

## Brookfield Renewable (Q2 2025 Results)

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### Corporate Speakers:

- Connor Teskey; Brookfield Renewable; Chief Executive Officer
- Wyatt Hartley; Brookfield Renewable; Co-President of Brookfield Renewable and Head, North America
- Patrick Taylor; Brookfield Renewable; Managing Partner and Chief Financial Officer, Brookfield Renewable Power & Transition

### Participants:

- Nelson Ng; RBC Capital Markets; Analyst
- Sean Steuart; TD Cowen; Analyst
- Mark Jarvi; CIBC; Analyst
- Mark Strouse; JPMorgan; Analyst
- Jonathan Windham; UBS; Analyst
- Jessica Hoyle; Scotiabank; Analyst

## PRESENTATION

**Operator:** Thank you for standing by. And welcome to the Brookfield Renewable Second Quarter 2025 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, CEO. Please go ahead, sir.

**Connor Teskey:** Thank you, Operator. Good morning, everyone. And thank you for joining us for our second quarter 2025 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're 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 second quarter performance.

And then Wyatt Hartley, Co-President of Brookfield Renewable and Head of our North American business, will discuss our recently announced Hydro framework agreement with Google and how our strategic operating portfolio and deep capabilities across renewable technologies has positioned us as the partner of choice to the largest buyers of power globally.

Lastly, Patrick will conclude our remarks by discussing our operating results and the strong financing environment that we are seeing for our business and our assets today.

Following our comments, we look forward to taking your questions. We had a successful quarter, delivering strong financial results and executing on our business plans and growth initiatives.

Our robust operating results were driven by our large hydro fleet, which is increasingly strategic in the current environment and the benefits of our development activities where over the past 12 months, we have commissioned 7.7 gigawatts of new renewable energy capacity globally.

One highlight in the quarter was the strong results from our Nuclear Services business, Westinghouse, as the momentum for nuclear power continues to build with Westinghouse well placed to benefit from continued growth in the sector given its global leadership position.

Looking at the broader market, we recently received additional clarity on policy changes in the United States with the signing of the One Big Beautiful Bill.

And while we have been preparing our business for changes in tax credit eligibility for U.S. renewables projects for some time we are now in a position to execute with a greater level of confidence.

With that, we began deploying a safe harboring strategy that will secure credit eligibility for nearly all of our projects in the United States through to the end of 2029.

While doing so, we are staying true to our approach to development, focusing on ensuring we have a strong line of sight on both our costs and revenues for each project. with a particular focus on minimizing the capital at risk while protecting our ability to deliver our target returns. Most importantly, the outlook for global and diversified business like ours remain exceptionally strong, driven by the most robust energy demand growth we have seen in decades.

We continue to see a significant supply demand imbalance for energy throughout the regions in which we operate. And it is becoming increasingly clear that solving this imbalance will require substantial expansion of many forms of energy generation, but with low-cost, quick-to-market renewables technology is well positioned to provide much of this needed build-out in addition to other critical technologies that will support grid reliability.

Our business is well positioned to meet -- to help meet this exponential demand and support grid reliability with our over 230 gigawatt pipeline of projects which includes significant battery storage solutions, our global fleet of operating hydro facilities and through Westinghouse, our leading nuclear service business.

Turning back to our performance during the quarter. We delivered strong financial results and executed on our commercial initiatives and growth plans, all while maintaining the strength of our balance sheet.

We delivered FFO per unit that was up 10% year-over-year and continue to expect to deliver on our 10%-plus FFO per unit growth target for the year.

We were successful in advancing our commercial initiatives, securing contracts to deliver an incremental 4,300 gigawatt hours per year of generation in addition to signing the hydro framework agreement.

We progressed our development activities and commissioned approximately 2.1 gigawatts of new renewable energy capacity in the quarter and anticipate bringing on approximately 8 gigawatts in 2025, which will be a record for our business.

We have also continued to execute on our asset recycling initiatives. And since the start of the second quarter, we sold assets for expected proceeds of approximately \$1.5 billion or \$400 million net to Brookfield Renewable, all at strong returns. Based on our advanced pipeline, we expect total asset sales proceeds in 2025 to exceed last year with returns at or above our targets, illustrative of the increasing and recurring nature of asset monetizations as a highly accretive way to fund our future growth. The outlook for our business remains robust, driven by exceptionally strong demand for power that will necessitate the development of all forms of energy.

