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PRESENTATION

Operator

Ladies and gentlemen, thank you for standing by, and welcome to the BEP First Quarter 2021 Results Conference Call and Webcast. (Operator Instructions) Please be advised that today's conference is being recorded. (Operator Instructions)

It is now my pleasure to introduce CEO, Connor Teskey.

Connor David Teskey *Brookfield Renewable Partners L.P. - CEO & Managing Partner*

Thank you, operator, and Good morning, everyone, and thank you for joining us for our first quarter 2021 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 would also like to remind you that we may make forward-looking statements on this call. These statements are subject to known and unknown risks, and our future results may differ materially. For more information, you are encouraged to review our regulatory filings available on SEDAR, EDGAR and on our website.

To kick off today's call, I will first provide an outlook on the business and an update on our recent growth initiatives. Then, Wyatt will provide an overview of our operating results as well as our balance sheet and funding plan. Following our prepared remarks, we look forward to taking your questions and comments.

Our business performed well in the quarter. We continued to focus on acquiring quality assets for value, enhancing cash flows through our operational capabilities and maintaining a strong balance sheet; all of this with the objective of delivering total returns to our investors of 12% to 15% growth on a per-unit basis over the long term.

The tailwinds for renewables are accelerating. Governments and businesses around the world are intensifying their focus on decarbonization. With each passing quarter, governments are committing to greater emissions targets and business leaders are adopting plans to transition their businesses toward net-zero. Over the past couple weeks, the United States, the E.U., Canada and Japan have each announced plans to reduce emissions by approximately half by 2030. The U.K. announced plans to reduce emissions by almost 80% by 2035. These plans will require significant capital as well as the operating expertise to build out and implement more efficient and sustainable solutions.

As this occurs, growth opportunities are expected to increasingly favor investors who have global platforms and strong development capability. This will position us to participate in the accelerating build-out of renewables. Our power marketing expertise allows us to provide green power to businesses across all sectors of the economy. And further, due to our size and expertise across all major renewables technologies, we are increasingly seeing attractive large-scale opportunities to help businesses transition existing generation to cleaner forms of electricity production, as utilities and power producers begin a multi-decade decarbonization process. Looking forward, we remain focused on participating in growth from both the continued build-out of wind and solar as well as the increasing

demand for decarbonization and energy transition solutions.

We will now go through a few of the key highlights for the quarter. We generated FFO of \$242 million or \$0.38 per unit, a 21% increase on a normalized per-unit basis over the same period in the prior year. We progressed approximately 6,000 megawatts through construction and advanced stage permitting and added nearly 4,500 megawatts to our development pipeline. We invested or agreed to invest \$1.6 billion or nearly \$410 million net to Brookfield Renewable, of equity across a range of transactions including onshore wind, offshore wind, utility scale solar and distributed generation in the United States, Europe and India. We also issued a \$350 million perpetual green subordinated note at a fixed rate of 4 5/8% and our balance sheet remains robust with \$3.4 billion of available liquidity and no meaningful near-term maturities. And finally, we raised over \$850 million or approximately \$410 million net to Brookfield Renewable from asset recycling initiatives, including the sale of mature onshore wind portfolios in Ireland and the United States at attractive values, returning approximately 2x our invested capital.

Next, we'd like to spend a few minutes walking through recent growth and corporate contracting initiatives. As the opportunity to invest in renewables and decarbonization expands, we continue to exercise a value-oriented approach to growing our business. We remain disciplined in focusing on opportunities that play to our strengths, where we can invest for value, then leverage our operating capabilities to increase cash flow as well as deploy incremental capital at attractive returns to grow our existing businesses over time.

Recently, we executed on a number of transactions that highlight this approach. For the past several years we have monitored the offshore wind sector while not investing. But as the technology has grown and matured, we have become more comfortable. In this quarter, we closed our first investment in offshore wind. It included a pipeline to build 3 gigawatts of capacity supported by attractive contract structures over the next several years. Similarly, in India, one of the largest and fastest-growing renewable markets globally, we have continued to grow our business following our initial investment in 2017. Having expanded our capabilities in the region, we are now seeing a steady pipeline of opportunities to incrementally add to our platform at attractive returns.

Recently, we signed or closed a few transactions we would like to highlight. The first is Shepherds Flat, which is an 845-megawatt windfarm in Oregon that includes one of the largest repowering opportunities in the world. Once completed, we expect total generation to increase by approximately 25%. We are making good progress on the repowering and are also advancing a 400-megawatt newbuild development project that was included as part of that transaction.

We also made an investment in Polenergia, a scale renewable business in Europe with an interest in a 3 gigawatt offshore wind development pipeline. We believe Polenergia has tremendous growth prospects, and we are well-positioned as both a supportive operating partner and a capital provider to that business. Further, we acquired Exelon Distributed Generation, a DG business, comprising of 360 megawatts of operating capacity with an additional over 700 megawatts under development. We now own one of the leading DG businesses in the United States with deep operating, development and origination capabilities and an almost 2,000 megawatt portfolio that generates high-quality contracted cash flows that are diversified by both geography and by customer.

And lastly, on the back of a relationship established through our acquisition of a portfolio of loans from a nonbank financial company near the end of 2020, we signed an agreement, which gives us the right to acquire a 450 megawatt shovel-ready solar project from one of the largest developers in India. The project is expected to be commissioned by the end of the year and is backed by a 25-year power purchase agreement with a high-quality state utility. We expect to invest \$70 million or \$20 million net to Brookfield renewable of equity in the project and are targeting 20% plus return.

