**Brookfield Renewable Partners 2019 Investor Day**
**Thursday September 26, 2019 – 2:30 PM ET**

# BROOKFIELD RENEWABLE PARNTERS LP

**CORPORATE PARTICIPANTS**

- Suzanne Fleming – Managing Partner of Branding & Communications
- Sachin Shah – Managing Partner & CEO
- Connor Teskey – Managing Partner & CIO
- Wyatt Hartley – Managing Director, CFO

**PRESENTATION**

***Suzanne Fleming – Managing Partner of Branding & Communications***

Good morning, everyone. Welcome to Brookfield's 2019 Investor Day. My name is Suzanne Fleming, and I head up communications and branding for Brookfield. I want to thank you for joining us, and I know we have some people online who are watching as well, so thank you, everyone. Just a couple of housekeeping notes before we get started. As with previous years, you should all have an iPad, everyone in the room, and we'll be using these for both our presentation and the interactive portion and also with previous years, if you can just leave it, there's a table outside, you can just leave it on your way out. We'd like also to remind you that in responding to questions and in talking about new initiatives in our financial and operating performance for the Brookfield companies presenting today, we may make forward-looking statements, including forward-looking statements within the meaning of applicable Canadian and U.S. law. These statements reflect predictions of future events and trends and do not relate to historic events. They're subject to known and unknown risks and future events may differ materially from such statements. For further information on these risks and their potential impacts on our company, please see our filings with the securities regulators in Canada and the U.S. and the information available on our website.

One final point for everyone in the room, at the end of each session, we're going to have a Q&A and you can either ask questions by putting your hand up, we have some mic runners or you can click on the Q&A button on your iPad. And finally, at the end of the day, we will have a cocktail reception, it's down on the fourth floor in this building, so we welcome you to join us.

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***Sachin Shah – Managing Partner & CEO***

Good afternoon, everyone. Thank you for joining us today and thank you for taking an interest in Brookfield Renewable.

I'm Sachin Shah, I'm the CEO of Brookfield Renewable. I'm here to talk about the business that we have today, our outlook on the future. Many of you may not know, but it's 20 years as a public company for Brookfield Renewable this year, and I think it was fall of 1999 when the original company was listed. So, we're happy to talk about our track record over the last 20 years. We're certainly unique in that regard – I don't think there is another renewable company in existence that has a 20-year public track record. And we'd love to share with you the business we've built and the returns we've generated and what we think we can do in the future.

Connor Teskey will then follow up with our investment capabilities and what we've been building in the last 5 years as we've globalized the business. Connor is our Chief Investment Officer. And we'll also walk you through a few deals to really synthesize exactly the capabilities we have and what we do on a transaction. Wyatt Hartley, our CFO, will follow up and talk about balance sheet strength, liquidity and really the bedrock of our business and how we create the ability to be patient and look for the right transactions because we have a sound financial structure. And then I'll end it off with a summary and Q&A.

As I said earlier, it's 20 years this quarter as a public company for Brookfield Renewable. We've built a business with $50 billion of renewable assets around the world, almost 19,000 megawatts of installed capacity. We are truly a diversified global renewable company. We own, we operate, we acquire, we do development work, and we do it across multiple technologies and really have large scale across all of the major bulk technologies that are renewable today. To put our size and scale in perspective, we could power all of Mexico City with 24-hour 7-day-a-week renewable power based on the portfolio we have. We could power all of Denmark with renewable power, 24 hours a day, 7 days a week. So, we would be one of the largest portfolios of renewable around the world, and we have significant scale.

As I said, it's been 20 years, and we've had a very consistent and proven and repeatable strategy that we've employed over that period of time. It has not veered away from our roots, which is really being value investors or contrarian investors, as you've heard the term described today. We look for pockets of either operational scarcity or operational distress. We look for pockets of capital scarcity around the world, and we try to use our operational capabilities to extract value in those situations to create asymmetric outcomes for ourselves.

And we do all of that with continued focus on capital discipline, maintaining high levels of liquidity, having an investment-grade balance sheet, having long-duration asset-only financing structures in place and pushing debt out as far as possible.

I'm just going to spend a little bit of time on what we've achieved over the last 5 years, because you've seen us up here really going through our key priorities as renewables – wind and solar in particular – took over the landscape of power generation. We started to set out specific priorities recognizing that global electricity grids were growing through significant change around the world.

So what did we want to do? First and foremost, we wanted to put money to work accretively and build out the scale of the business. We put $3.5 billion, which was at the high end of our targets over the last five years – and that's equity dollars out of BEP – at returns that meet or exceed our 12% to 15% total return target for shareholders.

Secondly, we wanted to build a scale wind and solar business. We were dabbling in wind years ago. We really had a nonexistent solar business. We were a bulk hydro investor. But we recognized that as climate change is occurring, as global warming was becoming a big theme around the world and as cost of wind and solar were coming down that we needed to build that scale so that we could find unique opportunities to continue invest in a more broader spectrum of assets.

Today, we would have amongst the largest wind and solar businesses on the planet and all of our respective technologies could stand alone on their own two feet as businesses of scale and substance in their own right.

We started to build the distributed generation business a couple of years ago with the acquisition of TerraForm. Distributed generation, for those of you don't know, is really rooftop solar, community solar,

community wind, and aggregated wind and solar that sits behind the fence, or effectively, isn't connected to the main utility network. It serves a small local industrial complex, a commercial complex, an office campus, but it serves it, effectively off the grid. When we started out, we thought this could be a business that with our scale and our contacts and our relationships in the power sector, that we could really build. Today, we would be the second largest DG business in the United States. We have almost 800 megawatts of DG throughout the United States and Canada, and we think this could be a really unique growth area for us in the next five years.

We wanted to globalize our operations. I'd say 10 years ago, we were ostensibly a North American and Brazil business, and we had two objectives. One was, we typically allocated about a quarter of our capital into Brazil and 75% of our capital into North America, and we felt that was the right metric from a risk paradigm perspective. But what we knew is that we wanted to move more into Europe and over time broaden out in Latin America and start to build out businesses in Asia as the world globalized and as energy needs continued to evolve.