With our globally diversified portfolio across hydro, wind, solar, nuclear and battery storage, we see strong potential to deepen relationships with the world's largest buyers of power, and this gives us confidence that for our business, the best is yet to come.

With that, we will now turn it over to Wyatt to speak to our recently announced hydro framework agreement with Google and how our strategic operating portfolio and deep capabilities across renewables technologies has positioned us as the partner of choice to the largest buyers of power globally.

**Wyatt Hartley:** Thank you, Connor. And good morning, everyone. This past quarter, we reinforced our position as the energy solutions partner of choice to the global technology players with the signing of a first-of-its-kind agreement with Google to deliver up to 3 gigawatts of hydroelectric capacity across the United States.

This framework agreement follows on our landmark framework agreement with Microsoft that we signed last year to deliver over 10.5 gigawatts of renewable energy capacity and is a testament to our unique capabilities while also demonstrating our credibility with the largest buyers of power in the world.

The agreement is also notable as it reflects a trend in how the hyperscalers are procuring power. Historically, they were focused on contracting new build, wind and solar.

However in the current environment, we have seen them extend their procurement of power to include hydro and nuclear generation at scale as a complement to their continued strong demand for low-cost and quick-to-market wind and solar.

We have already signed the first two contracts under the Google Framework Agreement for 670 megawatts of capacity from our Holtwood and safe harbor facilities in Pennsylvania, securing 20-year contracts that deliver strong all-in prices and provide a near-term path to up financing, which will generate significant proceeds to deploy into further accretive growth.

We also have another 300 megawatts of hydro capacity we are presenting to Google this year that we expect to contract at similarly attractive terms that should provide additional up-financing opportunities.

For the remaining capacity under the framework agreement, we will explore additional contracting opportunities within our existing hydro fleet as well as to pursue potential new hydro investments.

Stepping back, as Connor spoke to in his remarks, there is an incredible growth in energy demand that will require any and all solution to deliver the electricity needed in the market. At the same time there is also an increasing requirement to match the needs of the grid with the right mix of technologies to maintain reliability.

In light of this, we continue to expand our capabilities in low-cost wind and solar generation while also placing emphasis on critical technologies that enable and support broader development of these renewables namely hydro, nuclear and batteries.

By continuing to grow our capabilities in these technologies, we are further positioning ourselves for large-scale partnerships that delivered deliver the needs of our customers, while at the same time earning strong risk-adjusted returns in line with our expectations.

Furthering our strategy of growing in critical technologies to provide clean baseload power to support the grid, in July, we reached an agreement to invest up to \$1 billion to acquire an approximately 15% incremental stake in our Colombian Hydro platform, Isagen. This accretive transaction enables us to increase our interest in an irreplaceable fleet of primarily hydro assets that generate 24/7 baseload power and deliver significant, stable and contracted cash flows.

The business generates almost 20% of Colombia's electricity, and we continue to identify opportunities to drive performance improvements by leveraging our commercial relationships, marketing expertise, and building out incremental renewable generation in the country. The investment is anticipated to be approximately 2% accretive to our FFO in 2026.

In addition to our growing hydro fleet, we own Westinghouse, which services approximately two-thirds of the world's nuclear power fleet and whose technology is the

basis for approximately half the operating nuclear reactors globally, providing us exposure to another critical technology required to meet the needs of today's grid.

Beyond Westinghouse core fuel and reactor services business, Westinghouse provides design and engineering for new build reactors without taking on certain nuclear-specific newbuild risks. U.S. government recently announced executive orders to significantly grow nuclear capacity in the country and Westinghouse as the U.S. nuclear champion with the most advanced utility scale reactor technology that is operating today is well positioned to help deliver on these objectives.

Lastly, in the first quarter, we closed our acquisition of Neoen, which significantly expanded our battery capabilities and made us one of the largest operators and developers of battery storage solutions globally. This enhanced the suite of energy solutions we can offer to our customers and is leading to more opportunities across our business, both in terms of M&A opportunities, but also within our existing fleet.

Going forward, we will continue to be active investing in the critical technologies that are required to support growing energy demand and the reliability of the grid.

In addition to low-cost wind and solar and expect to expand our partnerships with the largest buyers of power on large-scale framework agreements, like the ones we executed with Google and Microsoft to date, as well as on a project-by-project basis. With that, I will pass it on to Patrick to discuss our operating results and financial position.

