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Wyatt Hartley, Chief Financial Officer

CONFERENCE CALL PARTICIPANTS

Rob Hope, Scotiabank

Sean Steuart, TD Securities

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Mark Jarvi, CIBC Capital Markets

Ben Pham, BMO Capital Markets

Rupert Merer, National Bank Financial

Nelson Ng, RBC Capital Markets

Jeremy Rosenfield, Industrial Alliance

Frederic Bastien, Raymond James

PRESENTATION

Operator

Good morning. My name is Heidi and I will be your conference operator today. At this time, I would like to welcome everyone to the BEP Q3 2018 Earnings Call and Webcast. All lines have been placed on mute to prevent any background noise. After the speakers' remarks there will be a question-and-answer session. If you would like to ask a question during this time, simply press star then the number one on your telephone keypad. If you would like to withdraw your question, press the pound key. Thank you.

Sachin Shah, Chief Executive Officer, you may begin your conference.

Sachin Shah, Chief Executive Officer

Thank you, operator. Good morning, everyone, and thank you for joining us for our third quarter 2018 conference call. Before we begin, I'd like to remind you that a copy of our news release, investor supplement, and letter to shareholders can be found on our website. I also want to remind you that we may make forward-looking statements on this call. These statements are subject to known and unknown risks and our future results may differ materially. For more information, you're encouraged to review our regulatory filings available on SEDAR, EDGAR, and on our website.

We continued to advance our long-term strategic priorities for the business. We have raised or expect to raise approximately \$850 million in net proceeds by the end of the year, primarily by opportunistically recycling capital from mature or non-core assets. These initiatives will increase our total liquidity to over \$2.3 billion once completed. These

asset sales are at values significantly higher than those reflected in our public unit price, demonstrating the unique attributes of our business relative to the broader industry. We reported 18% FFO growth and 18% adjusted FFO growth from our operations on a per unit basis, reflecting both margin expansion and growth-related initiatives. Finally, we advanced approximately 130 megawatts of development wind and hydro at returns in the range of 20%, supporting our investment activities.

Overall, our strategy remains the same. We look for investment opportunities in our core markets globally where we can surface 12% to 15% returns on a per unit basis using our operational expertise. We maintain strong access to public and private sources of debt and equity, an investment-grade balance sheet, and surface value through the monetization of mature assets. This strategy has served us well for almost 20 years and our business has been resilient through multiple investment cycles and the numerous investment trends that have permeated the renewable power sector over that time. As a result, we have delivered a 15% total return on a per unit basis to our unitholders since our inception in 1999.

We continue to see a strong appetite for renewable assets across the globe. Our asset recycling program demonstrates the significant value high-quality assets attract in the private markets. In particular, the recent sale of a minority interest in certain of our hydro assets in Canada was completed at a valuation in excess of 15x EBITDA based on the contracted price of the portfolio, or well in excess of 20x using current spot energy and capacity prices. This value reflects the perpetual nature of our hydro assets, combined with their unique ability to store power and deliver energy and capacity during high-demand periods.

Recently built contracted wind and solar assets in North America and Europe also regularly transacted at mid-to-high single digit returns. In contrast to hydro assets however, these assets have largely fixed revenue streams that typically do not grow with inflation and a much shorter asset life. Accordingly, we would expect valuations to soften as interest rates rise. As a result, we continue to be patient and look for situations that require operational, development or recapitalization expertise.

In the emerging markets, significant volatility driven by weak public equity market valuations, reductions in subsidies, particularly in China where the government's support of solar has decreased recently, and continued demand for electricity is driving a need for long-term capital. Investors with strong operating expertise, patient capital, and a long-term outlook should benefit in this environment.

Finally, we are seeing the valuation of public stocks in the U.S. diverge from U.S. private market valuations. We believe this is largely due to investors prioritizing near-term distribution growth over long run asset, earnings and balance sheet quality. This focus on near-term distributions, combined with rising rates, has led to significant stock price pressure across all renewable issuers, with the most likely long-term impact on those companies in the sector with weak balance sheets and shorter duration assets. We believe this public/private market dislocation will provide meaningful opportunities for value-focused investors who have strong balance sheets and significant access to capital.

