

Connor Teskey (00:05):

Good afternoon. My name is Connor Teskey, I'm the CEO of Brookfield Renewable Partners. Thank you for your interest in our business. We are very excited about the position of our platform, so let's jump right into it. Energy markets are constantly evolving, and that evolution has undoubtedly accelerated in recent years. And what we will communicate today is that our platform, the assets and capabilities we have built within our business are uniquely tailored to meet the growing and evolving energy demands of today's market. And as a result, we feel we are built to outperform in this environment.

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Natalie Adomait, our COO, will highlight how our assets and capabilities can help meet both the generation and the capacity needs of the largest energy consumers around the world in ways that few, if any, can match. Jeh Vevaina, our CIO, will highlight the growth of our M&A activities, but perhaps more importantly, the growth of our capital recycling activities that are driving increased value creation and an accretive source of funding for our business. And then lastly, Patrick Taylor, our CFO, will speak to how all the profit drivers in our business are currently pointed in the right direction, giving us tremendous confidence that we will deliver sustained value and cash flow growth over the long term.

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Our business has been performing well for a number of years now, but the leadership positions and the assets we have built over the last several years uniquely positioned Brookfield in the most important parts and dynamics of the energy market. And as a result, we feel we are entering a period where we can exceed our long-term financial targets. And this is not simply forward looking. Similar to last year and the year before that, across our business, we have enhanced our performance, setting records across all relevant KPIs. Our sustained distribution growth is supported by yet another record year of financial performance.

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And perhaps even more important, in a year where renewables was defined by uncertainty and headline noise, our platform has proven to be resilient, and those dynamics have served to only create attractive value opportunities for us to invest to support our next leg of growth. And that is because at a simple level, our business produces a product that the world is desperately in need of more of. Due to broad-based electrification and increasing energy demands from data centers, the world needs more electricity than ever before, and the demand fundamentals that support that trend are going to continue to be sustained and grow for decades to come.

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And we are the first to recognize that renewables are not going to be 100% of the solution. Energy requirements are so significant that they will need an any and all or an all of the above type solution, but renewables will be the dominant component and it is because renewables are the lowest cost, most mature technologies, the renewables technologies that we at Brookfield focus on have been growing for the last decade because they are the cheapest. They are the cheapest form of bulk electricity production in every market around the world. And further, in an environment where speed to market and energy security are increasingly important, they win on those criteria as well.

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And it wouldn't matter which product, but the cheapest and easiest to deploy alternative will always soak up the greatest amount of market demand. And that is exactly what we are seeing in our business. And today, we feel that we have an unparalleled platform to meet this growing market demand. We have leadership positions in the most important technologies and the most important geographies. And

this allows us to deliver sustained attractive investment returns as well as constantly evolving to meet the demands of our clients. A somewhat underappreciated aspect of our business is how we leverage that existing leadership position to consistently and recurrently identify, invest in and capitalize on the next large and attractive opportunities in the space. Since 2019, we've invested heavily in onshore wind and solar development, nuclear and energy storage, all prior to major step changes in the demands for those products. But we equally use our leadership position and the breadth of our platform to identify the segments of the markets and the trends that we don't want to participate in.

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Because our business is so broad and we see so many growth opportunities, we never feel the need to stretch when we don't feel the risk-adjusted returns are attractive or we feel there is too much development or regulatory risk. And by utilizing this discipline, today we have no exposure to the sectors of the renewables markets seeing the greatest headwinds, and we have a clean portfolio, track record and balance sheet with which to capture the tailwinds of the industry. And this goes beyond just technology segments within the industry. Over the last 12 months, undoubtedly the U.S. renewables sector has been defined by a period of regulatory uncertainty and headline noise, and that has impacted some market participants.

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But as demonstrated by our financial results, we have built a platform that can navigate these dynamics and has been insulated from these headwinds. By focusing on the lowest cost technologies that perform regardless of market environment, by leveraging our operating capabilities to navigate changes and build our projects on time and on budget, by being disciplined when we invest such that we don't need a perfect market environment in order to achieve our returns, and lastly, by always maintaining access to capital and a diversified portfolio, we have not only managed through this period, we have flourished and we expect the recent uncertainty to create several attractive investment opportunities over the next 12 months.

