled a loss of \$133 million and a loss in the consolidated statement of income (loss) of \$164 million for 2023. As discussed in Notes 1(g), 1(r)(i) and 1(s) (iii) and 12 – Property, Plant and Equipment, at Fair Value to the consolidated financial statements, significant estimation and management judgment are involved in assessing the estimates and assumptions regarding the future performance of the power generating assets.

Management applies a dual approach which involves a discounted cash flow model as well as a market evaluation in determining the fair value of the Partnership's power generating assets. Significant assumptions included within the discounted cash flow models are future electricity prices, terminal value, discount rates, anticipated long-term average generation and estimated operating and capital expenditures.

Auditing the measurement of power generating assets is complex due to the highly judgmental nature of the significant assumptions described above, which required the involvement of specialists. Changes in these assumptions can have a material effect on the fair value of the power generating assets.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over management's processes in determining the fair value of power generating assets. We tested controls over management's review of the valuation models, including the controls over the review and approval of all significant assumptions.

To test the fair value of the power generating assets, our audit procedures included, among others, evaluating the Partnership's valuation methodology, the significant assumptions used, and testing the completeness and accuracy of the underlying data supporting the significant assumptions. For each power generating asset, we analyzed the significant drivers of the change in fair value including the future electricity prices, terminal value and discount rates. With the support of our valuation specialists, we inspected management's valuation analysis and assessed the estimates of future electricity prices by reference to shorter-term broker price quotes and management's longer-term market forecasts specific to each region and power generating asset. We also involved our valuation specialists in the evaluation of the terminal value and discount rates, which included consideration of benchmark interest rates, geographic location, whether the asset is contracted or uncontracted and type of technology.

For a sample of power generating assets, we performed audit procedures that included, among others, agreeing contracted power prices to executed power purchase agreements and assessing the anticipated long-term average generation through corroboration with third party engineering reports and historical trends. Further, we assessed the estimated operating and capital expenditures by comparison to historical data and to third party data for a selection of assets and corroboration with third party engineering reports. We also tested the computational accuracy of the fair value model.

With the assistance of our valuation specialists for the same samples, we also performed a sensitivity analysis over the future electricity prices, terminal value and discount rates to evaluate the fair value of power generating assets. We also evaluated the fair values using other market-based evidence by comparing the portfolio as a whole to recent similar transactions and by calculating the revenue and EBITDA multiples of a sample of the power generating assets and comparing them to multiples of comparable public companies.

Furthermore, we evaluated the adequacy of the Partnership's disclosures regarding the significant assumptions and sensitivity analysis around the fair value of power generating assets.

Significant acquisitions: wind and solar portfolio's

Description of the Matter

During 2023, the Partnership completed the acquisitions of a U.S. Renewable Portfolio, an India Renewable Portfolio and a U.K. Wind Portfolio for purchase price of \$1,083 million, \$447 million, and \$625 million, respectively. As described in Notes 1(o) and 3 – Acquisitions to the consolidated financial statements, these business combinations are accounted for using the acquisition method, and the results of operations have been included in the consolidated financial statements since the corresponding dates of acquisition.

Auditing the above noted acquisitions is complex given that significant estimation is required in determining the fair value of the power generating assets, tax equity liabilities and commodity derivatives acquired. The significant assumptions related to these estimates include but are not limited to future electricity prices, production tax credits, generation volumes, discount rates, terminal value and operating and capital expenditures. These assumptions are forward looking and could be affected by future economic and market conditions.

How We Addressed the Matter in Our Audit

We obtained an understanding and evaluated the design of controls over management's processes in determining the fair value of power generating assets, tax equity liabilities and commodity derivatives acquired. We tested controls over management's review of the power generating assets, tax equity and commodity derivative valuation models, including the controls over the review and approval of all significant assumptions.

Our audit procedures included, among others, assessing the significant assumptions described above and testing the completeness and accuracy of the underlying data. For example, we evaluated the estimated generation volumes for a sample of power generating assets by comparing them to available engineering reports, benchmarking capacity factors against publicly available industry generation data, and also considering industry benchmarks for losses that impact capacity factors. Further, with the support of our valuation specialists, we inspected management's valuation analysis and assessed the estimates of future electricity prices by reference to shorter-term broker price quotes and management's longer-term market forecasts specific to each region and power generating asset. For production tax credit rates, we assessed management's future projections against stated guidance for all production tax credit regimes and ensured that management's projection was reasonable based on published guidance. We involved our valuation specialists to assist in evaluating the valuation methodologies and the significant assumptions, including discount rates and terminal values, used in the Partnership's models, which included consideration of benchmark interest rates, geographic location, contracted or uncontracted assets and type of technology, as well as performing sensitivity analysis on such significant assumptions.

Further, we assessed the estimated capital expenditures by corroborating against recently signed construction contracts and component supply agreements. We compared operating expenditures to available engineering reports. We also compared operating expenditure forecasts against industry benchmarks and signed operations and maintenance contracts. We also tested the computational accuracy of the fair value model and considered the adequacy of disclosures made in Note 3 to the consolidated financial statements in respect of these judgements and estimates.

/s/ Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

We have served as Brookfield Renewable's auditor since 2011.

Toronto, Canada
February 29, 2024

INTERNAL CONTROL OVER FINANCIAL REPORTING

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (Exchange Act)), as of the end of the period December 31, 2023. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of December 31, 2023, our disclosure controls and procedures are designed at a reasonable assurance level and are effective to provide reasonable assurance that material information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. While disclosure controls and procedures and internal controls over financial reporting were adequate and effective we continue to implement certain measures to strengthen control processes and procedures.

Management's Report on Internal Control over Financial Reporting

Management of Brookfield Renewable Partners L.P. ("Brookfield Renewable") is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of, the Chief Executive Officer and the Chief Financial Officer and effected by the Board of Directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board as defined in Regulation 240.13a-15(f) or 240.15d-15(f).

Management assessed the effectiveness of Brookfield Renewable's internal control over financial reporting as of December 31, 2023, based on the criteria set forth in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on this assessment, management concludes that, as of December 31, 2023, Brookfield Renewable's internal control over financial reporting is effective. Management excluded from its design and assessment of the internal controls of investments acquired in 2023, which include a 12 GW operating and development portfolio of utility-scale solar, wind and battery storage assets in United States, a 4.5 GW operating and development portfolio of utility-scale solar, wind and distributed generation assets in India, a 4 GW operating and development portfolio of utility-scale wind, battery and solar assets in the United Kingdom, a 136 MW portfolio of operating wind assets in Brazil, a 730 MW portfolio of distributed generation assets in Brazil, and a 60 MW portfolio of operating and wind assets in Brazil, whose total assets and net assets on a combined basis constitute approximately 10% and 10%, respectively, of the consolidated financial statement amounts as of December 31, 2023 and 3% of revenues for the year then ended.

Brookfield Renewable's internal control over financial reporting as of December 31, 2023, has been audited by Ernst & Young LLP, the Independent Registered Public Accounting Firm, who also audited Brookfield Renewable's consolidated financial statements for the year ended December 31, 2023. As stated in the Report of Independent Registered Public Accounting Firm, Ernst & Young LLP expressed an unqualified opinion on the effectiveness of Brookfield Renewable's internal control over financial reporting as of December 31, 2023.

/s/ Connor Teskey
Connor Teskey
Chief Executive Officer

/s/ Wyatt Hartley
Wyatt Hartley
Chief Financial Officer

February 29, 2024

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of Brookfield Renewable Partners Limited (General Partner of Brookfield Renewable Partners L.P.) and Partners of Brookfield Renewable Partners L.P.

Opinion on Internal Control Over Financial Reporting

We have audited Brookfield Renewable Partners L.P.'s ("Brookfield Renewable" or the "Partnership") internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the "COSO criteria"). In our opinion, the Partnership maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on the COSO criteria.

As indicated in the accompanying Management's Report on Internal Control Over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of the 12 GW operating and development portfolio of utility-scale solar, wind and battery storage assets in the United States, the 4.5 GW operating and development portfolio of utility-scale solar, wind and distributed generation assets in India, the 4 GW of operating and development portfolio of utility-scale wind, battery and solar assets in the United Kingdom, the 136 MW portfolio of operating wind assets in Brazil, the 730 MW portfolio of distributed generation assets in Brazil, and the 60 MW portfolio of operating and wind assets in Brazil. The aforementioned acquisitions are included in the 2023 consolidated financial statements of the Partnership and constituted approximately 10% and 10% of total and net assets, respectively on a combined basis as of December 31, 2023 and 3% of revenues for the year then ended. Our audit of internal control over financial reporting of the Partnership also did not include an evaluation of the internal control over financial reporting of the aforementioned acquisitions.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the 2023 consolidated financial statements of the Partnership and our report dated February 29, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

Brookfield Renewable's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Partnership's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable

assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
February 29, 2024

BROOKFIELD RENEWABLE PARTNERS L.P.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31
(MILLIONS)

	Notes	2023	2022
Assets			
Current assets			
Cash and cash equivalents	20	\$ 1,141	\$ 998
Restricted cash	21	310	139
Trade receivables and other current assets	22	1,517	1,860
Financial instrument assets	5	199	125
Due from related parties	28	1,443	123
Assets held for sale	4	—	938
		<u>4,610</u>	<u>4,183</u>
Financial instrument assets	5	1,768	1,500
Equity-accounted investments	19	2,546	1,392
Property, plant and equipment, at fair value	12	64,005	54,283
Goodwill	17	1,944	1,526
Deferred income tax assets	11	244	176
Other long-term assets	23	1,011	1,051
Total Assets		<u>\$ 76,128</u>	<u>\$ 64,111</u>
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	24	\$ 1,539	\$ 1,086
Financial instrument liabilities	5	687	559
Due to related parties	28	835	588
Corporate borrowings	13	183	249
Non-recourse borrowings	13	4,752	2,027
Provisions	25, 27	42	83
Liabilities directly associated with assets held for sale	4	—	351
		<u>8,038</u>	<u>4,943</u>
Financial instrument liabilities	5	2,433	1,670
Corporate borrowings	13	2,650	2,299
Non-recourse borrowings	13	22,117	20,275
Deferred income tax liabilities	11	7,174	6,507
Provisions	25, 27	1,268	600
Due to related parties	28	705	1
Other long-term liabilities	26	1,764	1,530
Equity			
Non-controlling interests			
Participating non-controlling interests – in operating subsidiaries	14	18,863	14,755
General partnership interest in a holding subsidiary held by Brookfield	14	55	59
Participating non-controlling interests – in a holding subsidiary – Redeemable/Exchangeable units held by Brookfield	14	2,684	2,892
BEPC exchangeable shares	14	2,479	2,561
Preferred equity	14	583	571
Perpetual subordinated notes	14	592	592
Preferred limited partners' equity	15	760	760
Limited partners' equity	16	3,963	4,096
Total Equity		<u>\$ 29,979</u>	<u>\$ 26,286</u>
Total Liabilities and Equity		<u>\$ 76,128</u>	<u>\$ 64,111</u>

The accompanying notes are an integral part of these consolidated financial statements.

Approved on behalf of Brookfield Renewable Partners L.P.:



Patricia Zuccotti
Director



David Mann
Director

BROOKFIELD RENEWABLE PARTNERS L.P.

CONSOLIDATED STATEMENTS OF INCOME (LOSS)

YEAR ENDED DECEMBER 31
(MILLIONS, EXCEPT AS NOTED)

	Notes	2023	2022	2021
Revenues	28	\$ 5,038	\$ 4,711	\$ 4,096
Other income	7	671	136	304
Direct operating costs ⁽¹⁾	8	(1,933)	(1,434)	(1,365)
Management service costs	28	(205)	(243)	(288)
Interest expense	13	(1,627)	(1,224)	(981)
Share of earnings from equity-accounted investments	19	186	96	22
Foreign exchange and financial instruments gain (loss)	5	502	(133)	(32)
Depreciation	12	(1,852)	(1,583)	(1,501)
Other	9	(212)	(190)	(307)
Income tax recovery (expense)				
Current	11	(128)	(148)	(43)
Deferred	11	176	150	29
		48	2	(14)
Net income (loss)		\$ 616	\$ 138	\$ (66)
Net income (loss) attributable to:				
Non-controlling interests				
Participating non-controlling interests – in operating subsidiaries	14	\$ 619	\$ 334	\$ 209
General partnership interest in a holding subsidiary held by Brookfield	14	111	92	77
Participating non-controlling interests – in a holding subsidiary – Redeemable/Exchangeable units held by Brookfield	14	(63)	(117)	(135)
BEPC exchangeable shares	14	(57)	(104)	(119)
Preferred equity	14	27	26	26
Perpetual subordinated notes	14	29	29	12
Preferred limited partners' equity	15	41	44	55
Limited partners' equity	16	(91)	(166)	(191)
		\$ 616	\$ 138	\$ (66)
Basic and diluted loss per LP unit		\$ (0.32)	\$ (0.60)	\$ (0.69)

⁽¹⁾ Direct operating costs exclude depreciation expense disclosed below.

The accompanying notes are an integral part of these consolidated financial statements.

BROOKFIELD RENEWABLE PARTNERS L.P.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

YEAR ENDED DECEMBER 31
(MILLIONS)

	Notes	2023	2022	2021
Net income (loss)		\$ 616	\$ 138	\$ (66)
Other comprehensive income that will not be reclassified to net income				
Revaluations of property, plant and equipment	12	(133)	3,745	4,573
Actuarial (loss) gain on defined benefit plans		(12)	21	30
Deferred income taxes on above items	11	81	(852)	(1,170)
Unrealized gain (loss) on investments in equity securities	5	2	(11)	3
Equity-accounted investments	19	154	(35)	184
Total items that will not be reclassified to net income		92	2,868	3,620
Other comprehensive income that may be reclassified to net income				
Foreign currency translation	10	1,317	(647)	(859)
Gains (losses) arising during the year on financial instruments designated as cash-flow hedges	5	252	175	(64)
Gain (loss) on foreign exchange swaps – net investment hedge	5	(128)	63	64
Reclassification adjustments for amounts recognized in net income ..	5	(108)	148	43
Deferred income taxes on above items	11	(13)	(87)	(2)
Equity-accounted investments	19	8	(30)	(36)
Total items that may be reclassified subsequently to net income		1,328	(378)	(854)
Other comprehensive income		1,420	2,490	2,766
Comprehensive income		<u>\$ 2,036</u>	<u>\$ 2,628</u>	<u>\$ 2,700</u>
Comprehensive income attributable to:				
Non-controlling interests				
Participating non-controlling interests – in operating subsidiaries	14	\$ 1,983	\$ 1,582	\$ 1,048
General partnership interest in a holding subsidiary held by Brookfield	14	111	100	89
Participating non-controlling interests – in a holding subsidiary – Redeemable/Exchangeable units held by Brookfield	14	(50)	270	444
BEPC exchangeable shares		(45)	238	394
Preferred equity	14	39	(16)	30
Perpetual subordinated notes		29	29	12
Preferred limited partners' equity	15	41	44	55
Limited partners' equity	16	(72)	381	628
		<u>\$ 2,036</u>	<u>\$ 2,628</u>	<u>\$ 2,700</u>

The accompanying notes are an integral part of these consolidated financial statements.

BROOKFIELD RENEWABLE PARTNERS L.P.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31 (MILLIONS)	Accumulated other comprehensive income							Non-controlling interests							
	Limited partners' equity	Foreign currency translation	Revaluation surplus	Actuarial losses on defined benefit plans	Cash flow hedges	Investments in equity securities	Total limited partners' equity	Preferred limited partners' equity	Preferred equity	Perpetual subordinated notes	BEPC exchangeable shares	Participating non- controlling interests – in operating subsidiaries	General partnership interest in a holding subsidiary held by Brookfield	Participating non- controlling interests – in a holding subsidiary – Redeemable/ Exchangeable units held by Brookfield	Total equity
Balance, as at December 31, 2022	\$ (1,898)	\$ (845)	\$ 6,817	\$ 4	\$ 17	\$ 1	\$ 4,096	\$ 760	\$ 571	\$ 592	\$ 2,561	\$ 14,755	\$ 59	\$ 2,892	\$ 26,286
Net income (loss)	(91)	—	—	—	—	—	(91)	41	27	29	(57)	619	111	(63)	616
Other comprehensive income (loss)	—	147	(143)	(3)	18	—	19	—	12	—	12	1,364	—	13	1,420
Equity issuance (Note 14, 16, 28)	390	—	—	—	—	—	390	—	—	—	240	—	—	—	630
LP Units purchased for cancellation (Note 16)	(43)	—	—	—	—	—	(43)	—	—	—	—	—	—	—	(43)
Capital contributions (Note 14)	—	—	—	—	—	—	—	—	—	—	—	2,993	—	—	2,993
Acquisition (Note 3)	—	—	—	—	—	—	—	—	—	—	—	414	—	—	414
Return of capital	—	—	—	—	—	—	—	—	—	—	—	(140)	—	—	(140)
Disposal (Note 4)	12	—	(12)	—	—	—	—	—	—	—	—	(449)	—	—	(449)
Distributions or dividends declared	(383)	—	—	—	—	—	(383)	(41)	(27)	(29)	(241)	(1,428)	(116)	(265)	(2,530)
Distribution reinvestment plan	8	—	—	—	—	—	8	—	—	—	—	—	—	—	8
Ownership changes	113	16	(107)	—	(1)	—	21	—	—	—	—	—	—	—	21
Other	(226)	(19)	188	1	2	—	(54)	—	—	—	(36)	735	1	107	753
Change in year	(220)	144	(74)	(2)	19	—	(133)	—	12	—	(82)	4,108	(4)	(208)	3,693
Balance, as at December 31, 2023	\$ (2,118)	\$ (701)	\$ 6,743	\$ 2	\$ 36	\$ 1	\$ 3,963	\$ 760	\$ 583	\$ 592	\$ 2,479	\$ 18,863	\$ 55	\$ 2,684	\$ 29,979
Balance, as at December 31, 2021	\$ (1,516)	\$ (842)	\$ 6,494	\$ —	\$ (48)	\$ 4	\$ 4,092	\$ 881	\$ 613	\$ 592	\$ 2,562	\$ 12,303	\$ 59	\$ 2,894	\$ 23,996
Net income (loss)	(166)	—	—	—	—	—	(166)	44	26	29	(104)	334	92	(117)	138
Other comprehensive income (loss)	—	(1)	480	4	67	(3)	547	—	(42)	—	342	1,248	8	387	2,490
Equity issuance	—	—	—	—	—	—	—	115	—	—	—	—	—	—	115
Capital contributions	—	—	—	—	—	—	—	—	—	—	—	2,131	—	—	2,131
Redemption of Preferred LP Units	—	—	—	—	—	—	—	(236)	—	—	—	—	—	—	(236)
Disposals	14	—	(14)	—	—	—	—	—	—	—	—	(75)	—	—	(75)
Distributions or dividends declared	(355)	—	—	—	—	—	(355)	(44)	(26)	(29)	(220)	(1,275)	(100)	(250)	(2,299)
Distribution reinvestment plan	9	—	—	—	—	—	9	—	—	—	—	—	—	—	9
Other	116	(2)	(143)	—	(2)	—	(31)	—	—	—	(19)	89	—	(22)	17
Change in year	(382)	(3)	323	4	65	(3)	4	(121)	(42)	—	(1)	2,452	—	(2)	2,290
Balance, as at December 31, 2022	\$ (1,898)	\$ (845)	\$ 6,817	\$ 4	\$ 17	\$ 1	\$ 4,096	\$ 760	\$ 571	\$ 592	\$ 2,561	\$ 14,755	\$ 59	\$ 2,892	\$ 26,286

The accompanying notes are an integral part of these consolidated financial statements.

BROOKFIELD RENEWABLE PARTNERS L.P.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31 (MILLIONS)	Accumulated other comprehensive income (loss)							Non-controlling interests							Total equity
	Limited partners' equity	Foreign currency translation	Revaluation surplus	Actuarial losses on defined benefit plans	Cash flow hedges	Investments in equity securities	Total limited partners' equity	Preferred limited partners' equity	Preferred equity	Perpetual subordinated notes	BEPC exchangeable shares	Participating non- controlling interests – in operating subsidiaries	General partnership interest in a holding subsidiary held by Brookfield	Participating non-controlling interests – in a holding subsidiary – Redeemable/ Exchangeable units held by Brookfield	
Balance, as at December 31, 2020	\$ (988)	\$ (720)	\$ 5,595	\$ (6)	\$ (39)	\$ 3	\$ 3,845	\$ 1,028	\$ 609	\$ —	\$ 2,408	\$ 11,100	\$ 56	\$ 2,721	\$ 21,767
Net income (loss)	(191)	—	—	—	—	—	(191)	55	26	12	(119)	209	77	(135)	(66)
Other comprehensive income (loss)	—	(116)	938	7	(11)	1	819	—	4	—	513	839	12	579	2,766
Issuance of perpetual subordinated notes	—	—	—	—	—	—	—	—	—	592	—	—	—	—	592
Capital contributions	—	—	—	—	—	—	—	—	—	—	—	1,121	—	—	1,121
Redemption of Preferred LP Units	—	—	—	—	—	—	—	(147)	—	—	—	—	—	—	(147)
Disposal	38	—	(38)	—	—	—	—	—	—	—	—	(395)	—	—	(395)
Distributions or dividends declared	(335)	—	—	—	—	—	(335)	(55)	(26)	(12)	(209)	(810)	(85)	(237)	(1,769)
Distribution reinvestment plan	9	—	—	—	—	—	9	—	—	—	—	—	—	—	9
Other	(49)	(6)	(1)	(1)	2	—	(55)	—	—	—	(31)	239	(1)	(34)	118
Change in year	(528)	(122)	899	6	(9)	1	247	(147)	4	592	154	1,203	3	173	2,229
Balance, as at December 31, 2021	\$ (1,516)	\$ (842)	\$ 6,494	\$ —	\$ (48)	\$ 4	\$ 4,092	\$ 881	\$ 613	\$ 592	\$ 2,562	\$ 12,303	\$ 59	\$ 2,894	\$ 23,996

The accompanying notes are an integral part of these consolidated financial statements.

BROOKFIELD RENEWABLE PARTNERS L.P.

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEAR ENDED DECEMBER 31
(MILLIONS)

	Notes	2023	2022	2021
Operating activities				
Net income (loss)		\$ 616	\$ 138	\$ (66)
Adjustments for the following non-cash items:				
Depreciation	12	1,852	1,583	1,501
Unrealized foreign exchange and financial instrument (gain) loss	5	(492)	258	122
Share of earnings from equity-accounted investments	19	(186)	(96)	(22)
Deferred income tax recovery	11	(176)	(150)	(29)
Other non-cash items		(282)	102	(136)
Dividends received from equity-accounted investments	19	58	89	78
		<u>1,390</u>	<u>1,924</u>	<u>1,448</u>
Changes in due to or from related parties		7	(19)	2
Net change in working capital balances	29	<u>468</u>	<u>(194)</u>	<u>(716)</u>
		<u>1,865</u>	<u>1,711</u>	<u>734</u>
Financing activities				
Proceeds from medium-term notes	13	293	296	—
Commercial paper, net	13	(65)	249	(3)
Proceeds from non-recourse borrowings	13	8,316	9,547	6,877
Repayment of non-recourse borrowings	13	(6,037)	(6,310)	(3,678)
Capital contributions from participating non-controlling interests – in operating subsidiaries	14	2,593	1,863	1,200
Capital repaid to participating non-controlling interests – in operating subsidiaries	14	(248)	(75)	(511)
Issuance of equity instruments and related costs	14,15,16	630	115	592
Redemption and repurchase of equity instruments	14,15,16	(43)	(252)	(153)
Distributions paid:				
To participating non-controlling interests – in operating subsidiaries, preferred shareholders, preferred limited partners unitholders, and perpetual subordinate notes	14,15	(967)	(1,372)	(900)
To unitholders of Brookfield Renewable or BRELP and shareholders of Brookfield Renewable Corporation	14, 16	(990)	(915)	(854)
Borrowings from related party		670	1,470	1,188
Repayments to related party		<u>(1,556)</u>	<u>(1,127)</u>	<u>(1,615)</u>
		<u>2,596</u>	<u>3,489</u>	<u>2,143</u>
Investing activities				
Acquisitions, net of cash and cash equivalents, in acquired entity	3	(791)	(2,452)	(1,426)
Investment in equity-accounted investments	19	(725)	(236)	(54)
Investment in property, plant and equipment	12	(2,809)	(2,190)	(1,967)
Proceeds from disposal of assets, net of cash and cash equivalents disposed		217	140	827
Purchase of financial assets		(644)	(492)	(58)
Proceeds from financial assets	5	431	70	220
Restricted cash and other		(35)	94	(86)
		<u>(4,356)</u>	<u>(5,066)</u>	<u>(2,544)</u>
Foreign exchange (loss) gain on cash		38	(28)	(35)
Cash and cash equivalents increase		<u>143</u>	<u>106</u>	<u>298</u>
Net change in cash classified within assets held for sale		—	(8)	(5)
Balance, beginning of year		998	900	607
Balance, end of year		<u>\$ 1,141</u>	<u>\$ 998</u>	<u>\$ 900</u>
Supplemental cash flow information:				
Interest paid		\$ 1,353	\$ 1,138	\$ 877
Interest received		\$ 112	\$ 37	\$ 45
Income taxes paid		\$ 194	\$ 112	\$ 71

The accompanying notes are an integral part of these consolidated financial statements.

BROOKFIELD RENEWABLE PARTNERS L.P.

NOTES TO THE AUDITED ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

The business activities of Brookfield Renewable Partners L.P. ("Brookfield Renewable") consist of owning a portfolio of renewable power and sustainable solution assets primarily in North America, South America, Europe and Asia-Pacific.

Unless the context indicates or requires otherwise, the term "Brookfield Renewable" means Brookfield Renewable Partners L.P. and its controlled entities, including Brookfield Renewable Corporation ("BEPC"). Unless the context indicates or requires otherwise, the term "the partnership" means Brookfield Renewable Partners L.P. and its controlled entities, excluding BEPC.

Brookfield Renewable's consolidated equity interests include the non-voting publicly traded limited partnership units ("LP units") held by public unitholders and Brookfield, class A exchangeable subordinate voting shares ("BEPC exchangeable shares") of Brookfield Renewable Corporation ("BEPC") held by public shareholders and Brookfield, redeemable/exchangeable partnership units ("Redeemable/Exchangeable partnership units") in Brookfield Renewable Energy L.P. ("BRELP"), a holding subsidiary of Brookfield Renewable, held by Brookfield, and general partnership interest ("GP interest") in BRELP held by Brookfield. Holders of the LP units, Redeemable/Exchangeable partnership units, GP interest, and BEPC exchangeable shares will be collectively referred to throughout as "Unitholders" unless the context indicates or requires otherwise. LP units, Redeemable/Exchangeable partnership units, GP interest, and BEPC exchangeable shares will be collectively referred to throughout as "Units", or as "per Unit", unless the context indicates or requires otherwise.

Brookfield Renewable is a publicly traded limited partnership established under the laws of Bermuda pursuant to an amended and restated limited partnership agreement dated November 20, 2011 as thereafter amended from time to time.

The registered office of Brookfield Renewable is 73 Front Street, Fifth Floor, Hamilton HM12, Bermuda.

The immediate parent of Brookfield Renewable is its general partner, Brookfield Renewable Partners Limited ("BRPL"). The ultimate parent of Brookfield Renewable is Brookfield Corporation ("Brookfield Corporation"). Brookfield Corporation and its subsidiaries, other than Brookfield Renewable, and unless the context otherwise requires, includes Brookfield Asset Management Ltd ("Brookfield Asset Management"), are also individually and collectively referred to as "Brookfield" in these financial statements. The term "Brookfield Holders" means Brookfield, Brookfield Reinsurance and their related parties.

The BEPC exchangeable shares are traded under the symbol "BEPC" on the New York Stock Exchange and the Toronto Stock Exchange.

The LP units are traded under the symbol "BEP" on the New York Stock Exchange and under the symbol "BEP.UN" on the Toronto Stock Exchange. Brookfield Renewable's Class A Series 7, Series 13, Series 15, and Series 18 preferred limited partners' equity are traded under the symbols "BEP.PR.G", "BEP.PR.M", "BEP.PR.O", and "BEP.PR.R", respectively, on the Toronto Stock Exchange. Brookfield Renewable's Class A Series 17 preferred limited partners' equity is traded under the symbol "BEP.PR.A" on the New York Stock Exchange. The perpetual subordinated notes are traded under the symbol "BEPH" and "BEP1" on the New York Stock Exchange.

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1. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The accounting policies used in the consolidated financial statements are based on the IFRS applicable as at December 31, 2023, which encompass individual IFRS, International Accounting Standards (“IAS”), and interpretations made by the International Financial Reporting Interpretations Committee (“IFRIC”) and the Standard Interpretations Committee (“SIC”). The policies set out below are consistently applied to all periods presented, unless otherwise noted.

These consolidated financial statements have been authorized for issuance by the Board of Directors of Brookfield Renewable’s general partner, BRPL, on February 29, 2024.

Certain comparative figures have been reclassified to conform to the current year’s presentation.

References to \$, C\$, €, £, R\$, COP, INR, and CNY are to United States (“U.S.”) dollars, Canadian dollars, Euros, British pound, Brazilian reais, Colombian pesos, Indian rupees, and Chinese yuan, respectively.

All figures are presented in millions of U.S. dollars unless otherwise noted.

(b) Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of property, plant and equipment and certain assets and liabilities which have been measured at fair value. Cost is recorded based on the fair value of the consideration given in exchange for assets.

(c) Consolidation

These consolidated financial statements include the accounts of Brookfield Renewable and its subsidiaries, which are the entities over which Brookfield Renewable has control. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Non-controlling interests in the equity of Brookfield Renewable’s subsidiaries are shown separately in equity in the consolidated statements of financial position.