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

Wyatt Hartley, Chief Financial Officer

Thank you, Sachin, and good morning everyone.

We reported Funds From Operations of \$105 million or \$0.33 per unit in the quarter. This represents a year-over-year increase of \$14 million to FFO as the business continues to benefit from recent acquisitions, development projects coming on line, and margin enhancement initiatives.

Our hydroelectric segment contributed \$104 million to FFO. While generation was below long-term average levels in certain geographies this quarter, we benefited from selling power stored in our reservoirs during high price periods. In the U.S., this active marketing of power allowed us to capture prices in the range of \$60 per megawatt-hour, while in Brazil short-term power sales were at close to 500 reals per megawatt-hour or approximately U.S.\$165 per

megawatt-hour. In Colombia, we continue to execute on our business plan and signed 12 new multi-year contracts at prices above the current spot price.

Our wind segment contributed \$29 million to FFO, which is nearly double relative to the prior year as we benefited from recent acquisitions. Although wind variability is a reality of our business, our global scale provides significant resource diversity benefits as overall generation was in line with plan. For example, weaker wind resource in the U.S. and Ireland was largely offset by outperformance in Brazil.

Our solar, storage, and other segments contributed \$42 million of FFO, in line with expectations, reflecting stable resource and revenues tied to availability rather than generation.

We continued to advance our global development pipeline. A highlight was that we commissioned a 28 megawatt wind farm in Ireland this quarter. We also progressed an additional 19 megawatts of wind in Scotland, 49 megawatts of small hydro in Brazil, and a 63 megawatt expansion of a pump storage facility in the U.S. Together, these projects are expected to contribute \$17 million to FFO on an annualized basis starting in the fourth quarter of 2018. We are also advancing an additional 176 megawatts of advanced stage development through permitting and contracting. We continued to pursue a tuck-in asset strategy in Europe, closing the acquisition of a 23 megawatt wind farm in Ireland subsequent to quarter end.

We expect to complete approximately \$1 billion of asset sales and upfinancings by the end of the year, which would generate net proceeds of \$850 million to BEP. As of the date of this report, we have executed on over \$500 million of these initiatives. In total, this will increase our available liquidity to over \$2.3 billion as we enhance our financial flexibility in the current investment environment.

During the quarter we issued a C\$300 million corporate green bond. The issue was priced at 4.25%, which is 100 basis points below the corresponding maturing debt. As a result, we now have no material maturities over the next five years and the weighted average term of our debt is over 10 years.

We also generated liquidity from continued execution of our capital recycling program that will allow us to surface value for mature assets and redeploy capital into higher-growth opportunities. Subsequent to the end of the quarter, we sold a 25% interest in a 413 megawatt portfolio of three Canadian hydroelectric assets. We will retain management and operating responsibilities for the portfolio. We also intend to sell an additional 25% interest in these assets to another group of investors prior to the year end. Additionally, we progressed the sale of our 178 megawatt wind and solar portfolio in South Africa.

In order to facilitate the sale of the interest in our Canadian hydro portfolio we have taken the opportunity to internalize our power marketing capabilities in North America, previously provided by BAM, into BEP's operations, consistent with our internalized power marketing capabilities in other parts of the world. This internalization required amending certain existing agreements.

Firstly, we aligned the PPA price received by BEP from BAM with the underlying third-party contracts associated with these assets. This will increase the price BEP receives for its Ontario portfolio by C\$16 per megawatt-hour. BEP has also been granted the option to extend the contract at its Great Lakes Power system in 2029 through 2044 at a price of C\$60 per megawatt-hour.

BAM will also transfer to BEP all its other PPAs with the exception of those in New York. As all future energy marketing capabilities will be internalized, we are eliminating all energy marketing fees paid to BAM. In exchange, our current PPA price with BAM for our New York assets will be reduced by approximately \$3 per megawatt-hour each year between 2021 and 2026.

