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Corporate Speakers

- Connor Teskey; Brookfield Renewable Partners; Chief Executive Officer
- Wyatt Hartley; Brookfield Renewable Partners; Co-President and Head of North American Asset Management
- Patrick Taylor; Brookfield Renewable Partners; Chief Financial Officer

Participants

- Sean Steuart; TD Cowen; Analyst
- Nelson Ng; RBC Capital Market, Analyst
- Robert Hope; Scotiabank; Analyst
- Rupert Merer; National Bank; Analyst
- Mark Jarvi; CIBC; Analyst
- William Grippin; UBS; Analyst
- Anthony Crowdell; Mizuho, Analyst

PRESENTATION

Operator: Good day. Thank you for standing by. Welcome to the Brookfield Renewable Partners fourth quarter 2024 Results Conference Call and Webcast. (Operator Instructions) Please be advised that today's conference is being recorded.

I would now like to hand the conference over to your speaker today Connor Teskey, Chief Executive Officer. Please go ahead.

Connor Teskey: Thank you, Operator. And good morning, everyone. Thank you for joining us for our fourth 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.

Before starting, we would like to welcome Patrick Taylor, our newly appointed CFO, to the call. We are thrilled to have Patrick on the team as we continue to add depth and talent to our leadership group.

On today's call we will provide a review of our 2024 performance. Then Wyatt will discuss our growth outlook in the U.S. and globally. Then lastly, Patrick will conclude the call by discussing our operating results, recent asset recycling activities and our

financial position. Following our prepared remarks, we look forward to taking your questions.

Now before going through our 2024 results, we wanted to comment briefly on the current environment. Following several decades of modest electricity demand growth, we are experiencing a dramatic shift in demand driven by the AI revolution, one of if not the most significant advancements in technology in our lifetime. This is driving a significant step change in demand for our product, supporting our continued and accelerating growth.

While the renewable sector has traded down in the public markets on weaker sentiment stemming from the new U.S. administration's announced executive orders and potential policy changes for renewables, the simple fact is that the fundamentals for energy have never been better. The low-cost renewable technologies that we have built our business on are the cheapest form of electricity production and are seeing greater demand than ever before.

As a result, we believe that low-cost renewables, which are readily available to deploy, will play a leading role in the requirements for ‘any and all’ increases in generation capacity that we are already seeing unfold. Our focus on the lowest cost, most mature renewables technologies that have the greatest demand from corporate customers and are not reliant on government subsidy has positioned us well to benefit in the current environment.

We have no exposure to the sectors of the market, which are seeing the greatest headwinds, and we feel we are best positioned across the industry to capture the accelerating corporate demand. With our extensive 200,000-megawatt development pipeline, which is highly concentrated in the top data center markets globally.

Executing our business plan will create significant value in our company and as market sentiment passes, we expect to see that translate into the price of our shares. The current market dislocation is also presenting significant investment opportunities for us. Our strong liquidity and robust funding model, combined with lower public share prices across the sector and increased uncertainty for private market investors could also create the opportunity to acquire assets for value and further grow our business.

Turning now to our results. 2024 was another record year for our business. We delivered our strongest operating and financial results ever and position the business for significant further growth and value creation in the future. We delivered 10% FFO per unit growth year-on-year as we benefited from our inflation-linked and contracted cash flows, contributions from acquisitions, and the execution of various organic growth and value-creation initiatives across our business including the sale of derisked operating assets and platforms, which generated strong returns, and are now very much a regular and ongoing part of our business.

We exceeded our capital deployment targets investing $12.5 billion in some outstanding businesses including our investment in global renewable operator and developer Neoen. During the year, we advanced our commercial initiatives and continue to partner with the largest buyers of clean power globally signing contracts for almost 19,000 gigawatt hours per year of generation. Again another record performance and indicative of the incredible supply-demand imbalance in favor of our product.

We also signed a landmark Renewable energy framework agreement with Microsoft in May agreeing to deliver 10.5 gigawatts of new renewable energy capacity between 2026 and 2030 in the U.S. and Europe. And today we are on track to not only meet but exceed our delivery targets.

This agreement will assist Microsoft's data center growth and support its investment in AI-powered cloud services, which continue to accelerate. The global hyperscalers are significantly ramping up investment in their data center infrastructure. and are expected to continue to increase investment tremendously through the remainder of the decade. Power is increasingly a bottleneck to this planned data center development and we are seeing these businesses ramp up their efforts to secure supply to ensure the delivery of their growth.

