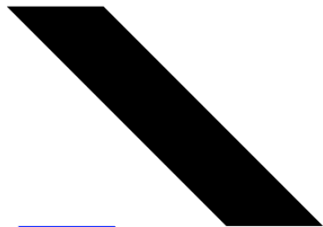
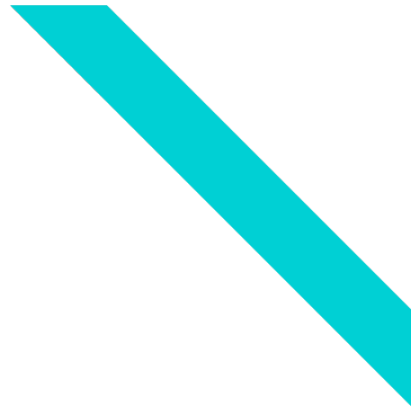


REFINITIV STREETEVENTS

EDITED TRANSCRIPT

Q3 2024 BROOKFIELD RENEWABLE CORP AND BROOKFIELD
RENEWABLE PARTNERS LP EARNINGS CALL

EVENT DATE/TIME: November 08, 2024 / 1:30PM UTC



CORPORATE PARTICIPANTS

- **Connor Teskey** *Brookfield Renewable Partners LP - Chief Executive Officer of the General Partner*
- **Ignacio Gomez** *Brookfield Renewable Partners LP - Managing Director, Renewable Power & Transition*
- **Wyatt Hartley** *Brookfield Renewable Partners LP - Chief Financial Officer of the General Partner*

CONFERENCE CALL PARTICIPANTS

- **Operator**
- **Sean Steuart** *TD Cowen - Analyst*
- **Robert Hope** *Scotiabank GBM - Analyst*
- **Nelson Ng** *RBC Capital Markets - Analyst*
- **Rupert Merer** *National Bank Financial - Analyst*
- **Mark Jarvi** *CIBC Capital Markets - Analyst*
- **William Grippin** *UBS Equities - Analyst*

PRESENTATION

Operator

Thank you for standing by, and welcome to the Brookfield Renewables third-quarter 2024 results conference call and webcast. (Operator Instructions) As a reminder, today's program is being recorded.

And now, I'd like to introduce your host for today's program, Connor Teskey, Chief Executive Officer. Please go ahead, sir.

Connor Teskey *Brookfield Renewable Partners LP - Chief Executive Officer of the General Partner*

Thank you, operator. Good morning, everyone, and thank you for joining us for our third quarter 2024 conference call.

Before we begin, we would like to remind you that a copy of our news release, investor supplement, and letter to unitholders can be found on our website. We also want to remind you that we may make forward-looking statements on this call. These statements are subject to known and unknown risks, and our future results may differ materially. For more information, you are encouraged to review our regulatory filings available on SEDAR, EDGAR, and on our website.

On today's call, we will provide a review of our third quarter performance and how we are able to both successfully monetize assets at great returns in the current environment as well as find opportunities to deploy significant capital into growth at good value. Then Ignacio Gomez from our investment team, will speak to some of our successful asset monetizations announced this past quarter. And lastly, Wyatt will conclude the call by discussing our operating results and financial position. Following our remarks, we look forward to taking your questions.

We had a successful quarter with the business performing well. We delivered record funds from operations for the third quarter, benefiting from asset development recent acquisitions and strong all-in pricing. On the back of our strong results year-to-date and

our outlook for the remainder of the year, we continue to expect to achieve our 10% plus FFO per unit growth target for 2024. We have continued to diversify our business across the most attractive power markets globally while concentrating on the lowest cost mature technologies, which today represent the most promising and viable solutions to meet accelerating electricity demand growth from digitalization and electrification.

The outlook for our business continues to improve, driven by increasing demand for clean power as the robust investment by the large global technology players in data centers and semiconductor chips is now extending to energy capacity. Power is increasingly the bottleneck to enable data center and AI development, and we are seeing these businesses ramp up their efforts to lock in supply to ensure that they can achieve their own growth targets.

This accelerating increase in demand for new power is being driven by corporate off-takers and requires a significant build-out of renewable generation given its position as the most cost competitive source of bulk power in most markets irrespective of incentive schemes. Our scale and geographical and technologically diversified business is uniquely positioned to meet this insatiable demand in all political environments.

To reinforce this point, because our business is focused on markets, which are seeing the greatest amount of corporate demand, and is focused on the technologies that are the most cost-effective electricity solutions, we are largely insulated from any potential regulatory or subsidy changes, and we do not expect the recent election results to change our business model or growth outlook.