We continue to focus on executing our key priorities, including advancing contracting and cost-saving initiatives and building out our development pipeline. We also continue to assess acquisition opportunities across our core technologies and geographies.

In September we held our annual Investor Day in New York, where we took the opportunity to update unitholders on the investment environment, the strength of our balance sheet, and operate initiatives that we have undertaken at our recent acquisitions that illustrate how our operating expertise can drive significant value. We would like to thank those of you who were able to attend this event.

As always, we remain focused on delivering our unitholders long-term total returns of 12% to 15% on a per unit basis. We thank you for your continued support and we look forward to updating you on our progress in that regard.

That concludes our formal remarks. Thank you for joining us this morning. We'd be pleased to take your questions at this time. Operator?

QUESTION AND ANSWER SESSION

Operator

Thank you. As a reminder, if you would like to ask a question just press star then one on your telephone keypad. Your first question comes from the line of Rob Hope with Scotiabank. Please go ahead.

Rob Hope, Scotiabank

Good morning, everyone. Maybe if we could start off on the internalizing of the power marketing contract, the disclosure said that it was done on a value-neutral basis for BAM and BEP. I'm just wondering if you can provide some additional clarity on the puts and takes on the cash flows though, because it looks like you're getting some upfront cash flow but it could potentially push off some longer-term cash flow there.

Sachin Shah, Chief Executive Officer

Sure. Its Sachin here and I'll let Wyatt jump in as well, if necessary.

I think, first, a couple of things. One is as we were contemplating selling an interest in the Canadian portfolio that we ultimately did, to do that we needed to harmonize the underlying third-party contracts we have in Canada with the contracts that BEP ultimately had with BAM, and so as a result that simple harmonization meant that we're receiving all the benefits upfront; however, we just made the decision from a BAM perspective as sponsor to make sure that if we're going to reduce cash flows that BEP receives, we do it over time. And, simply put, I think that's just the benefit of having a good sponsor in BAM who is always looking out for the long-term interests of the business and making sure that if we're doing something positive like selling assets at a good valuation and bringing cash into the treasury that we also consider the long-term implications and manage that through in a proper way. Obviously all that was then reviewed by the independent members of our board, who had independent financial advice and legal advice, which is why we made the point of saying it was done on a value-neutral basis.

Rob Hope, Scotiabank

All right. Thank you for that. And then just moving over to the monetization and the increasing liquidity there, is this being done just in advance of your expectation that you will see increasing opportunities, I guess, in China, emerging markets, as well as some U.S. public equities? Or are you well down the path and have identified targets there?

Sachin Shah, Chief Executive Officer

A little bit of both. I think what we're seeing right now is we have a strong investment pipeline first and foremost and we can never say whether those things materialize or not, it's always difficult to predict that; however, we do have a very, very strong investment pipeline, and in large part that's because there's significant market volatility. Many of our public peers don't have a strong access to capital and so we think that there might be a window here where competition decreases. And then obviously with rising rates we just think having cash in light of investors eventually catching up and looking at value in a more normalized way is just a really positive position to be in.

So we just think we're going through a period right now where you want to have significant financial resources and you don't want to lean on or be beholden to, in particular, the public markets where there's lots of volatility, and we feel like we've achieved that with completing \$500 million of asset sales and bringing cash into the treasury and then having another few hundred million that we're going to bring in by the end of the year.

Rob Hope, Scotiabank

All right, I appreciate the thoughts. Thank you.

Operator

And your next question comes from the line of Sean Steuart with TD Securities. Please go ahead.

Sean Steuart, TD Securities

Thanks. Good morning. In light, Sachin, of the commentary you had on the gap between public and private valuations for hydro, can you speak to your willingness to monetize more of your North American hydro, and if there is an appetite, should we envision it as selling down minority stakes of what you already have and retaining control of the assets? How do you think about that?