And so although we've kept that same rough metric, 25% to 35% of our capital in emerging markets, we now have five or six different countries that we can allocate that to, and for the 70% to 75% of our capital going into developed countries, we have North America and we have Europe, and again, that gives us added diversity. So we haven't changed the risk profile of the business. In fact, I would say we've increased the diversity within those pools and therefore, we have far less risk today than we would have had 10 years ago.

And then lastly, as I said, really the bedrock of the business: strong balance sheet and investment-grade rating, lots of liquidity – we have $2.5 billion of liquidity today – and asset recycling, being able to monetize assets and use that capital to continue to invest accretively for our shareholders.

And the last thing I just point out is our payout ratio, which had elevated for a period of time for the last four years as we were making acquisitions into investments whose cash flows were going to ramp up over three to five years, today is in much better footing. We have a mid-80s payout ratio as those businesses have started to deliver the cash flow that we underwrote and our business plans are coming through.

All of that has meant that we've been able to, since 1999, generate a total return for shareholders of 16%. So, if you owned a share back in 1999 on the IPO, you would've generated double-digit compounding returns, assuming dividend reinvestment. And the breakout of that has been about an annualized average 6% dividend growth rate and about 10% capital appreciation, which is pretty consistent with what we see into the future.

But that was yesterday's news, and so looking forward, what we wanted to spend a little bit of time or what I wanted to spend a little bit of time with you is to talk about this sector. The size of the sector, the scale of the sector and why we're excited today, maybe more excited today than we were 10 years ago, 5 years ago. And I would say, 10 years ago, when wind and solar came into the market, many of us would have thought it was a bit of a science project. These were uneconomic, they needed government support, and we weren't exactly sure what the opportunity set was. But we knew that we should stay in and around the area to make sure we were building the right expertise. We think today though that the world is poised for significant disruption, significant change in global electricity grids and electricity markets and therefore, we think that the opportunity set will be larger than anyone would've expected even just five years ago.

To recap what's happened in the last five years, $1.5 trillion has been spent on largely wind and solar and hydro, a few other on-the-margin technologies, but really wind, solar and hydro have driven $1.5 trillion

of investment to provide carbon-free electricity and almost 1 million megawatts of new renewable generation has penetrated grids. And for those of you who don't know what a 1 million megawatts represents, it would be the equivalent of repowering the entire electrical grid in the United States with simply wind, solar and hydro. So that's happened around the world. It's a very, very meaningful level of investment. But we think it's just the beginning, and we think that the next 5 years and the next 10 years and really the next 25 years will bring significant more investment into this space.

What is driving all of this? It's two big reasons. First and foremost, for investors like us, it's economics. Today, wind and solar are competitive without subsidies and can stand on their own feet and compete based on their cost structure. And that wasn't the case even, I'd say, three or four years ago. So what we've seen is the scale of the manufacturing that sits behind wind turbines and solar panels, the improvements in building materials, the improvements in build costs and the R&D and the technology advancements with bigger rotor heads, bigger turbines, better glass that can absorb the sunlight. All of that has meant that wind and solar today, on a pound-for-pound basis, are simply just cheaper than a gas plant to build. And therefore, without a subsidy, you can make an investment case to invest into the asset class. And most importantly, if you're a long-term investor like we are, you could take great comfort that the back end of your investment is protected. You can look out 25 years, and you can look at the technology that you have in place and the prospect or the potential for disruption on the back end, which could impact your ability to sell the asset in the future or could impact the returns you can generate for investors, is highly protected, and I'd say that's very different than fossil fuel-based generation, whether that's coal, and even gas in some circumstances.

The second thing has been continued government support. We are here this week, it was climate week here this week in New York. And so, climate change and global warming, these are themes that are now pervasive through everyday dialogue around the world. And countries, states, cities, municipalities are all adopting carbon reduction targets. They are adopting it in their electricity sector. They are adopting it in their transportation sector. The European Union has a total carbon reduction target that they have put out there where they combine electricity, transportation and industrial carbon and are now aggregating all of that to reduce carbon around the world. And so we are seeing this very significant macro, global and geopolitical push to reduce carbon, really change the narrative on global warming, and all of that is leading to that push from governments and society to invest in this technology. And so we think that that bodes really well for the outlook of our business. It bodes really well for our ability to find new and unique investment opportunities. And what we're most pleased about is that these investments can stand on their own two feet and don't need government support or subsidies to be economic.

Just to provide a bit of a picture of that. As I said, it was just a few years ago that solar and onshore wind would still need a subsidy. You can look back at 2016 and both technologies would have been above the levelized cost of a gas plant. Today, onshore wind is clearly the leader. It is meaningfully cheaper to build a wind farm onshore and sign a PPA with a utility than building a combined cycle gas plant, even at a 5,500 heat rate, which would be the most efficient gas plant that you could buy, for example, from General Electric.

And solar is basically sitting right on top of a gas plant. So it's coming down really quickly and solar and wind are really changing the landscape from a supply perspective.

The second thing, as I said, carbon reduction targets. It was only five years ago that in California, they had a target of 20% by 2020. That was their goal for carbon reduction. And if you look at today, they've blown through 20%, they're now at 60%. New York is at 70%. Countries around the world are adopting increasingly aggressive targets around carbon reduction. And what does that mean? It means it changes

behavior. Utilities are now procuring more and more renewable electricity. PPAs are being issued. Corporates, governments, industrial companies are all signing up to PPAs to help meet these targets, which are quite aggressive, and where we still have a significant way to go.

But maybe the most interesting thing that's happening in the world today is if you look at coal, it really hasn't been a debate in the last five years of where is coal going. Most people in the industry and if you read any of the major news journals, you'd see that coal plants were really not being built. It's very difficult if you run a coal company to convince your shareholders it's a good idea to put capital into coal. And therefore, coal plants were coming down. And if you look at, for example, United States, coal represented 45% of total generation just 5 years ago. Today, it represents 30%. If you take North America and Europe, total coal was 30%, it's 18% now. So that's happened in 5 to 7 years. But more interesting than not, if I was standing here 5 years ago with you, what I would've said, and what we all believed, was that gas would have been the bridge fuel. It was called the bridge fuel because it was going to take up the slack that was going to be created by coal.