Brookfield Renewable has entered into a voting agreement with Brookfield, which provides Brookfield Renewable with control of the general partner of BRELP. Accordingly, Brookfield Renewable consolidates the accounts of BRELP and its subsidiaries. In addition, BRELP issued redeemable/exchangeable limited partnership units to Brookfield (“Redeemable/Exchangeable partnership units”), pursuant to which the holder may, at its request, require BRELP to redeem the Redeemable/Exchangeable partnership units for cash consideration. This right is subject to Brookfield Renewable’s right of first refusal which entitles it, at its sole discretion, to elect to acquire all of the Redeemable/Exchangeable partnership units so presented to BRELP that are tendered for redemption in exchange for LP units on a one-for-one basis. As Brookfield Renewable, at its sole discretion, has the right to settle the obligation with LP units, the Redeemable/Exchangeable partnership units are classified as equity of Brookfield Renewable (“Participating non-controlling interests – in a holding subsidiary – Redeemable/Exchangeable Units held by Brookfield”).

Brookfield Renewable has entered into voting agreements with Brookfield, whereby Brookfield Renewable gained control of the entities that own certain renewable power generating operations. Brookfield Renewable has also entered into a voting agreement with its consortium partners in respect of its Colombian operations. These voting agreements provide Brookfield Renewable the authority to direct the election of the Boards of Directors of the relevant entities, among other things, and therefore provide Brookfield Renewable with control. Accordingly, Brookfield Renewable consolidates the accounts of these entities. Refer to Note 28 – Related party transactions for further information.

For entities previously controlled by Brookfield Corporation, the voting agreements entered into do not represent business combinations in accordance with IFRS 3, Business Combinations (“IFRS 3”), as all combining businesses are ultimately controlled by Brookfield Corporation both before and after the transactions were completed. Brookfield Renewable accounts for these transactions involving entities under common control in a manner similar to a pooling of interest, which requires the presentation of pre-voting agreement financial information as if the

transactions had always been in place. Refer to Note 1(s)(ii) – Critical judgments in applying accounting policies – Common control transactions for Brookfield Renewable’s policy on accounting for transactions under common control.

Equity-accounted investments

Equity-accounted investments are entities over which Brookfield Renewable has significant influence or joint arrangements representing joint ventures. Significant influence is the ability to participate in the financial and operating policy decisions of the investee, but without controlling or jointly controlling those investees. Such investments are accounted for using the equity method.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Brookfield Renewable accounts for its interests in joint ventures using the equity method.

Under the equity method, the carrying value of an interest in an investee is initially recognized at cost and adjusted for Brookfield Renewable’s share of net income, other comprehensive income (“OCI”), distributions by the equity-accounted investment and other adjustments to Brookfield Renewable’s proportionate interest in the investee.

(d) Foreign currency translation

All figures reported in the consolidated financial statements and tabular disclosures to the consolidated financial statements are reflected in millions of U.S. dollars, which is the functional currency of Brookfield Renewable. Each of the foreign operations included in these consolidated financial statements determines its own functional currency, and items included in the financial statements of each subsidiary are measured using that functional currency.

Assets and liabilities of foreign operations having a functional currency other than the U.S. dollar are translated at the rate of exchange prevailing at the reporting date and revenues and expenses at the rate of exchange prevailing at the dates of the transactions during the period. Gains or losses on translation of foreign subsidiaries are included in OCI. Gains or losses on foreign currency denominated balances and transactions that are designated as hedges of net investments in these operations are reported in the same manner.

In preparing the consolidated financial statements of Brookfield Renewable, foreign currency denominated monetary assets and liabilities are translated into the functional currency using the closing rate at the applicable consolidated statement of financial position dates. Non-monetary assets and liabilities denominated in a foreign currency and measured at fair value are translated at the rate of exchange prevailing at the date when the fair value was determined and non-monetary assets and liabilities measured at historical cost are translated at the historical rate. Revenues and expenses are measured in the functional currency at the rates of exchange prevailing at the dates of the transactions with gains or losses included in income.

(e) Cash and cash equivalents

Cash and cash equivalents include cash, term deposits and money market instruments with original maturities of less than 90 days.

(f) Restricted cash

Restricted cash includes cash and cash equivalents, where the availability of funds is restricted primarily by credit and construction agreements.

(g) Property, plant and equipment and revaluation method

Power generating assets are classified as property, plant and equipment and are accounted for using the revaluation method under IAS 16 – Property, Plant and Equipment (“IAS 16”). Property, plant and equipment are initially measured at cost and subsequently carried at their revalued amount, being the fair value at the date of the revaluation, less any subsequent accumulated depreciation and any subsequent accumulated impairment losses.

Brookfield Renewable generally determines the fair value of its property, plant and equipment by using 20-year discounted cash flow model for hydroelectric assets and the estimated remaining useful life for other technologies. This model incorporates future cash flows from long-term power purchase agreements that are in place where it is

determined that the power purchase agreements are linked specifically to the related power generating assets. The model also includes estimates of future electricity prices, anticipated long-term average generation, estimated operating and capital expenditures, terminal values and assumptions about future inflation rates and discount rates by geographical location. Construction work-in-progress (“CWIP”) is revalued when sufficient information exists to determine fair value using the discounted cash flow method. Revaluations are made on an annual basis as at December 31 to ensure that the carrying amount does not differ significantly from fair value. For power generating assets acquired through business combinations, Brookfield Renewable initially measures the assets at fair value on the acquisition date, consistent with the policy described in Note 1(o) – Business combinations, with no revaluation at year-end in the year of acquisition unless there is external evidence specific to those assets that would indicate the carrying value of the asset has either increased or decreased materially.

Where the carrying amount of an asset increased as a result of a revaluation, the increase is recognized in income to the extent the increase reverses a previously recognized decrease recorded through income, with the remainder of the increase recognized in OCI and accumulated in equity under revaluation surplus and non-controlling interest. When the carrying amount of an asset decreases, the decrease is recognized in OCI to the extent that a balance exists in revaluation surplus with respect to the asset, with the remainder of the decrease recognized in income.

Depreciation on power generating assets is calculated on a straight-line basis over the estimated service lives of the assets, which are as follows:

	Estimated service lives
Dams	Up to 115 years
Penstocks	Up to 60 years
Powerhouses	Up to 115 years
Hydroelectric generating units	Up to 115 years
Wind generating units	Up to 30 years
Solar generating units	Up to 35 years
Gas-fired cogenerating (“Cogeneration”) units	Up to 40 years
Other assets	Up to 60 years

Costs are allocated to significant components of property, plant and equipment. When items of property, plant and equipment have different useful lives, they are accounted for as separate items (significant components) and depreciated separately. To ensure the accuracy of useful lives and residual values, a review is conducted annually.

Depreciation is calculated based on the fair value of the asset less its residual value. Depreciation commences when the asset is in the location and conditions necessary for it to be capable of operating in the manner intended by management. It ceases at the earlier of the date the asset is classified as held-for-sale and the date the asset is derecognized. An item of property, plant and equipment and any significant component is derecognized upon disposal or when no future economic benefits are expected from its use. Other assets include equipment, buildings and leasehold improvements. Buildings, furniture and fixtures, leasehold improvements and office equipment are recorded at historical cost, less accumulated depreciation. Land and CWIP are not subject to depreciation.

The depreciation of property, plant and equipment in Brazil is based on the duration of the authorization or the useful life of a concession asset. The weighted-average remaining duration at December 31, 2023 is 34 years (2022: 35 years). Since land rights are part of the concession or authorization, this cost is also subject to depreciation.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is applied to the revalued amount of the asset.

Gains and losses on disposal of an item of property, plant and equipment of operating assets are recognized in Other income and Other in the consolidated statements of income (loss), respectively. The revaluation surplus is reclassified within the respective components of equity and not reclassified to net income when the assets are disposed.

(h) Leases

At inception of a contract, Brookfield Renewable assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, Brookfield Renewable assesses whether:

- the contract specified explicitly or implicitly the use of an identified asset, and that is physically distinct or represents substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- Brookfield Renewable has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and Brookfield Renewable has the right to direct the use of the asset. Brookfield Renewable has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decisions about how and for what purpose the asset is used are predetermined, Brookfield Renewable has the right to direct the use of the asset if either:
 - Brookfield Renewable has the right to operate the asset (or to direct others to operate the asset in a manner that it determines) throughout the period of use, without the supplier having the right to change those operating instructions; or
 - Brookfield Renewable designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, Brookfield Renewable allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, Brookfield Renewable has elected not to separate non-lease components and, therefore, accounts for the lease and non-lease components as a single lease component.

Brookfield Renewable recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful lives of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Brookfield Renewable's incremental borrowing rate. Generally, Brookfield Renewable uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that Brookfield Renewable is reasonably certain to exercise, lease payments in an optional renewable period if Brookfield Renewable is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Brookfield Renewable is reasonably certain not to terminate early

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in Brookfield

Renewable's estimate of the amount expected to be payable under a residual value guarantee, or if Brookfield Renewable changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made either to the carrying amount of the right-of-use asset or, when the adjustment is a reduction to the right-of-use asset, is recorded in the consolidated statements of income (loss) if the carrying amount of the right-of-use asset has been reduced to nil.

Brookfield Renewable presents right-of-use assets in property, plant and equipment and lease liabilities in other long-term liabilities in the consolidated statements of financial position.

Brookfield Renewable has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of twelve months or less and leases of low-value assets. Brookfield Renewable recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(i) Goodwill

Goodwill represents the excess of the price paid for the acquisition of an entity over the fair value of the net tangible and intangible assets and liabilities acquired. Goodwill is allocated to the cash generating unit or units ("CGU") to which it relates. Brookfield Renewable identifies CGU as identifiable groups of assets that are largely independent of the cash inflows from other assets or groups of assets.

Goodwill is evaluated for impairment annually or more often if events or circumstances indicate there may be impairment. Impairment is determined for goodwill by assessing if the carrying value of a CGU, including the allocated goodwill, exceeds its recoverable amount determined as the greater of the estimated fair value less costs of disposal or the value in use. Impairment losses recognized in respect of a CGU are first allocated to the carrying value of goodwill and any excess is allocated to the carrying amount of assets in the CGU. Any goodwill impairment is charged to profit or loss in the period in which the impairment is identified. Impairment losses on goodwill are not subsequently reversed. In the year of a business acquisition, the recoverability of the acquired goodwill is assessed by revisiting the assumptions of the related underwriting model.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gain or loss on disposal of the operation.

(j) Asset impairment

At each statement of financial position date, Brookfield Renewable assesses whether for non-financial assets there is any indication that such assets are impaired. This assessment includes a review of internal and external factors which includes, but is not limited to, changes in the technological, political, economic or legal environment in which the entity operates in, structural changes in the industry, changes in the level of demand, physical damage and obsolescence due to technological changes. An impairment is recognized if the recoverable amount, determined as the higher of the estimated fair value less costs of disposal or the discounted future cash flows generated from use and eventual disposal from an asset or CGU is less than its carrying value.

For non-financial assets (including equity-accounted investments), an impairment is recognized if the recoverable amount, determined as the greater of the estimated fair value, less costs to sell, and the discounted future cash flows generated from use and eventual disposal of an asset or CGU, is less than its carrying value. The projections of future cash flows take into account the relevant operating plans and management's best estimate of the most probable set of conditions anticipated to prevail. Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the lesser of the revised estimate of recoverable amount and the carrying amount that would have been recorded had no impairment loss been recognized previously.

(k) Trade receivables and other current assets

Trade receivables and other current assets are recognized initially at fair value, and subsequently measured at amortized cost using the effective interest method, less any provision for expected credit losses.

(I) Financial instruments

Initial recognition

Under IFRS 9 – Financial Instruments (“IFRS 9”), regular purchases and sales of financial assets are recognized on the trade date, being the date on which Brookfield Renewable commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and Brookfield Renewable has transferred substantially all the risks and rewards of ownership.

At initial recognition, Brookfield Renewable measures a financial asset at its fair value. In the case of a financial asset not categorized as fair value through profit and loss (“FVPL”), transaction costs that are directly attributable to the acquisition of the financial asset are included at initial recognition. Transaction costs of financial assets carried at FVPL are expensed in income.

Classification and measurement

Subsequent measurement of financial assets depends on Brookfield Renewable’s business objective for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which Brookfield Renewable classifies its financial assets:

Amortized cost – Financial assets held for collection of contractual cash flows that represent solely payments of principal and interest are measured at amortized cost. Interest income is recognized as other income in the financial statements, and gains/losses are recognized in income when the asset is derecognized or impaired.

FVOCI – Financial assets held to achieve a particular business objective other than short-term trading are designated at fair value through other comprehensive income (“FVOCI”). For equity instruments designated at FVOCI, there is no recycling of gains or losses through income. Upon derecognition of the asset, accumulated gains or losses are transferred from OCI directly to retained earnings.

FVPL – Financial assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. Gains or losses on these types of assets are recognized in income.

Brookfield Renewable assesses on a forward-looking basis the expected credit losses (“ECL”) associated with its assets carried at amortized cost and FVOCI. For trade receivables and contract assets, Brookfield Renewable applied the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the asset. The simplified approach to the recognition of ECL does not require entities to track the changes in credit risk; rather, entities recognize a loss allowance at each reporting date based on the lifetime ECL since the date of initial recognition of the asset.

Evidence of impairment may include:

- Indications that a debtor or group of debtors is experiencing significant financial difficulty;
- A default or delinquency in interest or principal payments;
- Probability that a debtor or a group of debtors will enter into bankruptcy or other financial reorganization;
- Changes in arrears or economic conditions that correlate with defaults, where observable data indicates that there is a measurable decrease in the estimated future cash flows.

Trade receivables and contract assets are reviewed qualitatively on a case-by-case basis to determine if they need to be written off.

ECL are measured as the difference in the present value of the contractual cash flows that are due under contract and the cash flows expected to be received. ECL is measured by considering the risk of default over the contract period and incorporates forward looking information into its measurement.

Financial liabilities are classified as financial liabilities at fair value through profit and loss, amortized cost, or derivatives designated as hedging instruments in an effective hedge. Brookfield Renewable determines the classification of its financial liabilities at initial recognition. Brookfield Renewable’s financial liabilities include accounts payable and accrued liabilities, corporate borrowings, non-recourse borrowings, derivative liabilities, due to related party balances, and tax equity. Financial liabilities are initially measured at fair value, with subsequent measurement determined based on their classification as follows:

FVPL – Financial liabilities held for trading, such as those acquired for the purpose of selling in the near term, derivative financial instruments entered into by Brookfield Renewable that do not meet hedge accounting criteria, and tax equity are classified as fair value through profit and loss. Gains or losses on these types of liabilities are recognized in income.

Brookfield Renewable owns and operates certain projects in the U.S. under tax equity structures to finance the construction of utility-scale solar and wind projects. Such structures are designed to allocate renewable tax incentives, such as investment tax credits (“ITCs”), production tax credits (“PTCs”) and accelerated tax depreciation, to tax equity investors. Generally, tax equity structures grant the tax equity investors the majority of the project's U.S. taxable earnings and renewable tax incentives, along with a smaller portion of the projects’ cash flows, until a contractually determined point at which the allocations are adjusted (the “Flip Point”). Subsequent to the Flip Point the majority of the project’s U.S. taxable earnings, renewable tax incentives and cash flows are allocated to the sponsor. The Flip Point dates are generally dependent on the underlying projects’ reaching an agreed upon after tax investment return, however, from time to time, the Flip Point dates may be dates specified within the contract. At all times, both before and after the projects’ Flip Point, Brookfield Renewable retains control over the projects financed with a tax equity structure. In accordance with the substance of the contractual agreements, the amounts paid by the tax equity investors for their equity stakes are classified as financial instrument liabilities on the consolidated statements of financial position and at each reporting date are remeasured to their fair value in accordance with IFRS 9.

The fair value of the tax equity financing is generally comprised of the following elements:

Elements affecting the fair value of the tax equity financing	Description
Production tax credits (PTCs)	Allocation of PTCs to the tax equity investor are derived from the power generated during the period. The PTCs are recognized in foreign exchange and financial instrument gain (loss) with a corresponding reduction to the tax equity liability.
Investment tax credits (ITCs)	Allocation of ITCs to the tax equity investor are derived as a percentage of a projects total cost. Once received, the ITCs are recognized as a reduction to property, plant and equipment with a corresponding reduction to the tax equity liability.
Taxable loss, including tax attributes such as accelerated tax depreciation	Under the terms of the tax equity agreements, Brookfield Renewable is required to allocate specified percentages of taxable losses to the tax equity investor. As amounts are allocated, the obligation to deliver them is satisfied and a reduction to the tax equity liability is recorded with a corresponding amount recorded within foreign exchange and financial instrument gain (loss) on the consolidated statements of income (loss).
Pay-go contributions	Certain of the contracts contain annual production thresholds. When the thresholds are exceeded, the tax equity investor is required to contribute additional cash amounts. The cash amounts paid increase the value of the tax equity liability.
Cash distributions	Certain of the contracts also require cash distributions to the tax equity investor. Upon payment, the tax equity liability is reduced in the amount of the cash distribution.

Amortized cost – All other financial liabilities are classified as amortized cost using the effective interest rate method. Gains and losses are recognized in income when the liabilities are derecognized as well as through the amortization process. Remeasurement gains and losses on financial liabilities classified as amortized cost are presented in the consolidated statements of income (loss). Amortized cost is computed using the effective interest method less any principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate. This category includes trade and other payables, dividends payable, interest-bearing loans and borrowings, and corporate credit facilities.

Derivatives and hedge accounting

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

Brookfield Renewable designates its derivatives as hedges of:

- Foreign exchange risk associated with the cash flows of highly probable forecast transactions (cash flow hedges);
- Foreign exchange risk associated with net investment in foreign operations (net investment hedges);
- Commodity price risk associated with cash flows of highly probable forecast transactions (cash flow hedges); and
- Floating interest rate risk associated with floating rate debts (cash flow hedges).

At the inception of a hedge relationship, Brookfield Renewable formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is an ‘economic relationship’ between the hedged item and the hedging instrument;
- The effect of credit risk does not ‘dominate the value changes’ that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that Brookfield Renewable actually hedges and the quantity of the hedging instrument that Brookfield Renewable actually uses to hedge that quantity of hedged item.

The fair values of various derivative financial instruments used for hedging purposes and movements in the hedge reserve within equity are shown in Note 5 – Risk management and financial instruments.

When a hedging instrument expires, is sold, is terminated, or no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remain in equity until the forecasted transaction occurs. When the forecasted transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging are immediately reclassified to income.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in income at the time of the hedge relationship rebalancing.

(i) Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the cash flow hedge reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in income, within foreign exchange and financial instruments gain (loss).

Gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognized in the cash flow hedge reserve within equity. Amounts accumulated in equity are reclassified in the period when the hedged item affects income.

(ii) Net investment hedges that qualify for hedge accounting

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in OCI and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognized immediately in income within

foreign exchange and financial instruments gain (loss). Gains and losses accumulated in equity will be reclassified to income when the foreign operation is partially disposed of or sold.

(iii) Hedge ineffectiveness

Brookfield Renewable's hedging policy only allows for the use of derivative instruments that form effective hedge relationships. Sources of hedge effectiveness are determined at the inception of the hedge relationship and measured through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. Where the critical terms of the hedging instrument match exactly with the terms of the hedged item, a qualitative assessment of effectiveness is performed. For other hedge relationships, the hypothetical derivative method to assess effectiveness is used.

(m) Revenue and expense recognition

The majority of revenue is derived from the sale of power and power related ancillary services both under contract and in the open market, sourced from Brookfield Renewable's power generating facilities. The obligations are satisfied over time as the customer simultaneously receives and consumes benefits as Brookfield Renewable delivers electricity and related products. Revenue is recorded based upon the output delivered and capacity provided at rates specified under either contract terms or prevailing market rates. The revenue reflects the consideration Brookfield Renewable expects to be entitled to in exchange for those goods or services. Costs related to the purchases of power or fuel are recorded upon delivery. All other costs are recorded as incurred.

Details of the revenue recognized per geographical region and technology are included in Note 6 – Segmented information.

Where available, Brookfield Renewable has elected the practical expedient available under IFRS 15 – Revenue from contracts with customers (“IFRS 15”) for measuring progress toward complete satisfaction of a performance obligation and for disclosure requirements of remaining performance obligations. The practical expedient allows an entity to recognize revenue in the amount to which the entity has the right to invoice such that the entity has a right to the consideration in an amount that corresponds directly with the value to the customer for performance completed to date by the entity.

If the consideration in a contract that does not apply the practical expedient available under IFRS 15 for measuring progress toward complete satisfaction of a performance obligation includes a variable amount, Brookfield Renewable estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Brookfield Renewable also sells power and related products under bundled arrangements. Energy, capacity and renewable credits within power purchase agreements are considered to be distinct performance obligations. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied under IFRS 15. Brookfield Renewable views the sale of energy and capacity as a series of distinct goods that is substantially the same and has the same pattern of transfer measured by the output method. Brookfield Renewable views renewable credits to be performance obligations satisfied at a point in time. During the year ended December 31, 2023, revenues recognized at a point in time corresponding to the sale of renewable credits were \$250 million (2022: \$263 million and 2021: \$183 million). Measurement of satisfaction and transfer of control to the customer of renewable credits in a bundled arrangement coincides with the pattern of revenue recognition of the underlying energy generation.

Revenues recognized that are outside the scope of IFRS 15 include realized gains and losses from derivatives used in the risk management of Brookfield Renewable's generation activities related to commodity prices. From time to time, Brookfield Renewable also enters into commodity contracts to hedge all or a portion of its estimated revenue stream when selling electricity to an independent system operated market and there is no PPA available. These commodity contracts require periodic settlements in which Brookfield Renewable receives a fixed-price based on specified quantities of electricity and pays the counterparty a variable market price based on the same specified quantity of electricity. As these derivatives are accounted for under hedge accounting, the changes in fair value are recorded in revenues in the consolidated statements of income (loss). Financial transactions included in revenues for

the year ended December 31, 2023 decreased revenues by \$119 million (decreased by 2022: 146 million and 2021: \$37 million).

Contract Balances

Contract assets – A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If Brookfield Renewable performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Trade receivables – A receivable represents Brookfield Renewable’s right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities – A contract liability is the obligation to transfer goods or services to a customer for which Brookfield Renewable has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before Brookfield Renewable transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when Brookfield Renewable performs under the contract.

(n) Income taxes

Current income tax assets and liabilities are measured at the amount expected to be paid to tax authorities, net of recoveries, based on the tax rates and laws enacted or substantively enacted at the statement of financial position dates. Current income tax assets and liabilities are included in trade receivables and other current assets and accounts payable and accrued liabilities, respectively.

Deferred tax is recognized on taxable temporary differences between the tax basis and the carrying amounts of assets and liabilities. Deferred tax is not recognized if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither taxable profit nor accounting profit. Deferred income tax assets are recognized for all deductible temporary differences, carry forwards of unused tax credits and unused tax losses, to the extent that it is probable that deductions, tax credits and tax losses can be utilized. The carrying amount of deferred income tax assets is reviewed at each statement of financial position date and reduced to the extent it is no longer probable that the income tax assets will be recovered. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the assets are realized or the liabilities settled, using the tax rates and laws enacted or substantively enacted at the statement of financial position dates.

Current and deferred income taxes relating to items recognized directly in OCI are also recognized directly in OCI.

(o) Business combinations

The acquisition of a business is accounted for using the acquisition method. The consideration for an acquisition is measured at the aggregate of the fair values, at the date of exchange, of the assets transferred, the liabilities incurred to former owners of the acquired business, and equity instruments issued by the acquirer in exchange for control of the acquired business. The acquired business’ identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 – Business combinations (“IFRS 3”), are recognized at their fair values at the acquisition date, except for income taxes which are measured in accordance with IAS 12 – Income taxes (“IAS 12”), share-based payments which are measured in accordance with IFRS 2 – Share-based payment, liabilities and contingent liabilities which are measured under IAS 37 - Provisions, contingent liabilities and contingent assets or IFRIC 21 - Levies and non-current assets that are classified as held-for-sale which are measured at fair value less costs to sell in accordance with IFRS 5 – Non-current assets held for sale and discontinued operations. The non-controlling interest in the acquiree is initially measured at the non-controlling interest’s proportion of the net fair value of the identifiable assets, liabilities and contingent liabilities recognized or when applicable, at the fair value of the shares outstanding.

To the extent that the aggregate of the fair value of consideration paid, the amount of any non-controlling interest and the fair value of any previously held interest in the acquiree exceeds the fair value of the net identifiable tangible and intangible assets acquired, goodwill is recognized. To the extent that this difference is negative, the amount is recognized as a gain in income. Goodwill is not amortized and is not deductible for tax purposes. However, after

initial recognition, goodwill will be measured at cost less any accumulated impairment losses. An impairment assessment will be performed at least annually, and whenever circumstances such as significant declines in expected revenues, earnings or cash flows indicate that it is more likely than not that goodwill might be impaired. Goodwill impairment charges are not reversible.

When a business combination is achieved in stages, previously held interests in the acquired entity are re-measured to fair value at the acquisition date, which is the date control is obtained, and the resulting gain or loss, if any, is recognized in income. Amounts arising from interests in the acquired business prior to the acquisition date that have previously been recognized in OCI are reclassified to income. Upon disposal or loss of control of a subsidiary, the carrying amount of the net assets of the subsidiary (including any OCI relating to the subsidiary) are derecognized with the difference between any proceeds received and the carrying amount of the net assets recognized as a gain or loss in income.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in fair values are adjusted against the cost of the acquisition where they qualify as measurement period adjustments. All other subsequent changes in the fair value of contingent consideration classified as liabilities will be recognized in the consolidated statements of income (loss), whereas changes in the fair values of contingent consideration classified within equity are not subsequently re-measured.

(p) Assets held for sale

Assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification subject to limited exceptions.

When Brookfield Renewable is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether Brookfield Renewable will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

Assets classified as held for sale and the assets of a disposal group are presented separately from other assets in the consolidated statements of financial position and are classified as current. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated statements of financial position and are classified as current.

Once classified as held for sale, property, plant and equipment and intangible assets are not depreciated or amortized.

(q) Other items

(i) Capitalized costs

Capitalized costs related to CWIP include eligible expenditures incurred in connection with acquisition, construction or production of a qualifying asset. A qualifying asset is an asset that takes a substantial period of time to prepare for its intended use. Interest and borrowing costs related to CWIP are capitalized when activities that are necessary to prepare the asset for its intended use or sale are in progress, expenditures for the asset have been incurred and funds have been used or borrowed to fund the construction or development. Capitalization of costs ceases when the asset is ready for its intended use.

(ii) Pension and employee future benefits

Pension and employee future benefits are recognized in the consolidated financial statements in respect of employees of the operating entities within Brookfield Renewable. The costs of retirement benefits for defined benefit plans and post-employment benefits are recognized as the benefits are earned by employees. The projected unit credit method, using the length of service and management's best estimate assumptions, is used to value

pension and other retirement benefits. All actuarial gains and losses are recognized immediately through OCI in order for the net pension asset or liability recognized in the consolidated statements of financial position to reflect the full value of the plan deficit or surplus. Net interest is calculated by applying the discount rate to the net defined benefit asset or liability. Changes in the net defined benefit obligation related to service costs (comprising of current service costs, past services costs, gains and losses on curtailments and non-routine settlements), and net interest expense or income are recognized in the consolidated statements of income (loss).

Re-measurements, comprising of actuarial gains or losses, the effect of the asset ceiling, and the return on plan assets (excluding net interest), are recognized immediately in the consolidated statements of financial position with a corresponding debit or credit to OCI in the period in which they occur. Re-measurements are not reclassified to income in subsequent periods. For defined contribution plans, amounts are expensed based on employee entitlement.

(iii) Decommissioning, restoration and environmental liabilities

Legal and constructive obligations associated with the retirement of property, plant and equipment are recorded as liabilities when those obligations are incurred and are measured at the present value of the expected costs to settle the liability, using a discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The liability is accreted up to the date the liability will be settled with a corresponding charge to operating expenses. The carrying amount of decommissioning, restoration and environmental liabilities is reviewed annually with changes in the estimates of timing or amount of cash flows added to or deducted from the cost of the related asset.

(iv) Provisions

A provision is a liability of uncertain timing or amount. A provision is recognized if Brookfield Renewable has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses. The provision is measured at the present value of the best estimate of the expenditures expected to be required to settle the obligation using a discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. Provisions are re-measured at each statement of financial position date using the current discount rate. The increase in the provision due to the passage of time is recognized as interest expense.

(v) Interest income

Interest income is earned with the passage of time and is recorded on an accrual basis.

(vi) Government grants

Brookfield Renewable becomes eligible for government grants by constructing or purchasing renewable power generating assets, and by bringing those assets to commercial operation, coupled with a successful application to the applicable program or agency. The assessment of whether or not a project has complied with the conditions and that there is reasonable assurance the grants will be received will be undertaken on a case-by-case basis. Brookfield Renewable reduces the cost of the asset by the amount of the grant. The grant amounts are recognized in income on a systematic basis as a reduction of depreciation over the periods, and in the proportions, in which depreciation on those assets is charged.

With respect to grants related to income, the government assistance (in the form of the difference between market price and guaranteed fixed price) typically becomes payable once electricity is produced and delivered to the relevant grid. It is at this point that the receipt of the grant becomes reasonably assured, and therefore the grant is recognized as revenue in the month that delivery of the electricity occurs.