Looking ahead, we believe the global trends towards decarbonization will continue to accelerate and impact all industries. This will lead to increased adoption of renewable technologies, the electrification of industry and transport and the conversion of carbon-intensive processes to cleaner methods of production. The dramatic increase in demand for green power has shifted industry dynamics in favor of businesses that can provide differentiated solutions and the ability to meet customers' large-scale 24/7 green power or unique load shaping requirements. Our diversification across geographies and technologies, including baseload dispatchable power, positions us well to capitalize on this trend. Further, our corporate contracting expertise allows us to acquire development projects that are not yet fully contracted at attractive returns with less competition. We have the ability to then utilize our global contracting capabilities to source long-term contracts with high-quality counterparties, both enhancing and de-risking a project's future revenues and allowing us to

generate attractive returns on our capital with strong downside protection.

As a result, we are seeing an opportunity to accelerate the build-out of our 27,000 megawatt development pipeline. Leveraging our deep customer relationships, we dispatch clean energy to over 700 creditworthy customers globally. In the last quarter, we signed 29 agreements for approximately 2,300 gigawatt hours of renewable generation with corporate offtakers across all major industries, including many of the largest counterparties by market capitalization in the world.

Let us walk you through a few recent examples of our contracting activities. First, we leveraged our global platform and relationships with a number of leading global technology companies, including signing an agreement to support the development of almost 100 megawatts of solar capacity to power data centers in the U.S. Northeast. We also signed agreements to provide green electricity to leading industrial companies and manufacturers, including a tailored solution for a large U.S. manufacturer that bundles both a long-term PPA from a new build development with a zero-carbon retail agreement. In addition, we signed agreements to provide green electricity to several global energy players, including the supermajors as well as with a hydrogen company for their planned industrial scale green hydrogen production plant, the first of its kind in North America. We also signed PPAs to provide global utilities with carbon-free generation, including with a Spanish utility to support the build-out of 150 megawatts of solar capacity in that region. And finally, we signed an energy agreement with JPMorgan Chase to supply clean renewable electricity to over 500 of their real estate operations in New York State from our hydroelectric facilities in the region.

With that, I'll turn the call over to Wyatt to discuss our operating results and financial position.

Wyatt Hartley Brookfield Renewable Partners L.P. - CFO of BRP Energy Group LP

Thank you, Connor. During the first quarter, we generated FFO of \$242 million or \$0.38 per unit, reflecting solid performance as our operations benefited from strong asset availability, growth and efficiency initiatives. On a normalized basis, our per unit results were up 21% year-over-year. With an increasingly diversified portfolio of operating assets, limited concentration risk with counterparties and a long-term contract profile, our cash flows are highly resilient. While generation for the quarter was marginally below the long-term average, driven largely by drier conditions in New York, we expect this variability and therefore, manage our business for the long term. Further, we are continuously diversifying the business. This increasingly mitigates exposure to any single resource, market or counterparty and our variability becomes less and less every year.

During the quarter, our hydroelectric segment delivered FFO of \$170 million. Across this portfolio, we continue to focus on securing contracts that value the uniqueness of our fleet as a generator of dispatchable, clean electricity and ancillary services.

Our wind and solar segments generated a combined \$158 million of FFO. We continue to generate stable revenues from these assets and benefit from the diversification of our fleet and highly contracted cash flows with long duration power purchase agreements. There was severe winter weather in the quarter, in particular, in Texas. The conditions did not have a material impact on our financial results due to our operating and power marketing capabilities, which reacted to mitigate risk. We are proud of how our teams performed during these difficult times, keeping our employees safe and our operations running.

Our energy transition segment generated \$33 million of FFO during the quarter. Our portfolio continues to grow as we assist commercial and industrial partners achieve their decarbonization goals and provide critical grid stabilizing ancillary services and backup capacity required to address the increasing intermittency of greener electricity grids.

Our financial position continues to be strong. We have approximately \$3.4 billion of available liquidity, and our investment-grade balance sheet has no meaningful near-term maturities, and approximately 90% of our financings are non-recourse to Brookfield Renewable. We continue to take advantage of the low interest rate environment and executed on \$3.1 billion of investment-grade financings, including a \$350 million 4 5/8 fixed rate green perpetual subordinated note offering. The notes have the same accounting and rating treatment as our preferred LP units.

We also continue to execute on our capital recycling strategy of selling mature de-risked or noncore assets to lower cost of capital buyers while redeploying the proceeds into higher-yielding opportunities. The proceeds from these transactions will be used to fund growth

opportunities executed in the quarter as well as our robust future growth pipeline. In April, we agreed to sell our remaining 360 megawatts of operating assets and development pipeline in Ireland and approximately 270 megawatts of ready-to-build wind assets in Scotland for an aggregate equity value of approximately \$450 million. We entered the European renewable market in 2014 with the acquisition of Bord Gais' wind portfolio in Ireland. When we acquired this business, it was part of a state-owned utility with approximately 300 megawatts of operating wind capacity. Under our ownership, we grew the business to over 700 megawatts of total operating assets by building out the development portfolio, and we expanded the development pipeline to approximately 1,000 megawatts.

Consistent with our strategy when we enter new markets, we used this investment as a stepping stone to grow our business across Europe, including the acquisition of our development pipeline in Scotland in 2015. Today across Europe, we have expanded our capabilities to become a fully integrated platform with extensive corporate contracting, operating and growth capabilities. Following the completion of these sales, we will have more than 300 employees and over 10,000 megawatts of operating and development assets in the region. With this sale, we will have fully exited our initial investment in Ireland, having previously sold 375 megawatts of operating assets. In aggregate, we generated more than 15% compound annual returns on this investment. These sales are expected to close in the second quarter.