And for the first time what we are seeing, if you look at this, is that no longer is the growth rate of gas, which is the lighter shaded region, increasing. It's actually flat to modestly declining. And what we are seeing with gas power generation is that there is an acknowledgment that maybe we don't need a bridge fuel, and maybe because of the economics of wind and solar and because of the fact that they produce zero carbon and because of the fact that they don't produce methane, which is another toxic gas that gets emitted from a gas plant, maybe we're better off just going straight to wind and solar. And we're starting to see this dialogue occur at a political level. We're starting to see the NGOs pick it up and most importantly driving all of it, again it always comes back to the economics, is all of the investment that went into gas in the last five years, nobody has made any money.

Everyone who has invested in a highly efficient gas plant in the last 5 years has had to use excessive levels of leverage in the hopes that they could create a bit of a free option if power prices spiked, and that was going to be their form of compensation. Why? Because power prices collapsed, capacity prices collapsed, all of that because wind and solar came on and effectively provided a much cheaper alternative and needed a lower overall compensation level to generate their returns. And therefore, everything that was underwritten in gas 5 years ago has effectively not played out. Investors haven't made any money and therefore, we might see a world where we just skip gas altogether. That's interesting not just because it creates a large investable universe for us, but we think it's more interesting because it could create significant disruption on the equity side, on the debt side, of institutions or capital that are invested in gas-fired generation and therefore, that could create significantly more opportunities for us as you've seen by the types of transactions that we've been working on over the last five years. And Connor will talk about deals specifically.

So just to put that gas disruption – this is just gee-whiz – but today, coal and gas is an aggregate 45% across Europe and North America. So this is coal and gas. When I was quoting the numbers earlier, it was just coal. But if you combine coal and gas, it's almost half of total power across North America and Europe. If that number goes down by half over 10 years, which is not unrealistic because both are uneconomic, there will be $500 billion of capital that's in the ground today whose useful life will have terminated by potentially 20 years. Meaning if you built a coal plant or a gas plant in the last 5 years and you had a 40-year underwriting, because that's the life cycle of an efficient gas plant, and in 10 years, you are now looking at that plant being uneconomic and not being dispatched, half of your investment was just wiped away because it's no longer economic to run the facility. And so that can create significant headaches for the debt markets, for any capital that's behind those types of assets, and we think that, that will create

significant options for companies like ourselves where we interact with utilities, we interact with IPPs, we interact with private investment, all in the electricity sector.

And so what all of that leads us to believe is that most estimates today that are credible would say over the next decade there's going to be somewhere between $5 trillion and $10 trillion of investment that needs to go into the electricity grids to meet those targets that we laid out earlier, but also because electricity is going to be what drives transportation in the future – the electrification of cars and transportation – and also because, if you push out to the far end, you might have to replace uneconomic gas and coal plants simply because they're not running anymore. So there is a wall of capital that needs to go into this, or a flood of capital that needs to go into this sector, and we think that we are one of the most uniquely positioned to capture the opportunity and to capture asymmetric returns over this period and that is going to be the central point of our presentation today.

So as we said, we think that renewable disruption – disruption has been a term that's been thrown around in our sector for 5 years now – we think it's actually going to increase not decrease or flatten out.

Number two, is as costs have come down, margins have been compressed and that favors owners and operators like ourselves. People who operate facilities know how to manage their margins, know how to cut costs, know how to manage capital expenditure profiles, and so all of that internal capability we have to run our facilities in the most efficient manner will actually be one of our key strengths over the next decade because if you're simply a financial investor and you effectively hedge away all the risk by hiring outsourced third parties to do all your work, you have no ability to offset margin compression or price compression. And therefore, again, it favors investors like us, who have to fight and scrap and claw for every 100 basis points of return.

And again, we believe, because targets are global, that this level of disruption will be all around the world, and we've been slowly and methodically setting up the business to be global and multi-technology to ensure that we can effectively create value over a long period of time across the entire electrical grid around the world.

I'm going to just pause on this slide for a second because there's been a lot of this type of talk today about just asymmetric returns, we look for unique opportunities to create value, and what we thought we would do is just put a really simple graph up, and a graph that everyone understands. You go up the risk return spectrum and you get both sides of the coin. If you want to generate more returns, you should take on more risk. And you heard various forms of that discussion today and what we have prided ourselves in doing, and this is not just the Brookfield Renewable, I'd say this is a general comment for all of the businesses we run. But what really has been our key differentiator as an organization over the years is that we are not going to play down here. That's not our business. Our business isn't to invest at 6%, take no risk, but get no return and buy assets that are priced to perfection. The problem with doing that, one is we'll never make the returns that we promised to our investors. But two, it's really only downside from there. If you're wrong, you earn 4%, and there is no more you can earn than 6%. So life's not that interesting and there's nothing to write home about. But once you go up the risk-reward spectrum, it starts to get very interesting because when you're up there, you're finding situations where there is capital scarcity, there is operational complexity or turnaround situations, there is disruption technologically, all the themes we've talked about just now, and what's interesting about that is if you have an organization that can manage that around the world, that has the operating capability to dial that risk down and has the technological understanding to operate and develop and acquire and continue to grow the business and improve margins, then you can effectively capture most of that margin and most of that return while bringing the risk profile down of the investment. And that has been our playbook for really 20 years. It's

how do we capture situations and transactions that appear riskier from the outside looking in, have significant risk, but why do we build conviction as an organization that we can manage that risk, mitigate that risk and therefore, keep the return, but drive the risk profile down. And if we can do that for a very, very long period of time, even in a zero rate environment, we will compound your capital at double-digit returns for many years to come.

The other thing it does is it gives us a great margin of safety. Sometimes you make mistakes in life, and if you make mistakes in life when you're earning 15% plus, maybe the mistake makes you 8% or 9% or 10%. You can afford one or two of those, you can't afford many. But if you make a mistake at earning 5%, you go to 0% and that's terrible. When you're trying to compound capital, the worse thing you can ever have is a wipeout. So our mistakes, we can manage them, and they don't appear as things that will ultimately compromise our ability to generate the long-term returns because they really take us from mid-teens down to maybe 10% or 9%. And again, as long as 8 out of 10 of our deals are up in that range, we're going to do pretty well.

