**Brookfield**
Renewable Energy Partners

## LETTER TO SHAREHOLDERS

Brookfield Renewable's operations continued to perform well in the first quarter. Our operating teams preserved high reliability and availability metrics across their respective platforms while continuing to enhance the long-term value of our renewable assets and the many energy products and services we provide. While unfavourable hydrology in Brazil and the United States impacted our quarterly results, the prospects for continued growth in our core markets remains strong, as evidenced by recent portfolio acquisitions in South America and Europe, as well as rising price signals in North America.

### Acquisition and Development

With the acquisition of more than 500 megawatts of capacity in South America and Europe since the beginning of the year and a robust acquisition and development pipeline, we are on track to meet our growth and investing objectives in 2015.

During the quarter, we substantially completed the acquisition of a 488 megawatt diversified portfolio in Brazil which has significantly expanded our operating capacity in the country while adding two new technologies to our Brazilian operation – wind and biomass. The portfolio includes a 120 megawatt hydroelectric facility, the acquisition of which is expected to be completed in the second quarter.

We also completed, with our institutional partners, the acquisition of a 123 megawatt operating wind portfolio in Portugal from a local developer. Comprised of two wind farms with expansion opportunities, this transaction adds high-quality renewable power assets to our growing European platform and provides a vantage point for further expansion within Iberia, a region with significant hydro, wind and solar investment potential.

We continue to advance our development pipeline with the objective of bringing 500 to 750 megawatts of greenfield projects into operation over the next five years. We recently achieved full commissioning of two wind projects in Ireland totaling 125 megawatts, with another 12 megawatt facility on track to achieve commercial operation in the summer of 2015. In Brazil, construction has begun on a 28 megawatt hydro project and a 55 megawatt expansion of a biomass facility, both of which were acquired in recent transactions. In addition, our 25 megawatt Serra dos Cavalinhos hydroelectric project remains on scope, schedule and budget, and remains on track for commercial operation in Q1 2017.

Over the long term, our ability to commercialize projects and de-risk cash flows can lead to significant enhancement of shareholder value. In that regard, fully contracted renewable energy assets, particularly in North America, are currently attracting very strong valuations. Accordingly, we are selectively exploring sale opportunities, such as in our wind portfolio, where we can crystallize very strong returns having maximized value over a relatively short period of time.

### Long-term Rising Price Environment

As we have highlighted previously, our strategy is to leverage our integrated operating platform to produce growing cash flows for our shareholders and deliver an annual total return in the range of 12-15% over the long term. This approach to value creation is three-fold: 1) manage and market our products and services to capture the upside of rising prices; 2) advance our high quality, proprietary development pipeline at premium returns; and 3) grow margins and reduce risk through strong internal operating expertise. This approach has proven successful in the past and gives us confidence that we can continue to meet our objectives for cash flow and distribution growth.

In North America, prices for both energy and capacity continue to trend higher relative to the cyclical lows experienced during the last few years. As a result, the merchant assets we have added to the business over the last three years are performing in line with our expectations and substantially above our underwritten cash flows. We have made good progress with our contracting initiatives, having successfully secured capacity contracts for our New England and PJM-based assets. Moreover, a number of jurisdictions, in which we have assets, are in the process of issuing requests for proposals for long-term energy or capacity contracts. We expect that in time, these will yield additional opportunities for our merchant assets as well as for the potential development of new projects.

**Financial Results**

Funds From Operations of $153 million in the quarter was below expectation due to lower inflows in the northeastern United States, and drought conditions in Brazil which led to lower assured energy levels across the country. While we expect current conditions in Brazil to persist through 2015, we have proactively reduced the contracted portion of our generation in Brazil to 80% entering the year, in anticipation of both weak hydrology and high prices. Given our conservative capitalization structure, high cash margins, and the relative size of our Brazil operations in our global portfolio, the impact to the overall business is relatively modest and will not affect our growth, distribution or investing plans. With a conservative balance sheet, we continue to plan and manage the business based on long-term averages, which mitigates the impact of the fluctuations that are an inevitable part of the hydrology cycle.

**Looking Ahead**

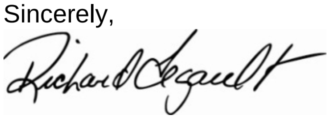
Looking ahead, we remain excited by the size and quality of our transaction pipeline. Whether the result of unsustainably low energy prices, underinvestment in new supply, legacy asset retirements, renewable power standards or other climate change objectives, each of our markets is characterized by drivers which are providing opportunities to grow and diversify. Our focus on direct origination and bilateral negotiations in many instances allows us to surface opportunities while bypassing competitive sales processes.