**Patrick Taylor:** Thanks, Wyatt. And good morning to everyone on the call. Our business performed well this quarter, delivering funds from operations of \$371 million or \$0.56 per unit, an increase of 10% year-over-year driven by strong hydro generation and execution of our growth initiatives over the past year, which more than offset the impact of asset sales we completed in the last year.

Our hydroelectric segment delivered strong growth with FFO up over 50% from the prior year on strong performance from our U.S. and Colombian fleets with hydrology that was above the long-term average. The outperformance reflects a rebound from a challenging prior year for hydrology and is in line with our expectation of a reversion to the mean over the long term.

The strong performance for our hydros bodes well for our overall results in 2025 and going into 2026, given the typical multiyear cycle we see in the hydrology of our fleet. Our wind and solar segments performed well with FFO essentially flat compared to the prior year.

As newly commissioned capacity and the closing of our investment in National Grid's renewables business in the U.S. during the quarter was offset by lower FFO due to asset dispositions and gains on the sale of development assets in the prior year.

Our distributed energy, storage and Sustainable Solutions segments delivered strong performance with FFO up almost 40% year-over-year, driven by strong results from Westinghouse. As the business continues to benefit from the growing global demand for nuclear energy. Turning to our financial position.

We ended the quarter with \$4.7 billion of available liquidity across the business. providing strong financial flexibility for the franchise. Our balance sheet continues to be top tier in the sector, and we remain committed to a prudent financing approach, enabling us to pursue growth opportunistically.

In light of the exceptionally robust demand for our assets and businesses we are seeing today in the capital markets, we continue to proactively pull forward financings across our business including a number of up-financing opportunities.

This should provide additional liquidity earlier than expected to fund accretive growth across the franchise. Year-to-date, we have successfully completed \$19 billion of financings across the business extending maturities and optimizing our capital structure with a couple of noteworthy financings in the quarter.

In June, we were successful issuing \$250 million Canadian of 30-year hybrid notes at the tightest corporate hybrid new issue spread ever in Canada in an offering that was several times oversubscribed.

The issuance aligns with our strategy of conservatively accessing the market to optimize our capital structure as our cash flows increase.

Also during the quarter, we successfully executed Brookfield Renewables largest-ever project financing, raising EUR 6.3 billion for our offshore wind development project in Poland. Lastly, we further demonstrated the strong demand for our high-quality assets, raising a \$435 million long-term fixed rate private placement for a strategic U.S. hydro asset at our lowest credit spread in five years for this type of financing.

This again was an offering that was multiple times oversubscribed. These financings are indicative of the strong support from lenders for our derisked infrastructure assets and indicates how our significant access to capital continues to be an enduring competitive advantage.

In closing, we remain focused on delivering 12% to 15% long-term total returns for our investors, while remaining disciplined allocators of capital and leveraging our strengths to access unique opportunities in the most attractive technologies and regions.

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

We are excited about Brookfield Renewables future and look forward to updating you on our progress throughout the year including at our upcoming Investor Day in Toronto on

September 25. 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:** And our first question comes from the line of Nelson Ng from RBC Capital Markets.

**Nelson Ng:** Congrats on a strong quarter. So the first question is like, I think it's already well known that there is a big demand for power and the lack of supply.

But in light of the results from the recent option and the high capacity payments, are you able to accelerate the pace of development in that area? Or are you making any changes in in the U.S.? And are you able to further kind of leverage your footprint in that region?

**Connor Teskey:** And thanks for the question, Nelson. In terms of what we saw recently in the capacity auction in PJM, we would simply say it's indicative of that supply-demand imbalance that we're seeing in most of the regions we operate around the world, just with the capacity auction, the results get published, it creates a really formal portrayal of a dynamic we've been seeing on the ground in a number of places that we think is going to continue for years to come.

In terms of how we leverage our existing position and look to pull things forward, two comments to be made there. Make no mistake, in this market where there is a supply-demand imbalance the shortage is not capital. The shortage is not demand. The shortage is having available to build projects and we are tackling this three ways.

One, everything we can, we are pulling forward as quickly as possible. That has very much been true for a couple of years now and we'll look to continue to be true for the foreseeable future.

Secondly, we will continue to use our M&A capabilities and our access to capital to add more projects and more pipeline in the regions where we are seeing the greatest amount of demand.

And then thirdly, I would highlight our framework agreements and partnerships with the largest buyers of power around the world because what those partnerships allow us to do is get a very intimate knowledge of where those buyers of power where their future needs are.