So again, maybe just to reiterate, we've really focused in the last 5 years on building global scale. We have a formidable business in North America. In the U.S. alone, we'd be the second or third largest renewable investor in the country, which most people would not appreciate. We have a large business in South America. We have a meaningful business in Europe, and we are building out in India and China and Asia more broadly.

As I said earlier, each of our businesses, from a technology perspective today, are substantial in their own right. They would be leaders in their own right if they were stand-alone wind or solar businesses. And that's something that really we've been able to do in the last five to seven years, in terms of building that scale and scale is necessary in this business because it drives significant value.

And then lastly, we have 3,000 people around the world every day who look after our facilities, deal with stakeholders, deal with regulators, manage our health and safety programs. And this stuff often gets overlooked, but it's so critical to generating those returns, and so critical to dialing that risk down that we talked about. It's easy to say that you're going to buy something that's risky and manage the risk, but how you actually do it is important and the fact that we can explain it, show you examples, demonstrate the value of it year over year over year is really the key differentiator in our organization.

And so if you look at the last five years of deals and our analysts who follow us would've seen the transactions that we put out there, and you can see them, they all revolve around these major themes: capital scarcity, operational complexity, technological disruption and financial discipline or lack thereof in some cases. And once we find those pockets and most interestingly, if we find intersections of those pockets, then we know there is a transaction for us that's unique, that's hard to do for others, you can't replicate it and this is where we are going to create meaningful value for our shareholders.

So before I hand it over to Connor and Wyatt, I would just say, "Look, global warming is a major, major theme around the world. We are not professing to know the science better than anybody else, but what we're saying is the whole entire electrical grid of the planet is changing and we have one of the foremost businesses that can invest into this sector and that can do it for multiple decades.

Two, as a result of that, because of policy support, because of economics of wind and solar today and the cost efficiencies that they're driving, the opportunity set is enormous, and we have one of the longest standing, 20-year track records of investing in this space for value, generating long-term returns that are in-line with our targets, and we think that the outlook for the business is really strong and that we can do this for multiple decades to come.

So, with that, I'm going to hand it over to Connor.

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***Connor Teskey – Managing Partner & CIO***

Good afternoon. My name is Connor Teskey, and we would like to take the next few minutes to walk through Brookfield Renewable's approach to growth. And in particular, the repeatable nature of the consistent growth strategy we've been using for the last 20 years.

Our growth strategy hasn't changed. We are today and always have been value investors that look to differentiate ourselves using something other than cost of capital.

Further, we are unapologetic that we prioritize returns over nominal measures of growth, such as capacity or production. We do this by focusing on three competitive advantages of size, global reach and operational capabilities. In using these, we ensure that we can consistently deploy capital in line with the return targets across in economic cycle.

Size allows us to do large transactions where there is less competition. Our global reach allows us to rely on local investment teams that are constantly identifying and positioning ourselves for the best investment opportunities. And the scale and reach of our business gives us tremendous investment capacity to dedicate significant time and resources to understanding complex situations, or building relationships with key counterparties that may not lead to transactions today or tomorrow, but will provide investment opportunities in the future.

And from there, we always use our operational capabilities to help in due diligence and to build and execute a business plan to extract as much value as possible out of any assets we acquire. By leaning on these key competitive advantages, we can be uncompromising in targeting our 12% to 15% returns even in an increasingly competitive renewables market.

So even as our business grows and we do more and more transactions every year, we want to reiterate our strategy is not changing. But what is changing is the breadth of the spectrum of opportunities and the different ways we can execute in order to deploy capital at our target returns.

As our business has grown, we continually positioned ourselves to be able to execute on a widening spectrum of renewables opportunities all over the world.

First, we increased our capabilities geographically, putting local investment teams in each of our target markets such that we could see all the investment opportunities from around the world and allocate capital to the most attractive ones.

Then, we built out our capabilities by technology, expanding beyond our historic hydro and wind expertise into solar, distributed generation and storage.

And lastly, we've also increased the different types of transactions that we can execute, moving away from asset purchases to doing platform transactions, corporate carve-outs, take-privates or structured deals, all with the view of broadening the potential opportunity set for our company.

And while this all sounds really good in theory, it's shown up in our results as well. As you can see from the slide here, in the last five years, we've deployed more than 3x as much capital than the previous period.

Moving to the pie charts, you can see that in the last 5 years, more than half of our capital deployment has come in the sectors of wind, solar and storage versus approximately a third in the previous period.

And now that we have expertise and capabilities in these segments, we would expect that diversification and growth to continue going forward.

Moving to geographies, you can see the increased capabilities even more dramatically. Today, the majority of our business and our growth continues to be in OECD countries in North America and Western Europe. But as you can see from the charts, we've grown beyond the U.S., Canada and Brazil, and over the last five years, we've expanded into new markets including the U.K., Spain, Portugal, India, China and Colombia among others. And now that we have boots on the ground, local investment teams in each of those markets, we do expect that growth and diversification to continue.

Now, geographic and technology type are really easy to track. But there is another capability that we've been improving that is driving deal flow for Brookfield Renewable. And that's the different types of transactions that we can do to allow us to position ourselves as either the preferred buyer or the preferred partner for an investment opportunity.

Increasingly, we are doing transactions that it is very difficult for others to replicate, and that allows us to move off that traditional risk-reward curve that Sachin mentioned, to that enviable position of targeting high returns with strong downside protection. More so now, we are doing platform transactions that are attractive based on the initial assets we acquired, but also come with inherent growth prospects and the ability to do bolt-on transactions that come with synergies. More and more, we're the preferred counterparty or partner when a business is looking to increase its growth prospects or drive efficiency in its assets. And lastly, with those local teams on the ground in each of our target markets, we're constantly engaging with key counterparties and looking to build tailor-made investment solutions that achieve our counterparties' goals, but also meeting our risk return targets.

And with this enhanced capability set, we think our business is well positioned for future growth and as a result of these improved capabilities, we also have the strongest growth prospects and pipeline that we've ever had.

To demonstrate these capabilities in action, we thought it would be helpful to walk through three case studies from transactions we've done over the last 15 months. Each of these transactions are different. They're all of significant scale. They take place in different geographies. They're different transaction types, and they all use a different competitive advantage to secure high-quality assets using something other than cost of capital to differentiate ourselves as a buyer.