This past quarter saw several agreements announced by global technology players to restart or enable the development of nuclear capacity. These agreements are a powerful indication not only of the magnitude of demand for clean electricity over the coming years, but of the types of solutions that are needed. The technology leaders require reliable, low-cost, 24/7 scale power solutions and they are increasingly looking to a small number of partners who they trust to deliver what they need, where they need it, and when they need it.

This environment is very constructive for the development platforms we have acquired in recent years and we are well positioned to continue as one of the partners of choice to these companies. We are differentiated with our diverse 200,000-megawatt renewable power project development pipeline, approximately 90% of which is located in the top 10 data center markets globally.

Added to that, with our Westinghouse nuclear business, which has design and engineering capabilities to deliver micro, small modular and utility-scale nuclear solutions, we are in an enviable position globally. As outlined at our Investor Day at the end of September, this year will be our largest for both asset recycling and investment into growth. To date, we have generated approximately \$2.3 billion of proceeds from asset monetizations, resulting in returns of 2.5 times our invested capital and IRRs on these investments of greater than 20%, well in excess of our corporate targets.

Given other ongoing sales processes, the bids we are seeing in the market and our pipeline of assets that will be ready for sale in the coming quarters, we expect to deliver incremental strong monetizations in the future. During the same year-to-date time frame, we have committed and deployed over \$11 billion of equity into growth including our proposed acquisition of Neoen which remains on track to close on our expected timelines as we continue to progress through the regulatory approvals and anticipated undertakings, which are all well advanced.

We recognize that some may question how a market can be attractive for deployment and monetization at the same time. While every transaction has its own dynamics and there will be exceptions to any broad-based generalizations, we see a simple bifurcation in the current market. High-quality, de-risked, and cash-generative assets are seeing very strong bids. While large businesses with ongoing capital needs for development and construction are seeing a scarcity of capital to fund their growth pipelines.

This creates a tremendous opportunity for those equipped to deploy capital at attractive value entry points to acquire growing businesses or fund existing operations. This constructive environment also allows us to monetize more mature assets and recycle the proceeds back into accretive new investments under an attractive and high-returning self-funding model. We feel this market is particularly attractive for a number of the renewable development platforms we have acquired in recent years. Last week, we announced a new partnership with Ørsted a global leader in offshore wind, making our first direct investment into this technology.

We have always taken a thoughtful approach to investing in technologies that are new to our platform. For example, almost a decade ago, we were consciously not a first mover into solar because we believe that much of the initial capital invested in the space was subject to return drivers outside of our control. Notably, the pace of technological improvement and cost declines, the ramp-up of supply chain and the assumed trajectory of growth.

While some players got these initial bets right and others wrong, we waited until we felt the sector was more appropriately derisked. Once the sector matured, we moved with conviction, securing attractive value entry points, often capitalizing on situations of capital

scarcity where some of those earlier investments didn't go as planned. Despite our cautious initial approach to the asset class, we have since found no shortage of opportunities and today are one of the largest solar developers in the world, if not the largest.

We have taken a similar approach to investing in offshore wind. We view offshore wind as a mature, fast-growing and scale renewable technology with critical attributes for certain markets, such as providing a differentiated energy load profile, high-capacity factors, and limited onshore land requirements. However, up until recently, many of the opportunities we looked at face long lead times between capital outlays for development and project commissioning. These challenges deterred us from investing over the past several years, especially given the other opportunities we were seeing in the market.

To date, we are seeing more opportunities to invest in projects that are operating or where the cash flows are more significantly derisked at attractive risk-adjusted returns. We agreed to partner with Ørsted a global leader in offshore wind to acquire a 12% interest in a portfolio of 3,500 megawatts of operating capacity in the UK for an enterprise value of \$2.3 billion.

The portfolio is one, secured by long-term government-backed inflation-linked contracts for difference; two, has approximately 90% of operating costs fixed through long-term O&M transmission and lease contracts; and three, comes with no development or construction risk. We are thrilled to partner with Ørsted, a global leader in offshore wind who will continue to own a 38% interest and operate the portfolio, which we expect to generate returns in line with our targets.

With that, we will now turn it over to Ignacio to discuss our recent asset monetization.

Ignacio Gomez Brookfield Renewable Partners LP - Managing Director, Renewable Power & Transition

Thank you, Connor, and good morning, everyone. As Connor noted, this will be our most successful year for asset recycling ever, as we have already generated record proceeds year-to-date and continue to see robust demand for high-quality, cash-generative operating platforms, and in particular, those with embedded growth opportunities and capabilities.

While we underwrite our investments on a hold to maturity basis to deliver our target 12% to 15% returns, we can often enhance these returns by monetizing mature assets to buyers with a lower cost of capital, who value the long life, derisked infrastructure-like cash flows of renewable power projects. Asset recycling also represents a highly accretive way to fund our business and contributes to our sustainable self-funding model.

