

Letter to Unitholders

We continue to advance our key priorities for the business. Our long-term objective remains focused on generating 12% to 15% total returns on a per-unit basis. Our approach over the last 20 years has consistently been to acquire high quality assets and businesses, surface value over time through operational improvements while maintaining a low risk profile underpinned by an investment grade balance sheet and strong access to capital. More recently, we have reached a scale where we can add asset sales as an alternative source of low cost funding which can be redeployed accretively into our acquisition and development program. The first quarter of 2019 was strong from an operational perspective and also highlights strong execution across all of our business drivers.

Of note, this quarter we:

- Generated FFO per unit of \$0.73, an 18% increase over the prior year;
- Agreed to invest approximately \$630 million of capital (~\$160 million net to BEP) across two transactions (one in Canada and one in India) at returns commensurate with our long-term targets;
- Commissioned a 19 megawatt hydroelectric facility in Brazil, and advanced an additional 134 megawatts of hydro, wind, storage and rooftop solar construction projects globally;
- Raised over \$400 million of proceeds through asset sale initiatives and the issuance of preferred units, and ended the quarter with \$2.3 billion of available liquidity;
- Reduced our FFO payout ratio on an annualized basis to below 90%.

Investments

In March 2019, we, together with our institutional partners, agreed to invest C\$750 million (C\$188 million net to BEP) in 7% convertible securities of TransAlta Corporation, the largest power producer in Alberta, Canada. The investment will occur in two tranches; C\$350 million was funded at initial closing on May 1st, and C\$400 million will be funded in October 2020. The convertible securities provide us with the option to convert into an interest in TransAlta's 813 megawatt portfolio of high quality hydroelectric assets in Alberta between 2025 and 2028, based on a multiple of 13 times the average annual EBITDA over the three years prior to conversion. As part of the transaction, we also agreed to increase our ownership of TransAlta's common shares from approximately 5% today to over 9%. The TransAlta investment was the culmination of a multi-year dialogue and establishes a strategic relationship with the company to help advance its growth strategy as it transitions to a low carbon energy future.

In India, we have been assessing opportunities over the last number of years but have generally remained patient as valuations remain high. Today, we are seeing compelling opportunities driven by capital constraints in the renewable power sector. We are pleased to announce that in April we entered into an agreement to acquire two wind farms totaling 210 megawatts in India for \$70 million (\$18 million net to BEP), bringing our total portfolio in that country to 510 megawatts. These assets are high quality, recently constructed with a track record of operating performance, and are fully contracted under a long-term, 25 year power purchase agreement with a credit-worthy utility.

Operations

During the first quarter, we generated FFO of \$227 million, up from \$193 million in the prior year.

Our business continues to benefit from growing resource diversity, limited off-taker concentration risk, and the build-out of our development pipeline. During the quarter, overall generation exceeded the long-term average by 7%. As we have stated for many years, we do not manage the business based on under- or over-performance of generation relative to the long-term average and do not factor this into our planning. Instead, our focus remains on diversifying the business which, over the long term, mitigates exposure to resource volatility, regional or market disruptions, and potential credit events. For example, given the breadth of our business, the recent events with PG&E will have no impact on our business (less than 0.1% of exposure). Furthermore, our single largest non-government third-party customer represents only 3% of generation, providing strong downside protection and safeguarding our cash flows.

During the first quarter, our hydroelectric segment contributed \$218 million to FFO. In North America, generation was above the long-term average, and we ended the quarter with above-average reservoir levels in Canada and PJM where we have significant seasonal storage flexibility. Additionally, we saw strong results in South America, supported by high prices for our energy and ancillary products.

We continue to make progress on contracting initiatives for our hydroelectric portfolio, signing 15 contracts in the quarter for a total of approximately 2,300 gigawatt-hours per year. Our focus in Colombia and Brazil has been to lengthen the term of our power purchase contracts, as power price volatility in these markets provides an opportunity to stabilize future revenues while locking in upside as our contracts are generally at or below market.

Our wind and solar businesses contributed \$67 million to FFO during the quarter, a 43% increase relative to the prior year as we benefitted from acquisitions and contributions from recently commissioned projects. We continue to generate stable revenues from these assets as we benefit from the diversification of our fleet and highly contracted cash flows with long duration power purchase agreements. Our storage facilities and other operations, which are not reliant on power prices but rather sell services to the grid, contributed \$7 million to FFO during the quarter.

We commissioned a 19 megawatt hydroelectric facility in Brazil from our development pipeline during the quarter. In addition, we continue to build out 134 megawatts of hydroelectric, wind, solar and storage projects that are currently under construction and are expected to contribute \$13 million to FFO once commissioned. We are also advancing our global hydro, wind, solar and distributed generation development pipeline, including 636 megawatts of construction-ready and advanced stage projects through final permitting and securing a route-to-market. We are also assessing 220 megawatts of repowering projects in New York, California and Hawaii, all markets where renewables play a critical role in providing low cost, clean energy.

Balance Sheet and Liquidity

Our balance sheet remains strong with \$2.3 billion of available liquidity at quarter-end. We have no material debt maturities over the next four years and our overall debt duration is 10 years. We remain well protected from foreign exchange volatility due to our hedging program. Accordingly, an overall 10% move in the currencies of markets we operate in would have an overall 4% impact to our FFO.