The first opportunity we'd like to take you through is a European Yieldco. In June 2018, Brookfield Renewable, through our TerraForm Power platform, acquired Saeta Yield, a publicly listed Spanish YieldCo with approximately 1,000 megawatts of contracted wind and solar assets, primarily in Spain and Portugal. Despite having very strong underlying assets, Saeta had struggled as a public company, never once trading above its 2015 IPO price.

When we began to look at this opportunity, there was uncertainty in the Spanish renewables market. Due to a regulatory reset that will come at the end of 2019, there were concerns that this reset would significantly reduce the go-forward revenues for Spanish renewables assets. This downside scenario was being priced into assets across the entire sector. We, however, took a different view. When analyzing the Spanish market, we realized that the renewables system was in surplus, which was different than five years previous at the time of the last reset when the system was running a significant deficit.

Further, given the government's strong ambitions to incentivize renewable investment in Spain, we did not think the government or the regulator would be incentivized to reduce revenues dramatically on a go-forward basis.

But to ensure our downside protection, when we looked at this opportunity, we measured ourselves against what would happen if that downside scenario played out, even though we did not think it was likely. And what we realized is using our operational expertise even in that downside scenario, we thought we could hit our target returns.

With that backdrop, we went looking for opportunities. And the first thing we leveraged was our scale and our global reach. Despite not previously owning assets in Spain, we already had an office in Madrid and we'd already dedicated significant time and resources to understanding the market and the regulatory regime. When that uncertainty began to push prices down, we'd done our work and were already ready to act.

From there, we found an opportunity in Saeta Yield and we looked to leverage Brookfield core competencies to secure the assets. This transaction was essentially a bilateral negotiation with Saeta's two anchor shareholders, one of which is an institution that Brookfield had a long-standing relationship with. Through that engagement, we learned that both anchor shareholders would be willing to support our transaction if we could provide certainty of execution and speed. With that, and recognizing the value of the underlying assets, we mobilized a team of over 100 people to execute due diligence in three countries around the world, and were able to put a binding offer forward in under a month.

When we look back at this transaction 15 months later, we are both proud and excited. First, we look at the operational improvements we've been able to drive on the O&M, tax and finance side, and those improvements ensure that even in a downside regulatory reset outcome, we will hit our target returns.

However, using our educated view that the market was in better shape than people necessarily understood, we left ourselves significant upside to a more reasonable or positive regulatory return outcome and that is exactly where the market is trending today.

Lastly, perhaps the best thing about this transaction is something we didn't pay for. By acquiring such a leading platform of wind and solar assets in Continental Europe, we now have a growth platform that we can continue to expand, providing an additional growth lever for Brookfield Renewable going forward.

The next opportunity we'd like to take you through is an Alberta Hydro opportunity. In March of this year, Brookfield announced an investment in TransAlta, a leading Canadian power producer. This investment was the result of close to five years of conversations between TransAlta and Brookfield on a number of different ways to try and work together. Largely, TransAlta was looking to source capital to fund a coal-to-gas conversion to improve the cleanliness of the power generation in its thermal fleet.

Brookfield felt the market did not appreciate the value of TransAlta's high-quality Alberta Hydro portfolio.

Today, TransAlta owns an 800-megawatt portfolio that represents 90% of the installed hydro capacity in the Canadian province of Alberta. These assets had been contracted for a long period of time, but starting in 2020, those long-term PPAs will roll off, and an increasing portion of the go-forward revenues will come from providing grid-stabilizing services to the local power grid.

Due to the embedded storage capabilities of these large hydro facilities, they represent the only dispatchable renewable power source in the province and will look to be a leading provider of these services going forward as they come into increasing demand.

Earlier this year, TransAlta came under some shareholder pressure and was looking for a unique transaction that would achieve three objectives. One, they needed capital to fund that coal-to-gas conversion that had been publicly announced. Two, they wanted a credible investor to remove uncertainty about the transitioning Alberta energy market. And three, they wanted the market to appreciate the value of their hydros.

Given our long-standing relationship with the company, the work we had done previously and the numerous discussions we'd had, we felt we were able to come up with a solution that achieved all of TransAlta's objectives. What we did is we made a C$750 million investment in TransAlta under a unique convertible security structure whereby our investment – our convertible security – can be repaid either with cash or it can be converted into an ownership stake in TransAlta's hydro portfolio. Through this unique structure, we were able to focus our investment on those specific renewable assets where we saw the greatest opportunity.

Secondly, we provided the company money to both fund its coal-to-gas conversion, but also do a share buyback. The conversion mechanism in our investment, which is essentially based on an EBITDA multiple less certain adjustments, publicly stamp the value of TransAlta's hydros at significantly greater than the market was giving them credit for.

And lastly, given our hydro portfolio globally, we are increasingly seeing the value of the embedded storage capabilities in large hydros. We think these capabilities are actually underappreciated as markets move off significant baseload thermal generation to increasingly intermittent renewable power. Therefore, we are not only comfortable with the transition of the revenue profile as it becomes more based on these grid-stabilizing services, we are excited about the potential opportunities for these hydros to be a leading provider of these services as they become more in demand in the future.

As always, our operational capabilities come to bear. And as part of this transaction, an operating group of half TransAlta employees, half Brookfield employees has been set up to drive value in the assets.

When we look back at this transaction now, we are excited about the prospects and proud of the unique way we were able to structure a transaction that met our counterparty's goals, but also was interesting to us. First, they gave us exposure to a new market and allowed us to support a long-term partner. Secondly, it allowed us to bring our operational capabilities and experience in large hydros to bear. And lastly, given the unique convertible security structure, we get strong downside protection, but the ability to participate in the future upside as the assets and the services they can provide become increasingly important in that power market.

The last opportunity we'd like to take you through is a global solar developer. In July of this year, Brookfield Renewable announced a 50% acquisition of X-Elio, a global operator and developer of solar power. And in this transaction, we really think we are buying two separate things. One, we are buying an existing 1.7 gigawatt portfolio of operating or under construction PV solar plants around the world. The second thing we are acquiring is a fully integrated development platform with a leading management team and best-in-class energy contracting capabilities.

Now up until this point, Brookfield Renewable has had significant development capabilities on both the hydro and wind side, but we've been a little slower to pursue scale investments in solar development, and that's driven by a simple fact. For the last several years, outperformance in solar development has been simply a bet on declining solar PV capex prices. And while that bet has played off and made a lot of developers a lot of money, we do not like to make investments where success is predicated on something outside of our control.

