

Letter to Unitholders

We continue to advance our strategy of growing our renewables business on a value enhancing basis. Now in our 20th year of operations and having delivered a 17% compound annual growth rate since inception, we are looking towards continued growth.

Our strategy is simple – acquire renewable power assets and businesses at below intrinsic value, finance our investments on an investment grade basis, and optimize cash flow and value utilizing our depth of operating expertise. This strategy has proved to be effective over many years and through cycles. Looking ahead, we believe the opportunity to create value for our unitholders will only increase as the world transitions away from carbon producing power sources.

This transition will take many decades, enormous amounts of global investment and significant expertise. The world's advanced economies are still in the very early stages of replacing much of the thermal centralized generation with a mix of centralized and decentralized renewable technologies. As a result, we have made a concerted effort to ensure our business is well positioned to prosper during this transition.

Over the last 5 years, we have diversified the business into a global, multi-technology, renewable power owner and operator. During this period, we have grown our FFO per unit by 8% annually and increased our distribution per unit by 6% per year. More importantly, we have embedded the business with significant upside in the future. We now have substantial businesses in North and South America, Europe and Asia that will support future growth in multiple markets and will allow us to focus our investment in regions where the risk-return proposition is strongest. We also have operating expertise across hydro, wind, solar, storage and distributed generation assets and we have amassed a 7,000 megawatt development pipeline which we expect to provide, over time, excellent investment opportunities at premium returns. Lastly, we have maintained a strong balance sheet characterized by a high level of liquidity, financial flexibility, access to multiple sources of capital and an investment grade profile.

2017 was a particularly strong year for the business. We delivered a total return to our shareholders of approximately 25% during the year and the business continued to perform well with all of our operational groups delivering on asset availability, development and margin maximization targets. These factors, combined with above average generation, resulted in a 31% increase in FFO per unit over the prior year.

Highlights from the year include the following:

- Deployed approximately \$625 million of BEP equity in new transactions and development, in line with our target returns
- Commissioned 75 megawatts of new capacity, while progressing an additional 248 megawatts of construction and advanced stage projects that are expected to enter commercial operations over the next four years
- Added scale solar, wind, storage, and distributed generation assets to our portfolio in our core markets in North America, while making small investments in India and China, establishing an operating presence in these markets to support future growth
- Maintained robust liquidity, ending the year with in excess of \$1.5 billion of available liquidity, through accessing multiple sources of liquidity and monetizing select mature assets for value

Distribution Increase

In light of the above mentioned results, and with the strong growth ahead of us, we are pleased to announce that our Board of Directors has declared a 5% increase to BEP's quarterly distribution, bringing our annual payout to \$1.96 per unit.

Transaction Update

In the fourth quarter, we and our institutional partners closed the acquisitions of 51% of TerraForm Power and 100% of TerraForm Global. Combined, these two transactions added 3,600 megawatts of long duration, contracted solar and wind assets to our portfolio. The assets are fully operational and virtually all recently built with an average portfolio age of approximately 5 years. The assets are located primarily in our core markets of the United States, Canada and Brazil, while also adding small portfolios of operating assets in India and China.

Since our acquisition, we have taken meaningful strides to both strengthen TerraForm Power's balance sheet and grow the business. Subsequent to close of our transaction, TerraForm Power executed a broad refinancing plan by purchasing and reissuing \$1.6 billion of new unsecured and secured bonds. This transaction extended the company's overall maturity profile to 10 years, greatly improved overall financial flexibility through improved covenants, and reduced annual interest costs by almost \$20 million. In early February, TerraForm Power announced a \$1.2 billion offer to acquire 100% of Saeta Yield – a 1,028 megawatt European solar and wind portfolio. The transaction is expected to be accretive on day one to existing shareholders and should provide compelling opportunities for follow on investment.

Since closing the acquisition TerraForm Global, we have begun the process of integrating the assets into our existing operations in Brazil and establishing new offices and advancing growth opportunities in India and China.

Operating and Financial Results

We remain focused on driving cash flow growth from existing operations. This includes inflation escalations in our contracts, margin expansion through revenue growth and cost reduction initiatives, as well as building out our development pipeline at premium returns. These operational levers underpin our 5% to 9% target distribution growth.

In 2017, we delivered FFO of \$581 million, a 31% per unit increase over the prior year, supported by advancement of our organic growth initiatives, improvement in generation levels from our assets and contributions from new acquisitions.

Our revenues continue to be largely contracted across the business, with approximately 90% of generation contracted and an average power purchase agreement term of over 15 years. Combining this with our very stable cost profile, we benefit from a high degree of margin predictability with the only meaningful variance to results being the underlying generation resource i.e. the amount of wind that blows and water that flows. The small exposure we do have to market prices is primarily within our hydro assets which, during the year, reported \$686 million of FFO supported by generation above long term average. Generation in North America was particularly strong (7% above average) and we ended the year with reservoirs above long term average levels. In Brazil, our energy marketing team actively managed our power to protect the business against low hydrology while capturing higher prices. Accordingly, we secured new power purchase agreements for both existing assets and development sites at average prices of R\$230 per megawatt-hour. In the fourth quarter, we secured a 30-year power purchase agreement that begins in 2023 at an inflation indexed price of R\$221 per megawatt-hour for our 30 megawatt hydro site located in the southeast of the country. We expect to commence construction on this project in 2018. Generation in Colombia was above average during 2017. Our priority in this market continues to be the creation of longer term contract market. We signed nine power purchase agreements during the year with average term of between five and ten years. Although volumes remain small, we are making progress in this regard.