And really, what it does is it gives us a hunting license, if you will, to either develop or acquire with greater confidence in regions where we essentially know there is a backstop level of demand. And therefore, we're already pulling everything forward as fast as possible, but we're looking to use the growth levers as our franchise to look to do more in those markets where we see that supply demand imbalance persisting in the longer term.

**Nelson Ng:** So just to follow up with that. I noticed in your development pipeline that the amount of projects being commissioned in North America in 2025 is, I think, roughly 2.7 gigawatts that reduces a little bit to 2.4 and 26, and then it more than doubles to 5.4 gigawatts in 2027. Is that just purely timing? Or are there kind of other forces at work in terms of that profile.

**Connor Teskey:** That's purely timing. Our development pipeline is made up of -- I'll start and if Wyatt wants to add anything he can. But our pipelines that we produce in our supplemental are really backed by list of specific projects that have various interconnection and COD dates.

I make no mistake, if you were to draw a trend line across our North American region. It is very consistently kind of up and to the right, but the specifics of one year to the next are based on the individual underlying projects and when they're going to come online.

**Nelson Ng:** Okay. Got it. And then just one last question. Just based on your discussion with big tech companies and the big hyperscalers, like how do they balance the need for base load versus intermittent renewable energy

**Connor Teskey:** The large technology companies are undoubtedly the largest buyers of power and are certainly ones who are adding the incremental marginal demand due to the growth of AI and the growth of the data center fleet around the world, but particularly in the U.S. And therefore, they without a doubt, are looking to secure as much generation as possible.

And while we often talk about them as a specific industry, the point we would make is the demand is broad-based. It's driven first and foremost by the tech companies, but we're seeing this across all segments of the economy.

The second point we would make is we are seeing an absolutely growing sophistication and increased demand for things beyond what I will say, pay us produce generation. And we absolutely encourage this and think it puts Brookfield in a fantastic situation.

We're seeing more demand for 24/7 power. We're increasingly seeing contracts that used to be pay as produced generation. Increasingly, now we're seeing the contracts include the capacity component that comes with some of these revenues and some of these assets.

And all of that plays to our strengths given our diversity across technologies and in particular, our large flexible operating base that can be mixed with I'll call it, vanilla wind and solar to meet these evolving demands of the market.

So absolutely, it is increasing. We actually encourage it and view it as a very important way that Brookfield Renewable will continue to differentiate itself.

**Operator:** And our next question comes from the line of Sean Steuart from TD Cowen.



**Sean Steuart:** First question, Connor, you touched on feeling pretty good about your U.S. pipelines tax credit eligibility through 2029. And I guess the question is, I suppose that's the read relative to the reconciliation bill. Do you have any thoughts on the Trump's executive order? And if any potential changes to criteria might change the parameters of tax credit eligibility for your pipeline?

**Connor Teskey:** So we continue to monitor the review that's ongoing -- we feel very comfortable with our position. And perhaps more importantly, if anything unexpected came out of that review, we are extremely confident that we are as well positioned as anyone else or best positioned to leverage our global supply chain and our different relationships to evolve as needed.

And we stand here very confidently that we will be able to secure tax credit eligibility for essentially the entirety of our U.S. pipeline out through the end of the decade.

Sean, I don't know if this was part of your question, but -- after -- you mentioned we focus on out to 2029. The important thing within our business to recognize is as we have seen in recent years, -- there is -- due to the supply and balance we are seeing in the market, we are able to pass through any changes in construction costs up or down, whether that be CapEx costs, whether that be the inclusion or removal of tax credits, were they not be funding costs we've been able to push that through to the end customer by changing the price of the PPA.

We've been able to push through cost decrease as well as cost increases always well preserving our development margin. The one place that we're very, very constructive is because of the visibility out to 2029, that gives the market and ourselves as a developer more than enough time to include any price increases as needed for projects out more than five years away now. And really what it gives us confidence is within our U.S. business, we'll be able to preserve our development margins for the foreseeable future.

**Sean Steuart:** That's useful. Second question for you, Connor, for Wyatt. -- to fulfill the full 3 gigawatts under the Google framework agreement, you touched on it would require some M&A. And I'm wondering if you can speak to the hydro M&A environment in the U.S. right now. And how you expect to navigate that opportunity set going forward?