Important to successful asset monetizations is the strength of our balance sheet, which enables us to be patient and sell assets when markets are constructive. Throughout 2024, we have seen a very robust bid for high-quality assets and platforms. And against this market demand, we have been successfully recycling capital from our existing asset base and returns significantly above our targets.

While every investment is different in each case, these results were driven by acquiring for value, improving the assets through the execution of our business plan, and monetizing opportunistically. In September, we reached an agreement to sell Saeta which we acquired in 2018 to take private during a period of market uncertainty that created an attractive value entry point. The portfolio consisted of high-quality contracted assets where we saw an opportunity to add value, leveraging our scale, and operating capabilities.

Following the acquisition, which we executed on a bilateral basis, we implemented our business plan. Divesting noncore assets and bringing over best practices from our experience operating renewable assets globally to enhance operations and reduce costs. We also optimized the capital structure and established a development function to focus on growth. With the in-house development team that we built and supplemented by our access to capital, we're able to grow the business and develop a very attractive pipeline of projects. The development team remains in place, and we continue to carry out the strategic growth plan going forward with the new owners.

We agreed to sell the company, excluding the contracted 350-megawatt of concentrated solar power assets, which we continue to own and operate to a leading global renewable energy company as part of their strategic entry into Iberian region for an equity value of \$730 million. With the sale, we will generate total proceeds of over 3 times our invested capital over a six-year hold period crystalizing strong returns for our shareholders.

In 2017, we acquired a 25% interest in First Hydro, the leading UK hydro business, providing approximately 75% of the pumped storage capacity and 45% of the hydro capacity in the market. We recognize an opportunity to use our decades of experience in owning and operating hydro assets to implement several value-generative initiatives. Upon acquisition, we helped execute on the

risk and asset refurbishment program that extended the life of the pumped storage facilities by over 40 years. We optimized the capital structure by refinancing the long-term debt of the business and enhanced the commercial strategy.

We recognized the favorable market dynamics and increasing importance of energy storage and scale dispatchable clean power which led us to an increase in revenues and record earnings under our ownership. In September, we reached an agreement to sell our interest in First Hydro for \$350 million generating over 3.5 times our invested capital since acquisition and are delivering the buyer a highly strategic asset that we continue to provide critical grid services for decades to come.

During the quarter, we also agreed to sell a 50% interest in our Shepherds Flat wind portfolio, where we executed one of the largest wind repowering projects globally, increasing generation by approximately 25% and extending the asset's useful life by approximately 10 years. We completed this repowering project on time and on budget during the pandemic, when the sector was being impacted by supply chain challenges, a testament to our procurement and development teams.

In closing, we will generate almost 2 times our invested capital on the portions sold for \$415 million while still retaining a 50% interest and operating the asset, where we are completing other value-enhancing initiatives.

And finally, today, we're one of the leading renewable energy operators and developers in India, having prudently built a regional presence since entering the market in 2017 off the back of the broader Brookfield business in the country. This week, we signed an agreement to complete our first full cycle investment in the country by selling a 1,600-megawatt portfolio of operating and under construction wind and solar assets to a large renewable player at our target returns. We expect to close the transaction in parts in the first quarter of 2025 and 2026, subject to customary closing conditions. We were able to add value to this portfolio through the optimization of the capital structure, operational and working capital improvements, and through organic development.

With that, I will pass it on to Wyatt to discuss our operating results and financial position.

Wyatt Hartley Brookfield Renewable Partners LP - Chief Financial Officer of the General Partner

Thanks, Ignacio, and good morning, everyone. Our operating business had a strong quarter, delivering record funds from operations, generating \$278 million in the quarter, or \$0.42 per unit, up 11% year-over-year. With an increasingly diversified portfolio of operating assets, limited off-taker concentration risk, and a strong contract profile, our cash flows are highly resilient. These results and our outlook for the remainder of the year have us positioned well to deliver on 10%-plus FFO per unit growth.

Our hydroelectric segment benefited during the quarter from solid generation, and we continue to see strong demand for these assets. This quarter, we successfully executed two contracts with US utilities at an average price of almost \$90 per megawatt hour for an average duration of almost 15 years. The favorable contracts will result in a significant uplift in revenue per year and are expected to result in upfinancing proceeds of up to \$500 million, which when redeployed at our target returns, is expected to generate meaningful incremental annual FFO for the business. With an additional 6,000 gigawatt hours of generation available for recontracting over the next five years, and an increasingly constructive pricing environment for our hydro portfolio, we have significant capacity across our fleet to execute on similar contracts that we expect to contribute additional FFO and generate a highly accretive funding source for our growth.

Our wind, solar, distributed energy, and sustainable solutions segments generated record results benefiting from our acquisitions and development activities, as well as continued tailwinds at our nuclear services business, Westinghouse.