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And while we have been navigating this, we have also positioned Brookfield Renewable at the absolute forefront of three of the largest energy trends around the world today. Those of the U.S. ambition for energy dominance, increasing demand for energy from the tech industry and data centers, and the growing need for batteries and energy storage solutions. There is no operator better positioned to capture the tailwinds of the U.S. ambition for energy dominance. Today Brookfield Renewable is the largest owner of private hydropower in the U.S., and the value of those assets is increasing dramatically due to their clean, dispatchable baseload nature.

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Hydro's ability to provide consistent 24/7 power, either independently or in conjunction with low-cost wind and solar is becoming increasingly scarce and more valuable in this market. We own Westinghouse, the leading global nuclear power company, a business that is positioned at forefront of this U.S. administration's ambition to build more nuclear power generation in the United States. And lastly, we have one of, if not the largest advanced pipeline of ready to build low-cost wind and solar projects to meet the immediate and growing demand for energy in the country.

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The second key trend we spoke about is how power remains the bottleneck on the critical path to growth for the largest and fastest growing technology companies around the world. And as demonstrated by our partnerships with Microsoft and Google, Brookfield Renewable is one of, if not the largest provider of clean green power to these businesses. And this did not happen by chance. We

identified where we thought the greatest demand growth would come in the future, and we actively acquired or developed assets in those regions. And today our pipeline is exceptionally well positioned. Almost the entirety of our development projects are in key data center markets. And as a result of this, our contracting activities with these counterparties has grown almost 100% in the last two years.

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Lastly, earlier this year, Brookfield Renewable completed the largest investment in its history when it acquired Neoen. Neoen is a leading global renewable power developer, but perhaps underappreciated is Neoen is undisputedly the global leader in energy storage and battery development solutions. And by combining Neoen's capabilities with our existing platform in that segment, we now have a global leadership position and energy storage is the fastest growing segment within Brookfield Renewable. We believe this leadership position will continue to pay meaningful dividends in the future as more intermittent wind and solar go on global electricity grids and battery costs continue to decline.

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So as a result, we feel we have never been more positioned to capitalize on the key trends in this market and outperform our traditional performance and our long-term targets. And while all of this has been specific to existing and current market fundamentals, the key building blocks of our business that have driven our growth for decades and will drive it for years to come have not changed. We have a scale irreplaceable platform comprised of one of the largest pipelines of low-cost wind and solar assets, but paired with irreplaceable and hard to replicate leadership positions across hydro, nuclear and battery storage. We complement that with an unmatched operating capability with boots on the ground in every market around the world where we operate. Allowing us to navigate any changes, capitalizing on opportunities and mitigating risks as they arise. And we pair that with one of the largest industry-focused M&A teams that ensures that we can continue to identify, invest in and capitalize on the next attractive trend.

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And these assets and those capabilities continue to make Brookfield the partner of choice for the largest consumers of energy around the world, in particular large tech companies and governments. Our ability to provide scale flexible solutions allows us to build and invest in proprietary opportunities, a large pipeline of investments where we don't need to compete on cost of capital. And as our business grows and our leadership capabilities expand, we expect the size of those partnerships and the number of them to grow as well. And we do all of this without ever compromising on the bedrock of our business, which is our balance sheet. We maintain the highest credit rating in the sector and record levels of liquidity to ensure that we can invest in the next attractive opportunity whenever or wherever it arises.

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So before I hand over to Natalie, in summary, we feel that we have the assets, the platform, and the leadership position in the most important segments of the energy sector, and therefore we are built to outperform in this environment.

Natalie Adomait [\(13:51\)](#):

Thanks Connor. As mentioned, my name is Natalie Adomait and I'm the Chief Operating Officer for Brookfield Renewable Partners. And today what I want to do is talk a little bit of a layer deeper on some of the comments and themes that Connor's already spoken about today. In particular, why our platform and our portfolio sets us up better than everyone else to take advantage of the themes we're seeing in the energy industry at the moment. For decades, growth and power consumption has been flat. As we've seen the power demand in developed economies be largely offset by a lot of the efficiency gains

that have proved out within the system. But in the past few years, we've seen that dynamic start to shift. Today we've seen an acceleration in demand. Access to power is now clearly defined as the key bottleneck to achieving growth in new industries and the economic growth that comes as a result of that.