Our liquidity position remains strong, aided by an ability to harvest low-cost sources of capital. During the quarter we raised C$400 million through the issuance of 10-year notes bearing an interest rate of 3.75%. We also completed the refinancing of a Canadian hydro facility which not only took place at an attractive rate of 2.95% but also unlocked $20 million in upfinancing proceeds. As indicated earlier, recent capacity auctions and rising energy prices are providing a strong backdrop to financing markets for power assets and as a result, we believe we are well positioned to surface an incremental $200-300 million annually from select assets over the next few years.

The diversified and robust nature of the business, with its multiple operating and growth levers, allows us to navigate short-term fluctuations while continuing to build long-term shareholder value.

We look forward to reporting on our progress throughout the year and thank you for your continued support.

Sincerely,



Richard Legault
Chief Executive Officer

May 6, 2015

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This shareholder letter contains forward-looking statements and information, within the meaning of Canadian 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” of the United States Private Securities Litigation Reform Act of 1995 and in any applicable Canadian securities regulations, concerning the business and operations of Brookfield Renewable. Forward-looking statements may include estimates, plans, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. Forward-looking statements in this shareholder letter include statements regarding the quality of Brookfield Renewable’s assets and the resiliency of the cash flow they will generate, Brookfield Renewable’s anticipated financial performance, future commissioning of assets, contracted portfolio, technology diversification, acquisition opportunities, expected completion of acquisitions, future energy prices and demand for electricity, economic recovery, achievement of long term average generation, project development and capital expenditure costs, diversification of shareholder base, energy policies, economic growth, growth potential of the renewable asset class, the future growth prospects and distribution profile of Brookfield Renewable and Brookfield Renewable’s access to capital. Forward-looking statements can be identified by the use of words such as “plans”, “expects”, “scheduled”, “estimates”, “intends”, “anticipates”, “believes”, “potentially”, “tends”, “continue”, “attempts”, “likely”, “primarily”, “approximately”, “endeavours”, “pursues”, “strives”, “seeks”, or variations of such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Although we believe that our anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information in this shareholder letter are based upon reasonable assumptions and expectations, we cannot assure you that such expectations will prove to have been correct. You should not place undue reliance on forward-looking statements and information as such statements and information involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements and information.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to: our limited operating history; the fact that we are not subject to the same disclosure requirements as a U.S. domestic issuer; risks commonly associated with a separation of economic interest from control or the incurrence of debt at multiple levels within our organizational structure; the risk that we may be deemed an “investment company” under the Investment Company Act; the risk that the effectiveness of our internal controls over financial reporting could have a material effect on our business; changes to hydrology at our hydroelectric stations, to wind conditions at our wind energy facilities or to weather generally at any biomass cogeneration facilities; the risk that counterparties to our contracts do not fulfill their obligations, and as our contracts expire, we may not be able to replace them with agreements on similar terms; increases in water rental costs (or similar fees) or changes to the regulation of water supply; volatility in supply and demand in the energy market; risks relating to the increasing amount of uncontracted generation in our portfolio; exposure to additional costs as a result of our operations being highly regulated and exposed to increased regulation; the risk that our concessions and licenses will not be renewed; increases in the cost of operating our plants; our failure to comply with conditions in, or our inability to maintain, governmental permits; equipment failure; dam failures and the costs of repairing such failures; exposure to force majeure events; exposure to uninsurable losses; adverse changes in currency exchange rates; availability and access to interconnection facilities and transmission systems; health, safety, security and environmental risks; disputes, governmental and regulatory investigations and litigation; local communities affecting our operations; losses resulting from fraud, bribery, corruption, other illegal acts, inadequate or failed internal processes or systems, or from external events; risks relating to our reliance on computerized business systems; general industry risks relating to operating in the North American, Latin American and European power market sectors; advances in technology that impair or eliminate the competitive advantage of our projects; newly developed technologies in which we invest not performing as anticipated; labour disruptions and economically unfavourable collective bargaining agreements; our inability to finance our operations due to the status of the capital markets; the operating and financial restrictions imposed on us by our loan, debt and security agreements; changes in our credit ratings; changes to government regulations that provide incentives for renewable energy; our inability to identify sufficient investment opportunities and complete transactions; risks related to the growth of our portfolio and our inability to realize the expected benefits of our transactions, including transactions that have been announced by not yet closed; our inability to develop existing sites or find new sites suitable for the development of greenfield projects; risks associated with the development of our generating facilities and the various types of arrangements we enter into with communities and joint venture partners; Brookfield Asset Management’s election not to source acquisition opportunities for us and our lack of access to all renewable power acquisitions that Brookfield Asset Management identifies; our lack of control over our operations conducted through joint ventures, partnerships and consortium arrangements; our ability to issue equity or debt for future acquisitions and developments will be dependent on capital markets; foreign laws or regulation to which we become subject as a result of future acquisitions in new markets; and the departure of some or all of Brookfield’s key professionals.

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 shareholder letter and should not be relied upon as representing our views as of any date subsequent to May 6, 2015, the date of this shareholder letter. 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.