(r) Critical estimates

Brookfield Renewable makes estimates and assumptions that affect the carrying value of assets and liabilities, disclosure of contingent assets and liabilities and the reported amount of income and OCI for the year. Actual results could differ from these estimates. The estimates and assumptions that are critical to the determination of the amounts reported in the consolidated financial statements relate to the following:

(i) Property, plant and equipment

The fair value of Brookfield Renewable's property, plant and equipment is calculated using estimates and assumptions about future electricity prices from renewable sources, anticipated long-term average generation, estimated operating and capital expenditures, future inflation rates, discount rates and terminal value, as described in Note 12 – Property, plant and equipment, at fair value. Judgment is involved in determining the appropriate estimates and assumptions in the valuation of Brookfield Renewable's property, plant and equipment. See Note 1(s)(iii) – Critical judgments in applying accounting policies – Property, plant and equipment for further details.

Estimates of useful lives and residual values are used in determining depreciation and amortization. To ensure the accuracy of useful lives and residual values, these estimates are reviewed on an annual basis.

(ii) Financial instruments

Brookfield Renewable makes estimates and assumptions that affect the carrying value of its financial instruments, including estimates and assumptions about future electricity prices, long-term average generation, capacity prices, discount rates, the timing of energy delivery and the elements affecting fair value of the tax equity financings. The fair value of interest rate swaps is the estimated amount that another party would receive or pay to terminate the swap agreements at the reporting date, taking into account current market interest rates. This valuation technique approximates the net present value of future cash flows. See Note 5 – Risk management and financial instruments for more details.

(iii) Deferred income taxes

The consolidated financial statements include estimates and assumptions for determining the future tax rates applicable to subsidiaries and identifying the temporary differences that relate to each subsidiary. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply during the year when the assets are realized or the liabilities settled, using the tax rates and laws enacted or substantively enacted at the consolidated statement of financial position dates. Operating plans and forecasts are used to estimate when the temporary difference will reverse based on future taxable income.

(iv) Decommissioning liabilities

Decommissioning costs will be incurred at the end of the operating life of some of Brookfield Renewable's assets. These obligations are typically many years in the future and require judgment to estimate. The estimate of decommissioning costs can vary in response to many factors including changes in relevant legal, regulatory, and environmental requirements, the emergence of new restoration techniques or experience at other power generating facilities. Inherent in the calculations of these costs are assumptions and estimates including the ultimate settlement amounts, inflation factors, discount rates, and timing of settlements.

(v) Impairment of goodwill

The impairment assessment of goodwill requires estimation of the value-in-use or fair value less costs of disposal of the CGUs or groups of CGUs to which goodwill has been allocated.

Brookfield Renewable uses the following critical assumptions and estimates for the value-in-use method: the circumstances that gave rise to the goodwill, timing and amount of future cash flows expected from the CGUs; discount rates; terminal capitalization rates; terminal valuation dates and future leverage assumptions.

(s) Critical judgments in applying accounting policies

The following are the critical judgments that have been made in applying the accounting policies used in the consolidated financial statements that have the most significant effect on the amounts in the consolidated financial statements:

(i) Preparation of consolidated financial statements

These consolidated financial statements present the financial position, results of operations and cash flows of Brookfield Renewable. Brookfield Renewable exercises judgment in determining whether non-wholly owned subsidiaries are controlled by Brookfield Renewable. Brookfield Renewable's judgment included the determination of (i) how the relevant activities of the subsidiary are directed; (ii) whether the rights of shareholdings are substantive or protective in nature; and (iii) Brookfield Renewable's ability to influence the returns of the subsidiary.

(ii) Common control transactions

Common control business combinations specifically fall outside of scope of IFRS 3 and as such management has used its judgment to determine an appropriate policy to account for these transactions by considering other relevant accounting guidance that is within the framework of principles in IFRS and that reflects the economic reality of the transactions. Brookfield Renewable's policy is to record assets and liabilities recognized as a result of transactions between entities under common control at the carrying value on the transferor's financial statements, and to have the consolidated statements of income (loss), consolidated statements of comprehensive income, consolidated statements of financial position, consolidated statements of changes in equity and consolidated statements of cash flows reflect the results of the combined entities for all periods presented for which the entities were under the transferor's common control, irrespective of when the combination takes place. Differences between the consideration given and the assets and liabilities received are recorded directly to equity.

(iii) Property, plant and equipment

The accounting policy relating to Brookfield Renewable's property, plant and equipment is described in Note 1(g) – Property, plant and equipment and revaluation method. In applying this policy, judgment is used in determining whether certain costs are additions to the carrying amount of the property, plant and equipment as opposed to repairs and maintenance that are expensed when incurred. If an asset has been developed, judgment is required to identify the point at which the asset is capable of being used as intended and to identify the directly attributable costs to be included in the carrying value of the development asset. The useful lives of property, plant and equipment are determined by independent engineers periodically with an annual review by management.

Annually, Brookfield Renewable determines the fair value of its property, plant and equipment using a methodology that it has judged to be reasonable. The methodology for hydroelectric assets is generally a twenty-year discounted cash flow model. Twenty years is the period considered reasonable as Brookfield Renewable has twenty-year capital plans and it believes a reasonable third party would be indifferent between extending the cash flows further in the model versus using a discounted terminal value. The methodology for wind, solar and storage & other assets is to align the model length with the expected remaining useful life of the subject assets.

The valuation model incorporates future cash flows from long-term power purchase agreements that are in place where it is determined that the power purchase agreements are linked specifically to the related power generating assets. With respect to estimated future generation that does not incorporate long-term power purchase agreement pricing, the cash flow model uses estimates of future electricity prices using broker quotes from independent sources for the years in which there is a liquid market. The valuation of generation not linked to long-term power purchase agreements also requires the development of a long-term estimate of future electricity prices. In this regard the valuation model uses a discount to the all-in cost of construction with a reasonable return, to secure energy from a new renewable resource with a similar generation profile to the asset being valued as the benchmark that will establish the market price for electricity for renewable resources.

Brookfield Renewable's long-term view is anchored to the cost of securing new energy from renewable sources to meet future demand growth by the years 2027 to 2035 in North America, 2030 in Colombia, and 2027 in Brazil. The year of new entry is viewed as the point when generators must build additional capacity to maintain system reliability and provide an adequate level of reserve generation with the retirement of older coal-fired plants and rising environmental compliance costs in North America and Europe, and overall increasing demand in Colombia and Brazil. For the North American and European businesses, Brookfield Renewable has estimated a discount to these new-build renewable asset prices to determine renewable electricity prices for hydroelectric, solar and wind facilities. In Brazil and Colombia, the estimate of future electricity prices is based on a similar approach as applied in North America using a forecast of the all-in cost of development.

Terminal values are included in the valuation of hydroelectric assets in North America and Colombia. For the hydroelectric assets in Brazil, cash flows have been included based on the duration of the authorization or useful life of a concession asset with consideration of a one-time thirty-year renewal on qualifying hydroelectric assets.

Discount rates are determined each year by considering the current interest rates, average market cost of capital as well as the price risk and the geographical location of the operational facilities as judged by management. Inflation rates are also determined by considering the current inflation rates and the expectations of future rates by economists. Operating costs are based on long-term budgets escalated for inflation. Each operational facility has a

twenty-year capital plan that it follows to ensure the maximum life of its assets is achieved. Foreign exchange rates are forecasted by using the spot rates and the available forward rates, extrapolated beyond the period available. The inputs described above to the discounted cash flow model require management to consider facts, trends and plans in making its judgments as to what derives a reasonable fair value of its property, plant and equipment.

(iv) Financial instruments

The accounting policy relating to Brookfield Renewable's financial instruments is described in Note 1(l) – Financial instruments. In applying the policy, judgments are made in applying the criteria set out in IFRS 9 to record financial instruments at fair value through profit and loss, fair value through other comprehensive income and the assessments of the effectiveness of hedging relationships.

For power purchase agreements accounted for under IFRS 9 ("IFRS 9 PPAs") that have unobservable values, Brookfield Renewable determines the fair value of these IFRS 9 PPAs using a discounted cash flow model based on the term of the contract and applies judgements surrounding the inputs used within the valuation model. The valuation model incorporates various inputs and assumptions including future power prices, contractual prices, contractual volumes and discount rates. Future power prices are based on broker quotes from independent sources and for IFRS 9 PPAs with no available broker quotes, future fuel driven merchant prices are incorporated within the model. Contractual prices are stipulated within each individual agreement, contractual volumes are either specified within the agreement or determined using future generation of the power generating assets and discount rate used in the valuation model is the credit adjusted risk free rate.

(v) Deferred income taxes

The accounting policy relating to Brookfield Renewable's income taxes is described in Note 1(n) – Income taxes. In applying this policy, judgments are made in determining the probability of whether deductions, tax credits and tax losses can be utilized.

(t) Recently adopted accounting standards

International Tax Reform - Amendments to IAS 12 – Pillar Two model rules

In May 2023, the IASB issued amendments to IAS 12 "Income Taxes" to give entities temporary mandatory relief from accounting for deferred taxes arising from the Organization for Economic Co-operation and Development ("OECD") international tax reform. The amendments are effective immediately upon their issue and retrospectively in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors," except for some targeted disclosure requirements which become effective for annual reporting periods on or after January 1, 2023. Brookfield Renewable operates in countries which have enacted new legislation to implement the global minimum top-up tax. Brookfield Renewable has applied the temporary mandatory relief from recognizing and disclosing information related to the top-up tax and will account for it as a current tax when it is incurred. The newly enacted legislation is effective from January 1, 2024 and there is no current tax impact for the year ended December 31, 2023. The global minimum top-up tax is not anticipated to have a significant impact on the financial position of Brookfield Renewable.

(u) Future changes in accounting policies

Amendments to IAS 1 – Presentation of Financial Statements ("IAS 1")

The amendments clarify how to classify debt and other liabilities as current or non-current. The amendments to IAS 1 apply to annual reporting periods beginning on or after January 1, 2024. Brookfield Renewable is currently assessing the impact of these amendments.

There are currently no other future changes to IFRS with potential impact on Brookfield Renewable.

2. PRINCIPAL SUBSIDIARIES

The following table lists the subsidiaries of Brookfield Renewable which significantly affect its financial position and results of operations as at December 31, 2023:

	Jurisdiction of Incorporation or Organization	Percentage of voting securities owned or controlled (%)
BP Brazil US Subco LLC.....	Delaware	100
Brookfield BRP Canada Corp.....	Ontario	100
Brookfield BRP Europe Holdings (Bermuda) Limited.....	Bermuda	100
Brookfield Power US Holding America Co.....	Delaware	100
Isagen S.A. E.S.P. ⁽¹⁾	Colombia	99.70
TerraForm Power Parent, LLC ⁽¹⁾	New York	100

⁽¹⁾ Voting control held, in whole or in part, through voting agreements with Brookfield and co-investment.

3. ACQUISITIONS

The following investments were accounted for using the acquisition method by Brookfield Renewable, and the results of operations have been included in the audited annual consolidated financial statements since the date of acquisition.

Brazil Wind Portfolio

On March 3, 2023, Brookfield Renewable, together with its institutional partners, completed the acquisition of 100% interest in a 136 MW portfolio of operating wind assets in Brazil. The total purchase price of this acquisition was \$95 million (approximately \$24 million net to Brookfield Renewable), comprising of closing consideration, including working capital and closing adjustments of \$90 million (approximately \$23 million net to Brookfield Renewable) and \$5 million of deferred consideration (approximately \$1 million net to the Brookfield Renewable). Brookfield Renewable holds an approximately 25% economic interest. The total transaction costs related to the acquisition were less than \$1 million and have been classified under Other in the consolidated statement of income (loss). If the acquisition had taken place at the beginning of the year, the revenue from the Brazil Wind Portfolio would have been \$24 million for the year ended December 31, 2023.

Brazil Distributed Generation

On May 4, 2023, Brookfield Renewable, together with its institutional partners, completed the acquisition of a 90% interest in a distributed generation platform with approximately 730 MW of development pipeline in Brazil. The purchase price of this acquisition was \$4 million (approximately \$1 million net to Brookfield Renewable) with fair value of assets acquired of \$5 million and liabilities assumed of \$1 million. Brookfield Renewable holds an approximately 20% economic interest.

U.S. Renewable Portfolio

On October 25, 2023, Brookfield Renewable, together with its institutional partners, completed the acquisition of a 100% interest in a fully integrated developer and operator of renewable power assets in the United States with 5,900 MW of operating and under construction assets, with a 6,100 MW development pipeline for \$1,083 million (approximately \$308 million net to Brookfield Renewable) comprised of \$565 million (approximately \$161 million net to Brookfield Renewable) plus \$518 million of deferred consideration (approximately \$147 million net to Brookfield Renewable). Total fair value of net assets acquired, net of non-controlling interest was \$1,453 million. The total transaction costs related to the acquisition were \$6 million (approximately \$2 million net to Brookfield Renewable) and have been classified under Other in the consolidated statement of income (loss). If the acquisition had taken place at the beginning of the year, the revenue from the U.S. Renewable Portfolio would have been \$401 million for the year ended December 31, 2023.

India Renewable Portfolio

On April 22, 2023, Brookfield Renewable, together with institutional partners, acquired an approximately 7% equity interest (1% net to Brookfield Renewable) in a leading commercial and industrial renewable development platform in India with 4,500 MW of operating and development pipeline for INR 2.5 billion (\$30 million) (approximately INR 500 million (\$6 million) net to Brookfield Renewable). The investment was recognized as an equity accounted investment. During the second and third quarters of 2023, Brookfield Renewable, together with institutional partners, subscribed for incremental shares for an aggregate INR 1.7 billion (\$21 million) (approximately INR 340 million (\$4 million) net to Brookfield Renewable).

On October 26, 2023, Brookfield Renewable together with its institutional partners, subscribed for additional shares for INR 9.8 billion (\$118 million) (approximately INR 2 billion (\$24 million) net to Brookfield Renewable). This subscription increased the total interest to approximately 37.54% (approximately 7% net to Brookfield Renewable) for aggregate consideration of approximately \$168 million (approximately \$34 million net to Brookfield Renewable) and results in control of the board of directors. Through the transaction Brookfield Renewable acquired the business at a total fair value of \$447 million on a 100% basis. As such, Brookfield Renewable derecognized the existing equity accounted investment and recognized the transaction as a business combination. The total transaction costs related to the acquisition were \$2 million (less than \$1 million net to Brookfield Renewable) and have been classified under Other in the consolidated statement of income (loss). If the acquisition had taken place at the beginning of the year, the revenue would have been approximately \$108 million for the year ended December 31, 2023.

Brazil Wind Portfolio

On November 6, 2023, Brookfield Renewable, together with its institutional partners, completed the acquisition of a 100% interest in a 60 MW portfolio of operating wind assets in Brazil for total consideration of R\$113 million (\$23 million) (R\$28 million (\$6 million) net to Brookfield Renewable). Brookfield Renewable holds an approximately 25% economic interest. The total transaction costs related to the acquisition were less than \$1 million and have been classified under Other in the consolidated statement of income (loss). If the acquisition had taken place at the beginning of the year, the revenue from the Brazil Wind Portfolio would have been \$9 million for the year ended December 31, 2023.

U.K. Wind Portfolio

On December 14, 2023, Brookfield Renewable, together with its institutional partners, completed the acquisition of a 100% interest in a leading independent UK renewables developer with 260 MW onshore wind assets, 800 MW near-term development and another 3 GW of later stage projects for a total purchase price of £489 million (\$625 million) (£232 million (\$296 million) net to Brookfield Renewable) comprising of closing consideration of £477 million (\$610 million) (£226 million (\$289 million) net to Brookfield Renewable) and £12 million (\$15 million) (£6 million (\$7 million) net to Brookfield Renewable) of contingent consideration. The total transaction costs related to the acquisition were \$7 million (approximately \$3 million net to Brookfield Renewable) and have been classified under Other in the consolidated statement of income (loss). If the acquisition had taken place at the beginning of the year, the revenue from the U.K. Wind Portfolio would have been \$100 million for the year ended December 31, 2023.

The purchase price allocations, at fair value, as at December 31, 2023, with respect to the business combinations are as follows:

(MILLIONS)	Brazil Wind Portfolio	U.S. Renewable Portfolio ⁽¹⁾	India Renewable Portfolio ⁽¹⁾	Brazil Wind Portfolio ⁽¹⁾	U.K. Wind Portfolio ⁽¹⁾	Total
Cash and cash equivalents	\$ 10	\$ 88	\$ 27	\$ 1	\$ 60	\$ 186
Restricted cash	—	111	32	—	1	144
Trade receivables and other current assets ..	9	127	69	4	26	235
Property, plant and equipment	130	3,937	851	40	995	5,953
Deferred tax assets	—	—	22	—	—	22
Financial instruments assets ⁽²⁾	—	38	—	—	8	46
Equity accounted investments	—	36	8	—	—	44
Other non-current assets	19	54	39	5	—	117
Accounts payable and accrued liabilities	(22)	(88)	(62)	(2)	(13)	(187)
Current portion of non-recourse borrowings	(4)	(187)	(35)	(2)	(61)	(289)
Financial instruments liabilities ⁽²⁾	—	(1,037)	—	—	(65)	(1,102)
Non-recourse borrowings	(45)	(905)	(581)	(17)	(236)	(1,784)
Deferred income tax liabilities	—	(29)	(48)	—	(151)	(228)
Provisions	(2)	(219)	—	—	(6)	(227)
Other long-term liabilities	—	(130)	(19)	(6)	(58)	(213)
Fair value of net assets acquired	95	1,796	303	23	500	2,717
Non-controlling interests	—	(343)	(37)	—	(34)	(414)
Goodwill	—	—	181	—	159	340
Total fair value of net assets acquired including goodwill, net of non-controlling interests	\$ 95	\$ 1,453	\$ 447	\$ 23	\$ 625	\$ 2,643

⁽¹⁾ The purchase price allocation is preliminary as at December 31, 2023. Brookfield Renewable is currently assessing the fair value of Property, plant and equipment, Financial instruments, Provisions, Deferred tax, Non-recourse borrowings, Other long-term liabilities and Goodwill for the purchase price allocation and expect to finalize the balances in 2024 within the one year measurement period. Refer to Note 7 - Other income for more details.

⁽²⁾ Includes both short-term and long-term balances.

The following investments were accounted for using the equity method as Brookfield Renewable has significant influence through its position in the business, and the results of operations have been included in the audited annual consolidated financial statements since the date of investment.

India Sustainable Agricultural Solutions

On February 16, 2023, Brookfield Renewable, together with institutional partners, acquired an approximately 4% equity interest in a sustainable agricultural solutions company in India for INR 7 billion (\$86 million) (approximately INR 1.4 billion (\$17 million) net to Brookfield Renewable).

X-Elio

On October 10, 2023, Brookfield Renewable, together with its institutional partners, completed the acquisition of the remaining 50% interest in X-Elio for total consideration of \$893 million (\$76 million net to Brookfield Renewable for approximately 4.2% interest). Brookfield Renewable holds a 17% economic interest in the investment and continues to account for the investment as an equity accounted investment.

Westinghouse

On November 7, 2023, Brookfield Renewable, together with institutional partners, through a strategic partnership with Cameco Corporation, acquired 100% of Westinghouse, one of the world's largest nuclear services businesses, from our affiliate Brookfield Business Partners L.P. and its institutional partners, for \$4.37 billion (\$442 million net to Brookfield Renewable). Brookfield Renewable, together with institutional partners, own an aggregate 51% interest (10.11% net to Brookfield Renewable) with Cameco owning 49%.

Completed in 2022

The following investments were accounted for using the acquisition method by Brookfield Renewable, and the results of operations have been included in the audited annual consolidated financial statements since the date of acquisition.

U.S. Utility-scale Solar Portfolio

On January 24, 2022, Brookfield Renewable, together with its institutional partners, completed the acquisition of 100% interest in a utility scale development business with a 20 GW portfolio of utility-scale solar and energy storage development assets in the United States. The total purchase price of this acquisition was \$760 million comprising of closing consideration including working capital and closing adjustments of \$702 million, plus \$58 million of additional incentive payments to be paid contingent upon certain milestones being achieved. The total transaction costs related to the acquisition were \$2 million. Brookfield Renewable holds an approximately 20% economic interest.

Europe Utility-scale Solar Portfolio

On February 2, 2022, Brookfield Renewable, together with institutional partners, completed the acquisition of 100% interest in a 1.7 GW portfolio of utility-scale solar development assets in Germany. The total purchase price of this acquisition was €81 million (\$90 million) comprising of closing consideration including working capital and closing adjustments, was approximately €66 million (\$73 million), plus €15 million (\$17 million) of additional incentive payments to be paid contingent upon certain milestones being achieved. The total transaction costs related to the acquisition were €2 million (\$2 million). Brookfield Renewable holds an approximately 20% economic interest.

Chile Distributed Generation Portfolio

On March 17, 2022, Brookfield Renewable, together with institutional partners, completed the acquisition of 83% interest in a 437 MW distributed generation portfolio of high quality operating and development assets in Chile. The purchase price of this acquisition, including working capital and closing adjustments, was approximately \$31 million. Through the transaction Brookfield Renewable acquired the business at a total fair value of \$37 million on a 100% basis. The total transaction costs related to the acquisition was \$1 million. Brookfield Renewable holds an approximately 20% economic interest in the investment.

During the fourth quarter of 2022, Brookfield Renewable, together with institutional partners, contributed an additional approximate \$4 million to fund the development pipeline, increasing the ownership interest from 83% to 84%.

U.S. Distributed Generation Portfolio

On September 28, 2022, Brookfield Renewable, together with its institutional partners, completed the acquisition of 100% interest in an integrated distributed generation developer with approximately 500 MW of contracted operating and under construction assets, and an 1.8 GW of development pipeline in the United States. The purchase price of this acquisition was \$614 million, consisting of \$538 million initial equity price, a \$22 million working capital and closing adjustments and \$98 million to repay previously existing non-recourse borrowings (in aggregate \$123 million net to Brookfield Renewable). The total transaction costs related to the acquisition were \$5 million. Brookfield Renewable holds an approximately 20% economic interest. If the acquisition had taken place at the beginning of the year, the revenue from the U.S. Distributed Generation Portfolio would have been \$46 million for the year ended December 31, 2022.

During the year ended December 31, 2023, the purchase price allocation was finalized and as a result the purchase price allocation as at December 31, 2022 does not correspond to the figures as disclosed in the 2022 Annual Report. The effect of the purchase price allocation finalization resulted in a decrease of \$73 million to Goodwill and a corresponding increase of \$36 million to Property, plant and equipment, a decrease of \$7 million to Deferred tax assets, \$33 million to Non-recourse borrowings, \$3 million to Provisions, and \$8 million to Financial instrument liabilities.

The final purchase price allocation, at fair value, as at December 31, 2023, with respect to the U.S. Distributed Generation Portfolio business combination is as follows:

(MILLIONS)	U.S. Distributed Generation Portfolio
Cash and cash equivalents	\$ 33
Restricted cash	6
Trade receivables and other current assets	13
Property, plant and equipment	744
Financial instruments assets	10
Deferred income tax assets	3
Other non-current assets	21
Accounts payable and accrued liabilities	(66)
Current portion of non-recourse borrowings	(10)
Financial instruments liabilities	(7)
Non-recourse borrowings	(312)
Provisions	(22)
Other long-term liabilities	(35)
Fair value of net assets acquired	378
Goodwill	236
Total fair value of net assets acquired including goodwill	<u>\$ 614</u>

U.S. Wind Portfolio

On December 16, 2022, Brookfield Renewable, together with institutional partners, completed the acquisition of 100% interest in a renewable developer with a portfolio of over 800 MW of operating wind assets and pipeline of over 22 GW of solar and storage assets in the United States. The purchase price of this acquisition, including working capital and closing adjustments, was approximately \$1,092 million. The total transaction costs related to the acquisition were \$4 million. Brookfield Renewable holds an approximately 20% economic interest. If the acquisition had taken place at the beginning of the year, the revenue from the U.S. Wind Portfolio would have been \$82 million for the year ended December 31, 2022.

During the year ended December 31, 2023, the purchase price allocation was finalized and as a result the purchase price allocation as at December 31, 2022 does not correspond to the figures as disclosed in the 2022 Annual Report. The effect of the purchase price allocation finalization included a decrease of \$96 million to Property, plant and equipment, \$6 million in Assets held for sale, \$12 million to Other non-current assets, \$97 million to Financial Instrument liabilities, \$23 million to Other long-term liabilities, \$6 million in Provisions. and an increase of \$9 million in Liabilities classified as held for sale.

The final purchase price allocation, at fair value, as at December 31, 2023, with respect to the U.S. Wind Portfolio business combination is as follows:

(MILLIONS)	U.S. Wind Portfolio
Cash and cash equivalents	\$ 26
Restricted cash	5
Trade receivables and other current assets	13
Assets classified as held for sale	234
Property, plant and equipment	1,700
Financial instruments assets	2
Other non-current assets	10
Accounts payable and accrued liabilities	(38)
Liabilities classified as held for sale	(143)
Financial instruments liabilities	(628)
Provisions	(22)
Other long-term liabilities	(45)
Fair value of net assets acquired	1,114
Non-controlling interests	(23)
Goodwill	1
Total fair value of net assets acquired including goodwill, net of non-controlling interests	\$ 1,092

The purchase price allocations, at fair value, as at December 31, 2022, with respect to the business combinations are as follows:

(MILLIONS)	Chile Distributed Generation Portfolio	Europe Utility- scale Solar Portfolio	U.S. Utility- scale Solar Portfolio ⁽¹⁾	U.S. Distributed Generation Portfolio ⁽²⁾⁽³⁾	US Wind Portfolio ⁽²⁾⁽⁴⁾	Total
Cash and cash equivalents	\$ 2	\$ 3	\$ 22	\$ 33	\$ 26	\$ 86
Restricted cash	—	—	6	6	5	17
Trade receivables and other current assets	2	30	48	13	13	106
Assets classified as held for sale ⁽⁴⁾ ..	—	—	—	—	240	240
Property, plant and equipment	21	1	561	708	1,796	3,087
Deferred tax assets	—	—	—	10	—	10
Financial instruments assets ⁽⁵⁾	—	—	—	10	2	12
Other non-current assets	1	—	4	21	22	48
Accounts payable and accrued liabilities	(1)	(5)	(32)	(66)	(38)	(142)
Current portion of non-recourse borrowings	—	—	—	(9)	—	(9)
Liabilities classified as held for sale ⁽⁴⁾	—	—	—	—	(135)	(135)
Financial instruments liabilities ⁽⁵⁾ ..	—	—	(15)	(15)	(725)	(755)
Non-recourse borrowings	(6)	—	(48)	(346)	—	(400)
Deferred income tax liabilities	—	(7)	(43)	—	—	(50)
Provisions	—	—	—	(25)	(29)	(54)
Other long-term liabilities	—	—	(30)	(35)	(68)	(133)
Fair value of net assets acquired	19	22	473	305	1,109	1,928
Non-controlling interests	—	—	—	—	(26)	(26)
Goodwill	18	68	287	309	9	691
Total fair value of net assets acquired including goodwill, net of non-controlling interests	\$ 37	\$ 90	\$ 760	\$ 614	\$ 1,092	\$ 2,593

⁽¹⁾ During the year ended December 31, 2022, Brookfield Renewable recorded purchase price allocation adjustment of \$176 million primarily to Property, plant and equipment, Deferred tax asset, Other non-current assets, Deferred income tax liabilities and Other long-term liabilities.

⁽²⁾ The purchase price allocation was preliminary as at December 31, 2022 and was finalized during the year ended December 31, 2023.

⁽³⁾ During the ended December 31, 2022, Brookfield Renewable recorded purchase price allocation adjustments of \$97 million primarily to Property, plant and equipment, at fair value, Deferred tax assets and Deferred income tax liabilities.

⁽⁴⁾ Refer to Note 4 - Disposal of assets.

⁽⁵⁾ Includes both short-term and long-term balances.

The following investments were accounted for using the equity method as Brookfield Renewable has significant influence through its position in the business, and the results of operations have been included in the audited annual consolidated financial statements since the date of investment.

Powen

In February 2022, Brookfield Renewable, together with institutional partners, acquired an initial 16% interest in a DG solar development business in Spain and Mexico with approximately 700 MW of operating and development assets for \$22 million (\$6 million net to Brookfield Renewable). During the course of 2022, Brookfield Renewable, together with institutional partners, subscribed for additional shares for \$34 million (\$7 million net to Brookfield Renewable). This subscription increased our interest to approximately 32% (6% net to Brookfield Renewable).

In the second and third quarter of 2023, Brookfield Renewable, together with its institutional partner, subscribed for additional shares in Powen for \$49 million (\$10 million net to Brookfield Renewable). These subscriptions increased the total interest in Powen to 44% (8.8% net to Brookfield Renewable). Refer to Note 19 - Equity-accounted investments for more details.

Island Aggregator LP

On June 20, 2022, Brookfield Renewable, together with institutional partners, committed to invest \$500 million, of which \$122 million was deployed for a 20% stake in common equity into a private owner and operator of long-term, U.S. denominated, contracted power and utility assets across the Americas with 1.2 GW of installed capacity and approximately 1.3 GW development pipeline. Brookfield Renewable holds a 20% interest in this investment through an intermediate entity.

California Resources Corporation

On August 3, 2022, Brookfield Renewable, together with its institutional partners, formed a joint venture with California Resources Corporation (“CRC”) to establish a Carbon Management Business that will develop carbon capture and storage in California. Brookfield Renewable, together with its institutional partners, has committed to invest up to \$500 million to fund the development of identified carbon capture and storage projects in California. This includes an initial investment of approximately \$137 million, of which \$48 million was deployed during the year ended December 31, 2022, which includes a put option that offers strong downside protection at a pre-determined rate of return. Brookfield Renewable holds an approximate 10% economic interest.

California Bioenergy (“Calbio”)

On December 21, 2022, Brookfield Renewable, together with its institutional partners, closed its purchase of a 10% interest in a developer, operator and owner of renewable natural gas assets in the U.S. with an initial equity commitment of \$150 million (\$30 million net to Brookfield Renewable) and secured the option to invest up to approximately \$350 million (\$70 million net to Brookfield Renewable) of follow-on equity capital for future projects meeting our risk-return requirements. Brookfield Renewable holds an approximate 2% economic interest.