However, we now see that changing. Solar capex costs are beginning to plateau and going forward, outperformance in development is going to be driven by capital discipline, having global scale to ensure that you can be building the best development sites around the world. And lastly, having best-in-class energy marketing capabilities to ensure you can contract the assets as markets around the world move away from feed-in tariffs.

We feel X-Elio is a leader in all three of these areas. The way this transaction was completed was the existing owner, KKR, looked to sell 100% of the business, but after running a sales process, wanted to remain invested. And as such, pursued a 50-50 partnership with Brookfield Renewable.

We are excited about this partnership as there is total alignment on business plan. Which is, X-Elio is expected to develop 500 to 1.000 megawatts of new solar capacity each year under a primarily self-funding model of selling operating assets and using proceeds to reinvest into accretive development.

Under this business plan, given the significant growth prospects through development and optionality in the development pipeline, we are targeting the high-end of our target returns. However, we still feel like we are getting that strong downside protection from the in-place 1.7-gigawatt solar portfolio that provides strong cash yields. And most importantly, we've now added global solar development as a future growth lever for Brookfield Renewable.

Maybe to wrap up, to come back to this, given the examples we've provided, it should be indicative that every deal is different; different competitive advantages, different transactions types, different structures. However, they are all backed by that same strategy of looking to be value investors that differentiate ourselves using something other than cost of capital. And by using that approach, we move ourselves off the traditional risk-reward spectrum to that enviable position: high returns, high downside protection.

In conclusion, we actually thought we'd steal a comment that Howard made earlier today: investing is positioning capital for the future. And given that our increased capabilities are now as strong as they've ever been, we're excited about our growth prospects. As a result, we're increasing our expected growth for the next five years, now targeting $4 billion of investment across M&A and development.

To do this, we intend to grow all of our regional and technological platforms. But in certain areas, for example, Asia, where our platform is smaller, our goal is to make it of the same scale as our existing regional platforms in North America, South America and Europe.

Same thing with distributed generation. As Sachin spoke about, this is a great business for us, and one that we're looking to build a leading platform for over the next five years. And lastly, development is an increasingly strong source of growth for Brookfield Renewable, and we now have enhanced capabilities to drive expansion through development in every region and every technology class that we operate in today. And all of this is against the backdrop of that consistent growth strategy, being value-oriented investors that look to find transactions that hit our target returns but provide a strong source of downside protection.

With that, I will hand it over to Wyatt.

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***Wyatt Hartley – Managing Director & CFO***

Good afternoon. Continuing on from what Sachin and Connor shared, I will be speaking about why we are one of the few companies in the sector with the strategy and the financial flexibility to have delivered

strong results through economic cycles, and how this has come from executing on our proven and repeatable strategy of having the strongest balance sheet in the sector with significant access to liquidity, maintaining high-quality cash flows with a focus of diversifying our business across geographies and technologies, and accessing multiple sources of capital.

Next, I will discuss how this strategy provides us with the financial strength to capitalize on the increasing number of growth opportunities we are seeing in the market, as Sachin would have discussed. And finally, I will bring it all together by going through our total return proposition, which we think is the most attractive in the sector.

So, looking first at our balance sheet, which simply put, is in great shape. Most importantly, we have a strong investment-grade rating. We are BBB+ with S&P, which is the strongest rating in the sector. And for us, what that means is through our capital structure, our debt is investment grade or has investment-grade characteristics, which is essential because one, it adequately safeguards the business by providing access to cash flow through all cycles and avoiding undue cash traps, and secondly, it provides a good base upon which we can fund our growth.

Furthermore, 80% of our borrowings are at the project level, they're non-recourse, they're long duration, which translates well on a maturity perspective with our average debt duration of 10 years and no material maturities over the next five years, meaning we are very well insulated from liquidity risk.

And from a liquidity perspective, we are also in a very good position with $2.5 billion available at the end of June of this year, providing significant financial flexibility to take advantage of periods of capital scarcity.

Moving onto our cash flow quality, I think what is well accepted in the market is that with our largely perpetual and dispatchable asset base, as well as our highly contracted profile, that we generate the highest quality cash flows in the sector. However, what I think is underappreciated is how much we have de-risked our cash flows over the last 10 years by de-risking our business. So, as you can see here, since 2012, we've grown our FFO per unit at 10%. While we've done this, we've also significantly de-risked our cash flows by increasing the diversity of our portfolio and enhancing the stability of our earnings. As you can see, our current business is now well diversified across a number of markets and generation types, with no single market representing more than 12% of our business.

So, what this means is that if we were to have a 20% below-LTA performance in our single largest market, it would only impact our FFO by 2%.

Furthermore, we have also significantly reduced our offtake risk with our largest non-government, third-party customer representing only 3% of our generation, meaning our business is well insulated from disruptions like the PG&E bankruptcy that we saw earlier this year.

We've also benefited from diversifying our exposure to foreign currencies. We've always taken a view of actively hedging our developed market currencies and being a bit more opportunistic when it comes to hedging our emerging market currencies and only doing so when, opportunistically, the cost makes sense.

As a result of our diversification and hedging strategy, our exposure to any single currency has decreased significantly, meaning a 10% strengthening in the U.S. dollar against our largest single currency exposure, the Brazilian real, would only have a 1% impact on FFO.

We also have access to flexible and diverse sources of funding. Over the last five years, we have deployed almost $3.5 billion of BEP equity capital into growth on an accretive basis. When funding our business, our focus is to prudently access the lowest source of capital. This means we maximize corporate debt,

preferred equity and asset level up-financings while maintaining our strong investment-grade rating. Over the last five years, we have raised more than $1.5 billion of proceeds from these type of offerings, all while maintaining a credit rating of BBB+ from S&P.

In the last year alone, we have raised $1.6 billion across multiple or across diverse pools of capital, starting with capital recycling, which has become a more meaningful part of our funding strategy. Over the last 12 months, we've raised almost $800 million from these initiatives. From our perspective, selling mature de-risked assets at single-digit buyer returns and redeploying that capital at 12% to 15% is a very accretive way for us to fund our business. We are focused on identifying those mature, de-risked assets that are not really generating cash flow growth and don't fit well into our business, but should attract the low cost of capital buyer. While the majority of our business still has operating levers upon which we're focusing on, we do have some mature, de-risked assets, and so we think capital recycling will continue to be an important part of our funding strategy going forward.