During the quarter we raised \$400 million through asset sales and the issuance of preferred units. We completed the sale an additional 25% interest in a portfolio of Canadian hydroelectric assets. We also advanced the sales of our non-core portfolios in South Africa, Thailand and Malaysia that, once closed, will generate an additional \$90 million of total liquidity to BEP.

Outlook

Looking ahead, we have set up our business such that we are well positioned to deliver strong results during all points in the economic cycle. Should this protracted bull market continue into the foreseeable future, we will continue to execute on the same strategy that we have pursued over the last several years: search for pockets of capital scarcity and multifaceted transactions in order to deliver on our return targets, finance the business on an investment grade basis, and leverage our operating expertise to enhance value through operating levers. Should markets weaken, we believe our strong balance sheet, liquidity and robust asset sales program will reduce the need to issue equity to fund growth. Accordingly, we believe we are one of the few companies in the sector with a strategy and the financial flexibility to benefit during periods of both market strength and weakness.

As always, we remain focused on delivering to 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.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. Shah'.

Sachin Shah
Chief Executive Officer

May 2, 2019

Cautionary Statement Regarding Forward-looking Statements

This unitholder letter contains forward-looking statements and information within the meaning of Canadian provincial securities laws and “forward-looking statements” within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the U.S. Securities Exchange Act of 1934, as amended, “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995 and in any applicable Canadian securities regulations. The words “will”, “intend”, “should”, “could”, “target” “future”, “growth”, “expect”, “believe”, “plan”, derivatives thereof and other expressions which are predictions of or indicate future events, trends or prospects and which do not relate to historical matters identify the above mentioned and other forward-looking statements. Forward-looking statements in this unitholder letter include statements regarding the quality of Brookfield Renewable’s and its subsidiaries’ businesses and our expectations regarding future cash flows and distribution growth. They include statements regarding our expected liquidity, the expected closing of the sales of our non-core portfolios in South Africa, Thailand and Malaysia, the expected closing of the second tranche of our investment in TransAlta, the expected increase in our ownership of TransAlta common shares, the expected closing of our acquisition of certain wind farms in India, the expected proceeds from opportunistically recycling capital, as well as the benefits from acquisitions and Brookfield Renewable’s global scale and resource diversity. They also include statements regarding the strengthening of its trading and commercial capabilities, statements regarding the progress towards completion of development projects, and the expected contribution of development projects to future generation capacity and cash flows. Additionally, they include statements regarding the opportunities for Brookfield Renewable as a result of volatility in emerging markets and divergence in the valuation of public stocks in the U.S. Although Brookfield Renewable believes that these forward-looking statements and information are based upon reasonable assumptions and expectations, you should not place undue reliance on them, or any other forward-looking statements or information in this unitholder letter. The future performance and prospects of Brookfield Renewable are subject to a number of known and unknown risks and uncertainties. Factors that could cause actual results of Brookfield Renewable to differ materially from those contemplated or implied by the statements in this unitholder letter include economic conditions in the jurisdictions in which we operate; our ability to sell products and services under contract or into merchant energy markets; weather conditions and other factors which may impact generation levels at our facilities; our ability to grow within our current markets or expand into new markets; our ability to complete development and capital projects on time and on budget; our inability to finance our operations or fund future acquisitions due to the status of the capital markets; the ability to effectively source, complete and integrate new acquisitions and to realize the benefits of such acquisitions; health, safety, security or environmental incidents; changes to government regulations; regulatory risks relating to the power markets in which we operate, including relating to the regulation of our assets, licensing and litigation; risks relating to our internal control environment; our lack of control over all of our operations; contract counterparties not fulfilling their obligations; and other risks associated with the construction, development and operation of power generating facilities.

We caution that the foregoing list of important factors that may affect future results is not exhaustive. The forward-looking statements represent our views as of the date of this unitholder letter and should not be relied upon as representing our views as of any subsequent date. While we anticipate that subsequent events and developments may cause our views to change, we disclaim any obligation to update the forward-looking statements, other than as required by applicable law. For further information on these known and unknown risks, please see “Risk Factors” included in our Form 20-F.

Cautionary Statement Regarding Use of Non-IFRS Measures

This unitholder letter contains references to FFO and FFO per Unit, which are not generally accepted accounting measures under IFRS and therefore may differ from definitions of FFO and FFO per Unit used by other entities. We believe that these are useful supplemental measures that may assist investors in assessing the financial performance and the cash anticipated to be generated by our operating portfolio. Neither FFO nor FFO per Unit should be considered as the sole measure of our performance and should not be considered in isolation from, or as a substitute for, analysis of our financial statements prepared in accordance with IFRS. For a reconciliation of FFO and FFO per Unit to the most directly comparable IFRS measure, please see “PART 4 – Financial Performance Review on Proportionate Information – Reconciliation of non-IFRS measures” included in our Management’s Discussion and Analysis for the three months ended March 31, 2019.

References to Brookfield Renewable are to Brookfield Renewable Partners L.P. together with its subsidiary and operating entities unless the context reflects otherwise.