We also signed an agreement to sell 390 megawatts of wind assets, primarily in California, for a total equity value of approximately \$370 million, generating returns of approximately 2x our invested capital. Under our ownership, the facilities were substantially de-risked by completing our business plan, which included developing several of the assets, establishing long-term revenue certainty, reducing operating and maintenance costs and optimizing the capital structure. This sale is expected to close in the third quarter.

Looking ahead, we continue to focus on growing our business and executing on our key operational priorities, including maintaining a robust balance sheet and access to diverse sources of capital and servicing value through enhancing cash flows from our existing portfolio. We believe that with our scale, track record and global capabilities, we are well situated to partner with governments and businesses to help them achieve their goal of greening the global electricity grids. We believe the prospects for growth of our business are better than they ever have been, and we look forward to further opportunities to provide capital and solutions to drive decarbonization. As always, we remain focused on delivering on our long-term total return targets.

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

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) And our first question comes from the line of Rob Hope with Scotiabank.

Robert Hope *Scotiabank Global Banking and Markets, Research Division - Analyst*

First question is on the Baltic projects. So we see that in your project development backlog, you do have some onshore stuff with Poland. But what are you thinking about the timing in terms of the Baltic offshore projects there as well as how do you see your ownership in Polenergia trending over time?

Connor David Teskey *Brookfield Renewable Partners L.P. - CEO & Managing Partner*

Thanks, Rob, great question. So we made an investment in Polenergia this last quarter and the structure of our investment is together with our partner. We own 75% of the company, while Brookfield owns 23%. The reason why we like this opportunity is the tremendous growth prospects for Polenergia. And our thesis of making this investment is we see ourselves as both an operating partner and a capital provider to that business, as it looks to build out its development pipeline. And Rob, you made a great point there. There are 2 components to that development pipeline. There is the very large offshore development pipeline, 3 gigawatts across 3 large projects. We are hopeful to receive positive feedback from the government on CFDs in the coming months, at which point we will look to start to see those projects advance and built out over the next couple years. But what shouldn't be overlooked within Polenergia is their onshore development and growth prospects as well. They have construction and development pipeline across both wind and solar, and have been very active participants in the recent auctions in the country. And in the last auction, in fact, they bid 3 projects and all 3 projects were

awarded subsidies under the new feed-in tariffs. So we are very, very encouraged about the growth prospects for that business and we very much intend to be a capital provider to that company to fund that growth going forward. And alongside our partner, we would expect our ownership interest to creep up over time.

Robert Hope *Scotiabank Global Banking and Markets, Research Division - Analyst*

That's helpful. Okay and then other side of the world, I just want to get some perspective on how you're looking at opportunities in India. You've had boots on the ground for a number of years there. It seems like you're in the early days of starting to put capital to work there. Where in your mind are we in that investment cycle? Are you fully confident in that jurisdiction that you could put some larger capital to work?

Connor David Teskey *Brookfield Renewable Partners L.P. - CEO & Managing Partner*

Certainly, and it's a great question. And it's important right now to separate, call it, our long-term strategy in India versus what's happening on the ground right now. Right now our focus is just about keeping our people and our operations safe as that jurisdiction works through the peak of COVID. From a longer-term perspective, we entered the Indian market in 2017, and this is one of the largest and fastest growing renewables markets in the region. And what we've done in India is very similar to what we do whenever we enter a new region. We spend some time building out our capabilities, our boots on the ground operations, such that we have tremendous flexibility to invest across the opportunity set in that region. And what we are seeing now is a very steady pipeline of opportunities where we think we can incrementally add to our portfolio at very attractive risk-adjusted returns. I would say we do recognize it is a country that is developing, and therefore we do not intend to deploy a very meaningful portion of Brookfield Renewable's capital in the jurisdiction. But we do absolutely intend to grow our platform on a continuous basis, and our pipeline in the region remains very strong. I think I'll leave it there.

Operator

Your next question comes from the line of Mark Strouse with JPMorgan.

Mark Wesley Strouse *JPMorgan Chase & Co, Research Division - Alternative Energy and Applied & Emerging Technologies Analyst*

Just curious in the grand scheme of things, longer-term, I think the supply chain issues ultimately resolve themselves. But just curious how you are managing rising input costs as you're looking at new projects. Are you locking in some of those pricing now? Or are you looking to kind of float and maybe lock in pricing in the future? And maybe talk about the pricing environment and the spreads that you're seeing, the return on equity or return on investments, whatever the best way of looking at it is. Are you seeing any squeeze there?

Connor David Teskey *Brookfield Renewable Partners L.P. - CEO & Managing Partner*

Certainly. Thanks, Mark. I appreciate the question. Maybe to start with procurement, perhaps it's helpful to explain how we look to procure equipment for our global construction and development activities. And one thing we've spent a lot of time on over the last several years is centralizing our procurement functions around the world, such that whenever we are looking to acquire equipment or services to support any of our projects, we're not looking to procure those products and services on a project-by-project basis, but we rather do it with the economies of scale of the entire Brookfield Renewable platform. We've spent some time internally dedicating people to procurement of certain products, whether it be wind turbines or solar panels. And through that process, we are ensuring that, one, we would like to think we are getting some of the best prices around the world because we're always leveraging our economies of scale to get full discounts. And then 2, we are increasingly building these very strong relationships with both equipment suppliers and service providers. And within service providers, I include O&M providers, EPC providers. We're always ensuring that we're getting the best terms on the contracts that support those services. And as a result of that, when there are things like some of the short-term supply shortages that the industry has seen over the last few months, we often find that the suppliers work with us very collaboratively and view us as a, call it, Tier 1 partner and somebody they want to support and not disrupt our operations. So I would say the centralization of our procurement is really what we use to ensure that we are, one, getting the best prices, but also ensuring that our business isn't interrupted by any short-term disturbances in the supply chain. The second part of your question was around returns and I think are we seeing any returns compression. And the answer to that is, are we seeing returns compression in certain types of assets in certain types of sales processes within the renewable power space around the world? The answer is absolutely yes. But those aren't the investments that Brookfield Renewable has ever targeted in the past or is looking to target today. We look for unique situations where we can bring something to the table, we can differentiate ourselves using something other than cost of capital. That can be our repowering or