Completed in 2021

The following investments were accounted for using the acquisition method, and the results of operations have been included in the audited annual consolidated financial statements since the date of acquisition.

Oregon Wind Portfolio

On March 24, 2021, Brookfield Renewable, together with institutional partners, completed the acquisition of 100% of a portfolio of three wind generation facilities of approximately 845 MW and development projects of approximately 400 MW (together, “Oregon Wind Portfolio”) located in Oregon, United States. The purchase price of this acquisition, including working capital and closing adjustments, was approximately \$744 million. The total transaction costs of \$6 million were expensed as incurred and have been classified under Other in the consolidated statement of income (loss). Brookfield Renewable holds a 25% economic interest.

This investment was accounted for using the acquisition method, and the results of operations have been included in the consolidated financial statements since the date of the acquisition. If the acquisition had taken place at the beginning of the year, the revenue from the Oregon Wind Portfolio would have been \$183 million for the year ended December 31, 2021.

During March 31, 2022, the purchase price allocation was finalized with no material changes from the purchase price allocation as at December 31, 2021 as disclosed in the 2021 Annual Report.

U.S. Distributed Generation Portfolio

On March 31, 2021, Brookfield Renewable, together with institutional partners, completed the acquisition of 100% of a distributed generation business (the “U.S. Distributed Generation Portfolio”) comprised of 360 MW of operating and under construction assets across approximately 600 sites and 700 MW of development assets, all in the United States. The purchase price of this acquisition, including working capital and closing adjustments, was approximately \$684 million. The total transaction costs of \$2 million were expensed as incurred and have been classified under Other in the consolidated statement of income (loss). Brookfield Renewable holds a 25% economic interest.

This investment was accounted for using the acquisition method, and the results of operations have been included in the consolidated financial statements since the date of the acquisition. If the acquisition had taken place at the beginning of the year, the revenue from the U.S. Distributed Generation Portfolio would have been \$79 million for the year ended December 31, 2021.

The purchase price allocation, at fair value, as at December 31, 2021, with respect to the business combinations are as follows:

(MILLIONS)	Oregon Wind Portfolio	U.S. Distributed Generation Portfolio	Total
Cash and cash equivalents	\$ 1	\$ 1	\$ 2
Restricted cash	49	5	54
Trade receivables and other current assets	28	23	51
Property, plant and equipment	1,643	723	2,366
Current liabilities	(10)	(6)	(16)
Current portion of non-recourse borrowings	(74)	(7)	(81)
Financial instruments	(16)	—	(16)
Non-recourse borrowings	(761)	(133)	(894)
Provisions	(83)	(16)	(99)
Other long-term liabilities	(33)	(23)	(56)
Fair value of net assets acquired	744	567	1,311
Goodwill	—	117	117
Total fair value of net assets acquired including goodwill, net of non-controlling interests	\$ 744	\$ 684	\$ 1,428

The following investments were accounted for using the equity method as Brookfield Renewable has significant influence through its position in the business, and the results of operations have been included in the audited annual consolidated financial statements since the date of investment.

Polenergia

In the first quarter of 2021, Brookfield Renewable, together with its institutional partners, closed its purchase of a 23% interest in a large scale renewable business in Poland, in connection with its previously announced tender offer alongside the current majority shareholder, at a cost of approximately \$175 million (approximately \$44 million net to Brookfield Renewable for a 6% interest). Brookfield Renewable, together with its institutional partners and the current majority shareholder, holds a 75% interest in the company.

In the first quarter of 2022, Brookfield Renewable, together with its institutional partner, subscribed for additional shares in Polenergia. This subscription increased the total interest in Polenergia to 32% (8% net to Brookfield Renewable).

4. DISPOSAL OF ASSETS

On March 17, 2023, Brookfield Renewable's institutional partners completed the sale of a 78% interest in a 378 MW operating hydroelectric portfolio in the U.S., of which 28% was sold to affiliates of Brookfield Corporation. Brookfield Renewable retained its 22% interest in the investment and accordingly, did not receive any proceeds from the sale. Subsequent to the completion of the sale, Brookfield Renewable no longer consolidates this investment and recognized its interest as an equity-accounted investment. As a result of the disposition, Brookfield Renewable derecognized \$667 million of total assets and \$191 million of total liabilities from the consolidated statements of financial position. Brookfield Renewable's post-tax portion of the accumulated revaluation surplus of \$34 million was reclassified from accumulated other comprehensive income directly to equity and presented as a Disposals item in the consolidated statements of changes in equity.

On May 17, 2023, Brookfield Renewable, together with its institutional partners, completed the sale of wind assets in the U.S. that were acquired in 2022 for proceeds of approximately \$217 million (\$14 million net to Brookfield Renewable) net of transaction fees. There was no gain or loss on disposition recognized in the consolidated statements of income (loss) as a result of the disposition. Brookfield Renewable derecognized \$246 million of total assets, \$155 million of total liabilities, and non-controlling interest of \$23 million from the consolidated statements of financial position.

On September 20, 2023, Brookfield Renewable, together with its institutional partners, completed the sale of its 100% interest in a 95 MW portfolio of wind assets in Uruguay for proceeds of approximately \$112 million (\$65 million net to Brookfield Renewable) net of transaction fees. As a result of the disposition, Brookfield Renewable derecognized \$238 million of total assets and \$193 million of total liabilities from the consolidated statements of financial position. As a result of the disposition, accumulated other comprehensive income of \$5 million was reclassified to profit and loss. This resulted in a gain on disposition of \$72 million (\$42 million net to Brookfield Renewable) recognized within Other income in the consolidated statements of income (loss).

On September 20, 2023, Brookfield Renewable, together with its institutional partners, completed the sale of its 100% interest in a 26 MW solar asset in Uruguay for proceeds of approximately \$41 million (\$13 million net to Brookfield Renewable). As a result of the disposition, Brookfield Renewable derecognized \$43 million of total assets, and \$1 million of total liabilities from the consolidated statements of financial position. As a result of the disposition, Brookfield Renewable's post-tax portion of the accumulated revaluation surplus of \$13 million was reclassified from accumulated other comprehensive income directly to equity and presented as a Disposals item in the consolidated statements of changes in equity.

5. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Brookfield Renewable's activities expose it to a variety of financial risks, including market risk (i.e., commodity price risk, interest rate risk, and foreign currency risk), credit risk and liquidity risk. Brookfield Renewable uses financial instruments primarily to manage these risks.

The sensitivity analysis discussed below reflects the risks associated with instruments that Brookfield Renewable considers are market sensitive and the potential loss resulting from one or more selected hypothetical changes. Therefore, the discussion below is not intended to fully reflect Brookfield Renewable's risk exposure.

(a) Market risk

Market risk is defined for these purposes as the risk that the fair value or future cash flows of a financial instrument held by Brookfield Renewable will fluctuate because of changes in market prices.

Brookfield Renewable faces market risk from foreign currency assets and liabilities, the impact of changes in interest rates, and floating rate liabilities. Market risk is managed by funding assets with financial liabilities in the same currency and with similar interest rate characteristics and holding financial contracts, such as interest rate swaps and foreign exchange contracts, to minimize residual exposures. Financial instruments held by Brookfield Renewable that are subject to market risk include borrowings and financial instruments, such as interest rate, currency and commodity contracts. The categories of financial instruments that can give rise to significant variability are described below:

(i) *Electricity price risk*

Brookfield Renewable aims to sell electricity under long-term contracts to secure stable prices and mitigate its exposure to wholesale markets. Electricity price risk arises from the sale of Brookfield Renewable's uncontracted generation and is mitigated by entering into short-term energy derivative contracts. Electricity price risk is defined for these purposes as the risk that the fair value or future cash flows of a financial instrument held by Brookfield Renewable will fluctuate because of changes in electricity prices.

The table below summarizes the impact of changes in the market price of electricity as at December 31. The impact is expressed in terms of the effect on net income and OCI. The sensitivities are based on the assumption that the market price changes by 5% with all other variables held constant.

Impact of a 5% change in the market price of electricity, on outstanding energy derivative contracts and IFRS 9 PPAs, for the year ended December 31:

(MILLIONS)	Effect on net income ⁽¹⁾			Effect on OCI ⁽¹⁾		
	2023	2022	2021	2023	2022	2021
5% increase	\$ (62)	\$ (76)	\$ (37)	\$ (23)	\$ (36)	\$ (21)
5% decrease	62	75	40	23	36	22

⁽¹⁾ Amounts represent the potential annual net pretax impact.

(ii) *Foreign currency risk*

Foreign currency risk is defined for these purposes as the risk that the fair value of a financial instrument held by Brookfield Renewable will fluctuate because of changes in foreign currency rates.

Brookfield Renewable has exposure to the Canadian dollar, euro, Brazilian real, Colombian peso, British pound sterling, Indian rupee, Malaysian ringgit, Chinese yuan and Polish zloty through its investments in foreign operations. Consequently, fluctuations in the U.S. dollar exchange rate against these currencies increase the volatility of net income and other comprehensive income. Brookfield Renewable holds foreign currency contracts primarily to mitigate this exposure.

The table below summarizes the impact to Brookfield Renewable's financial instruments of changes in the exchange rate as at December 31. The impact is expressed in terms of the effect on income and OCI. The sensitivities are based on the assumption that the currency exchange rate changes by five percent with all other variables held constant.

Impact of a 5% change in U.S. dollar exchange rates, on outstanding foreign exchange swaps, for the year ended December 31:

(MILLIONS)	Effect on net income ⁽¹⁾			Effect on OCI ⁽¹⁾		
	2023	2022	2021	2023	2022	2021
5% increase	\$ 29	\$ 27	\$ 29	\$ 307	\$ 96	\$ 95
5% decrease	(29)	(27)	(29)	(307)	(96)	(95)

⁽¹⁾ Amounts represent the potential annual net pretax impact.

(iii) *Interest rate risk*

Interest rate risk is defined for these purposes as the risk that the fair value or future cash flows of a financial instrument held by Brookfield Renewable will fluctuate, because of changes in interest rates.

Brookfield Renewable's assets largely consist of long duration physical assets. Brookfield Renewable's financial liabilities consist primarily of long-term fixed-rate debt or variable-rate debt that has been swapped to fixed rates with interest rate financial instruments. Other than tax equity, all other non-derivative financial liabilities are recorded at their amortized cost. Brookfield Renewable also holds interest rate contracts to lock-in fixed rates on certain anticipated future debt issuances.

Brookfield Renewable will enter into interest rate swaps designed to minimize the exposure to interest rate fluctuations on its variable-rate debt. Fluctuations in interest rates could impact Brookfield Renewable's cash flows,

primarily with respect to the interest payable against Brookfield Renewable's variable rate debt, which is limited to certain non-recourse borrowings with a total principal value of \$11,574 million (2022: \$7,823 million). Of this principal value, \$4,681 million (2022: \$3,396 million) has been fixed through the use of interest rate contracts. The fair values of the recognized asset and liability for the interest rate swaps were calculated using a valuation model with observable interest rates.

The table below summarizes the impact of changes in the interest rate as at December 31. The impact is expressed in terms of the effect on income and OCI. The sensitivities are based on the assumption that the interest rate changes by 1% with all other variables held constant.

Impact of a 1% change in interest rates, on outstanding interest rate swaps, variable-rate debt and tax equity, for the year ended December 31:

(MILLIONS)	Effect on net income ⁽¹⁾			Effect on OCI ⁽¹⁾		
	2023	2022	2021	2023	2022	2021
1% increase	\$ (129)	\$ 20	\$ 15	\$ 148	\$ 112	\$ 114
1% decrease	130	(20)	(16)	(156)	(118)	(124)

⁽¹⁾ Amounts represent the potential annual net pretax impact.

(b) Credit risk

Credit risk is the risk of loss due to the failure of a borrower or counterparty to fulfill its contractual obligations. Brookfield Renewable's exposure to credit risk in respect of financial instruments relates primarily to counterparty obligations regarding energy contracts, interest rate swaps, forward foreign exchange contracts and physical electricity transactions.

Brookfield Renewable minimizes credit risk with counterparties through the selection, monitoring and diversification of counterparties, the use of standard trading contracts, and other credit risk mitigation techniques. In addition, Brookfield Renewable's power purchase agreements are reviewed regularly and the majority are with customers having long standing credit histories or investment grade ratings, which limit the risk of non-collection. See Note 22 – Trade receivables and other current assets, for additional details regarding Brookfield Renewable's trade receivables balance.

The maximum credit exposure at December 31 was as follows:

(MILLIONS)	2023	2022
Trade receivables and other short-term receivables	\$ 923	\$ 883
Long-term receivables	382	235
Financial instrument assets ⁽¹⁾	400	390
Due from related parties ⁽¹⁾	1,578	251
Contract asset ⁽¹⁾	375	395
	<u>\$ 3,658</u>	<u>\$ 2,154</u>

⁽¹⁾ Includes both the current and long-term amounts.

(c) Liquidity risk

Liquidity risk is the risk that Brookfield Renewable cannot meet a demand for cash or fund an obligation when due. Liquidity risk is mitigated by Brookfield Renewable's cash and cash equivalent balances and its access to undrawn credit facilities. Details of the available portion of credit facilities are included in Note 13 – Borrowings. Brookfield Renewable also ensures that it has access to public capital markets and maintains a strong investment grade credit rating.

Brookfield Renewable is also subject to the risk associated with debt financing. This risk is mitigated by the long-term duration of debt instruments and the staggered maturity dates over an extended period of time.

CASH OBLIGATIONS

The table below classifies the cash obligations related to Brookfield Renewable's liabilities into relevant maturity groupings based on the remaining period from the statement of financial position dates to the contractual maturity date.

AS AT DECEMBER 31, 2023
(MILLIONS)

	< 1 year	2-5 years	> 5 years	Total
Accounts payable and accrued liabilities	\$ 1,197	\$ —	\$ —	\$ 1,197
Financial instrument liabilities ⁽¹⁾	401	871	1,010	2,282
Due to related parties	835	705	—	1,540
Other long-term liabilities – concession payments	1	4	11	16
Lease liabilities ⁽¹⁾	41	193	534	768
Corporate borrowings ⁽¹⁾	183	679	1,981	2,843
Non-recourse borrowings ⁽¹⁾	4,752	9,474	12,794	27,020
Interest payable on borrowings ⁽²⁾	2,651	7,123	6,977	16,751
Total	<u>\$ 10,061</u>	<u>\$ 19,049</u>	<u>\$ 23,307</u>	<u>\$ 52,417</u>

AS AT DECEMBER 31, 2022
(MILLIONS)

	< 1 year	2-5 years	> 5 years	Total
Accounts payable and accrued liabilities	\$ 1,086	\$ —	\$ —	\$ 1,086
Financial instrument liabilities ⁽¹⁾	559	1,018	652	2,229
Due to related parties	586	1	—	587
Other long-term liabilities – concession payments	2	6	12	20
Lease liabilities ⁽¹⁾	30	116	413	559
Corporate borrowings ⁽¹⁾	249	664	1,643	2,556
Non-recourse borrowings ⁽¹⁾	2,027	7,904	12,390	22,321
Interest payable on borrowings ⁽²⁾	1,368	4,141	4,663	10,172
Total	<u>\$ 5,907</u>	<u>\$ 13,850</u>	<u>\$ 19,773</u>	<u>\$ 39,530</u>

⁽¹⁾ Includes both the current and long-term amounts.

⁽²⁾ Represents aggregate interest payable expected to be paid over the entire term of the obligations, if held to maturity. Variable rate interest payments have been calculated based on estimated interest rates.

Fair value disclosures

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair values determined using valuation models require the use of assumptions concerning the amount and timing of estimated future cash flows and discount rates. In determining those assumptions, management looks primarily to external readily observable market inputs such as interest rate yield curves, currency rates, commodity prices and, as applicable, credit spreads.

A fair value measurement of a non-financial asset is the consideration that would be received in an orderly transaction between market participants, considering the highest and best use of the asset.

Assets and liabilities measured at fair value are categorized into one of three hierarchy levels, described below. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities.

Level 1 – inputs are based on unadjusted quoted prices in active markets for identical assets and liabilities;

Level 2 – inputs, other than quoted prices in Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 – inputs for the asset or liability that are not based on observable market data.

The following table presents Brookfield Renewable's assets and liabilities including energy derivative contracts, IFRS 9 PPAs, interest rate swaps, foreign exchange swaps and tax equity measured and disclosed at fair value classified by the fair value hierarchy:

(MILLIONS)	Level 1	Level 2	Level 3	2023	2022
Assets measured at fair value:					
Cash and cash equivalents	\$ 1,141	\$ —	\$ —	\$ 1,141	\$ 998
Restricted cash ⁽¹⁾	391	—	—	391	191
Financial instrument assets ⁽¹⁾					
IFRS 9 PPAs	—	—	50	50	2
Energy derivative contracts	—	90	—	90	37
Interest rate swaps	—	233	—	233	335
Foreign exchange swaps	—	27	—	27	16
Tax equity	—	—	27	27	—
Investments in debt and equity securities	—	46	1,494	1,540	1,235
Property, plant and equipment	—	—	64,005	64,005	54,283
Liabilities measured at fair value:					
Financial instrument liabilities ⁽¹⁾					
IFRS 9 PPAs ⁽²⁾	—	(56)	(742)	(798)	(668)
Energy derivative contracts	—	(82)	—	(82)	(238)
Interest rate swaps	—	(105)	—	(105)	(82)
Foreign exchange swaps	—	(353)	—	(353)	(110)
Tax equity	—	—	(1,782)	(1,782)	(1,131)
Contingent consideration ⁽³⁾	—	—	(92)	(92)	(68)
Liabilities for which fair value is disclosed:					
Corporate borrowings ⁽¹⁾	(2,731)	—	—	(2,731)	(2,362)
Non-recourse borrowings ⁽¹⁾	(2,116)	(24,723)	—	(26,839)	(21,117)
Total	<u>\$ (3,315)</u>	<u>\$ (24,923)</u>	<u>\$ 62,960</u>	<u>\$ 34,722</u>	<u>\$ 31,253</u>

⁽¹⁾ Includes both the current amount and long-term amount.

⁽²⁾ During the year ended December 31, 2023 \$56 million (2022: nil) was transferred from Level 3 to Level 2.

⁽³⁾ Amount relates to business combination completed in 2022 and 2023 with obligations lapsing from 2024 to 2027.

Financial instruments disclosures

Financial assets and liabilities are offset with the net amount reported in the Consolidated Statements of Financial Position, where Brookfield Renewable currently has a legally enforceable right to offset and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The aggregate amount of Brookfield Renewable's net financial instrument positions as at December 31 are as follows:

	Financial Instruments Assets				Financial Instruments Liabilities				
	Instruments not designated as hedges				Instruments not designated as hedges				Net Assets (Liabilities)
	Instruments designated as hedges	Fair value through profit & loss	Fair value through OCI	Total	Instruments designated as hedges	Fair value through profit & loss	Fair value through OCI	Total	
(MILLIONS)									
IFRS 9 PPAs	—	\$ 2	\$ —	\$ 2	\$ (94)	\$ (574)	\$ —	\$ (668)	\$ (666)
Energy derivative contracts	12	\$ 25	\$ —	\$ 37	\$ (37)	\$ (201)	\$ —	\$ (238)	\$ (201)
Interest rate swaps	284	51	—	335	(15)	(67)	—	(82)	253
Foreign exchange swaps	14	2	—	16	(90)	(20)	—	(110)	(94)
Investments in debt and equity securities	—	1,010	225	1,235	—	—	—	—	1,235
Tax equity	—	—	—	—	—	(1,131)	—	(1,131)	(1,131)
Balance, as at December 31, 2022	<u>\$ 310</u>	<u>\$ 1,090</u>	<u>\$ 225</u>	<u>\$ 1,625</u>	<u>\$ (236)</u>	<u>\$ (1,993)</u>	<u>\$ —</u>	<u>\$ (2,229)</u>	<u>\$ (604)</u>
Less: current portion				(125)				559	434
Long-term portion				<u>\$ 1,500</u>				<u>\$ (1,670)</u>	<u>\$ (170)</u>
IFRS 9 PPAs	\$ 39	\$ 11	\$ —	\$ 50	\$ (71)	\$ (727)	\$ —	\$ (798)	\$ (748)
Energy derivative contracts	96	(6)	—	90	—	(82)	—	(82)	8
Interest rate swaps	181	52	—	233	(33)	(72)	—	(105)	128
Foreign exchange swaps	27	—	—	27	(325)	(28)	—	(353)	(326)
Investments in debt and equity securities	—	1,403	137	1,540	—	—	—	—	1,540
Tax equity	—	27	—	27	—	(1,782)	—	(1,782)	(1,755)
Balance, as at December 31, 2023	<u>\$ 343</u>	<u>\$ 1,487</u>	<u>\$ 137</u>	<u>\$ 1,967</u>	<u>\$ (429)</u>	<u>\$ (2,691)</u>	<u>\$ —</u>	<u>\$ (3,120)</u>	<u>\$ (1,153)</u>
Less: current portion				(199)				687	488
Long-term portion				<u>\$ 1,768</u>				<u>\$ (2,433)</u>	<u>\$ (665)</u>

The following table presents the change in Brookfield Renewable's total net financial instrument asset position as at and for the year ended December 31:

(MILLIONS)	Balance as at Dec 31, 2022 asset (liability)	Changes in fair value recognized in OCI ⁽¹⁾	Changes in fair value (hedge ineffectiveness) ⁽²⁾	Changes in fair value on financial instruments through profit and loss ⁽²⁾	Amounts reclassified from OCI to income	Acquisitions, settlements and other	Foreign exchange gain (loss)	Balance as at Dec 31, 2023 asset (liability)
IFRS 9 PPAs ⁽³⁾	\$ (666)	\$ 54	\$ (6)	\$ 74	\$ 13	\$ (217)	\$ —	\$ (748)
Energy derivative contracts	(201)	220	(3)	89	(110)	13	—	8
Interest rate swaps	253	(20)	—	33	(90)	(47)	(1)	128
Foreign exchange swaps	(94)	(128)	—	(1)	—	(103)	—	(326)
Investments in debt and equity securities	1,235	8	—	119	—	182	(4)	1,540
Tax equity	(1,131)	—	—	243	—	(867)	—	(1,755)
	<u>\$ (604)</u>	<u>\$ 134</u>	<u>\$ (9)</u>	<u>\$ 557</u>	<u>\$ (187)</u>	<u>\$ (1,039)</u>	<u>\$ (5)</u>	<u>\$ (1,153)</u>

⁽¹⁾ Amounts recognized in Equity-accounted investments, Gains (losses) arising during the year on financial instruments designated as cash-flow hedges and Unrealized gain (loss) on foreign exchange swaps – net investment hedge on the consolidated statements of comprehensive income (loss).

⁽²⁾ Amounts recognized in Foreign exchange and financial instruments gain (loss) on the consolidated statements of income (loss) excluding realized gains and losses recorded on foreign exchange.

⁽³⁾ Level 3 power purchase agreements accounted for as energy derivatives that are either designated as a hedge or not designated as a hedge.

(MILLIONS)	Balance as at Dec 31, 2021 asset (liability)	Changes in fair value recognized in OCI ⁽¹⁾	Changes in fair value (hedge ineffectiveness) ⁽²⁾	Changes in fair value on derivatives not designated in hedge relationships ⁽²⁾	Amounts reclassified from OCI to income	Acquisitions, settlements and other	Foreign exchange gain (loss)	Balance as at Dec 31, 2022 asset (liability)
IFRS 9 PPAs ⁽³⁾	\$ (20)	\$ (75)	\$ (13)	\$ (216)	\$ 22	\$ (364)	\$ —	\$ (666)
Energy derivative contracts	(151)	(117)	2	(134)	142	57	—	(201)
Interest rate swaps	(188)	331	5	85	5	18	(3)	253
Foreign exchange swaps	(24)	(56)	—	89	—	(103)	—	(94)
Investments in debt and equity securities	195	(11)	—	13	—	1,046	(8)	1,235
Tax equity	(455)	—	—	115	—	(791)	—	(1,131)
	<u>\$ (643)</u>	<u>\$ 72</u>	<u>\$ (6)</u>	<u>\$ (48)</u>	<u>\$ 169</u>	<u>\$ (137)</u>	<u>\$ (11)</u>	<u>\$ (604)</u>

⁽¹⁾ Amounts recognized in Equity-accounted investments, Gains (losses) arising during the year on financial instruments designated as cash-flow hedges and Unrealized gain (loss) on foreign exchange swaps – net investment hedge on the consolidated statements of comprehensive income (loss).

⁽²⁾ Amounts recognized in Foreign exchange and financial instruments gain (loss) on the consolidated statements of income (loss) excluding realized gains and losses recorded on foreign exchange.

⁽³⁾ Level 3 power purchase agreements accounted for as energy derivatives that are either designated as a hedge or not designated as a hedge.

(a) Tax equity

Brookfield Renewable owns and operates certain projects in the United States under tax equity structures to finance the construction of utility-scale solar and wind projects. In accordance with the substance of the contractual agreements, the amounts paid by the tax equity investors for their equity stakes are classified as financial instrument liabilities on the consolidated statements of financial position.

Gains or losses on the tax equity liabilities are recognized within foreign exchange and financial instruments gain (loss) in the consolidated statements of income (loss).

(b) Investments in debt and equity securities

Brookfield Renewable's investments in debt and equity securities are classified as FVPL, FVOCI and amortized cost. Refer to Note 1(l) – Basis of preparation and material accounting policy information – Financial instruments.

(c) Energy derivative contracts and IFRS 9 PPAs

Brookfield Renewable has entered into long-term energy derivative contracts primarily to stabilize or eliminate the price risk on the sale of certain future power generation. Certain energy contracts are recorded in Brookfield Renewable's consolidated financial statements at an amount equal to fair value, using quoted market prices or, in their absence, a valuation model using both internal and third-party evidence and forecasts.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the energy derivative contracts match the terms of the expected highly probable forecast transactions (i.e. notional amount and expected payment date). Brookfield Renewable has established a hedge ratio of 1:1 for the hedging relationships. To measure the hedge effectiveness, Brookfield Renewable uses the hypothetical derivative method and compares changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks. The hedge ineffectiveness can arise from different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments.

For the year ended December 31, 2023, gains of \$119 million relating to energy derivative contracts were realized and reclassified from OCI to the consolidated statements of income (loss) (2022: \$146 million and 2021: \$25 million).

Based on market prices as of December 31, 2023, unrealized losses of \$49 million (2022: \$37 million loss and 2021: \$72 million loss) recorded in accumulated other comprehensive income ("AOCI") on energy derivative contracts are expected to be settled or reclassified into income in the next twelve months. The actual amount reclassified from AOCI, however, could vary due to future changes in market prices.

The following table summarizes the energy derivative contracts designated as hedging instruments:

Energy derivative contracts and IFRS 9 PPAs	December 31, 2023	December 31, 2022
Carrying amount (asset/(liability))	64	(116)
Notional amount – GWh	26,083	13,674
Weighted average hedged rate for the year (\$/MWh)	50	58
Maturity dates	2024-2044	2023-2038
Hedge ratio	1:1	1:1
Change in discounted spot value of outstanding hedging instruments	152	(90)
Change in value of hedged item used to determine hedge effectiveness	(118)	64

There is nil of hedge ineffectiveness losses recognized within foreign exchange and financial instruments gain (loss) in the consolidated statements of income (loss) related to energy derivative contracts (cash flow hedges) for the year ended December 31, 2023 (2022: \$18 million loss and 2021: \$7 million loss).

(d) Interest rate hedges

Brookfield Renewable has entered into interest rate hedge contracts primarily to minimize exposure to interest rate fluctuations on its variable-rate debt or to lock in interest rates on future debt refinancing. All interest rate hedge contracts are recorded in the consolidated financial statements at fair value.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the interest rate hedges match the terms of the respective fixed-rate debt (i.e., notional amount, maturity, payment and reset dates). Brookfield Renewable established a hedge ratio of 1:1 for the hedging relationships. To measure the hedge effectiveness, Brookfield Renewable uses the hypothetical derivative method and compares the changes in the fair value of the hedging instrument against the changes in fair value of the hedged items attributable to the hedged risk.

The hedge ineffectiveness can arise from:

- Different interest rate curves being applied to discount the hedged item and hedging instrument
- Differences in timing of cash flows of the hedged item and hedging instrument
- The counterparties' credit risk having an asymmetrical impact on the fair value movements of the hedging instrument and hedged item

As at December 31, 2023, agreements with a total notional exposure of \$4,389 million were outstanding (2022: \$3,621 million) including \$718 million (2022: \$701 million) associated with agreements that are not formally designated as hedging instruments. The weighted-average fixed interest rate resulting from these agreements is (1.0)% (2022: 2.9%).

For the year ended December 31, 2023, net movements relating to cash flow hedges realized and reclassified from OCI to interest expense in the consolidated statements of income (loss) were \$3 million losses (2022: \$2 million losses and 2021: \$18 million losses).

Based on market prices as of December 31, 2023, unrealized losses of \$53 million (2022: \$50 million and 2021: \$41 million) recorded in AOCI on interest rate swaps are expected to be settled or reclassified into income in the next twelve months. The actual amount reclassified from AOCI, however, could vary due to future changes in market rates.

The following table summarizes the interest rate hedges designated as hedging instruments:

Interest rate hedges	December 31, 2023	December 31, 2022
Carrying amount (asset/(liability))	148	269
Notional amount – \$	1,633	803
Notional amount – C\$ ⁽¹⁾	326	349
Notional amount – € ⁽¹⁾	1,204	1,315
Notional amount – £ ⁽¹⁾	312	296
Notional amount – COP ⁽¹⁾	196	157
Maturity dates	2024-2061	2023-2061
Hedge ratio	1:1	1:1
Change in discounted spot value of outstanding hedging instruments	(124)	333
Change in value of hedged item used to determine hedge effectiveness	124	(328)

⁽¹⁾ Notional amounts of foreign currency denominated interest rate hedges are presented at the U.S. dollar equivalent value based on the December 31, 2023 foreign currency spot rate.