Our agreement with Microsoft is a testament to our differentiated capabilities and we expect to continue to partner with the largest buyers of power going forward. This year, we commissioned a record 7,000 megawatts of new capacity globally, almost 7x the capacity we brought online just three years ago. With our expanding development capabilities, we have also successfully grown our asset rotation activities. We generated a record $2.8 billion of proceeds in 2024 at an average return of 25% IRR and approximately 2.5x our invested capital, crystallizing strong returns for our shareholders and generating significant capital to fund future growth. Again this positions us well in the current market.

We have continued to be uncompromising in how we fund our business and our balance sheet remains among the strongest in the sector. We executed record financings this past year and finished the year with $4.3 billion of liquidity to opportunistically fund our growth. With our record results and in conjunction with our strong liquidity and robust outlook for our business, we are pleased to announce an over 5% increase in our annual distribution to $1.492 per unit. Since Brookfield Renewable was publicly listed in 2011, and we have delivered 14 consecutive years of annual distribution growth of at least 5% per year.

With that, we will now turn it over to Wyatt to further discuss our growth outlook in the U.S. and globally and how we are positioned to capitalize in the current market.

Wyatt Hartley: Thank you, Connor. And good morning, everyone. As Connor outlined in his remarks, there has been elevated volatility in public markets, reflecting uncertainty on potential regulatory changes affecting the renewable sector in the U.S. While we see potential for regulatory changes, we do not expect any material adjustments to the

policies that have the greatest impact on our business as these largely have bipartisan support. More important to our business are the current fundamentals for power.

Globally and in the U.S. specifically, the demand for electricity continues to accelerate at an incredible rate. driven by broad-based electrification of major industries and the global energy grid and a generational step change in demand for power to drive the AI revolution.

We also expect that supportive fiscal policy in the U.S. will drive further growth in manufacturing, data center development and industry in the country, which will, in turn, drive further electricity demand. As a result, the growth prospects for low-cost, mature renewable technologies are better than at any point in history as they play a leading role in ‘any and all’ increase in generation capacity.

Simply put, offtakers of power will naturally take as much of the lowest cost solution, renewables, before turning to other forms of generations to meet their needs. As growing energy demand is being met with the new build capacity, it is creating two challenges: transmission availability and grid stability.

We see large-scale battery systems and distributed generation as an increasingly important parts of the solution. The grid scale batteries is being developed today are able to charge when the sun is shining and when the wind is blowing and then discharge power at other times, enabling a more consistent power supply. Further, by charging when power is cheap, and plentiful and distributing when power is scarce and in demand, batteries are increasingly lucrative.

Distributed generation is also able to reduce demand during peak hours and provide backup power when grids are strained. The modular nature of both these technologies also makes them relatively easy to deploy almost anywhere. As batteries become more cost effective, with costs declining over 90% in the past decade, we expect that they will become a significant component of stabilizing the world's transmission grids and supporting the accelerated build-out of low-cost mature renewable technologies.

At the end of 2024, we made our largest investment ever in our renewable power and transition business with our investment in Neoen, a leading global renewable platform with best-in-class management and market-leading positions in each of France, Australia and the Nordics.

What may not be appreciated is that Neoen is also a leading global operator and developer of battery energy storage systems, a technology that we are increasingly investing in with growing demand, lower capital costs and higher potential revenues from stabilizing services, and we are focused on deploying capital into battery energy storage solution in almost all markets.

With this investment, we are one of the largest battery developers globally with 3,300 megawatts of operating and under construction capacity and additional 35,000 megawatts in our pipeline.

With the supportive demand backdrop and the combination of our global scale, significant access to capital and our combined operating and development capabilities across multiple suites of technologies including hydro, wind, utility scale solar, distributed generation and storage to name a few, we can deliver differentiated solutions to our customers, a few others can thereby generating significant value for our shareholders over the long term.

And with that, I'll pass it on to Patrick to discuss our operating results, recent capital recycling initiatives and financial position.