Our balance sheet continues to strengthen as we ended the quarter with \$4.6 billion of available liquidity and our funding model is working well. As Ignacio noted, we were successful in executing on our asset recycling initiatives this quarter, generating record proceeds so far this year and have a positive outlook to continue to rotate capital and generate strong returns going forward. In addition, we expect to execute a total of \$30 billion in financing this year, generating \$700 million in total financings, positioning us well to fund our growth activities going forward.

In closing, we remain focused on delivering 12% to 15% long-term total return for our investors by prudently deploying capital and executing on our operating initiatives. On behalf of the Board and management, we thank all of our unitholders and shareholders for the ongoing support. We are excited about Brookfield Renewable's future and look forward to updating you on our progress throughout the remainder of the year.

That concludes our formal remarks for today's call. Thank you for joining us this morning. And with that, I'll pass it back to our operator for questions.

QUESTIONS AND ANSWERS

Operator

Sean Steuart, TD Securities.

Sean Steuart TD Cowen - Analyst

Thanks. Good morning, everyone. I want to start with the US. It's a big part of your advanced organic pipeline. And Connor, you referenced comfort that growth will -- it will remain a growth focus for Brookfield Renewable. I'm wondering if you can give us more detailed thoughts on the US return profile and growth potential of tax credits or changed or appealed in the events that the Republicans take the House and Trump can advance that agenda.

Connor Teskey Brookfield Renewable Partners LP - Chief Executive Officer of the General Partner

Great. Good morning, Sean. Certainly, no doubt, a big topic this week. Maybe let's come at this two different ways. We'll come at it from the macro and then we'll come at it from the perspective of our business, in particular.

From the macro perspective, we would suggest that the government support and regulatory processes and procedures that most commonly touch our business generally have very strong bipartisan support. And yes, while a new government may tweak or make changes to that, our expectation is it would not be material. However, what's probably more important from the macro side is two things. One, any time a new administration comes in. And this one, we expect to be no different, we expect to see a period of tremendous fiscal support to drive industry and manufacturing and data centers in the United States, and all those things are going to need incremental power.

And that's going to be very beneficial for renewables. That's going to be beneficial for gas, that's going to be beneficial for nuclear. Further, a Republican administration with a focus on domestic growth should no doubt provide longer-term tailwinds that will increase power demand, which, again, renewables as the lowest cost provider of that power should be well positioned to benefit from that incremental demand.

Now, maybe then switching gears to talk about our business. For years now, we've been growing and diversifying our business. We're proud that we have one of, if not the most, globally diversified renewables business across both geographies and technologies. But in particular, for years, we've been positioning our business to rely on corporate demand and low-cost energy production, not government subsidy. To ensure that in periods of regulatory uncertainty, our business will continue to perform.

To date, our business is highly focused in both the lowest cost technologies and the regions that are seeing the greatest growth in electricity demand, which ensures that we are largely insulated from any potential regulatory or subsidy changes and therefore, we don't expect the recent election results to change our business model, our growth outlook or the return profile we will seek to achieve when deploying capital into growth.

Maybe just to finish by putting it bluntly, we are the low-cost producer of a critical commodity that the world, particularly the United States, is going to need more of. And therefore, we feel that our position is very strong particularly as we move forward and see more growth in the United States.

Sean Steuart TD Cowen - Analyst

That's great detail. Thanks for that. Second question relates to offshore wind. It looks like the Ørsted transaction is, I would say, more of a focused financing deal with fixed horizon for you guys, more so that as opposed to a strategic push into the asset class. Can you speak to larger growth aspirations and offshore wind having referenced the risk profile now fitting into parameters that work for you guys?

Connor Teskey Brookfield Renewable Partners LP - Chief Executive Officer of the General Partner

For sure. Maybe just to put some context on the Ørsted transaction. First and foremost, we are thrilled to be partnered with Ørsted who are the global leader in offshore wind. And we are thrilled to be partnered with the global leader and perhaps what is one of their highest quality, largest, and most established offshore wind platforms around the world and the quality of the assets and the quality of the partner here is really what attracted us to the investment.

In terms of the broader asset class, we're very bullish on offshore wind. We think it is a large, fast-growing asset class, it's critical in many markets around the world, and it needs significant amounts of capital. And perhaps some of the headwinds in the asset class over the last two or three years position us as a capital provider who can support some businesses that maybe have less access to capital today than they have in the past.

We will review opportunities in offshore wind, the same way we review opportunities in any asset classes, judging the risk and return. But what I would say is we see far more attractive opportunities in that asset class today than probably at any point in the last five or six years, and therefore, we hope there will be more to come.

Sean Steuart TD Cowen - Analyst

Thanks for that, Connor. That's all I have for now.

Operator

Robert Hope, Scotiabank.