development capabilities. That can be our corporate contracting capabilities. That can be our size, that can be our global reach. And when it comes to identifying and sourcing opportunities where we can differentiate ourselves, we're not seeing any returns compression from that perspective. We're very much committed to the same 12% to 15% return targets we've had for many years at this point and see no reason to adjust those return targets in the current market environment.

Operator

Your next question comes from the line of Mark Jarvi with CIBC Capital Markets.

Mark Thomas Jarvi CIBC Capital Markets, Research Division - Director of Institutional Equity Research

I just want to touch on the asset sales announced over the last couple months in terms of the buyers being strategics and not necessarily being the lowest cost of capital players you've talked about in the past. Maybe just walk us through in terms of maybe your views on post-PPA value that you don't see where they might see something? And do you think that buyers in the market are taking more bullish views on long-term fundamentals, and maybe just sort of your differentiate in terms of why it would be right to sell those assets today?

Connor David Teskey Brookfield Renewable Partners L.P. - CEO & Managing Partner

Thanks, Mark. We might perhaps see the situation a little bit differently. It was interesting to us that both of our significant asset sales in the last quarter went to strategics. But what we would say is we ran robust sales processes in both these scenarios and those strategics outbid those low-cost of capital financial buyers that have been the winning bidders for these types of assets quite regularly over the last couple of years. And I think what we were seeing there is the assets that we were selling in both cases fit a strategic goal of those counterparties, where they saw significant strategic value in the assets that maybe we did not see. And that allowed them to not only acquire the assets at a value that is greater than what we viewed we could earn by holding the assets. That's always our threshold for selling. But it also allowed them to pay a value that was greater than some of the more recent competition from those low cost of capital buyers. So I would say that it was more the strategic benefit of both those portfolios that drove those buyers to pay the price that made them the winner.

Mark Thomas Jarvi CIBC Capital Markets, Research Division - Director of Institutional Equity Research

Got it. So based on those comments, you don't anticipate seeing a material shift in terms of who is typically showing up in the processes and who would likely be buyers of your assets when you do recycling going forward?

Connor David Teskey Brookfield Renewable Partners L.P. - CEO & Managing Partner

Not particularly. Certainly not as a result of these 2 discrete sales. We don't see any meaningful trend there at this point.

Mark Thomas Jarvi CIBC Capital Markets, Research Division - Director of Institutional Equity Research

Okay. And then Wyatt, in one of your last comments, you made a remark about providing capital in solutions to help decarbonize. And maybe just picking up the word on provide capital as opposed to invest capital. Was there anything to read through there in terms of you're looking at different ways to help other companies or it's like the TransAlta type of investment that you can just help us see whether or not there's that's sort of foreshadowing certain types of investments going forward?

Wyatt Hartley Brookfield Renewable Partners L.P. - CFO of BRP Energy Group LP

Yes. Look, Mark, I think you hit on it exactly with the TA transaction, where, in effect, what we did through that transaction was on a structured basis, we acquired a piece of the hydro that allowed TA to use that capital to execute a coal-to-gas conversion, which meaningfully is decarbonizing their business. So what our focus has always been as a deployer of capital for value is working with partners and being flexible around how we work with them to provide them with the solution that best works for their needs. And so that can come in various ways. And one of those is through transactions like the TA one, where we, in effect, we're a provider of capital, as I mentioned, to help with the decarbonization trend. And we expect looking forward, that the number of transactions we do in this space will increase, and our flexibility to do that will be one of the things that allows us to deploy capital for value.

Mark Thomas Jarvi CIBC Capital Markets, Research Division - Director of Institutional Equity Research

And are you seeing opportunities today? Are you working on things like that? I'm trying not to get too far ahead of it, but is that something that we'll see more in the near term? Or is that something that you think is going to play out over the next couple of years?

Connor David Teskey Brookfield Renewable Partners L.P. - CEO & Managing Partner

Well, we certainly see this as a very broad long-term trend that we think is going to drive significant growth in our business for the next several years. And really, what we're focusing on here is if you look at, call it, the power generation stacks of utilities or independent power producers, over the next 5, 10, 15, 20 years, there needs to be a very large transition away from carbon-intensive forms of power production to cleaner forms of power production. And on the clean side, that is primarily renewables. And many of those independent power producers or utilities, through no fault of their own, don't necessarily have the expertise, or renewables development capability or the capital to make those transitions on their own, and therefore, are looking for a sponsor, or a capital provider or an operating partner. And we view ourselves as being very well-positioned to participate in that transition. We think it's both, Mark, to answer your question, we think it's both a near-term and medium-term and a long-term opportunity.

Operator

Your next question comes from the line of Nelson Ng with RBC Capital Markets.

Nelson Ng RBC Capital Markets, Research Division - Analyst

Great. So my first question relates to Colombia. You have a small 32-megawatt wind project there. I think you've been in Colombia for, I think, just over 5 years. And I don't think you've been that active on the development side in that market in the past. But are things changing over there? And are you seeing more opportunities on the wind and solar side?