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Now, driving this sustained surge in energy demand is three key megatrends, which Connor already mentioned but are worth reiterating. The first is digitalization and AI and the growth in data centers. Data centers power consumption alone will drive an 8% to 10% growth in power demand annually through 2050. And data center demand in the US alone is expected to increase fivefold representing roughly half of the demand growth we're going to see in that market in the next decade. The second major megatrend is continued electrification across transport and industry. And the third is an accelerating re-industrialization in developed markets. As de-globalization continues to reshape global supply chains. With those three drivers alone, there's a need for vast amounts of new incremental power in order to deliver on the economic growth that's expected in the coming decades.

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Now to meet this vast energy demand will take an all of the above energy solution. And buyers are rationally are going to first look for the cheapest and the fastest to market solutions available to meet that. Now for those reasons combined with the fact that it's also green, renewable technologies will naturally be the first ones that will be taken advantage of to meet the growing incremental energy demand. But for hyperscalers in particular, one thing we're increasingly hearing is the need for reliability as an increasing non-negotiable.

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Hyperscalers require what they call the five nines or 99.999% availability. That's less than five minutes of downtime per year. As a result, continuous base load power is needed to complement those lowest costs and fastest to market technologies like renewables. And our business is truly best placed to capture a disproportionate amount of that growth because what makes our platform truly unique is we already have the assets. We've strategically invested in hydro, nuclear and batteries, which provide that dispatchable and base load power, which can provide the reliability. And we can pair those technologies with our large low-cost renewable pipeline. That means we're not just adding gigawatts, we are delivering scale power solutions that meet both a low-cost and reliability objective.

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Let's look a little bit deeper at our hydro portfolio, as an example of this. Hydro has been the foundation of our power business for decades. Today we have one of the largest private portfolios and we're one of the largest private owners of hydro on a global basis. And with hydro today being more critical to energy grids than at any point in the past, it means our portfolio has also never been more strategic, more valuable, and better able to access some of the value creation we're expecting as a result of these increase in energy trends.

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The first perfect example of this is our recently announced Google Framework Agreement. We partnered with one of the world's largest and most sophisticated buyers of power with an agreement to deliver for them three gigawatts of power from our hydro business over the coming years. Not only does this allow us to lock in long-term revenue contracts that will drive cash flow visibility and increase our FFO, but we're also able to use those contracts to unlock up financing opportunities on those assets, which further strengthens our funding model.

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Another way that we've been able to demonstrate and capture increased value within our hydro portfolio has been through the sale of select non-core assets, including the sale of First Hydro last year in the UK and the sale of a select portfolio of hydros in Maine. But don't take these sales as a suggestion that we're going to be moving away from hydro. We also use some of that capital to reinvest back into new growth opportunities like an increased ownership stake in Isagen, our Colombian hydro portfolio earlier this year. So we're crystallizing on some of that value in the market we're seeing today, but then reinvesting and continuing to reinforce this hydro as a core strategic asset class and a cornerstone in our portfolio.

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Another unique advantage of our portfolio is our exposure to the outstanding growth that we're seeing in the nuclear sector. And of course that exposure comes through our ownership stake in Westinghouse. Based in the U.S., Westinghouse is a natural advantage in a market where policy and public support for nuclear is accelerating. And at the same time, Westinghouse truly has a global reach. It serves about two-thirds of the world's nuclear fleet and supplies nearly half of all reactors around the world with its technology. Now that combination of the deep U.S. expertise and global scale position allows Westinghouse and Brookfield to capture growth from new reactor builds, life extensions and the wave of investment that's now flowing into nuclear around the world.