The hedge ineffectiveness loss recognized within foreign exchange and financial instruments gain (loss) in the consolidated statements of income (loss) related to interest rate contracts (cash flow hedges) for the year ended December 31, 2023 was nil (2022: \$5 million and 2021: \$17 million).

(e) Foreign exchange swaps

Brookfield Renewable has entered into foreign exchange swaps to minimize its exposure to currency fluctuations impacting its investments and earnings in foreign operations, and to fix the exchange rate on certain anticipated transactions denominated in foreign currencies.

There is an economic relationship between the hedged item and the hedging instrument as the net investment or anticipated foreign currency transaction creates a translation risk that will match the respective hedging instrument.

Brookfield Renewable established a hedge ratio of 1:1 as the underlying risk of the hedging instrument is identical to the hedged risk component.

Certain Brookfield subsidiaries that Brookfield Renewable controls, through a voting agreement, have entered into Master Hedge Agreements appointing Brookfield as their agent in entering into certain derivative transactions with external counterparties to hedge against fluctuations in foreign exchange. Pursuant to each Agreement, Brookfield was entitled to be reimbursed for any third party costs incurred in connection with these derivative transactions. Substantially all of Brookfield Renewable's foreign exchange swaps are entered into pursuant to a Master Hedge Agreement.

As at December 31, 2023, agreements with a total notional exposure of \$6,690 million were outstanding (2022: \$3,669 million) including \$565 million (2022: \$1,804 million) associated with agreements that are not formally designated as hedging instruments.

There are no unrealized gains or losses recorded in AOCI on foreign exchange swaps that are expected to be settled or reclassified into income in the next twelve months (2022: nil and 2021: nil). The actual amount reclassified from AOCI, however, could vary due to future changes in market rates.

The following table summarizes the foreign exchange swaps designated as hedging instruments:

Foreign exchange swaps	December 31, 2023	December 31, 2022
Carrying amount (asset/(liability))	(298)	(76)
Notional amount for hedges of the Colombian Peso ⁽¹⁾	2,602	601
Notional amount for hedges of the euro ⁽¹⁾	644	302
Notional amount for hedges of the British pounds sterling ⁽¹⁾	818	76
Notional amount for hedges of the Chinese yuan ⁽¹⁾	701	575
Notional amount for hedges of the Indian rupee ⁽¹⁾	710	128
Notional amount for hedges of the Brazilian real ⁽¹⁾	607	79
Notional amount for hedges of other currencies ⁽¹⁾	43	104
Maturity date	2024 - 2027	2023 - 2024
Hedge ratio	1:1	1:1
Weighted average hedged rate for the year:		
COP/\$ foreign exchange forward contracts	4,642	5,038
€/ \$ foreign exchange forward contracts	0.99	0.99
£/\$ foreign exchange forward contracts	0.80	0.83
CNY/\$ foreign exchange forward contracts	6.92	7.05
INR/\$ foreign exchange forward contracts	86	83
BRL/\$ foreign exchange forward contracts	5.37	5.69

⁽¹⁾ Notional amounts expressed in millions of U.S. dollars

The following table presents a reconciliation of the limited partners' equity reserves impacted by financial instruments:

(MILLIONS)	Cash flow hedges	Investments in equity securities	Foreign currency translation
Balance, as at December 31, 2021	\$ (48)	\$ 4	\$ (842)
Effective portion of changes in fair value arising from:			
Energy derivative contracts	7	—	—
Interest rate swaps	52	—	—
Foreign exchange swaps	—	—	10
Amount reclassified to profit or loss	37	—	—
Foreign currency revaluation of designated borrowings	—	—	68
Foreign currency revaluation of net foreign operations	—	—	(74)
Valuation of investments in equity securities designated FVOCI	—	(3)	—
Tax effect	(29)	—	(5)
Other	(2)	—	(2)
Balance, as at December 31, 2022	\$ 17	\$ 1	\$ (845)
Effective portion of changes in fair value arising from:			
Energy derivative contracts	4	—	—
Interest rate swaps	54	—	—
Foreign exchange swaps	(8)	—	(8)
Amount reclassified to profit or loss	(28)	—	—
Foreign currency revaluation of designated borrowings	—	—	(77)
Foreign currency revaluation of net foreign operations	—	—	232
Tax effect	(4)	—	—
Other	1	—	(3)
Balance, as at December 31, 2023	<u>\$ 36</u>	<u>\$ 1</u>	<u>\$ (701)</u>

6. SEGMENTED INFORMATION

Brookfield Renewable's Chief Executive Officer and Chief Financial Officer (collectively, the chief operating decision maker or "CODM") review the results of the business, manage operations, and allocate resources based on the type of technology.

Brookfield Renewable operations are segmented by – 1) hydroelectric, 2) wind, 3) utility-scale solar, 4) distributed energy and storage (distributed generation and pumped storage), 5) sustainable solutions (renewable natural gas, carbon capture and storage, recycling, cogeneration biomass, nuclear services, and power transformation), and 6) corporate - with hydroelectric further segmented by geography (i.e., North America, Colombia, and Brazil). This best reflects the way in which the CODM reviews results of our company.

The reporting to the CODM was revised during the year to disaggregate the distributed energy & sustainable solutions business into distributed energy & storage and sustainable solutions. This change is consistent with the development of Brookfield Renewable's business as distributed generation and sustainable solutions continue to grow as a more significant component of the business. The financial information of operating segments in the prior period has been restated to present the corresponding results of the distributed energy & storage and sustainable solutions.

Reporting to the CODM on the measures utilized to assess performance and allocate resources is provided on a proportionate basis. Information on a proportionate basis reflects Brookfield Renewable's share from facilities which it accounts for using consolidation and the equity method whereby Brookfield Renewable either controls or exercises significant influence or joint control over the investment, respectively. Proportionate information provides a Unitholder (holders of the GP interest, Redeemable/Exchangeable partnership units, BEPC exchangeable shares and LP units) perspective that the CODM considers important when performing internal analyses and making strategic and operating decisions. The CODM also believes that providing proportionate information helps investors understand the impacts of decisions made by management and financial results allocable to Brookfield Renewable's Unitholders.

Proportionate financial information is not, and is not intended to be, presented in accordance with IFRS. Tables reconciling IFRS data with data presented on a proportionate consolidation basis have been disclosed. Segment revenues, other income, direct operating costs, interest expense, depreciation, current and deferred income taxes, and other are items that will differ from results presented in accordance with IFRS as these items include Brookfield Renewable's proportionate share of earnings from equity-accounted investments attributable to each of the above-noted items, and exclude the proportionate share of earnings (loss) of consolidated investments not held by us apportioned to each of the above-noted items.

Brookfield Renewable does not control those entities that have not been consolidated and as such, have been presented as equity-accounted investments in its consolidated financial statements. The presentation of the assets and liabilities and revenues and expenses does not represent Brookfield Renewable's legal claim to such items, and the removal of financial statement amounts that are attributable to non-controlling interests does not extinguish Brookfield Renewable's legal claims or exposures to such items.

Brookfield Renewable reports its results in accordance with these segments and presents prior period segmented information in a consistent manner.

The accounting policies of the reportable segments are the same as those described in Note 1 – Basis of preparation and material accounting policy information. Brookfield Renewable analyzes the performance of its operating segments based on Funds From Operations. Funds From Operations is not a generally accepted accounting measure under IFRS and therefore may differ from definitions of Funds From Operations used by other entities, as well as the definition of funds from operations used by the Real Property Association of Canada ("REALPAC") and the National Association of Real Estate Investment Trusts, Inc. ("NAREIT").

Brookfield Renewable uses Funds From Operations to assess the performance of Brookfield Renewable before the effects of certain cash items (e.g., acquisition costs and other typical non-recurring cash items) and certain non-cash items (e.g., deferred income taxes, depreciation, non-cash portion of non-controlling interests, unrealized gain or loss on financial instruments, non-cash gain or loss from equity-accounted investments, and other non-cash items) as these are not reflective of the performance of the underlying business. Brookfield Renewable includes realized disposition gains and losses on assets that we developed and/or did not intend to hold over the long-term within Funds From Operations in order to provide additional insight regarding the performance of investments on a cumulative realized basis, including any unrealized fair value adjustments that were recorded in equity and not otherwise reflected in current period net income.

The following table provides each segment's results in the format that management organizes its segments to make operating decisions and assess performance and reconciles Brookfield Renewable's proportionate results to the consolidated statements of income (loss) on a line-by-line basis by aggregating the components comprising the earnings from Brookfield Renewable's investments in associates and reflecting the portion of each line item attributable to non-controlling interests for the year ended December 31, 2023:

	Attributable to Unitholders										Attributable to non-controlling interests and other ⁽¹⁾	As per IFRS financials ⁽²⁾	
	Hydroelectric					Utility-scale solar	Distributed energy & storage	Sustainable solutions	Corporate	Total	Contribution from equity-accounted investments		
(MILLIONS)	North America	Brazil	Colombia	Wind									
Revenues	\$ 1,029	\$ 240	\$ 293	\$ 511	\$ 365	\$ 241	\$ 147	\$ —	\$2,826	\$ (234)	\$ 2,446	\$ 5,038	
Other income	22	5	6	146	106	20	19	88	412	(81)	340	671	
Direct operating costs	(381)	(73)	(124)	(164)	(99)	(81)	(105)	(29)	(1,056)	110	(987)	(1,933)	
Share of revenue, other income and direct operating costs from equity-accounted investments	—	—	—	—	—	—	—	—	—	205	—	205	
	670	172	175	493	372	180	61	59	2,182	—	1,799		
Management service costs	—	—	—	—	—	—	—	(205)	(205)	—	—	(205)	
Interest expense	(266)	(19)	(82)	(105)	(110)	(43)	(6)	(114)	(745)	33	(915)	(1,627)	
Current income taxes	(2)	(7)	(17)	(6)	(1)	(4)	(3)	—	(40)	7	(95)	(128)	
Distributions attributable to													
Preferred limited partners equity	—	—	—	—	—	—	—	(41)	(41)	—	—	(41)	
Preferred equity	—	—	—	—	—	—	—	(27)	(27)	—	—	(27)	
Perpetual subordinated notes	—	—	—	—	—	—	—	(29)	(29)	—	—	(29)	
Share of interest and cash taxes from equity-accounted investments	—	—	—	—	—	—	—	—	—	(40)	—	(40)	
Share of Funds From Operations attributable to non-controlling interests	—	—	—	—	—	—	—	—	—	—	(789)	(789)	
Funds From Operations	402	146	76	382	261	133	52	(357)	1,095	—	—		
Depreciation												(1,852)	
Foreign exchange and financial instrument gain												502	
Deferred income tax recovery												176	
Other												(212)	
Share of earnings from equity-accounted investments												21	
Net income attributable to non-controlling interests												170	
Net loss attributable to Unitholders ⁽³⁾												\$ (100)	

⁽¹⁾ Amounts attributable to non-controlling interests and other includes certain non-recurring other income items. Refer to Note 7 - Other Income.

⁽²⁾ Share of earnings from equity-accounted investments of \$186 million is comprised of amounts found on the Share of revenue, other income and direct operating costs, Share of interest and cash taxes and Share of earnings lines. Net income attributable to participating non-controlling interests – in operating subsidiaries of \$619 million is comprised of amounts found on Share of Funds From Operations attributable to non-controlling interests and Net Income attributable to non-controlling interests.

⁽³⁾ Net income (loss) attributable to Unitholders includes net income (loss) attributable to GP interest, Redeemable/Exchangeable partnership units, BEPC exchangeable shares and LP units. Total net income (loss) includes amounts attributable to Unitholders, non-controlling interests, preferred limited partners equity, preferred equity, and perpetual subordinated notes.

The following table provides each segment's results in the format that management organizes its segments to make operating decisions and assess performance and reconciles Brookfield Renewable's proportionate results to the consolidated statements of income (loss) on a line-by-line basis by aggregating the components comprising the earnings from Brookfield Renewable's investments in associates and reflecting the portion of each line item attributable to non-controlling interests for the year ended December 31, 2022:

	Attributable to Unitholders									Contribution from equity-accounted investments	Attributable to non-controlling interests	As per IFRS financials ⁽¹⁾
	Hydroelectric			Wind	Utility-scale solar	Distributed energy & storage	Sustainable solutions	Corporate	Total			
(MILLIONS)	North America	Brazil	Colombia									
Revenues	\$ 964	\$ 197	\$ 273	\$ 538	\$ 374	\$ 242	\$ 48	\$ —	\$ 2,636	\$ (188)	\$ 2,263	4,711
Other income	15	22	10	56	90	23	3	73	292	(19)	(137)	136
Direct operating costs	(376)	(52)	(82)	(164)	(102)	(76)	(43)	(31)	(926)	86	(594)	(1,434)
Share of revenue, other income and opex from equity-accounted investments	—	—	—	—	—	—	—	—	—	121	7	128
	603	167	201	430	362	189	8	42	2,002	—	1,539	
Management service costs	—	—	—	—	—	—	—	(243)	(243)	—	—	(243)
Interest expense	(185)	(20)	(57)	(96)	(102)	(40)	(2)	(94)	(596)	19	(647)	(1,224)
Current income taxes	(6)	(9)	(27)	(8)	(7)	(1)	—	(1)	(59)	10	(99)	(148)
Distributions attributable to												
Preferred limited partners equity	—	—	—	—	—	—	—	(44)	(44)	—	—	(44)
Preferred equity	—	—	—	—	—	—	—	(26)	(26)	—	—	(26)
Perpetual subordinated notes	—	—	—	—	—	—	—	(29)	(29)	—	—	(29)
Share of interest and cash taxes from equity-accounted investments	—	—	—	—	—	—	—	—	—	(29)	(8)	(37)
Share of Funds From Operations attributable to non-controlling interests	—	—	—	—	—	—	—	—	—	—	(785)	(785)
Funds From Operations	412	138	117	326	253	148	6	(395)	1,005	—	—	
Depreciation												(1,583)
Foreign exchange and financial instrument loss												(133)
Deferred income tax recovery												150
Other												(190)
Share of earnings from equity-accounted investments												5
Net income attributable to non-controlling interests												451
Net loss attributable to Unitholders ⁽²⁾												\$ (295)

⁽¹⁾ Share of earnings from equity-accounted investments of \$96 million is comprised of amounts found on the Share of revenue, other income and direct operating costs, Share of interest and cash taxes and Share of earnings lines. Net income attributable to participating non-controlling interests – in operating subsidiaries of \$334 million is comprised of amounts found on Share of Funds From Operations attributable to non-controlling interests and Net income attributable to non-controlling interests.

⁽²⁾ Net income (loss) attributable to Unitholders includes net income (loss) attributable to GP interest, Redeemable/Exchangeable partnership units and LP units. Total net income (loss) includes amounts attributable to Unitholders, non-controlling interests, preferred limited partners equity and preferred equity.

The following table provides each segment's results in the format that management organizes its segments to make operating decisions and assess performance and reconciles Brookfield Renewable's proportionate results to the consolidated statements of income (loss) on a line-by-line basis by aggregating the components comprising the earnings from Brookfield Renewable's investments in associates and reflecting the portion of each line item attributable to non-controlling interests for the year ended December 31, 2021:

	Attributable to Unitholders									Contribution from equity-accounted investments	Attributable to non-controlling interests	As per IFRS financials ⁽¹⁾
	Hydroelectric			Wind	Utility-scale solar	Distributed energy & storage	Sustainable solutions	Corporate	Total			
(MILLIONS)	North America	Brazil	Colombia									
Revenues	\$ 876	\$ 169	\$ 224	\$ 556	\$ 348	\$ 215	\$ 27	\$ —	\$ 2,415	\$ (163)	\$ 1,844	4,096
Other income	42	36	14	126	39	—	3	41	301	(11)	14	304
Direct operating costs	(349)	(50)	(79)	(171)	(89)	(55)	(17)	(30)	(840)	75	(600)	(1,365)
Share of revenue, other income and direct operating costs from equity-accounted investments	—	—	—	—	—	—	—	—	—	99	43	142
	569	155	159	511	298	160	13	11	1,876	—	1,301	
Management service costs	—	—	—	—	—	—	—	(288)	(288)	—	—	(288)
Interest expense	(158)	(20)	(28)	(106)	(111)	(30)	(8)	(78)	(539)	29	(471)	(981)
Current income taxes	(2)	(4)	(3)	(9)	(2)	(2)	—	—	(22)	3	(24)	(43)
Distributions attributable to												
Preferred limited partners equity	—	—	—	—	—	—	—	(55)	(55)	—	—	(55)
Preferred equity	—	—	—	—	—	—	—	(26)	(26)	—	—	(26)
Perpetual subordinated notes	—	—	—	—	—	—	—	(12)	(12)	—	—	(12)
Share of interest and cash taxes from equity-accounted investments	—	—	—	—	—	—	—	—	—	(32)	(33)	(65)
Share of Funds From Operations attributable to non-controlling interests	—	—	—	—	—	—	—	—	—	—	(773)	(773)
Funds From Operations	409	131	128	396	185	128	5	(448)	934	—	—	
Depreciation												(1,501)
Foreign exchange and financial instrument loss												(32)
Deferred income tax recovery												29
Other												(307)
Share of earnings from equity-accounted investments												(55)
Net income attributable to non-controlling interests												564
Net loss attributable to Unitholders ⁽²⁾												\$ (368)

⁽¹⁾ Share of earnings from equity-accounted investments of \$22 million is comprised of amounts found on the Share of revenue, other income and direct operating costs, Share of interest and cash taxes and Share of earnings lines. Net income attributable to participating non-controlling interests – in operating subsidiaries of \$209 million is comprised of amounts found on Share of Funds From Operations attributable to non-controlling interests and Net income attributable to non-controlling interests.

⁽²⁾ Net income (loss) attributable to Unitholders includes net income (loss) attributable to GP interest, Redeemable/Exchangeable partnership units and LP units. Total net income (loss) includes amounts attributable to Unitholders, non-controlling interests, preferred limited partners equity and preferred equity.

The following table presents information on a segmented basis about certain items in our company's consolidated statements of financial position and reconciles our proportionate balances to the consolidated statements of financial position basis by aggregating the components comprising Brookfield Renewable's investments in associates and reflecting the portion of each line item attributable to non-controlling interests:

(MILLIONS)	Attributable to Unitholders									Contribution from equity-accounted investments	Attributable to non-controlling interests	As per IFRS financials
	Hydroelectric				Utility -scale solar	Distributed energy & storage	Sustainable solutions	Corporate	Total			
	North America	Brazil	Colombia	Wind								
As at December 31, 2023												
Cash and cash equivalents	\$ 77	\$ 20	\$ 12	\$ 225	\$ 123	\$ 50	\$ 30	\$ 3	\$ 540	\$ (85)	\$ 686	\$ 1,141
Property, plant and equipment	15,134	1,694	2,490	6,024	3,635	2,386	341	—	31,704	(1,578)	33,879	64,005
Total assets	16,143	1,880	2,738	6,802	4,518	2,842	1,540	257	36,720	(1,529)	40,937	76,128
Total liabilities	9,231	531	1,645	4,727	3,484	1,705	1,126	3,159	25,608	(1,529)	22,070	46,149
As at December 31, 2022												
Cash and cash equivalents	\$ 55	\$ 15	\$ 14	\$ 150	\$ 139	\$ 61	\$ 11	\$ —	\$ 445	\$ (43)	\$ 596	\$ 998
Property, plant and equipment	15,331	1,743	1,826	4,853	3,046	2,110	227	—	29,136	(1,165)	26,312	54,283
Total assets	16,971	1,880	2,036	5,565	3,520	2,416	378	581	33,347	(587)	31,351	64,111
Total liabilities	9,456	892	625	3,709	2,874	1,322	113	2,827	21,818	(577)	16,584	37,825

Geographical Information

The following table presents consolidated revenue split by reportable segment for the year ended December 31:

(MILLIONS)	2023	2022	2021
Hydroelectric			
North America	\$ 1,135	\$ 1,211	\$ 1,044
Brazil	269	181	177
Colombia	1,285	1,135	929
	<u>2,689</u>	<u>2,527</u>	<u>2,150</u>
Wind	<u>1,213</u>	<u>1,146</u>	<u>1,074</u>
Utility-scale solar	<u>751</u>	<u>700</u>	<u>563</u>
Distributed energy & storage	<u>350</u>	<u>298</u>	<u>267</u>
Sustainable solutions	<u>35</u>	<u>40</u>	<u>42</u>
Total	<u>\$ 5,038</u>	<u>\$ 4,711</u>	<u>\$ 4,096</u>

The following table presents consolidated property, plant and equipment and equity-accounted investments split by geography:

(MILLIONS)	December 31, 2023	December 31, 2022
United States	\$ 34,303	\$ 29,056
Colombia	10,585	8,264
Canada	7,483	7,560
Brazil	5,622	4,754
Europe	5,046	3,963
Asia	3,320	1,932
Other	192	146
	<u>\$ 66,551</u>	<u>\$ 55,675</u>

7. OTHER INCOME

Brookfield Renewable's other income for the year ended December 31 is comprised of the following:

(MILLIONS)	2023	2022	2021
Interest and other investment income	\$ 107	\$ 68	\$ 59
Gain on regulatory and contract settlement	22	43	35
Gain on disposition of non core assets and development assets	72	—	202
Other ⁽¹⁾	470	25	8
	<u>\$ 671</u>	<u>\$ 136</u>	<u>\$ 304</u>

- ⁽¹⁾ During the year ended December 31, 2023, Brookfield Renewable's application of the acquisition method for its completed investments resulted in the recognition of net assets at a fair value that exceeded consideration transferred. The difference in value of \$370 million was recorded within other income in the consolidated statements of income (loss). Refer to Note 3 - Acquisitions for more details.

8. DIRECT OPERATING COSTS

Brookfield Renewable's direct operating costs for the year ended December 31 are comprised of the following:

(MILLIONS)	Notes	2023	2022	2021
Fuel and power purchases ⁽¹⁾⁽²⁾		\$ (574)	\$ (400)	\$ (390)
Salaries and benefits		(464)	(325)	(293)
Operations and maintenance		(347)	(309)	(285)
Water royalties, property taxes and other regulatory fees		(238)	(205)	(201)
Insurance		(72)	(71)	(68)
Professional fees		(122)	(59)	(56)
Other related party services	28	(5)	(1)	(8)
Other		(111)	(64)	(64)
		<u>\$ (1,933)</u>	<u>\$ (1,434)</u>	<u>\$ (1,365)</u>

⁽¹⁾ Fuel and power purchases are primarily attributable to our portfolio in Colombia.

⁽²⁾ Includes \$80 million in 2021 relating to the Texas winter storm event which reflect the cost of acquiring energy to cover our contractual obligations for our wind assets that were not generating during the period due to freezing conditions, net of hedging initiatives.

Direct operating costs exclude depreciation expense of \$1,852 million (2022: \$1,583 million and 2021: \$1,501 million) which is presented separately.

9. OTHER

Brookfield Renewable's other for the year ended December 31 is comprised of the following:

(MILLIONS)	Notes	2023	2022	2021
Change in fair value of property, plant and equipment		\$ (164)	\$ (61)	\$ (63)
Amortization of service concession assets		(11)	(15)	(14)
Transaction costs		(5)	(2)	(8)
Legal provisions	27	—	(6)	(58)
Other		(32)	(106)	(164)
		<u>\$ (212)</u>	<u>\$ (190)</u>	<u>\$ (307)</u>

10. FOREIGN CURRENCY TRANSLATION

Brookfield Renewable's foreign currency translation for the year ended December 31 shown in the consolidated statements of comprehensive income is comprised of the following:

(MILLIONS)	Notes	2023	2022	2021
Foreign currency translation on				
Property, plant and equipment, at fair value	12	\$ 2,798	\$ (2,011)	\$ (1,510)
Goodwill	17	150	(131)	(121)
Borrowings	13	(818)	975	436
Deferred income tax liabilities and assets	11	(698)	526	318
Other assets and liabilities		(115)	(6)	18
		<u>\$ 1,317</u>	<u>\$ (647)</u>	<u>\$ (859)</u>

11. INCOME TAXES

The major components of income tax recovery (expense) for the year ended December 31 are as follows:

(MILLIONS)	2023	2022	2021
Income tax recovery (expense) applicable to:			
Current taxes			
Attributed to the current period	\$ (128)	\$ (148)	\$ (43)
Deferred taxes			
Income taxes – origination and reversal of temporary differences	193	125	160
Relating to change in tax rates / imposition of new tax laws	—	10	(147)
Relating to unrecognized temporary differences and tax losses	(17)	15	16
	<u>176</u>	<u>150</u>	<u>29</u>
Total income tax recovery (expense)	<u>\$ 48</u>	<u>\$ 2</u>	<u>\$ (14)</u>

The major components of deferred income tax (expense) recovery for the year ended December 31 recorded directly to other comprehensive income are as follows:

(MILLIONS)	2023	2022	2021
Deferred income taxes attributed to:			
Financial instruments designated as cash flow hedges	\$ (15)	\$ (75)	\$ 3
Other	5	(17)	(13)
Revaluation surplus			
Origination and reversal of temporary differences	77	(881)	(1,003)
Relating to changes in tax rates / imposition of new tax laws	1	34	(159)
	<u>\$ 68</u>	<u>\$ (939)</u>	<u>\$ (1,172)</u>

Brookfield Renewable's effective income tax recovery (expense) for the year ended December 31 is different from its recovery at its statutory income tax rate due to the differences below:

(MILLIONS)	2023	2022	2021
Statutory income tax recovery (expense) ⁽¹⁾	\$ (165)	\$ (38)	\$ 14
Reduction (increase) resulting from:			
Decrease in tax assets not recognized	(11)	(10)	(5)
Differences between statutory rate and future tax rate and tax rate changes	—	10	(147)
Non-controlling interest	98	20	2
Subsidiaries' income taxed at different rates	125	29	127
Other	1	(9)	(5)
Effective income tax recovery (expense)	<u>\$ 48</u>	<u>\$ 2</u>	<u>\$ (14)</u>

⁽¹⁾ Statutory income tax expense is calculated using domestic rates applicable to the profits in the relevant country.

The above reconciliation has been prepared by aggregating the information for all of Brookfield Renewable's subsidiaries using the domestic rate in each tax jurisdiction.

Brookfield Renewable's effective income tax rate was (8.5)% for the year ended December 31, 2023 (2022: (1.5)% and 2021: (26.9)%). The effective tax rate is different than the statutory rate primarily due to rate differentials, legislative changes in tax rates during the year, changes in tax assets not recognized and non-controlling interests' income not subject to tax.

The following table details the expiry date, if applicable, of the unrecognized deferred tax assets as at December 31:

(MILLIONS)	2023	2022	2021
Less than four years	\$ 12	\$ 9	\$ 5
Thereafter	166	144	138

The deferred tax assets and liabilities of the following temporary differences have been recognized in the consolidated financial statements for the year ended December 31:

(MILLIONS)	Non-capital losses	Difference between tax and carrying value	Net deferred tax (liabilities) assets
As at January 1, 2021	\$ 1,140	\$ (6,450)	\$ (5,310)
Recognized in net income	23	6	29
Recognized in equity	8	(1,068)	(1,060)
Business combination	(28)	33	5
Foreign exchange	6	312	318
As at December 31, 2021	1,149	(7,167)	(6,018)
Recognized in net income	132	18	150
Recognized in equity	—	(947)	(947)
Business combination	—	(42)	(42)
Foreign exchange	(8)	534	526
As at December 31, 2022	1,273	(7,604)	(6,331)
Recognized in net income	101	75	176
Recognized in equity	—	113	113
Business combination	78	(268)	(190)
Foreign exchange	6	(704)	(698)
As at December 31, 2023	\$ 1,458	\$ (8,388)	\$ (6,930)

The deferred income tax liabilities include \$6,885 million (2022: \$6,914 million and 2021: \$6,082 million) of liabilities which relate to property, plant and equipment revaluations included in equity.

The unrecognized taxable temporary difference attributable to Brookfield Renewable's interest in its subsidiaries, branches, associates, and joint ventures is \$5,203 million (2022: \$6,028 million and 2021: \$5,856 million).