Patrick Taylor: Thanks, Wyatt. And good morning to everyone on the call. Our business performed well this year, delivering record results. In the fourth quarter, we delivered FFO of $304 million or $0.46 per unit, up from $0.38 per unit in the same quarter last year, representing a 21% increase year-on-year. On a full year basis, we delivered FFO of $1.2 billion or $1.83 per unit, up 10% year-on-year.

Looking now at our segments, our hydroelectric business generated solid results, benefiting from a strong second half of the year from our Colombian business, Isagen, helping offset weaker hydrology in North America. Our wind and solar segments generated record funds from operations, which were up 30% from last year as we benefited from a full year contribution from our recent acquisitions.

Our distributed energy storage and Sustainable Solutions segments also generated record results, up 78% year-on-year with a full year contribution from Westinghouse, where we continue to see positive momentum.

On the capital recycling front, the strong fundamentals for power are benefiting our business as we are able to sell our derisked operating assets and portfolios to lower cost of capital buyers who are looking for long life, real assets, delivering reliable cash flows.

Since 2020, we have generated almost $6 billion in proceeds at an average IRR of approximately 22% and a 2.1x multiple on invested capital. This year, we closed the sale of Saeta where we realized the significant value we created through operational enhancements and the build-out of their development function, generating 3x our invested capital over a relatively short hold period.

We also closed the sale of a 50% interest in Shepherds Flat, where we executed one of the largest wind repowering projects ever crystallizing significant value. Asset recycling will continue as a reliable and consistent way for us to deliver strong returns for our shareholders and generate capital to fund growth. We expect to build off this strong momentum in 2025 delivering even larger and more recurring monetizations in the future at similarly healthy returns.

Looking now at our financial position. Our balance sheet remains strong, and we continue to execute well within our self-funding model. We finished the year with $4.3 billion in liquidity and providing us with significant flexibility to deploy capital opportunistically to support the growth of the franchise.

During the year, we successfully completed nearly $27 billion in financings opportunistically extending duration and optimizing our portfolio's capital structure including executing $800 million of up financing to support growth initiatives. With our staggered contract profile, we also have a healthy pipeline of generation coming up for recontracting over the next five years. This should create significant additional up-financing capacity within this portfolio.

In closing, we remain focused on delivering 12% to 15% long-term total returns for our investors, while remaining disciplined allocators of capital, leveraging our deep funding sources, and operational capabilities to enhance and derisk our business. On behalf of the Board and management, we thank all our unitholders and shareholders for their ongoing support. We are excited about Brookfield Renewable's future and look forward to updating you on our progress throughout 2025.

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

QUESTIONS AND ANSWERS

Operator: (Operator Instructions) Our first question comes from the line of Sean Steuart with TD Cowen

Sean Steuart: Thanks. Congratulations to Wyatt and Patrick. A couple of questions. Connor, with respect to the Microsoft framework agreement, you referenced exceeding targets. I'm wondering if you can give a little more context there. Is that more capacity potentially being built into that agreement? Or is it an expedited development timeline? Any detail you can give us there?

Connor Teskey: Hi, Sean, Yes. Really two things there. Obviously that agreement -- sorry, I shouldn't say obviously that agreement is structured to deliver 10.5 gigawatts between 2026 and 2030, the first point that we would make is on the back of structuring that agreement in 2024, we expect to deliver and have, and will continue to deliver capacity to Microsoft ahead of 2026. That's obviously additional to the 10.5 gigawatts that we will deliver over the five years in the latter half of the decade.

Then secondly, just with the broader growth of our business in the latter half of the decade, we would say that 10.5 gigawatts is increasingly the floor, not the ceiling. We continue to add development -- advanced development pipeline in key data center markets around the world and we are seeing tremendous demand from Microsoft and the

other hyperscalers for that product and as offtake to pull those projects out of the ground. So we expect that in those five years, we'll deliver well more than 10.5 gigawatts.

Sean Steuart: And further to that, it's been nine months since you announced that agreement. Can you give broader updates on efforts to replicate that type of framework deal with other corporates.

Connor Teskey: Absolutely. We'd probably frame it in two different ways. No doubt on the back of that agreement we are having discussions we would say with everyone you would expect when it comes to potential broad-based power generation agreements. But I think it's important to recognize that those discussions can show up two different ways that are both beneficial for our business. What we did with Microsoft is we announced an agreement that we will fill up over time, over the 5-year period over which that agreement governs.