Robert Hope Scotiabank GBM - Analyst

Good morning, everyone. I want to circle back on the US and maybe dive a little bit deeper into your comments about being the low-cost producer. We understand that the tax benefits often do pass through to customers. But can you maybe dive in a little deeper on what asset classes could be more impacted by changes to tax policy there? And could that shift more towards wind versus solar or which asset class do you think has the best cost outlook regardless of subsidies.

Connor Teskey Brookfield Renewable Partners LP - Chief Executive Officer of the General Partner

Thanks, Rob. In terms of which asset classes are most susceptible to change, we would purely be speculating at this point. Obviously, the Republican administration has made some comments about certain asset classes. What we would say, in general, however, and how we view the business is -- if you are focused in asset classes like onshore wind and solar, which are not the cheapest cost of electricity production from renewables, but the cheapest cost of electricity production bar none.

Today, if those asset classes benefit from tax credits or subsidies, all that allows us to do is simply offer a cheaper PPA to the end customer. In the event that any of those tax subsidies are rolled back or reduced, we will simply flow the lack of those subsidies through a higher PPA price to preserve our returns, our project returns. And the key point there is because onshore wind and solar are so much cheaper than the alternatives, there is room to do that and still be the cheapest form of bulk electricity production.

That is why we feel our -- the vast, vast majority of our business where we do almost entirely all of our renewable power development in the United States is so insulated from any changes. Clearly, the sectors that potentially could be more exposed are higher-cost sectors are sectors that are reliant on government subsidy or government support to either make them economic or to support their go-forward growth.

And there are a few of those sectors -- we are just fortunate that it's never been part of our business focus to invest in those, and that's why we're relatively calm about any change in government today.

Robert Hope Scotiabank GBM - Analyst

Appreciate that color. And then maybe pivoting over to the Infinium investment. And more broadly, how are you looking at, we'll call it, non-renewable power investments with the potential to be a little bit more on the bleeding edge. And I guess, overall, with such a

large renewable backlog, how do these kind of investments fit in the framework.

Connor Teskey Brookfield Renewable Partners LP - Chief Executive Officer of the General Partner

Sure. Our business today is almost entirely renewables. And that continues to be the bulk of our growth today and our expected growth going forward. What we would say, however, is while we've dramatically enhanced the growth of our renewables business over the last several years, we've been selective in investing initially into a number of asset classes that we think will be critical to clean energy grids of the future. And the most notable ones there that we've invested in are nuclear, batteries, and biofuels.

When it comes to assessing any investment into new asset classes, I would say our approach is pretty robust. And we have the luxury of investing billions, if not tens of billions of dollars into renewables growth each year. And that gives us a very strong benchmark or threshold against which to adjust the risk-adjusted returns of any other asset class or any other investment that we make.

And if we're investing in something that has either slightly higher construction or development risk, slightly higher revenue construct risk, is a less mature technology with a less mature supply chain, we, of course, need to be significantly rewarded for taking on those exposures relative to what we could achieve by just investing further in wind and solar.

And take the example of Infinium here. Infinium is a sustainable aviation fuel is a new asset class for us but really, what we're investing here is the build-out of a facility that is not the first of its kind. It's a proven technology. Similar facilities have been built out before but exactly similar to our wind and solar business, we are building a facility that is backstopped by long-term take-or-pay contracts, with high-quality corporate offtakers. And we saw a lot of similarities to producing this sustainable aviation fuel similar to how we do green power. And that's what gets us excited and gives us comfort about an investment like Infinium.

Robert Hope Scotiabank GBM - Analyst

Great. Thank you for the color.

Operator

Nelson Ng, RBC Capital Markets.

Nelson Ng RBC Capital Markets - Analyst

Thanks. Connor, you've talked a lot about the US sector, and I have one more question for you in terms of the US elections. So obviously, with the elections outcome, we saw a big drop in share prices of many companies, even companies that don't have any US exposure, do you generally see like more opportunities to deploy capital now with publicly listed names or even in projects where responses may be pulling out? Like do you have a like a shopping list of companies or projects that are potentially significantly undervalued now?

Connor Teskey Brookfield Renewable Partners LP - Chief Executive Officer of the General Partner

Perhaps the way to answer that question is very simply, our investment pipeline remains incredibly robust. And for years now, our ability to deploy scale capital has been predicated on, one, our ability to do large-scale transactions; two, our operating capabilities, particularly around power marketing; and three, are access to capital. And perhaps tying that back to your question, the variability and volatility in share prices following the election results all that will do is reduce access to capital for those that are reliant on the public markets.