**Connor Teskey:** So we're actually seeing the hydro market after I would say, an extended period of inactivity becoming more and more liquid. And obviously hydro are scarce assets. But it's also hydro operating capabilities are scarce as well. And we've been buyers, owners, Operators of hydros for four decades. And really, I'll use the same word again.

What our arrangement with Google does is it gives us a hunting license, if you will, to pursue opportunities in Hydro when they become available when they fit the parameters of that framework, we can pursue those opportunities with confidence.

And one thing we would highlight is there is the opportunity but not the obligation to deliver those incremental megawatts. So we will continue to be disciplined. But I would say it's certainly another competitive advantage for us as we look to grow our strategy.

**Wyatt Hartley:** Yes. And Sean, it's Wyatt here. The only thing I would add is, look, like with that additional capacity -- it could be that it's all fulfilled with our existing fleet.

We do have that capacity that is available to contract. Really, it's just a matter of -- is it in the right region that Google would want it as an offtake. So it's not to say that it requires us to do M&A to fulfill it.

It's just we have the optionality, right? And it's really predicated on meeting the needs of Google and working with them over the next number of years. to figure that out, but we have the option of the existing fleet or to use it for M&A.

**Operator:** (Operator Instructions) Our next question comes from the line of Mark Jarvi from CIBC.

**Mark Jarvi:** Just coming back to the conversation around PJM. The pricing signals are very encouraging, but it also represents the fact where it's harder to get assets through the interconnection tampering.

So just meaning how you guys are adapting some of the challenges in the U.S. market and talking to your large customers. Are you starting to prioritize other regions where transmission, land procurement, ability to build is easier?

Like are you shifting to places like Texas where some of the gigawatt scale data center complexes are trying to push forward?

**Connor Teskey:** Mark, thanks for the question. If I could perhaps answer back to you, the comment I would say is we continue -- it's not that we're starting.

We continue to take into account speed of connection into our development activities and our interactions with our customers. Take a market like PJM I know it's a little bit dated now but we bought a platform UrbanGrid, a number of years ago, purely because it had such preferential interconnection positions in an increasingly congested market.

So I would say it's not a realization of a problem and a reaction to pursue elsewhere. It's a recognition of a dynamic that has been ongoing and will continue to exist and simply including that in both how we grow inorganically through M&A and how we look to develop as we look to meet the growing needs of our customers.

It's something we've been doing for years and that we'll continue to do. Make no mistake about it. You can't start a project in some markets right now and expect it to COD for a customer anytime in the near term.

**Mark Jarvi:** Something like the urban grid platform, is that something you can continue to lean on? Or have you sort of exhausted, but largely taking advantage of their preferential interconnection in siting position. Or is that a business that continues to create more upside on the competitive advantage in the PGM market for now?

**Connor Teskey:** Even less specific to urban grid, I think buying businesses and development platforms that take into account and have really good knowledge of how interconnection grids work, how Q positions will be how positions will be turned into pulling assets out of the ground.

Those capabilities are recurring -- we felt in that example that we were buying an underappreciated asset because of their existing connections, but that and our other platforms continue to add pipeline in the highest value markets across the United States. And that's what gives us that pipeline of being able to pull multiple thousand megawatts out of the ground each year. It's really based on decisions and positions that we took years ago.

**Mark Jarvi:** Okay. And then maybe turning to Europe. It seems like a cost decline on batteries and solar created some tailwinds on the economic case for deployment there.

We've heard some other developers ramp-up activity just with Neoen and other platforms you have in Europe, are you able to grow faster on the organic side? Or is M&A something you'd have to look to more in Europe to take advantage of potential economic tailwinds there?

**Connor Teskey:** The comment about batteries, battery CapEx costs have gone down more than 60% in the last 24 months, while at the same time increasing renewable penetration has created the need for more grid-stabilizing services, you have a dynamic where costs are going down at the same time as revenues are going up in almost every market around the world.

And therefore, the commercial case, the economic case for batteries is pretty incredible today in most markets we look at. And therefore, across every single development platform at Brookfield, we have implemented a battery strategy over the last 12 months.

We are, of course, doing things to supplement that, looking at either battery acquisitions or platforms that do focus on energy storage and that was undoubtedly a key feature of the acquisition of Neoen, which is the largest utility scale battery developer in the world.

The one point we would highlight about Neoen is while they are a French company headquartered and they -- we privatize them off the French Stock Exchange -- they are a very global developer in terms of where their operations are. And we're certainly leveraging that to drive organic growth in areas outside of Europe as well.