The other thing that we can do that's happening real time is we can just do more and more activity with the hyperscalers on a project-by-project basis, even outside of a global framework agreement. We are absolutely seeing that in real time across our business. We've delivered more projects and more power to them in 2024 than 2023. We'll deliver more power and projects to the hyperscalers in 2025 than 2024, even absent those agreements. So while we are in discussions and may sign similar framework agreements in the future, the demand is showing up in our development activities on a project-by-project basis regardless.

Sean Steuart: Then just one last one. Asset recycling is an ongoing focus for funding. We've seen lots of valuation pressure for public equities, but it sounds like returns for your asset recycling initiatives have held in. Just interested in your perspective on how that spread for returns between asset recycling and organic development could shift. Those spreads have been strong for you over the last five years and in 2024, but any expectations on how that could shift in the near to midterm?

Connor Teskey: Sean, it's a very topical question, and we've come out this two different ways. Absolutely, one of the themes in 2024 is a very, very strong bifurcation of the market where there is robust demand and incredible amounts of capital for high-quality operating cash-generative assets, particularly those that still have a growth angle to them.

While there is far less capital available for construction, development, the building out and ongoing investment in the growth of platforms. That bifurcation remains very, very strong in the market today. And as we've referenced in our prepared remarks, we expect our asset recycling activities to continue, and we expect to really lean into that bifurcation looking to sell those high-quality cash-generative operating derisked assets.

The other point that we would highlight that's a little bit tangential to your question is there is also a very clear market bifurcation between the demand for exposure to renewables in private markets versus public markets. We continue to see significant private capital demand for the renewable power space despite the fact that certainly

sentiment in the public market is weaker today. And given our business model, we absolutely look -- we'll look to capitalize on that in 2025.

Operator: Our next question comes from the line of Nelson Ng with RBC Capital Markets.

Nelson Ng: So first question, just sticking with the data center theme. So with their need for firm power and gas generation being more in favor generally in the market. Connor, what is your -- what are your thoughts in terms of developing or acquiring gas-fired generation? Can it be used to firm up your portfolio?

Connor Teskey: Thanks, Nelson. So just thinking macro and then our approach to it, we believe that this step change increase in energy demand is good for all forms of power generation. You can use your token phrase ‘any and all’ or ‘all of the above’. The fact of the matter is the fundamental demand for electricity generation is going to lead to support and growth across a number of different technologies, whether that's renewables, whether that's gas, whether that's nuclear.

The thing that is very important for us, and I think important to highlight on this call is offtakers and users of electricity are always going to take as much renewables as they can because it is the cheapest. Then they will look to fill out the remainder of their demand with other forms of power generation.

So when we think about our business, it's obviously going to continue to be incredibly focused on renewable power. We do believe that gas will have a role in the transition and is going to see greater demand. But we would only ever considering investing in gas if it would result in the acceleration of the build-out of renewables and ultimately reduce the carbon intensity of the broader grid. And further, in any such investment, we would need to be seeing a more attractive risk-adjusted return proposition than what we are seeing in the build-out of renewables today, which is among as attractive as we've seen it at any point in history.

So could we potentially invest in some thermals if it came as part of a broader portfolio. We wouldn't rule it out, but our business is going to continue to be very focused on renewables because that's simply where we're seeing the greatest amount of demand growth and the most attractive returns.

Nelson Ng: Great. That's great color, Connor. Next question. I understand your point in terms of renewables being the cheapest form of power even in the U.S. But with all the uncertainty in the U.S. Can you just talk about how -- I think looking at your development pipeline, you have about, I think 2 gigawatts of projects to be commissioned in 2025 and another like 3.4 gigawatts and 2.6. Can you just talk about how some of these contracts are structured, just in terms of risk allocation, if there were any changes to the to the tax subsidies. Are they essentially pass through? Or how are they structured in general?

Connor Teskey: Sure. So there's really two important things there. One across our business, we've always taken an approach of only locking in contracts when we can lock in CapEx and revenue, meaning PPAs, EPC and financing upfront. So we don't have what we would call basis risk exposure, where we've locked in CapEx and or we've locked in revenue and one of the other variables could change and augment our returns.