And I wouldn't say that's a new trend for us, but simply plays into a trend we've been seeing for a while. And as a result, we're very encouraged about the investment pipeline we have today. As mentioned at our Investor Day a couple of months ago, we continue to expect to deploy increasing amounts of capital into growth in the future. And that's very simply as a result of the demand we continue to see for our product and how our business model is well positioned to execute on that. I really think it just -- the volatility in the stock market after results just plays to that theme of less access to capital for some market participants.

Nelson Ng RBC Capital Markets - Analyst

Great color. And just switching gears a bit on the hydro side, in terms of the \$90 per megawatt hour and you mentioned that I think it's contracted to US utilities. Going forward, when you recontract additional facilities in the US, do you expect -- or are you seeing more direct demand from, let's say, big tech or data centers? Or do you expect recontracting to continue to be with US utilities?

Connor Teskey Brookfield Renewable Partners LP - Chief Executive Officer of the General Partner

It's a great question. The point we would highlight here is power demand is going up very, very significantly. Whether we sell that directly to an end customer, or we sell it to a utility who then passes it to an end customer or we sell it to an end customer, but through a virtual PPA that uses the electricity grid, all of this is driven by the same theme that there is more end customer demand.

And that shows up in our prices and the demand for our power, particularly the clean, dispatchable baseload power that can come from hydro or nuclear. That comes through in the contract, whether it's direct, a virtual PPA, or through a utility. Given what we're seeing in the market, I'd say we're going to see a mix of all those things. But the important takeaway from our perspective is regardless of how that power gets to the end consumer, the overwhelming thing is the increase in demand, the increase in volume, and how that is driving a higher price in the contracts we are seeing.

Nelson Ng RBC Capital Markets - Analyst

Great. Thanks, Connor. I'll leave it there.

Operator

(Operator Instructions) Rupert Merer, National Bank.

Rupert Merer National Bank Financial - Analyst

Hi. Good morning, everyone. Connor, you highlight the bifurcation in valuation between mature assets, more complex development assets. We're also seeing some weakness in the stock market at that you discussed, and we do seem to be seeing a wave of privatization. So I was wondering if you could quantify the difference in return expectations that you see with this bifurcation between mature and immature and between public valuations and private valuations.

Connor Teskey Brookfield Renewable Partners LP - Chief Executive Officer of the General Partner

It's a great question. And it's obviously going to differ by market, by asset class by size of transaction -- but we'll try and be as constructive as we can. And we'll share a couple of data points with you. Within some of our development platforms, and we have a number of scale development platforms in core markets around the world.

Probably the easiest place to see the difference between development returns and the market price for contracted operating assets is when you look at the development margin within an individual developer. And I would say, in general, our best developers around the world are seeing developer margins north of 400 or 450 basis points. And we have some developers around the world that are consistently delivering development margins in the 500 to 600 basis point range.

And depending on which asset class and which geography that might be, that might mean you're developing at, call it, 13% to 15% hold-to-maturity returns and selling down at 8% to 10% or in other markets, that might mean you're developing at 15% to 17% and selling down at 10% or 11%. So I would say that's probably the delta we're seeing in our most high-performing and most attractive markets.

Rupert Merer National Bank Financial - Analyst

Great. Thank you for the color. And why you've highlighted the contracts we've signed recently, some attractive prices, \$90 a megawatt hour, I think you suggested. And if we look at the growth in demand in the US for power for data centers, it does seem like there's more demand than supply today. Supply is going to have a hard time keeping up how price sensitive do you think the market is? How high can power prices go before your buyers, you think will hit the pause button.

Wyatt Hartley Brookfield Renewable Partners LP - Chief Financial Officer of the General Partner

Yeah. Look, Rupert, what I would say is I think from our perspective, we thought that the showing the sharing the \$90 per megawatt hour number was very constructive in the sense that there have been a number of transactions recently around the nuclear space that we're also in and around those numbers. Not all of it was fully publicly disclosed, but I think the market is settled around it being around those numbers.

And I think -- from our perspective, what we really want to highlight is that for a dispatchable or baseload clean generation, the demand for our product is as strong as ever. And it's -- you can see it across multiple different markets with multiple different buyers. And that is obviously a very constructive thing.

In terms of how high the price can go, look, we don't have a crystal ball that's any better than anyone else. But I think from our perspective, we are seeing, especially for the hydros, but on a broader basis for all of our assets, there is a very constructive market out there, and that's what we're capitalizing on.

Rupert Merer National Bank Financial - Analyst

Very helpful. I'll leave it there. Thanks for the color.

Operator

Mark Jarvi, CIBC.

Mark Jarvi CIBC Capital Markets - Analyst

Yeah. Good morning, everyone. Maybe just coming back to the US election impacts and given there's some uncertainty, what do you think will happen with M&A in the US market and being valuations on development pipeline? Is there a chance that any of your ongoing asset sales in US take a pause -- what do you think you have to see for clarity before the market maybe opens up again.