Our wind facilities delivered \$105 million of FFO in 2017. Generation in our wind fleet was 9% below the long-term average during the year with much of the shortfall in North America. Our portfolio in Brazil continues to outperform our expectations with capacity factors that regularly exceed 40%. We were fortunate to add further wind assets to this portfolio during the year through the acquisition of TerraForm Global. In Europe, we continue to build our wind business largely through a development strategy that generates mid-teen returns in a market where operating assets trade at very high multiples. We monetized two wind farms during the year to take advantage of this value differential, repatriating \$150 million to our investors in the projects (\$60 million to BEP) and crystalizing a 35% return on our invested capital.

Our solar portfolio consists of over 1,000 megawatts of utility-scale solar and 400 megawatts of distributed solar generation. The vast majority of these assets are located in the United States and are supported by high quality, utility grade contracts with an average term of 18 years. These facilities were acquired in the fourth quarter through our Terraform Power and Global acquisitions, and therefore contributing modestly to FFO in 2017. In 2018, these assets are poised to contribute strongly to our performance. The recent tariffs in the United States associated with solar panels will likely modestly slow the pace of development in the near term and, at a minimum, will increase installed system costs. This will reflect well on in place assets. In spite of this, we do not think these tariffs will have significant long term impact on the adoption of solar as a bulk energy provider given how dramatically costs have declined in the last decade (far offsetting the impact of tariffs), the simplicity of the technology and speed at which it can be developed, and its obvious environmental attributes. Accordingly, we remain focused on growing this part of our business through both acquisition and development.

We own and operate interests in three pumped storage facilities in the U.S. and U.K. which contributed \$18 million to FFO in 2017. We made our first investment into the European storage sector this year with the acquisition of our interest in the 2,100 megawatt First Hydro pumped storage portfolio in the third quarter. These assets benefit from revenues that are tied largely to critical ancillary services which help stabilize the grid and provide the market with back-up power. As a result, they represent a very stable source of cash flow which is not correlated to market prices. We believe that the value of these storage assets in the U.S. and the U.K. will benefit over time from further penetration of intermittent wind and solar assets into the grid (replacing baseload generation) and even with the advancement of batteries, these assets are unique given their size, scale and speed at which they can deliver the various grid stabilization services.

Liquidity

We remain focused on a conservative financing strategy to ensure cash flow resiliency through the cycle. We maintain a disciplined funding approach and our liquidity position at year end exceeds \$1.5 billion. In 2017, we continued to access multiple sources of capital, including through the preferred equity and equity capital markets, in addition to completing several up-financing initiatives. We completed \$1.6 billion of project level refinancings, including the issuance of three green bonds for an aggregate value of \$1.1 billion. As with the sale of the two Irish wind farms this year, the strategy of redeploying recycled capital from mature de-risked assets into new, value based opportunities is one that we expect to execute on opportunistically going forward.

Outlook

As we look to 2018, we remain focused on progressing our key priorities including advancing our development pipeline, surfacing margin expansion opportunities, and assessing select contracting opportunities across the portfolio. We believe the renewables investment environment remains favorable, and continue to advance our transaction pipeline.

With our largely perpetual asset base, high cash margins, organic growth levers, robust transaction pipeline, investment grade balance sheet, ample liquidity and access to capital, we believe that we have built a business that is able to generate strong returns over the long term. Nevertheless, we remain focused on growing the business prudently and are committed to delivering total returns to unitholders, over the long term, of 12% to 15% per unit.

On a final note, on behalf of our employees and directors, we would like to express our sincerest appreciation to our shareholders and many business partners for your contributions to our success. Thank you for your continued support, and we look forward to updating you on our progress in 2018.

Sincerely,

A handwritten signature in black ink, appearing to read 'Sachin Shah', with a stylized flourish at the end.

Sachin Shah
Chief Executive Officer

February 7, 2018

Cautionary Statement Regarding Forward-looking Statements

This shareholder 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”, “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 shareholder 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 the expected benefit to shareholders of acquisitions, including those made by TerraForm Power, the availability of acquisition opportunities and the timing and progress towards completion of acquisitions. They also include statements regarding the progress towards completion of development projects and the expected contribution of development projects to future cash flows as well as statements regarding the prospects of future growth in new markets. 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 shareholder 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 shareholder 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 shareholder 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 shareholder letter contains references to Funds From Operations (FFO) and Funds From Operations per Unit, which are not generally accepted accounting measures under IFRS and therefore may differ from definitions of Funds From Operations and Funds From Operations 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 Funds From Operations nor Funds From Operations 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.

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