The one place and your question is a very good one. The one thing that we are seeing in the market right now because this is obviously very topical right now in the United States is in many of the PPAs we are locking in right now if there is a retroactive change or a near-term change to things like the tax credits -- there are -- we are increasingly putting adjusters in those PPAs to essentially keep our development margins whole.

So that is increasingly becoming, I would say market standard. I think it's reflective of a broader dynamic that it's very simple. The off-takers simply need the power. Therefore, they're not going to let short-term uncertainty, stop them from signing contracts, and they will ensure and they will do what is necessary to protect the developers in order to pull those projects out of the ground.

Nelson Ng: Great. It's good to see that it's essentially a pass-through. So one last question. You mentioned the public market versus private market and valuations. From your perspective, you've done a lot of acquisitions and developments in the past. Could you just comment on your capital allocation mix in the past few years compared to kind of what you see going forward?

Your development pipeline is increasing, but obviously with some of the valuations we've seen in the public market. Do you expect to kind of step up your pace in the acquisition of public entities or investments in public entities?

Connor Teskey: So maybe to hit that question very bluntly and head on. We expect to be very active this year from a growth perspective, just given one where public market valuations are and two, the current market environment very much plays to our favor in that we are fortunate to have a fortress balance sheet and lots of liquidity, and we're seeing tremendous offtake demand in our underlying business. Others may not have the capital resources that we have available capitalize on some of the growth opportunities at very attractive value entry points that we're seeing in the market today.

So we expect 2025 to be another very attractive and very active year for us on the growth front. In terms of bias between public and private, that's going to be on a case-by-case basis. We'll allocate capital where we see the best risk-adjusted returns. Executability certainly comes into that. But based on what we're seeing today public markets do look very, very attractive. And therefore, we are certainly looking at a number of things in that space.

Operator: Our next question comes from Robert Hope with Scotiabank.

Robert Hope: Good morning, everyone. First question is on the development pipeline. When we take a look at the build-out of renewables in the U.S. in your pipeline, can you help us parse out how much is wind in the near term versus the long term, just given it doesn't appear that there's a little bit more uncertainty or perceived uncertainty on wind out there in the market?

Connor Teskey: You're absolutely right, Rob. I'll start, and I can give you the these numbers pretty clear. But if you need more specifics, we can certainly provide that. In terms of our development pipeline, over what I would call the short term, about two-thirds of it around the world is outside of the United States. That obviously is seeing tremendous corporate demand and not subject to some of the regulatory uncertainty that is in the market around the more recent executive orders and things like that.

When we look at what is in the United States, somewhere in the, call it, 25% to 30% of that is wind. So when we look at our broader portfolio, wind in the United States is a very modest portion of it. What I would highlight even beyond that -- so maybe the summary point there is while there is no doubt some uncertainty, particularly around wind in the United States, we do not expect it to change our growth trajectory or our strategic approach in the short term whatsoever. Perhaps the added clarity that we just gave around U.S. wind is we obviously have zero exposure to U.S. offshore.

We have essentially zero exposure on onshore projects on federal lands. Almost the entirety of our onshore wind exposure in the U.S. is on private lands. There are obviously some uncertainties around federal permitting for onshore wind projects, even if they are on private lands.

We'll be prepared to manage those projects, however this plays out. We continue to believe that no government around the world wants to deny its country access to cheap electricity, particularly in this market where that's a significant competitive advantage. So while there is some short-term uncertainty today given we're entirely onshore and entirely on private lands, we expect it to get resolved relatively quickly. If it doesn't, we'll manage through it, it's not a material part of our business.

Robert Hope: All right. I appreciate that. Then maybe just keeping with the U.S. theme. In the letter, you speak about how there could be potential regulatory changes in the renewable sector in the U.S. However adjustments to policies that have the greatest impact on your business, you don't think that those will occur can you maybe just add a little bit more color there? Like what changes do you think you could see in the U.S.? And it seems to allude that you don't expect ITCs or PTCs to change?

Connor Teskey: Certainly. So given that we're not in offshore and our business is heavily focused in the most mature, lowest-cost technologies, the ones that see the greatest amount of corporate demand. The thing that would impact our business the most is a change to the tax credits, as you mentioned.

Obviously thus far, there's been no changes announced to that. The one thing we would highlight is even if there were changes announced, these asset classes, these technologies are the cheapest form of electricity by such a wide margin that we would very much expect to be able to pass through the loss of those tax credits through in the form of a higher PPA price and still preserve our development margins. This is very akin to what we've seen over the last two or three years where we've been able to pass through higher funding costs in the form of a higher PPA and see no change in the demand for our offtake.