Connor David Teskey Brookfield Renewable Partners L.P. - CEO & Managing Partner

Certainly. And maybe -- it's a great question, Nelson. And maybe just to take a step back, not even specific to wind or solar, we're just seeing more growth opportunities. When we bought ISAGEN, you would have heard us for many years talk about our key objectives were to reduce cost in that business and extend the contract profile of that very large hydro portfolio, and the team has done a tremendous job of doing that and continues to execute on those initiatives. But over the last couple of years, we've increasingly looked for more growth opportunities around that Colombian portfolio. There's the wind ones you've mentioned. We're also pursuing some solar opportunities in the region. And in the last quarter, we closed on the bolt-on of a couple of small hydros to the portfolio. So I would say it's more broadly -- we are now seeing more growth opportunities across the spectrum of asset classes to bolt onto that portfolio.

Nelson Ng RBC Capital Markets, Research Division - Analyst

Okay. That's great color. And then just a quick modeling question, maybe it's for Wyatt. So this quarter, you recognized some gains for the Scottish developments. I'm just wondering, will you be recognizing gains for the rest of the U.K. assets or for the sale of the U.S. wind assets in a future quarter? I just wasn't too sure which asset sales would result in gains that are included in EBITDA or your CAFD calculation?

Wyatt Hartley Brookfield Renewable Partners L.P. - CFO of BRP Energy Group LP

Yes. No, that's a good question, Nelson. And so what was reflected there is the gain on our development assets. And really, the reason we're including those into FFO is that really, we've owned those development assets since 2015, as I mentioned. And over the last 6 years, we've been working to bring those -- to contract them, to get them permitted, et cetera. And then once we've done that, we had a low-cost of capital buyer who came in and was willing to buy them and take construction risk. So the value that we've created in terms of that portfolio through doing those activities was really done around bringing that those development assets forward. And so as a result, we include the value that we've created in our FFO, because if we didn't, none of that value we created would ever have impacted our cash flows. And you'll see, if you look back in the prior year, in a similar type quantum, we recognized gains on some of our development assets in our solar developer, X-Elio, et cetera. So for us, it's really the inclusion in FFO is focused on those development assets. And it's something that we expect to cheaply more do. But it may be lumpy by quarter, but on an annual basis, we do expect to -- when it makes sense to monetize those types of development assets and as a result, recognize them into our FFO.

Nelson Ng RBC Capital Markets, Research Division - Analyst

Okay. And if you sell operating assets, they won't be recognized?

Wyatt Hartley Brookfield Renewable Partners L.P. - CFO of BRP Energy Group LP

No. Similar to our normal course, we don't include those in FFO.

Operator

And our next question comes from the line of Sean Steuart with TD Securities.

Sean Steuart TD Securities Equity Research - Research Analyst

A couple of questions, Connor, I wanted to circle back on corporate contract opportunities. And wondering if you can comment on the regions where you're seeing the best opportunities to sign corporate PPAs and how that opportunity set aligns with where your uncontracted generation is expected to rise in your existing portfolio over the next few years? Can you speak to the alignment between those 2 things?

Connor David Teskey Brookfield Renewable Partners L.P. - CEO & Managing Partner

Yes, certainly. And Sean, it's perhaps a helpful opportunity to talk about a much broader trend that we've seen. It's not that long ago, maybe 2 or 3 years ago, that we were really focused on building out our power contracting corporate contracting capabilities around the world. And 2 or 3 years ago, we celebrated every PPA that we got because it really seemed that there were a large number of development projects chasing a smaller number of corporate PPAs. And in 18 or 24 months, we've seen a massive shift in the industry. The pace of that shift is different by market. But now we are really seeing a large amount of corporate PPAs available. And if you have high-quality ready-to-build assets, those are now the scarce components of that equation. And therefore, we are seeing a dramatic increase in that corporate contracting, and we think it really all speaks to increasing decarbonization trends, increasing demand for corporates to procure green power as part of their own, call it, ESG or decarbonization initiatives. Where we are seeing the greatest amount of activity within our portfolio is certainly in the United States, Europe and Brazil. Those are the 3 markets where we are seeing a tremendous acceleration in the amount of contracting we've done. To give an anecdote over the last 18 months, we've acquired 4 ready-to-build projects in Brazil. And at this point, 3 of those projects are fully contracted now, with the only one not fully contracted being the one we acquired just last quarter. So we think this speaks to the increasing demand of corporates, and it's a trend we don't think is going to slow down. And as a result, we're looking to pull forward more of our development pipeline as fast as possible to satisfy this increasing demand, in particular, in North America and Europe.

Sean Steuart TD Securities Equity Research - Research Analyst

One follow-up question on India, there were press reports a couple of months ago that Brookfield was negotiating a potential acquisition of a solar portfolio in India. I think it was about 1.2 gigawatts. Any context on that deal specifically? And you touched on the pandemic and how that affects your short-term aspirations in India. But can you just speak more broadly to how this potentially affects your ability to conduct due diligence on growth initiatives in the country?

Connor David Teskey Brookfield Renewable Partners L.P. - CEO & Managing Partner

Yes, certainly. So we won't speak to any specific transactions individually. But what we would say is we have a domestic team in India, fully integrated, that conducts all our due diligence whenever we pursue acquisitions in that market. And up until the recent ramp-up, the recent escalation of COVID in that region, that team was actively doing due diligence and pursuing opportunities in that space. And we would very much expect them to restart those activities when they can be done on a safe basis. What I would say is, when it comes to us and our capital deployment strategy, we take a long-term view. These are long-term investments. These are long-term assets. Any disruption by COVID is not going to change our long-term view of the attractiveness of that market, but rather is only going to change our timelines because our priority in a situation like this one is the safety of our people. But I would say that the current COVID situation is not going to change our long-term ambitions in the country.