We also raised over $300 million of corporate liquidity including our recently completed corporate green bond where we raised C$600 million of 10- and 30-year bonds at very attractive rates. This was the largest ever corporate green bond offering completed in Canada. And, at the start of this year, we also opportunistically accessed the preferred equity market by issuing perpetual preferred equity at very attractive rates.

And finally, we raised almost $350 million from asset up-financings as we continue to access additional debt capacity across our business on an investment-grade basis, particularly at our hydro portfolio where we have excess debt capacity at a number of the projects where we have not financed the post-PPA cash flows.

And it is this financial strength that allows us to be patient and target value enhancing growth opportunities as Sachin mentioned. Our mentality is that we don't look to extract returns using excess leverage or other financing structures. We earn our returns by using our operating and investing capabilities and overlay that with disciplined financing principles focused on investment-grade ratings that are sustainable over the long term.

This means that our risk and reward proposition is appropriately aligned with investors. Meaning, we target the highest returns in the sector while using the lowest risk financing strategy. We value long-duration investment-grade debt, meaning our average corporate maturity profile of 10 years is double our peer set. We use non-amortizing debt both at the corporate or at the project level only to the extent as it is backed by perpetual asset. And we don't use deferral structures like converts or tax equity, but we would benefit on a cash flow basis in the near-term, but these structures generally carry significant deferred financing costs that we don't think are beneficial over the long-term.

And looking forward, we expect to maintain this proven strategy. Over the next five years, we are targeting, as Connor mentioned, to deploy $4 billion of equity capital into growth. To fund this, we will continue to prudently source the lowest cost of capital while maintaining a strong investment-grade balance sheet. This includes up to $1 billion in further asset up-financings, which we believe we can do at an investment-grade basis across our business, again, particularly at our hydro business where we continue to have post-PPA cash flows that are unfinanced.

So, while we are not relying on accessing the equity markets to fund our growth over the next five years, we are progressing a number of initiatives to broaden our investor base and enhance the demand and liquidity for our equity.

So this includes, and for those of you who would have been here for the infrastructure session, I'm going to go over this more quickly than Sam, but I'd encourage you to reference his materials. We are preparing a similar structure for BEP to the newly announced BIPC. We are preparing to follow BIP with an offering of BEPC, a publicly listed Canadian corporation created via an effective stock split. The security will be considered economically equivalent to the existing LP units as it will pay identical dividends and distributions, and it will be fully exchangeable into the LP unit at any time. And it will have the purpose of providing shareholders optionality to invest in either the LP or the corporate security depending on their specific preference.

Similar to what you would have heard from Sam, we believe the creation of BEPC could lead to increased demand and enhanced the liquidity for Brookfield Renewable by expanding our investor base by attracting new investors that are currently unable to invest in our LP structure due to tax reporting or other attributes, allowing us to be eligible for certain indices or ETFs that we are currently not, and providing tax advantages to certain investors.

So, bringing it all together, as I mentioned at the outset, we believe we offer the most attractive total return proposition in the sector. As Sachin highlighted, the investable universe of renewables is growing and the number of value-enhancing growth opportunities within that universe are increasing. We believe we are uniquely positioned to take advantage given one, our proven and repeatable investing and operating toolkit that we believe is unmatched in the sector, and secondly, our financial strength, which allows us to fund growth through all economic cycles.

This means we are well positioned to continue our track record of double-digit FFO per unit growth and achieve FFO per unit growth of 10% per unit over the next five years, both from our organic levers, which include the inflation indexation in our contracts, margin enhancements coming from cost-saving initiatives across our business as well as re-contracting tailwinds in Brazil and Colombia, and our growing development pipeline as well as a strong outlook for M&A opportunities.

So when combining this visibility on our cash flow growth with a strong going-in yield, it translates into a very attractive total return outlook of 15%+ with significant upside from potential yield compression on the back of further acceptance that decarbonization is a growing trend that is taking over the world, our continued historically low interest rate environment, growing demand for our units or securities on the back log initiatives like BEPC or full recognition of our prudent and sustainable payout ratio.

So with that, I will hand it back to Sachin for a summary and Q&A.

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***Sachin Shah – Managing Partner & CEO***

Thanks Wyatt, and thanks Connor. As we tried to lay out, we think the outlook for renewables is better today than it's ever been, and we think the next 25 years in this sector will be very exciting and will present many, many unique opportunities for our business to grow. We think more importantly, we've built the business up and set it up to be highly successful in that environment. And what we think we offer to investors who are looking for a future-proof stock, one that meets their ESG requirements, one where you know the back-end value is protected based on the assets that we have invested in, we think we have the most unique capability in this space to drive higher risk-adjusted returns than our peer-set. And lastly, our strategy throughout our history is one of very sound, stable financial profile, really pinned down by

that balance sheet and liquidity that we prioritize, and therefore, we think we're really well set up for the future. So with that, I will open it up for questions.

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***Nelson Ng – RBC Capital Markets***

It's Nelson Ng from RBC Capital Markets. So you talked about broadening technology and geography and diversifying. Currently, you're still mostly hydro. You've been investing in a lot of hydro, but moving forward is hydro going to be the main focus? Or do you see hydro or essentially the hydro weighting gradually declining? And, could you just talk about that?

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***Sachin Shah – Managing Partner & CEO***

So the question is where do we see our growth opportunities coming from, from a technological perspective, and do we prioritize one over another?

I would say, setting aside all the discussion we've had about our wind and solar growth, the reality is, in the last five years, we've actually added more hydro than those other technologies. We've just happened to be fortunate enough to find great hydro opportunities like the Alberta transaction, like Colombia, like our transactions that we did in the U.S. Northeast, with Exelon and Holtwood and Safe Harbor. So we've been very, very successful hydro investors.