So there's no question, the most important thing to our business, the most relevant thing is those tax credits. But even if there were to be a change to that, we would not expect it to change our development margins or our demand.

Operator: Our next question comes from Rupert Merer with National Bank.

Rupert Merer: Sorry, I might have missed that. I think it's maybe my turn Rupert here. Just wanted to follow up on that last question. You've talked about the potential to offset tariffs and potential for higher equipment costs or higher steel costs? And how are you covered off on that?

Connor Teskey: Rupert, it's a fantastic question. You're right to piggyback on the back of the tax credit question because it's the same dynamic. If you think about what tax credits do to the economics of a renewables projects today they essentially lower the cost of it. That allows us to offer that project at attractive development returns at a lower PPA. If we were to lose the tax credits, we would have to offer a higher PPA to preserve our development returns, and we think there's plenty of cushion to do that.

The same thing is true on tariffs. If incremental tariffs are added to equipment that is used to build out renewables, we would look to pass that cost through in the form of a higher PPA. And again we'll keep coming back to this point the demand what we are seeing fundamentally on the ground with our corporate offtake counterparties is the demand is stronger than ever before. That means there is lots of capacity that should these things change the economics of a project, we will very simply push it through the PPA price.

When it comes to potential tariffs, this is something where we feel Brookfield Renewable has a very material competitive advantage. Over the last number of years, using our centralized procurement across our broader business, we've executed a number of framework agreements with leading manufacturers, both domestic and the U.S. and international, which will enable us to source equipment from a wide variety of sources such that no matter how the tariff discussions play out, we will be able to maximize our sourcing of equipment from the most tariff preferential areas.

So we're obviously following that space closely. We do not expect it to change our project economics. And regardless of how the tariffs play out, we think our global procurement capabilities will ensure that we'll be on the front foot when this market settles.

Rupert Merer: Great. Second will be a follow-up on the data center market. So of course we've seen a lot of market volatility driven by changing expectations for power demand growth from AI. When you talk to your corporate customers like Microsoft, how much of the data center growth that you see is driven by expectations for growth in demand from AI versus cloud and crypto? And are there any comments you can make on that changing landscape for AI power demand?

Connor Teskey: Yes. So it's a very big topic, but I think probably the two most important things we would say is the biggest step change of the demand, the biggest demand driver that you mentioned there is artificial intelligence -- bar none. It is ahead of cloud. It is a head of crypto by miles. This is really driven by AI, and we expect it to be driven by AI for the medium term at a minimum here. That obviously lends itself to another question, which is -- in the last couple of weeks, new technologies have come out or been socialized that maybe we are more energy efficient. That's great.

The important thing that we highlight from those discussions and those topics, which are early days are two things: one, the supply-demand imbalance is so strong right now. There is very simply not enough power to support all the AI growth that is forecasted, and those forecasts would need to come down unforeseeable amounts for the supply-demand and balance not to be in favor of power producers.

So even with the new technologies, the supply/demand imbalance is still wildly in our favor. Then the second thing is any new technology, we expect will become more efficient over time. The reality of it is if new AI technologies become more efficient, that means their cost is going to go down, and that means they're going to become more prevalent, and they're going to be in demand for more places, and it's actually going to lead to faster growth in the sector which is obviously good for broad-based electricity demand as well.

So we continue to follow all the recent changes but none of them changed the fact that we see a short, medium and potentially long-term supply-demand imbalance very much in favor of those that can generate new electricity, especially those that can do it at low cost.

Operator: Our next question comes from Mark Jarvi with CIBC.

Mark Jarvi: Maybe just following up on the tariff and the tax credit conversation. Has anything dramatically changed in terms of what you're hearing around that? Then if there is an adjustment and there's a period of sort of having to pass that through to customers, does that impact development opportunity in the next couple of years? Or do you think of the safe harbor and things that are already on the go that would be more of a sort of a 3- to 5-year adjustment period in terms of until on projects?

Connor Teskey: So we'll take those in order. We're obviously following the situation very closely. We would never intend to be able to forecast exactly what this new administration will do. At this point, they have not said anything about those tax credits.