Sachin Shah, Chief Executive Officer

Yeah, I think it's a good question. Look, I wouldn't suggest that we're only going to look at hydro. I think we obviously will be responsive to where market demand exists. I think what's going on right now though is that investors who understand hydro recognize the benefits. The large benefit with hydro is obviously the lifecycle of it. When you have a 100-year asset, you have a strong return on your investment, you don't have really any return of capital coming through on an annual or quarterly basis, and so you've got a preservation of capital strategy, you have cash flows that grow over time, and you have value that grows over time, and that's completely opposite to wind and solar, which need to be replaced every 25 to 35 years depending on your view of the asset life.

So the bid in the market is very strong and the bid comes from financial investors and strategics who have owned and operated hydro before. So, obviously, that's a really strong candidate for us to monetize partial interests, as you suggest. I think the reason we opt and entertainment minority sales is because, given our reputation, most counterparties actually want us to continue to operate the plants. We have a good, long history of operating these very efficiently at a low-cost basis and also optimizing the cash flows by selling power. So, more often than not, we actually get inbound requests for buying partial interests with us continuing on as operator and I think that's a theme you will see over the next number of years as we rotate capital around the portfolio.

Sean Steuart, TD Securities

Great. Thanks for that detail. One administrative question for Wyatt: Your table in the disclosures shows pro forma liquidity increasing by about \$650 million to \$2.3 billion, but you guys reference net proceeds of \$850 million via the asset sales and upfinancing activity. Can you reconcile those two numbers? What am I missing there?

Wyatt Hartley, Chief Financial Officer

Yeah, there was about \$200 million of upfinancings that are in our liquidity at the quarter-end, and so the \$650 million of incremental pro forma is for the overall asset sales.

Sean Steuart, TD Securities

Okay. Got it. That's all I have for now. Thanks, guys.

Operator

Your next question comes from the line of Andrew Kuske with Credit Suisse. Please go ahead.

Andrew Kuske, Credit Suisse

Thank you. Good morning. I think the first question is for Wyatt and this is just on your contract profile in slide 15 in the supplemental. If we look on a sequential basis, sequential quarters that is Q2 versus Q3, a bit of lift across the board in average megawatt-hour pricing in all the years expect 2020. What's driving those numbers? Is it just improved power markets? Inflation? If you could give just us a bit of a breakdown that would be appreciated.

Wyatt Hartley, Chief Financial Officer

Sorry, Andrew, just to clarify, you're saying why, sequentially through 2019, 2020, 2021, 2022, is the average contract price increasing?

Andrew Kuske, Credit Suisse

Yeah. You're basically getting a lift across the board. Is it inflation?

Wyatt Hartley, Chief Financial Officer

Yeah, so that comes broadly from inflation indexation of our contracts, especially with the new contracts that we've signed for our Ontario fleet. They escalate at 3% so that's an incremental benefit. Also, we do have some lower-price PPAs that are falling away over that period. So it's a mix of those two things that's driving that growth over time.

Andrew Kuske, Credit Suisse

Okay, that's helpful. And then just on the monetization of the hydro, how far can you push that model and is it something akin to what we've seen on another Brookfield company being Brookfield Property Partners where we've

seen 90% interest in certain buildings being sold to third parties, but Brookfield still manages the building. Would you push the model that far?

Sachin Shah, Chief Executive Officer

Andrew, the simple answer is yes, we would push the model that far. I think, obviously, this is a really valuable source of capital that we have on our balance sheet and if we're in the business of generating 12% to 15% returns, if we have assets where we've done all the work, we've put in contracts, we've optimized the capital structure and we've protected the assets with good investment over the years, that the market would value at a higher multiple and a lower overall return, we should sell those. It's the right thing to do. And we would absolutely consider pushing that all the way up to a very, very high level of sale with a small interest and a continuing role in the operations, if that's what people benefit. We're opportunistic, as you know, and so we never hold ourselves to any particular threshold that we don't think is reasonable.