Operator

Your next question comes from the line of Frederic Bastien with Raymond James.

Frederic Bastien Raymond James Ltd., Research Division - MD & Equity Research Analyst

Evidently, based on the several investments you closed or advanced in the quarter, you have a lot of irons in the fire. Assuming you could invest in any technology at exactly the same returns, wondering which ones you would rank highest on your wishlist.

Connor David Teskey Brookfield Renewable Partners L.P. - CEO & Managing Partner

Yes, certainly. So all things being equal, we target the ones that are the easiest and simplest to operate. And right now, all things being equal, solar has a lot of benefits. It's modular. It's easy to fix. It doesn't require working at heights. The pieces can be transported very easily in containers, as opposed to unique trucks and ships. But that being said, we are agnostic across technology, and we'll go wherever we see the best risk-adjusted returns because we are very comfortable owning, operating, developing, acquiring any of the major technologies. The flexibility of our platform and the ability to invest across technologies has been a differentiating factor, and we think it will continue to be in the future. So we don't generally pick favorites when it comes to technology.

Wyatt Hartley Brookfield Renewable Partners L.P. - CFO of BRP Energy Group LP

Yes. And Frederic, I would actually add, we are focused on being diversified because, as Connor mentioned, as an example, corporate contracting is becoming more abundant. And one of the things that being diversified does is it allows us to tailor solutions to be a preferred partner in those instances. And so the ability to bring a multi-technology, a multi-region solution to those partners is viewed very valuably. So our focus is actually to remain diversified the way we are.

Frederic Bastien Raymond James Ltd., Research Division - MD & Equity Research Analyst

Okay. And just a quick follow-up on solar, how far off do you believe you are from becoming -- so I wouldn't say mature, but at scale? I mean, obviously, in North America, hydro, you're pretty dominant. But wondering how much more runway there is for your solar business?

Connor David Teskey Brookfield Renewable Partners L.P. - CEO & Managing Partner

Tremendous. We would certainly suggest that we are already at scale. On a global basis, our solar portfolio certainly puts us in the top-tier of owners and operators of solar globally. But given the rapid growth in renewables more broadly, but the fastest technology being solar, we see no limitations to the amount of growth that we could pursue in that technology. We expect to participate in that growth very materially in the coming years.

Operator

Our next question comes from the line of Rupert Merer with National Bank.

Rupert M. Merer National Bank Financial, Inc., Research Division - MD and Research Analyst

Connor, in the quarter you agreed to invest \$410 million net to BEP. I believe that's faster than your target run rate. And this morning, you highlighted the acceleration of the renewable energy market, plans to pull forward developments. So with that, it sounds like you could increase your target investment rate. So question is, how much do you think you could invest this year? And what run rate of investment do you think you could sustain in the future or maybe you would need to sustain in the future to keep up with the market?

Connor David Teskey Brookfield Renewable Partners L.P. - CEO & Managing Partner

It's a great question. And maybe if we think more large scale, for the last several years, we've been incrementally increasing our equity growth deployment targets. And it would probably be incorrect for us to look at any one quarter and run rate it as a proxy. Some of the large-scale transactions we do are somewhat lumpy in nature, and we were very active in the latter part of 2020, and a number of those closed in Q1. I would say we remain highly committed to our current guidance, which is \$800 million to \$1 billion of equity deployment net to BEP per year. And if the growth rate in the industry continues the way we expect, I think we'll probably continue to incrementally increase that year-on-year going forward.

Rupert M. Merer National Bank Financial, Inc., Research Division - MD and Research Analyst

Okay. Great. And on recycling initiatives, you've announced a couple recently. Do you have the capital you need now for the foreseeable future? Or are there any other processes underway to recycle capital? And as part of this question, how do you see the relative cost of new capital from recycling versus new equity issuance?

Wyatt Hartley Brookfield Renewable Partners L.P. - CFO of BRP Energy Group LP

Yes, Rupert, I'll take that one. So look, we -- as we've been discussing for a number of years now, capital recycling is something that we very routinely do. It is very much value-driven in the sense that as we identify businesses that have been de-risked that are mature, that

are going to be valued very highly by a low cost of capital buyer, for us, it makes a lot of sense to monetize that and redeploy that into growth. Fundamentally, we have, as Connor just mentioned, our outlook for growth is very strong. And so for every capital that we sell or the proceeds we get from selling an asset, we definitely think that we will be able to deploy that into growth. We also have a number of other funding levers that we spoke about in the past. To the extent we maintain a strong investment-grade rating at the BEP level, we can issue either corporate debt or preferred equity. You would have heard me mention in my prepared comments that in April, we issued \$350 million of 4 5/8% fixed rate perpetual money that's a very attractive source of capital for us. So to the extent we can issue more than that while maintaining our strong investment grade, we'll do that. And then incrementally, from a balance sheet perspective, we have a number of assets where we can, as a result of contracting initiatives or other things that are going on, there's plenty of capital that we can raise at an investment-grade basis and redeploy those proceeds into growth. So from a funding perspective, we're feeling like we're in a very good position. And fundamentally, for us, our equity -- our shares, our units, are our most expensive source of capital. We're going to prudently source the cheapest source of capital we have, and it's going to be those other buckets that I mentioned. And really for us, given that abundance of funding sources, we really think about our equity more to use on a strategic basis, similar to the TerraForm Power transaction we completed in the prior year.