Historically, a lot of those have gone to Republican states and while they've changed and issued executive orders on many other things, they have not touched the tax credits. And we'll remain flexible and follow this, but I think that's probably our best indicator of what may or may not happen in the future. The next thing we would say is just around the development pipeline.

We've been preparing whether it be through how we're contracting things or how we're procuring equipment. We've been preparing for a market that could have this type of uncertainty. I think it's not an unreasonable thing to say that in periods of market uncertainty that often favors larger players with more capabilities to manage this type of uncertainty. And we very much see that playing out for us in 2025.

So while there might be some very modest disruptions at individual projects, it's not going to change our growth trajectory. We don't expect -- we don't expect anything to happen that would materially change what we've outlined in terms of our forecast.

Mark Jarvi: Then just coming back to the Microsoft agreement, are you able to share how many megawatts you've signed today? And like what's the expected amount of volume you have contracted by the end of this year? Just to sort of gauge progress through that 10.5 gigawatts.

Connor Teskey: So we can perhaps follow up later with an exact figure. It's important to recognize that the 10.5 gigawatt agreement we have with Microsoft applies to the years of 2026 through 2030. So it actually hasn't even started yet. That does not mean we are not contracting significant sums of our new wind and solar capacity with Microsoft even ahead of 2026. They are one of our largest, if not our largest off-taker, and we continue to do more and more with them on an ongoing basis even before that 2026 agreement starts.

So I would say our activity prior to that agreement is already above what we would have expected, call it, 18 months ago. And as we look to that agreement of 2026 to 2030 that 5-year period, we would expect to exceed the 10.5 gigawatts.

Mark Jarvi: Then Connor, you mentioned about the fact that there's dislocation between private and public markets and there's some weakness in share prices. I'm sure you see the same thing in your own. So how do you view your own share price right now in terms of a place to allocate capital and buybacks versus opportunities and other investment opportunities?

Connor Teskey: Certainly. If we could draw a parallel here, the current market feels somewhat similar to kind of Q3 2023, which is not that long ago. It's five quarters, 16-18 months ago. And at the time that market sentiment was really down, select players we're seeing very significant headwinds. It was dragging the whole sector down. And at the time despite our share price being lower, we saw unbelievable fundamentals in our business.

And we -- the way we approach that is if we continue to allocate capital into the best opportunities and we continued to execute on our business plan, we would add a lot of value that would eventually show up in our share price. If you kind of look what's happened in the 15 months or five quarters since then, our FFO per share is up almost 15%. Whether it's our development activity, our deployment activity, our asset recycling activity, that's all up multiples in kind of a 15 or 18-month stretch.

It feels very, very similar again today. So our focus today is absolutely continuing to execute on the same strategy that we have had as we feel it captures incredible value and captures the significant market demand we are seeing. Without doubt, in this environment and with our shares trading where they're at, we will absolutely be looking at doing share buybacks the same way we did in that time period, call it, 15 months ago.

Operator: Our next question comes from the line of William Grippin with UBS.

William Grippin: Good morning. Thanks for the time. I just wanted to see if you could provide a bit more color on some of the comments made in the press release regarding framework agreements with your suppliers. To what degree are those agreements enabling you to safe harbor your U.S. development plans as it pertains to the PTC and ITC at current levels. You've talked about passing higher costs through PPA rates, but I would think some of that friction or potential friction could be eliminated with safe harboring. So just trying to understand how you're thinking about that.

Connor Teskey: Absolutely. The point we would make here is I think this goes beyond simply framework agreements. I'll draw back to -- I apologize who asked for not remembering who asked the question. But rather than whether or not it's a framework agreement or just our ongoing dialogue with our largest customers, on working with them on a project-by-project basis. The point that we were trying to draw out in the press release is the size and scale of our platform significant amount of advanced pipeline that is available in the near term to capture this market demand and our really robust access to capital that allows us to grow as much as possible in this environment is really differentiating us from our peers.

The value and scale of our platform is more of a competitive advantage today than any time in history, and we expect that only to grow going forward. Therefore, whether it is within a framework agreement or done on a project-by-project basis, our ability to engage with some of the largest corporate offtakers of green power, and get incredible unmatched visibility around their demands in the next few years is allowing us to take advantage of some of the activities and value creation in initiatives you mentioned.