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And of course, no discussion on flexible dispatchable power would be complete without talking about one of the fastest growing technologies in our portfolio. And that of course is batteries. Batteries are now moving down the cost curve in a way that we saw solar do about a decade ago. Since 2010, costs have come down about 90% and over the coming years, we expect to see further cost declines. With this technology now increasingly affordable to deploy, we're seeing an increasing amount of opportunities to deploy batteries alongside our wind and solar, turning our intermittent generation into more reliable and consistent power source. In particular in markets where we see that rapid data center growth, batteries are able to firm up those quick to market renewable projects and help deliver the reliability that our customers are craving.

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And at Brookfield, we recognized early that batteries would be a critical component of the power mix as renewable penetration was increasing around the world. And that foresight is what contributed to us acquiring Neoen, who is not only a leader in renewables development, but also a leader in developing and operating batteries around the world. With the acquisition of Neoen, we now have one of the world's largest battery portfolios. We have over 1.5 gigawatts of operating capacity and nearly 50 gigawatts of development capacity across our broader portfolio. And that really positions us as a global leader and the technology that we see is at a true inflection point.

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Now you all know very well the depth and breadth of our renewables platform. If you've come to this event in the past, you've heard us talk about our operating teams, our deep pipeline, our diverse portfolio across the different renewable technologies. But our edge in deploying technologies will come from our ability to combine those low cost solutions with the dependable base load power we already have in our portfolio today. Our ability to deliver those tailored solutions for our customers will be what continues to set us apart as a partner of choice for the largest buyers of power in the market, and will allow us to continue to generate the strongest risk adjusted returns in our sector.

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So to summarize, we have the projects and the assets in markets where demand is accelerating. We have the exact mix of technologies that the market wants with low cost renewable generation and dispatchable base load power to provide that reliability. And because of our relationships and our operating expertise, we can deliver those solutions at scale for the world's largest buyers of power. Put simply, there is no other platform that's as well positioned as we are to outperform, to drive value, to drive growth, and to help power the industries of the future. So with that, I'll pass it over to Jeh.

**Jeh Vevaina (23:44):**

Thank you Natalie and hello everyone. My name is Jeh Vevaina and I'm the Chief Investment Officer for Brookfield Renewable Power. Today I'm excited to speak to you about our differentiated M&A capabilities and asset recycling that's delivering strong returns and growth for our business. As Connor and Natalie have both highlighted, demand for power is accelerating at a pace we haven't seen in decades. This surge creates a huge opening for us with unmatched access to capital, a differentiated M&A engine, and a deep development pipeline to capture growth. That's why we've raised a deployment target committing nine to 10 billion over the next five years across both organic development and acquisitions. This step up reflects both the scale of the opportunity ahead and our confidence in executing it.

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In recent years, we've scaled our development activities both organically and by acquiring leading platforms with strong development and capabilities. We now expect that nearly half of our invested capital will go to proprietary development in our key markets. These are opportunities that we have originated and we control. This shift gives us more optionality, accelerates deployment into new projects and fuels asset recycling as we deliver de-risked infrastructure that's highly attractive to low cost of capital buyers. A bigger development pipeline also raises the bar for M&A. However, that being said, we've proven our ability to execute large acquisitions and we're well positioned to continue doing so.

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Today, our M&A pipeline tops \$100 billion in enterprise value fueled by strong market tailwinds and our ability to underwrite at scale. With deep capital access, proven structuring and execution capabilities, we can move fast and decisively to secure acquisitions and capitalize in dislocations. This current market today, we see market volatility, shifting regulations and sentiment driven fluctuations, and they're creating attractive and compelling entry points. This is a market that rewards scale and backed by an investment team of more than 150 professionals across North America, Europe, South America, and APAC, we see nearly every deal. And through our relationships, we often surface opportunities that never make it to the market. Time and time again, we've shown we don't need to be the highest bidder to win. Certainty of capital, speed of execution and creative structuring has consistently set us apart.