Operator

And our next question comes from the line of Anthony Crowdell with Mizuho.

Anthony Christopher Crowdell Mizuho Securities USA LLC, Research Division - Executive Director

Connor, just hopefully 2 quick ones. You talked about how the strategy is maybe looking at a stepping stone, putting your foot in the water or a toe in the water and then building out from there when you spoke about in India. What do you think is the next stepping stone for Brookfield?

Connor David Teskey Brookfield Renewable Partners L.P. - CEO & Managing Partner

Yes. Great question. I think our entry into offshore is an example of an entry into a space where we think we can expand going forward. That's not so much a regional entry point, but rather a technological one. And the other thing that you'll see across our portfolio is we're always preparing ourselves to ensure that we're positioned for whatever the largest and most attractive growth opportunities are in the future. Increasingly, we're seeing more opportunities in storage throughout our portfolio. Storage still has a little bit of a ways to go before it can be cost-effective on a widespread basis. But as the cost curve is coming down, we're seeing more opportunities to deploy storage within our portfolio at attractive returns. So we see that becoming a potentially large and attractive investable space in, call it, the short to medium term. And then perhaps longer out, green hydrogen. And we continue to stay close to that space. Right now, through our power contracting initiative as opposed to actually investing in green hydrogen production, but we'll continue to monitor that space such that when it does become commercially viable on a wide-scale basis, we can be a meaningful player in that sector.

Anthony Christopher Crowdell Mizuho Securities USA LLC, Research Division - Executive Director

Great. And then just lastly, and I apologize if I mischaracterize this. When you were talking about India, you spoke about the company is putting capital there, putting it to work, but you're not throwing like a deluge of capital. You're being very, I guess, constrained with it, given it's a developing country. Do you view all the developing countries in one? Or you're willing to spread -- you're willing to have more leverage to developing countries as long as you're spread out? I don't know if I'm clear in the way I'm asking that question.

Connor David Teskey Brookfield Renewable Partners L.P. - CEO & Managing Partner

No, it's helpful, and it perhaps gives me an opportunity to clarify my earlier remarks. Today, our business and traditionally, our business has been, call it, 75%, 75% plus developed countries, and we very much expect that proportion to remain approximately consistent. So on a relative basis, the vast majority of our existing asset base and the vast majority of our growth capital, we expect to go into developed countries. Now that being said, given the size of our business, that does allow for very meaningful amounts of capital to be deployed into countries like India, and we will pursue those opportunities when we think we are getting attractive returns and strong downside protection. We would very willingly deploy meaningful dollars in India. But I think the comment we were trying to make before is we still see the vast majority of our business and the vast majority of our growth continuing to be in developed countries and developed regions.

Wyatt Hartley Brookfield Renewable Partners L.P. - CFO of BRP Energy Group LP

And Anthony, maybe to add to that, as Connor mentioned, 25% or less of our business is in the emerging markets. It's historically been in that. And looking forward, it will stay that way. But one of the things we're incrementally doing with that piece of the pie is diversifying it. So when we were first formed as BEP, it was around 25% of our business was emerging markets, but it was entirely Brazil. Now we're across multiple countries that form emerging markets, and we think that the benefit of further diversification of that piece of the pie is really beneficial.

Operator

Your next question comes from the line of Naji Baydoun with IA Capital Markets.

Naji Baydoun Industrial Alliance Securities Inc., Research Division - Equity Research Analyst

I wanted to go back to the comments you made on offshore wind and that scenario of the market, similar to your comments on [solar that is expected to grow quite rapidly. Can you give us your thoughts on] (added by company after the call) the next target markets for you for offshore wind. What are some of the opportunities that you're seeing in that technology?

Connor David Teskey Brookfield Renewable Partners L.P. - CEO & Managing Partner

Certainly. So offshore wind, the most mature and the deepest market around the world is Europe. And that's obviously where we've focused for our first investment. Now that being said, we made a comment that we've been monitoring offshore wind for several years now. We have been looking at opportunities all around the world: in Europe, in Asia Pac, more recently in the United States. I would say we use the same approach when assessing those opportunities that we do anywhere else. Can we get a contract profile that we like? Can we bring something to the transaction that allows us to be differentiated such that we don't need to compete on cost of capital? And if we find those situations in any of our core markets, we'd look to deploy capital into the offshore wind technology. So I would say we don't have a specific region in mind. I think some of the more recent announcements about decarbonization are going to drive tremendous growth in this space, both in Europe and in the United States. And we'll look at those opportunities and see if we can find situations where we think we can execute successfully.

Naji Baydoun Industrial Alliance Securities Inc., Research Division - Equity Research Analyst

Okay. so it's the all-of-the-above approach. And just one last question for me, you also talked about accelerated build-out of your development pipeline. And at the same time, it seems like you're filling the top end of that funnel quite rapidly as well. I'm just wondering if you can provide us more details on the 4.5 gigawatts of new capacity that you added to the development pipeline this quarter, what markets that capacity is in and maybe some timelines related to that development.

Connor David Teskey Brookfield Renewable Partners L.P. - CEO & Managing Partner

Sure. So maybe what I'll do is I'll talk about some of the strategy behind it. And then Wyatt can give you some of the breakdown of the additions we made to the pipeline. We've talked about how we've been enhancing and increasing our development capabilities in all of our target markets around the world. And there's multiple components of that. There's the ability to take an existing development project and bring it through construction and through to operations, which we have the capability to do in all of our major markets. But the other part of development is actually generating new development pipeline, working on the ground to secure land, to secure permits, to fill that top end of the funnel. And while some of our more recent activities and some of our more recent successes have been in pulling through existing development pipeline through construction and through operations, what you're seeing now is our development capabilities really firing on all cylinders and growing organically their own development pipeline. On top of this, we are looking to secure development pipeline where we can, given the significant increase in corporate contracting on the other side that we can use to pull those projects through to operations. But maybe I'll hand to Wyatt to walk through where the increments came from.

