

Letter to Unitholders

The business performed well in the second quarter delivering adjusted EBITDA and FFO of \$457 million and \$181 million respectively. This is a substantial increase compared to the same period last year when we delivered \$377 million and \$105 million, respectively. Margin expansion, project development and growth contributed to the strong financial results. Our current liquidity position exceeds \$2 billion, positioning us well to continue to grow the business.

We continue to make progress on closing the TerraForm Power and TerraForm Global transactions. Certain important milestones have been met, including bankruptcy court approval, and the transactions are still expected to close in the second half of this year.

Following quarter end, we agreed to acquire a 25% interest in the UK's largest pumped storage asset for £196 million alongside our institutional partners. The portfolio comprises 2.1 gigawatts of capacity across two plants representing 75% of the UK's pumped storage capacity, and 50% of its hydro capacity. Pumped storage plants act as large-scale batteries for the UK power market. With the UK facing historically tight supply margins, the closure of coal plants, and the development of intermittent wind and solar plants, these two assets provide critical back-up power and grid stabilization services. This acquisition is expected to be completed in the third quarter.

Financial Results and Operations

Our business in North America produced strong results during the quarter supported by above average generation in Canada and the U.S. northeast. In addition, through active management of our reservoirs we are very well positioned for summer peak pricing. We operate the business with a predominantly contracted portfolio (in excess of 90%) while maintaining a small but valuable level of upside optionality to our revenue profile.

We also continue to benefit from significant capacity and ancillary service sales which supplement energy sales across our fleet of assets. During the quarter, we cleared 900 megawatts in the PJM capacity auction to enhance revenues in the 2020/2021 time frame. These capacity and ancillary sales generally increase our revenue from North American operations by over 25% relative to current energy prices. Finally, the trend toward long term contracting opportunities from both corporate buyers and government procurement programs continues and we are actively engaged in a number of these processes.

Our European business achieved strong availability this quarter, and advanced a number of key development contracting initiatives which will enhance operating cash flow. We commissioned our 15 megawatt Crockandun wind farm in Northern Ireland this quarter, and are progressing an additional 82 megawatts of construction stage projects in Europe to be commissioned between 2017 and 2019.

In Brazil, we reported strong results despite below average hydro generation. The economy in Brazil continues to improve with GDP expected to grow 0.5% year-over-year in 2017. Inflation has moderated and is now at

3.0%, and interest rates continue to decline. Accordingly, the economy remains on track to deliver growth, and with little new supply being built, this provides meaningful opportunities for our portfolio to capture premium pricing. Power prices trended above R\$400/MWh during the quarter as electricity demand improved and hydrology remained below average. Our wind portfolio performed very strongly in the quarter delivering generation over 20% above the long-term average. The construction of two small hydro facilities in Brazil with a combined capacity of 47 megawatts continues on scope, schedule and budget; 28 megawatts of this is nearing completion and on schedule to be fully commissioned in the third quarter of this year. In addition to the assets above, we have approximately 70 megawatts of advanced stage projects expected to come online in 2019 and 2020.

Our business in Colombia continues to perform well. Asset availability was very high during the quarter as significant precipitation resulted in generation levels being nearly 20% above long-term average. Approximately 70% of our generation in the company is contracted, providing stability to cash flows. We are now advancing many of the initiatives that we anticipated when we acquired the business. During the quarter we signed our first 10 year power contract with a local utility for 60 GWh/year. We also advanced approximately 100 megawatts of late stage development with the objective of commercializing these projects in the next few years. Finally, we continue to reduce costs in the business, working with management to increase productivity and leverage resources in other parts of our business.

Organic Growth

We remain on track to deliver compounded annual FFO per share growth of 8% to 10% for the five year period beginning 2012. To achieve this, we have focused on adding assets to our portfolio that are underpinned by stable, long term streams of cash flow, but ones that can be enhanced by improving their operations. These key operational initiatives give us confidence that we can continue to grow per share FFO by 5% to 9% annually without reliance on rising power prices or acquisitions, both of which represent upside to our investors.

Our organic growth expectations are underpinned by the following:

Inflation Escalation (1% to 2% annual FFO growth)

We have embedded inflation escalators in many of our contracts that are on track to contribute 1% to 2% to bottom line FFO growth this year as we keep our costs growing below inflation in our mature businesses.

Margin Expansion (1% to 2% annual FFO growth)

We also have ample room to reduce costs in new businesses that we acquire. Accordingly, we can deliver 1% to 2% annual FFO growth from margin expansion across our business as we both improve productivity and optimize the revenue profile of our portfolios. Much of our emphasis in the next several years will be on our Colombian portfolio where we are executing on our business plan for cost reductions across the board.

Development Pipeline (3% to 5% annual FFO growth)

Our proprietary development pipeline will contribute meaningful accretion to our per share FFO as our experienced development teams continue to work to deliver 15% to 20% returns on equity from these projects. Over the next three years, the projects that we are currently working on should add \$40 - \$50 million to our annual FFO and we expect to fund them largely with cash on hand.

Liquidity

Our liquidity position exceeds \$2 billion, including the proceeds of our recent equity issuance. Accordingly, we are well positioned to fund growth opportunities. In addition, we continued to surface capital from our operating portfolio. We closed one re-financing in the quarter and one shortly thereafter, raising approximately \$100 million in incremental proceeds. One of the re-financings was the issuance of our first ever green bond, a \$475 million project financing that we secured against our 360 megawatt White Pine hydroelectric portfolio. The White Pine portfolio has benefitted from rising capacity revenues in New England, enabling us to up-finance the debt by \$125 million (\$62.5 million net to Brookfield Renewable) on an investment grade basis.

At quarter end, the weighted average remaining duration of our project level debt was 9 years and our exposure to floating rate debt was 17%. In North America and Europe combined, approximately 90% of our debt is fixed rate with an average duration of 9 years providing strong protection to rising interest rates.

With our strong results, robust growth pipeline, and ample liquidity, we remain comfortable with our current payout ratio, and believe that we have a visible pathway to reduce our current level to the mid-80s over the next few years.

Outlook

In the coming months, our focus will remain on optimising the value of our operating assets, advancing our development projects on scope, schedule and budget, and progressing our transaction pipeline, which remains robust.

We are grateful for your continued support, and look forward to updating you on our progress again next quarter.

Sincerely,



Sachin Shah
Chief Executive Officer
August 4, 2017

Cautionary Statement Regarding Forward-looking Statements

This letter to unitholders 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”, “should”, “could”, “potential”, “tend to”, “target” “future”, “growth”, “expect”, “believe”, “goal”, “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 letter to unitholders include statements regarding the quality of Brookfield Renewable’s business and our expectations regarding our future cash flows, distribution growth and payout ratio. They include statements regarding our liquidity, the availability of acquisition opportunities and the timing and progress towards completion of acquisitions and development projects. They also include statements regarding the expected contribution of development projects to future cash flows as well as statements regarding the nature of the investment opportunities available within the renewables market generally. 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 letter to unitholders. 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 letter to unitholders 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; changes to government regulations, including incentives for renewable energy; 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; 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 letter to unitholders 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 letter to unitholders contains references to Adjusted EBITDA, Funds From Operations and Normalized Funds From Operations per LP Unit, which are not generally accepted accounting measures under IFRS and therefore may differ from definitions of Adjusted EBITDA, Funds From Operations and Normalized Funds From Operations per LP 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 Adjusted EBITDA, Funds From Operations nor Normalized Funds From Operations per LP 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.

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