Andrew Kuske, Credit Suisse

And then maybe just as a follow-up, you know, given that kind of dynamic and the delta and what you've sold assets for verses where the stock is trading, to what degree would you push share buybacks?

Sachin Shah, Chief Executive Officer

Yeah, it's a great question. I think we have our normal course issuer bid in place and obviously, as I said in an earlier comment, where we're starting to hold on to our cash, harvest it and look for opportunities, that would be one of the opportunities that we are looking at, no different than looking at investment decisions around assets, businesses, or various portfolios. Buying back our stock is just another investment and it's another capital allocation tool we have at our disposal. So, as we see public market valuations continue to deteriorate, it's obviously something that's on our radar and we would consider as part of the overall strategy of generating the appropriate return for our shareholders.

Andrew Kuske, Credit Suisse

Okay, that's great. Thank you.

Operator

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

Mark Jarvi, CIBC Capital Markets

Good morning, everyone. I just wanted to go over the comment about the option for extending the contract at Great Lakes Power. Maybe you can provide more colour in terms of is there any concessions that you have to make on pricing before 2029 to exercise that option or is it just, you could extend the contract beyond 2029?

Sachin Shah, Chief Executive Officer

It's just a simple option to extend and it's really meant to protect BEP in the event that markets are weak during that period and gives BEP effectively the ability to ensure that its cash flows are stable post the 2029 period. It sets a bit

of a floor price. So, obviously, our view would be that power prices would be higher than that at this stage overall, but this just gives BEP a little bit of insurance.

Mark Jarvi, CIBC Capital Markets

Okay. And then in terms of the net impact on the corporate cost by terminating the marketing agreement, so you'll absorb some of those marketing costs directly, so I'm just wondering, it should be sort of neutral from a cost profile?

Sachin Shah, Chief Executive Officer

Yes, it's largely neutral. I think over time, as we've created more efficiencies in the business, what you get now is those efficiencies will actually fall to BEP's bottom line. So before it was really just a simple fee that BEP was paying BAM and I think what we have now is the opportunity to look at that business, make sure it's being run efficiently, and to the extent that we can drive cost savings, those cost savings run through BEP's bottom line and that's great upside for BEP shareholders.

Mark Jarvi, CIBC Capital Markets

Okay. That's helpful. And then just on the U.S., the New York hydros and the step down of pricing overtime, can you just walk us through in terms of how other revenue streams, like capacity payments, ancillary revenues work with that in terms of what you'd expect for realized pricing for those assets as the contract with BAM steps down.

Sachin Shah, Chief Executive Officer

Sure. So first of all, just to remind you, the contracts that BAM has historically had with BEP, and in particular the New York contract, it's an all-in price contract for all energy capacity and any other green attribute that we sell, whether that's an ancillary service or a REC that we might get. So it's an all-in price that BAM pays BEP and effectively then takes on the exposure from a market perspective. And I would say today generally what we're seeing in the U.S. Northeast between energy, RECs, capacity, and some other ancillary products that we sell, typically like stabilization services, we're generating in the mid-50s. And so I think what you'll see is as that contract steps down, by the time it gets to its end of the step down it will largely be in line with the current market price.

Mark Jarvi, CIBC Capital Markets

Okay, that's helpful. Those were my questions for now. Thanks, guys.

Operator

Your next question comes from the line of Ben Pham with BMO. Please go ahead.

Ben Pham, BMO Capital Markets

Hi. Thanks. I wanted to dig into the multiple of the 15x versus 20x that you highlighted on the Canadian hydro sale. Is the 20x what you're getting today and then the 15x is uplift on the pricing? Is that the difference between the two?

Sachin Shah, Chief Executive Officer

No, Ben. So, just simply put, the assets we sold, three assets in Canada, are all contracted and have long-term PPAs attached to them. So simply just using the contract price and coming up with the EBITDA using that contract price and looking at the enterprise value based on the sales price, the transaction was completed at north of 15x. So that's just the simple math.