Connor Teskey Brookfield Renewable Partners LP - Chief Executive Officer of the General Partner

Hi, Mark. If they are, we don't expect it to be material. The nature of the -- just speaking -- sorry to be redundant but going back to that bifurcation that we're seeing in the market, the things that we are selling are heavily contracted, derisked, high-quality cash-generative operating. These things are pretty embedded cash flow streams at this point that are reliant on government subsidy or support programs. So yeah, I think everyone is probably going to digest the news of this week, but we don't expect it to have a material impact on the types of assets that we are selling in the current market.

Where there could be opportunity, it really ties back to the question that was asked previously, does the uncertainty of a new administration and some of the positions they might take in the future reduce access to capital for those that are reliant on it, particularly in the public markets. And that could actually lead to an increase in activity for us on the investment side. But we don't really foresee any material change in what's going to happen on our asset sales side.

Mark Jarvi CIBC Capital Markets - Analyst

Okay. And just coming back to the US hydro assets some buyers are really focused on additionality. Microsoft deals kind of carried that way. Are you seeing any other change in tone around other large tech buyers in terms of additionality constraints? Or do you

think they are willing to align to contract through US hydro to pay that premium?

Connor Teskey Brookfield Renewable Partners LP - Chief Executive Officer of the General Partner

It's a great question. And there's no perfect answer to this. The real key is the broader market needs more power. And yes, certain buyers are more axed to acquire power from new build. But the broader market just needs as much generation, particularly low-cost generation as it can get. So it doesn't matter if it's new build or existing power, there is still very significant demand.

What we would say is, given the scale of demand that we are seeing and particularly how it is accelerating going forward, different institutions, and this extends beyond simply the technology companies. Different institutions are taking differing views on how much additionality is required. Is it a completely new build wind and solar? Or is investing hundreds of millions of dollars to enhance the capacity, extend the life of a hydro? Does that meet the additionality requirements to or need to sign a long-term corporate contract? So I would say it's not a one-size-fits-all scenario, but the broader demand is impacting both operating assets and new build assets, the same.

Mark Jarvi CIBC Capital Markets - Analyst

Okay. And then last question, just again on the US market. Your view on nuclear and just the Westinghouse business, would you say the election outcome is neutral, positive, to be determined at this point? Any additional perspective on that business?

Connor Teskey Brookfield Renewable Partners LP - Chief Executive Officer of the General Partner

Yeah, it's a pretty hard positive in our minds. Obviously, this administration has expressed support for nuclear. And maybe it's worth just taking a minute to explain Westinghouse's business and how it can benefit as nuclear growth going forward.

Westinghouse really has two components of its business model. It is the largest technology product and service supplier to the nuclear power generation fleet globally and in particular, the United States. So any growth or activity within the nuclear sector, Westinghouse will benefit, whether it's from services, capacity upgrades, life extensions, fuel supply, any growth or activity in the existing fleet is positive for Westinghouse.

But then in addition to that, Westinghouse has not only the leading large-scale nuclear reactor around the world, the AP1000, what might not be appreciated is Westinghouse also has the leading SMR, small module reactor technology. And what's unique about Westinghouse's SMR technology is almost every other, if not every other SMR technology around the world is a first of its kind. And first of its kind goes through certain struggles in permitting, in design, in construction, et cetera.

Westinghouse's SMR technology is the AP300. It is very simply the downsized AP1000. It is the same design, the same technology, the same fuel. And therefore, as not only the large-scale reactor market grows, as well as the SMR reactor grows, Westinghouse is exceedingly well positioned to be a leading and major participant in any new reactor growth in the United States or more broadly around the world.

So, how are we viewing Westinghouse? It's not only going to benefit from the growth in nuclear in its core services business but also in terms of new reactors. And then the additional benefit for us is we are uniquely positioned as the only renewable power player globally that can offer nuclear solutions that can complement our wind and solar offering to our customers. And we feel that's a very, very enviable position to be in today, particularly with the largest corporate clients like the large tech companies.

Mark Jarvi CIBC Capital Markets - Analyst

Okay. Thanks for the time today.

Operator

William Grippin, UBS.

William Grippin UBS Equities - Analyst

Thanks very much. Good morning. I'm sorry to do this, but just coming back to the policy point here. Obviously, there's been a lot of hand wringing on what happens to the ITC. A lot of people forget it's been around since 1978 in some form and has been extended under multiple administrations since that time, both Republican and Democratic. So I generally agree with you. I think any risk of change there is very, very low.

But more to the point, I think based on our conversations over the last few days, it seems like a lot of investors have actually forgotten about the IRS guidelines around safe harboring, which potentially enable developers to lock in the current ITC level through 2029. Just want to give you an opportunity to talk about maybe what you're doing on that front and help maybe sway some of these concerns about the impacts of potential policy changes.