12. PROPERTY, PLANT AND EQUIPMENT, AT FAIR VALUE

The following table presents a reconciliation of property, plant and equipment at fair value:

(MILLIONS)	Notes	Hydroelectric	Wind	Solar	Other ⁽¹⁾	Total
Property, plant and equipment, at fair value						
As at December 31, 2021		\$ 31,513	\$ 9,115	\$ 7,389	\$ 188	\$ 48,205
Additions, net ⁽²⁾		5	(194)	(65)	(7)	(261)
Transfer from construction work-in-progress		183	911	1,071	7	2,172
Acquisitions through business combinations	3	—	1,418	495	—	1,913
Disposals		(97)	—	—	—	(97)
Transfer to assets held for sale		(677)	—	—	—	(677)
Items recognized through OCI:						
Change in fair value		2,490	779	(31)	77	3,315
Foreign exchange	10	(1,634)	(178)	(191)	7	(1,996)
Items recognized through net income:						
Change in fair value		(2)	8	(44)	(2)	(40)
Depreciation	8	(613)	(557)	(385)	(28)	(1,583)
As at December 31, 2022		31,168	11,302	8,239	242	50,951
Additions ⁽³⁾		5	60	394	—	459
Transfer from construction work-in-progress		154	934	851	2	1,941
Acquisitions through business combinations	3	—	3,177	1,980	—	5,157
Disposals ⁽⁴⁾	4	—	—	(30)	(5)	(35)
Items recognized through OCI:						
Change in fair value		(466)	367	28	(36)	(107)
Foreign exchange	10	2,435	113	178	9	2,735
Items recognized through net income:						
Change in fair value		(7)	(13)	(164)	24	(160)
Depreciation	8	(643)	(716)	(454)	(39)	(1,852)
As at December 31, 2023		\$ 32,646	\$ 15,224	\$ 11,022	\$ 197	\$ 59,089
Construction work-in-progress						
As at December 31, 2021		\$ 278	\$ 295	\$ 649	\$ 5	\$ 1,227
Additions, net		209	1,155	1,325	7	2,696
Transfer to property, plant and equipment		(183)	(911)	(1,071)	(7)	(2,172)
Acquisitions through business combinations		—	347	827	—	1,174
Transfer to assets held for sale		(8)	—	—	—	(8)
Items recognized through OCI:						
Change in fair value		—	269	161	—	430
Foreign exchange	10	3	(23)	6	(1)	(15)
As at December 31, 2022		299	1,132	1,897	4	3,332
Additions		159	1,026	1,509	10	2,704
Transfer to property, plant and equipment		(154)	(934)	(851)	(2)	(1,941)
Acquisitions through business combinations	3	—	449	346	—	795
Items recognized through OCI:						
Change in fair value		—	(60)	80	—	20
Foreign exchange	10	(3)	28	38	—	63
Items recognized through net income:						
Change in fair value		(1)	(24)	(32)	—	(57)
As at December 31, 2023		\$ 300	\$ 1,617	\$ 2,987	\$ 12	\$ 4,916
Total property, plant and equipment, at fair value						
As at December 31, 2022 ⁽⁵⁾⁽⁶⁾		\$ 31,467	\$ 12,434	\$ 10,136	\$ 246	\$ 54,283
As at December 31, 2023⁽⁵⁾⁽⁶⁾		\$ 32,946	\$ 16,841	\$ 14,009	\$ 209	\$ 64,005

(1) Includes biomass and cogeneration.

(2) Includes fair value changes to decommissioning assets of nil (2022: \$255 million).

(3) Includes adjustments to purchase price allocations. Refer to Note 3 - Acquisitions for more details.

(4) Relates to disposal of significant assets. See Note 4 - Disposal of assets for additional details.

(5) Includes right-of-use assets not subject to revaluation of \$60 million (2022: \$64 million) in hydroelectric, \$284 million (2022: \$242 million) in wind, \$385 million (2022: \$215 million) in solar and nil (2022: nil) in other.

During the year ended December 31, 2023, Brookfield Renewable, together with its institutional partners, completed the acquisitions of the following investments. They are accounted for as asset acquisitions as they do not constitute business combinations under IFRS 3:

- A series of distributed generation assets in the U.S. totaling 99 MW, with \$156 million of property, plant and equipment included in the consolidated statements of financial position at the acquisition date. Brookfield Renewable holds a 25% economic interest.
- A 48 MW portfolio of wind assets in China, with \$53 million of property, plant and equipment included in the consolidated statements of financial position at the acquisition date. Brookfield Renewable holds a 25% economic interest.
- A 50 MW portfolio of wind assets in China, with \$68 million of property, plant and equipment included in the consolidated statements of financial position at the acquisition date. Brookfield Renewable holds a 20% economic interest.
- A series of distributed generation assets in U.S. totaling 82 MW, with \$86 million of property, plant and equipment included in the consolidated statements of financial position at the acquisition date. Brookfield Renewable holds a 20% economic interest.
- A 60 MW portfolio of operating solar facilities in Colombia, with \$71 million of property, plant and equipment included in the consolidated statements of financial position at the acquisition date. The company holds a 23% economic interest.

The fair value of Brookfield Renewable's property, plant and equipment is calculated as described in Notes 1(g) – and 1(r)(i) – Critical estimates – Property, plant and equipment. Judgment is involved in determining the appropriate estimates and assumptions in the valuation of Brookfield Renewable's property, plant and equipment. See Note 1(s)(iii) – Critical judgments in applying accounting policies – Property, plant and equipment. Brookfield Renewable has classified its property, plant and equipment under level 3 of the fair value hierarchy.

Discount rates, terminal capitalization rates and terminal years used in the valuation methodology are provided in the following table:

	North America		Colombia		Brazil		Europe	
	2023	2022	2023	2022	2023	2022	2023	2022
Discount rate ⁽¹⁾								
Contracted	5.1% - 5.7%	4.9% - 5.4%	8.7 %	8.5 %	8.4 %	8.2 %	4.8%	4.4 %
Uncontracted	6.3% - 7.0%	6.2% - 6.7%	10.0 %	9.7 %	9.7 %	9.5 %	4.8%	4.4 %
Terminal capitalization rate ⁽²⁾	4.4% - 5.0%	4.3% - 4.9%	8.0 %	7.7 %	N/A	N/A	N/A	N/A
Terminal year ⁽³⁾	2046	2044	2043	2042	2053	2051	2037	2036

(1) Discount rates are not adjusted for asset specific risks.

(2) The terminal capitalization rate applies only to hydroelectric assets in the United States, Canada and Colombia.

(3) For hydroelectric assets, terminal year refers to the valuation date of the terminal value.

The following table summarizes the impact of a change in discount rates, electricity prices and terminal capitalization rates on the fair value of property, plant and equipment:

	2023				
(MILLIONS)	North America	Colombia	Brazil	Europe	Total
25 bps increase in discount rates	\$ (1,400)	\$ (340)	\$ (120)	\$ (40)	\$ (1,900)
25 bps decrease in discount rates	1,550	380	130	40	2,100
5% increase in future energy prices	1,350	540	140	—	2,030
5% decrease in future energy prices	(1,340)	(540)	(140)	—	(2,020)
25 bps increase in terminal capitalization rate	(450)	(80)	—	—	(530)
25 bps decrease in terminal capitalization rate	500	90	—	—	590

	2022				
(MILLIONS)	North America	Colombia	Brazil	Europe	Total
25 bps increase in discount rates	\$ (1,530)	\$ (310)	\$ (110)	\$ (50)	\$ (2,000)
25 bps decrease in discount rates	1,650	260	110	50	2,070
5% increase in future energy prices	1,280	440	120	—	1,840
5% decrease in future energy prices	(1,270)	(440)	(120)	—	(1,830)
25 bps increase in terminal capitalization rate	(490)	(70)	—	—	(560)
25 bps decrease in terminal capitalization rate	540	80	—	—	620

Terminal values are included in the valuation of hydroelectric assets in the United States, Canada and Colombia. For the hydroelectric assets in Brazil, cash flows have been included based on the duration of the authorization or useful life of a concession asset plus a one-time 30-year renewal term for the majority of the hydroelectric assets. The weighted-average remaining duration of the authorization or useful life of a concession asset at December 31, 2023, including a one-time 30-year renewal for applicable hydroelectric assets, is 34 years (2022: 35 years). Consequently, there is no terminal value attributed to the hydroelectric assets in Brazil at the end of the authorization term.

The following table summarizes the percentage of total generation contracted under power purchase agreements as at December 31, 2023:

	North America	Colombia	Brazil	Europe
1 - 5 years	75 %	61 %	81 %	100 %
6 - 10 years	57 %	29 %	70 %	76 %
Thereafter	30 %	3 %	40 %	47 %

The following table summarizes average power prices from long-term power purchase agreements that are linked specifically to the related power generating assets:

Per MWh ⁽¹⁾	North America	Colombia	Brazil	Europe
1 - 10 years	\$ 77	COP 294,000	R\$ 313	€ 73
11 - 20 years	74	357,000	381	65

⁽¹⁾ Assumes nominal prices based on weighted-average generation.

The following table summarizes the estimates of future electricity prices:

Per MWh ⁽¹⁾	North America	Colombia	Brazil	Europe
1 - 10 years	\$ 92	COP 412,000	R\$ 279	€ 62
11 - 20 years	117	600,000	424	65

⁽¹⁾ Assumes nominal prices based on weighted-average generation.

Brookfield Renewable's long-term view is anchored to the cost of securing new energy from renewable sources to meet future demand growth between 2027 and 2035. A further one year change would increase or decrease the fair value of property, plant and equipment by approximately \$153 million (2022: \$140 million).

Had Brookfield Renewable's revalued property, plant and equipment been measured on a historical cost basis, the carrying amounts, net of accumulated depreciation would have been as follows at December 31:

(MILLIONS)	2023	2022
Hydroelectric	\$ 10,582	\$ 9,812
Wind	14,071	10,146
Solar	12,508	8,576
Other ⁽¹⁾	179	158
	<u>\$ 37,340</u>	<u>\$ 28,692</u>

⁽¹⁾ Includes biomass and cogeneration.

13. BORROWINGS

Corporate Borrowings

The composition of corporate borrowings as at December 31 is presented in the following table:

	December 31, 2023				December 31, 2022			
(MILLIONS EXCEPT AS NOTED)	Weighted-average		Carrying value	Estimated fair value	Weighted-average		Carrying value	Estimated fair value
	Interest rate (%)	Term (years)			Interest rate (%)	Term (years)		
Credit facilities	N/A	5	\$ —	\$ —	N/A	5	\$ —	\$ —
Commercial paper	6.0	<1	183	183	5.1	<1	249	249
Medium-Term Notes:								
Series 4 (C\$150)	5.8	13	113	121	5.8	14	111	114
Series 9 (C\$400)	3.8	1	302	297	3.8	2	295	286
Series 10 (C\$500)	3.6	3	377	366	3.6	4	369	350
Series 11 (C\$475)	4.3	5	358	353	4.3	6	351	338
Series 12 (C\$475)	3.4	6	358	335	3.4	7	351	316
Series 13 (C\$300)	4.3	26	226	201	4.3	27	221	184
Series 14 (C\$425)	3.3	27	321	240	3.3	28	314	218
Series 15 (C\$400) ⁽¹⁾	5.9	9	303	324	5.9	10	295	307
Series 16 (C\$400)	5.3	10	302	311	—	—	—	—
	<u>4.3</u>	<u>10</u>	<u>2,660</u>	<u>2,548</u>	<u>4.1</u>	<u>11</u>	<u>2,307</u>	<u>2,113</u>
Total corporate borrowings			2,843	\$ 2,731			2,556	\$ 2,362
Add: Unamortized premiums ⁽²⁾			2				2	
Less: Unamortized financing fees ⁽²⁾			(12)				(10)	
Less: Current portion			(183)				(249)	
			<u>\$ 2,650</u>				<u>\$ 2,299</u>	

⁽¹⁾ Includes \$8 million (2022: \$7 million) outstanding to Brookfield Reinsurance. Refer to Note 28 - Related party transactions for more details.

⁽²⁾ Unamortized premiums and unamortized financing fees are amortized over the terms of the borrowing.

The following table outlines the change in the unamortized financing fees of corporate borrowings for the year ended December 31:

(MILLIONS)	2023	2022
Corporate borrowings		
Unamortized financing fees, beginning of year	\$ (10)	\$ (10)
Additional financing fees	(3)	(1)
Amortization of financing fees	1	1
Unamortized financing fees, end of year	<u>\$ (12)</u>	<u>\$ (10)</u>

Credit facilities

Brookfield Renewable had \$183 million commercial paper outstanding as at December 31, 2023 (2022: \$249 million).

Brookfield Renewable issues letters of credit from its corporate credit facilities for general corporate purposes which include, but are not limited to, security deposits, performance bonds and guarantees for debt service reserve accounts. See Note 27 – Commitments, contingencies and guarantees for letters of credit issued by subsidiaries.

The following table summarizes the available portion of corporate credit facilities as at December 31:

(MILLIONS)	2023	2022
Authorized corporate credit facilities and related party credit facilities ⁽¹⁾	\$ 2,375	\$ 2,375
Draws on corporate credit facilities ⁽¹⁾⁽²⁾	(165)	—
Authorized letter of credit facility	500	500
Issued letters of credit	(307)	(344)
Available portion of corporate credit facilities	<u>\$ 2,403</u>	<u>\$ 2,531</u>

(1) Amounts are guaranteed by Brookfield Renewable.

(2) Relates to letter of credit issued against Brookfield Renewable's corporate credit facilities.

Medium-term notes

Corporate borrowings are obligations of a finance subsidiary of Brookfield Renewable, Brookfield Renewable Partners ULC ("Canadian Finco") (Note 30 – Subsidiary Public Issuers). Canadian Finco may redeem some or all of the borrowings from time to time, pursuant to the terms of the indenture. The balance is payable upon maturity, and interest on corporate borrowings is paid semi-annually. The term notes payable by Canadian Finco are unconditionally guaranteed by Brookfield Renewable, Brookfield Renewable Energy L.P. ("BRELP") and certain other subsidiaries.

In the first quarter of 2023, Brookfield Renewable issued C\$400 million of Series 16 medium-term notes. The medium-term notes have a fixed interest rate of 5.29% and a maturity date of October 28, 2033. The Series 16 medium-term notes are corporate-level green bonds.

Non-recourse borrowings

Non-recourse borrowings are typically asset-specific, long-term, non-recourse borrowings denominated in the domestic currency of the subsidiary. Non-recourse borrowings in North America and Europe consist of both fixed and floating interest rate debt indexed to the Secured Overnight Financing Rate ("SOFR"), the Sterling Overnight Index Average ("SONIA"), the Euro Interbank Offered Rate ("EURIBOR") and the Canadian Dollar Offered Rate ("CDOR"). Brookfield Renewable uses interest rate swap agreements in North America and Europe to minimize its exposure to floating interest rates. Non-recourse borrowings in Brazil consist of floating interest rates of Taxa de Juros de Longo Prazo ("TJLP"), the Brazil National Bank for Economic Development's long-term interest rate, or Interbank Deposit Certificate rate ("CDI"), plus a margin. Non-recourse borrowings in Colombia consist of both fixed and floating interest rates indexed to Indicador Bancario de Referencia rate ("IBR"), the Banco Central de Colombia short-term interest rate, and Colombian Consumer Price Index ("IPC"), Colombia inflation rate, plus a margin. Non-Recourse borrowings in India consist of both fixed and floating interest indexed to Prime lending rate of lender ("MCLR"). Non-recourse borrowings in China consist of floating interest rates of People's Bank of China ("PBOC").

Effective January 1, 2022, SONIA replaced the £ London Interbank Offered Rate ("LIBOR"), and Euro Short-term Rate ("€STR") replaced € LIBOR. The Canadian Overnight Repo Rate Average ("CORRA") is expected to replace CDOR after June 28, 2024.

As at December 31, 2023, Brookfield Renewable's floating rate borrowings have not been materially impacted by SONIA and €STR reforms. Brookfield Renewable has completed an assessment and implemented its transition plan to address the impact and effect changes as a result of amendments to the contractual terms for the replacement of US\$ LIBOR with SOFR referenced floating-rate borrowings, interest rate swaps, and updating hedge designations. The adoption did not have a significant impact on Brookfield Renewable's financial reporting.

The composition of non-recourse borrowings as at December 31 is presented in the following table:

(MILLIONS EXCEPT AS NOTED)	December 31, 2023				December 31, 2022			
	Weighted-average				Weighted-average			
	Weighted-average interest rate (%)	Term (years)	Carrying value	Estimated fair value	Weighted-average interest rate (%)	Term (years)	Carrying value	Estimated fair value
Non-recourse borrowings ⁽¹⁾⁽²⁾								
Hydroelectric.....	7.8	9	\$ 9,468	\$ 9,292	7.2	10	\$ 8,813	\$ 8,104
Wind.....	6.1	9	6,866	6,922	5.4	8	5,943	5,824
Utility-scale solar.....	6.2	12	5,868	5,879	5.6	13	4,625	4,502
Distributed energy & storage ⁽³⁾ ..	6.2	6	3,035	2,963	5.3	8	2,593	2,340
Sustainable solutions.....	7.0	1	1,783	1,783	5.9	2	347	347
Total.....	6.8	9	27,020	\$ 26,839	6.2	10	22,321	\$ 21,117
Add: Unamortized premiums and discounts ⁽⁴⁾			(11)				105	
Less: Unamortized financing fees ⁽⁴⁾			(140)				(124)	
Less: Current portion.....			(4,752)				(2,027)	
			\$ 22,117				\$ 20,275	

(1) Includes \$2,626 million (2022: \$1,838 million) borrowed under a subscription facility of a Brookfield sponsored private fund.

(2) Includes \$101 million (2022: \$93 million) outstanding to an associate of Brookfield. Refer to Note 28 - Related party transactions for more details.

(3) Includes adjustments to purchase price allocations. Refer to Note 3 - Acquisitions for more details.

(4) Unamortized premiums, discounts, and financing fees are amortized over the terms of the borrowing.

Future repayments of Brookfield Renewable's non-recourse borrowings for each of the next five years and thereafter are as follows:

(MILLIONS)	2024	2025	2026	2027	2028	Thereafter	Total
Non-recourse borrowings							
Hydroelectric.....	\$ 664	\$ 691	\$ 1,610	\$ 718	\$ 602	\$ 5,183	\$ 9,468
Wind.....	1,081	615	731	529	725	3,185	6,866
Utility-scale solar.....	954	552	370	323	639	3,030	5,868
Distributed energy & storage.....	270	471	345	362	191	1,396	3,035
Sustainable solutions.....	1,783	—	—	—	—	—	1,783
	\$ 4,752	\$ 2,329	\$ 3,056	\$ 1,932	\$ 2,157	\$ 12,794	\$ 27,020

The following table outlines the change in the unamortized financing fees of non-recourse borrowings for the year ended December 31:

(MILLIONS)	2023	2022
Non-recourse borrowings		
Unamortized financing fees, beginning of year.....	\$ (124)	\$ (132)
Additional financing fees.....	(50)	(49)
Amortization of financing fees.....	25	36
Foreign exchange translation and other.....	9	21
Unamortized financing fees, end of year.....	\$ (140)	\$ (124)

The following table outlines the change in the unamortized premiums of non-recourse borrowings for the year ended December 31:

(MILLIONS)	2023	2022
Non-recourse borrowings		
Unamortized premiums and discounts, beginning of year	\$ 105	\$ 160
Additional premiums and discounts	(90)	(13)
Amortization of premiums and discounts	(14)	(15)
Foreign exchange translation and other	(12)	(27)
Unamortized premiums and discounts, end of year	<u>\$ (11)</u>	<u>\$ 105</u>

Brookfield Renewable's financing and refinancing completed for the year ended December 31, 2023 are as follows:

Period Closed	Region	Technology	Average Interest rate ⁽¹⁾		Maturity	Carrying Value
Q1 2023	US	Distributed generation	7.03%	Financing	2026	\$100 million
Q1 2023	China	Wind	4.40%	Financing	2040	CNY 971 million (\$141 million)
Q1 2023	China	Wind	4.60%	Financing	2030	CNY 200 million (\$29 million)
Q1 2023	China	Wind	4.60%	Financing	2039	CNY 70 million (\$10 million)
Q1 2023	China	Wind	4.40%	Financing	2039	CNY 97 million (\$14 million)
Q2 2023	India	Solar	MCLR	Financing	2043	INR 10 billion (\$123 million)
Q2 2023	Brazil	Wind	CDI	Financing	2024	BRL \$450 million (\$93 million)
Q2 2023	Canada	Hydroelectric	6.19%	Financing	2045	CAD \$30 million (\$22 million)
Q2 2023	US	Solar	6.62%	Financing	2058 - 2060	\$45 million
Q2 2023	US	Wind	SOFR	Refinancing	2033	\$311 million
Q3 2023	Brazil	Wind	CDI	Financing	2047	\$300 million (\$60 million)
Q3 2023	Canada	Solar	CDOR	Financing	2038 ⁽²⁾	CAD \$34 million (\$23 million)
Q3 2023	US	Wind	SOFR	Financing	2026	\$175 million
Q3 2023	China	Wind	PBOC	Financing	2040	CNY 273 million (\$37 million)
Q3 2023	Colombia	Hydro	IBR	Financing	2033	COP 687 billion (\$169 million)
Q4 2023	China	Wind	5.00%	Financing	2039	CNY 1.5 billion (\$203 million)
Q4 2023	China	Wind	4.20%	Financing	2041	CNY 298 million (\$42 million)
Q4 2023	India	Solar	8.80%	Financing	2043	INR 7.4 billion (\$90 million)
Q4 2023	Brazil	Hydro	7.72%	Refinancing	2024	BRL \$800 million (\$164 million)
Q4 2023	US	Hydro	6.16%	Refinancing	2032	\$80 million
Q4 2023	US	Hydro	7.75%	Refinancing	2033	\$125 million
Q4 2023	US	Wind	SOFR	Financing	2034 ⁽³⁾	\$52 million
Q4 2023	US	Wind	SOFR	Financing	2024	\$140 million
Q4 2023	US	Solar	SOFR	Financing	2024	\$39 million
Q4 2023	US	Solar	SOFR	Financing	2028	\$48 million
Q4 2023	US	Solar	SOFR	Financing	2024	\$61 million
Q4 2023	US	Various	SOFR	Financing	2025	\$200 million
Q4 2023	US	Various	SOFR	Financing	2028	\$600 million
Q4 2023	Colombia	Hydro	IBR	Financing	2033	COP \$100 billion (\$25 million)

⁽¹⁾ Benchmarked financings bear a variable interest at the applicable rate plus a margin.

⁽²⁾ Term conversion date in 2024 automatically rolling into a maturity of 2038.

⁽³⁾ Term conversion date in 2024 automatically rolling into a maturity of 2034.

In the second quarter of 2023, the Company extended the maturity of its \$650 million credit facility associated with the United States business to mature in 2026.

In the fourth quarter of 2023, the Company extended the maturity of its \$46 million credit facility associated with US wind assets to mature in 2024.

In the fourth quarter of 2023, the Company extended the maturity of its \$64 million credit facility associated with US wind assets to mature in 2030.

In the fourth quarter of 2023, the Company extended the maturity of its \$25 million credit facility associated with the United States business to mature in 2025.

In the fourth quarter of 2023, the Company extended the maturity of its \$75 million credit facility associated with the US distributed generation business to mature in 2024.

Supplemental Information

The following table outlines changes in Brookfield Renewable's borrowings for the year ended December 31:

(MILLIONS)	January 1	Net cash flows from financing activities ⁽¹⁾	Non-cash				December 31
			Acquisition	Disposal	Transfer to liabilities held for sale	Other ⁽²⁾⁽³⁾⁽⁴⁾	
2023							
Corporate borrowings	\$ 2,548	228	—	—	—	57	\$ 2,833
Non-recourse borrowings	\$ 22,302	2,279	2,073	(164)	—	379	\$ 26,869
2022							
Corporate borrowings	\$ 2,149	545	—	—	—	(146)	\$ 2,548
Non-recourse borrowings	\$ 19,380	3,254	443	—	(171)	(604)	\$ 22,302

(1) Excludes \$307 million (2022: \$233 million) of net cash flow from financing activities related to tax equity recorded on the consolidated statements of cash flows.

(2) Includes foreign exchange and amortization of unamortized premium and financing fees.

(3) Includes \$103 million (2022: \$129 million) of non-recourse borrowings acquired through asset acquisitions.

(4) Includes adjustments to purchase price allocations. Refer to Note 3 - Acquisitions for more details.

14. NON-CONTROLLING INTERESTS

Brookfield Renewable's non-controlling interests are comprised of the following as at December 31:

(MILLIONS)	2023	2022
Participating non-controlling interests – in operating subsidiaries	\$ 18,863	\$ 14,755
General partnership interest in a holding subsidiary held by Brookfield	55	59
Participating non-controlling interests – in a holding subsidiary – Redeemable/Exchangeable units held by Brookfield	2,684	2,892
BEPC exchangeable shares	2,479	2,561
Preferred equity	583	571
Perpetual subordinated notes	592	592
	<u>\$ 25,256</u>	<u>\$ 21,430</u>

Participating non-controlling interests – in operating subsidiaries

The net change in participating non-controlling interests – in operating subsidiaries is as follows:

(MILLIONS)	Brookfield Americas Infrastructure Fund	Brookfield Infrastructure Fund II	Brookfield Infrastructure Fund III	Brookfield Infrastructure Fund IV	Brookfield Infrastructure Fund V	Brookfield Global Transition Fund I	Brookfield Global Transition Fund II	Canadian Hydroelectric Portfolio	The Catalyst Group	Isagen institutional partners	Isagen public non- controlling interests	Other	Total
As at December 31, 2020	\$ 1,002	\$ 1,994	\$ 3,623	\$ 410	\$ —	\$ —	\$ —	\$ 627	\$ 97	\$ 2,651	\$ 14	\$ 682	\$ 11,100
Net income(loss)	5	43	(16)	38	—	—	—	4	16	113	1	5	209
Other comprehensive income (loss)	(122)	445	196	150	—	—	—	163	28	(107)	—	86	839
Capital contributions	—	6	10	924	—	—	—	—	—	—	—	181	1,121
Disposals	(181)	(214)	—	—	—	—	—	—	—	—	—	—	(395)
Distributions ⁽¹⁾	(18)	(32)	(350)	(114)	—	—	—	(25)	(8)	(215)	(1)	(47)	(810)
Other	(1)	11	155	2	—	—	—	205	(1)	—	(1)	(131)	239
As at December 31, 2021	685	2,253	3,618	1,410	—	—	—	974	132	2,442	13	776	12,303
Net income (loss)	19	(31)	144	16	—	(50)	—	20	11	179	1	25	334
Other comprehensive income (loss)	(103)	449	212	425	—	9	—	187	(19)	67	1	20	1,248
Capital contributions	—	4	—	301	—	1,484	—	—	—	—	—	342	2,131
Disposals	(54)	—	(21)	—	—	—	—	—	—	—	—	—	(75)
Distributions ⁽¹⁾	(71)	(59)	(460)	(3)	—	(14)	—	(37)	(9)	(524)	(1)	(97)	(1,275)
Other	1	1	(3)	(15)	—	32	—	4	—	(5)	—	74	89
As at December 31, 2022	477	2,617	3,490	2,134	—	1,461	—	1,148	115	2,159	14	1,140	14,755
Net income (loss)	27	64	108	43	291	20	1	15	7	98	1	(56)	619
Other comprehensive income (loss)	(43)	(96)	356	235	—	294	(3)	2	3	603	4	9	1,364
Capital contributions	—	—	1	162	410	2,045	298	—	—	—	—	77	2,993
Return of capital	—	—	—	—	(140)	—	—	—	—	—	—	—	(140)
Disposals	(388)	—	(32)	—	—	(26)	—	—	—	—	—	(3)	(449)
Distributions ⁽¹⁾	(25)	(123)	(695)	(172)	—	(81)	—	(42)	(3)	(156)	(1)	(130)	(1,428)
Acquisitions through business combinations	—	—	—	—	—	—	—	—	—	—	—	414	414
Other	27	1	(14)	9	356	(31)	—	165	—	—	—	222	735
As at December 31, 2023	<u>\$ 75</u>	<u>\$ 2,463</u>	<u>\$ 3,214</u>	<u>\$ 2,411</u>	<u>\$ 917</u>	<u>\$ 3,682</u>	<u>\$ 296</u>	<u>\$ 1,288</u>	<u>\$ 122</u>	<u>\$ 2,704</u>	<u>\$ 18</u>	<u>\$ 1,673</u>	<u>\$ 18,863</u>
Interests held by third parties	75%-78%	43%-60%	69%-71%	75 %	71 %	77% - 80%	50% - 51%	50 %	25 %	77 %	0.3 %	0.3% - 72%	

⁽¹⁾ Distributions paid during the year ended December 31, 2023, totaled \$870 million (2022: \$1,275 million and 2021: \$810 million).

The following tables summarize certain financial information of operating subsidiaries that have non-controlling interests that are material to Brookfield Renewable:

(MILLIONS)	Brookfield Americas Infrastructure Fund	Brookfield Infrastructure Fund II	Brookfield Infrastructure Fund III ⁽¹⁾	Brookfield Infrastructure Fund IV	Brookfield Infrastructure Fund V	Brookfield Global Transition Fund I	Canadian Hydroelectric Portfolio	The Catalyst Group	Isagen ⁽²⁾	TerraForm Power ⁽³⁾	Onpath ⁽⁴⁾	Other	Total
Interests held by third parties	75%-78%	43%-60%	69%-71%	75 %	71 %	77% - 80%	50 %	25 %	77 %	42 %	3%-51%	0.3%-72%	
Place of business	United States, Brazil	United States, Brazil, Europe	United States, Brazil, Europe, India, China	United States, Brazil, India, China	United States	North America, Europe, India, China, Australia	Canada	United States	Colombia	North America, South America, Europe	United Kingdom	North America, South America, China, India	
Year ended December 31, 2021:													
Revenue	\$ 137	\$ 302	\$ 195	\$ 316	\$ —	\$ —	\$ 81	\$ 136	\$ 929	\$ 1,239	\$ —	\$ 19	\$ 3,354
Net income	7	64	1	50	—	—	10	62	214	(245)	—	66	229
Total comprehensive income (loss)	(161)	895	348	252	—	—	329	173	11	(243)	—	187	1,791
Net income allocated to non-controlling interests	5	43	2	38	—	—	4	16	162	(109)	—	48	209
Year ended December 31, 2022:													
Revenue	\$ 120	\$ 324	\$ 213	\$ 451	—	\$ 54	\$ 116	\$ 131	\$ 1,135	\$ 1,324	\$ —	\$ 170	\$ 4,038
Net income (loss)	25	(66)	44	14	—	(66)	40	44	340	94	—	45	514
Total comprehensive income (loss)	(106)	732	183	586	—	(51)	403	(32)	467	301	—	132	2,615
Net income allocated to non-controlling interests	19	(31)	31	16	—	(50)	20	11	257	31	—	30	334
As at December 31, 2022:													
Property, plant and equipment, at fair value	\$ 131	\$ 6,223	\$ 2,873	\$ 6,060	\$ —	\$ 1,565	\$ 2,686	\$1,031	\$ 8,264	\$ 10,012	\$ —	\$ 1,936	\$40,781
Total assets	852	6,368	3,529	6,911	—	5,298	2,984	1,053	9,178	11,192	—	2,787	50,152
Total borrowings	14	1,332	1,051	3,120	—	497	466	476	2,356	6,371	—	651	16,334
Total liabilities	240	1,618	1,172	4,173	—	3,502	520	491	5,112	8,275	—	1,178	26,281
Carrying value of non-controlling interests	477	2,617	1,675	2,134	—	1,461	1,194	115	3,146	1,452	—	484	14,755
Year ended December 31, 2023:													
Revenue	\$ 56	\$ 339	\$ 192	\$ 533	\$ 45	\$ 145	\$ 130	\$ 102	\$ 1,285	\$ 1,213	\$ 13	\$ 230	\$ 4,283
Net income (loss)	34	118	79	46	411	26	31	27	186	(27)	2	(19)	913
Total comprehensive income (loss)	(19)	(70)	306	362	411	409	28	40	1,331	(93)	(4)	(172)	2,528
Net income allocated to non-controlling interests	27	64	56	43	291	20	16	7	144	(43)	1	(7)	619
As at December 31, 2023:													
Property, plant and equipment, at fair value	\$ 106	\$ 5,878	\$ 2,919	\$ 7,293	\$ 2,357	\$ 4,700	\$ 2,463	\$1,024	\$10,585	\$ 9,718	\$ 992	\$ 4,294	\$52,336
Total assets	112	6,055	3,662	8,396	2,538	9,535	2,747	1,036	11,601	10,528	1,261	5,429	62,909
Total borrowings	12	1,320	1,159	3,704	462	1,169	144	439	3,000	6,056	295	2,036	19,796
Total liabilities	18	1,609	1,249	5,117	1,611	5,424	192	447	6,498	9,106	630	2,845	34,756
Carrying value of non-controlling interests	75	2,463	1,713	2,411	917	3,682	1,332	122	3,948	847	335	1,018	18,863

⁽¹⁾ Excludes information relating to Isagen and TerraForm Power which are presented separately.