Wyatt Hartley Brookfield Renewable Partners L.P. - CFO of BRP Energy Group LP

Yes. So Naji, what I would broadly say is there's probably no business in the world where we're not incrementally adding to that development pipeline. But the largest drivers of the increase would be one in the U.S. win we recently acquired in Oregon that came with a 400-megawatt development pipeline. So that was added in incrementally on the distributed generation business that we closed in Q1 that we acquired from Exelon. That came with another around 700 megawatts of a development pipeline. Additionally, as Connor mentioned previously, one area where we see -- we're seeing a lot of opportunity for growth within Polenergia. Not so much -- well, we

do see the value on the offshore. But incrementally, what was added in the quarter was on some of the onshore stuff, PV solar and onshore wind. And then finally, on X-Elio, our JV solar developer, global solar developer, where, as Connor mentioned, we're just incrementally being able to secure projects, a lot of those being in the U.S. that are both doing that development pipeline.

Operator

Your next question comes from the line of Matthew Taylor with Tudor, Pickering, Holt.

Matthew Taylor Tudor, Pickering, Holt & Co., LLC - Director of Midstream Research

Just one question, if I may. I just wanted to go back to the corporate PPAs. So clearly, there's massive interest, which you're talking about potentially accelerating your development pipelines. But I think there's also 2 other pieces that are interesting that I wanted you to provide more color on, is the potential cash flow accretion and then terms. What I mean by the cash flow accretion side is it seems like when these assets are reaching the end of their original PPAs, the debt is generally paid off. So layering on a corporate PPA could actually be cash flow positive, so if you have any comments on that. And then can you speak to the term of the contracts you're seeing versus the original government-backed agreements across sectors?

Connor David Teskey Brookfield Renewable Partners L.P. - CEO & Managing Partner

Sure. Thanks, Matt, so maybe to break that into 2 pieces. The vast majority of the contracting we are doing, you're absolutely correct, is for new assets, to pull new development, new projects out of the ground. But we are also seeing opportunities to use corporate contracting to extend the contract life of assets that are coming to the end of, call it, their initial contract, which as you rightly pointed out, in many cases, is a government feed-in tariff. The decision we always make at that point is a risk-return decision. What price can we secure that contract at and the benefit of taking what would become a merchant cash flow and turning it into a contracted cash flow is that cash flow often then becomes readily financeable as well. And as a result, we often do look to contract our assets when they come to the end of that initial contracted life, because of the financing impact it has that can be very accretive to the broader investment return of an individual project or an individual investment. I think the second part of your question was just around the term of some of the contracts we're seeing. And we often hear almost a concern in some of the questions that government feed-in tariffs were long term, 15 or 20 years, and corporate contracts are short term. We haven't seen that too much in our business. And if anything, over the last few years, government tariffs have actually, in general, been shortening and corporate contracting has been lengthening in terms of contract. The vast majority of the corporate contracting we do is double-digit year tenors. In fact, I would say, of the contracts we signed in the quarter of the major material ones, I'd expect almost all of them were double-digit years in tenor. And if you look at some of our largest contracting initiatives, for example, the contracting of the ready-to-build assets that we've acquired in Brazil over the last 12 to 18 months. The terms on those contracts were 15 to 20 years. So we haven't really seen a shortening of contract tenors as a result of the switch from feed-in tariffs to corporate contracts. We stay on top of that because, obviously, term is very beneficial, just in terms of giving us visibility on our future cash flows, but also the same financing component we referenced that longer-term allows for more attractive and accretive financing.

Wyatt Hartley Brookfield Renewable Partners L.P. - CFO of BRP Energy Group LP

Yes. And I'll just add 2 quick points to what Connor said on your point, Matt, is one, you're exactly right where -- and we've been talking about this for a while, and when we talk about some of the funding sources we have for our growth is that we have, just given as wind and solar projects or even our hydro projects, you come off -- in wind and solar, when they come off contract or in hydros to the extent that they're a merchant and we provide a contract. That creates a lot of potential for up financings because that cash flow becomes that much more financeable. And so in regard to that using that as a funding source, we have a tremendous amount of potential within our business. Incrementally, what I'd say is, one thing we are focused on in every financing we do is we're getting part of the benefit of that post-contract cash flow in our current financings, where 5, 10 years ago, when you're financing wind and solar assets, it was effectively fully amortized over the contract life. What we've been -- and we did this with our hydro business starting 15-20 years ago, but getting a recognition for a value beyond that contract period, that just enhances the financing structure and optimizes the financing structure quite meaningfully. And so increasingly, we're getting 20% to 30% bullets at the back end of our contract life on wind and solar. And we'll continue to try and increase that and just enhance the optimization of our financing structures, which will drive value over the long term. So we think your point is exactly right, where there is a lot of value, both within our existing business, but as we look forward in having our financing structures reflect the enhanced corporate contracting framework.

Operator

And now I'll turn the call back over to CEO, Connor Teskey, for any closing remarks.

Connor David Teskey *Brookfield Renewable Partners L.P. - CEO & Managing Partner*

Okay. Great. As always, we want to thank everyone for their support. We look forward to updating you at the end of next quarter with our Q2 results. Have a good day. Goodbye.

Operator

Ladies and gentlemen, this concludes today's conference call. Thank you for participating. You may now disconnect.

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