Connor Teskey Brookfield Renewable Partners LP - Chief Executive Officer of the General Partner

Yeah, certainly. It's a good point. And I think the point we would reiterate most specifically is two things. One, we would highlight your point that many of these support programs have been along a lot longer than just the previous administration. They date back far before that and importantly, have very strong bipartisan support. It's very well known that many Republican states were actually the largest beneficiaries of IRA. So while we wouldn't rule out some changes to those tax credits and things like that, if they are going to get changed, we argue is we don't expect it to be meaningful. And even if it is, as discussed previously, our business is well insulated.

Maybe just piggybacking on your second point, I might come at it from a slightly different perspective, which is the scale of our business, both globally and in the United States, really puts us in a favorable position that we are extremely well positioned to handle any changes whatever they might be. We have globally diversified supply chains. We have one of if not the largest renewables business in the United States that can take advantage of any of the policies and procedures like the ones you mentioned.

And we're always across those different initiatives to derisk our broader business. It doesn't end solely at tax credits. It goes to things like supply chain and procurement as well. And regardless of what change has come, we think our business will be well positioned, and we've just -- we really struggled to see a situation where we don't continue to grow and accelerate our growth in the United States.

William Grippin UBS Equities - Analyst

Great. Thanks very much. And just last small one here. But -- could you talk to some of the year-on-year drivers you're expecting to contribute to what appears to be accelerating fourth quarter FFO per share growth implied by the guidance?

Connor Teskey Brookfield Renewable Partners LP - Chief Executive Officer of the General Partner

Yes, sure. Perhaps I'll start and then why please jump in. I would say two, three things and Wyatt if I'm missing any of the big ones, let me know.

One is we've obviously deployed an incredibly significant amount of capital into growth, both M&A and development over the last 12 months, and that is just increasingly run rating through our numbers. And particularly the deployment since Q4 last year and maybe even some of the transactions will get done in Q4 that will begin to contribute this year will be the biggest driver. There's no question.

Secondly, a number of our businesses are performing very well, in particular, some of the largest and most cash-generative businesses our hydros in Colombia, Westinghouse, they continue to provide great tailwinds to our underlying earnings.

And then the third point I would make is we have announced some asset recycling this year. There are going to be some gains on sale that will contribute in the fourth quarter that will provide an additional kind of modest uplift versus the two more significant drivers of growth, the first two things I mentioned.

Wyatt, I don't know, am I missing anything?

Wyatt Hartley Brookfield Renewable Partners LP - Chief Financial Officer of the General Partner

You captured the big drivers. The only thing I would add is just -- and this is very routine across our business, but we are continuing to capture stronger prices, both in terms of the inflation indexation that is built into our contracts. But then to the point we've referenced a number of times around the hydros, just incrementally capturing more value in those. And so those -- that is also expected to benefit in the fourth quarter.

William Grippin UBS Equities - Analyst

Got it. Thanks very much. That's all for me.

Operator

This does conclude the question-and-answer session of today's program. I'd like to hand the program back to Connor Teskey for any further remarks.

Connor Teskey Brookfield Renewable Partners LP - Chief Executive Officer of the General Partner

Thank you, everyone, for dialing into our earnings call. We appreciate the ongoing interest and support of our business, and we look forward to updating you with our Q4 and year-end results early in the new year. Thank you and have a great day.

Operator

Thank you, ladies and gentlemen, for your participation in today's conference. This does conclude the program. You may now disconnect. Good day.

DISCLAIMER

The London Stock Exchange Group and its affiliates (collectively, "LSEG") reserves the right to make changes to documents, content, or other information on this web site without obligation to notify any person of such changes. No content may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of LSEG. The content shall not be used for any unlawful or unauthorized purposes. LSEG does not guarantee the accuracy, completeness, timeliness or availability of the content. LSEG is not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the content. In no event shall LSEG be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the content even if advised of the possibility of such damages.

In the conference calls upon which Summaries are based, companies may make projections or other forward-looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the companies' most recent SEC filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

LSEG assumes no obligation to update the content following publication in any form or format. The content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. LSEG does not act as a fiduciary or an investment advisor except where registered as such.

THE INFORMATION CONTAINED IN TRANSCRIPT SUMMARIES REFLECTS LSEG'S SUBJECTIVE CONDENSED PARAPHRASE OF THE APPLICABLE COMPANY'S CONFERENCE CALL AND THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORTING OF THE SUBSTANCE OF THE CONFERENCE CALLS. IN NO WAY DOES LSEG OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED ON THIS WEB SITE OR IN ANY SUMMARY. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S CONFERENCE CALL ITSELF AND THE APPLICABLE COMPANY'S SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

Copyright ©2024 LSEG. All Rights Reserved.