⁽²⁾ The total third party ownership interest in Isagen as of December 31, 2023 was 77.4% and comprised of Brookfield Infrastructure Fund III: 23.0%, Brookfield Global Infrastructure Income Fund: 1.5%, Isagen Institutional investors: 52.6% and other non-controlling interests: 0.3%.

⁽³⁾ The total third party interest in Terraform Power as of December 31, 2023 was 41.7% and comprised of Brookfield Infrastructure Fund III: 34.9% and Brookfield Global Infrastructure Income Fund: 6.8%.

⁽⁴⁾ The total third party interest in Onpath as of December 31, 2023 was 52.7% and comprised of Brookfield Global Transition Fund II: 49.7% and Brookfield Global Infrastructure Income Fund: 3.0%.

General partnership interest in a holding subsidiary held by Brookfield, Participating non-controlling interests – in a holding subsidiary – Redeemable/Exchangeable units held by Brookfield and Class A exchangeable shares of Brookfield Renewable Corporation held by public shareholders and Brookfield

Brookfield, as the owner of the 1% GP interest in BRELP, is entitled to regular distributions plus an incentive distribution based on the amount by which quarterly distributions exceed specified target levels. To the extent that LP unit distributions exceed \$0.20 per LP unit per quarter, the incentive is 15% of distributions above this threshold. To the extent that quarterly LP unit distributions exceed \$0.2253 per LP unit per quarter, the incentive distribution is equal to 25% of distributions above this threshold.

Consolidated equity includes Redeemable/Exchangeable partnership units, BEPC exchangeable shares and the GP interest. The Redeemable/Exchangeable partnership units and the GP interest are held 100% by Brookfield, the BEPC exchangeable shares are held 25% by Brookfield Holders, with the remainder held by public shareholders. The Redeemable/Exchangeable partnership units and BEPC exchangeable shares provide the holder, at its discretion, with the right to redeem these units or shares, respectively, for cash consideration. Since this redemption right is subject to Brookfield Renewable's right, at its sole discretion, to satisfy the redemption request with LP units of Brookfield Renewable on a one-for-one basis, the Redeemable/Exchangeable partnership units and BEPC exchangeable shares are classified as equity in accordance with IAS 32, Financial Instruments: Presentation.

The Redeemable/Exchangeable partnership units, BEPC exchangeable shares and the GP interest are presented as non-controlling interests since they relate to equity in a subsidiary that is not attributable, directly or indirectly, to Brookfield Renewable. During the year ended December 31, 2023, exchangeable shareholders of BEPC exchanged 8,465 (December 31, 2022: 12,308) BEPC exchangeable for an equivalent number of LP units amounting to less than \$1 million (December 31, 2022: \$1 million). No Redeemable/Exchangeable partnership units have been redeemed.

On June 16, 2023, Brookfield Renewable completed the issuance of 8,200,000 LP Units and 7,430,000 BEPC exchangeable shares on a bought deal basis at a price of \$30.35 per LP Unit and \$33.80 per BEPC exchangeable Share for gross proceeds of \$500 million.

The Redeemable/Exchangeable partnership units issued by BRELP and the BEPC exchangeable shares issued by BEPC have the same economic attributes in all respects to the LP units issued by Brookfield Renewable, except for the redemption rights described above. The Redeemable/Exchangeable partnership units, BEPC exchangeable shares and the GP interest, excluding incentive distributions, participate in earnings and distributions on a per unit basis equivalent to the per unit participation of the LP units of Brookfield Renewable.

As at December 31, 2023, Redeemable/Exchangeable partnership units, BEPC exchangeable shares and units of GP interest outstanding were 194,487,939 units (December 31, 2022: 194,487,939 units), 179,651,526 (December 31, 2022: 172,218,098), and 3,977,260 units (December 31, 2022: 3,977,260 units), respectively.

In December 2023, Brookfield Renewable renewed its normal course issuer bid in connection with its LP units and outstanding BEPC exchangeable shares. Brookfield Renewable is authorized to repurchase up to 14,361,497 LP units and 8,982,586 BEPC exchangeable shares, representing 5% of each of its issued and outstanding LP units and BEPC exchangeable shares. The bids will expire on December 17, 2024, or earlier should Brookfield Renewable complete its repurchases prior to such date. During the year ended December 31, 2023, there were 1,856,044 LP units (2022: nil) repurchased and cancelled at a total cost of \$43 million (2022: nil). During the year ended December 31, 2023 and 2022, there were nil BEPC exchangeable shares repurchased.

The composition of the distributions are presented in the following table:

(MILLIONS)	2023	2022	2021
General partnership interest in a holding subsidiary held by Brookfield.....	\$ 5	\$ 6	\$ 5
Incentive distribution.....	111	94	80
	116	100	85
Participating non-controlling interests – in a holding subsidiary – Redeemable/Exchangeable units held by Brookfield.....	265	250	237
BEPC exchangeable shares held by			
Brookfield Holders	61	58	53
External shareholders	180	162	156
Total BEPC exchangeable shares.....	241	220	209
	\$ 622	\$ 570	\$ 531

The following table summarizes certain financial information regarding *General partnership interest in a holding subsidiary held by Brookfield, Participating non-controlling interests – in a holding subsidiary – Redeemable/Exchangeable units held by Brookfield and Class A exchangeable shares of Brookfield Renewable Corporation held by public shareholders and Brookfield*:

(MILLIONS)	2023	2022	2021
For the year ended December 31:			
Revenue	\$ 5,038	\$ 4,711	\$ 4,096
Net income (loss).....	616	138	(66)
Comprehensive income	2,036	2,628	2,700
Net income (loss) allocated to ⁽¹⁾ :			
General partnership interest in a holding subsidiary held by Brookfield	111	92	77
Participating non-controlling interests – in a holding subsidiary – Redeemable/Exchangeable units held by Brookfield	(63)	(117)	(135)
BEPC exchangeable shares	(57)	(104)	(119)
As at December 31:			
Property, plant and equipment, at fair value.....	\$ 64,005	\$ 54,283	
Total assets	76,128	64,111	
Total borrowings.....	29,702	24,850	
Total liabilities	46,149	37,825	
Carrying value of ⁽²⁾ :			
General partnership interest in a holding subsidiary held by Brookfield	55	59	
Participating non-controlling interests – in a holding subsidiary – Redeemable/Exchangeable units held by Brookfield	2,684	2,892	

⁽¹⁾ Allocated based on weighted-average GP interest, Redeemable/Exchangeable partnership units, BEPC exchangeable shares and LP units of 4.0 million, 194.5 million, 176.3 million and 282.4 million, respectively (2022: 4.0 million, 194.5 million, 172.2 million and 275.2 million, respectively and 2021: 4.0 million, 194.5 million, 172.2 million and 274.9 million, respectively).

⁽²⁾ Allocated based on outstanding GP interest, Redeemable/Exchangeable partnership units, BEPC exchangeable shares and LP units of 4.0 million, 194.5 million, 179.7 million and 287.2 million, respectively (2022: 4.0 million, 194.5 million, 172.2 million and 275.4 million, respectively).

Preferred equity

Brookfield Renewable's preferred equity as at December 31 consists of Class A Preference Shares of Brookfield Renewable Power Preferred Equity Inc. ("BRP Equity") as follows:

(MILLIONS, EXCEPT AS NOTED)	Shares outstanding	Cumulative dividend rate (%)	Earliest permitted redemption date	Dividends declared for the year ended December 31		Carrying value as at	
				2023	2022	December 31, 2023	December 31, 2022
Series 1 (C\$136).....	6.85	3.1	April 2025	\$ 4	\$ 4	\$ 129	\$ 126
Series 2 (C\$113) ⁽¹⁾ ..	3.11	7.8	April 2025	4	3	58	57
Series 3 (C\$249).....	9.96	4.4	July 2024	8	8	187	183
Series 5 (C\$103).....	4.11	5.0	April 2018	4	4	77	76
Series 6 (C\$175).....	7.00	5.0	July 2018	7	7	132	129
	<u>31.03</u>			<u>\$ 27</u>	<u>\$ 26</u>	<u>\$ 583</u>	<u>\$ 571</u>

⁽¹⁾ Dividend rate represents annualized distribution based on the most recent quarterly floating rate.

Distributions paid during the year ended December 31, 2023, totaled \$27 million (2022: \$26 million and 2021: \$26 million).

The Class A Preference Shares do not have a fixed maturity date and are not redeemable at the option of the holders. As at December 31, 2023, none of the issued Class A, Series 5 and 6 Preference Shares have been redeemed by BRP Equity.

In December 2023, the Toronto Stock Exchange accepted notice of BRP Equity's intention to renew the normal course issuer bid in connection with its outstanding Class A Preference Shares for another year to December 17, 2024, or earlier should the repurchases be completed prior to such date. Under this normal course issuer bid, BRP Equity is permitted to repurchase up to 10% of the total public float for each respective series of the Class A Preference Shares. Shareholders may receive a copy of the notice, free of charge, by contacting Brookfield Renewable. There were no repurchases of Class A Preference Shares during 2023 or 2022 in connection with the normal course issuer bid.

Perpetual subordinated notes

In April 2021 and December 2021, Brookfield BRP Holdings (Canada) Inc., a wholly-owned subsidiary of Brookfield Renewable, issued \$350 million and \$260 million, respectively, of perpetual subordinated notes at a fixed rate of 4.625% and 4.875%, respectively.

The perpetual subordinated notes do not have a maturity date and are repaid in an Event of Default. The perpetual subordinated notes also provide Brookfield Renewable, at its discretion, the right to defer the interest (in whole or in part) until liquidation of assets due to an Event of Default. The perpetual subordinated notes are classified as a separate class of non-controlling interest on Brookfield Renewable's consolidated statements of financial position as per IAS 32, *Financial Instruments: Presentation*. The interest expense on the perpetual subordinated notes during the year ended December 31, 2023 of \$29 million (2022: \$29 million and 2021: \$12 million) are presented as distributions in the consolidated statements of changes in equity. The carrying value of the perpetual subordinated notes, net of transaction cost, is \$592 million (2022: \$592 million) as at December 31, 2023.

Distributions paid during the year ended December 31, 2023, totaled \$29 million (2022: \$27 million and 2021: \$9 million).

15. PREFERRED LIMITED PARTNERS' EQUITY

Brookfield Renewable's preferred limited partners' equity comprises of Class A Preferred units as follows:

(MILLIONS, EXCEPT AS NOTED)	Shares outstanding	Cumulative distribution rate (%)	Earliest permitted redemption date	Distributions declared for the year ended December 31		Carrying value as at	
				2023	2022	December 31, 2023	December 31, 2022
Series 7 (C\$175)	7.00	5.50	January 2026	7	7	128	128
Series 11 (C\$250)	—	5.00	April 2022	—	3	—	—
Series 13 (C\$250)	10.00	6.05	April 2028	9	10	196	196
Series 15 (C\$175)	7.00	5.75	April 2024	7	8	126	126
Series 17 (\$200)	8.00	5.25	March 2025	11	11	195	195
Series 18 (C\$150)	6.00	5.50	April 2027	7	5	115	115
	<u>38.00</u>			<u>\$ 41</u>	<u>\$ 44</u>	<u>\$ 760</u>	<u>\$ 760</u>

In the second quarter of 2023, Brookfield Renewable declared the fixed quarterly distributions on the Class A Preferred Limited Partnership Series 13 Units during the five years commencing May 1, 2023 will be paid at an annual rate of 6.05%.

Distributions paid during the year ended December 31, 2023, totaled \$41 million (2022: \$44 million and 2021: \$55 million).

Class A Preferred LP Units - Normal Course Issuer Bid

In December 2023, the Toronto Stock Exchange accepted notice of Brookfield Renewable's intention to renew the normal course issuer bid in connection with the outstanding Class A Preferred Limited Partnership Units for another year to December 17, 2024, or earlier should the repurchases be completed prior to such date. Under this normal course issuer bid, Brookfield Renewable is permitted to repurchase up to 10% of the total public float for each respective series of its Class A Preferred Limited Partnership Units. Unitholders may receive a copy of the notice, free of charge, by contacting Brookfield Renewable. No shares were repurchased during 2023 or 2022.

16. LIMITED PARTNERS' EQUITY

Limited partners' equity

On June 16, 2023, Brookfield Renewable completed the issuance of 8,200,000 LP Units and 7,430,000 BEPC Exchangeable shares on a bought deal basis at a price of \$30.35 per LP Unit and \$33.80 per BEPC Exchangeable Share for gross proceeds of \$500 million. Concurrently, a subsidiary of Brookfield Reinsurance purchased 5,148,270 LP units at the LP unit offering price (net of underwriting commission). The aggregate gross proceeds of the offering and the concurrent private placement was approximately \$650 million. Brookfield Renewable incurred \$20 million in related transaction costs inclusive of fees paid to underwriters.

As at December 31, 2023, 287,164,340 LP units were outstanding (2022: 275,358,750 LP units) including 74,339,049 LP units (2022: 68,749,416 LP units) held by Brookfield Holders. Brookfield owns all general partnership interests in Brookfield Renewable representing a 0.01% interest.

During the year ended December 31, 2023, 304,899 LP units (2022: 262,177 LP units) were issued under the distribution reinvestment plan at a total value of \$8 million (2022: \$9 million).

During the year ended December 31, 2023, exchangeable shareholders of BEPC exchanged 8,465 BEPC exchangeable shares (2022: 12,308 shares) for an equivalent number of LP units amounting to less than \$1 million (2022: less than \$1 million).

As at December 31, 2023, Brookfield Holders held a direct and indirect interest of approximately 47% of Brookfield Renewable on a fully-exchanged basis. Brookfield Holders held a direct and indirect interest of 313,640,823 LP units, Redeemable/Exchangeable partnership units, and BEPC exchangeable shares, the remaining is held by public investors.

On an unexchanged basis, Brookfield Holders holds a 26% direct limited partnership interest in Brookfield Renewable, a 40% direct interest in BRELP through the ownership of Redeemable/Exchangeable partnership units, a direct 1% GP interest in BRELP and a 25% direct interest in the BEPC exchangeable shares of BEPC as at December 31, 2023.

In December 2023, Brookfield Renewable renewed its normal course issuer bid in connection with its LP units and outstanding BEPC exchangeable shares. Brookfield Renewable is authorized to repurchase up to 14,361,497 LP units and 8,982,586 BEPC exchangeable shares, representing 5% of each of its issued and outstanding LP units and BEPC exchangeable shares. The bids will expire on December 17, 2024, or earlier should Brookfield Renewable complete its repurchases prior to such date. During the year ended December 31, 2023, there were 1,856,044 LP units (2022: nil) repurchased and cancelled at a total cost of \$43 million (2022: nil). During the year ended December 31, 2023, Brookfield Corporation purchased 441,363 LP units (2022: nil). There were no BEPC exchangeable shares repurchased during the years ended December 31, 2023 or 2022.

Distributions

The composition of the distributions are presented in the following table:

(MILLIONS)	2023	2022
Brookfield Holders.....	\$ 97	\$ 88
External LP unitholders	286	267
	<u>\$ 383</u>	<u>\$ 355</u>

In February 2024, distributions to unitholders were increased to \$1.42 per LP unit on an annualized basis, an increase of \$0.07 per LP unit, which will take effect on the distribution payable in March 2024.

Distributions paid during the year ended December 31, 2023, totaled \$370 million (2022: \$345 million and 2021: \$325 million).

17. GOODWILL

The following table provides a reconciliation of goodwill:

(MILLIONS)	Notes	Total
Balance, as at December 31, 2021		\$ 966
Acquisitions through business combinations.....	3	691
Foreign exchange		(131)
Balance, as at December 31, 2022		1,526
Adjustments to purchase equation	3	(54)
Acquisitions through business combinations.....	3	340
Disposal		(18)
Foreign exchange and other		150
Balance, as at December 31, 2023		<u>\$ 1,944</u>

Goodwill is allocated to the following CGUs or group of CGUs:

(MILLIONS)	2023	2022
Value-in-use method		
Europe Utility-scale solar Development ⁽¹⁾	\$ 78	\$ 66
Europe Wind	38	—
Europe Storage	111	—
U.S. Utility-scale Solar	307	287
U.S. Distributed Generation ⁽²⁾	350	424
U.S. Wind	9	9
Chile Distributed Generation	16	17
India Wind	86	—
India Utility-scale Solar	77	—
India Distributed Generation	18	—
	1,090	803
Fair value less costs of disposal		
Europe Wind	47	46
Europe Utility-scale Solar	103	100
South America Wind	—	18
	150	164
Colombia Hydroelectric ⁽³⁾	704	559
	\$ 1,944	\$ 1,526

(1) Includes \$10 million (2022: nil) of goodwill related to a leading independent UK renewables developer with 260 MW onshore wind assets, 800 MW near-term development and another 3 GW of later stage projects acquired in 2023, and \$68 million (2022: \$66 million) of goodwill related to a 1.7 GW portfolio of utility-scale solar development assets in Germany acquired in 2022.

(2) Includes \$115 million (2022: \$115 million) of goodwill related to 360 MW of operating and 700 MW of development business acquired in 2021, \$235 million (2022: \$309 million) related to the acquisition of an integrated distributed generation developer with approximately 500 MW of contracted operating and under construction assets and an 1.8 GW of development pipeline in the United States acquired in 2022.

(3) Goodwill related to the Colombia hydroelectric segment was created as a result of recording the deferred tax liabilities assumed in the purchase price allocations of business combinations. The deferred tax liabilities are measured in accordance with IAS 12 in the purchase price allocations rather than at fair value. As a result, the goodwill recorded does not represent 'core' goodwill, but rather goodwill created as a result of accounting concepts or 'non-core' goodwill in order to avoid an immediate impairment of this 'non-core' goodwill.

As at December 31, 2023, Brookfield Renewable performed an impairment test at the level that goodwill is monitored by management. Brookfield Renewable did not identify any impairments of goodwill. In performing this impairment test, management removed the 'non-core' goodwill that continued to be supported by the existence of the original deferred tax liability that gave rise to the goodwill from the carrying value of the applicable assets.

For the remaining goodwill balance, goodwill is determined by cash flow or fair value less costs of disposal models where by the fair value measurement is classified as Level 3. The key inputs in determining the fair value of each cash generating unit under the value in use model are the utilization of discount rates ranging from 10% to 14% terminal capitalization rate of 2x to 6x, discrete cash flow periods from 2 to 6 years, and future leverage assumptions for the platforms.

18. CAPITAL MANAGEMENT

Brookfield Renewable's primary capital management objectives are to ensure the sustainability of its capital to support continuing operations, meet its financial obligations, allow for growth opportunities and provide stable distributions to its LP unitholders. Brookfield Renewable's capital is monitored through the debt-to-total capitalization ratio on a corporate and consolidated basis. As at December 31, 2023 these ratios were 12% and 40%, respectively (2022: 11% and 39%, respectively).

Brookfield Renewable has provided covenants to certain of its lenders for its corporate borrowings and credit facilities. The covenants require Brookfield Renewable to meet minimum debt-to-capitalization ratios. Subsidiaries of Brookfield Renewable have provided covenants to certain of their lenders for their non-recourse borrowings. These covenants vary from one credit agreement to another and include ratios that address debt-service coverage.

Certain lenders have also put in place requirements that oblige Brookfield Renewable and its subsidiaries to maintain debt and capital expenditure reserve accounts. The consequences to the subsidiaries as a result of failure to comply with their covenants could include a limitation of distributions from the subsidiaries to Brookfield Renewable, as well as repayment of outstanding debt. Brookfield Renewable is dependent on the distributions made by its subsidiaries to service its debt.

Brookfield Renewable's strategy during 2023, which was unchanged from 2022, was to maintain the measures set out in the following schedule as at December 31:

(MILLIONS)	Corporate		Consolidated	
	2023	2022	2023	2022
Commercial paper ⁽¹⁾	\$ 183	\$ 249	\$ 183	\$ 249
Debt				
Medium-term notes ⁽²⁾	2,660	2,307	2,660	2,307
Non-recourse borrowings ⁽³⁾	—	—	27,020	22,321
	2,660	2,307	29,680	24,628
Deferred income tax liabilities, net ⁽⁴⁾	—	—	6,930	6,331
Equity				
Non-controlling interest	—	—	18,863	14,755
Preferred equity	583	571	583	571
Perpetual subordinated notes	592	592	592	592
Preferred limited partners' equity	760	760	760	760
Unitholders' equity	9,181	9,608	9,181	9,608
Total capitalization	\$ 13,776	\$ 13,838	\$ 66,589	\$ 57,245
Debt-to-total capitalization	19 %	17 %	45 %	43 %
Debt-to-total capitalization (market value) ⁽⁵⁾	12 %	11 %	40 %	39 %

⁽¹⁾ Draws on corporate credit facilities and commercial paper issuances are excluded from the debt-to-total capitalization ratios as they are not a permanent source of capital.

⁽²⁾ Medium-term notes are unsecured and guaranteed by Brookfield Renewable and excludes \$10 million (2022: \$8 million) of deferred financing fees, net of unamortized premiums.

⁽³⁾ Consolidated non-recourse borrowings include \$2,626 million (2022: \$1,838 million) borrowed under a subscription facility of a Brookfield sponsored private fund and excludes \$140 million (2022: \$124 million) of deferred financing fees and \$11 million (2022: \$105 million) of unamortized premiums.

⁽⁴⁾ Deferred income tax liabilities less deferred income tax assets.

⁽⁵⁾ Based on market values of Preferred equity, Perpetual subordinated notes, Preferred limited partners' equity and Unitholders' equity.

19. EQUITY-ACCOUNTED INVESTMENTS

The following table outlines the changes in Brookfield Renewable's equity-accounted investments:

(MILLIONS)	2023	2022	2021
Balance, beginning of year	\$ 1,392	\$ 1,107	\$ 971
Acquisitions through business combinations	44	—	—
Investment ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	700	373	57
Return of capital	—	(3)	(8)
Share of net income	186	96	22
Share of other comprehensive income (loss)	162	(65)	148
Dividends received	(58)	(89)	(78)
Change in basis of accounting ⁽⁵⁾	105	—	—
Foreign exchange translation and other	15	(27)	(5)
Balance, end of year	<u>\$ 2,546</u>	<u>\$ 1,392</u>	<u>\$ 1,107</u>

(1) Includes additional subscription for shares in Powen. Refer to Note 3 - Acquisitions for more details.

(2) Includes the investment in an India sustainable agricultural solutions company. Refer to Note 3 - Acquisitions for more details.

(3) Includes Brookfield Renewable's incremental investment in X-Elio. Refer to Note 3 - Acquisitions for more details.

(4) Includes Brookfield Renewable's incremental investment in Westinghouse. Refer to Note 3 - Acquisitions for more details.

(5) Includes the recognition of a 378 MW operating hydroelectric portfolio in the U.S. Refer to Note 4 - Disposal of assets for more details.

The following table presents the ownership interests and carrying values of Brookfield Renewable's investments in associates and joint ventures, all of which are accounted for using the equity method:

	Ownership Interest		Carrying Value	
	2023	2022	2023	2022
Hydroelectric	14%-50%	14%-50%	\$ 225	\$ 111
Wind	25%-50%	25%	159	108
Utility-scale solar	25%-65%	25%-65%	304	107
Distributed energy & Storage	25%-50%	25%-50%	1,049	815
Sustainable solutions	4%-49%	8%-49%	809	251
			<u>\$ 2,546</u>	<u>\$ 1,392</u>

The following table presents total assets, as well as total liabilities of Brookfield Renewable's investments in associates and joint ventures:

	Total Assets		Total Liabilities	
	2023	2022	2023	2022
Hydroelectric	\$ 1,221	\$ 550	\$ 422	\$ 223
Wind	1,019	472	383	20
Utility-scale solar	2,884	457	1,160	70
Distributed energy & Storage	5,010	4,248	2,109	1,944
Sustainable solutions	7,757	2,890	1,564	1,140
	<u>\$ 17,891</u>	<u>\$ 8,617</u>	<u>\$ 5,638</u>	<u>\$ 3,397</u>

The following table presents total revenues, net income and other comprehensive income (“OCI”) of Brookfield Renewable’s investments in associates and joint ventures:

(MILLIONS)	2023			2022			2021		
	Revenues	Net income (loss)	OCI	Revenues	Net income (loss)	OCI	Revenues	Net income (loss)	OCI
Hydroelectric	\$ 105	\$ 74	\$ (14)	\$ 18	\$ 69	\$ (73)	\$ 16	\$ (15)	\$ 170
Wind	—	3	21	—	68	42	—	20	2
Utility-scale solar	28	478	63	—	(24)	2	—	(18)	(53)
Distributed energy & Storage	604	210	373	582	240	(54)	449	92	256
Sustainable solutions	1,016	46	62	363	11	—	—	—	—
	<u>\$ 1,753</u>	<u>\$ 811</u>	<u>\$ 505</u>	<u>\$ 963</u>	<u>\$ 364</u>	<u>\$ (83)</u>	<u>\$ 465</u>	<u>\$ 79</u>	<u>\$ 375</u>

20. CASH AND CASH EQUIVALENTS

Brookfield Renewable’s cash and cash equivalents as at December 31 are as follows:

(MILLIONS)	2023	2022
Cash	\$ 821	\$ 728
Cash subject to restriction	251	268
Short-term deposits	69	2
	<u>\$ 1,141</u>	<u>\$ 998</u>

21. RESTRICTED CASH

Brookfield Renewable’s restricted cash as at December 31 is as follows:

(MILLIONS)	Note	2023	2022
Operations		\$ 299	\$ 93
Credit obligations		79	56
Capital expenditures and development projects		13	42
Total		391	191
Less: non-current	23	(81)	(52)
Current		<u>\$ 310</u>	<u>\$ 139</u>

22. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

Brookfield Renewable's trade receivables and other current assets as at December 31 are as follows:

(MILLIONS)	2023	2022
Trade receivables	\$ 662	\$ 672
Inventory	111	42
Collateral deposits ⁽¹⁾	178	609
Prepays and others	127	86
Sales tax receivable	94	73
Income tax receivables	74	74
Current portion of contract asset	61	54
Short term deposits and advances	23	113
Other short-term receivables	187	137
	<u>\$ 1,517</u>	<u>\$ 1,860</u>

⁽¹⁾ Collateral deposits are related to energy derivative contracts that Brookfield Renewable enters into in order to mitigate the exposure to wholesale market electricity prices on the future sale of uncontracted generation, as part of Brookfield Renewable's risk management strategy.

As at December 31, 2023, 86% (2022: 89%) of trade receivables were current. Brookfield Renewable does not expect issues with collectability of these amounts. Accordingly, as at December 31, 2023 and 2022 an allowance for doubtful accounts for trade receivables was not deemed necessary. Trade receivables are generally on 30-day terms and credit limits are assigned and monitored for all counterparties. In determining the recoverability of trade receivables, management performs a risk analysis considering the type and age of the outstanding receivables and the credit worthiness of the counterparties. Management also reviews trade receivable balances on an ongoing basis.

23. OTHER LONG-TERM ASSETS

Brookfield Renewable's other long-term assets as at December 31 are as follows:

(MILLIONS)	Note	2023	2022
Contract asset		\$ 314	\$ 341
Long-term receivables		382	235
Due from related parties	28	135	128
Restricted cash	21	81	52
Intangibles ⁽¹⁾		15	209
Other		84	86
		<u>\$ 1,011</u>	<u>\$ 1,051</u>

⁽¹⁾ Relates to certain power generating facilities that operate under service concession arrangements.

At December 31, 2023 and 2022, restricted cash was held primarily to satisfy operations and maintenance reserve requirements, lease payments and credit agreements.