I'd say we don't look at it the way maybe the question is being framed. We're opportunistic. We think hydro is unique in its own right, has significant scarcity value. It provides products and services that wind and solar today just can't provide. Even if they had a battery, you couldn't provide those skills and services to the grid that are needed. So, hydro stands out as truly a unique asset class, one that merits a very high valuation, and we think that our hydro portfolio is both irreplaceable and truly unique. There isn't a portfolio like this that you could acquire in a public company on the planet. And if we were to sell hydros – and we did sell a little bit of hydro this year – you can see the type of multiples it commands. It's a very, very premium asset. It's an asset that commands high valuations because of its perpetual nature and the attributes it provides to the grids. So, we love hydro. We're going to keep investing in it. But it was really important to us in the last five to seven years that we broaden out because to be opportunistic in one technology is a tough way to live. It means that you're really relegated to just focusing on one thing, and we don't think it has any implication to the value of our business because as investors what we think you should be doing is taking each technology, applying the valuation multiple to each technology discreetly and then summing all of that up. And therefore, if you believe hydro should command higher valuation, our growing pool of hydro will always command that higher multiple, and then wind and solar, which typically trades at a couple of turns of EBITDA lower, you can then value those on a stand-alone basis, and as long as all of those technologies are growing and we are acquiring all of those assets for value, we should create a lot of shareholder value return.

There's a question in the back right there.

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***Unidentified Participant***

Thanks, Sachin, for your stewardship in building this business. When you look at climate change and changing weather patterns, can you describe how you think about resource availability in the resources that power these assets and whether you think about hedging, today of the resource?

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***Sachin Shah – Managing Partner & CEO***

It's a good question because one thing that is clear in this sector is you are going to have resource variability. You're going to have wind speeds that vary from time to time. You're going to have hydrology that varies from time to time.

I would say, what we've learned about in this business over the last decade, I will start with wind and solar, as what we've learned, is that estimates, in particular on the wind side that were made maybe a decade ago, were likely overzealous in terms of the amount of production and we've seen across-the-board every company in the United States has really seen underperformance from their wind fleet, not by a lot but enough that you can start to see the trend. On the other hand, solar has been remarkably reliable and outperformed over many years relative to the solar irradiation studies that are occurring there. Again, this highlights the need to diversify a business and to have a diversified portfolio. If we were up here and all we did was wind, and we pounded the pavement saying wind is the best, well, then you can have a structural risk in the business that you can't mitigate. So diversity is really, really important. And secondly, I'd say, the other thing we've noticed is these patterns that have emerged are localized. So it's not like wind around the world has underperformed. It's really been a U.S.-centric issue. Our wind fleet in Europe has actually overperformed our underwriting for five years in a row now. And again, that's a nice feature. The fact that, that global diversity is helping offset and mitigate some of that risk, we think is unique in our business, and we think that investors should like that diversity. And then lastly, going to hydro. You know, hydro, we've been invested in this for 35 years and what I can tell you, and my old boss always used to tell me this, Richard Legault, is that the hydrological cycles are much longer than 1 or 2 years. You see 5-, 10-, 15-year cycles. And we're going through a good time right now in hydro. Hydrology is up. It's been up for 3 years in a row. We went through a few tough years a few years ago, and investors were constantly worrying about hydrology levels and global warming. What I can tell you is our long-term averages in our hydro business are built off of 50 to 70 years of data. It captures all of those long-term trends. And what I can assure you is when times are good, we're not going to pay out more cash flow. We're just going to keep that cash in the business and keep investing. And when times are bad, we're going to have the balance sheet, liquidity and financial strength to manage it, and we would never put our dividend at risk just for a few bad years of hydrology. So we've learned over many, many decades how to manage that long cycle hydrology risk, and we try to encourage our investors to take a long view on that. And like I said, if you read our reports, even in the last two years, we don't make a big issue of higher hydrology levels. We don't promote it or say, "It's great." And no different, you won't see us make a big issue of lower hydrology levels. We can run the business through all cycles.

There's a question right there.

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***Robert Hope – Scotiabank***

Rob Hope, Scotiabank. I just wanted some additional clarity on your comments on building a business and scale in Asia. Just given where you are right now, that could imply quite a lot that $4 billion of capital over the next couple of years could be devoted there, and what opportunities you're seeing there?

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***Sachin Shah – Managing Partner & CEO***

So, the question is, how do we get from where we are today in India and China effectively to building out a broader scale business? I do think, over time, we want to be in Japan, but with low rates, valuations are high. The market that's probably the most ripe for us to build scale early is India, and simply put, the last

five years in India, maybe the last seven years, they've opened up the market to foreign direct investment. There's been a lot of capital available for investors to come in and you've seen every major private equity firm, large IPPs, large pension plans really go into the country with meaningful direct investments. So large, privately held portfolios of renewables in India now exist in the hands of largely financial investors and all of that's been supported by government policies, feed-in tariffs.

The reason we didn't join the party is that basically the trade in the last five years in India was simple. Buy assets, and I'm going to simplify here, buy assets at 9 to 10x EBITDA multiples, prioritize scale, in our view, overpay, but use mezzanine and subordinated leveraged financing structures to effectively fund it, so your equity commitment is little, and then take the companies public in the IPO market. And we just didn't want to make that bet. We didn't want to make the bet that the IPO is how we were going to skate on side for our business, because we felt that you should really be buying assets in that market more at 6x to 7x, maybe 7.5x EBITDA multiples. What's happened is, Bruce alluded to in his remarks, India is going through a financial crisis of its own. The shadow banking system has been disrupted. There's a lot of nonperforming loans on their books, and all of those maturities are coming up in the next three to five years. Combined with the fact that in the power sector, the largest privately held power company in India tried to do an IPO last year and failed miserably. Investors didn't allow it to happen. So now what you have is, you've got all these portfolios in India that are privately held where the owners overpaid hoping that an IPO and an excess valuation would skate them on side, and they're facing a wall of maturity in front of them. We think the next five years for us will be really, really critical because we think we can invest on a deep value basis in India by acquiring a more distressed-type situation, which would give us some scale, give us assets across multiple technologies, and then with our development and operating capabilities, we will take it from there and grow. So India is probably the most right for that. China is a slow and steady approach, and then Japan is just on the list of: it would be nice to be there, but it's very expensive.

Okay. That's it. Thank you, everybody, for your interest today and, obviously, we'll be around afterwards to answer questions.