**Mark Jarvi:** So if you today where you think the best rate of change in terms of growth on batteries can really accelerate development activities or capital deployment activities,

how would you rank to the markets that are really starting to lead your focus right now?

**Connor Teskey:** If I could frame it slightly differently, I think this will be helpful. Batteries are the fastest-growing technology within our platform today. In terms of areas where we are seeing batteries deployed at scale.

Candidly, I think the U.S. would probably still be #1 for us, but we continue to see opportunities in other markets, in particular areas where there's very high radiation and very high renewables penetration.

So parts of the U.S., obviously fit that bill. Australia obviously fits that bill. Places in Europe, storage is increasingly becoming of interest in Southern Europe -- the other place that I would highlight is we're actually seeing a growing number of opportunities in the Middle East as well.

**Mark Jarvi:** And given that economic case, would batteries be at the top end of your target IRR range for now?

**Connor Teskey:** Yes, absolutely. It probably won't stay there forever. But right now the returns on batteries are very attractive.

**Operator:** And our next question comes from the line of Mark Strouse from JPMorgan.

**Mark Strouse:** Just I wanted to ask a couple of points on your safe harbor business, Connor. Just given kind of the July seven executive order and potential changes to safe harbor, we'll find out what treasury says here in the next couple of weeks, hopefully.

I'm curious, you talked about the -- your safe harboring nearly all of your U.S. projects through year-end '29. Are you able to say how much of that was safe harbored in 2024 and prior?

Just our understanding is that the the potential rule change is going to be for 2025 and beyond safe harbors, if there's going to be any change.

So kind of breaking that down? And then secondarily, how are you thinking about that in 2025 kind of weighing spending money now to lock in your credits to the extent that you can maximize that. But on the other hand, not looking to overspend in the event that rule changes are draconian.

**Connor Teskey:** So a few things to unpack there. What I would say is in terms of our safe harbor strategy for our U.S. platform. As mentioned, we have an expectation that we will be able to safe harbor almost all of that -- the vast majority of that is done.

I can't tell you a specific as of what date, but the vast majority of it is already completed and some of the components of our pipeline where it's not completed are things that

maybe don't need safe harboring, i.e., some of our battery projects and things like that, which had more favorable treatment under the latest rules.

The -- in terms of your comment just around the process used to execute our safe harboring strategy. The point we would make there is we obviously want to remain very true to our approach of only putting capital in the ground when we can lock in both revenues and costs at the same time. That has served us very well across cycles, and we want to stay true to that.

So when we look to execute this safe harbor strategy, we look to do it first and for by using the offsite on-site physical work test, approach and only secondly, by pulling forward CapEx.

And therefore, the way we do that only requires a modest amount of CapEx than it otherwise would have. It's in the grand scheme of our total organic development spend, the cost of safe harboring, the incremental cost of pulling forward CapEx to safe harbor of these projects is not particularly material.

**Operator:** And our next question comes from the line of Jon Windham from UBS.

**Jonathan Windham:** I would just be interested in hearing your thoughts on what the key milestones are over the next year for nuclear development, things we should keep an eye on for the Westinghouse business.

**Connor Teskey:** So in terms of the Westinghouse business and perhaps I'll start and then why it the developments in the U.S. are certainly the most interesting, so perhaps hand to you. But the way to think about our Westinghouse business is when we made the investment, we -- we really think of it as two components.

One, it has an existing product services and technical capabilities to the existing nuclear operating fleet around the world and that provides incredibly long-term stable inflation-linked cash flows as nuclear reactors simply run, refuel, refurbish lifetime extensions, things like that. And all of that is, of course, trending in the right direction right now given the existing nuclear fleet around the world.

What is the new dynamic that has accelerated in the last three to four years is new build nuclear. And the joy for Westinghouse is it plays an absolute leadership role in that activity as well. That's new build of large reactors, SMRs or even micro reactors as well. And what we're seeing around the world is governments and corporates increasingly looking to large-scale nuclear to meet their electricity and their baseload demand.

And in particular, we're seeing that activity most dramatic, I would say, in Europe and the United States. And what you saw in our results this quarter is while the ongoing business, the core services business of Westinghouse is very, very stable and growing as we do more Westinghouse activities related to the growth of new nuclear, that will provide significant upside in our financial results as they execute on some of those types

of activities. And it was certainly growth of new nuclear in Europe that drove the successful outperformance this quarter.