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Over the past few years, we've shown an ability to spot the big shifts early and invest ahead of the curve. We scaled up C&I distributed generation by consolidating smaller businesses into a larger, more efficient platform. These projects, they ease grid constraints and deliver low cost power to customers. We moved into solar and wind development in markets where demand is now surging, creating real growth engines inside our business. And as others have mentioned, we invested in nuclear before its resurgence and we believe we're still in the very early stages of a long sustained investment cycle there. And lastly, recently with Neoen, we acquired a leading battery operator and developer, a move that sets us apart by providing the firming and stabilization services the grid requires. In addition to investing ahead of emerging trends, we've also been able to avoid investing in technology and opportunities that



have been challenged over the last several years. There have been many areas that attracted a lot of capital but ultimately did not meet our risk-reward criteria. For example, we deliberately stayed out of offshore wind where projects are heavily dependent on subsidies and exposed to policy and construction risk. We've also avoided residential solar, a segment with unproven economics and high customer acquisition costs, and we've also avoided highly leveraged investments where the capital structure just simply didn't provide the downside protection we require. By maintaining this discipline, we've shown that we preserve capital for opportunities that truly align with our return thresholds, and our focus is on mature cost-competitive and scalable solutions that we can de-risk.

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Something that is consistent across our investments is our approach. We focus on downside protection by underwriting all our investments on a hold-to-maturity basis, and we ensure downside protection and downside returns are achieved just with our contracted operating and under-construction assets. In addition, we focus on backing strong teams with proven track records that can develop exceptional projects at good returns. Our approach is simple. We focus on developing high-quality contracted projects that are in strong demand from lower cost of capital investors. The nature of our assets, long life contracted and financed with fixed rates means they often attract low cost of capital buyers that are looking for cash-yielding assets. This drives valuations above our underwriting and delivers a natural uplift to our returns. With this opportunity to generate higher returns, we take a disciplined portfolio-wide approach to capital recycling and leverage our relationships with LPs who are often looking for these types of investments across their mandates.

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Taking a step back, asset recycling is now a core part of our business model and it delivers value across the entire franchise. As we scale our asset development, which we expect to reach 10 gigawatts annually by 2027, we are creating a consistent pipeline of saleable assets, that's 10 gigawatts annually. This approach crystallizes development value, creates a recurring self-funding mechanism and becomes an attractive source of capital for new growth. And unique to our model is that it gives us the flexibility to monetize either platforms or assets. This helps us ensure we maximize value and consistently recycle capital at attractive rates.

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The scale of the assets we're selling has evolved. We can sell platforms with end-to-end capabilities and growth pipelines as we've done in the recent years. As you can see with Saeta Yield, our India platform, and most recently with the sale of a majority interest in Luminace, and I'm very proud to say these sales have generated significant proceeds to fund growth and returns of 26% and a 2.6x MOIC, which are above our targets. In addition to platform transactions, we're also generating value through individual asset sales. Recent examples include First Hydro, Shepherd's Flat and 50% of a portfolio of hydros in Maine. We look to execute on our business plans delivering on the largest value creation levers to successfully de-risk the assets. And what that means is we sign long-term contracts, optimize the capital structure, and deliver on targeted capital projects. And as you can see, this is translated to an 18% return, 3x MOIC, also above target.

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As part of our recycling activity, we are also building programs within the platforms and portfolio companies themselves. In some cases, these capabilities didn't exist before we owned the business. We built them and scaled them under our watch. Neoen is a recent example where since our acquisition, we've implemented a recycling program that has already generated meaningful proceeds in line with underwriting. And embedding, recycling into our platforms, strengthens our business models by

providing a source of funding for growth. And we have executed on the strategy for several years in many of our other portfolio companies such as Deriva, X-Elio, and OnPath.

Finally, to wrap up, the message I hope to leave you with is simple. Our model is working even better with scale. We expect to continue growing our business with the core deployment of nine to 10 billion dollars in the next five years across both development and M&A. Our disciplined investment approach is resulting in a portfolio of assets that are highly attractive to other investors, and our deep LP relationships give us a built-in market to recycle these assets efficiently. As a result, recycling is becoming a larger and more consistent part of our business, providing a natural source to drive accretive growth. Taken together, we are proving out the full value creation capabilities and we're positioned to continue scaling these assets as we grow. Thank you. With that, I'm going to pass it over to Patrick Taylor, our CFO.