Contract assets are the result of contract amendments made to Brookfield Renewable's long-term power purchase agreements with Brookfield associated with generating assets in Ontario held by Great Lakes Power Limited and Mississagi Power Trust. The net impact of these changes were offset by changes to Brookfield Renewable's long-term energy revenue agreement with Brookfield associated with several entities owned by Brookfield Renewable in the United States, however the changes resulted in a difference in timing of cash flows. As a result, the amendments were accounted for in reflection of their substance, with the recognition of contract asset and liability balances and net financing charges to be recognized over the remainder of the term of the agreements. There are no material provisions for expected credit losses on contract assets. See Note 28 – Related party transactions, for additional details regarding Brookfield Renewable's revenue agreements with Brookfield.

On September 20, 2023, Brookfield Renewable, together with its institutional partners, completed the sale of its 100% interest in a 95 MW portfolio of wind assets in Uruguay that operated under a service concession arrangement. See Note 4 – Disposal of assets, for additional details.

24. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Brookfield Renewable's accounts payable and accrued liabilities as at December 31 are as follows:

(MILLIONS)	2023	2022
Operating accrued liabilities	\$ 603	\$ 440
Accounts payable	388	276
Interest payable on borrowings	301	153
LP Unitholders distributions, preferred limited partnership unit distributions, preferred dividends payable, perpetual subordinate notes distributions and exchange shares dividends ⁽¹⁾	58	53
Current portion of lease liabilities	41	33
Income tax payable	41	78
Current portion of contract liability	35	24
Other	72	29
	<u>\$ 1,539</u>	<u>\$ 1,086</u>

⁽¹⁾ Includes amounts payable only to external LP unitholders and BEPC exchangeable shareholders. Amounts payable to Brookfield are included in due to related parties.

25. PROVISIONS

The following table presents the change in the decommissioning liabilities for Brookfield Renewable:

(MILLIONS)	2023	2022
Balance, beginning of the year	\$ 479	\$ 668
Acquisitions through business combinations	227	54
Disposal	(1)	(1)
Accretion	13	15
Changes in estimates ⁽¹⁾	253	(245)
Foreign exchange	6	(12)
Other	(1)	—
Balance, end of the year	<u>\$ 976</u>	<u>\$ 479</u>

⁽¹⁾ Changes in estimates are driven by changes in underlying assumptions used as inputs to determine the value of the retirement obligation.

Brookfield Renewable has recorded decommissioning retirement obligations associated with certain power generating assets. The decommissioning retirement obligation has been established for hydroelectric, wind and solar operation sites that are substantially expected to be restored between the years 2031 to 2058. The estimated cost of decommissioning activities is based on a third-party assessment.

For details on other legal provisions, please refer to Note 27 – Commitments, contingencies and guarantees.

Provisions also includes contingent and deferred acquisition consideration of \$249 million (2022: \$68 million).

26. OTHER LONG-TERM LIABILITIES

Brookfield Renewable's other long-term liabilities as at December 31 are comprised of the following:

(MILLIONS)	2023	2022
Contract liabilities	\$ 680	\$ 662
Lease liabilities	727	526
Regulatory liabilities ⁽¹⁾	104	149
Pension obligations	66	51
Concession payment liability	2	10
Other	185	132
	<u>\$ 1,764</u>	<u>\$ 1,530</u>

⁽¹⁾ Regulatory liabilities are related to the regulated pricing mechanism at certain of Brookfield Renewable's Spanish assets.

Contract liabilities are the result of the amendment to the energy revenue agreement between Brookfield and several entities owned by Brookfield Renewable in the United States. See Note 23 – Other long-term assets, for additional details regarding Brookfield Renewable's contract balances. See Note 28 – Related party transactions, for additional details regarding Brookfield Renewable's revenue agreements with Brookfield.

27. COMMITMENTS, CONTINGENCIES AND GUARANTEES

Commitments

In the course of its operations, Brookfield Renewable and its subsidiaries have entered into agreements for the use of water, land and dams. Payment under those agreements varies with the amount of power generated. The various agreements can be renewed and are extendable up to 2089.

In the normal course of business, Brookfield Renewable will enter into capital expenditure commitments which primarily relate to contracted project costs for various growth initiatives. As at December 31, 2023, Brookfield Renewable had \$2,783 million (2022: \$1,126 million) of capital expenditure commitments outstanding, of which \$2,200 million (2022: \$1,059 million) is payable in less than one year, \$583 million (2022: \$63 million) in two to five years, and less than \$1 million (2022: \$4 million) thereafter.

The following table lists the assets and portfolio of assets that Brookfield Renewable, together with institutional partners have agreed to acquire which are subject to customary closing conditions as at December 31, 2023:

Region	Technology	Capacity	Consideration	Brookfield Renewable Economic Interest	Expected Close
China	Wind	102 MW development	CNY \$84 million (\$16 million)	20%	Q4 2024
China	Wind	350 MW development	CNY \$577 million (\$110 million)	20%	Q4 2024
Brazil	Distributed energy & storage	730 MW development	R\$136 millions (\$28 million)	20%	2024 - 2026
US	Distributed energy & storage	25 MW development	\$20 million	25%	Q1 2024
US	Distributed energy & storage	93 MW development	\$86 million	20%	Q1 2024

An integral part of Brookfield Renewable's strategy is to participate with institutional partners in Brookfield-sponsored private equity funds that target acquisitions that suit Brookfield Renewable's profile. In the normal course of business, Brookfield Renewable has made commitments to Brookfield-sponsored private equity funds to participate in these target acquisitions in the future, if and when identified. From time to time, in order to facilitate investment activities in a timely and efficient manner, Brookfield Renewable will fund deposits or incur other costs and expenses (including by use of loan facilities to consummate, support, guarantee or issue letters of credit) in respect of an investment that ultimately will be shared with or made entirely by Brookfield sponsored vehicles, consortiums and/or partnerships (including private funds, joint ventures and similar arrangements), Brookfield Renewable, or by co-investors.

Contingencies

Brookfield Renewable and its subsidiaries are subject to various legal proceedings, arbitrations and actions arising in the normal course of business. While the final outcome of such legal proceedings and actions cannot be predicted with certainty, it is the opinion of management that the resolution of such proceedings and actions will not have a material impact on Brookfield Renewable's consolidated financial position or results of operations.

Brookfield Renewable, on behalf of Brookfield Renewable's subsidiaries, and the subsidiaries themselves have provided letters of credit, which include, but are not limited to, guarantees for debt service reserves, capital reserves, construction completion and performance. The activity on the issued letters of credit by Brookfield Renewable can be found in Note 13 – Borrowings.

Brookfield Renewable, along with institutional partners, has provided letters of credit, which include, but are not limited to, guarantees for debt service reserves, capital reserves, construction completion and performance as it relates to interests in the Brookfield Americas Infrastructure Fund, the Brookfield Infrastructure Fund II, Brookfield Infrastructure Fund III, Brookfield Infrastructure Fund IV, Brookfield Infrastructure Fund V, Brookfield Global Transition Fund and Brookfield Global Transition Fund II. Brookfield Renewable's subsidiaries have similarly provided letters of credit, which include, but are not limited to, guarantees for debt service reserves, capital reserves, construction completion and performance.

Letters of credit issued by Brookfield Renewable along with institutional partners and its subsidiaries were as at the following dates:

(MILLIONS)	<u>2023</u>	<u>2022</u>
Brookfield Renewable along with institutional partners	\$ 100	\$ 99
Brookfield Renewable's subsidiaries	2,026	1,510
	<u>\$ 2,126</u>	<u>\$ 1,609</u>

Guarantees

In the normal course of operations, Brookfield Renewable and its subsidiaries execute agreements that provide for indemnification and guarantees to third-parties of transactions such as business dispositions, capital project purchases, business acquisitions, power marketing activities such as purchase and sale agreements, swap agreements, credit facilities of certain Brookfield private funds and that are also secured by committed capital of our third-party institutional partners, and sales and purchases of assets and services. Brookfield Renewable has also agreed to indemnify its directors and certain of its officers and employees. The nature of substantially all of the indemnification undertakings prevents Brookfield Renewable from making a reasonable estimate of the maximum potential amount that Brookfield Renewable could be required to pay third parties as the agreements do not always specify a maximum amount and the amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time. Historically, neither Brookfield Renewable nor its subsidiaries have made material payments under such indemnification agreements.

28. RELATED PARTY TRANSACTIONS

Brookfield Renewable's related party transactions are recorded at the exchange amount and are primarily with Brookfield.

Brookfield Renewable and Brookfield have entered into, or amended, the following material agreements:

Principal Agreements

Limited Partnership Agreements

Each of the amended and restated limited partnership agreements of Brookfield Renewable and BRELP outline the key terms of the partnerships, including provisions relating to management, protections for limited partners, capital contributions, distributions and allocation of income and losses. BRELP's general partner is entitled to receive incentive distributions from BRELP as a result of its ownership of the general partnership interest in BRELP. The incentive distributions are to be calculated in increments based on the amount by which quarterly distributions on the limited partnership units of BRELP exceed specified target levels as set forth in the amended and restated partnership agreement.

Master Services Agreement

Brookfield Renewable entered into an agreement with Brookfield Corporation pursuant to which Brookfield Corporation has agreed to provide oversight of the business and provide the services of senior officers to Brookfield Renewable for a management service fee. The fee is paid on a quarterly basis and has a fixed quarterly component of \$5 million and a variable component calculated as a percentage of the increase in the total capitalization value of Brookfield Renewable over an initial reference value (subject to an annual escalation by a specified inflation factor beginning on January 1, 2013). Total capitalization value as of December 31, 2023 is \$22 billion, which against the initial reference value of \$8 billion and factoring in the annual amount of \$26 million (as adjusted for inflation), resulted in a management service fee payment for the year ended December 31, 2023 of \$205 million (2022: \$243 million and 2021: \$288 million).

Relationship Agreement

Since inception, Brookfield Renewable has had a Relationship Agreement with Brookfield pursuant to which Brookfield has agreed, subject to certain exceptions, that Brookfield Renewable will serve as its primary vehicle through which it will directly or indirectly, acquire renewable power assets on a global basis.

BRELP Voting Agreement

In 2011, Brookfield Renewable entered into a voting agreement with Brookfield pursuant to which Brookfield Renewable, through BRPL, has a number of voting rights, including the right to direct all eligible votes in the election of the directors of BRELP's general partner.

Power Services Agreements

Power Agency Agreements

Certain Brookfield Renewable subsidiaries entered into Power Agency Agreements appointing Brookfield as their exclusive agent in respect of the sale of electricity, including the procurement of transmission and other additional services. In addition, Brookfield scheduled, dispatched and arranged for transmission of the power produced and the power supplied to third-parties in accordance with prudent industry practice. Pursuant to each Agreement, Brookfield was entitled to be reimbursed for any third party costs incurred, and, in certain cases, received an additional fee for its services in connection with the sale of power and for providing the other services.

On closing of the Energy Marketing Internalization, all Power Agency Agreements were transferred by Brookfield to Brookfield Renewable.

Revenue Agreements

Contract Amendments

In the first quarter of 2021, two long-term power purchase agreements for sale of energy generated by hydroelectric facilities owned by Great Lakes Power Limited (“GLPL”) and Mississagi Power Trust (“MPT”) were amended and Brookfield’s third-party power purchase agreements associated the sale energy generated by GLPL and MPT were reassigned.

Historically, the power purchase agreements required Brookfield to purchase energy generated by GLPL and MPT at an average price of C\$100 per MWh and C\$127 per MWh, respectively, both subject to an annual adjustment equal to a 3% fixed rate. The GLPL and MPT contracts with Brookfield each had an initial term to December 1, 2029, and Brookfield Renewable will have an option to extend a fixed price commitment to GLPL from Brookfield through 2044 at a price of C\$60 per MWh. There were no changes to the terms following the assignment of the third-party power purchase agreements from Brookfield to GLPL and MPT.

There were no amendments to or termination of the agreement that gives Brookfield Renewable the option to extend a fixed price commitment to GLPL from Brookfield from December 1, 2029 through 2044 at a price of C\$60 per MWh.

Energy Revenue Agreement

In 2018, the energy revenue agreement between Brookfield and several entities owned by Brookfield Renewable was effectively amended.

Brookfield will support the price that Brookfield Renewable receives for energy generated by certain facilities in the United States at a price \$75 per MWh. This price is to be increased annually on January 1 until 2021 by an amount equal to 40% of the increase in the CPI during the previous calendar year, but not exceeding an increase of 3% in any calendar year. The price will be reduced by \$3 per MWh per year from 2021 to 2025 and then further reduced by \$5.03 per MWh in 2026. The energy revenue agreement will terminate in 2046 and provides Brookfield the right to terminate the agreement in 2036.

Other Revenue Agreements

Pursuant to a power guarantee agreement, Brookfield purchased all energy from the two facilities of Hydro Pontiac Inc. at a price of C\$68 per MWh, increased annually each calendar year beginning in 2010 by an amount equal to 40% of the increase in the CPI during the previous calendar year. This power guarantee agreement was scheduled to commence in 2019 for one facility and in 2020 for the other, upon the expiration of existing third-party power agreements. The agreement with Brookfield had an initial term to 2029 and automatically renewed for a successive 20-year period with certain termination provisions. On closing of the Energy Marketing Internalization, the power guarantee agreement with Hydro Pontiac Inc. was transferred to Brookfield Renewable.

In addition, Brookfield Renewable from time to time may enter into other power purchase agreements with Brookfield and its subsidiaries to deliver electricity, attributes related to generation and other related services. These agreements are typically entered into at market rates.

Voting Agreements

Brookfield Renewable entered into voting agreements with Brookfield whereby Brookfield, as managing member of entities related to the Brookfield Americas Infrastructure Fund (the “BAIF Entities”) in which Brookfield Renewable holds investments in power generating operations with institutional partners, agreed to assign to Brookfield Renewable their voting rights to elect the Boards of Directors of the BAIF Entities. Brookfield Renewable’s economic interests in the BAIF Entities in the United States and Brazil are 22% and 25%, respectively.

Brookfield Renewable entered into voting agreements with certain Brookfield subsidiaries whereby these subsidiaries, as managing members of entities related to Brookfield Infrastructure Fund II (the “BIF II Entities”) in which Brookfield Renewable holds investments in power generating operations with institutional partners, agreed to provide to Brookfield Renewable the authority to direct the election of the Boards of Directors of the BIF II Entities. Brookfield Renewable’s economic interests in the BIF II Entities are between 40% and 50.1%.

Except as set out below in respect to TerraForm Power and Isagen, Brookfield Renewable entered into voting agreements with certain Brookfield subsidiaries as managing members of entities related to Brookfield Infrastructure Fund III (the “BIF III Entities”) in which Brookfield Renewable holds investments in power generating operations with institutional partners, Brookfield agreed to provide to Brookfield Renewable the authority to direct the election of the Boards of Directors of the BIF III Entities. Brookfield Renewable’s economic interests in the BIF III Entities are between 23% and 31%.

Brookfield Renewable holds its interest in its Colombian operations as part of a consortium. The consortium in turn holds its interest in Isagen through an entity (“Hydro Holdings”) which is entitled to appoint a majority of the board of directors of Isagen. The general partner of Hydro Holdings is a controlled subsidiary of Brookfield Renewable. Brookfield Renewable is entitled to appoint a majority of Hydro Holdings’ board of directors, provided that Brookfield Corporation and its subsidiaries (including Brookfield Renewable) collectively are (i) the largest holder of Hydro Holdings’ limited partnership interests, and (ii) hold over 30% of Hydro Holdings’ limited partnership interests. Brookfield Renewable currently meets this ownership test and is entitled to appoint a majority of the board of directors.

Simultaneously with the completion of the TerraForm Power acquisition, Brookfield Renewable entered into voting agreements with a controlled affiliate of Brookfield to transfer the power to vote their respective shares held of TerraForm Power to Brookfield Renewable. As a result, Brookfield Renewable controls and consolidates TerraForm Power.

Brookfield Renewable entered into voting agreements with certain Brookfield subsidiaries whereby these subsidiaries, as managing members of entities related to Brookfield Infrastructure Fund IV (the “BIF IV Entities”) and Brookfield Infrastructure Fund V (the “BIF V Entities”) in which Brookfield Renewable holds investments in power generating operations with institutional partners, agreed to provide to Brookfield Renewable the authority to direct the election of the Boards of Directors of the BIF IV Entities. Brookfield Renewable’s economic interests in the BIF IV Entities is 25% and expects to hold on average 25% in BIF V Entities.

Brookfield Renewable entered into voting agreements with certain Brookfield subsidiaries whereby these subsidiaries, as managing members of entities related to Brookfield Global Transition Fund (the “BGTF Entities”) and Brookfield Global Transition Fund II (the “BGTF II Entities”), agreed to provide to Brookfield Renewable the authority to direct the election of the Boards of Directors of the BGTF Entities, giving Brookfield Renewable control or significant influence over the entities that own certain renewable power and sustainable solution investments with institutional partners. Brookfield Renewable’s economic interest in BGTF I Entities is 20% and expects to hold 20% in BGTF II Entities.

Brookfield Renewable entered into a voting agreement with Brookfield to gain control of BGTF Finco LLC, the primary borrower under the Brookfield Global Transition Fund subscription facility. The voting agreements provide Brookfield Renewable with control and accordingly, Brookfield Renewable consolidates the accounts of this entity.

Other Agreements

Credit facilities and funds on deposit

Brookfield Corporation has provided a \$400 million committed unsecured revolving credit facility maturing in December 2024 and the draws bear interest at the Secured Overnight Financing Rate plus a margin. As at December 31, 2023, there were no draws on the committed unsecured revolving credit facility provided by Brookfield Corporation. Brookfield Corporation may from time to time place funds on deposit with Brookfield Renewable which are repayable on demand including any interest accrued. There were nil funds placed on deposit with Brookfield Renewable as at December 31, 2023 (2022: nil). The interest expense on the deposit and draws from the credit facility for the year ended December 31, 2023 totaled nil (2022: nil and 2021: \$2 million).

Brookfield Renewable participates with institutional partners in Brookfield Americas Infrastructure Fund, Brookfield Infrastructure Fund II, Brookfield Infrastructure Fund III, Brookfield Infrastructure Fund IV, Brookfield Infrastructure Fund V, Brookfield Infrastructure Income Fund, Brookfield Global Transition Fund, Brookfield Global Transition Fund II, and Brookfield Infrastructure Debt Fund (“Private Funds”), each of which is a Brookfield sponsored fund, and in connection therewith, Brookfield Renewable, together with its institutional partners, has access to financing using the Private Funds’ credit facilities.

From time to time Brookfield Reinsurance and its related entities may participate in capital raises undertaken by Brookfield Renewable. These financings are typically provided at the market rates and as at December 31, 2023, \$101 million of non-recourse borrowings (2022: \$93 million) and \$8 million of corporate borrowings (2022: \$7 million) were due to Brookfield Reinsurance. Brookfield Reinsurance has also subscribed to tax equity financing of \$2 million (2022: \$3 million) and preferred limited partners equity of \$11 million (2022: \$11 million). As at December 31, 2023, Brookfield Renewable had \$450 million (2022: \$321 million) of borrowings from Brookfield Reinsurance classified as due to related party.

Subsidiaries of Brookfield Reinsurance may from time to time decide to participate in Brookfield Renewable's equity offerings. For example, in June 2023, a subsidiary of Brookfield Reinsurance participated in a private placement of LP units. Refer to Note 16 Limited partners' equity for more details.

TERP Ownership Transfer

On December 28, 2023 a subsidiary of Brookfield Renewable transferred 13.75% of its interest in TerraForm Power to BEPC, a consolidated subsidiary. The intercompany transfer had no net impact to Brookfield Renewable's financial statements. Brookfield Renewable continues to control and consolidate Terraform Power and there was no impact to its economic ownership. In conjunction with the transfer, Terraform Power declared a non-cash dividend to its shareholders resulting in a decrease of \$483 million in Equity and an increase in due to related parties of \$483 million.

Other Agreements

In 2011, on formation of Brookfield Renewable, Brookfield transferred certain development projects to Brookfield Renewable for no upfront consideration but is entitled to receive variable consideration on commercial operation or sale of these projects.

On November 7, 2023, Brookfield Renewable, together with institutional partners, through a strategic partnership with Cameco Corporation, acquired 100% of Westinghouse, one of the world's largest nuclear services businesses, from our affiliate Brookfield Business Partners L.P. and its institutional partners, for \$4.37 billion (\$442 million net to Brookfield Renewable). Brookfield Renewable, together with institutional partners, own an aggregate 51% interest (10.11% net to Brookfield Renewable) with Cameco owning 49%. Refer to Note 3 - Acquisitions for more details.

On December 29, 2023, a subsidiary of Brookfield transferred its indirect 8% economic interest in a greenhouse gas monitoring and ESG certification software investment that it held through Brookfield Technology Growth Partners III to Brookfield Renewable for \$20 million. The investment is recognized as a financial instrument on the statement of financial position.

The following table reflects the related party agreements and transactions in the consolidated statements of income (loss), for the years ended December 31:

(MILLIONS)	2023	2022	2021
Revenues			
Power purchase and revenue agreements.....	\$ 14	\$ 21	\$ 103
Direct operating costs			
Energy marketing fee & other services.....	(5)	(1)	(8)
Insurance services ⁽¹⁾	—	—	(26)
Interest expense			
Borrowings.....	\$ (35)	\$ —	\$ (2)
Contract balance accretion.....	(26)	(20)	(21)
	\$ (61)	\$ (20)	\$ (23)
Other			
Distribution income.....	\$ 8	\$ —	\$ —
Other related party services.....	\$ 3	\$ (5)	\$ (4)
Financial instrument gain/(loss).....	\$ 21	\$ 5	\$ —
Management service costs.....	\$ (205)	\$ (243)	\$ (288)

⁽¹⁾ Prior to November 2021, insurance services were paid to external insurance service providers through subsidiaries of Brookfield Corporation. The fees paid to the subsidiaries of Brookfield Corporation in 2023 were nil (2022 was nil and 2021: was nil). As of November 2021, Brookfield, through a regulated subsidiary, began providing insurance coverage through third-party commercial insurers for the benefits of certain entities in North America. The premiums and claims paid are not included in the table above.

The following table reflects the impact of the related party agreements and transactions on the consolidated statements of financial position as at December 31: (MILLIONS)

	Related party	2023	2022
Current assets			
Trade receivables and other current assets			
Contract asset	Brookfield	\$ 61	\$ 54
Due from related parties			
Amounts due from	Brookfield ⁽¹⁾	1,386	105
	Equity-accounted investments and other	57	18
		<u>1,443</u>	<u>123</u>
Non-current assets			
Financial instrument assets	Brookfield	170	395
Other long-term assets			
Contract asset	Brookfield	314	341
Due from related parties			
	Equity-accounted investments and other	135	128
Current liabilities			
Contract Liability	Brookfield	35	24
Financial instrument liabilities	Brookfield Reinsurance	2	3
Due to related parties			
Amounts due to	Brookfield ⁽¹⁾	541	205
	Equity-accounted investments and other	13	24
	Brookfield Reinsurance	242	321
Accrued distributions payable on LP units, BEPC exchangeable shares, Redeemable/Exchangeable partnership units and GP interest	Brookfield	39	38
		<u>835</u>	<u>588</u>
Non-current liabilities			
Financial instrument liabilities	Brookfield Reinsurance	2	3
Due to related parties			
Amounts due to	Brookfield ⁽²⁾	496	—
	Equity-accounted investments and other	209	1
		<u>705</u>	<u>1</u>
Corporate borrowings	Brookfield Reinsurance	8	7
Non-recourse borrowings	Brookfield Reinsurance and associates	101	93
Other long-term liabilities			
Contract liability	Brookfield	680	662
Equity			
Preferred limited partners equity	Brookfield Reinsurance and associates ...	\$ 11	11

⁽¹⁾ Includes receivables of \$1,328 million (2022: \$45 million) associated with the Brookfield Global Transition Fund credit facility.

⁽²⁾ Includes payables of \$6 million (2022: \$39 million), \$81 million (2022: \$64 million), and \$307 million (2022: nil) associated with the Brookfield Infrastructure Fund IV, Brookfield Global Transition Fund, and Brookfield Global Transition Fund II credit facilities, respectively.

Current assets

Amounts due from Brookfield are non-interest bearing, unsecured and due on demand.

Current liabilities

Amounts due to Brookfield are unsecured, payable on demand and relate to recurring transactions.

29. SUPPLEMENTAL INFORMATION

The net change in working capital balances for the year ended December 31 shown in the consolidated statements of cash flows is comprised of the following:

(MILLIONS)	2023	2022	2021
Trade receivables and other current assets	\$ 540	\$ (296)	\$ (515)
Accounts payable and accrued liabilities	(60)	109	(282)
Other assets and liabilities	(12)	(7)	81
	<u>\$ 468</u>	<u>\$ (194)</u>	<u>\$ (716)</u>

30. SUBSIDIARY PUBLIC ISSUERS

The following tables provide consolidated summary financial information for Brookfield Renewable, BRP Equity, and Canadian Finco:

(MILLIONS)	Brookfield Renewable ⁽¹⁾	BRP Equity	Canadian Finco	Subsidiary Credit Supporters ⁽²⁾	Other Subsidiaries ⁽¹⁾⁽³⁾	Consolidating adjustments ⁽⁴⁾	Brookfield Renewable consolidated
As at December 31, 2023:							
Current assets	\$ 65	\$ 400	\$ 2,695	\$ 790	\$ 4,611	\$ (3,951)	\$ 4,610
Long-term assets	4,735	246	2	44,239	71,435	(49,139)	71,518
Current liabilities	72	8	32	8,406	7,658	(8,138)	8,038
Long-term liabilities	—	—	2,650	56	35,405	—	38,111
Participating non-controlling interests – in operating subsidiaries	—	—	—	—	18,863	—	18,863
Participating non-controlling interests – in a holding subsidiary – Redeemable/ Exchangeable units held by Brookfield	—	—	—	2,684	—	—	2,684
BEPC exchangeable shares	—	—	—	—	2,479	—	2,479
Preferred equity	—	583	—	—	—	—	583
Perpetual subordinated notes	—	—	—	592	—	—	592
Preferred limited partners’ equity	760	—	—	765	—	(765)	760
As at December 31, 2022:							
Current assets	\$ 61	\$ 391	\$ 2,336	\$ 834	\$ 4,172	\$ (3,611)	\$ 4,183
Long-term assets	4,860	241	3	33,830	59,860	(38,866)	59,928
Current liabilities	60	7	30	7,877	4,455	(7,486)	4,943
Long-term liabilities	—	—	2,299	16	30,567	—	32,882
Participating non-controlling interests – in operating subsidiaries	—	—	—	—	14,755	—	14,755
Participating non-controlling interests – in a holding subsidiary – Redeemable/Exchangeable units held by Brookfield	—	—	—	2,892	—	—	2,892
BEPC exchangeable shares	—	—	—	—	2,561	—	2,561
Preferred equity	—	571	—	—	—	—	571
Perpetual subordinated notes	—	—	—	592	—	—	592
Preferred limited partners’ equity ..	761	—	—	765	—	(766)	760

(1) Includes investments in subsidiaries under the equity method.

(2) Includes BRELP, BRP Bermuda Holdings I Limited, Brookfield BRP Holdings (Canada) Inc., Brookfield BRP Europe Holdings Limited, Brookfield Renewable Investments and BEP Subco Inc., collectively the “Subsidiary Credit Supporters”.

(3) Includes subsidiaries of Brookfield Renewable, other than BRP Equity, Canadian Finco and the Subsidiary Credit Supporters.

(4) Includes elimination of intercompany transactions and balances necessary to present Brookfield Renewable on a consolidated basis.

(MILLIONS)	Brookfield Renewable ⁽¹⁾	BRP Equity	Can dian Finco	Subsidiary Credit Supporters	Other Subsidiaries ⁽¹⁾⁽²⁾	Consolidating adjustments ⁽³⁾	Brookfield Renewable consolidated
For the year ended December 31, 2023							
Revenues	\$ —	\$ —	\$ —	\$ —	\$ 5,038	\$ —	\$ 5,038
Net income (loss)	(50)	—	3	(724)	1,686	(299)	616
For the year ended December 31, 2022							
Revenues	\$ —	\$ —	\$ —	\$ —	\$ 4,711	\$ —	\$ 4,711
Net income (loss)	(122)	—	2	(1,322)	772	808	138
For the year ended December 31, 2021							
Revenues	\$ —	\$ —	\$ —	\$ —	\$ 4,096	\$ —	\$ 4,096
Net income (loss)	(136)	—	—	(1,185)	561	694	(66)

⁽¹⁾ Includes investments in subsidiaries under the equity method.

⁽²⁾ Includes subsidiaries of Brookfield Renewable, other than BRP Equity, Canadian Finco, and the Subsidiary Credit Supporters.

⁽³⁾ Includes elimination of intercompany transactions and balances necessary to present Brookfield Renewable on a consolidated basis.

See Note 13 – Borrowings for additional details regarding the medium-term notes issued by Canadian Finco. See Note 14 – Non-controlling interests for additional details regarding Class A Preference Shares issued by BRP Equity.

31. SUBSEQUENT EVENTS

Subsequent to year-end, Brookfield Renewable issued C\$400 million of Series 17 medium-term notes. The medium-term notes have a fixed interest rate of 5.32% and a maturity date of January 10, 2054. The Series 17 medium-term notes are corporate-level green bonds.

Subsequent to year-end, Brookfield Renewable, together with its institutional partners, completed the acquisition of a series of development distributed generation projects in the United States totaling 93 MW for total consideration of approximately \$86 million (approximately \$17 million net to Brookfield Renewable). Brookfield Renewable holds a 20% interest in these investments.

Subsequent to year-end, Brookfield Renewable, together with its institutional partners, completed the acquisition of a series of development distributed generation projects in the United States totaling 60 MW for total consideration of approximately \$39 million (approximately \$11 million net to Brookfield Renewable). Brookfield Renewable holds a 25% interest in these investments.

Subsequent to year-end, Brookfield Renewable repurchased 496,254 LP units on the Toronto Stock Exchange at a total cost of \$12 million.

Brookfield Renewable Partners L.P.

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