What I was trying to articulate though is that if you then replace that contracted price with current merchant power prices, merchant energy, capacity and ancillary, the implied EV to EBITDA multiple would be in excess of 20x, and that's relevant because when you see merchant hydro trade today it's generally trading at 20x to 20x+. And so, it all kind of triangulates with where the market is today. The market generally today is in that range where hydro trades at 20x on a merchant basis and then obviously, if there are contracts in place, those contracts then drive a different trading multiple. But you can see that where our hydros are trading is largely in-line with the high end of the market and I think that speaks to the fact that they are just high-quality assets and in particular they have storage capabilities and that's really, really meaningful to buyers in the current market.

Ben Pham, BMO Capital Markets

Okay. So, the 20x is probably what you're seeing in the private market versus your stock's probably at 12x or so and then the 15x, really they're actually 20x.

Sachin Shah, Chief Executive Officer

Yeah. And I think it's relevant because if you look at 80% of our asset base and cash flows are hydros, which do have this trading multiple that gets attached to them in the private markets, and yet, the point we're trying to make in our written commentary is that today investors tend to be overly focused on just the dividend and don't distinguish between balance sheet quality, asset quality, and long-term earnings quality. And that's an important distinction which would mean that if that continues then for us the private markets tend to be a really excellent way to surface value and continue to grow the business.

Ben Pham, BMO Capital Markets

Okay. Thanks for clarifying that. And I know for me it's been a while since the big 2011 restructuring, so BAM buys about 30% of your power today. I'm not sure you have this at your fingertip but can you at a high-level just walk through what those assets are right now? I mean obviously the Canadian hydros are in there. And then just talk about the contract duration that's left on those buckets.

Sachin Shah, Chief Executive Officer

Sure. So, the only contract that's left is the New York assets. Everything else has been pushed down with the contracts either eliminated or just completely harmonized to the third-party back-to-back agreement. So really from 2011 where we had PPAs between BEP and BAM for assets in Canada, assets in New York, assets that we had in Massachusetts, or in New England more broadly, all of that has been eliminated with this restructuring and really, we just have the singular contract now that's left between BEP and BAM in relation to its New York portfolio.

Ben Pham, BMO Capital Markets

Okay, great. And then lastly, can you also remind us how you guys are calculating long-term averages in the portfolio? Are you refreshing it every quarter? Are you doing it every five years?

Sachin Shah, Chief Executive Officer

It's neither. Generally, it's done every year, and it's largely driven around our financings. Because we borrow at the project-level with investment-grade debt, often the financing covenants and parameters require us to refresh our LTA estimates using a third-party independent engineer. So, all of our LTA is vetted by IEs, or independent engineers, and it's obviously the whole portfolio rotates over and so most of the assets are looked at every year. And typically, what the independent engineers are looking at is a 30- to 50-year history. And in some instances, where the data exists, we're going back 70 years.

And I think the important thing is obviously, you know, if you look at from when we started 20 years ago, we are about bang on LTA if you look at it through that history, and in fact, even when you look at BEP, from when BEP was formed in 2011, we're about bang on LTA. But naturally, we get it, when you're down investors get nervous and when you're up, people sort of exclude it from their analysis because it's seen as one time. So, we understand the questions and we understand why people look at it but what we get ourselves comfortable with is our own operating history over the last 20 years and then the independent engineers' assessments for every one of our assets in our portfolio, which then supports the financings, which then validate our long-term averages.

Ben Pham, BMO Capital Markets

All right, that's great to get that data point, Sachin, on the historical trend. Thanks.

Operator

Your next question comes from the line of Rupert Merer with National Bank. Please go ahead.

Rupert Merer, National Bank Financial

Hi. Good morning, everyone.

Sachin Shah, Chief Executive Officer

Good morning.

Rupert Merer, National Bank Financial

Can you talk a little about Brazil? We've had an election recently and of course some changes in the exchange rate over the last six months. How do you see that market for investment today and are there any asset sales coming out of privatizations that could be of interest to you?