Patrick Taylor ([33:09](#)):

Thanks everybody and good afternoon. Today I want to spend some time talking to you all about what has been a record-setting last 12 months for our business. I want to talk about how that's built on a 10-plus year track record of cash flow and value growth for Brookfield Renewable. But most importantly, I want to talk to you about how we've never felt better positioned to grow our FFO per unit at 10-plus percent on an annual basis. So, let's first start with the last 12 months, they've been record-setting. We've had record FFO and 11% per unit growth, and that's allowed us to have a stable distribution growth of over 5%. Second, we've been incredibly active in what has been a very strong capital markets environment for high-quality businesses and sponsors such as ourselves, raising \$34 billion of financings across the entirety of our franchise in the last 12 months alone. All of this underpinned by a record level of liquidity at \$4.7 billion today.

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And lastly, we've enhanced the diversification and the quality of the cash flows of our business, adding leading platforms and increasing our investment in some of our best performing assets in the history of Brookfield Renewable. More important than the last 12 months though has been the last 10 years plus in terms of our track record. And what you can see here is whether it's FFO, FFO per unit, distribution growth, all very strong growth over the last 10 years. And we expect, given the positioning of our business today, for that earnings growth to accelerate. Even more impressive than some of the growth that you're seeing at the top of the slide has been that we have not had to compromise on the risk profile of our business. Maintaining the contracted cash flow profile around 90% throughout the last 10 years, adding a significant amount of liquidity, going from a little over \$1 billion back in 2015 to now almost \$5 billion standing here today, and all the while increasing the credit rating of our business in the past 10 years.

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All of this lays the foundation for what we think is a period of accelerated earnings growth for the business that should drive distribution growth well in line with our targets.

We thought it might make sense to spend a little bit of time talking about the capital markets because we have been very active there and we believe this is one of the most differentiated parts of our franchise is access to capital, and we've been accessing a lot of it in the last 12 months, \$34 billion. And as you can see on the graph here on the left-hand side, that has been increasingly scaling over the last several years. All of this though, without compromising the prudent conservative financing approach that we have at Brookfield Renewable. Long-term investment grade, fixed rate, local currency, non-recourse financing with no cross-collateralization. And all of this has put us in a position where almost all of our debt today is fixed-rate in nature. And that's incredibly important, not only to protect us on the



downside with rate movements, but also to allow us to fund growth and invest through cycles. And lastly, again, a very key focus for us is available liquidity at \$4.7 billion today. We thought it might also be helpful to highlight a couple of the more recent financings that we have had at Brookfield Renewable because we believe they're some of the most impressive financings that we've completed in our history, and they really speak to our differentiated portfolio that we have today, particularly within our hydro business. First example on the left-hand side, Safe Harbor and Holtwood facilities in Pennsylvania.

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These are the first two assets that we have contracted under the Google Hydro Framework Agreement, contracting 700 megawatts of capacity and converting a hydro from merchant to a 20-year contracted asset at strong pricing. All of this has allowed us to upfinance that asset on a hundred percent basis by \$1.7 billion while maintaining investment grade rating. The ability to be able to raise that amount of capital at investment grade levels, take the cash and redeploy it back into our business is an incredibly accretive source of capital for us. The second example here is one where we think we've shown we can innovate, where we have taken a financing package and enhanced the credit quality of it with our Smoky Mountain hydro facility. Here, we innovate it by increasing or sculpting the amortization profile of that facility to better match its hydro generation profile, increasing the credit quality of that financing package and allowing us to raise even more financing at investment-grade levels, again to redeploy back into growth elsewhere in the business.

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And lastly, on the corporate front, we'll continue to be opportunistic. We raised \$850 million of financing across our corporate financings in the last 12 months alone. The highlights there are really twofold. The first is back in March, we were able to raise 10-year notes at the lowest coupon in the last five years and the tightest spread that we have done in the last 20 years. And overall, we continue to see this financing and access to capital to be an incredible competitive advantage of ours, and we expect that to continue. A couple of the other speakers have also mentioned how we have been very, very busy on the M&A front. Here, we continue to add our exposure to the lowest cost technologies in the space and the highest growth markets.