In terms of key milestones, while I'll hand to you, but I do think that the one to look for is growth in the United States as the government has been very vocal about their intention to start the build of 10 new reactors before the end of the decade, with Westinghouse as the U.S. nuclear technology in the global champion, it certainly looks to be on the front foot of that.

And we would expect that demand to come from both governments and from corporates which is probably the most notable inflection change we're seeing in the industry. Wyatt, anything you'd add to that?

**Wyatt Hartley:** Look, one, I would just reemphasize that last point about the U.S. As Connor mentioned, we're seeing very meaningful demand on a global basis. Westinghouse has made very good progress in Europe as an example, where we're advancing projects in Poland. There's very forward momentum in Bulgaria.

We have a project or we have our technology -- underlying technology is being used in the Czech Republic. So there is very good progress on a global basis. But as Connor mentioned in the U.S. is where we see a very meaningful focus out of the current administration.

Recently, there was an executive order that was issued where with the goal of starting construction, as Connor mentioned, on 10 gigawatt scale reactors by the end of the decade. And really Westinghouse is probably the most credible provider of that underlying technology is. It really positions that Westinghouse as very meaningfully to benefit from that.

And as you may have seen around the energy innovation summit that was recently held in Pennsylvania, where President Trump and the Senator of Pennsylvania attended, the focus around those large-scale gigawatt reactors is critical to the administration's goal of being a leader in AI. And so from that perspective, the business as well as the shareholders being both Brookfield and Cameco, our partner in the investment are working very closely with the various stakeholders.

And you can imagine that's a mix of government, that's a mix of utilities as well as the offtakes and primarily at the hyperscalers, but we are working very meaningfully to be able to bring forward something in the very near term that should give you a sense of what that could translate to in terms of Westinghouse and then the broader benefit to Brookfield.

**Operator:** And our next question comes from the line of Jessica Hoyle from Scotiabank.

**Jessica Hoyle:** So just to start, you touched on this a little bit, but just given the CapEx increases that we're seeing from the tech companies, -- how have discussions regarding new facilities or contractual frameworks changed in recent months.

**Connor Teskey:** Perhaps the thing that is most notable to us, we're going to sound like a broken record is the numbers and the quantum and the demand simply continues to go up. But maybe there's two or three things to highlight. One, we're seeing much more increased appetite for new technologies beyond just wind and solar.

Our hydro framework is certainly illustrative of that and no doubt in relation to the previous question, the conversations around nuclear are certainly accelerating. The other point that is really showing up out of these conversations is the importance that the large tech companies, the hyperscalers are putting on broader relationships.

Make no mistake that the procurement of power is now undoubtedly the bottleneck on the critical path to growth for their cloud and AI businesses. And they don't -- they increasingly want to look to derisk that growth path by partnering with the largest and most capable counterparties -- and therefore, when we talk about something like our hydro framework with Google, while the framework in itself is exciting, it is important to recognize that it is simply one component of an increasingly broad and integrated relationship that spans wind, solar.

We have retail power agreements with some of the tech companies. Those relationships are becoming much larger and much more integrated. That's probably the biggest change we've seen in recent months.

**Jessica Hoyle:** And then can you talk a little bit about whether the changes in tax credits have altered the M&A market for renewable developers, specifically in the U.S.

**Connor Teskey:** It's an interesting question because we would highlight that -- we completed a transaction earlier this year, acquiring a platform of national grid in the United States that we're absolutely thrilled about and really reinforces some of the messages we've been making on this call about buying high-quality developers with advanced pipelines in the key regions around the United States.

What's interesting is M&A activity in the U.S. has been a little bit subdued year-to-date, and we would chalk that up mostly just to some of the market noise and uncertainty around the timing of new regulation and tax regimes and executive orders and reviews.

We very much expect there to be a very significant increase in M&A activity within the power space in the renewable power space in the United States over the next 12 months.

We see huge demand for power, which means huge demands for CapEx, which many of the existing platforms very simply don't have access to capital to fund -- and therefore, we do see a pretty large pipeline of M&A developing that we are certainly excited to review and participate in when it makes sense for our business.

**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: Thank you very much for joining our call and your interest in support of Brookfield Renewable, we look forward to updating you on our Q3 results in three months time but hopefully, we'll speak to you at our Investor Day at the end of September. 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.