Sachin Shah, Chief Executive Officer

Great question. I think, obviously, with Bolsonaro winning and the currency trading more positively in the last, really couple of weeks, off of people's expectation that he would win, that's net-net-net positive to our existing assets in the marketplace and I think generally net positive for investment flows in the country. Look, our view is that he is going to stick to what he said during his campaigns, which is more privatizations, attracting more foreign direct investment. He does have a pro-business stance. And obviously, you know, we get it, he says certain things that just in the world today you see more and more political leaders saying things of that nature, but we think in general he will continue his pro-business mandate. He will be able to accomplish a lot of what he said, because obviously having gone

through the deep recession and the corruption scandal in Brazil there's significant political will and will at the people-level to move forward and drive economic growth as a key mandate for the success of that country, which we believe is what he's positioning himself around.

As far as asset sales go, I think you will see more asset sales in the country, in particular in the power sector, as the country needs the capital. And I think the more important part for us on the power side is just that we think that competition in the power sector may continue to be muted and that might play to our strengths. So, we look at Brazil as a really positive market to invest in. We've been looking at investments over the last four years through all of this, but there's been a very, very strong bid, in particular from Asian investors in the country, and we think as many of them take a pause to digest the things that they've bought, this may open a unique window for investors like ourselves where we could secure good transactions. And obviously we have a large development pipeline there that we continue to build out as well.

Rupert Merer, National Bank Financial

Great. Thanks for the colour. And then quickly on Ireland, you made a tuck-in there. That's a market we typically think of as having quite high valuations. Can you talk about how that asset made sense for you?

Sachin Shah, Chief Executive Officer

Sure. You know, with Ireland the real benefit we have is because we have such a large development pipeline and developers on the ground, often you get a small developer who needs capital very quickly and doesn't have the time to run an auction, doesn't have the time to run a process, and we've seen this in North America over the years too, that's when you get your greatest little tuck-in acquisitions. It's not a huge amount of capital but you can buy things at values that work from your return perspective that you would have never otherwise been able to do if they went to market. And it's simply because the relationships that we build along the way and because people understand that if you need speed and certainty of execution then we just have a good track record in that regard. So, I would say this was simply a function of assets that the seller needed to monetize very quickly, and we were able to fill that hole.

Rupert Merer, National Bank Financial

Okay, great. Thank you very much.

Operator

Your next question comes from a line of Nelson Ng with RBC Capital Markets. Please go ahead.

Nelson Ng, RBC Capital Markets

Great, thanks. First of all, just a just a quick clarification on the Irish tuck-in. So, was that done through TerraForm Power or directly through Brookfield Renewable?

Sachin Shah, Chief Executive Officer

It was done through Brookfield Renewable. It was sourced in advance of us acquiring TerraForm and so it was not part of the new framework that we have with TerraForm.

Nelson Ng, RBC Capital Markets

Okay. And then in terms of Brookfield Renewable's share of investment of \$20 million compared to the FFO of \$1 million, is that \$1 million net of assumed financing costs?

Wyatt Hartley, Chief Financial Officer

Yes, that's net of financing costs and that is our share. So, we'll be about 40% of that project and so the \$1 million is our share net of financing.

Nelson Ng, RBC Capital Markets

Got it. Okay. And then just on the hydro asset sale, are all three of those assets in Ontario or is there something in Quebec as well?

Sachin Shah, Chief Executive Officer

No, it's Ontario and BC. There is nothing in Quebec.

Nelson Ng, RBC Capital Markets

Okay. And then in terms of the \$650 million of proceeds, is that cash taxable in any way or do you have enough tax losses to offset any potential profit?

Sachin Shah, Chief Executive Officer

Yeah, we would have substantial NOLs in the business, so this would be, these proceeds would be after-tax proceeds because of our shelter that we have.

Nelson Ng, RBC Capital Markets

Okay. And then just one last one. In terms of the wind and solar assets in South Africa, can you just give us some more colour on timing? Are you expecting to divest this by the end of this year or could that drift into 2019?