I guess the point I'm making is, I don't think we need a framework agreement in order to do that. It's or just something we get the benefit of, given our large-scale relationships with the largest off-takers of green power.

William Grippin: Yes. I think the question was more focused on -- you specifically referenced agreements with your equipment suppliers.

Connor Teskey: Yes, certainly. So sorry, if I misunderstood. On that point, what we have been doing over the last few years, in particular in the U.S. given the scale of our pipeline there, we've negotiated very large arrangements with them that similar to what we do elsewhere around the world, we use our scale to ensure that, one, we're getting best-in-class pricing; and two, we're essentially near the top of the order list whenever it comes to securing volumes.

So in an environment where tariffs kick in and the opportunity to procure domestically in the United States becomes more valuable, we will feel very, very good about our position given the framework agreements we've secured with domestic manufacturers over the last couple of years.

Operator: Our next question comes from the line of Anthony Crowdell with Mizuho.

Anthony Crowdell: Connor, apologies, I jumped in a little late. So if you've answered this, sorry, -- just are you surprised when we look at the pace of data center announcements and the size of them, it appears that the pace of maybe PPAs or contracts to supply electricity to these data centers seems like it's not matching up. I mean do you see that in any thoughts or there may be a difference in tenure that the tech companies want to sign versus what the power generators want to offer?

Connor Teskey: You're highlighting a good point, but I think the reason for it is something slightly different. If we could say it, this clearly, the demand for power is now and it is immense. It completely -- there is more demand for power than there are ready to build projects. If there were more ready to build projects, the large corporate offtakers and the large tech companies would be signing them all up today.

The issue is there are not enough ready-to-build projects, and that's because permitting and development that takes time and that is the bottleneck in the system, not demand, not the willingness of customers to sign PPAs. The thing is, one, the supply-demand imbalance is going to maintain for a while because permitting and development is a long process.

It does take time if you want to capture this demand and therefore, you start developing a project today well that -- these projects take years and years and years to develop. It highlights perhaps a more important point and one we'd love to reiterate, which is advanced pipeline that is ready to be contracted and ready to be built is the most valuable thing in the market today. And we are fortunate that over the last number of years, we have had a strategy that has been very focused on acquiring large-scale advanced pipeline in the largest data center markets around the world.

Will we be able to meet all the demand of the large hyperscalers? Absolutely not. The demand outweighs the supply but the advanced pipelines that we've been acquiring over the last two or three or four years, whether it be in the United States or in Western

Europe, has incredible scarcity value today and that's what's showing up in our development margins, which are now at an all-time high.

Anthony Crowdell: Great. I know you don't enjoy talking about other companies, but one of the other like renewable companies, smaller, different model, but a YieldCo name change looks like it's really cut back their growth -- just curious if that's really just a separate isolated entity? Or is that maybe just the structure may be more challenging as we go forward?

Connor Teskey: Yes. So what we would say is, I would say all renewables companies are seeing incredible demand for their product. That is broad-based, that is across the sector. Everyone can participate in that. Some are more well positioned than others to take advantage of that. We certainly see ourselves near the top of that list.

What I think is really important when we think about our business is as we've grown over the last number of years, we're thrilled with the growth we've delivered in our business, the increased cash flows, the increased profitability. But there's two things that we're also very proud of that we've done over that timeframe, and we very much reiterated that at our Investor Day last year, which is, one, we focused on the most mature, lowest risk, lowest cost technologies and we've really avoided sectors of the market that are seeing the biggest headwinds today.

Secondly, we've never compromised in terms of our discipline and how we fund our business. While there is incredible tailwinds for the renewable sector more broadly, there are discrete examples of individual companies that are seeing greater headwinds because either concentrations in technologies that are out of favor, taking too much development risk, or using more aggressive capital structures.

We would say those are discrete and the tailwinds for the broader sector are tremendous today. But we feel very fortunate in terms of where we focused our business and the discipline that we've executed across our balance sheet.

Operator: That concludes today's question and answer session. I'd like to turn the call back to Connor Teskey for closing remarks.

Connor Teskey: Great. Well thank you, everyone, for joining our call and for your interest and support of Brookfield Renewable. We look forward to updating you on our progress throughout 2025. Have a great day.

Operator: This concludes today's conference call. Thank you for participating. You may now disconnect.