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And as you can see on the right-hand side from an FFO perspective, we continue to diversify and improve the quality and the diversification of the cash flows in our business. Very disproportionately slanted towards low-cost technologies while still having a very high proportion in some of the strategic base load capabilities that we've talked about today. One thing worth talking about with our business that we feel is very underappreciated though, is we spend a lot of time working with our portfolio companies and building platform value. And that platform value, whether it be installing end-to-end capabilities, optimizing capital structures, or delivering growth in a self-funded way, is just simply not recognized in our financial statements today. They only get recognized once we realize on an asset sale, and we have a fairly strong track record of doing so, but we'll continue to be focused in that area, but something we thought worth reiterating here.

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The most important message I want to get across today though, is that we think the tailwinds for our earnings growth are really accelerating, and we see it across five different areas in our business today. The first is inflation in most of the major economies in which we operate continues to be sticky. And this is really helpful for us because we have a high cash operating margin business and 70% of our revenues are inflation-linked. Second, the power demand and in turn, pricing continues to rise, particularly in the markets that we're operating in. And that's also very helpful because we have 6.5 TWh coming up for

recontracting in the next five years. Third, there is an incredible premium being placed today on execution. And as we look ahead, not only at what we've done historically execution-wise from an operating and a development perspective, but we are incredibly focused on 10 gigawatts run rate development per year by 2027, and we think that will be very differentiated versus others in the space.

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And speaking about the broader sector, there continues to be no shortage of challenges there, but it puts us in an incredibly good position. We have \$4.7 billion of capital at our level, but we also have the power to invest \$25 billion of partner capital alongside of that to take advantage of what we see as an M&A environment that should be very rich with opportunity. And then lastly, transaction activity and liquidity in the broader capital markets continues to improve. And that is a huge benefit to our franchise because we have never been in a position to put more assets up for sale, whether it be through our development pipeline or platforms than we ever have before, targeting over \$2 billion of asset sales on a run rate basis every year. So let's spend a little bit of time very briefly going through our building blocks as to why we have a high level of conviction on our FFO per unit growth.

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We feel it's really a combination of four steps. It's inflation escalation, margin improvements, which include the benefits of re-contracting at higher pricing. It's the execution of our development pipeline. And then it's also the upside with respect to M&A and capital recycling. First on inflation, 70% of our revenues are indexed to inflation. And at 2% to 3% per year, that equates to roughly \$150 million of incremental FFO for our business over the next five years or 2% growth per year. Second, we have 6,500 gigawatt hours coming up for re-contracting in the next five years alone. And at reasonably conservative assumptions with respect to re-contracting, we would expect that to drive \$100 million more of incremental FFO over the next five years. Across the entirety of the portfolio, in addition to re-contracting, we have a significant program focused on improving and getting more output from our assets as well. And we believe that will generate another 1% to 2% of FFO growth per year over the next five.

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And one of the largest drivers of growth from an organic perspective is going to come from continued execution of our development pipeline. By 2027, we will put online 10 gigawatts per year every year from there on. And based on our math and our assumptions, we believe that will generate \$385 million more of incremental FFO or roughly 5%. All of this in the context of M&A and capital recycling being an upside to that 10% growth figure. And so in conclusion, we've had a record last 12 months. It's built on an incredibly strong track record of 10-plus years of cash flow and value growth. We're continuing to focus on strengthening our sector leading balance sheet and maintaining high levels of liquidity while not compromising on our approach to financing. We've enhanced the quality and the diversification of the cash flows of our business. And lastly, we have a high level of conviction around the cash flow growth that's embedded in our business today given all of the positive tailwinds are accelerating for our earnings growth. So with that, I'll hand it back now to Connor for some concluding remarks and Q&A. Thank you.

Connor Teskey (44:27):

So in conclusion will be quick. We feel that our leadership position in the most important technologies and our market position at the forefront of the biggest trends in energy position our business to outperform. As Jeh mentioned, our increased capital recycling activities are a growing value driver and a creative funding source within our business. And lastly, we feel that we have never been as well positioned as we are today to deliver financial performance at or above our 10% per unit growth target.