Sachin Shah, Chief Executive Officer

We have a signed agreement we expect to close by the end of the year. Obviously, we need approvals that are out of our control, but it's all tracking well and we think we can get it completed by the end the year.

Nelson Ng, RBC Capital Markets

Okay, thanks. Those are all my questions.

Operator

Your next question comes from the line of Jeremy Rosenfield with Industrial Alliance. Please go ahead.

Jeremy Rosenfield, Industrial Alliance

Thanks. Good morning. Just a couple of clean-up questions. First on the asset sale, and I apologize if you covered it earlier, I'm trying to bridge from EBITDA to FFO. Was there any specific project-level debt within the Canadian hydro portfolio?

Wyatt Hartley, Chief Financial Officer

Yeah, those assets are financed at investment grade and so the proceeds that we're talking about are all net of that debt and effectively BEP's share of the equity value.

Jeremy Rosenfield, Industrial Alliance

Okay. And in terms of the reporting of the transfer of ownership, do you have to deconsolidate from a reporting perspective or do you retain consolidation of the assets?

Wyatt Hartley, Chief Financial Officer

No, we will maintain operating control of those assets, so we'll continue to consolidate them.

Jeremy Rosenfield, Industrial Alliance

Okay. And then just to follow up on Rupert's question on Brazil, can you remind us, just from more of a strategic perspective, is there a maximum threshold or a maximum amount that you want to actually be invested in Brazil, when thinking about portfolio diversification across different jurisdictions? And I know, I think it's about 15% of FFO in Brazil right now, but what's the sort of threshold that you'd be comfortable with and how much more room do you think you have investing in that jurisdiction?

Sachin Shah, Chief Executive Officer

So, I would say we generally think we'll invest 25% to 30% of our capital in markets that are outside of North America and Western Europe, and that is a basket of countries. That includes Brazil, India, China and obviously Colombia. And so, we don't put a hard cap on any one country. But, that being said, we think that as we've moved out into the world into more countries outside of those regions, it just gives us more flexibility to move our capital amongst the emerging market regions where we see the best value, but the overall allocation to emerging markets hasn't changed. So generally, I'd say 25%-ish is a good overall target. We put that out at our Investor Day. And in that will be the various countries I just laid out and Brazil being obviously an important one.

Jeremy Rosenfield, Industrial Alliance

Okay, good. Thank you. That's it for me.

Operator

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

Frederic Bastien, Raymond James

Thanks. Back on the asset sales, you own many hydro facilities in Canada. What made you decide to sell the Great Lakes, Carmichael and Kokish facilities in particular?

Sachin Shah, Chief Executive Officer

Well, that's a great question, Frederic. You know, I just think today those were very easy to sell in light of the fact that people didn't have to come up with the merchant view of power in the near-term and so, you know, we were trying to do something that was highly efficient, quick, and something that we could broadly market. So, it was just a very marketable portfolio in light of that certainty of cash flow coming in. And in a market where there is investor volatility today, it was something that we just felt had ease of execution. So, there is nothing more to it than really that.

Frederic Bastien, Raymond James

The other one for me, can you speak to the other \$0.5 billion of asset sales on which you have yet to execute?

Sachin Shah, Chief Executive Officer

Yeah. So, the bulk of that is really around, we intend to sell another 25% of the same portfolio to one of our funds, which we intend to do this quarter, in the fourth quarter, really off the back of this sale that we just made. So, I would say the vast majority of the remaining assets sales is that. And then we have a few other smaller assets that we're selling and that we're pretty advanced on, but they would be small in the overall numbers.

Frederic Bastien, Raymond James

Got it. Okay. Thanks for that.

Operator

And there are no further questions in the queue. I'll turn the call back over to the presenters.

Sachin Shah, Chief Executive Officer

Okay. Well, thank you, everyone. We appreciate the questions and the interest as always. We look forward to talking to you in February at our year-end conference call. Thank you.

Operator

This concludes today's conference call. You may now disconnect.
